

**THIS REGISTRATION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This Registration Document, the Securities Note and the Summary together constitute a prospectus relating to Aberdeen Standard European Logistics Income PLC (the “**Company**”) (the “**Prospectus**”) prepared in accordance with the Prospectus Rules. The Prospectus has been approved by the Financial Conduct Authority (the “**FCA**”) and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Rules. The Prospectus has been made available to the public as required by the Prospectus Rules.

This Registration Document is valid for a period of up to 12 months following its publication and will not be updated, unless required by law. A future prospectus for any issuance of additional Shares with a public offer element may, for a period of up to 12 months from the date of publication of this Registration Document, consist of this Registration Document, a Future Summary and a Future Securities Note applicable to each issue and subject to a separate approval by the FCA on each issue. Persons receiving this Registration Document should read the Prospectus together as a whole and should be aware that any update in respect of a Future Summary and a Future Securities Note may constitute a material change for the purposes of the Prospectus Rules.

The Company and each of the Directors, whose names appear on page 20 of this Registration Document, accept responsibility for the information contained in this Registration Document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Prospective investors should read the entire Prospectus and, in particular, the section headed “Risk Factors” on pages 5 to 13 of this Registration Document and those set out in the Securities Note when considering an investment in the Company.**

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## **ABERDEEN STANDARD EUROPEAN LOGISTICS INCOME PLC**

*(Incorporated in England and Wales with registered number 11032222 and registered as an investment company under section 833 of the Companies Act)*

### **REGISTRATION DOCUMENT**

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**AIFM**  
**ABERDEEN STANDARD**  
**FUND MANAGERS LIMITED**

**Investment Manager**  
**ABERDEEN STANDARD**  
**INVESTMENTS IRELAND LIMITED**

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**Sponsor, Sole Global Coordinator and Bookrunner**  
**INVESTEC BANK PLC**

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Investec Bank plc (“**Investec**”), which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Company and for no one else in relation to Initial Admission, the Admission of any Shares pursuant to Subsequent Issues, the Issue, the Share Issuance Programme and the other arrangements referred to in this Registration Document. Investec will not regard any other person (whether or not a recipient of this Registration Document) as its client in relation to Initial Admission, the Admission of any Shares pursuant to Subsequent Issues, the Issue, the Share Issuance Programme and the other arrangements referred to in this Registration Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Initial Admission, the Admission of any Shares pursuant to Subsequent Issues, the Issue, the Share Issuance Programme, the contents of this Registration Document or any transaction or arrangement referred to in this Registration Document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, Investec does not make any representation express or

implied in relation to, nor accepts any responsibility whatsoever for, the contents of this Registration Document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, Initial Admission, the Admission of any Shares pursuant to Subsequent Issues, the Issue or the Share Issuance Programme. Investec (and its Affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might have in respect of the contents of this Registration Document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, Initial Admission, the Admission of any Shares pursuant to Subsequent Issues, the Issue or the Share Issuance Programme.

This Registration Document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Registration Document is not being sent to investors with registered addresses in Canada, Australia, the Republic of South Africa, New Zealand, Japan or, except in the limited circumstances described below, the United States, and does not constitute an offer to sell, or the solicitation of an offer to buy, Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Registration Document is not for release, publication or distribution in or into Canada, Australia, the Republic of South Africa, New Zealand, Japan or, except in the limited circumstances described below, the United States.

#### **Notice to U.S. and Other Overseas Investors**

The offer and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities laws of any other state or jurisdiction of the United States or under the applicable securities laws of Canada, Australia, the Republic of South Africa, New Zealand or Japan. Except as set forth in the paragraphs below, the Shares may not be offered, sold, delivered or distributed, directly or indirectly, in, into or within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act, “**U.S. Persons**”) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, New Zealand or Japan.

In addition, the Company has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and, as such, investors will not be entitled to the benefits of the Investment Company Act. No offer, purchase, sale or transfer of the Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the Investment Company Act.

In connection with the Issue and/or any Subsequent Issue under the Share Issuance Programme, Shares will be offered and sold only: (i) outside the United States to, and for the account or benefit of, non-US persons in “offshore transactions” within the meaning of, and in reliance on, Regulation S under the Securities Act; and (ii) in a concurrent private placement in the United States to a limited number of “qualified institutional buyers” as defined in Rule 144A under the Securities Act that are also “qualified purchasers” within the meaning of section 2(a)(51) of the Investment Company Act and the rules thereunder. There will be no public offer of Shares in the United States. The Shares will be “restricted securities” within the meaning of Rule 144 under the Securities Act and may be resold or transferred only in accordance with the restrictions referred to in this Registration Document.

Neither the U.S. Securities and Exchange Commission (the “**SEC**”) nor any state securities commission or other U.S. regulatory authority has approved or disapproved of the Shares or passed upon or endorsed the merits of the offering of the Shares nor have they approved this Registration Document or confirmed the adequacy or accuracy of the information contained herein. Any representation to the contrary is a criminal offence in the United States.

Until 40 days after the commencement of the Issue or any Subsequent Issue under the Share Issuance Programme (as the case may be), an offer or sale of the Ordinary Shares within the United States by any dealer (whether or not participating in the Issue or any Subsequent Issue under the Share Issuance Programme (as the case may be)) may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with an

exemption from registration, or in a transaction not subject to the registration requirements, under the Securities Act.

Subject to certain exceptions, the Shares may not be acquired by, (i) investors using assets of (A) an “employee benefit plan” as defined in Section 3(3) of U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**U.S. Tax Code**”), including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (C) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Tax Code or (ii) a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, unless its purchase, holding, and disposition of the Shares will not result in a violation of applicable law and/or constitute a non-exempt prohibited transaction under Section 503 of the U.S. Tax Code or any substantially similar law.

All prospective purchasers of Shares are urged to consult with their own tax advisers concerning the US federal income tax considerations associated with acquiring, owning and disposing of Shares in light of their particular circumstances, as well as any considerations arising under the laws of any non-US state, local or other taxing jurisdiction.

The enforcement by investors of civil liabilities under the United States federal securities laws may be adversely affected by the fact that the Company is incorporated outside the United States, and that its directors are residents of a foreign country. As a result, it may be difficult or impossible for investors to effect service of process within the United States upon the Company or its directors, or to realise against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, investors should not assume that the courts of the United Kingdom: (a) would enforce judgments of US courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

In relation to each member state in the EEA that has implemented the AIFM Directive, no Shares have been or will be directly or indirectly offered to or placed with investors in that member state at the initiative of or on behalf of the Company or the AIFM other than in accordance with methods permitted in that member state.

Copies of this Registration Document will be available on the Company’s website ([www.eurologisticsincome.co.uk](http://www.eurologisticsincome.co.uk)) and the National Storage Mechanism of the FCA at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm) and hard copies of this Registration Document can be obtained free of charge from the Receiving Agent.

Dated: 5 July 2019

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## RISK FACTORS

Investment in the Company carries a high degree of risk, including but not limited to the risks in relation to the Company referred to below. If any of the risks referred to in this Registration Document were to occur this could have a material adverse effect on the Company's business, financial position, results of operations, business prospects and returns to investors. If that were to occur, the trading price of the Shares and/or their respective Net Asset Values and/or the level of dividends or distributions (if any) received from the Shares could decline significantly and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its industry and the Shares summarised in the Summary are the risks that the Board believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the Summary but also, among other things, the risks and uncertainties described below and in the section headed "Risk Factors" in the Securities Note.

The risks referred to below and in the section headed "Risk Factors" in the Securities Note are the risks which are considered to be material but are not the only risks relating to the Company and the Shares. There may be additional material risks that the Company and the Board do not currently consider to be material or of which the Company and the Board are not currently aware. Potential investors should review the Prospectus carefully and in its entirety and consult with their professional advisers before acquiring any Shares. Investors should note that the price of the Shares and the distributions (if any) paid in respect of them can go down as well as up.

### RISKS RELATING TO THE COMPANY

#### ***The Company has a limited operating history***

The Company was incorporated in England and Wales on 25 October 2017. As the Company has a limited operating history, investors have a limited basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.

The Company's returns and operating cash flows will depend on many factors, including the performance of its investments, the availability and liquidity of investment opportunities falling within the Company's investment objective and policy, the level and volatility of interest rates and currency exchange rates, conditions in the financial markets and economy and the Company's ability to successfully operate its business and execute its investment strategy. There can be no assurance that the Company's investment strategy will be successful.

#### ***The Company's Target Returns are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual rate of return may be materially lower than the Target Returns***

The Company's Target Returns set out in this Registration Document are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, asset mix, value, performance of the Company's investments, changes in current market conditions, inflation rates, interest rates, currency exchange rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances or the occurrence of risks described elsewhere in this Registration Document, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to make its Target Returns. The Company may not be able to implement its investment policy and strategy in a manner that generates dividends in line with the Target Returns or the Company's investment objective.

***Market conditions and uncertainty regarding economic markets generally could result in declines in the market values of potential investments or declines in the market values of investments after they are made or acquired by the Company***

The Company and the tenants to whom the Company has exposure may be adversely affected by deteriorations in financial markets and economic conditions throughout the world and in particular the European Union, some of which may magnify the risks described herein and may have other adverse effects. The global capital markets have experienced periods of disruption characterised by the freezing of available credit and significant losses in the principal value of investments and general volatility in the financial markets. During these periods of disruption, general economic conditions deteriorated with material and adverse consequences for the broader financial and credit markets, and the availability of debt and equity capital for the market as a whole, and financial services firms in particular, was reduced significantly. These conditions may reoccur for a prolonged period of time or materially worsen in the future. In addition, continuing signs of deteriorating sovereign debt conditions in Europe and the expectation that governments will start to unwind the historic levels of economic stimulus, create uncertainty that could lead to further disruptions, instability and weakening consumer, corporate and financial confidence. The duration and ultimate effect of recent market conditions cannot be forecast, nor is it known whether, or the degree to which, such conditions may remain stable or worsen. Deteriorating market conditions and uncertainty regarding economic markets generally could result in declines in the market values of potential investments or declines in the market values of investments after they are made or acquired by the Company. In addition, such declines could lead to weakened investment opportunities for the Company, could prevent the Company from successfully meeting its investment objective and/or could require the Company to dispose of investments at a loss while such unfavourable market conditions prevail. This could affect the ability of the Company to meet its investment objective and Target Returns.

***The UK's proposed exit from the European Union could have a material impact on the Company's activities***

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("**Brexit**"). Subsequently, the UK parliament passed the European Union (Notification of Withdrawal) Act 2017 which gave the UK government power to begin the formal process for Brexit. A process of negotiation, which was formally begun on 29 March 2017 when the UK submitted its Article 50 notice of intention to withdraw from the European Union, will determine the terms of the UK's European Union exit and a possible future framework agreement.

The extent of the impact of Brexit on the Company will depend in part on the nature of the arrangements that are put in place between the UK and the EU following eventual Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. The Company may be subject to a significant period of uncertainty in the period leading up to eventual Brexit including, *inter alia*, uncertainty in relation to any potential regulatory or tax changes. It is possible that arrangements between the UK and the EU will lead to greater restrictions on the free movement of goods, services, people and capital between the UK and the EU, and increased regulatory complexities. Any such restrictions could potentially disrupt and adversely impact the Company's business and the jurisdictions in which it operates. The effects of Brexit could also lead to legal uncertainty and potentially divergent national laws and regulations, which may, directly or indirectly, increase compliance and operating costs for the Company and may also have a material adverse effect on the Company's tax position, financial condition, business, prospects and results of operations.

In addition, the macroeconomic effect of an eventual Brexit on the value of the investments in the Company's Portfolio and the rental income that the Company is able to achieve from its Portfolio, is unknown. Brexit could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the price of the Shares. As such, it is not possible to accurately state the impact that Brexit will have on the Company and its proposed investments at this stage. Brexit may also make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the Company. This could also restrict the Company's future activities and thereby negatively affect returns.



***Reliance on service providers and other third parties***

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is therefore reliant upon the performance of third party service providers for its executive functions and for providing information to enable the Board to carry out its supervisory role. In particular, the AIFM, the Investment Manager and the Registrar will be performing services which are integral to the operation of the Company and providing the information required to enable the Board to make its decisions. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment or to provide information in a timely fashion and meeting the requisite standards could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company to meet its investment objective and Target Returns.

***The level of dividends and other distributions to be paid by the Company may fluctuate and there is no guarantee that any such distributions will be paid***

There is no guarantee that actual (or any) returns can be achieved at or near the Target Returns.

The declaration, payment and amount of any future dividends or distributions by the Company are subject to the discretion of the Directors and will depend upon, among other things, the performance of the Company, the running costs of the Company, the Company's financial position and cash requirements and the ability of the Company to comply with the applicable legal requirements for paying dividends under the Companies Act.

Accordingly, the actual rate of return achieved or dividends or other distributions made may be materially lower than the Target Returns, or may result in a partial or total loss, which could have a material adverse effect on the Company's performance, financial condition and business prospects.

***Risks relating to the use of leverage***

Certain Group companies have taken on leverage, and the Group expects in the future to take on further leverage in accordance with the Company's borrowing policy. Investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value per Ordinary Share when the value of the Company's underlying assets is rising, it will, however, have the opposite effect where the underlying asset value is falling. In addition, in the event that the Company's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company and, accordingly, will have an adverse effect on the Company's ability to pay dividends or other distributions to Shareholders.

The Company will pay interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.

There is no guarantee that any borrowings of the Company will be refinanced on their maturity either on terms that are acceptable to the Company or at all.

Likewise, there is no assurance that debt funding will continue to be available under acceptable commercial terms and at appropriate rates. Without sufficient debt funding, the Company may be unable to pursue further suitable investments in line with the investment policy and its ability to pay dividends to Shareholders at the targeted rate may be impaired. These outcomes may, in turn, have a material adverse effect on the performance of the Company.

***The Company must be able to operate within its banking covenants***

The borrowings which certain Group companies use (and which the Group will in the future use) are expected to contain loan to value covenants, being the accepted market practice. If assets owned by the Company decrease in value, such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; a call for additional capital from the lender; payment of a fee to the lender; a sale of an asset; or a forfeit of any asset to a lender. This could result in a total or partial loss of equity value for each specific asset, or indeed the Company as a whole.

## **RISKS RELATING TO THE AIFM AND THE INVESTMENT MANAGER**

***The AIFM and the Investment Manager will allocate resources to activities in which the Company is not engaged, which could have a negative impact on the Company's ability to achieve its investment objective***

The AIFM and the Investment Manager are not required to commit all of their resources to the Company's affairs. Insofar as the AIFM and/or the Investment Manager devote resources to their responsibilities to other business interests, their ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's performance, financial condition and business prospects.

***The AIFM, the Investment Manager and their Affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company***

The AIFM, the Investment Manager and their Affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the AIFM and the Investment Manager manage funds other than the Company and may provide investment management, investment advisory or other services in relation to those funds or future funds which may have similar investment policies to that of the Company.

The AIFM, the Investment Manager and their Affiliates may carry on investment activities for other accounts in which the Company has no interest. The AIFM, the Investment Manager and their Affiliates may also provide management services to other clients, including other collective investment vehicles. The AIFM, the Investment Manager and their Affiliates may give advice and recommend investments to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

## **RISKS RELATING TO THE COMPANY'S INVESTMENT STRATEGY AND THE PORTFOLIO**

***The Company's performance will depend on general European real estate market conditions***

Both the condition of the European real estate market and the overall economies of the countries in which the Company invests will impact the returns of the Company, and hence may have a negative impact on, or delay, the Company's ability to execute investments in suitable assets that generate acceptable returns. Market conditions may also negatively impact on the revenues earned from the real estate assets in the Portfolio and the price at which the Company is able to dispose of these assets. In these circumstances, the Company's ability to make distributions to Shareholders from income generated could be affected.

A severe fall in values may result in the Company selling assets from its Portfolio to repay its loan commitments. These outcomes may, in turn, have a material adverse effect on the Company's performance, financial condition and business prospects.

***Increasing competition for investment property in the European logistics sector***

Logistics assets appeal to a broad spread of potential investors including other property specialists and funds, sovereign wealth funds, pension/insurance companies and family offices. Other competitors may have greater financial resources than the Company or greater ability to borrow or leverage funds to acquire properties. Competition for available income producing investment properties is strong, hence there is no assurance that the Company will be able to secure suitable logistics assets.

In the event that the Company is unable to invest part or all of the Net Proceeds in suitable European logistics assets, this may affect the Company's ability to meet the Target Returns and may have an adverse effect on the Company's performance, financial condition and business prospects.

***The Company's future performance will depend on the evolution of key tenant groups***

The Company's future performance will depend on overall tenant demand and the evolution of key tenant groups. Currently the main groups of tenants interested in logistics properties are manufacturers, logistics companies, physical retailers and e-commerce retailers. The evolution of future demand from these and other tenant groups will be subject to globalisation trends, supply-



chain reconfiguration, growth of e-commerce, change in consumer behaviour as well as private consumption and general economic growth. The Company's performance, financial condition and business prospects could be affected, positively or negatively, by all of the above mentioned factors.

***The appraised value of the Company's properties may not accurately reflect the current or future value of the Company's assets***

The valuation of property is inherently subjective owing to the individual nature of each property and is based on a number of assumptions which may turn out to be inaccurate or affected by factors outside the Company's control.

In determining the value of properties, valuers are required to make assumptions in respect of matters including, but not limited to, the existence of willing buyers in uncertain market conditions, title, condition of structure and services, deleterious materials, plant and machinery and goodwill, environmental matters, statutory requirements and planning, expected future rental revenues from the property and other information. Such assumptions may prove to be inaccurate. Incorrect assumptions underlying the valuation reports could negatively affect the value of any property assets the Company acquires and thereby have a material adverse effect on the Company's financial condition. This is particularly so in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked. There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

To the extent valuations of the Company's properties do not fully reflect the value of the underlying properties, whether due to the above factors or otherwise, this may have a material adverse effect on the Company's performance, financial condition and business prospects.

***Any costs associated with potential investments that do not proceed to completion will affect the Company's performance***

The Company can incur certain third party costs associated with sourcing of suitable assets, including legal fees and the fees of other advisers. Whilst the Company will always seek to minimise any such costs, it can give no assurances as to the on-going level of these costs or that negotiations to acquire such assets will be successful; the greater number of these deals which do not reach completion, the greater impact such costs will have on the Company's performance, financial condition and business prospects.

***A default or lease event involving a major tenant could result in a significant loss of rental income, void costs, a reduction in asset value and increased bad debts***

Although the Company's investment policy limits the Company's exposure to any one tenant to 20 per cent. of the Company's annual gross income measured annually, a downturn in business, bankruptcy or insolvency could force a major tenant of the Company to default on its rental obligations and/or vacate the premises. In addition, under the terms of a lease a tenant may have grounds to terminate a lease earlier than its stated expiry date. Such a default or lease termination could result in a loss of rental income, void costs, an increase in bad debts and decrease the value of the relevant property. A default or lease termination by a major tenant could have a material adverse effect on the Company's performance, financial condition and business prospects, particularly where expected distributions to Shareholders are subject to currency hedging.

***The Company's performance may be adversely affected by changes to planning/zoning legislation or practice***

The Company's ability to carry out asset management proposals to maximise returns from properties, including extensions and structural changes, together with the supply of new investments through development, is often subject to planning/zoning decisions on a local and national level which could lead to delays and constraints on the Company's financial performance.

***The Investment Manager's acquisition due diligence may not identify all risks and liabilities***

Prior to entering into any agreement to acquire any property, the Investment Manager, on behalf of the Company, will perform or procure the performance of due diligence on the proposed acquisition

target. In so doing, it would typically rely in part on third parties to conduct a significant portion of this due diligence (such as surveyors' reports, legal reports on title and property valuations).

To the extent the Company, the Investment Manager or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Company may incur, directly or indirectly, unexpected liabilities, such as defects in title, an inability to obtain permits, or environmental, structural or operational defects requiring remediation. In addition, if there is a failure of due diligence, there may be a risk that properties are acquired which are not consistent with the Company's investment objective and investment policy, that properties are acquired that fail to perform in accordance with projections or that material defects or liabilities are not covered by insurance proceeds. This may, in turn, have a material adverse effect on the Company's performance, financial condition and business prospects.

***The discovery of previously undetected environmentally hazardous conditions in the Company's properties could result in unforeseen remedial work or future liabilities even after disposal of such property***

Under applicable environmental laws, a current or previous property owner may be liable for the cost of removing or remediating hazardous or toxic substances on, under or in such property, which cost could be substantial. While the Investment Manager undertakes environmental due diligence before acquiring properties, there is still a risk that third parties may seek to recover from the Company for personal injury or property damage associated with exposure to any release of hazardous substances. Payment of damages could adversely affect the Company's ability to make distributions to Shareholders from rental income.

Furthermore, the presence of environmentally hazardous substances, or the failure to remediate damage caused by such substances, may adversely affect the Company's ability to sell or lease the relevant property at a level that would support the Company's investment strategy which would, in turn, have a material adverse effect on the Company's performance, financial condition and business prospects.

***The Company may not be able to dispose of its investments in a timely fashion and at satisfactory prices***

As the Company's property assets are expected to be relatively illiquid, such illiquidity may affect the Company's ability to dispose of or liquidate the Portfolio in a timely fashion. In addition, to the extent that market conditions are not favourable or deteriorate, the Company may not be able to realise its property assets at satisfactory prices. This could result in a decrease in Net Asset Value and lower returns (if any) for Shareholders.

***The Company may be subject to liability following disposal of investments***

The Company may be exposed to future liabilities and/or obligations with respect to the disposal of real estate assets in the Portfolio. The Company may be required to set aside money for warranty claims or contingent liabilities in respect of property disposals. The Company may be required to pay damages (including but not limited to litigation costs) to the extent that any representations or warranties that it has given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants contained in the disposal documentation. In certain circumstances, it is possible that any incorrect representations and warranties could give rise to a right by the purchaser to unwind the contract in addition to the payment of damages. Further, the Company may become involved in disputes or litigation in connection with such disposed investments. Certain obligations and liabilities associated with the ownership of investments can also continue to exist notwithstanding any disposal, such as environmental liabilities. Any such claims, litigation or obligations, and any steps which the Company is required to take to meet the cost, such as sales of assets or increased borrowings, could have an adverse effect on the Company's performance, financial condition and business prospects.

***Portfolio concentration***

The Company will invest in a portfolio of assets diversified by both geography and tenant throughout Europe, to include also the United Kingdom and Nordic countries. Investors should be aware of the investment limits and guidelines within the investment policy. No more than 50 per cent. of Gross Assets may be concentrated in a single country and no single asset may represent more than 20 per cent. of Gross Assets (measured at the time of investment). No single tenant may represent

more than 20 per cent. of the Company's annual gross income measured annually. Changes in the conditions of the Company's assets, the economies of the countries in which such assets are located or regulatory changes could have an adverse effect on the Company's performance, financial condition and business prospects.

#### ***Interest rate hedging***

The Company may seek to hedge against fluctuations in the cost of borrowing as a result of changes in interest rates. Such hedging transactions may not always achieve the intended effect and can also limit potential gains. While the Company may enter into such transactions to seek to reduce interest rate risks, unanticipated changes in interest rates may result in a poorer overall performance of the Company. For a variety of reasons, the Company may not obtain a perfect correlation between such hedging instruments and fluctuations in the cost of borrowing. Such imperfect correlation may prevent the intended hedge or expose the Company to risk of loss.

#### ***Any forward funded projects will be subject to the hazards and risks normally associated with the construction and development of commercial real estate, any of which could result in increased costs and/or damage to persons or property***

The Company's investment policy provides that the Company may purchase forward funded property assets that are due to start or are in construction. Forward funded projects are subject to the hazards and risks normally associated with the construction and development of commercial real estate, in particular, the process of construction may be delayed or disrupted by a number of factors, such as inclement weather or acts of nature, industrial accidents, defective building methods or materials and the insolvency of the contractor. Any of these factors, alone or in combination, could delay or disrupt the construction process by halting the construction process or damaging materials or the development itself. To the extent that such risks are not assumed by the developer, the occurrence of any of these events could result in increased operating costs, fines and legal fees and potentially in reputational damage or criminal prosecution of the Company, and its Directors, all of which could have an adverse effect on the Company's performance, financial condition and business prospects. However, it is common for such risks to be assumed by the developer in forward funding agreements. For all of the Company's investments in forward funded assets to date, such risks have been assumed by the developer.

#### ***Where the Company acquires newly built assets, latent construction defects may result in losses (including loss of rent) which may not be fully compensated or at all***

Where the Company acquires newly built assets, such assets may be subject to latent construction defects which only become apparent after completion of the acquisition. In most cases, the Company would have the benefit of collateral warranties from the contractors responsible for the construction of the asset to make good such defects and/or may, in certain circumstances, be able to claim on insurance. However, the Company may sustain additional losses, such as anticipated future rental revenue from the property during the process of rectifying any defects, which are not subject to compensation or reimbursement from the contractor and which could have a material adverse effect on the Company's performance, financial condition and business prospects.

### **RISKS RELATING TO REGULATION, STRUCTURE AND TAXATION**

#### ***Legal and regulatory***

The Company must comply with the provisions of the Companies Act and, as the Shares will be admitted to the premium segment of the Official List, the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation. A breach of the Companies Act could result in the Company and/or the Board being fined or the subject of criminal proceedings. Breach of the Listing Rules could result in the Shares being suspended from listing.

Legal and regulatory changes could occur that may adversely affect the Company. Changes in the regulation of companies, such as the Company, may adversely affect the value of the Portfolio and the ability of the Company to pursue its investment objective.

#### ***Investment trust status***

It is the intention of the Directors to continue to conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the CTA 2010 and the Investment Trust Regulations 2011 for it

to be operate as an investment trust. In respect of each period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on its chargeable gains. There is a risk that the Company fails to maintain its status as an investment trust. In such circumstances, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will, as soon as reasonably practicable, notify Shareholders of this fact.

### ***Overseas taxation***

The Company and its subsidiaries may, as well as being subject to taxation in the jurisdictions in which they are tax resident, also be subject to taxation under the tax rules of other jurisdictions in which they invest, including by way of withholding of tax from interest and other income receipts. Although the Company will endeavour to minimise any such taxes this may affect the level of returns to Shareholders.

### ***Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company***

Changes in tax legislation or practice, whether in the United Kingdom or in jurisdictions in which the Company or its subsidiaries invest, could affect the value of the investments held by the Company and its subsidiaries, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs).

### ***OECD consultations on changes in tax law***

Prospective investors should be aware that the Organisation for Economic Co-operation and Development ("OECD") published its Action Plan on Base Erosion and Profit Shifting ("BEPS") in 2013 and that a public consultation process was undertaken, leading to the publication on 5 October 2015, of a number of Final Reports. BEPS aims to restructure the taxation scheme currently affecting multinational entities by, among other measures, restricting access to benefits otherwise available under certain double tax treaties. Depending on how BEPS is implemented, any changes to tax laws, or double tax treaties based on recommendations made by the OECD in relation to BEPS, may result in additional reporting and disclosure obligations for investors and/or additional tax being suffered by the Company which may adversely affect the value of the investments held by the Company and the market price of the Shares.

### ***Risks related to diverted profits tax***

The UK government has introduced in Part 3 of the Finance Act 2015 a tax on "diverted profits". The diverted profits tax is a new tax, and the legislation and guidance in relation to it could be subject to change. Where the necessary conditions are met, diverted profits tax is charged at 25 per cent. on the amount of the diverted profits. While the Company has been advised that diverted profits tax should not apply, the imposition of any charge to diverted profits tax if the structure of the Company changed could materially reduce the value of the Shares and returns to Shareholders.

### ***Alternative Investment Fund Managers Directive***

The AIFM Directive imposes a regime for EU managers of AIFs and in respect of marketing of AIFs in the European Union. The AIFM Directive has been implemented in the UK by the AIFM Rules. The AIFM Directive requires that EU alternative investment fund managers of AIFs are authorised and regulated.

The Board has appointed the AIFM as the alternative investment fund manager of the Company. The AIFM is authorised and regulated by the FCA. If the AIFM ceases to act or becomes unable to act as the Company's alternative investment fund manager, then the Company must appoint another suitably authorised person as its alternative investment fund manager or the Company must be its own alternative investment fund manager. In order for the Company to be its own alternative

investment fund manager it may be required to be authorised in the United Kingdom to act as an alternative investment fund manager. The Company is not currently authorised to act as an alternative investment fund manager and does not intend to apply for such authorisation to the extent that it is not required to do so. In the event that, and for so long as, the Company does not have an external alternative investment fund manager and is not permitted to act as an alternative investment fund manager in the United Kingdom then the Company may not be able to operate or, as a minimum, the ability of the Company to operate will be adversely affected to a significant extent.

One of the likely consequences of the UK leaving the European Union is that the AIFM would lose the use of the marketing passport under the AIFM Directive. Instead, the AIFM would have to comply with the AIFM Directive national private placement regime as well as local marketing rules in order to market to investors in EEA member states. This may restrict the Company's ability to raise additional capital from the offer or placing of Shares in one or more EEA member states.

***The Company has not and will not register as an investment company under the Investment Company Act***

The Company is not, and does not intend to become, registered as an investment company under the U.S. Investment Company Act and related rules and regulations. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies.

As the Company is not so registered and does not plan to register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the U.S. Investment Company Act, the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of Shares held by a person to whom the sale or transfer of Shares may cause the Company to be classified as an investment company under the U.S. Investment Company Act. These procedures may materially affect certain Shareholders' ability to transfer their Shares.

***The assets of the Company could be deemed to be "plan assets" that are subject to the requirements of ERISA or Section 4975 of the U.S. Tax Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities***

Under the current United States Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be "significant" within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25 per cent. or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be "plan assets" within the meaning of the Plan Asset Regulations. The Company may be unable to monitor whether Benefit Plan Investors acquire Shares and therefore, there can be no assurance that Benefit Plan Investors will never acquire Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25 per cent. threshold discussed above or that the Company's assets will not otherwise constitute "plan assets" under the Plan Asset Regulations. If the Company's assets were deemed to constitute "plan assets" within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or the U.S. Tax Code, resulting in excise taxes or other liabilities under ERISA or the U.S. Tax Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the Plan's investment in the Shares could be liable for any ERISA violations or violations of such Similar Law relating to the Company.



## IMPORTANT INFORMATION

This Registration Document should be read in its entirety, along with the Summary and Securities Note or any Future Summary and Future Securities Note. In assessing an investment in the Company, investors should rely only on the information in the Prospectus. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in the Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the AIFM, the Investment Manager, Investec or any other person. Neither the delivery of the Prospectus nor any subscription of Shares shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Registration Document.

### GENERAL

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in this Registration Document (together with the Summary and the Securities Note or any Future Summary and Future Securities Note) and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should not treat the contents of this Registration Document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

This Registration Document (together with the Summary and the Securities Note or any Future Summary and Future Securities Note) should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

In connection with the Placing and any further placings under the Share Issuance Programme, Investec or any of its Affiliates acting as an investor for its or their own account(s) may subscribe for Ordinary Shares and/or C Shares and, in that capacity, may retain, purchase, sell, offer to sell, or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this Registration Document to Ordinary Shares and/or C Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Investec or any of its Affiliates acting as an investor for its or their own account(s). Investec does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This Registration Document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Registration Document and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Registration Document is received are required to inform themselves about and to observe such restrictions.

### AIFM DIRECTIVE DISCLOSURES

The AIFM Directive imposes detailed and prescriptive obligations on fund managers established in the EEA (the “**Operative Provisions**”). These Operative Provisions include prescriptive rules on measuring and capping leverage in line with known European standards, the treatment of investors, liquidity management, the use of “depositories” and cover for professional liability risks.

The AIFM Directive imposes conditions on the marketing of entities such as the Company to investors in the EEA. The AIFM Directive requires that an “alternative investment fund manager” be identified to meet such conditions where such marketing is sought. For these purposes, Aberdeen Standard Fund Managers Limited, as the legal person responsible for performing portfolio and risk management of the Company, is the alternative investment fund manager.

#### **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN IRELAND**

The Shares will not be offered, sold, placed or underwritten in Ireland (a) except in circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of Directive 2003/71/EC as implemented in Ireland pursuant to the Irish Companies Act 2014, the Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005), as amended and any rules issued by the Central Bank of Ireland pursuant thereto; (b) otherwise than in compliance with the provisions of the Irish Companies Act 2014; (c) otherwise than in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (as amended), and the bookrunner(s) and any introducer appointed by the Company will conduct themselves in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland with respect to anything done by them in relation to the Company; (d) otherwise than in compliance with the provisions of the European Union (Market Abuse) Regulations 2016 and any rules issued by the Central Bank of Ireland pursuant thereto; and (e) except to professional investors as defined in the AIFM Directive and otherwise in accordance with the AIFM Directive, Commission Delegated Regulation 231/2013, the Irish European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. no 257 of 2013), as amended, and any rules issued by the Central Bank of Ireland pursuant thereto.

#### **FOR THE ATTENTION OF RESIDENTS OF THE NETHERLANDS**

The Placing and any further placing under the Share Issuance Programme is solely directed to qualified investors (*gekwalficeerde beleggers*) within the meaning of section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*), as amended from time to time. No approved prospectus is required in connection with the Placing and any placing under the Share Issuance Programme in the Netherlands pursuant to the Prospectus Directive (Directive 2003/71/EC), as amended.

#### **FOR THE ATTENTION OF UNITED STATES RESIDENTS**

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this Registration Document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation.

#### **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN CANADA, JAPAN, AUSTRALIA OR THE REPUBLIC OF SOUTH AFRICA**

The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa (an “**Excluded**

**Territory**). Subject to certain exemptions, the Shares may not be offered to or sold within an Excluded Territory or to any national, resident or citizen of an Excluded Territory.

#### **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

In relation to each Relevant Member State, no Shares have been offered or will be offered pursuant to the Issue or the Share Issuance Programme to the public in that Relevant Member State prior to the publication of a document in relation to the Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a document pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under the Placing or any subsequent placing under the Share Issuance Programme will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU) (the “**2010 PD Amending Directive**”), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

In addition, Shares will only be offered to the extent that the Shares: (i) are permitted to be marketed into the relevant EEA jurisdiction pursuant to the AIFM Directive (if and as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).

#### **UNITED STATES (U.S.) TAX WITHHOLDING AND REPORTING UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (“FATCA”)**

The FATCA provisions of the US Tax Code may impose a 30 per cent. withholding tax on payments of US source interest and dividends made on or after 1 July 2014 and of gross proceeds from the sale of certain US assets made on or after 1 January 2017 to a foreign financial institution (or “**FFI**”) that, unless exempted or deemed compliant, does not enter into, and comply with, an agreement with the US Internal Revenue Service (“**IRS**”) to provide certain information on its U.S. shareholders. A portion of income that is otherwise non US-source may be treated as US-source for this purpose.

The Company may be treated as an FFI for these purposes. If the Company is treated as an FFI, to avoid the withholding tax described above, the Company may need to enter into an agreement (an “**IRS Agreement**”) with the IRS or alternatively, comply with the requirements of the intergovernmental agreement (an “**IGA**”) between the United States and the United Kingdom in respect of FATCA (including any legislation enacted by the United Kingdom in furtherance of the IGA). An FFI that fails to comply with the applicable IGA or, if required, does not enter into an IRS Agreement or whose agreement is voided by the IRS will be treated as a “non-Participating FFI”.

In general, an IRS Agreement will require an FFI to obtain and report information about its “U.S. accounts”, which include equity interests in a non-US entity other than interests regularly

traded on an established securities market. The following assumes that the Company will be an FFI and that its Shares will not be considered regularly traded on an established securities market for purposes of FATCA. The Company's reporting obligations under FATCA would generally be less extensive if its Shares were considered regularly traded on an established securities market for purposes of FATCA. An IRS Agreement would require the Company (or an intermediary financial institution, broker or agent (each, an **"Intermediary"**) through which a beneficial owner holds its interest in Shares) to agree to: (i) obtain certain identifying information regarding the holder of such Shares to determine whether the holder is a US person or a US owned foreign entity and to periodically provide identifying information about the holder to the IRS; and (ii) comply with withholding and other requirements. In order to comply with its information reporting obligation under the IRS Agreement, the Company will be obliged to obtain information from all Shareholders. To the extent that any payments in respect of the Shares are made to a Shareholder by an Intermediary, such Shareholder may be required to comply with the Intermediary's requests for identifying information that would permit the Intermediary to comply with its own IRS Agreement. Any Shareholder that fails to properly comply with the Company's or an Intermediary's requests for certifications and identifying information or, if applicable, a waiver of non-US law prohibiting the release of such information to a taxing authority, will be treated as a **"Recalcitrant Holder"**. The Company will not be required to enter into an IRS Agreement provided that it complies with legislation enacted by the UK that generally requires similar information to be collected and reported to the UK authorities.

Under the UK IGA (including any legislation enacted in furtherance of the IGA) or an IRS Agreement, an Intermediary (and possibly the Company) may be required to deduct a withholding tax of up to 30 per cent. on payments (including gross proceeds and redemptions) made on or after 1 January 2017 to a Recalcitrant Holder or a Shareholder that itself is an FFI and, unless exempted or otherwise deemed to be compliant, does not have in place an effective IRS Agreement (i.e. the Shareholder is a non-Participating FFI). Neither the Company nor an Intermediary will make any additional payments to compensate a Shareholder of the Company or beneficial owner for any amounts deducted pursuant to FATCA. It is also possible that the Company may be required to cause the disposition or transfer of Shares held by Shareholders that fail to comply with the relevant requirements of FATCA and the proceeds from any such disposition or transfer may be an amount less than the then current fair market value of the Shares transferred.

If the Company (or any Intermediary) is treated as a non-Participating FFI, the Company may be subject to a 30 per cent. withholding tax on certain payments to it.

Further, even if the Company is not characterised under FATCA as an FFI, it nevertheless may become subject to such 30 per cent. withholding tax on certain US source payments to it unless it either provides information to withholding agents with respect to its **"substantial US owners"** or certifies that it has no such **"substantial US owners."** As a result, Shareholders may be required to provide any information that the Company determines necessary to avoid the imposition of such withholding tax or in order to allow the Company to satisfy such obligations.

The foregoing is only a general summary of certain provisions of FATCA. Prospective investors should consult with their own tax advisers regarding the application of FATCA to their investment in the Company. The application of the withholding rules and the information that may be required to be reported and disclosed are uncertain and subject to change.

The Company may have similar requirements pursuant to the Common Reporting Standards.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of Shares, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

## **PRESENTATION OF FINANCIAL INFORMATION**

The Company prepares its financial information under IFRS and EPRA's best practice recommendations. The financial information contained or incorporated by reference in this Registration Document, including that financial information presented in a number of tables in this Registration Document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Registration Document reflect calculations based upon

the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

## **PRESENTATION OF INDUSTRY, MARKET AND OTHER DATA**

Market, economic and industry data used throughout this Registration Document is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this Registration Document to “**GBP**”, “**Sterling**”, “**£**” or “**p**” are to the lawful currency of the UK; all references to “**U.S.\$**”, “**U.S. Dollars**” or “**\$**” are to the lawful currency of the United States and all references to “**Euros**” and “**€**” are to the lawful currency of the participating Member States of the European Union.

## **CALCULATION OF APPLICABLE ISSUE PRICE AND SHARE ISSUANCE PROGRAMME PRICE**

### *The Issue*

The Company’s last published Net Asset Value per Ordinary Share, calculated as at 31 March 2019, was €1.06. For the purposes of the calculation of the Issue Price, account has been taken of Net Asset Value performance since that date (including, *inter alia*, an adjustment to reflect the first interim dividend of 1.41 euro cents to be paid on 10 July 2019) and an additional premium has been applied to at least cover the costs of the Issue. In determining the Issue Price in Sterling terms, an appropriate Euro/Sterling rate on 4 July 2019 (being the latest practicable date prior to the publication of this Registration Document) has been applied.

### *Subsequent Issues under the Share Issuance Programme*

In the event of the Company undertaking a Subsequent Issue pursuant to the Share Issuance Programme, the relevant issue price for such Subsequent Issue will be calculated by reference to the most recently announced Net Asset Value per Ordinary Share, taking into account subsequent Net Asset Value performance and applying an appropriate premium.

In determining the issue price in Sterling terms of a Subsequent Issue (other than a Placing-Only Issue), the an appropriate Euro/Sterling rate on the latest practicable date prior to the publication of the relevant Future Securities Note will be applied. In the case of a Placing-Only Issue, the issue price in Sterling terms will be calculated by reference to an appropriate Euro/Sterling rate on the date on which such Placing-Only Issue closes.

## **WEBSITE**

The contents of the Company’s website, [www.eurologisticsincome.co.uk](http://www.eurologisticsincome.co.uk), do not form part of this Registration Document. Investors should base their decision whether or not to invest in the Shares on the contents of the Prospectus alone.

## **FORWARD LOOKING STATEMENTS**

This Registration Document contains forward looking statements, including, without limitation, statements containing the words “believes” “estimates” “anticipates” “expects” “intends” “may” “will”, or “should” or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this Registration Document. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto



or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement given in the Summary or the Securities Note (or any Future Summary or Future Securities Note).

#### **GOVERNING LAW**

Unless otherwise stated, statements made in this Registration Document are based on the law and practice currently in force in England and Wales.

## **DIRECTORS, MANAGEMENT AND ADVISERS**

<b>Directors (all non-executive)</b>	<p>Anthony (Tony) Roper (Chairman)          Caroline Gulliver (Senior Independent Director)          John Heawood          Diane Wilde</p> <p>all of the registered office below:</p>
<b>Registered Office</b>	<p>Bow Bells House          1 Bread Street          London          EC4M 9HH</p>
<b>AIFM</b>	<p>Aberdeen Standard Fund Managers Limited          Bow Bells House          1 Bread Street          London          EC4M 9HH</p>
<b>Investment Manager</b>	<p>Aberdeen Standard Investments Ireland Limited          2nd Floor          2-4 Merrion Row          Dublin 2          Republic of Ireland</p>
<b>Company Secretary</b>	<p>Aberdeen Asset Management PLC          10 Queen's Terrace          Aberdeen          AB10 1YG</p>
<b>Sponsor, Sole Global Coordinator and Sole Bookrunner</b>	<p>Investec Bank plc          30 Gresham Street          London          EC2V 7QP</p>
<b>Solicitors to the Company</b>	<p>Gowling WLG (UK) LLP          4 More London Riverside          London          SE1 2AU</p>
<b>Solicitors to the Sponsor, Sole Global Coordinator and Sole Bookrunner</b>	<p>Hogan Lovells International LLP          Atlantic House          Holborn Viaduct          London          EC1A 2FG</p>
<b>Reporting Accountants</b>	<p>KPMG LLP          319 St Vincent Street          Glasgow          G2 5AS</p>
<b>Registrar and Receiving Agent</b>	<p>Equiniti Limited          Aspect House          Spencer Road          Lancing          West Sussex          BN99 6DA</p>

**Depository**

NatWest Trustee and Depositary Services Limited  
250 Bishopsgate  
London  
EC2M 4AA

**Auditor**

KPMG LLP  
319 St Vincent Street  
Glasgow  
G2 5AS

## **PART 1**

### **INFORMATION ON THE COMPANY**

#### **1 INTRODUCTION**

Aberdeen Standard European Logistics Income PLC was incorporated on 25 October 2017 as a public company limited by shares for the purpose of delivering income and capital returns to Shareholders.

The Company's Ordinary Shares are admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. As at 4 July 2019 (being the latest practicable date prior to the publication of this Registration Document), the Company had a market capitalisation of approximately £188.4 million and as at 31 March 2019 had an unaudited EPRA NAV of €198.3 million. Since its initial public offering, the Company has paid or declared cumulative dividends amounting to 4.27 pence per Ordinary Share.

In addition, as at 4 July 2019 (being the latest practicable date prior to the publication of this Registration Document), the Group had approximately €108.9 million of drawn down debt financing which together with its equity funds has been invested in, or committed to, the Portfolio.

As at the date of this Registration Document, the Portfolio consists of ten warehouses, consisting of nine operating standing assets and one forward funded development project. The funding of the development project has concluded and practical completion and occupation by the tenant is due to take place in early July 2019. In addition, the Group has exchanged contracts to acquire a further operational warehouse asset in The Netherlands for €24 million, and completion of this acquisition is scheduled for early July 2019.

Upon completion of the above, the Portfolio will be diversified across five different countries and 28 tenants. The Netherlands is currently the largest market represented in the Portfolio, based on purchase price, with a weighting of 45 per cent. (once the forward funded development has achieved practical completion), followed by France (24 per cent.), Germany (18 per cent.), Poland (8 per cent.) and Spain (5 per cent.).

As set out in the Valuation Report, CBRE GmbH reported an aggregate market value (as defined by the Royal Institution of Chartered Surveyors' – Valuation Global Standards (2017)) of the Portfolio (which for the avoidance of doubt excludes the asset near Leon in Spain) of €238.4 million as at 31 March 2019. Of this, €206.4 million related to the standing investments. As at 31 March 2019, the assets in Zeewolde and Oss in The Netherlands were both classified as forward funded assets and the aggregate market value of these two assets was €32 million, which was based on the progress of the development of the assets as at 31 March 2019 (the asset in Zeewolde has achieved practical completion and is a standing investment as at the date of this Registration Document). The Company affirms that there has been no material change in the aggregate market value of the assets covered by the Valuation Report between the date of the Valuation Report and the date of this Registration Document.

The Valuation Report does not cover the asset near Leon in Spain, which was acquired on 23 May 2019 after the valuation date under the Valuation Report. This asset has been separately valued by CBRE GmbH as at 30 June 2019 as set out in the separate Leon Valuation Report. CBRE GmbH reported a market value for the Leon Asset (as defined by the Royal Institution of Chartered Surveyors' – Valuation Global Standards (2017)) of €16.7 million. The Company affirms that there has been no material change in the market value of the Leon asset between the date of the Leon Valuation Report and the date of this Registration Document.

Further information on the Portfolio is set out in Part 3 of this Registration Document.

The Company has an independent board of non-executive directors and has engaged Aberdeen Standard Fund Managers Limited as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company. The AIFM has delegated portfolio management to the Amsterdam branch of Aberdeen Standard Investments Ireland Limited. Both the AIFM and the Investment Manager are wholly owned subsidiaries of Standard Life Aberdeen plc.

Aberdeen Standard Investments is one of Europe's largest real estate investors, managing approximately €3.4 billion across 146 logistics properties in 10 countries. It manages over 50 real estate portfolios in Europe with assets under management in direct real estate totalling €41 billion.

The dedicated real estate team, based in 11 offices across Europe (London, Edinburgh, Frankfurt, Amsterdam, Madrid, Paris, Brussels, Stockholm, Oslo, Copenhagen and Helsinki), comprises over 230 investment professionals including portfolio managers, local transaction and asset managers and researchers.

Further information on Aberdeen Standard Investments is set out in Part 5 of this Registration Document.

## **2 INVESTMENT OBJECTIVE, INVESTMENT POLICY AND INVESTMENT RESTRICTIONS**

### **Investment Objective**

To aim to provide a regular and attractive level of income return together with the potential for long term income and capital growth from investing in high quality European logistics real estate.

### **Investment Policy**

To deliver the investment objective through investment in, and management of, a diversified portfolio of “big box” logistics warehouses and “last mile” urban logistics assets in Europe.

The Company will invest in a portfolio of assets diversified by both geography and tenant throughout Europe, predominantly targeting well-located assets at established distribution hubs and within population centres. In particular, the Investment Manager will seek to identify assets benefitting from long-term, index-linked, leases as well as those which may benefit from structural change, and will take into account several factors, including but not limited to:

- the property characteristics (such as location, building quality, scale, transportation links, workforce availability and operational efficiencies);
- the terms of the lease (focusing on duration, inflation-linked terms, the basis for rent reviews, and the potential for growth in rental income); and
- the strength of the tenant’s financial covenant.

The Company will invest either directly or through holdings in special purpose vehicles, partnerships, trusts or other structures. The Company may forward fund the development of, or commit to the forward purchase of, new assets when the Investment Manager believes that to do so would enhance returns for Shareholders and/or secure an asset at an attractive yield. The Company intends that forward funded or forward purchased assets will be wholly or predominantly pre-let at the time the investments are committed to.

### ***Diversification of risk***

The Company will at all times invest and manage its assets in a manner which is consistent with the spreading of investment risk. The following investment limits and restrictions will apply to the Company and its business which, where appropriate, will be measured at the time of investment and once the Company is fully invested:

- the Company will only invest in assets located in Europe;
- no more than 50 per cent. of Gross Assets will be concentrated in a single country;
- no single asset may represent more than 20 per cent. of Gross Assets;
- forward funded commitments will be wholly or predominantly pre-let and the Company’s overall exposure to forward funded commitments will be limited to 20 per cent. of Gross Assets;
- the Company’s maximum exposure to any single developer will be limited to 20 per cent. of Gross Assets;
- the Company will not invest in other closed-ended investment companies;
- the Company may only invest in assets with tenants which have been classified by the Investment Manager’s investment process, as having strong financial covenants; and
- no single tenant will represent more than 20 per cent. of the Company’s annual gross income measured annually.

The Company will not be required to dispose of any asset or to rebalance the Portfolio as a result of a change in the respective valuations of its assets.



The Company intends to conduct its affairs so as to continue to qualify as an investment trust for the purposes of section 1158 of the CTA 2010.

### ***Borrowing and gearing***

The Company uses gearing with the objective of improving Shareholder returns. Debt is typically secured at the asset level and potentially at the Company level with or without a charge over some or all of the Company's assets, depending on the optimal structure for the Company and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profiles.

Borrowings are typically non-recourse and secured against individual assets or groups of assets and the aggregate borrowings are always subject to an absolute maximum, calculated at the time of drawdown for a property purchase, of 50 per cent. of Gross Assets. Where borrowings are secured against a group of assets, such group of assets will not exceed 25 per cent. of Gross Assets in order to ensure that investment risk remains suitably spread.

The Board has established gearing guidelines for the AIFM in order to maintain an appropriate level and structure of gearing within the parameters set out above. Under these guidelines, aggregate asset level gearing will sit, as determined by the Board, at or around 35 per cent. of Gross Assets. This level may fluctuate as and when new assets are acquired until longer term funding has been established or whilst short term asset management initiatives are being undertaken.

The Board will keep the level of borrowings under review. In the event of a breach of the investment guidelines and restrictions set out above, the AIFM will inform the Board upon becoming aware of the same, and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service and the AIFM will look to resolve the breach with the agreement of the Board. The Directors may require that the Company's assets are managed with the objective of bringing borrowings within the appropriate limit while taking due account of the interests of Shareholders. Accordingly, corrective measures may not have to be taken immediately if this would be detrimental to Shareholder interests.

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the FCA. Non-material changes to the investment policy may be approved by the Board.

### **3 FUNCTIONAL AND PRESENTATION CURRENCY**

The currency of the primary economic environment in which the Company operates is Euros (€). However, the Company may from time to time, where opportunities arise, invest in European countries which do not use Euros, such as the UK, Denmark, Norway, Sweden and Poland. The Company will always, where possible, seek payment of rent in Euros.

The presentational currency of the Company's financial statements is Euros. Distributions are also declared in Euros, but are paid by the Company to Shareholders in Sterling.

### **4 HEDGING POLICY**

The Ordinary Share price of the Company is quoted in Sterling, but the majority of the assets and liabilities of the Company are denominated in non-Sterling currencies, predominantly in Euros. In addition, the income from assets is generated predominantly in Euros but distributions, whilst declared in Euros, are paid in Sterling. The Board employs currency hedging (expected to be for periods of no more than twelve months at a time), when it deems it appropriate, in order to mitigate the potential volatility of income returns from the Portfolio in Sterling terms and to provide greater certainty as to the level of Sterling distributions expected to be paid in respect of the period covered by the relevant currency hedging instrument; but it will not seek to provide a long-term hedge for the Company's income returns, which will continue to be affected by movements in the Euro/Sterling exchange rate over the longer term, nor will it seek to undertake currency hedging in respect of the capital value of the Portfolio.

The Company hedges the majority of interest rate exposure associated with the gearing it uses. This will either be done by borrowing on a fixed rate basis or through the use of interest rate swaps or caps. Any hedging will be used solely for efficient portfolio management and risk management rather than investment purposes.

## 5 DIVIDEND POLICY AND TARGET RETURNS

Subject to compliance with the Companies Act, the Company pays Sterling dividends on a quarterly basis with dividends declared in respect of the quarters ending on 31 March, 30 June, 30 September and 31 December in each year.

The Company declares dividends in Euros, but Shareholders will receive dividend payments in Sterling. The date on which the Euro/Sterling exchange rate is set may be announced at the time the dividend is declared; and, if so, a further announcement will be made once such exchange rate has been set. Distributions made by the Company may either take the form of dividend income, or of “qualifying interest income” which may be designated as interest distributions for UK tax purposes. It is expected that the majority of the Company’s distributions will take the form of dividend income, rather than qualifying interest income, in the period during which the proceeds of the Issue are invested; with the proportion increasing to a significant majority once that investment process has been completed. Prospective investors should note that the UK tax treatment of the Company’s distributions may vary for a Shareholder in the Company depending upon the classification of such distributions. **Prospective investors who are unsure about the tax treatment that will apply in respect of any distributions made by the Company should consult their own tax advisers.**

The Company is targeting, for an investor in the Company at launch:

- an annual dividend yield of 5.0 per cent. per Ordinary Share (in Euro terms); and
- a total shareholder return of 7.5 per cent. per annum (in Euro terms),

(the “**Target Returns**”).

The Company’s financial year end is 31 December.

***Investors should note that the Target Returns, including their declaration and payment frequency, are a target only and not a profit forecast. There may be a number of factors that adversely affect the Company’s ability to achieve the Target Returns and there can be no assurance that the target will be met or that any dividend will be achieved. The Target Returns should not be seen as an indication of the Company’s expected or actual results or returns. Accordingly, investors should not place any reliance on these targets or assume that the Company will make any distributions at all in deciding whether to invest in the Shares. Investors should note that references in this Paragraph 5 to “dividends” are intended to cover both dividend income and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts.***

## 6 BACKGROUND TO, AND REASONS FOR, THE ISSUE AND THE SHARE ISSUANCE PROGRAMME

The Company is proposing to raise approximately £100 million (before expenses) through the Issue which comprises the Placing, the Open Offer and the Offer for Subscription, of, in aggregate, up to 100 million new Ordinary Shares (based on the target size of £100 million) at an Issue Price of 98.75 pence per new Ordinary Share. The Issue is conditional upon, *inter alia*, the passing of Resolutions 1, 3 and 5 at the General Meeting. The proposals are structured so that the Company can increase the size of the Issue to up to 150 million Ordinary Shares to satisfy available demand.

The Company is undertaking the Issue to raise further equity funds which, when combined with available and proposed future debt, will allow the Group to acquire further assets in order to achieve its stated investment objective. The total number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Initial Gross Proceeds, are not known as at the date of this Registration Document but will be notified by the Company via a Regulatory Information Service announcement prior to Initial Admission.

Investec has agreed to use its reasonable endeavours to procure Placees pursuant to the Placing for Ordinary Shares at the Issue Price on the terms and subject to the conditions set out in the Share Issuance Agreement and the Securities Note.

At the General Meeting, the Company is also seeking authority to issue up to a further 200 million Ordinary Shares and/or C Shares, in aggregate, on a non-pre-emptive basis pursuant to the Share Issuance Programme.

The Share Issuance Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The Share Issuance Programme is intended to satisfy market demand for Shares and to raise further money after the Issue to increase the size of the Company and invest in accordance with the Company's investment policy.

Ordinary Shares and/or C Shares issued under the Share Issuance Programme may be issued under this Registration Document provided that it is updated by a supplementary prospectus under section 87G of FSMA (if required) and/or in conjunction with a Future Summary and Future Securities Note (if required).

Further details about the Share Issuance Programme are set out in the Securities Note.

## **7 MEETINGS, REPORTS AND ACCOUNTS**

The audited accounts of the Company are prepared on a Euro-denominated basis under IFRS and in accordance with EPRA's best practice recommendations. The Company's accounting reference date is 31 December and the annual report and accounts are prepared up to 31 December each year. It is expected that copies of the report and accounts will be published by the end of April each year. Copies will be sent to Shareholders or made available on the Company's website, according to Shareholder preferences, shortly following publication. Shareholders will also receive an unaudited half-yearly report covering the six months to 30 June each year, which is expected to be published within the following three months.

The Company held its most recent annual general meeting on 11 June 2019 and it will continue to hold an annual general meeting each year. Other general meetings may be convened from time to time by the Directors by sending requisite notices to Shareholders.

## **8 NET ASSET VALUE**

The properties in the Portfolio are valued quarterly by the AIFM (as advised by independent third party valuation advisers as may be appointed by the AIFM from time to time) in accordance with locally accepted professional valuation standards, with such valuations being reviewed quarterly by the Board. The Net Asset Value per Ordinary Share and the Net Asset Value per C Share (if relevant) are prepared by the AIFM (or its Affiliates or delegates) and published quarterly, together with details of the Portfolio, based on the properties' most recent valuations, calculated under IFRS. Such Net Asset Values are published through a Regulatory Information Service as soon as practicable after the end of the relevant quarter.

Consistent with other listed European real estate investment companies, the Directors follow the guidance published by EPRA and disclose adjusted measures of Net Asset Value per Ordinary Share and earnings per Ordinary Share which are designed by EPRA to better reflect the core long-term operations of the business.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case, or generally, they may adopt such other valuation procedures as they consider reasonable in the circumstances.

The Directors may temporarily suspend the calculation, and publication, of the Net Asset Value during a period when, in the opinion of the Directors:

- there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or
- it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis.

Any suspension in the calculation of the Net Asset Value, to the extent required under the Articles or by the Listing Rules, will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

## **9 CASH USES AND CASH MANAGEMENT ACTIVITIES**

The Company will convert the large majority of the Net Proceeds into Euros as soon as practicable following receipt.

The Company's principal use of cash will be to fund investments in accordance with its investment policy, as well as expenses related to the Issue, on-going operational expenses and to pay dividends and other distributions to Shareholders, as set out in the section entitled "Dividend Policy and Target Returns" above.

The Company may from time to time have surplus cash (for example, following the disposal of an investment). Pending reinvestment of such cash, it is expected that any surplus cash will be temporarily invested in (predominantly Euro-denominated) cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single –A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or "government and public securities" as defined for the purposes of the FCA rules.

## **10 PROMOTIONAL ACTIVITIES AND PREMIUM/DISCOUNT MANAGEMENT**

The Company promotes its Shares to a broad range of investors with a particular focus on those that have the potential to be long-term supporters of the investment strategy. The Company achieves this primarily through participating in Aberdeen Standard Investments' investment trust promotional programme. In addition, Aberdeen Standard Investments' investment trust investor relations and sales team, in conjunction with the Company's corporate broker, promote the Shares through regular contact with both current and potential investors.

The Company benefits from Aberdeen Standard Investments' wider marketing of investment companies targeted at all types of investors; this includes maintaining close relationships with adviser and execution-only platforms, advertising in the trade press, maintaining relationships with financial journalists and the provision of digital information on both the Company's website and also the Aberdeen Standard Investment Trust centre's website.

The Board has the discretion to seek to manage the discount or premium at which the Ordinary Shares trade relative to the underlying Net Asset Value by providing liquidity to the market through either the issuance or buy back of shares to meet investor demand.

### **Premium Management**

In the event that the Ordinary Shares trade at a premium to the Net Asset Value per Ordinary Share, the Company may issue new Ordinary Shares. At the Company's annual general meeting, held in June 2019, the Company was granted authority to issue up to 18,750,000 Ordinary Shares (representing 10 per cent of the Company's issued share capital) on a non-pre-emptive basis.

The Company intends to retain full flexibility, following Initial Admission and for the duration of the Share Issuance Programme, to issue new Shares to investors. Therefore, at the General Meeting, the Company is seeking authority to disapply pre-emption rights over 350 million Shares, in aggregate, pursuant to the Issue and the Share Issuance Programme so that the Directors will not be obliged to offer any new Shares under the Issue and/or the Share Issuance Programme to Shareholders pro-rata to their existing holdings. Unless authorised by Shareholders, no Ordinary Shares will be issued at a price less than the prevailing Net Asset Value per Ordinary Share at the time of their issue.

If there is sufficient demand at any time during the period in which the Share Issuance Programme is in effect, and if the Directors consider it appropriate to avoid the dilutive effect that the proceeds of an issue might otherwise have on the existing assets of the Company, the Company may seek to raise further funds through the issue of C Shares. Any such issue would be subject to the listing of the C Shares on the premium listing segment of the Official List and their admission to trading on the London Stock Exchange. The rights conferred on the holders of C Shares or other classes of shares issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of the issue of the relevant shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

The Articles contain the C Share rights, full details of which are set out in paragraph 4.21 of Part 9 of this Registration Document.

A new class of C Shares may be issued by the Company if there are C Shares in issue that have not been converted into Ordinary Shares prior to the date on which the Company issues such further C Shares.

Investors should note that the issuance of new Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the number of new Shares that may be issued.

### **Repurchase of Ordinary Shares**

The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests and as a means of correcting any imbalance between the supply of and demand for the Ordinary Shares.

In exercising their powers to buy back Ordinary Shares the Directors have complete discretion as to the timing, price and volume of Ordinary Shares so purchased. No expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. The implementation of any Ordinary Share buyback programme and the timing, price and volume of Ordinary Shares purchased will be subject at all times to compliance with the Companies Act, the Articles, the Listing Rules and all other applicable legal and regulatory requirements.

In accordance with the Companies Act, Ordinary Shares may only be repurchased out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or out of distributable profits.

A special resolution was been passed at the Company's annual general meeting in June 2019 granting the Directors authority to repurchase up to 14.99 per cent. of the Company's issued ordinary share capital during the period expiring on the conclusion of the Company's annual general meeting in 2020. Renewal of this buy-back authority will be sought at each annual general meeting of the Company or more frequently if required.

Purchases of Ordinary Shares will only be made through the market at prices (after allowing for costs) below the latest published Net Asset Value per Ordinary Share and otherwise in accordance with guidelines established from time-to-time by the Board. Under the current Listing Rules, the maximum price that may be paid by the Company on the purchase of any Ordinary Shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations for the Ordinary Shares for the five Business Days immediately preceding the date of purchase or, if higher, that stipulated by article 5(6) of the Market Abuse Regulation. The minimum price will not be below the nominal value of one penny in respect of the Ordinary Shares.

### **Treasury Shares**

Any Ordinary Shares repurchased pursuant to the general buy-back authority may be held in treasury. The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. These shares may be subsequently cancelled or sold for cash. This would give the Company the ability to reissue Ordinary Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

The Board intends only to authorise the sale of Ordinary Shares from treasury at prices at or above the latest published Net Asset Value per Ordinary Share (plus costs of the relevant sale). This should result in a positive overall effect for Shareholders if Ordinary Shares are bought back at a discount and then sold at a price at or above the Net Asset Value per Ordinary Share (plus costs of the relevant sale).

## **11 CONTINUATION RESOLUTION**

The Company has been established with an indefinite life, however, in accordance with the Articles, the Directors are required to propose an ordinary resolution at the sixth annual general meeting of the Company and every third annual general meeting thereafter that the Company should continue its business as presently constituted (the "**Continuation Resolution**"). The first Continuation Resolution will be proposed at the annual general meeting of the Company to be held in 2024.

If any Continuation Resolution is not passed, the Directors will cease further investment, the properties in the Portfolio will be sold in an orderly fashion as market demand appears and the net



funds, determined by the Directors as available for distribution, will be distributed to Shareholders. Failure to pass the Continuation Resolution will not therefore result in the immediate winding-up of the Company.

## **12 TYPICAL INVESTOR**

An investment in the Shares is only suitable for institutional investors and professionally advised or non-advised private investors who understand, and are capable of evaluating, the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Shares.

## **13 NON-MAINSTREAM POOLED INVESTMENTS**

As an investment trust, the Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments.

## **14 TAXATION**

Potential investors are referred to Part 6 of this Registration Document for details of the taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

## **15 RISK FACTORS**

The Company’s performance is dependent on many factors and potential investors should read the whole of this Registration Document and in particular the section entitled “Risk Factors” on pages 5 to 13 of this Registration Documents and under the heading “Risk Factors” in the Securities Note.

## PART 2

### THE INVESTMENT RATIONALE AND STRATEGY AND PIPELINE

#### 1 INVESTMENT RATIONALE AND STRATEGY

##### Introduction

The Company is focussed on investing in logistics assets across Europe. Since its IPO in December 2017, the Company has deployed the net equity proceeds raised at the IPO, together with cautious leverage, into a diversified portfolio of modern logistics warehouses in established locations. These assets typically have long index-linked leases secured against financially rated tenants, with the Portfolio fully income producing. The European logistics market has a vacancy rate of just five per cent., a historic low.

The Board believes: (i) there continues to be attractive occupier dynamics in the market that will support income growth, and ultimately increased capital values, and (ii) that there are further opportunities to grow the Portfolio by investing in similar assets across the region.

The prospective growth of the Company will follow its existing investment strategy and will target both large format 'big box' facilities but also smaller format, 'urban logistics' that will serve 'last mile' functions for Europe's rapidly growing e-commerce business.

##### Rationale

The European logistics market is large and continues to modernise rapidly; growing tenant demand is fuelled by the rapid growth of e-commerce across Europe and the consequent supply chain reconfiguration as operators embrace the rapid pace of technological advancement. Of additional note is the rapid acceleration of interest and demand amongst logistics occupiers to adhere to higher ESG standards and the Investment Manager both recognises and has embraced this fundamental change in occupational demand for suitable buildings.

As a consequence of strong occupier demand, and constrained supply conditions, tenants are prepared to secure favoured assets by signing long, index-linked lease contracts. Such indexed leases typically offer annual CPI adjustments and can provide for a transparent and predictable cash flow to the Company. In markets where the development of e-commerce is more advanced, logistics rental growth has exceeded inflationary levels (prime logistics rents in London and Manchester have increased by 54 per cent. over the last five years), notably in urban areas.

The Investment Manager has recently completed (January 2019) a survey of European logistics occupiers and operators, with Transport Intelligence, a leading research house (*Aberdeen Standard Investments – European Logistics Survey: the trends shaping the future of logistics property*). This survey makes several conclusions that support the suggestion of ongoing growth in the sector and supports the strategy of the Investment Manager going forwards. Of note it concludes:

- 76 per cent. of respondents reported their logistics businesses had grown in 2018, 42 per cent. of them "substantially", with cyclical and structural factors supporting growth – **(growth appears well supported)**;
- 34 per cent. of respondents stated that they do not have enough existing spare capacity to fulfil their growth targets, while 39 per cent. of respondents said there was a shortage of efficient space to expand into – **(flexibility of location and growth appears supported)**;
- labour is the largest operational cost according to 48 per cent. of respondents, supporting a push towards mechanisation, robotics and digitisation – **(proximity to major urban centres important from a labour pool and consumer perspective)**;
- over 50 per cent. of respondents believe the location of their logistics facilities will become a more important factor for consideration over the next five years – **(access to the end user, more typically an urban environment appears supported)**; and
- 60 per cent. of respondents see autonomous trucks influencing supply chains in terms of warehouse design or location – **(longer term, autonomous vehicles could serve to loosen supply side restrictions)**.

The market for European logistics facilities is increasingly segmented as the sector further establishes itself.

- Large format logistics warehouses or 'big boxes' dominate, they are typically characterised by single use occupation and may feature significant capital commitment by the occupier with regard to internal mechanisms to aid the storage and sortation of goods. This can mean tenants seek to secure long leases, but the manager is mindful of ongoing technological advancement which could lead to increased risk of obsolescence.
- Smaller format logistics warehouses or 'last mile' are less prevalent but growing rapidly. Their growth is fuelled by the consumer demand for rapid fulfilment of on-line purchasing. Necessarily, as customer demand for speed of delivery rises then occupation is focussed on the urban centres and the proximity of end customers, as such the term 'urban logistics' is increasingly relevant.

The logistics sector typically offers yields which provide a significant premium over current financing costs, financiers appear willing to provide capital to the sector as can be illustrated by the Company's success in securing attractive terms to date.

The Company's strategy will continue to target both large format 'big box' facilities but also smaller format, 'urban logistics' that will serve 'last mile' functions for Europe's rapidly growing e-commerce business.

Due to the significant disparity in the development of e-commerce and logistics across Europe, the Investment Manager implements a targeted investment strategy using detailed knowledge of local markets provided through its local office network and its 'feet on the ground'. The strategy focusses on major logistics hubs and 'last mile' facilities across the region; a distinct element of the strategy is in investing in strong and established locations with proximity to major urban areas and conurbations which is a critical assessment for the Investment Manager. A key consideration in expanding the capital available to the Company is the ability to diversify further the pool of assets and the spread of tenants, thus further mitigating risk.

E-commerce is having a transformational effect on supply chain networks. In the Investment Manager's opinion, significant structural changes to the way that consumers are behaving and retailers are operating are benefiting logistics property. Whilst the UK market experienced a sizeable shift in investors' attitudes towards logistics assets some years ago, the market in Europe and the Nordics has started to see the same trend over the past few years. At this time the Investment Manager is consequently focussed on the markets of Europe beyond the UK in targeting suitable acquisitions.

The rapid development of technological improvement necessitates quite specific demands from the tenants with regard to design and location of their facilities; this can mean that some locations become unsuitable, some building formats become inefficient, and the Investment Manager employs local asset managers and technical underwriting specialists to assess and mitigate such risks.

A significant change observed by the Investment Manager, in its recent survey of logistics operators and occupiers (January 2019), clearly identifies a rapid expansion of interest and demand for ESG compliant buildings; 71 per cent. of survey respondents stated that their business is undertaking initiatives to reduce or offset the environmental effects in their logistics facilities – through choice and not because of immediate necessity. The Investment Manager already has a very clear and embedded approach to ESG as is evidenced by the activity within the Company's Portfolio to date and the presence of a dedicated ESG consideration in the investment process.

The investment philosophy of the Investment Manager is founded on a belief that property markets are inherently cyclical and imperfect, which creates opportunities for long term investors who are focussed on property fundamentals and who operate a disciplined business plan approach to active asset management that will both defend and grow existing income. Whilst tenant credit assessment is a significant component of the Investment Manager's recommendations, so too is the underlying suitability and flexibility of the building and underlying site with regard to a wider set of prospective tenants.

In an increasingly uncertain world, the incontrovertible shift in the way consumers shop and the infrastructure required to service that demand is a source of greater certainty. The Investment Manager believes that logistics assets are primed for further growth, as well as being relatively

defensive against any cyclical downturn in economic activity, and as such, the Portfolio is already characterised by having long leases secured against financially robust tenants.

## **2 INVESTMENT STRATEGY AND RISK MANAGEMENT POLICY**

The Investment Manager believes that attractive risk-adjusted returns can be generated from building a portfolio of institutional grade income producing logistic assets including 'big box' and 'last mile' facilities, diversified by location, use, size, lease duration and tenant concentration.

The Investment Manager targets properties which it believes exhibit some or all of the following characteristics:

- well located for their purpose with excellent accessibility;
- modern and flexible logistics space, which is capable of being let to one or several tenants depending on what the market demands;
- located in areas identified as having supply constraints;
- let to tenants of good creditworthiness on market standard leases;
- freehold or long leasehold;
- low vacancy rates; and
- with opportunities to enhance value through active asset management.

The extent to which the Portfolio exhibits some or all of these characteristics will depend on conditions in the local real estate market and the specific properties.

### **Transaction process**

The Investment Manager is responsible for sourcing and managing the transaction process for new acquisitions. The Investment Manager sources potential acquisitions through its property teams based throughout Europe, with over 20 managers on the ground. The transaction teams have an in-depth knowledge of the local markets and a wide network of relationships for identifying and selecting the best investment opportunities and access to both on and off-market transactions. Aberdeen Standard Investments believes that having local teams on the ground provides for in-depth local insight and, in turn, gives a significant competitive advantage in implementing the Company's investment policy in the key locations within Europe.

The Investment Manager believes that through its approach of focusing on income durability, location and propensity for rental growth, combined with the potential for active asset management, the Investment Manager's investment universe is increased. In particular, by not focusing on the larger, long leased properties with no asset management requirements, where competition among potential buyers is fierce, the Investment Manager is more likely to gain access to investment opportunities that meet the Company's investment objectives.

As one of the largest European real estate managers Aberdeen Standard Investments has significant deal flow in the logistics market. The Investment Manager believes that Aberdeen Standard Investments has established a reputation within the sector as a reliable and significant investor which has led to early stage access to potential transactions before becoming otherwise available on the open market. Moreover, as a reputable investor, potential opportunities are often brought to the team as well as such deals being actively sought out. Whilst the Investment Manager has other potentially competing mandates in Europe meaning that the transaction introductions made to the Investment Manager are not made uniquely to the Company, Aberdeen Standard Investments runs a deal allocation process that ensures fair rotational allocation of assets meaning that no client is preferred. Whilst this may, in theory, serve to dilute deal flow to the Company, the IPO proceeds and cautious use of gearing have been deployed in line with the timetable set out by the Company at launch and the Investment Manager continues to see strong deal flow.

Each property is assessed against individual fund criteria and, if considered potentially suitable, a detailed financial and economic analysis is then undertaken. The review takes into consideration the location, the quality of construction, ESG ratings, the existing leases, the rents being paid versus market level, the tenants and the market prospects generally. This process is assisted by a significant database of proprietary information held by the Investment Manager, experienced investment professionals, including people on the ground in the relevant markets and a dedicated

research function that assists in identifying rental and capital growth prospects at country, regional, city, sub-market and sector level.

Aberdeen Standard Investments operates a pan-European Investment Committee which approves all investment plans, transactions, financing decisions and material asset management activity. The Investment Committee includes senior members of the real estate team that spans the skill sets of asset management, ESG, investment, research and finance.

If, following analysis, consultation with the Board and property inspections and negotiations with the owner of the property, the Investment Manager wishes to proceed with an acquisition, Investment Committee approval is required.

Since the Company's launch in December 2017, the Investment Manager has investigated over 150 potential deals (with a value of approximately €8 billion in aggregate) resulting in 35 bids, of which 17 were accepted, four rejected by the Investment Manager during the due diligence process and 11 deals completed.

### **Asset selection**

The Investment Manager has extensive experience of managing properties across Europe in the logistics sector, particularly in countries where the Investment Manager has local property investment teams being: Germany, France, Belgium, Netherlands, Spain, UK, Sweden, Norway, Finland and Denmark. This localised management expertise provides for support across the Continent with regard to initial assessment and ongoing monitoring of logistics properties that will require technical specifications appropriate for their target market as well as the ability for this to be changed as logistical processes evolve. Location relative to key transport hubs and how these may change are also key drivers in the selection process and local understanding of the conditions are key.

The Investment Manager believes that attractive value can be identified and secured with regard to 'big box', traditional logistics facilities and 'urban logistics'. With such locations often being land constrained, and facing many competing land uses, the Investment Manager believes that this will support both rental and capital value growth.

### **Active asset management**

The Investment Manager adopts an active asset management strategy (i.e. defining, implementing and regularly reviewing business plans for each property in the Portfolio) as an important element in helping to deliver investment performance. A significant part of the strategy is that properties are managed by local asset managers who will be expected to be based in the countries, or have detailed understanding of, and frequent visits to, where the properties are located. Localised management, the Investment Manager believes, will generally lead to better access to tenants, advisers and consultants to help generate outperformance. Where properties are located in countries where the Investment Manager does not have a team on the ground, then the Investment Manager uses external providers which it monitors closely.

Active asset management means the individual asset manager involved in acquiring the property is also responsible for implementing the business plan following acquisition, resulting in carefully researched and robust assumptions and a focus on long-term performance from purchase through to any potential sale. The types of active asset management initiatives which the Investment Manager may utilise are:

- re-negotiating leases to capture market rental growth and/or extend lease duration;
- improving buildings with regard to ESG factors;
- managing any vacancies to maximise rental performance;
- exploiting ancillary development opportunities on or around the properties;
- assessing and effecting changes of use where this would add value;
- undertaking refurbishments to increase rents; and
- changing unit size and configuration to maximise the potential income from a property.

The majority of the Portfolio at this early stage will comprise properties where the main asset management activities are likely to be renegotiating leases, managing vacancies, growing rental income and undertaking light refurbishments.

### **Forward funded projects**

Under its investment policy, the Company may enter into forward funded commitments which are wholly or predominantly pre-let and where the Company's overall exposure to forward funded commitments is limited to 20 per cent. of Gross Asset Value.

In relation to a forward funded project, the Company will acquire the site directly (with the benefit of existing planning/zoning and irrevocable building permissions), and fund the development of the project in stages, with the actual development work undertaken by a third party developer which will have identified the site prior to the Company's involvement, arranged all the planning/zoning applications and organised and managed the various building contractors. The required development financing will be paid pursuant to an agreed schedule during the development phase of the project, usually with a bullet balancing payment (which includes the majority of the developer's profit) to the developer paid at completion when the Company takes possession of the completed asset for no further consideration. In the development phase, forward funded projects typically generate a coupon (or interest payment) for the funder which is calculated by reference to the staged payments made to the third party developer, and is paid by the third party developer in cash or, alternatively, this liability is rolled up into the overall contract price. Under a forward funded arrangement, the risk of cost overruns rests with the third party developer.

Furthermore, the Company will only enter into forward funding commitments where the asset is wholly or predominantly pre-let.

The Board considers that any risk arising from forward funded assets is materially mitigated by the following:

- the Company acquires the land after irrevocable building permissions are secured and an agreement with a third party developer who would be responsible for delivering the completed asset is in place. The Company will review the track record and financial solvency of the developer to gain comfort in their ability to deliver the project. The developer will provide additional financial security (parent company guarantees/bank guarantees) if required by the Company;
- the Company will only release funds after pre-agreed construction milestones are met which are confirmed by a monitoring building surveyor (appointed by the funder), typically with a material retention price which is only payable following completion;
- all of the professionals involved in constructing the asset carry professional indemnity insurance assessed at a suitable level for the project and any significant contractors/subcontractors provide warranties to repair/replace as necessary and these typically apply for at least 10 years following practical completion;
- suitable construction warranties to repair and replace defects are included in the funding agreement with the developer. Contractor/sub-contractor warranties are typically assigned to the Company. Significant elements of the building, such as the slab and roof, typically receive warranties for at least 10 years following practical completion;
- the developer will place a contract with a contractor who will have responsibility for constructing the building. The contractor's track record and financial standing are assessed and agreed by the Company as suitable. The design and process of the build is planned and overseen by a team of highly experienced professionals including engineers, architects, quantity surveyors and monitoring building surveyors (appointed solely to report to the Company). At all times the property and building under construction are fully insured at a level suitable for the project;
- the developer is required to deliver the project on time. If delayed, the Company will typically have options to impose penalty payments, demand completion by the developer, step-in rights to complete the construction or dissolve the funding agreement; and



- in the event of the developer's insolvency, the Company will have the ability to step-in and arrange for completion of the building with no further liability to the original developer; and the maximum exposure to any single developer is limited to 20 per cent. of the Company's Gross Asset Value (measured at the time of investment) in order to mitigate any concentration risk.

### 3 PIPELINE

The Investment Manager has a broad and consistent pipeline of potential investment transactions and a strong track record of deploying capital.

The European logistics market is sizeable and growing, with the sector benefiting from rapid take-up of facilities and long inflation-linked leases to quality tenants. The Investment Manager has a pipeline of attractive investment opportunities available to it and is presently in a period of exclusivity to carry out due diligence in relation to two potential acquisitions which, in aggregate, are valued at approximately €58 million.

The Company also has access to a pipeline of potential investments and is engaged in discussions with the owners, or developers, of a number of assets that meet the Company's investment criteria and are available for potential acquisition. The Directors consider that these investment opportunities are likely to be value-accretive to investors over the medium term. Given the number of investment opportunities available, including those currently in exclusivity, and the dynamic nature of the pipeline, the Board together with the Investment Manager are confident that any proceeds raised under the Issue will be capable of deployment within a reasonable timeframe.

**There can be no assurance that any of these pipeline projects will be completed or will be purchased or funded by the Company. The Company will, in any event, continue to evaluate other potential acquisitions in accordance with its investment policy.**



## **PART 3**

### **THE PORTFOLIO**

#### **1 INTRODUCTION**

As at the date of this Registration Document, the Company's Portfolio comprises ten warehouses consisting of nine standing assets and one forward funded development, let or pre-let to institutional grade tenants. The funding of the forward funded development project has concluded and practical completion and occupation by the tenant is due to take place in early July 2019. In addition, the Company has exchanged contracts to acquire a further operational warehouse asset in 's-Heerenberg in The Netherlands for €24 million and completion of this acquisition is also scheduled for early July 2019, which will bring the total number of assets owned by the Group to eleven.

As at the date of this Registration Document, the Portfolio consists of approximately 311,300 square metres of built logistics space (compared with approximately 207,000 square metres as at 31 March 2019). As at 31 March 2019 (the date of the valuation under the Valuation Report), the Portfolio had a weighted average unexpired lease term of 9.0 years. This is expected to increase to approximately 10.2 years once the acquisitions of Leon and 's-Heerenberg together with the forward funded projects in Zeewolde and Oss are included. Approximately 66 per cent. of the assets by value have been acquired off-market since the Company's initial public offering and were acquired at an average net initial yield at purchase of 5.3 per cent.

The Portfolio is fully income producing with a contractual annual rental income of €12.0 million as at 31 March 2019. This is expected to increase to approximately €16.8 million once the acquisitions of Leon and 's-Heerenberg together with the forward funded projects in Zeewolde and Oss are included. As at 31 March 2019, the leases predominantly provided for upward only rent adjustments of which 67 per cent. were annual CPI linked or ILAT indexations, 15 per cent. were annual capped CPI indexations, 17 per cent. were threshold indexations and 1 per cent. were linked to the indexation of solar panels. Once the acquisitions of Leon and 's-Heerenberg together with the forward funded projects in Zeewolde and Oss are included, leases which are annually capped CPI indexations are expected to increase to approximately 20 per cent. whilst those with threshold indexations will reduce to closer to 12 per cent. of the Portfolio.

## 2 OVERVIEW

The following table is an overview of the Portfolio as at the date of this Registration Document. The weighted average unexpired lease terms have been calculated as at 30 June 2019 and the portfolio percentage breakdowns disclosed have been calculated by reference to the purchase price paid for each property adjusted, in the case of Zeewolde, for additional works carried out.

Country	Location and date of acquisition	WAULT including break options (years) <sup>(1)</sup>	WAULT excluding break options (years) <sup>(1)</sup>	Net Yield <sup>(6)</sup> (%)	% of Portfolio	Main tenant	Size (sq m)
<b>Operating standing assets</b>							
Netherlands	Ede (Aug 2018)	8.3	8.3	5.9	9.2	A.S. Watson	39,840
Netherlands	Waddinxveen (Nov 2018)	14.4	14.4	5.0	11.4	Combilo International B.V.	28,058
Netherlands	Zeewolde (June 2019)	15.0	15.0	5.0	10.4	VSH Fittings B.V.	36,250
Germany	Erlensee (Feb 2019)	4.6	7.9	5.2	11.2	Bergler Industrieservices GmbH	26,703
Germany	Flörsheim (Feb 2018)	4.6	8.3	5.2	7.0	Ernst Schmitz Logistics	17,809
Spain	Villadangos del Páramo (near Leon) (May 2019)	9.7	9.7	6.0	5.3	Decathlon	32,637
France	Meung-sur-Loire (Feb 2019)	7.3	7.3	4.7	8.1	Office Depot	30,180
France	Noves (near Avignon) (Oct 2018)	8.1	11.1	5.0	15.4	Biocoop	28,469
Poland	Skawina (near Krakow) (Feb 2019)	3.9	4.1	6.8	8.3	Lynka	34,933
<b>Forward funded projects</b>							
Netherlands	Oss <sup>(2)</sup>	15.0 from handover	15.0 from handover	5.3	5.4	Orangeworks B.V.	12,534
<b>Assets exchanged but not yet completed</b>							
Netherlands	's-Heerenberg <sup>(3)</sup>	12.5 from handover	12.5 from handover	5.0 (est.)	8.3 <sup>(5)</sup>	JCL Logistics Benelux B.V.	23,000 (approx.)
<b>Average<sup>(4)</sup></b>		9.2	10.2				

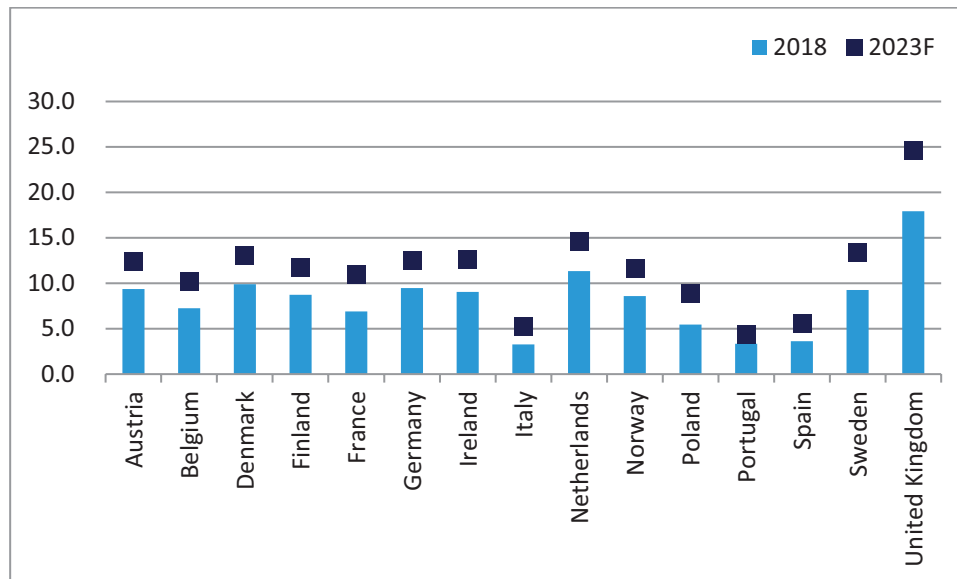
1. Weighted average unexpired lease term as at 30 June 2019 assuming average lease length of developments at completion.
2. Completion scheduled for July 2019.
3. Completion scheduled for July 2019.
4. Including forward commitments.
5. Following completion of the acquisition.
6. Based on purchase price plus transaction costs.

## PART 4

### EUROPEAN LOGISTICS ASSETS

The Investment Manager believes that the rapid growth of e-commerce and subsequent, supply-chain reconfiguration are driving an expansion of logistics occupier demand in an undersupplied sector. E-commerce in Europe is estimated to have grown by 13 per cent. in 2018 (Source: *Ecommerce Foundation*) and the strong growth is projected to continue. Chart 1 below shows the online share of total retail spending in European countries as of 2018, and the projected strong increase towards 2023 (Source: *PMA*). As can be seen the advanced position of the UK and the ongoing growth gives some perspective on the potential further advancement, albeit it is notable that cultural variations are significant with regard to national variations in e-commerce growth.

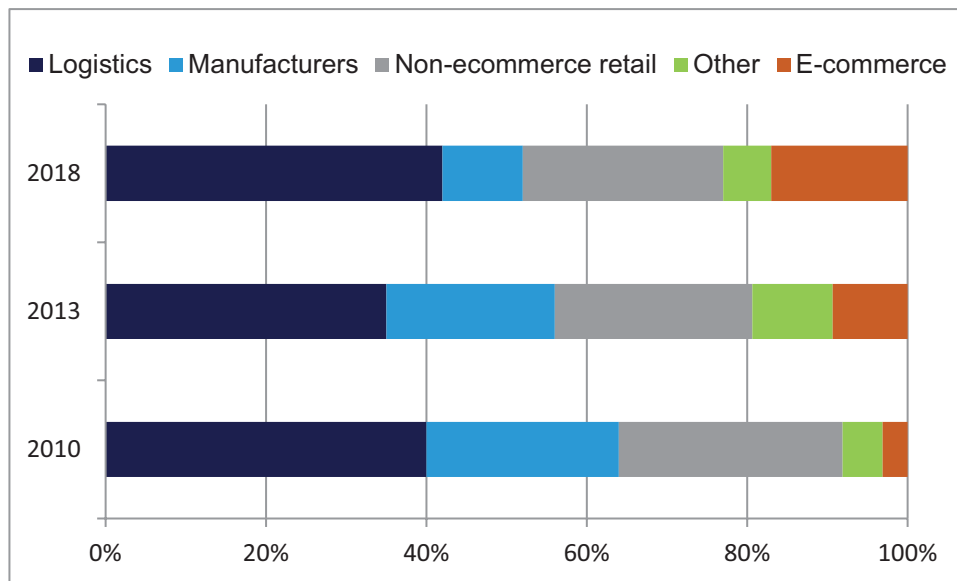
*Chart 1 – Strong projections of further e-commerce growth (%)*



Sources: PMA/Global Data, April 2019

Whilst Continental European online retail penetration rates are lower than the UK, the Investment Manager believes they are accelerating rapidly and expects the major economies of Continental Europe to outpace the UK's growth. This is expected to create new logistics demand across the region with e-commerce related logistics operators taking a far higher proportion of available space (see Chart 2 below). The Investment Manager expects that proportion to rise further reflecting the rapid growth across the region.

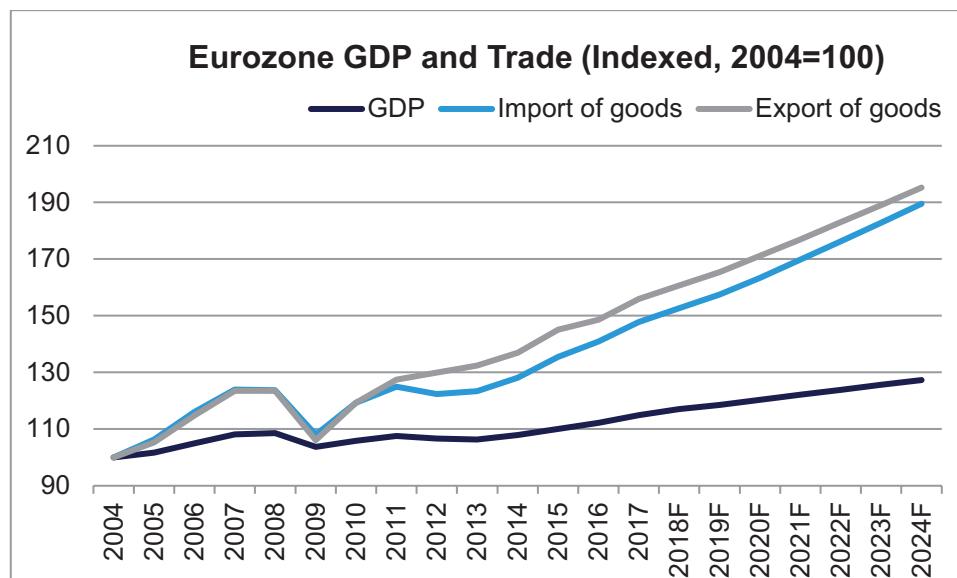
Chart 2 – Growth of e-commerce triggers new logistics demand



Source: European Logistics –PMA Deals Database, April 2019

E-commerce is not the only driver of increasing logistics demand with global growth and supply-chain reconfiguration playing important roles also. As a consequence, trade growth across Europe has been higher than GDP growth (see Chart 3 below) and is expected to grow more rapidly than GDP.

Chart 3 – Trade growth supports increase in movement of goods



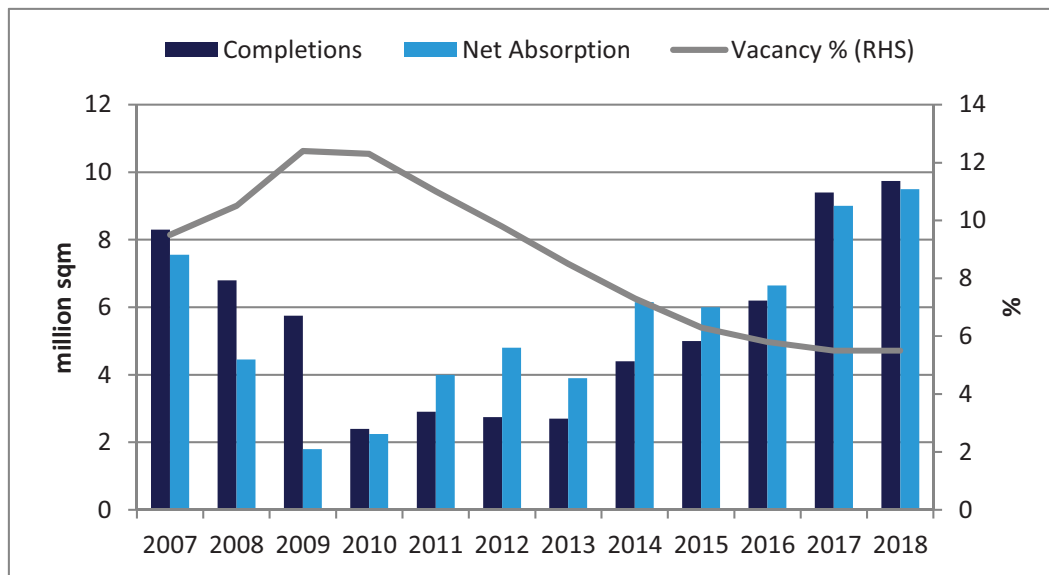
Source: GDP and Trade, IMF, April 2019

Forecasts should be regarded as illustrative of trends. Actual figures will differ from forecasts.

This implies a much greater requirement for the storage and movement of goods utilising large, 'big box' logistics facilities.

The rapid take-up of logistics space has exceeded new supply additions since 2011 resulting in the logistics vacancy rate falling to the lowest level in at least a decade (see Chart 4 below).

Chart 4 – Logistics demand is outpacing the growth in supply

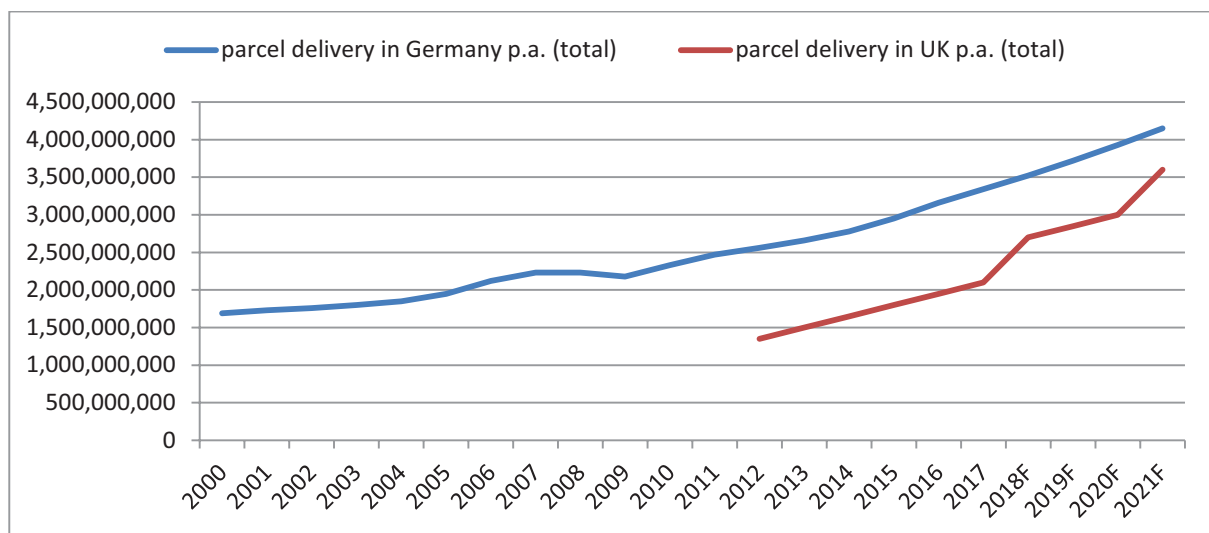


Source: 2007-2017: Prologis, 2018F: BNP Paribas

In addition, the rapid growth of e-commerce together with an increasing consumer requirement for the rapid delivery of goods is creating additional demand amongst occupiers for 'last mile' logistics facilities.

As shown in Chart 5 below, German and UK parcel delivery has grown rapidly in recent years, near doubling between 2011 and 2017. The Investment Manager believes that the rapid acceleration of e-commerce across Europe will also generate rapid growth in the requirement for 'last mile' facilities.

Chart 5 – Parcel delivery volume growth (Germany and the UK)



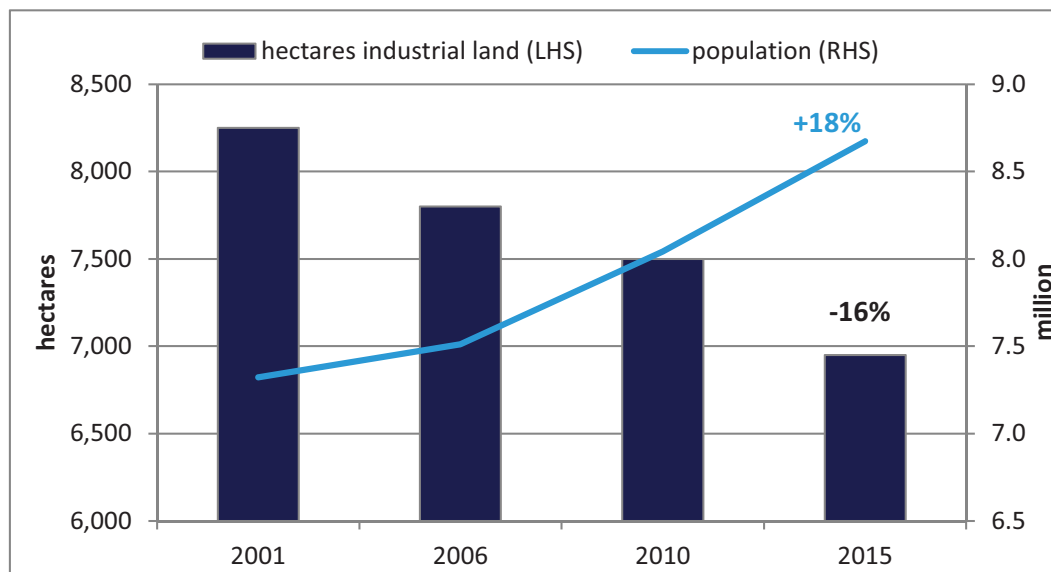
Source: UK: IMRG Metapack UK delivery Index Report, Apr 18, Germany: BIEK KEP-Studie 2017 T

The requirement for 'last mile' facilities to be close or within the major centres of population also coincides with a rapid urbanisation of Europe, where cities' populations are growing much more quickly than national averages – a strategy towards 'Urban Logistics' therefore appears compelling.



As populations grow, then, necessarily the existing land supply is under increasing pressure. In the Investment Manager's view, this supports on-going supply constraint and ultimately rental and capital growth. This can be shown through the illustration of London where recent population growth and the reduced available industrial land supply situation is evident (see Chart 6 below).

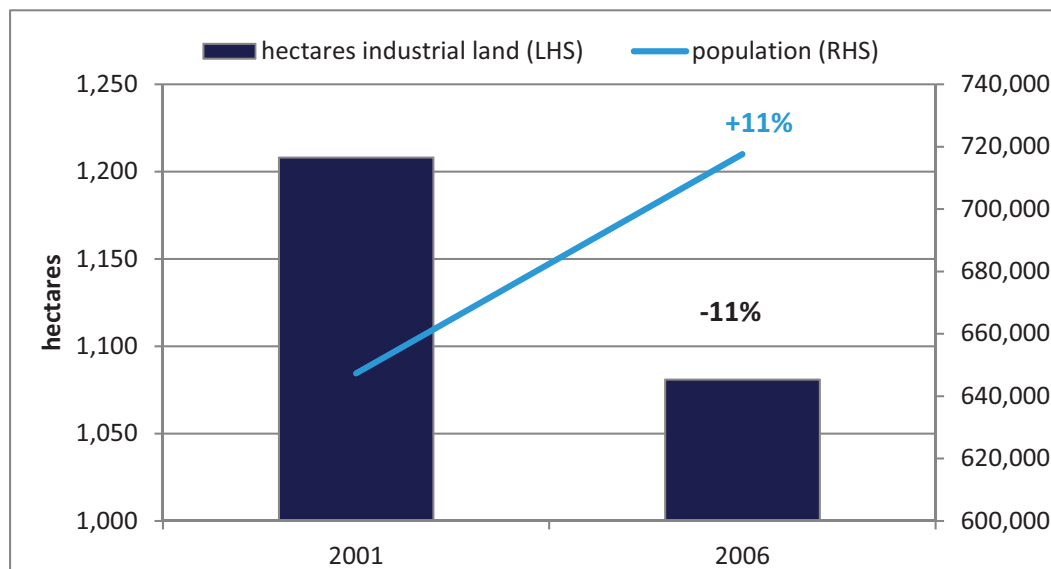
Chart 6 – Industrial land stock contraction



Source: Population data – london.gov.uk; Land stock data – London Industrial Land Supply and Economy Study 2015

The Investment Manager observes similar momentum in the leading cities of Europe and by further example, the situation in Frankfurt is illustrated in Chart 7 below.

Chart 7 – Industrial land stock contraction



Source: Regionalstatistik, Immobilien Zeitung, December 2016

The Investment Manager believes that, strategically, investments should be made with a mix of 'big box' logistics in key logistics hubs and 'last mile' or other urban facilities although it expects that as at present, the majority of assets in the Portfolio, by value, will be comprised of 'big box' logistics.

### The tactical case for investing in European logistics assets

In addition to the strategic case, there are tactical reasons why the Investment Manager believes it is the right time to continue to invest in European logistics markets.

The European logistics market is sizeable with a growing annual investment volume transacted and this implies that the Company will have considerable choice around which logistics assets to target as investments. Of course there will be significant variations in the quality and prospects for the existing logistics stock as many of the existing facilities may simply not be appropriate for the higher specifications required for modern facilities, and the Investment Manager's underwriting requirements are detailed.

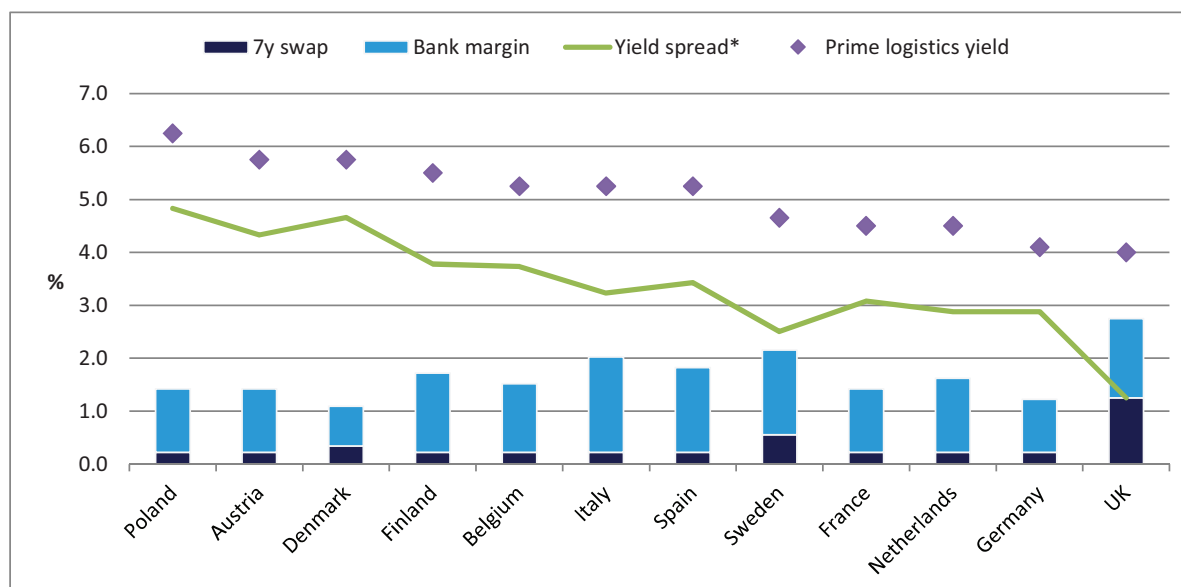
Chart 8 – European (excl. UK) logistics transaction volume, rolling 12 months (€ billion)



Source: RCA, April 2019

There are considerable ranges in prime logistics investment yields and also the prospective cost and availability of leverage. Europe typically has higher prime logistics yields than the UK and income returns can be further enhanced by the judicious use of leverage with advantageous financing conditions still existing. Chart 9 below shows the differential in prime logistics yields and financing costs.

Chart 9 – Attractive European net yields and financing conditions



\* Yield spread = prime logistics net yield – total financing costs.

Sources: Property yields: C&W Q1 2019. Swap rates as 29 April 2019. Bank margins: Aberdeen Standard Investments, April 2019

While the overall outlook for logistics is positive, the Investment Manager believes there will be a growing differentiation between different types of logistics property. The changing drivers of demand, be it shorter supply chains resulting from greater mechanisation in the manufacturing process, or the growth in business to consumer e-commerce, will have a differentiating influence on the demand for different types of space – and ultimately income growth prospects for investors.

The Investment Manager's research suggests (including a proprietary survey of major European logistics occupiers published in January 2019 and detailed in Section 2) that location is increasingly important for occupiers in the context of significant technological disruption for the industry. The Investment Manager is increasingly focused on more urban logistics areas or key hubs where supply constraints are already established and further emerging.

Careful attention will need to be paid to units which constitute suitable urban logistics locations, with even ageing stock likely to be attractive to tenants and investors if the location is good enough. In contrast, given the growing cost pressures for contract logistics providers, increasing focus will be on the location and structural suitability of units in more peripheral locations with transport and fuel costs rising.

Where the quality of assets is more questionable, investors should have a clear rationale for the medium to long term strategy for the asset. The potential to convert to more efficient last mile delivery might offer a yield premium in fringe urban locations, while a broader long-term plan to convert to residential could also provide opportunity.

The main focus for the Investment Manager will always be on good quality assets suited to modern logistics usage, with high floor load bearings and substantial ceiling clearance heights.

### **Typical lease structures**

There are also considerable variations in typical lease structures across Europe.

Whilst there are typical conventions for the nature and length of leases across Europe, the Investment Manager highlights notable differences and believes that;

- the underlying demand/supply imbalances are leading some occupiers to secure longer leases than national conventions suggest; and
- additionally, in some instances, such is the volume of capital commitment of the tenant to a building, for example with automated picking and storage systems, that they are further motivated to secure occupancy for longer than conventional terms. The recent logistics occupier survey completed by the Investment Manager revealed that a majority (56 per cent.) of respondents planned to invest in robotics in the future. Such capital intensive investments may lead to longer lease commitments.

In practice this means that market standard lease terms, common in relevant markets, are often exceeded with tenants seeking to secure appropriate logistics assets and in particular new, modern logistics facilities. This provides for greater certainty of income to the landlord and ultimately can provide for more favourable terms from real estate lenders.

## PART 5

### DIRECTORS, MANAGEMENT AND ADMINISTRATION

#### 1 DIRECTORS

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Company's activities including the review of investment activity and performance.

The Directors may delegate certain functions to other parties, such as the AIFM and the Registrar. In particular, responsibility for managing the assets comprised in the Portfolio has been delegated to the AIFM. With the consent of the Board, the AIFM has delegated portfolio management functions to the Amsterdam branch of Aberdeen Standard Investments Ireland Limited.

The Directors meet at least five times a year. The Directors (including the Chairman) are all non-executive directors and independent of the AIFM and the Investment Manager.

The Directors are as follows:

##### **Anthony (Tony) Roper (aged 58) (Chairman)**

Tony started his career as a structural engineer with Ove Arup and Partners in 1983. Mr Roper then worked on developing holiday villages, first with Center Parcs and then with the Granada Group. In 1994 he joined John Laing plc to review and make equity investments in infrastructure projects both in the UK and abroad.

In 2006, Tony joined HSBC Specialist Investments (part of the HSBC Holdings group) to be the fund manager for HICL Infrastructure Company Limited, the first premium listed investment company making infrastructure investments offering investors access to this alternative asset class. Tony continued in this role until May 2017, during which time HICL grew from £250 million to circa £2.8 billion. In 2011, Tony was part of the senior management team that bought HSBC Specialist Investments from HSBC, renaming it InfraRed Capital Partners. Tony was a Managing Partner and a senior member of the infrastructure management team at InfraRed Capital Partners until he retired in June 2018. Tony is also the Chairman of SDCL Energy Efficiency Income Trust Plc.

Tony holds a MA in Engineering from Cambridge University and is an ACMA-CGMA.

##### **Caroline Gulliver (aged 54) (Non-executive Director)**

Caroline is a chartered accountant with over 25 years' experience at Ernst & Young LLP, latterly as an executive director before leaving in 2012. During that time, she specialised in the asset management sector and developed an extensive experience of investment trusts. Caroline is also a non-executive director and audit committee chair for JP Morgan Global Emerging Markets Income Trust plc, International Biotechnology Trust plc and Civitas Social Housing PLC.

##### **John Heawood (aged 66) (Non-executive Director)**

John has 40 years' experience as a Chartered Surveyor advising a broad range of investors, developers and occupiers. In 1987 he became a partner, and subsequently a director, of DTZ responsible for the London-based team dealing with industrial, logistics and business park projects across the UK.

He was appointed to the board of SEGRO plc in 1996 and was responsible for its UK business for the next 12 years. As a group director and member of the executive committee he was actively involved with SEGRO's refocusing on the UK and Europe with the sale of its Californian biotechnology assets and the development of its logistics business in Continental Europe.

From 2009-2013 he was managing director of the Ashtenne Industrial Fund, a £500 million multi-let industrial and logistics portfolio managed by Aviva on behalf of 13 institutional investors.

John is currently a non-executive director of Place Partnership Limited, a member of the finance and general purposes committee of the Royal Veterinary College and a trustee of Marshalls Charity, a Southwark-based charity established in 1631.

John holds a BSc in Estate Management and a MSc in Rural Planning Studies from the University of Reading.



### **Diane Wilde (aged 55) (Non-executive Director)**

Diane has over 30 years' experience of managing equity, balanced and multi asset funds in both the asset management and wealth management sectors.

She was CIO at Gartmore Scotland Ltd managing investment trust assets on behalf of the company from 1993 – 2000. Following a period of managing similar assets at Aberdeen Asset Managers Limited between 2000 and 2003, she joined Barclays Wealth as Head of Endowment Funds in Scotland, and managing clients in the multi asset space until 2014.

A former member of the Pension Fund Advisory Committee to the Barclays Bank UK Retirement Fund, she was a senior adviser at Allenbridge, an investment pension consulting firm until May 2018.

She was also a board member of the Social Growth Fund, managed by Social Investment Scotland (SIS), a leading social enterprise and impact investor in Scotland and the United Kingdom. She retired from the board in May 2019.

Diane holds a BA in Economics and Social Administration from the University of Strathclyde and is an affiliate of the Chartered Institute of Securities and Investment (CISI).

## **2 THE MANAGEMENT TEAM**

### **2.1 Introduction**

Aberdeen Standard Investments (“**ASI**”) is one of Europe’s largest real estate investors, managing approximately €3.4 billion across 146 logistics properties in 10 countries. It manages over 50 real estate portfolios in Europe with assets under management in direct real estate totalling €41 billion.

The dedicated real estate team, based in 11 offices across Europe (London, Edinburgh, Frankfurt, Amsterdam, Madrid, Paris, Brussels, Stockholm, Oslo, Copenhagen and Helsinki), comprises over 230 investment professionals including portfolio managers, local transaction and asset managers and researchers.

Having teams in the key target markets in which the Company invests provides, in the Investment Manager’s view, a significant competitive advantage, with improved local market knowledge, access to potential deals (both on and off-market), closer implementation of asset business plans and improved ability to manage and mitigate risk.

### **2.2 Key personnel**

The experienced team that manages the Portfolio includes:

#### **Evert Castelein – Fund Manager (Amsterdam)**

Evert is the primary fund manager responsible for the Company’s Portfolio and is based in Amsterdam. Prior to the Company’s launch, he was assistant Fund Manager for one of Aberdeen Standard Investments’ flagship funds the Aberdeen European Balanced Property Fund. He joined the ASI Real Estate team in 2012 prior to which he was responsible for the asset management of a small German and Swedish fund and also Senior Analyst within the Property Research and Strategy team of Aberdeen Asset Management PLC (“**AAM**”). Evert joined Goodman Property Investors (which was acquired by AAM in 2008) in 2006, a leading unlisted property partnership investing in logistics real estate across Europe. Previously, Evert worked for FGH Bank, a market leader in the financing of Dutch commercial real estate, as a research analyst.

Evert graduated with a Masters degree in Economic Geography from the University of Groningen and has a Masters of Science in Real Estate (MSRE). He speaks English, Dutch, German and French.

#### **Attila Molnár – Assistant Fund Manager (Frankfurt)**

Attila is a Fund Manager based in Frankfurt. Attila joined Dresdner Bank’s property fund management business (DEGI) in 2006, shortly before the business was acquired by AAM. Attila has been involved in the planning and establishment of new product lines for institutional clients and joined the fund management teams of those funds. At present he is responsible for two institutional funds. Prior to that Attila worked for PricewaterhouseCoopers where he was responsible for diverse range of audit and due diligence projects in the property funds sector.

Attila graduated with a MSc in Accounting and Finance from Budapest University of Economics and speaks English, German and Hungarian.

#### **James Wythe – Deputy Fund Manager (Amsterdam)**

James is deputy Fund Manager of ASELI and based in Amsterdam. He joined heritage Standard Life Investments in 2016, just before the merger, to assist with the management of a balanced Dutch and Swedish portfolio. He took over responsibility for managing the Portfolio during 2018 before joining ASELI in 2019.

James graduated with a BSc in Biology from The University of Nottingham and has an MSc in Real Estate from the University of Reading. He is also a member of the RICS.

#### **Andrew Allen – Global Head of Real Estate Investment Research (UK)**

Andrew is Global Head of Real Estate Investment Research and a member of Aberdeen Standard Investments' global property management committee. Andrew manages a team of analysts located in the UK, Norway, Germany and Singapore. He is primarily responsible for the implementation of property research and strategy. Andrew joined Aberdeen in 2011 from Oriel Securities (now Stifel Nicolaus Europe) where he was a partner and analyst in the real estate securities team, having previously been a founding partner and head of research and strategy at Cordea Savills (now Savills Investment Management). He had additional responsibility as the fund director for the Charities Property Fund. Prior to that, Andrew held the role of senior manager within the property forecasting (Europe) team, at Henderson Global Investors from where he was seconded to Pradera Asset Management for a year. Andrew was a senior analyst at Property Market Analysis from 1991 to 1998.

Andrew graduated with an MSc in Property Investment at Cass Business School and a BSc in Economics and Business Finance at Brunel University.

### **2.3 Transaction, asset and development management**

Aberdeen Standard Investments' transaction management team consists of 28 professionals based in 11 countries across Europe (including UK and the Nordics) providing a strong local market presence throughout the core European logistics markets. The team seeks investment opportunities by employing an innovative approach and developing close relationships to local brokers and developers to source stock as well as creating investment opportunities. Taking advantage of off-market opportunities, utilising call options, warehousing of seed portfolios, as well as using sale and leaseback options, are some of the methods used by the transaction team. From time to time, the team will agree to buy a completed development before, or during, the construction phase, known as forward funding as well as entering into forward commitments (agreeing to the future sale or purchase of a property) when the investment opportunity merits it.

The investment team's long-term track record in sourcing investment opportunities is good: it has handled deals with an average transaction value of approximately €6.3 billion per annum over the two years 2017 and 2018 in European logistics and industrial properties (including in the UK). Over 2018, the team carried out a total acquisition volume of approximately €860 million. The real estate team in total comprises over 230 investment professionals including fund managers, transaction managers, local asset managers and research management.

### **2.4 Treasury services**

Aberdeen Standard Investments has a dedicated treasury team based in Frankfurt which provides finance and treasury services to the real estate teams. The treasury team will be well-placed to advise the Investment Manager in relation to the provision of financing in local currencies on the best terms available and will have a strong focus on implementing the most appropriate financing structure for each property acquired, if required.

Financing costs in Europe are still at low levels historically which, the Investment Manager believes, will enable it to institute levels of gearing which should add value to the Portfolio.

### **2.5 The Management Agreement**

Under the terms of the Management Agreement, the Company has appointed Aberdeen Standard Fund Managers Limited as the Company's alternative investment fund manager. The AIFM has

delegated portfolio management to the Amsterdam branch of Aberdeen Standard Investments Ireland Limited as Investment Manager.

Pursuant to the terms of the Management Agreement, the AIFM is responsible for portfolio and risk management on behalf of the Company and will carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFM Rules. Both the AIFM and the Investment Manager are legally and operationally independent of the Company.

Pursuant to the terms of the Management Agreement, the AIFM is entitled to receive a stepped annual management fee (the “**Annual Management Fee**”) calculated by reference to the Net Asset Value (as calculated under IFRS) on the following basis:

<b>Net Asset Value</b>	<b>Annual management fee (percentage of Net Asset Value)</b>
On such part of the Net Asset Value that is less than or equal to €1.25 billion	0.75 per cent.
On such part of the Net Asset Value that is more than €1.25 billion	0.60 per cent.

The Annual Management Fee is payable in Euros quarterly in arrears, save for any period which is less than a full calendar quarter.

In addition, the AIFM is entitled to reimbursement for all cost and expenses properly incurred by the AIFM and/or the Investment Manager in the performance of their respective duties under the Management Agreement.

There are no performance, acquisition, exit or property management fees payable to the AIFM and/or the Investment Manager.

The AIFM shall also perform certain promotional activities on behalf of the Company, the scope of services and corresponding fees is agreed pursuant to a separate promotional services agreement between the AIFM and the Company.

The initial term of the Management Agreement was for two years commencing on 15 December 2017 (the “**Initial Term**”). The Company may terminate the Management Agreement by giving the AIFM not less than 12 months’ prior written notice such notice not to be served prior to the end of the Initial Term. The AIFM may terminate the Management Agreement by giving the Company not less than 12 months’ prior written notice such notice not to be served prior to the end of the Initial Term.

Further details of the Management Agreement are set out in paragraph 7.3 of Part 9 of this Registration Document.

### **3 CONFLICTS OF INTEREST**

The AIFM and the Investment Manager have functionally hierarchically separated the performance of their portfolio or risk management tasks from other potentially conflicting tasks, and potential conflicts of interest are properly identified, managed, monitored and disclosed.

The AIFM, the Investment Manager and their Affiliates are involved in other financial, investment or professional activities which may, directly or indirectly, on occasion give rise to conflicts of interest with the Company. In particular, the AIFM and the Investment Manager manage funds other than the Company and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment policies to that of the Company.

The AIFM will treat all of the Company’s investors fairly and will not allow any investor to obtain preferential treatment, unless such treatment is disclosed in this Registration Document. The AIFM and its Affiliates may from time to time act for other clients or manage other funds, which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of the AIFM and its Affiliates or such other funds. The Directors have satisfied themselves that the AIFM and its Affiliates have procedures in place to address potential conflicts of

interest and that, where a conflict arises, the AIFM and its Affiliates will allocate the opportunity on a fair basis.

The Investment Manager has regard to its delegated obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients, when potential conflicts of interest arise. In the event of a conflict of interest arising, the Investment Manager will ensure that it is resolved fairly and in accordance with the COB Rules and in particular, that any transactions are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed. The COB Rules require the Investment Manager to ensure fair treatment of all its clients. The COB Rules also require that when an investment is made it should be allocated fairly amongst all of its clients for whom the investment is appropriate. In particular, the Investment Manager uses its reasonable efforts to ensure that the Company has the opportunity to participate in potential investments identified by the Investment Manager which fall within the Company's investment objective and policy, on the best terms reasonably obtainable at the relevant time with the aim of ensuring that the principle of best execution is attained in accordance with the COB Rules.

## **4 OTHER ARRANGEMENTS**

### **4.1 Administrator and Company Secretary**

The AIFM has also been appointed by the Company under the terms of the Management Agreement to provide day-to-day administration services to the Company and provide the general company secretarial functions required by the Companies Act.

In this role, the AIFM provides certain administrative services to the Company which includes reporting the Net Asset Value, bookkeeping and accounts preparation. The AIFM may delegate the provision of these accounting and administration services to a delegated service provider, currently State Street Bank and Trust Company (London Branch).

The AIFM has also delegated the provision of the general company secretarial services to Aberdeen Asset Management PLC.

The AIFM charges an additional fee of €145,000 per annum (subject to an annual uplift at the rate of RPI to be effective from the 1 January each year) to the Company for the provision of these services. The AIFM is also entitled to reimbursement of all out-of-pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company in connection with these services.

### **4.2 Depositary**

NatWest Trustee and Depositary Services Limited acts as the Company's Depositary under the terms of the Depositary Agreement. The AIFM is authorised by the FCA as a manager of AIFs for the purposes of the AIFM Directive and is required, in accordance with the AIFM Directive and the AIFM Rules, to ensure that a single appropriately authorised depositary is appointed to perform certain activities such as monitoring the Company's cash flow, safeguarding certain assets of the Company and performing general oversight in relation to the issuance of Shares.

The Depositary has responsibility for the safekeeping of any cash and any certificates of title relating to the Company's assets as well as opening and operating the Company's bank accounts.

The Depositary is incorporated in England and Wales as a private limited company. Its registered and head office is at 250 Bishopsgate, London EC2M 4AA (tel: +44 207 714 4163). The ultimate holding company of the Depositary is The Royal Bank of Scotland Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is trustee and depositary services. The Depositary is regulated by the FCA.

Details of the Depositary Agreement are set out in paragraph 7.6 of Part 9 of this Registration Document.

The Depositary has sub-delegated safe keeping functions to State Street Bank and Trust Company. State Street Bank and Trust Company (London Branch) is authorised and regulated by the Federal Reserve Board, authorised by the Prudential Regulatory Authority, subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulatory Authority.

### **4.3 Registrar**

The Company utilises the services of Equiniti Limited as registrar in relation to the transfer and settlement of Shares. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account per annum, subject to a minimum fee of £3,250. The Registrar is also entitled to activity fees under the Registrar Agreement.

### **4.4 Auditor**

KPMG LLP provides audit services to the Company. The annual report and accounts are prepared according to the accounting standards laid out under IFRS and in accordance with EPRA's best practice recommendations. The fees charged by the Auditor depend on the services provided and on the time spent by the Auditor on the affairs of the Company.

### **4.5 Promotional activities**

The AIFM has also been appointed to provide promotional and communication services to the Company, including enabling its participation in the Aberdeen Standard Investment Trust share plan and promotional programme. Aberdeen Standard Investments charges an annual fee of around 0.05 per cent. of the net assets of each participating investment trust which is at least matched by Aberdeen Standard Investments to cover the costs of delivering the programme. The Company joined the programme in early 2018 and Ordinary Shares acquired under the Open Offer and/or the Offer for Subscription will be eligible for holding within an Aberdeen Standard Investments share plan.

## **5 FEES AND EXPENSES**

### **5.1 Issue expenses – the Issue**

The Company has incurred and will incur issue expenses that arise from, or are incidental to the Issue and Initial Admission. These expenses include the commissions payable under the Share Issuance Agreement, the Receiving Agent's fees, listing and admission fees, printing, legal and accounting fees and any other applicable expenses.

The costs and expenses of, and incidental to, the Issue payable by the Company are expected to be 1.5 per cent. of the Initial Gross Proceeds.

### **5.2 Issue expenses – the Share Issuance Programme**

The issue expenses of the Company relating to the Share Issuance Programme are those that arise from, or are incidental to, the issue of Shares issued pursuant to the Share Issuance Programme and their Admission. These include the fees payable in relation to each subsequent Admission, the Shares issued pursuant to the Share Issuance Programme, including listing fees, as well as the fees and commissions due under the Share Issuance Agreement and any other applicable expenses in relation to the Share Issuance Agreement.

The issue expenses of a Subsequent Issue pursuant to the Share Issuance Agreement are expected to be met by the Company from the proceeds of such Subsequent Issue.

There will be no expenses or taxes specifically charged to investors in the Issue or a Subsequent Issue under the Share Issuance Programme.

### **5.3 On-going annual expenses**

The AIFM charges a tiered annual fee comprising: 0.75 per cent. of the Company's net asset of €1.25 billion or less and 0.60 per cent. on net assets above €1.25 billion. The Company also incurs annual fees, charges and expenses in connection with the day to day running of the Company. The Ongoing Charges ratio as at 31 December 2018 was 0.98 per cent. (Group expenses only) and 1.21 per cent. (Group and property expenses), calculated in accordance with AIC guidance, which are expected to reduce as fixed costs are spread over a larger capital base following the issue of new Shares.

The AIFM has prepared a key information document (KID) as required under the PRIIPs Regulation. That regulation requires costs to be calculated and presented in accordance with detailed and prescriptive rules. The KID is available on the Company's website at [www.eurologisticsincome.co.uk](http://www.eurologisticsincome.co.uk).

## **6 THE TAKEOVER CODE**

The Takeover Code applies to the Company.



## **7 CORPORATE GOVERNANCE**

The Company will comply with the provisions of Chapter 9 of the Listing Rules regarding corporate governance. Chapter 9 of the Listing Rules requires that the Company must “comply or explain” against the UK Corporate Governance Code. In addition, the Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management systems.

The Directors recognise the value of the UK Corporate Governance Code and have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company's size and nature of business, with the UK Corporate Governance Code. The areas of non-compliance by the Company with the UK Corporate Governance Code are in respect of the provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

The Board considers these provisions are not relevant to the position of the Company as it is an externally managed investment company and it has no employees and therefore no requirement for a chief executive, and by reason of the size and composition of the Board.

As at the date of this Registration Document, the Company complies with the AIC Code and is a member of the AIC. In accordance with the AIC Code, the Company meets its obligations in relation to the UK Corporate Governance Code. A copy of the Company's statement of compliance is available on the Company's website.

### **7.1 The Board and Board Committees**

The Chairman is Tony Roper and the Senior Independent Director is Caroline Gulliver.

The Board considers each of the Directors (including the Chairman) to be independent for the purposes of the UK Corporate Governance Code. A majority of the Board will at all times be independent of the AIFM and the Investment Manager.

The full Board meets at least five times a year to consider general matters affecting the Company and otherwise as required. Committee meetings will meet on an ad hoc basis to consider transactional and related matters concerning the Company's business.

The Board has established an Audit Committee, Management Engagement Committee and Nomination Committee. These committees undertake specific activities through delegated authority from the Board. Terms of reference for each committee have been adopted and are reviewed on a regular basis by the Board.

### **7.2 Audit Committee**

The Audit Committee comprises Diane Wilde, John Heawood and Caroline Gulliver (who is chairman and is considered to have recent and relevant financial experience). The Audit Committee meets at least twice a year. There are likely to be a number of other regular attendees at meetings of the Audit Committee, including other members of the Board and the Company's external auditors.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly reported and monitored. The Audit Committee reviews the annual and interim accounts, the accounting policies of the Company and key areas of accounting judgment, management information statements, financial announcements, internal control systems, risk management, the processes employed by the AIFM and the auditor to determine the underlying valuation of the investment portfolio and the continuing appointment of the auditors. It also monitors the whistle blowing policy and procedures over fraud and bribery.

Due to its size, structure and the nature of its activities, the Company does not have an internal audit function. The Audit Committee will continue to keep this matter under review.

### **7.3 Management Engagement Committee**

The Management Engagement Committee comprises Tony Roper, Diane Wilde and John Heawood, who is chairman. The Management Engagement Committee meets at least once a year or more

often, if required. Its principal duties are to consider the terms of appointment of the AIFM and it reviews that appointment and the terms of the Management Agreement on an annual basis. The Management Engagement Committee also reviews the terms of appointment of other key service providers to the Company.

#### **7.4 Nomination Committee**

The Nomination Committee is chaired by Tony Roper and is comprised of the entire Board. The Nomination Committee meets at least once a year or more often if required. Its principal duties are to advise the Board on succession planning bearing in mind the balance of skills, knowledge and experience existing on the Board and will make recommendations to the Board in this regard. The Nomination Committee advises the Board on its balance of relevant skills, experience and length of service of the Directors serving on the Board. All appointments to the Board are made in a formal and transparent manner.

#### **7.5 Directors' share dealings**

The Directors comply with the share dealing code adopted by the Company in compliance with the Market Abuse Regulation in relation to their dealings in Shares. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

## **PART 6**

### **TAXATION**

**Prospective investors should consult their professional advisers concerning the possible tax consequences of their subscribing for, purchasing, holding or selling Shares. The following summary of the principal United Kingdom tax consequences applicable to the Company and its Shareholders is based upon interpretations of existing laws in effect on the date of this Registration Document and no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretations or that changes in such laws will not occur. The tax and other matters described in this Registration Document are not intended as legal or tax advice. Each prospective investor must consult its own advisers with regard to the tax consequences of an investment in Shares. None of the Directors or the AIFM or any of their respective affiliates or agents accepts any responsibility for providing tax advice to any prospective investors.**

#### **Introduction**

The information below, which relates only to United Kingdom taxation, summarises the advice received by the Board in so far as applicable to the Company and to persons who are resident in the United Kingdom for taxation purposes and who hold Shares as an investment. It is based on current United Kingdom tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

**If you are in any doubt as to your tax position or you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.**

#### **The Company**

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be approved by HMRC as an investment trust under section 1158 of the CTA 2010 and pursuant to regulations made under section 1159 of the CTA 2010. However, neither the AIFM nor the Directors can guarantee that this approval will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a close company. The Directors consider that the Company should not be a close company immediately following Initial Admission. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

An investment trust approved under sections 1158 and 1159 of the CTA 2010, or one that intends to seek such approval, is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). Under regulations made pursuant to the Finance Act 2009, the Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the "exempt classes" in Part 9A of the CTA 2009.

#### **Shareholders**

##### ***Taxation of capital gains***

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gain arising on a disposal of their Shares. Each such individual

has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,000 for the tax year 2019–2020. Capital gains tax chargeable will be at the current rate of 10 per cent. (for basic rate tax payers) and 20 per cent. (for higher and additional rate tax payers) during the tax year 2019–2020.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Shares.

Capital losses realised on a disposal of Shares must be set off as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

The acquisition of Ordinary Shares pursuant to the Open Offer (or any future open offer undertaken pursuant to the Share Issuance Programme) may not technically constitute a reorganisation of share capital for the purposes of UK taxation on chargeable gains. The published practice of HMRC to date in respect of open offers has been to treat an acquisition of shares by an existing shareholder up to their *pro rata* entitlement pursuant to the terms of an open offer as a reorganisation but it is understood that HMRC may not apply this practice in circumstances where an open offer is not made to all shareholders, as is the case here.

If, or to the extent that the acquisition of the Ordinary Shares pursuant to the Open Offer (or any future open offer undertaken pursuant to the Share Issuance Programme) is treated as a reorganisation of the Company's share capital for the purposes of the UK taxation on chargeable gains, a Shareholder should not be treated as acquiring a new asset or as making a disposal of any part of their corresponding holding of Ordinary Shares by reason of taking up all or part of that Shareholder's entitlement to Ordinary Shares. Instead, Ordinary Shares issued to a Shareholder should be treated as the same asset, and having been acquired at the same time, as that Shareholder's existing Ordinary Shares. The amount paid for the Ordinary Shares acquired under the Open Offer (or any future open offer undertaken pursuant to the Share Issuance Programme) up to a Shareholder's entitlement should be added to the base cost of that Shareholder's existing Ordinary Shares.

If, or to the extent that, the acquisition of Ordinary Shares pursuant to the Open Offer (or any future open offer undertaken pursuant to the Share Issuance Programme) is not treated by HMRC as a reorganisation, those shares should be treated as acquired separately from the existing Ordinary Shares. In that case, the share identification rules would need to be considered in respect of any subsequent disposal or deemed disposal of Ordinary Shares in order to establish which acquisition costs could be taken into account in computing any gain from the disposal or deemed disposal.

### ***Taxation of dividends***

Distributions made by the Company may either take the form of dividend income, or of "qualifying interest income" which may be designated as interest distributions for UK tax purposes. It is expected that the majority of the Company's distributions will take the form of dividend income, rather than qualifying interest income, in the period during which the proceeds of the Issue are invested; with the proportion increasing to a significant majority once that investment process has been completed. Prospective investors should note that the UK tax treatment of the Company's distributions may vary for a Shareholder in the Company depending upon the classification of such distributions. Prospective investors who are unsure about the tax treatment which will apply to them in respect of any distributions made by the Company should consult their own tax advisers.

### *Individual Shareholders*

#### **(a) Non interest distributions**

In the event that the Directors do not elect for the “streaming” regime to apply to any dividends paid by the Company, the following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. The following statements would also apply to any dividends not treated as “interest distributions” were the Directors to elect for the streaming regime to apply.

A £2,000 annual tax free dividend allowance is available to UK individuals for the tax year 2019-20. Dividends received in excess of this threshold will be taxed, for the tax year 2019/20 at 7.5 per cent. (basic rate taxpayers), 32.5 per cent. (higher rate taxpayers) and 38.1 per cent. (additional rate taxpayers).

The Company will not be required to withhold tax at source when paying a dividend.

#### **(b) Interest distributions**

Should the Directors elect to apply the “streaming” regime to any dividends paid by the Company, were the Company to designate any dividends paid as an “interest distribution”, a UK resident Shareholder in receipt of such a dividend would be treated as though they had received a payment of interest. Such a Shareholder would be subject to UK income tax at the current rates of 20 per cent., 40 per cent. or 45 per cent., depending on the level of the Shareholder's income. No withholding tax will be applied to such distributions.

Each UK resident individual who is a basic rate taxpayer is entitled to a Personal Saving Allowance which exempts the first £1,000 of savings income (including distributions deemed as ‘interest distributions’ from an investment trust company). The exempt amount is reduced to £500 for higher rate taxpayers and additional rate taxpayers do not receive an allowance.

### *Other Shareholders*

UK resident corporate Shareholders may be subject to corporation tax on dividends paid by the Company unless they fall within one of the exempt classes on Part 9A of CTA 2009. If, however, the Directors did elect for the “streaming” rules to apply, and such corporate Shareholders were to receive dividends designated by the Company as “interest distributions”, they would be subject to corporation tax in the same way as a creditor in a loan relationship.

**It is particularly important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.**

### ***Stamp Duty and Stamp Duty Reserve Tax***

Transfers on sale of Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer Shares will normally give rise to a charge to stamp duty reserve tax (“SDRT”) at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

### ***ISA, SSAS and SIPP***

Shares acquired by a UK resident individual Shareholder in the Offer for Subscription (or any future offer for subscription undertaken under the Share Issuance Programme) or on the secondary market (but not the Placing or any future placing undertaken under the Share Issuance Programme) should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2019-2020).

Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £4,368 for the 2019-2020 tax year. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder's annual limit; but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

**Individuals wishing to invest in Shares through an ISA should contact their professional advisers regarding their eligibility.**

The Directors have been advised that the Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

### **Information reporting**

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, an Inter-governmental Agreement with the U.S. in relation to FATCA and International Tax Compliance Agreements with Guernsey, Jersey, the Isle of Man and Gibraltar. The UK has also introduced legislation implementing other international exchange of information arrangements, including the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. In connection with such agreements and arrangements the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to the authorities in other jurisdictions.



## PART 7

### FINANCIAL INFORMATION ON THE GROUP

#### 1 INCORPORATION OF FINANCIAL INFORMATION BY REFERENCE

The Company's annual report for the period from incorporation on 25 October 2017 to 31 December 2018 is incorporated by reference into this Registration Document (the "**Annual Report**"). The Annual Report incorrectly attributed the valuation of the Company's property assets to CBRE Limited and all such references in the Annual Report should consequently be read as references to CBRE GmbH.

The financial statements in the Annual Report were prepared in accordance with IFRS, the Companies Act and Article 4 of the IAS Regulation.

The financial statements in the Annual Report were audited by the Auditor, KPMG LLP. The Auditor's report was unqualified, did not include any references to any matters to which the Auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the Companies Act.

Save for the Financial Statements incorporated by reference in this Part 7, none of the information in this Registration Document has been audited. Unless otherwise indicated, all unaudited financial information relating to the Group contained in this Registration Document has been sourced, without material adjustment, from the internal accounting records of the Group on a basis consistent with the Company's accounting policies.

Where part only of a document is incorporated by reference into this Registration Document, those parts not so incorporated by reference are either not relevant for prospective investors or are covered elsewhere in this Registration Document.

Copies of the Annual Report have been filed with the FCA. Copies of the Annual Report may be obtained on the Company's website ([www.eurologisticsincome.co.uk](http://www.eurologisticsincome.co.uk)) or, free of charge, during normal business hours at the Company's registered office (Bow Bells House, 1 Bread Street, London EC4M 9HH).

#### 2 CROSS REFERENCE TABLE

The Annual Report has been incorporated in this Registration Document by reference, included the information specified in the tables below.

*Audited consolidated financial statements of the Group for the period from 25 October 2017 to 31 December 2018*

Nature of information	Page no(s)
Consolidated Statement of Comprehensive Income	54
Consolidated Balance Sheet	55
Consolidated Statement of Changes in Equity	56
Consolidated Statement of Cash Flows	57
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### Selected financial information

The key audited figures that summarise the Group's financial condition in respect of the period from 25 October 2017 to 31 December 2018 which have been extracted directly on a straightforward basis without material adjustment from the historical financial information, are set out in the following table:

	As at or for the period from 25 October 2017 to 31 December 2018
Total Assets (€'000)	210,730
Investment properties (€'000) <sup>(1)</sup>	148,918
Total Assets less Current Liabilities (€'000)	202,073
Net Assets (€'000)	202,073
EPRA Net Asset Value per Share (basic) (€)	1.08
Earnings per Share (basic) (€)	0.18
Dividends per Share (Sterling pence)	3.0

(1) The fair value of investment properties amounted to €149,185,000. The difference between the fair value and the value per the consolidated balance sheet at 31 December 2018 consists of accrued income relating to the pre-payment for rent-free periods recognised over the life of the lease totalling €267,000 which is separately recorded in the financial statements as a current asset.

### Operating and financial review

The published audited consolidated financial statements of the Group in respect of the period from 25 October 2017 to 31 December 2018, which have been incorporated by reference into this Registration Document, include, on the pages specified in the table below, descriptions of the Group's financial condition (in both capital and revenue terms), details of the Group's investment activity and portfolio exposure, and changes in its financial condition for the period from 25 October 2017 to 31 December 2018:

*As at or for the period from 25 October 2017 to 31 December 2018*

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Chairman's statement	3-5
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### 3 LIQUIDITY

As at 31 December 2018, the Company's cash balance was €50.1 million. Apart from the Group's operating requirements for working capital, these funds are committed to financing the Group's portfolio of assets under development via the forward funded projects.

The Group currently has approximately €108.9 million of committed debt financing in place of which €92.9 million is currently drawn. In addition, the Company has a £6 million short term uncommitted multi-currency facility with Société Générale

The Group, therefore, has sufficient funds to fulfil its current commitments. The Net Proceeds of the Issue and any undrawn debt facilities will be used to fund further acquisitions from the Company's identified pipeline.

**PART 8A**  
**VALUATION REPORT**

<b>Report Date</b>	5 July 2019
<b>Addressees</b>	<p>The Directors Aberdeen Standard European Logistics Income PLC 1 Bread Street London, EC4M 9HH United Kingdom (hereinafter “ASELI” or the “Company”)</p> <p>and</p> <p>Investec Bank PLC 30 Gresham Street London, EC2V 7QP United Kingdom</p> <p>(in their capacity as Sponsor, Sole Global Coordinator and Bookrunner)</p>
<b>The properties</b>	The properties held by ASELI, as detailed in the Property Details set out in the Appendix below.
<b>Property Descriptions</b>	Logistics.
<b>Ownership Purpose</b>	Investment and Development.
<b>Instruction</b>	To value on the basis of Market Value the unencumbered freehold-equivalent interests in the Properties as at the Valuation Date in accordance with the terms of engagement entered into between CBRE and the Addressees dated 27 May 2019.
<b>Valuation Date</b>	31 March 2019.
<b>Capacity of Valuer</b>	External, as defined by the RICS Valuation Global Standards (2017).
<b>Purpose</b>	<p>The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation Global Standards (2017) (“Red Book”). We understand that our valuation report and the Appendices to it (together the “Valuation Report”) is required for inclusion in a Prospectus (the “Prospectus”) which is to be published by ASELI pursuant to a Public Offering of shares by the Company on the Main Market of the London Stock Exchange, as a result of which shares of ASELI will be admitted to and traded on the London Stock Exchange Main Market.</p> <p>The effective date of valuation is 31 March 2019.</p> <p>In accordance with the RICS Valuation Global Standards (2017) (“Red Book”) we have made certain disclosures in connection with this valuation instruction and our relationship with the Company.</p>
<b>Market Value</b>	<p><b>€238,400,000 (TWO HUNDRED AND THIRTY-EIGHT MILLION, FOUR HUNDRED THOUSAND EUROS)</b> exclusive of purchaser’s costs and VAT.</p> <p>Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached and has been primarily derived using comparable recent market transactions on arm’s length terms.</p>

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

For the avoidance of doubt, we have valued the Properties as real estate and the values reported herein represent 100% of the market values of the assets. No account has been taken in reporting these market values of the extent of ASEL's interests in the companies holding the subject Properties.

There are no negative values to report.

All the properties are held freehold-equivalent.

<b>Category</b>	<b>No. of Properties</b>	<b>Market Value</b>
<b>Held for Investment</b>	7	€206,400,000
<b>In the Course of Development</b>	2	€32,000,000

#### **Report Format**

The Appendix "Property Details" provides relevant details of all the subject properties.

#### **Compliance with Valuation Standards**

The valuation has been prepared in accordance with the RICS Valuation Global Standards (2017) ("Red Book"). The property details on which each valuation is based are as set out in this report.

The valuations are compliant with the International Valuation Standards and are in accordance with paragraphs 128 to 130 of the ESMA update of the Committee of European Securities Regulators' (CESR) recommendations for the consistent implication of the European Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive and the London Stock Exchange requirements.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation competently. Where the knowledge and skill requirements of The Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of The Red Book.

#### **Assumptions**

We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

#### **Variation from Standard Assumptions**

None.

#### **ESMA 130 (vi)**

ESMA paragraph 130 (vi) requires us to comment on any differences between the valuation figure in this Valuation Report and the valuation figure included in ASEL's latest published annual accounts, which were as at 31 December 2018.



## Methodology – Properties held for Investment

Properties, not owned at 31 December 2018, are Zum Fliegerhorst 1302, 1304 (Erlensee, Germany), Rué 6 Éme Avenue (Meung-sur-Loire, France), and Majdzika St. (Skawina, Poland), but were acquired by the Company after 31 December 2018, representing an aggregate Market Value as at 31 March 2019 of €80,900,000.

As at 31 December 2018 the Company held 6 of the properties forming the current portfolio, for which an aggregate Fair Value of €149,850,000 was included in the Company's published annual accounts. The stated aggregate Fair Value includes the partially constructed properties Productieweg (Zeewolde) and Bronsweg (Oss). The aggregate market value of these properties as at 31 March 2019 is €157,500,000. The difference is primarily due to staged payment of development costs in respect of the two above-mentioned development properties totalling €8,260,000; the differences in values reported in respect of the standing investments are under 1%.

### Discounted Cashflow (DCF)

The properties in Flörsheim and Erlensee were valued using the DCF methodology as instructed by the client:

1. A 10-year cashflow period was adopted. In this cashflow period, all costs associated with the property investment are deducted from the expected income, in order to arrive at the assumed net cash flow from the property for each individual year. The calculations take account of various parameters, including for instance changes in rent due to contractual agreements and projected growth in market rental values, expenditure on running repairs and maintenance, re-letting costs and miscellaneous redecoration and assumed periods of vacancy, for the whole of the cashflow period. The net cash flows are then discounted back to the date of valuation at a selected discount rate, monthly in advance.

We have applied the following explicit indexation in our calculations, based on the inflation forecast of CBRE Research:

Year 1	Year 2	Year 3 – 10
1.9%	1.9%	2.0%

2. The exit value after the 10-year cashflow period was calculated using the Income Capitalisation Method, capitalising the assumed stabilised rental income at an appropriate growth-implicit yield and then discounting to the date of valuation. The effects of future changes in the rent as well as other market or financial factors are implicitly reflected in the exit yield.

The discount rate and exit yield is derived from analysis of market evidence of investment transactions. The Market Value and the indicators derived from it, such as Net Initial Yield and gross multiplier, can be compared against comparable transactions.

### Traditional Investment / Income Capitalisation Method

This method has been adopted for all the other investment properties

The investment method of valuation involves the capitalisation of the net income stream from the property at a net yield.

In establishing the gross income stream, we have reflected current rents payable to lease expiry (or break if activated) at which point we have assumed that each unit will be re-let at our opinion of market rent. Where units are vacant we have assumed a void period prior to assuming that the unit will be let at our opinion of market rent.





In order to arrive at a net income stream certain items of non-recoverable expenditure are deducted from the gross rental income, such as non-recoverable management fees, a maintenance and repair sinking fund, and any non-recoverable service charges.

Future indexation of rents has been allowed for implicitly in our valuation

The net yield applied to capitalise the income stream is derived from analysis of market evidence of investment transactions. Purchaser's costs are deducted from the resultant capital value to arrive at a net Market Value. Any items of capital expenditure are also deducted.

Froth

When a tenant's rent payable exceeds rental value, the excess is termed Froth. This can arise at any time during the period of the lease. The froth is capitalized for the period of the lease at the same rate as the core layer (or, if selected, at a froth rate).

For the property in Ede a higher yield has been applied to the rental guarantee since it exceeds the market rent, for the remaining term of the guarantee.

## Development Properties

As at the date of valuation, the properties Oss and Zeewolde, both located in The Netherlands, are not fully constructed. As informed by the client's advisors via email, dated 26 June 2019, we understand the legal situations to be as follows:

**Zeewolde:** The transaction pertaining to Zeewolde is structured under a forward funding scheme, agreed upon in a Turnkey Agreement. Once finished, ASELI Netherlands II B.V. becomes the owner of the structure by operation of law. We understand, ASELI Netherlands II B.V. owns the land and the respective structure built on the land during construction. Since the building is built on a pro rate basis the construction is in line with the progress of the instruction. The fully finished building is planned to be finished on 10 May 2019.

We understand that in the event of a disposal of the property before the structure is completed, the Turnkey Agreement will not be transferred automatically but ASELI Netherlands B.V. has the right to assign the Turnkey Agreement.

**Oss:** The transaction pertaining to Oss is structured through a split sale and purchase agreement and an additional construction agreement. Once finished, ASELI Netherlands II B.V. becomes the owner of the structure by operation of law. We understand, ASELI Netherlands II B.V. owns the land and the respective structure built on the land during construction. Since the building is built on a pro rate basis the construction is in line with the progress of the instruction. The fully finished building is planned to be finished on 26 July 2019.

We understand that in the event of a disposal before the structure is completed, the agreement of the local municipality is required and that in order to assign the construction contract the agreement of both the developer the tenant and is needed. However, due to the strength of the logistics market at present and the scarcity of both available properties, and appropriate plots, we consider that a potential purchaser would be unlikely to achieve a price reduction to reflect any associated risks.

## Market Conditions

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had

been properly marketed and that exchange of contracts took place on this date.

**Valuer**

The Properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation Global Standards (2017).

**Independence**

The total fees, including the fee for this assignment, earned by CBRE GmbH (or other companies forming part of the same group of companies within Germany) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total German revenues.

It is not anticipated this situation will vary in the financial year to 31 December 2019.

We confirm that we do not have any material interest in ASELI or the Properties.

We do not consider that any conflict of interest arises in us preparing this Valuation Report and ASELI have confirmed to us that it also considers this to be the case.

**Disclosure**

In accordance with the Red Book we make the following disclosures:

The principal signatory of this report has continuously been the signatory of valuations for ASELI for financial reporting purposes since 15<sup>th</sup> December 2017.

CBRE GmbH has continuously been carrying out Valuation instructions for ASELI since 2017.

CBRE GmbH has carried out valuation services only on behalf of the addressee for less than 3 years.

**Responsibility**

For the Purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Valuation Report complies with Rule 5.6.5G of the Prospectus Rules and Paragraphs 128 to 130 of the ESMA update of CESR'S recommendations for the consistent implementation the European Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation.

**Reliance**

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents save as set out in "Responsibility" above.

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.

## **Publication**

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Before this Valuation Report, or any part thereof, is disclosed orally or otherwise to a third party, CBRE's written approval of the form and context of such publication or disclosure must first be obtained. Such publication or disclosure will not be permitted unless where relevant it incorporates the Assumptions referred to herein. For the avoidance of doubt, such approval is required whether or not CBRE is referred to by name and whether or not the contents of our Valuation Report are combined with others.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation Standards or the incorporation of the special assumptions referred to herein.

Yours faithfully

Yours faithfully

**ppa. Meike Opfermann MRICS**

**CIS HypZert (F)**

**RICS Registered Valuer**

**Director | Team Leader**

For and on behalf of

**Simon Ritsch FRICS**

**CIS HypZert (F)**

**RICS Registered Valuer**

**Managing Director**

For and on behalf of

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The logo for CBRE, consisting of the letters 'CBRE' in a bold, green, sans-serif font.

## SCOPE OF WORK & SOURCES OF INFORMATION

### Sources of Information

We have carried out our work based upon information supplied to us by Aberdeen Standard Investments Deutschland AG in behalf of ASELI, which we have assumed to be correct and comprehensive.

We have been provided with copies of Due Diligence Reports:

- For all properties, we have been provided with the major lease contracts, and title deeds of the properties.
- For the properties, Waddinxveen (TEDD, Royal Haskoning DHV, 21 November 2018), Ede (Royal Haskoning DHV, 12 July 2018), Oss (Savills NL, 25 October 2018), Zeewolde (Royal Haskoning DHV, 12 October 2018), Erlensee (Duff & Phelps, 17 April 2018), Flörsheim (Duff & Phelps, 22 December 2017), we received a Technical Due Diligence Report.
- For the properties, Waddinxveen (TEDD, Royal Haskoning DHV, 21 November 2018), Ede (Royal Haskoning DHV, 16 August 2018), Flörsheim (Delta Simons Environmental Consultants, September 2016), Erlensee (local authority for env. Matters, July 2015, July 2017), Meung-sur-Loire (ICF Environment, October 2003), we received an Environmental Due Diligence Report.
- For the properties, Waddinxveen (DLA Piper, 14 November 2018), Ede (DLA Piper, 2 August 2018), Erlensee (CMS, 16 April 2018), Flörsheim (CMS, 18 December 2017), we received a Legal Due Diligence Report.

We have requested but not been provided with:

- Skawina: Energy Performance Certificate; Technical Due Diligence; Environmental Due Diligence; Legal Due Diligence.
- Noves: Declaration of completion / Certificate of Compliance; Technical Due Diligence; Environmental Due Diligence; Legal Due Diligence.
- Meung-sur-Loire: Declaration of completion / Certificate of Compliance; Technical Due Diligence; Legal Due Diligence.
- Flörsheim: None.
- Erlensee: None.
- Waddinxveen: None.
- Ede: None.
- Oss: None, with regard to the development status.
- Zeewolde: None, with regard to the development status.

### The Properties

Our report contains a brief summary of the properties details on which our valuation has been based.

**Inspection**

We have inspected the Properties internally and externally as follows:

<b>Property</b>	<b>Inspection Date</b>
Zeewolde, The Netherlands	13 July 2018
Waddinxveen, The Netherlands	9 November 2018
Oss, The Netherlands	13 July 2018
Ede, The Netherlands	17 July 2018
Flörsheim, Germany	3 June 2019
Erlensee, Germany	3 June 2019
Noves, France	24 July 2018
Meung-sur-Loire, France	19 March 2019
Skawina, Poland	29 November 2018

**Areas**

We have not measured the Properties but have relied upon the areas provided. We have not checked these on site.

We have relied upon the areas given in the below-mentioned documents provided, which ASEL advise us are correct and comprehensive.

**France:**

Noves: measurement certificate from SCP ARNAL-PITRAT, undated.  
Meung-sur-Loire: tenancy schedule and leases.

**Germany:**

Flörsheim: tenancy schedule and leases.

Erlensee: tenancy schedule and leases.

**The Netherlands:**

Ede: measurement certificate dated March 2010 and lease for the new mezzanine space.

Waddinxveen: measurement certificate, date 25 October 2018.

**Poland:**

Skawina: tenancy schedule, leases, handover protocols and technical documentation.

**Environmental Matters**

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigations into the past or present uses of the Properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

**Repair and Condition**

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.

**Town Planning**

We have undertaken planning enquiries, where documents are publicly available. With regard to this information and the documents provided by Aberdeen Standard Investments Deutschland AG in behalf of ASEL,

## **Titles, Tenures and Lettings**

which we have assumed to be correct and comprehensive, we assume with regard to the properties in the course of development that they comply with the relevant planning regulations.

Details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.



## VALUATION ASSUMPTIONS

### Introduction

An Assumption is defined in the Red Book Glossary and VPS 4 to be a “supposition taken to be true” (an “Assumption”).

Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.

ASELI has confirmed, and we confirm that our Assumptions are correct as far as ASELi and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.

For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.

### Capital Values

Each valuation has been prepared on the basis of “Market Value”, which is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in our valuation.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

No account has been taken of the availability or otherwise of capital-based Government or other grants.

### Taxation, Costs and Realisation Costs

As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.

Our valuations reflect purchasers’ statutory and other normal acquisition costs.

### VAT

We have not been advised whether the properties are elected for VAT.

All rents and capital values stated in this report are exclusive of VAT.

### Passing Rent

Passing rents quoted in this report are the rents which are currently payable under the terms of the leases. Passing rents exclude service charges and VAT and are prior to deduction of any non-recoverable costs. Passing rents exclude turnover rents, mall incomes and other miscellaneous incomes.

### Net Annual Rent

Net annual rent is defined for the purposes of this transaction as “the current income or income estimated by the valuer:

- (i) ignoring any special receipts or deduction arising from the property;
- (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

- (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent”.

**Estimated Net Annual Rental Value**

The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

**Rental Values**

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.

**Lease Expiries**

Fixed-term leases frequently incorporate either tenants’ options to extend or tenants’ break clauses; other leases are rolling to indeterminate, subject to stated notice periods. For the purposes of our valuations, we have made assumptions as to appropriate presumed expiry dates.

Any weighted average unexpired terms indicated in our Valuation report reflect these assumptions.

**The Properties**

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord’s fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.

Process plant and machinery, tenants’ fixtures and specialist trade fittings have been excluded from our valuations.

All measurements, areas and ages quoted in our report are approximate.

**Environmental Matters**

In the absence of any information to the contrary, we have assumed that:

- (a) the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law;
- (b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities.
- (c) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.
- (d) that invasive species such as Japanese Knotweed are not present on the Properties.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. In the respective countries, there may exist governmental or non-governmental organizations (such as Public Health England (HPE)) which advise that there could be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the property. Our valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

**Energy Performance  
Certificates**

We have assumed that the Properties possess or will possess current Energy Performance Certificates as required under Government Directives.

**Repair and Condition**

In the absence of any information to the contrary, we have assumed that:

- (a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the property;
- (b) the Properties are free from rot, infestation, structural or latent defect;
- (c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the Properties; and
- (d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

**Title, Tenure, Planning  
and Lettings**

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- (a) the Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
- (b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;
- (c) the Properties are not adversely affected by town planning or road proposals;
- (d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;
- (e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the relevant disability discrimination legislation;
- (f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- (g) tenants will meet their obligations under their leases;
- (h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- (i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and
- (j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.
- (k) real estate transfer tax will apply at the rate currently applicable, with the exception of the Polish property which is valued net of acquisition costs.

# A

## PROPERTY DETAILS

### Properties held for Investment

Property	Description, Age and Tenure	Tenancy	Passing Rent Per Annum	Market Rent Per Annum	Market Value (100%)
<b>France</b>			<b>€3,839,613</b>	<b>€3,075,471</b>	<b>€68,100,000</b>
La Cabane Vieille, 13550 Noves, France	<p>Noves is in the Provence-Alpes-Côtes d'Azur region, near to the A7 (&lt; 4 km), A9 (35 km) and A54 (40 km) motorways. The property is in the vicinity of Cavaillon, Châteaurenard and Avignon. In close vicinity to an area zoned as Marché d'Intérêt National (MIN) which benefits from this special status. Other occupiers in the zone are Prodicom (truck transport), Mesguen Noves (truck transport), l'Univers de l'emballage (packaging), and some supermarkets.</p> <p>The warehouse property was built in 2018/2019 and has a lettable area of 28,469 sq m. It has reinforced concrete structure with a clear height of 8 m to 10 m. The warehouse has a maximum floor loading capacity of 5t/sq m, 12 loading docks (1:2,000), an office ratio of 11.2%. Two of four cells are cold between 0 to 2° C, 2 to 10° C, and 12 to 16°C.</p> <p>Tenure is freehold equivalent.</p>	<p>100% let to Biocoop on a 12-year term with a break option on 20 June 2027. Let on institutional terms. Unexpired term is 11.42 years.</p> <p>PV plant provides additional income of €160,000 p.a.</p>	€2,423,746	€1,807,911	€44,700,000
Rue 6 Éme Ave., 45130 Meung-sur-Loire, France	<p>The subject property is located in Meung-sur-Loire, South-West of Paris and Orléans respectively at ca. 150 km (1h40 min) and 20 km (30 min). The site benefits from a prime location, just next to the A10 motorway exit. The visibility of the property from the highway is therefore excellent. The subject property lies inside the "Parc Synergie Val-de-Loire", a well-established logistic base which gathers occupier's leaders in their respective business such as: DHL, XPO Logistics, Office Dépôt, MSL Circuits.</p> <p>The warehouse was built in 2005 and has a lettable area of 30,180 sq m. It has a clear height of 10 to 17 m. a floor loading capacity of 7t/sq m, 27 loading docks (1:1,000), and an office ratio of 5.7%.</p> <p>Tenure is freehold equivalent.</p>	<p>100% let to Office Depot on a 12-year term. Let on institutional terms.</p> <p>Unexpired term is 7.5 years.</p>	€1,415,867	€1,267,560	€23,400,000
<b>Germany</b>			<b>€2,957,177</b>	<b>€2,760,185</b>	<b>€54,800,000</b>
Mariechen-Graulich-Str. 10, 12, 12a, 65439 Flörsheim, Germany	<p>Flörsheim (pop. c. 20,000) is c. 15 km from Frankfurt with very good transport connections to the city. The subject property is north-east of the town centre on a commercial park, with other logistics and warehouse buildings in the immediate surroundings. The motorways A66 and A3 are under 10 km distant although via the centre of Flörsheim and other towns. Major</p>	<p>100% let to multiple tenants; Ernst Schmitz Logistics &amp; Technical Services GmbH Maintrans Internationale Spedition account for 58.1% of passing rent. Let on institutional terms. WAULT 5.9 years; WABO is 4.9 years.</p>	€1,156,095	€1,126,572	€21,200,000

Property	Description, Age and Tenure	Tenancy	Passing Rent Per Annum	Market Rent Per Annum	Market Value (100%)
	<p>companies in Flörsheim include Deutsche Shell Holding GmbH, MCE-Bank GmbH, Hennig Arzneimittel (pharmaceuticals) and Dyckerhoff (concrete manufacturer).</p> <p>The warehouse property was built in 2015. It has a reinforced concrete structure with a 20m to 22.5m x 22.5m column grid, a clear height of 10 m and a maximum floor loading capacity of 5t/sq m. It has 22 loading docks (dock ratio 1:700 sqm). The total lettable is c. 17,809 sq m with an office ratio of 11.5%.</p> <p>Tenure is freehold equivalent.</p>				
Zum Fliegerhorst 1302, 1304, 63526 Erlensee, Germany	<p>Erlensee (pop. c. 14,200) is c. 29 km from Frankfurt's main railway station. The property is in a commercial park and borders the national road L3193; it is close to the motorways A66 and A45 (6.5 km). Currently all land plots are secured or occupied by well-known companies or developers like Dachser Logistics or Goodman.</p> <p>The property consists of two warehouses built in 2018 with a total lettable area of 26,703 sq m. They have a reinforced concrete structure with a column grid of at least 11.4m x 22.5m. Both warehouses have a clear height of 10 m, a floor loading capacity of 5t/sq m, 50 loading docks in total (1:500), and a total office ratio of 10.7%. Tenure is freehold equivalent.</p>	100% let to multiple tenants, wBergler Industrieservices and DS Smith Packaging Deutschland account for 53.5% of passing rent. Let on institutional terms. WAULT 7.95 years. WABO is 7.95 years.	€1,801,082	€1,633,613	€33,600,000
<b>Netherlands</b> Transportweg 23, 2742 RH Waddinxveen, Netherlands	<p>Waddinxveen (pop. c. 27,900) is in South Holland, in the Randstad conurbation, between The Hague, Rotterdam, and Utrecht. The subject property is in the vicinity of 'Distripark A12' industrial estate and has good access to the industrial estate Distripark, connected to the A12 and the nearby A20 motorway (1.5 km). Main occupiers are logistic companies such as Intertoys, Univeg, van Leeuwen Truckservice, Doeleman, and Lekkerland.</p> <p>The warehouses were built from 1975 to 2018, with Hall 6 being the newest (October 2018), with 29,058 sq m total lettable area. The halls are up-to-date and maintained.</p> <p>Clear height of the halls is between 6 and 11 m. All of the halls apart from one are temperature-controlled; two have small individual cooling cells/units. The floor loading capacity ranges from 0.8 to 3.5t/sq m, there are 49 loading docks (1:500), and the office ratio is ca. 11.1%.</p>	100% let to Combilo International B.V. Let on institutional terms. Unexpired term is 14.6 years.	€3,494,349 €1,813,505	€3,458,079 €1,790,850	€59,600,000 €33,300,000

Property	Description, Age and Tenure	Tenancy	Passing Rent Per Annum	Market Rent Per Annum	Market Value (100%)
Celsiusstraat 37, 6716 BZ Ede, Netherlands	<p>Ede (pop. c. 112,000) is in Gelderland, close to Arnhem, Amersfoort, and Utrecht. The property is situated at business park Heestereng / Frankeneng (240 ha), with 3PL operators like DB Schenker, van de Hoef Logistiek, and Alon logistiek. The site is accessible via A12 (Rotterdam – Germany) and A30 motorways.</p> <p>The logistics property has c. 39,840 sq m and was built in 1999 and 2005. It has a clear height of 12 m, floor loading capacity of 4t/sq m, 18 loading docks (1:2,100), and an office ratio of about 6.7%.</p> <p>Tenure is freehold equivalent.</p>	93.3% let to A.S. Watson B.V., which accounts for 85.2% of the passing rent. The 2,662 sq m vacant office area is covered by a rental guarantee of €250,000 p.a. over a 5-years term. Let on institutional terms. WAULT 8.6 years (incl. rental guarantee).	€1,680,844 incl. rental guarantee	€1,667,229	€26,300,000
<b>Poland</b>			<b>€1,387,188</b>	<b>€1,679,959</b>	<b>€23,900,000</b>
Majdzika St., Skawina near Krakow, Poland	<p>The property is in Skawina, near the Skawina Bypass, about 18 km from Krakow, and 2 km west from Krakow Sidzina junction. The surroundings are mainly industrial with undeveloped sites. Occupiers in the vicinity include Valeo, DPD, Rohlig Suus Logistic, JHK Poland. On the other side of Skawina Bypass, around 700 m south-east from the property there is residential development.</p> <p>The logistics property was built in 2018 and has 34,932 sq m lettable area. It has a concrete/steel structure with a 12 x 22.5m column grid. The warehouse has a clear height of 10 m, a floor loading capacity of 5t/sq m, 56 loading docks (1:600) and an office ratio of about 10.9%.</p> <p>Tenure is freehold equivalent.</p>	100% let to multiple tenants, Lynka, Max-Fliz, and Max-Fliz Home account for 63.8% of the passing rent. Let on institutional terms. WAULT 4.8 years; WABO is 4.5 years.	€1,387,188	€1,679,959	€23,900,000
<b>Portfolio Totals</b>			<b>€11,678,327</b>	<b>€10,973,694</b>	<b>€206,400,000</b>

## Properties under Development:

Property	Description, Age and Tenure	Tenancy	Contracted Rent Per Annum	Market Rent Per Annum	Market Value (100%)
<b>Netherlands</b>					
Productieweg, 3899 AK Zeewolde, The Netherlands	<p>Zeewolde (c. pop. 23,000) is located in the province of Flevoland, close to the fast-growing Almere municipality (c. pop. 197,000). Zeewolde is closely located to motorways A6 (Amsterdam; 15 minutes), the A27 and A28 (10 minutes). The provincial road N305 connects Zeewolde with the A27 and Lelystad with good and further improving accessibility. The property is located in business park Trekkersveld (193 ha; 30 ha still available), with companies such as: Bakker Logistics, Royal Herkel, Van den Brink Logistics and Wolter Koops Logistics.</p> <p>The warehouse property will have a clear height of 12 m. Maximum load capacity will be 5t/sq m and offers 34</p>	100% pre-let to VSH Fittings B.V. on institutional terms for 15 years from completion.	€1,491,250	€1,619,000	<p>€21,700,000 (rounded)</p> <p>Remaining Construction Costs €7,536,059</p> <p>GDV excl. Acquisition Costs €29,281,429</p> <p>Acquisition Costs €217,454</p> <p>GDV incl. Acquisition</p>



Property	Description, Age and Tenure	Tenancy	Contracted Rent Per Annum	Market Rent Per Annum	Market Value (100%)
	loading docks (1:1,000). Total lettable area will be 36,250 sq m (office ratio 3.4%).				Costs €29,498,883
	Stage of completion: According to the documents provided, the steel metal construction, concrete works, roof plating, façade, flooring is already completed (weather sealed) as at the date of valuation. Time scale to completion: The building is planned to be finished on 10 May 2019. Costs to completion: Remaining construction costs are €7,536,059.				
Bronsweg, 5342 LS Oss, The Netherlands	Oss is located in the province Noord Brabant, east of 's-Hertogenbosch. Oss is a string manufacturing destination combined with Logistics. It provides tri-modal access (A59, A50) functions as an efficient intersection and is well situated as a logistics gateway to Europe. The business park 'Vorstengrafdonk' (LFA 350.000 sqm) is a good location for logistics companies: Montea logistics, Traffic Service Netherlands, VOS Logistics, Heineken, Mediq, Movianto and Vetipak.	100% pre-let to Orangeworks B.V. on institutional terms for 15 years from completion.	€840,000	€892,455	€10,300,000 (rounded)  Remaining Construction Costs €5,640,323  GDV excl. Acquisition Costs €10,210,675  Acquisition Costs  €103,138 GDV incl.  Acquisition Costs €10,313,813
	The light industrial property will have a clear height of 10 m. Maximum load capacity will be 5t/sq m and will offer 8 to 10 loading docks (dock ratio 1:600). The total lettable is about 12,534 sq m (office ratio 13.4%). Likely, BREEAM very good.				
	Stage of completion: According to the documents provided by the client, the steel metal construction, concrete works, roof plating, façade, flooring is already completed (weather sealed) as at the date of valuation. Time scale to completion: The building is planned to be finished on 26 June 2019. Costs to completion: Remaining construction costs are €5,640,323.				
<b>Property totals</b>			<b>€2,331,250</b>	<b>€2,511,455</b>	<b>€32,000,000</b>

(Please, see the Section "Development Properties" in the Valuation Report.)

**PART 8B**  
**LEON VALUATION REPORT**

<b>Report Date</b>	5 July 2019
<b>Addressees</b>	<p>The Directors</p> <p>Aberdeen Standard European Logistics Income PLC 1 Bread Street London, EC4M 9HH United Kingdom (hereinafter “ASELI” or the “Company”)</p> <p>and</p> <p>Investec Bank PLC 30 Gresham Street London, EC2V 7QP United Kingdom (in their capacity as Sponsor, Sole Global Coordinator and Bookrunner)</p>
<b>The Property</b>	Poligono Industrial V3, 24392, Villadangos del Páramo (near León), Spain.
<b>Property Description</b>	Logistics, as detailed in the Property Details set out in the Appendix below.
<b>Ownership Purpose</b>	Investment.
<b>Instruction</b>	<p>To value on the basis of Market Value the unencumbered freehold-equivalent interest in the Property as at the Valuation Date in accordance with the terms of engagement entered into between CBRE and the Addressees dated 27 May 2019 and the amendment dated 2 July 2019.</p>
<b>Valuation Date</b>	30 June 2019.
<b>Capacity of Valuer</b>	External, as defined by the RICS Valuation Global Standards (2017).
<b>Purpose</b>	<p>The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation Global Standards (2017) (“Red Book”). We understand that our valuation report and the Appendices to it (together the “Valuation Report”) is required for inclusion in a Prospectus (the “Prospectus”) which is to be published by ASELI pursuant to a Public Offering of shares by the Company on the Main Market of the London Stock Exchange, as a result of which shares of ASELI will be admitted to and traded on the London Stock Exchange Main Market.</p> <p>The effective date of valuation is 30 June 2019.</p> <p>In accordance with the RICS Valuation Global Standards (2017) (“Red Book”) we have made certain disclosures in connection with this valuation instruction and our relationship with the Company.</p>
<b>Market Value</b>	<p><b>€16,700,000 (SIXTEEN MILLION, SEVEN HUNDRED THOUSAND EUROS)</b> exclusive of purchaser’s costs and VAT.</p> <p>Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached and has been primarily derived using comparable recent market transactions on arm’s length terms.</p>

For the avoidance of doubt, we have valued the Property as real estate and the value reported herein represents 100% of the market value of the asset. No account has been taken in reporting this of the extent of ASEL's interest in the company holding the subject Property.

There are no negative values to report.

The property is held freehold-equivalent.

#### **Report Format**

The Appendix "Property Details" provides relevant details of the subject property.

#### **Compliance with Valuation Standards**

The valuation has been prepared in accordance with the RICS Valuation Global Standards (2017) ("Red Book"). The property details on which the valuation is based is as set out in this report.

The valuation is compliant with the International Valuation Standards and are in accordance with paragraphs 128 to 130 of the ESMA update of the Committee of European Securities Regulators' (CESR) recommendations for the consistent implication of the European Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive and the London Stock Exchange requirements.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation competently. Where the knowledge and skill requirements of The Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of The Red Book.

#### **Assumptions**

We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

#### **Variation from Standard Assumptions**

None.

#### **ESMA 130 (vi)**

ESMA paragraph 130 (vi) requires us to comment on any differences between the valuation figure in this Valuation Report and the valuation figure included in ASEL's latest published annual accounts, which were as at 31 December 2018.

The subject property was acquired by the Company after 31 December 2018.

#### **Methodology**

##### **Discounted Cashflow (DCF)**

The property was valued using the DCF methodology:

1. A 10-year cashflow period was adopted. In this cashflow period, all costs associated with the property investment are deducted from the expected income, in order to arrive at the assumed net cash flow from the property for each individual year. The calculations take account of various parameters, including for instance changes in rent due to contractual agreements and projected growth in market rental values, expenditure on running repairs and maintenance, re-letting costs and miscellaneous redecoration and assumed periods of

vacancy, for the whole of the cashflow period. The net cash flows are then discounted back to the date of valuation at a selected discount rate, monthly in advance.

We have applied the following explicit indexation in our calculations, based on the inflation forecast of CBRE Research:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 – 10
1.32%	1.66%	1.80%	1.81%	1.84%	2.00%

2. The exit value after the 10-year cashflow period was calculated using the Income Capitalisation Method, capitalising the assumed stabilised rental income at an appropriate growth-implicit yield and then discounting to the date of valuation. The effects of future changes in the rent as well as other market or financial factors are implicitly reflected in the exit yield.

The discount rate and exit yield is derived from analysis of market evidence of investment transactions. The Market Value and the indicators derived from it, such as Net Initial Yield and gross multiplier, can be compared against comparable transactions.

#### Market Conditions

The value stated in this report represent our objective opinion of Market Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the property had been properly marketed and that exchange of contracts took place on this date.

#### Valuer

The Property have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation Global Standards (2017).

#### Independence

The total fees, including the fee for this assignment, earned by CBRE GmbH (or other companies forming part of the same group of companies within Germany) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total German revenues.

It is not anticipated this situation will vary in the financial year to 31 December 2019.

We confirm that we do not have any material interest in ASELI or the Property.

We do not consider that any conflict of interest arises in us preparing this Valuation Report and ASELI have confirmed to us that it also considers this to be the case.

#### Disclosure

In accordance with the Red Book we make the following disclosures:

The principal signatory of this report has continuously been the signatory of valuations for ASELI for financial reporting purposes since 15<sup>th</sup> December 2017.

CBRE GmbH has continuously been carrying out Valuation instructions for ASELI since 2017.

CBRE GmbH has carried out valuation services only on behalf of the addressee for less than 3 years.

#### Responsibility

For the Purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the



case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Valuation Report complies with Rule 5.6.5G of the Prospectus Rules and Paragraphs 128 to 130 of the ESMA update of CESR'S recommendations for the consistent implementation the European Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation.

#### **Reliance**

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents save as set out in "Responsibility" above.

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.

#### **Publication**

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Before this Valuation Report, or any part thereof, is disclosed orally or otherwise to a third party, CBRE's written approval of the form and context of such publication or disclosure must first be obtained. Such publication or disclosure will not be permitted unless where relevant it incorporates the Assumptions referred to herein. For the avoidance of doubt, such approval is required whether or not CBRE is referred to by name and whether or not the contents of our Valuation Report are combined with others.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation Standards or the incorporation of the special assumptions referred to herein.



Yours faithfully

**ppa. Meike Opfermann MRICS**

**CIS HypZert (F)**

**RICS Registered Valuer**

**Director | Team Leader**

For and on behalf of

CBRE GmbH

T: +49 (0)30 726 154 – 197

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Yours faithfully

**Simon Ritsch FRICS**

**CIS HypZert (F)**

**RICS Registered Valuer**

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The CBRE logo is displayed in a bold, dark green, sans-serif font.

## SCOPE OF WORK & SOURCES OF INFORMATION

<b>Sources of Information</b>	<p>We have carried out our work based upon information supplied to us by Aberdeen Standard Investments Deutschland AG in behalf of ASELI, which we have assumed to be correct and comprehensive.</p> <p>We have been provided with the following copies of documents by:</p> <ul style="list-style-type: none"><li>■ We have been provided with the lease contract, title deeds (dated 3 January 2018), scaled floor plans (INEL ARQUITECTURA E INGENIERÍA, January 2018), building permit, and building license, an Environmental Survey (Ambiente Iberia S.L., dated May 2018), Draft Technical Due Diligence (DENTONS, May 2018), Draft Legal Due Diligence (Gleeds, May 2018).</li></ul> <p>We have requested but not been provided with:</p> <ul style="list-style-type: none"><li>■ None.</li></ul>
<b>The Property</b>	<p>Our report contains a brief summary of the property details on which our valuation has been based.</p>
<b>Inspection</b>	<p>We inspected the Property internally and externally on 1 July 2019.</p>
<b>Areas</b>	<p>We have not measured the Property but have relied upon the areas provided. We have not checked these on site.</p> <p>We have relied upon the areas given in the scaled floor plans from INEL ARQUITECTURA E INGENIERÍA, dated January 2018 and the Layout breakdown provided Goodman, which ASELI advise us are correct and comprehensive.</p>
<b>Environmental Matters</b>	<p>We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Property and which may draw attention to any contamination or the possibility of any such contamination.</p> <p>We have not carried out any investigations into the past or present uses of the Property, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.</p>
<b>Repair and Condition</b>	<p>We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Property. We are unable, therefore, to give any assurance that the Property is free from defect.</p>
<b>Town Planning</b>	<p>We have undertaken planning enquiries, where documents are publicly available. With regard to this information and the documents provided by Aberdeen Standard Investments Deutschland AG in behalf of ASELI, which we have assumed to be correct and comprehensive, we assume with regard to the property in the course of development that they comply with the relevant planning regulations.</p>
<b>Titles, Tenures and Lettings</b>	<p>Details of title/tenure under which the Property is held and of lettings to which it is subject is as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the</p>

documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

## VALUATION ASSUMPTIONS

### Introduction

An Assumption is defined in the Red Book Glossary and VPS 4 to be a “supposition taken to be true” (an “Assumption”).

Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.

ASELI has confirmed, and we confirm that our Assumptions are correct as far as ASELi and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.

For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.

### Capital Values

The valuation has been prepared on the basis of “Market Value”, which is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in our valuation.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

No account has been taken of the availability or otherwise of capital-based Government or other grants.

### Taxation, Costs and Realisation Costs

As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.

Our valuations reflect purchasers’ statutory and other normal acquisition costs.

### VAT

We have not been advised whether the property is elected for VAT.

All rents and capital values stated in this report are exclusive of VAT.

### Passing Rent

Passing rents quoted in this report are the rents which are currently payable under the terms of the leases. Passing rents exclude service charges and VAT and are prior to deduction of any non-recoverable costs. Passing rents exclude turnover rents, mall incomes and other miscellaneous incomes.

### Net Annual Rent

Net annual rent is defined for the purposes of this transaction as “the current income or income estimated by the valuer:

- (i) ignoring any special receipts or deduction arising from the property;
- (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and
- (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of

managing the property and allowances to maintain it in a condition to command its rent“.

**Estimated Net Annual Rental Value**

The estimated net annual rental value is based on the current rental value of each of the Property. The rental value reflects the terms of the leases where the Property, or parts thereof, are let at the date of valuation. Where the Property, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

**Rental Values**

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.

**Lease Expiries**

Fixed-term leases frequently incorporate either tenants' options to extend or tenants' break clauses; other leases are rolling to indeterminate, subject to stated notice periods. For the purposes of our valuations, we have made assumptions as to appropriate presumed expiry dates.

Any weighted average unexpired terms indicated in our Valuation report reflect these assumptions.

**The Property**

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

All measurements, areas and ages quoted in our report are approximate.

**Environmental Matters**

In the absence of any information to the contrary, we have assumed that:

- (a) the Property is not contaminated and are not adversely affected by any existing or proposed environmental law;
- (b) any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities.
- (c) the Property is either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.
- (d) that invasive species such as Japanese Knotweed are not present on the Property.

High voltage electrical supply equipment may exist within, or in close proximity of, the Property. In Spain, there may exist governmental or non-governmental organizations (such as Public Health England (HPE)) which advise that there could be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the property. Our valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

**Energy Performance Certificates**

We have assumed that the Property possess or will possess current Energy Performance Certificates as required under Government Directives.



**Repair and Condition**

In the absence of any information to the contrary, we have assumed that:

- (a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the property;
- (b) the Property is free from rot, infestation, structural or latent defect;
- (c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the Property; and
- (d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Property. Comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

**Title, Tenure, Planning and Lettings**

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- (a) the Property possesses a good and marketable title free from any onerous or hampering restrictions or conditions;
- (b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;
- (c) the Property is not adversely affected by town planning or road proposals;
- (d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;
- (e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the relevant disability discrimination legislation;
- (f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- (g) tenants will meet their obligations under their leases;
- (h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- (i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and
- (j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.
- (k) real estate transfer tax will apply at the rate currently applicable, with the exception of the Polish property which is valued net of acquisition costs.



## A

### PROPERTY DETAILS

#### The Property



Source: CBRE, 2019



Source: Google Maps

<b>Address:</b>	Poligono Industrial V3, 24392, Villadangos del Páramo, León, Spain
<b>Main Use:</b>	Logistics Warehouse
<b>Area:</b>	32,637.19 sq m Lettable Area
<b>Site:</b>	49,189.98 sq m
<b>Age:</b>	Completed on 23 May 2019

- The property is located in Villadangos del Páramo (population c. 1,096), situated 20 km west of León, which has a population of c. 202,793. León is in the autonomous community of Castilla and León which has a GDP of €55.392 m (in 2016; INE) and a GDP per capita of €22,649 (national average is €24,100). The unemployment rate is about 14.8% (national average is 18.6%).
- The property is located in the Villadangos Logistics Park with very good access to the AP71 highway (3.8 km, 5 minutes' drive-time). Other occupiers in the park include Mercadona (80,000 sq m with possible expansion of 20,000 sq m) and Vestas (21,000 sq m).
- Main competitors are the industrial parks of Astorga (c. 35.0 km, 30 minutes' drive-time) and Benavente (c. 80 km, 60 minutes' drive-time) with occupiers such as Inditex, Schenker, Kuehne + Nagel and TNT.
- The warehouse property was completed in May 2019 and has a steel-framed structure with trapezoidal metal sheet cladding. It has a lettable area of 32,637 sq m, a minimum height of 10.7 m, a maximum floor loading capacity of 5t/sq m, and 28 loading docks (1:1,200). Lighting is by means of rooflights and strip lighting. The office ratio is 2.3%.
- The property is fully fenced, has 165 parking places, and a vehicular circulation sufficient for modern logistics delivery.

## Tenure

The property is held freehold-equivalent.

## Tenancy & Covenant Strength

Let on institutional terms, the property is 100% let to Decathlon España S.A.U. on a 10-year term, starting on 22 March 2019 and ending on 21 March 2029. The unexpired term certain is 9.7 years. There are no break options. The term is prolonged automatically for 4 subsequent periods with a 3 years term. After these prolongations the lease automatically extends for another 2 years period (all extensions compulsory for both parties;  $3+3+3+3+2 = 14$ ). The tenant is allowed to notify the Landlord with a 12-month prior notice not to extend the lease for each extension.

An in-depth analysis of the tenant falls out of the scope of this valuation. We have considered that the property investment market would be of the opinion that the tenant is of very good covenant strength.

## SWOT

Strengths	Weaknesses
■ The property is fully let to Decathlon with 9.7 years unexpired;	■ No direct access to the main motorways (but close enough to N-120 and AP-71);
■ Newly-built warehouse with 10.7 m clear height and 5t/sq m max. load capacity;	■ The León region does not belong to the main logistics hubs in Spain;
■ The property has 28 loading docks (1:1,200);	■ Villadangos Logistics Park is new and therefore not an established logistics area.
■ Investment market would consider the tenant to be of very good covenant strength.	
Opportunities	Threats
■ Warehouse areas above 30,000 sq m are limited in Villadangos del Páramo and the property may serve niche demand;	■ Warehouse modules are c. 10,000 sq m each which does not suit primary demand of 1,000 to 2,000 sq m;
■ The property can be let to multiple tenants.	

**Market Value****€16,700,000****(Sixteen Million, Seven Hundred Thousand Euros)**

exclusive of purchaser's costs and VAT

**Key Valuation Inputs**

Total lettable area:	32,637.19 sqm
Average Market Value per sq m lettable area:	€512
Current annual rental income (gross):	€1,053,533
Current annual rental income (net):	€1,036,470
Market rent p.a. (gross):	€1,057,445
Market rent p.a. (net):	€1,040,343
Net initial yield: (on contracted rent): *	6.02%
Reversionary yield: (on market rent): *	6.04%
Exit Capitalisation Rate	6.25%
Discount Rate	8.25%

\* based on the net rental income and market value plus purchaser's costs.

## PART 9

### GENERAL INFORMATION

#### 1 THE COMPANY

- 1.1 The Company was incorporated in England and Wales on 25 October 2017 with registered number 11032222 as a public company limited by shares under the Companies Act. The Company has an indefinite life.
- 1.2 The principal place of business and the registered office of the Company is Bow Bells House, 1 Bread Street, London EC4M 9HH with telephone number +44 02074636000.
- 1.3 The principal legislation under which the Company operates is the Companies Act. As an investment trust, the Company is not regulated as a collective investment scheme by the FCA. However, the Company and the Shareholders are subject to the Listing Rules, Prospectus Rules and the Disclosure Guidance and Transparency Rules.
- 1.4 The Company's accounting period ends on 31 December of each year. The current accounting period will end on 31 December 2019. The annual report and accounts are prepared in Euros according to accounting standards laid out under IFRS.
- 1.5 On 9 November 2017, the Company was granted a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers.
- 1.6 The Company is domiciled in England and Wales and does not have any employees.
- 1.7 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to section 833 of the Companies Act.
- 1.8 The Company intends at all times to conduct its affairs so as to continue to qualify as an investment trust for the purposes of sections 1158 and 1159 (and regulations made thereunder) of the CTA 2010.

#### 2 THE GROUP

- 2.1 The Company is the holding company of the Group and has the following subsidiaries:

<b>Name</b>	<b>Place of incorporation</b>	<b>Principal activity</b>	<b>Proportion of ownership interest %</b>
ASELI France Holding SAS	France	Intermediate holding company	100
ASELI Meung SCI	France	Property holding company	100
ASELI Avignon SCI	France	Property holding company	100
ASELI Waddinxveen B.V	The Netherlands	Property holding company	100
ASELI Flörsheim B.V	The Netherlands	Property holding company	100
ASELI Leon B.V	The Netherlands	Property holding company	100
ASELI Eriensee B.V	The Netherlands	Property holding company	100
ASELI Netherlands I B.V	The Netherlands	Property holding company	100
ASELI Netherlands II B.V	The Netherlands	Property holding company	100
ASELI 's-Heerenberg B.V	The Netherlands	Property holding company	100
PDC Industrial Centre 72 Sp. Z.o.o	Poland	Property holding company	100

- 2.2 The Board intends that further companies and intermediate holding companies will be set up to hold any additional properties which may be acquired by the Group.

### 3 SHARE CAPITAL

- 3.1 The Company's share capital: (i) as at the date of this Registration Document, and (ii) as it will be immediately following Initial Admission (assuming 100 million Ordinary Shares are issued in the Issue) is as follows:

	At the date of this Registration Document		Immediately following the Issue	
	<i>Number of Shares</i>	<i>Aggregate nominal value (£)</i>	<i>Number of Shares</i>	<i>Aggregate nominal value (£)</i>
Ordinary Shares	187,500,001	1,875,000.01	287,500,001	2,875,000.1
C Shares	—	—	—	—

- 3.2 On incorporation, the issued share capital of the Company was one Ordinary Share of a nominal value of £0.01, which was subscribed for by Aberdeen Asset Management PLC.
- 3.3 The following changes in the share capital of the Company have taken place between incorporation and the date of this Registration Document:
- (a) on 8 November 2017 the Company issued 50,000 management shares of a nominal value of £1.00 each which were subscribed for by Aberdeen Asset Management PLC;
  - (b) on 15 December 2017, the Company issued 187,500,000 Ordinary Shares pursuant to a placing and offer for subscription at an issue price of £1.00 per Ordinary Share; and
  - (c) on 15 December 2017, the 50,000 management shares were redeemed out of the proceeds of the placing and offer for subscription at par value and cancelled.
- 3.4 On 24 July 2019 resolutions of the Company will be considered at the General Meeting for the following purposes:
- (a) that the Directors are generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 150 ordinary shares of £0.01 each in the capital of the Company ("**Issue Shares**") in connection with the Issue, such authority to expire on the conclusion of the Company's next annual general meeting (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Issue Shares in pursuance of such an offer or agreement as if such authority had not expired;
  - (b) that the Directors are generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot in aggregate up to 200 ordinary shares of £0.01 each and/or C shares or £0.10 each in the capital of the Company ("**Share Issuance Programme Shares**") in connection with the Share Issuance Programme, such authority to expire on 30 July 2020 (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Share Issuance Programme Shares in pursuance of such an offer or agreement as if such authority had not expired;
  - (c) that, conditionally upon the passing of the resolution in paragraph (a) above, the Directors are generally empowered (pursuant to section 570 of the Companies Act) to allot Issue Shares for cash pursuant to the authority referred to in paragraph (a) above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire on the conclusion of the Company's next annual general meeting (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into

an agreement which would or might require Issue Shares to be allotted after the expiry of such power and the Directors may allot Issue Shares in pursuance of such an offer or agreement as if such power had not expired; and

- (d) that, conditionally upon the passing of the resolution in paragraph (b) above, the Directors are generally empowered (pursuant to section 570 of the Companies Act) to allot Share Issuance Programme Shares for cash pursuant to the authority referred to in paragraph (b) above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire on 30 July 2020 (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Share Issuance Programme Shares to be allotted after the expiry of such power and the Directors may allot Share Issuance Programme Shares in pursuance of such an offer or agreement as if such power had not expired.
- 3.5 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraphs 3.4 or as otherwise disapplied by the Company.
  - 3.6 In accordance with the power granted to the Directors by the Articles, it is expected that the Ordinary Shares to be issued pursuant to the Issue will be allotted (conditionally upon Initial Admission) pursuant to a resolution of the Board to be passed shortly before Initial Admission in accordance with the Companies Act and any Ordinary Shares and/or C Shares to be issued pursuant to the Share Issuance Programme will be allotted (conditionally upon the relevant subsequent Admission) pursuant to a resolution of the Board to be passed shortly before the relevant subsequent Admission in accordance with the Companies Act.
  - 3.7 No shares in the capital of the Company are held by or on behalf of the Company.
  - 3.8 Save as disclosed in this paragraph 3, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and no such issue is now proposed.
  - 3.9 The Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
  - 3.10 All of the Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
  - 3.11 Applicants who have signed and returned Application Forms in respect of the Open Offer and/or the Offer for Subscription may not withdraw their applications for Ordinary Shares subject to their statutory rights of withdrawal in the event of the publication of a supplementary prospectus.



#### 4 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

- 4.1 Other than as set out in the table below, as at 4 July 2019 (being the last practicable date prior to the publication of this Registration Document), the Company was not aware of any person who was directly or indirectly interested in 3 per cent. of more of the issued share capital of the Company:

Name	Number of Ordinary Shares	Percentage of issued share capital
East Riding of Yorkshire Pension Fund	20,000,000	10.7
Aberdeen Private Wealth Management	15,700,745	8.4
Investec Wealth & Investment Ireland	14,564,351	7.8
CCLA Investment Management Limited	12,442,604	6.6
Canaccord Genuity Wealth Management	10,694,362	5.7
Quilter Cheviot Investment Management	9,433,831	5.0
Close Brothers Asset Management	9,362,403	5.0
Hargreaves Lansdown Nominees Limited	8,653,952	4.6
AJ Bell	8,341,389	4.4
Canaccord Genuity Wealth Management (ND)	7,317,335	3.9
JM Finn Nominees Limited	5,866,097	3.1

- 4.2 Other than as disclosed above, the Company and the Directors are not aware of any person who as at 4 July 2019 (being the latest practicable date prior to the publication of this Registration Document), directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor are they aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 4.3 Save as set out below, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at 4 July 2019 (being the latest practicable date prior to the publication of this Registration Document).

Director	Number of Ordinary Shares	Percentage of issued ordinary share capital
Tony Roper	30,000	0.02
Caroline Gulliver	25,000	0.01
John Heawood	20,000	0.01
Diane Wilde	20,000	0.01

- 4.4 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. Directors' appointments may be terminated earlier by either party giving to the other one month's prior written notice. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 4.5 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman, the fee is £30,000 for each Director per annum. The Chairman's fee is £40,000 per annum. The Chairperson of the Audit Committee receives an additional £5,000 per annum. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. The aggregate remuneration and benefits in kind of the Directors in respect of the financial period ended

31 December 2018 was £189,293 (including fees and expenses paid to the Company's former chairman Pascal Duval who stood down from the Board at the Company's annual general meeting on 11 June 2019).

- 4.6 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 4.7 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 4.8 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 4.9 Over the five years preceding the date of this Registration Document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<b>Name</b>	<b>Current</b>	<b>Previous</b>
Tony Roper	Affinity Water Acquisitions (Holdco) Limited Affinity Water Acquisitions (Investments) Limited Affinity Water Acquisitions Limited Affinity Water Acquisitions (Midco) Limited Affinity Water Capital Funds Limited Affinity Water Finance (2004) PLC Affinity Water Finance plc Affinity Water Holdco Finance Limited Affinity Water Holdings Limited Affinity Water Limited Daiwater Investment Limited SDCL Energy Efficiency Income Trust PLC	Academy Services (Norwich) Holdings Limited Academy Services (Norwich) Limited Academy Services (Oldham) Holdings Limited Academy Services (Oldham) Limited Academy Services (Sheffield) Holdings Limited Academy Services (Sheffield) Limited Amalie Infrastructure Limited Amalie PFI (UK) Limited Blue Light Holdings Limited Blue3 (Gloucestershire Fire) Limited Blue3 (Gloucestershire Fire) (Holdings) Limited Bootle Accommodation Partnership Holding Limited Bootle Accommodation Partnership Limited Brentwood Healthcare Partnership Holding Limited Brentwood Healthcare Partnership Limited Central Blackpool PCC Holding Company Limited Central Blackpool PCC Limited Children's Ark Partnerships Holdings Limited Children's Ark Partnerships Limited CSES (Dorset) Limited CityLink Telecommunications Holdings Limited CityLink Telecommunications Limited Ealing Schools Partnerships Holdings Limited Ealing Schools Partnerships Limited European Healthcare Projects Ltd (formerly HICL Infrastructure Ltd) European Investments Solar Holdings 2 Limited European Investments Solar

Name	Current	Previous
		Holdings Limited
		European Investments Tulip Limited
		European Storage Investments
		Group Limited
		European Wind Investments Group 2
		Limited
		European Wind Investments Group
		Limited
		Hadfield Healthcare Partnerships
		Holding Limited
		Hadfield Healthcare Partnerships
		Limited
		HDM Schools Solutions (Holdings)
		Limited
		HDM Schools Solutions Ltd
		ICB Securities 1 Limited
		ICB Securities 2 Unlimited
		InfraRed Capital Partners
		(Management) LLP
		InfraRed Capital Partners Limited
		InfraRed (Infrastructure) Capital
		Partners Limited
		InfraRed Infrastructure III General
		Partner Limited
		InfraRed Infrastructure Yield General
		Partner Limited
		InfraRed Infrastructure Yield
		Holdings Limited
		Infrastructure Central Ltd (formerly
		HICL Infrastructure Company
		Limited)
		Infrastructure Investments (A63)
		Holdings Limited
		Infrastructure Investments (Affinity)
		Limited
		Infrastructure Investments
		(Colorado) Limited
		Infrastructure Investments (Defence)
		Limited
		Infrastructure Investments (Health)
		Limited
		Infrastructure Investments (HSL
		Zuid) Limited
		Infrastructure Investments (No 7)
		Limited
		Infrastructure Investments (No 8)
		Limited
		Infrastructure Investments (Portal)
		Limited
		Infrastructure Investments (Portal)
		GP Limited
		Infrastructure Investments
		Portsmouth) Limited
		Infrastructure Investments (Roads)
		Limited
		Infrastructure Investments Betjeman
		(Holdco) Limited
		Infrastructure Investments Betjeman

Name	Current	Previous
		Limited
		Infrastructure Investments General Partner Limited
		Infrastructure Investments Holdings Limited
		Infrastructure Investments OFTO 1 Limited
		Infrastructure Investments Trafalgar Limited
		Irish Wind Investments Group Limited
		Kajima Darlington Schools Holding Limited
		Kajima Darlington Schools Limited
		Kajima Haverstock Holding Limited
		Kajima Haverstock Limited
		Kajima Newcastle Libraries Holding Limited
		Kajima Newcastle Libraries Limited
		Kajima North Tyneside Holdings Limited
		Kajima North Tyneside Limited
		Manchester Housing (MP Equity) Limited
		Manchester Housing (MP Subdebt) Limited
		Manchester Housing (MP Topco) Limited
		Newham Learning Partnership (PSP) Limited
		New Intermediate Care Limited
		New Schools Investment Company Limited
		Offshore Wind Investments Group Limited
		Prospect Healthcare (Hinchingsbrooke) Holdings Limited
		Prospect Healthcare (Hinchingsbrooke) Limited
		RBLH Limited
		RBLH Medway Investment Company Limited
		RBLH RWF Investment Company Limited
		Redwood Partnership Ventures 2 Limited
		Redwood Partnership Ventures Limited
		RL Investment Limited
		Road Infrastructure (Ireland) Limited
		Schools Investment Company (IRL) Limited
		SEEIT Holdco Limited
		The Renewables Infrastructure Group (France) SAS
		The Renewables Infrastructure Group (UK) Investments Limited
		The Renewables Infrastructure

Name	Current	Previous
		Group (UK) Limited UK GDN Investments Holdco Limited UK GDN Investments Topco Limited UK GDN Investments Limited Wooldale Partnerships Holdings Limited Wooldale Partnerships Limited Yorker Holdings PKR Limited Zealburg Holdings Limited
Caroline Gulliver	JP Morgan Global Emerging Markets Income Trust plc, International Biotechnology Trust plc Civitas Social Housing PLC	APQ Limited APQ Investments Limited
John Heawood	John Heawood Consulting Limited Marshalls (New River House) Limited Place Partnership Limited	AAM 2013 Limited Ashtenne Caledonia Limited Ashtenne (AIF) Limited Norwepp (General Partner) Limited <i>(in Liquidation)</i> Ashtenne Industrial Fund Nominee No.2 Limited <i>(Dissolved)</i> Ashtenne Industrial Fund Nominee No.2 Limited Ashtenne Industrial (General Partner) Limited Ashtenne Industrial Fund Nominee No.1 Limited; Horizon Housing REIT PLC Horizon Investments Holdings (One) Limited Horizon Investment Holdings (Two) Limited Horizon Investments (One) Limited Horizon Investments (Two) Limited Horizon Scotland (GP) Limited
Diane Wilde	Wilde Associates Limited	—

4.10 The Directors in the five years before the date of this Registration Document:

- (a) do not have any convictions in relation to fraudulent offences;
- (b) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

4.11 All Shareholders of the same class have the same voting rights in respect of the share capital of the Company.

4.12 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

- 4.13 Save for the entry into of the Directors' appointment letters, the Company has not entered into any related party transaction at any time during the period from incorporation to 4 July 2019 (the latest practicable date prior to the publication of this Registration Document).
- 4.14 As at the date of this Registration Document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 4.15 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

## 5 THE ARTICLES

The Articles contain provisions, *inter alia*, to the following effect:

### 5.1 Objects/Purposes

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

### 5.2 Voting rights

- (a) Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and any suspension or abrogation of voting rights pursuant to the Articles, at a general meeting of the Company every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (b) Unless the Board otherwise determines, no member is entitled to vote at a general meeting or at a separate meeting of Shareholders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a member in respect of any share held by him, unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such member to the Company have been paid or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.
- (c) Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

### 5.3 Dividends

- (a) Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on Shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time



of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

- (c) All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- (d) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- (e) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.
- (f) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

#### 5.4 Winding up and continuation vote

- (a) If the Company is wound up, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, the liquidator may divide among the Shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he may with the like sanction determine, but no Shareholder shall be compelled to accept any shares or other securities upon which there is a liability.
- (b) The Directors are required to propose an ordinary resolution that the Company continue its business as presently constituted (the "**Continuation Resolution**") at the sixth annual general meeting of the Company and every third annual general meeting thereafter. If any Continuation Resolution is not passed, the Directors will cease further investment, the properties in the Company's property portfolio will be sold in an orderly fashion as market demand appears and the net funds, determined by the Directors as available for distribution, will be distributed to Shareholders.

#### 5.5 Transfer of shares

- (a) Subject to any applicable restrictions in the Articles, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of members.
- (b) The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
  - (i) it is in respect of a share which is fully paid up;

- (ii) it is in respect of only one class of shares;
- (iii) it is in favour of a single transferee or not more than four joint transferees;
- (iv) it is duly stamped (if so required); and
- (v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the regulations and the relevant electronic system.

- (c) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.
- (d) If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (e) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- (f) If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, then any shares which the Directors decide are shares which are so held or beneficially owned ("Prohibited Shares") must be dealt with in accordance with paragraph (g) below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.

- (g) The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- (h) Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

#### 5.6 Variation of rights

- (a) Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class.
- (b) The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

#### 5.7 Alteration of share capital

The Company may by ordinary resolution:

- (a) authorise the Directors to increase its share capital by allotting new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- (c) subject to the provisions of the Companies Act, sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares;
- (d) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and
- (e) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

#### 5.8 General meetings

- (a) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.

- (b) A general meeting shall be convened by such notice as may be required by law from time-to-time.
- (c) The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
  - (i) whether the meeting is convened as an annual general meeting or any other general meeting;
  - (ii) the place, the day, and the time of the meeting;
  - (iii) the general nature of the business to be transacted at the meeting;
  - (iv) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
  - (v) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- (d) The notice must be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any general meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.
- (e) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- (f) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- (g) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- (h) A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
  - (i) the Chairman;
  - (ii) at least five members having the right to vote on the resolution;

- (iii) a member or members representing not less than five per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
- (iv) member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

#### 5.9 Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and, subject to the provisions of the Companies Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### 5.10 Issue of shares

Subject to the provisions of the Companies Act and to any rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

#### 5.11 Powers of the Board

The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

#### 5.12 Directors' fees

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £300,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

#### 5.13 Directors' interests

- (a) The Board may authorise any matter proposed to it in accordance with the Articles which would otherwise involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company or the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it (excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.



- (b) Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director and in respect of which he has a duty of confidentiality to another person and will not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.
- (c) Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:
  - (i) may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested;
  - (ii) may hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
  - (iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and
  - (iv) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.
- (d) A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.
- (e) The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

#### 5.14 Restrictions on Directors voting

- (a) A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
  - (i) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
  - (ii) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

- (iii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iv) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
  - (v) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - (vi) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in one per cent. or more of the issued equity share capital of any class of such body corporate nor to his knowledge holds one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure Guidance and Transparency Rules) in such body corporate;
  - (vii) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
  - (viii) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
  - (ix) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
  - (x) any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- (b) A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

#### 5.15 Number of Directors

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not less than two and the number is not subject to a maximum.

#### 5.16 Directors' appointment and retirement

- (a) Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting.
- (b) At each annual general meeting of the Company, one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office by rotation. If there are fewer than three Directors, one Director shall retire from office.
- (c) Any newly appointed Director shall retire at the first annual general meeting of the Company following his appointment and shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.
- (d) At each annual general meeting, any Director who was elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation.
- (e) Any Director shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting.



#### 5.17 Notice requiring disclosure of interest in shares

- (a) The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.
- (b) If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the **"default shares"**) the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

#### 5.18 Untraced shareholders

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

#### 5.19 Indemnity of officers

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act). In addition, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

#### 5.20 Management Shares

The Management Shares can be redeemed at any time (subject to the provisions of the Companies Act) by the Company and carry the right to receive a fixed annual dividend equal to 0.01 per cent. of the nominal amount of each of the Management Shares payable on demand. For so long as there are shares of any other class in issue, the holders of the Management Shares will not have any right to receive notice of or vote at any general meeting of the Company. If there are no shares of any other class in issue, the holders of the Management Shares will have the right to receive notice of, and to vote at, general meetings of the Company. In such circumstances, each holder of a Management Share who is present in person (or, being a corporation, by representative) or by proxy at a general meeting will

have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by representative) will have one vote in respect of each Management Share held by him.

#### 5.21 C Shares and Deferred Shares

The rights and restrictions attaching to the C Shares and the Deferred Shares arising on their Conversion are summarised below.

(a) The following definitions apply for the purposes of this paragraph 5.21 only:

**“Calculation Date”** means, in relation to any tranche of C Shares, the earliest of the:

- (i) close of business on the date to be determined by the Directors occurring not more than 15 Business Days after the day on which the Company’s appointed alternative investment fund manager shall have given notice to the Directors that at least 85 per cent. of the net proceeds of an issue of C Shares (or such other percentage as the Directors and the Company’s appointed alternative investment fund manager shall agree) shall have been invested; or
- (ii) close of business on the date falling nine calendar months after the allotment of that tranche of C Shares or if such a date is not a Business Day the next following Business Day; or
- (iii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of that tranche of C Shares; or
- (iv) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are in contemplation in relation to any tranche of C Shares;

**“Conversion”** means conversion of any tranche of C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph (h) below;

**“Conversion Date”** means, in relation to any tranche of C Shares, the close of business on such Business Day as may be selected by the Directors falling not more than 15 Business Days after the Calculation Date of such tranche of C Shares;

**“Conversion Ratio”** is the ratio of the Net Asset Value per C Share of the relevant tranche to the Net Asset Value per Ordinary Share, which is calculated as:

$$\text{Conversion Ratio} = \frac{A}{B}$$

$$A = \frac{C - D}{E}$$

$$B = \frac{F - G}{H}$$

where:

**“C”** is the aggregate of:

- (i) the value of the investments of the Company attributable to the C Shares of the relevant tranche (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded, as derived from the relevant exchange’s or market’s recognised method of publication of prices for such investments where such published prices are available;

- (ii) the value of all other investments of the Company attributable to the C Shares of the relevant tranche (other than investments included in (i) above) calculated by reference to the Directors' belief as to a fair current value for those investments on the relevant Calculation Date after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the C Shares of the relevant tranche (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

"D" is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares of the relevant tranche) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant tranche on the relevant Calculation Date;

"E" is the number of C Shares of the relevant tranche in issue on the relevant Calculation Date;

"F" is the aggregate of:

- (i) the value of all the investments of the Company attributable to the Ordinary Shares (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available; and
- (ii) the value of all other investments of the Company attributable to the Ordinary Shares (other than investments included in (i) above) calculated by reference to the Directors' belief as to a fair current value for those investments on the relevant Calculation Date after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the Ordinary Shares (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

"G" is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the Ordinary Shares on the relevant Calculation Date; and

"H" is the number of Ordinary Shares in issue on the relevant Calculation Date (excluding any Ordinary Shares held in treasury),

provided that the Directors shall make such adjustments to the value or amount of A and B as the Directors believe to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the net proceeds of an issue of C Shares of the relevant tranche and/or to the reasons for the issue of the C Shares of the relevant tranche;

**"Deferred Shares"** means deferred shares of one penny each in the capital of the Company arising on Conversion;

**"Existing Shares"** means the Ordinary Shares in issue immediately prior to Conversion;

**"Force Majeure Circumstances"** means, in relation to any tranche of C Shares (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion

necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of the relevant tranche with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

References to Shareholders, C shareholders and deferred shareholders should be construed as references to holders for the time being of Ordinary Shares, C Shares of the relevant tranche and Deferred Shares respectively.

- (b) The holders of the Ordinary Shares, any tranche of C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:
- (i) the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a cumulative dividend at a fixed rate of one per cent. of the nominal amount thereof (the “**Deferred Dividend**”) on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph (h) (the “**Relevant Conversion Date**”) and on each anniversary of such date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed redemption of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;
  - (ii) the holders of any tranche of C Shares shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of the assets attributable to the C Shares of that tranche and from profits available for distribution which is attributable to the C Shares of that tranche;
  - (iii) the Existing Shares shall confer the right to dividends declared in accordance with the Articles;
  - (iv) the Ordinary Shares into which any tranche of C Shares shall convert shall rank *pari passu* with the Existing Shares for dividends and other distributions made or declared by reference to a record date falling after the relevant Calculation Date; and
  - (v) no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares for the time being in issue) between any Calculation Date and the relevant Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between any Calculation Date and the relevant Conversion Date (both dates inclusive).
- (c) The holders of the Ordinary Shares, any tranche of C Shares, the Deferred Shares and the Management Shares shall, subject to the provisions of the Articles, have the following rights as to capital:
- (i) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when one or more tranches of C Shares are for the time being in issue and prior to the Conversion Date be applied amongst the holders of the Existing Shares *pro rata* according to the nominal capital paid up on their holdings of Existing Shares, after having deducted therefrom:

- (A) first, an amount equivalent to (C-D) for each tranche of C Shares in issue using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount(s) shall be applied amongst the C shareholders of the relevant tranche(s) *pro rata* according to the nominal capital paid up on their holdings of C Shares of the relevant tranche;
  - (B) secondly, if there are Deferred Shares in issue, in paying to the holders of Deferred Shares one penny in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders;
  - (C) thirdly, in paying to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon,
- for the purposes of this paragraph (i) the Calculation Date shall be such date as the liquidator may determine; and
- (ii) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when no C Shares of any tranche are for the time being in issue be applied as follows:
    - (A) first, if there are Deferred Shares in issue, in paying to the deferred shareholders one penny in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders;
    - (B) secondly, there will be paid to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon; and
    - (C) thirdly, the surplus shall be divided amongst the Shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares.
- (d) As regards voting:
- (i) the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Existing Shares as set out in the Articles as if the C Shares and Existing Shares were a single class; and
  - (ii) the Deferred Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.
- (e) The following shall apply to the Deferred Shares:
- (i) the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be redeemed by the Company in accordance with the terms set out herein;
  - (ii) immediately upon Conversion of any tranche of C Shares, the Company shall redeem all of the Deferred Shares which arise as a result of Conversion of that tranche for an aggregate consideration of one penny for all of the Deferred Shares so redeemed and the notice referred to in paragraph (h)(i)(B)1) below shall be deemed to constitute notice to each C Shareholder of the relevant tranche (and any person or persons having rights to acquire or acquiring C Shares of the relevant tranche on or after the Calculation Date) that the Deferred Shares shall be so redeemed; and
  - (iii) the Company shall not be obliged to: (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (ii) account to any deferred shareholder for the redemption moneys in respect of such Deferred Shares.
- (f) Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Articles:
- (i) no alteration shall be made to the Articles;



- (ii) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares; and
- (iii) no resolution of the Company shall be passed to wind-up the Company.

For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Existing Shares and C Shares, as described above, shall not be required in respect of:

- (i) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Shares by the issue of such further Ordinary Shares); or
  - (ii) the sale of any shares held as treasury shares (as such term is defined in section 724 of the Companies Act) in accordance with sections 727 and 731 of the Companies Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- (g) For so long as any tranche of C Shares are for the time being in issue, until Conversion of such tranche of C Shares and without prejudice to its obligations under applicable laws the Company shall:
- (i) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of that tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of that tranche;
  - (ii) allocate to the assets attributable to the C Shares of that tranche such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the net proceeds of an issue of C Shares and the Calculation Date relating to such tranche of C Shares (both dates inclusive) as the Directors fairly consider to be attributable to that tranche of C Shares; and
  - (iii) give appropriate instructions to the AIFM to manage the Company's assets so that such undertakings can be complied with by the Company.
- (h) In relation to any tranche of C Shares, the C Shares for the time being in issue of that tranche shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the relevant Conversion Date in accordance with the following provisions of this paragraph (h):
- (i) the Directors shall procure that within 10 Business Days of the relevant Calculation Date:
    - (A) the Conversion Ratio as at the relevant Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder of that tranche shall be entitled on Conversion of that tranche shall be calculated; and
    - (B) the Auditors shall confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph (a) above.
  - 1) The Directors shall procure that, as soon as practicable following such confirmation and in any event within 10 Business Days of the relevant Calculation Date, a notice is sent to each C shareholder of the relevant tranche advising such shareholder of the Conversion Date, the

Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C shareholder of the relevant tranche will be entitled on Conversion.

- 2) On conversion each C Share of the relevant tranche shall automatically subdivide into 10 conversion shares of one penny each and such conversion shares of one penny each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
  - the aggregate number of Ordinary Shares into which the same number of conversion shares of one penny each are converted equals the number of C Shares of the relevant tranche in issue on the relevant Calculation Date multiplied by the relevant Conversion Ratio (rounded down to the nearest whole Share); and
  - each conversion share of one penny which does not so convert into an Ordinary Share shall convert into one Deferred Share.
- 3) The Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C shareholders of the relevant tranche *pro rata* according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).
- 4) Forthwith upon Conversion, the share certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each former C shareholder of the relevant tranche new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.
- 5) The Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

## **6 CITY CODE ON TAKEOVERS AND MERGERS**

### **6.1 Mandatory bid**

The City Code applies to the Company. Under Rule 9 of the City Code, if:

- (a) a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

### **6.2 Compulsory acquisition**

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares



telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

## **7 MATERIAL CONTRACTS OF THE COMPANY**

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Group since the date of incorporation of the Company and are, or may be, material or contain any provision under which the Group has any obligation or entitlement which is or may be material to it as at the date of this Registration Document:

### **7.1 *Share Issuance Agreement***

The Share Issuance Agreement dated 5 July 2019 between the Company, the AIFM and Investec, pursuant to which, subject to certain conditions, Investec has agreed to use reasonable endeavours to procure subscribers for Ordinary Shares pursuant to the Placing at the Issue Price and to use reasonable endeavours to procure subscribers for Shares under the Share Issuance Programme.

The Share Issuance Agreement may be terminated by Investec in certain customary circumstances prior to Initial Admission and during the course of the Share Issuance Programme. The Company has appointed Investec as sole sponsor, global coordinator and bookrunner to the Company in connection with the Issue and the Share Issuance Programme.

The obligation of the Company to issue the Ordinary Shares and the obligation of Investec to use its reasonable endeavours to procure subscribers for Ordinary Shares pursuant to the Placing is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) the passing of Resolutions 1, 3 and 5 at the General Meeting (ii) Initial Admission having become effective on or before 8.00 a.m. on 30 July 2019 (or such later time and/or date as the Company and Investec may agree); and (iii) the Share Issuance Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms at any time prior to Initial Admission.

Each allotment and issue of Shares pursuant to a Subsequent Issue under the Share Issuance Programme is conditional, *inter alia*, on (i) the passing of the Resolutions at the General Meeting; (ii) Admission of the relevant Shares occurring by no later than 8.00 a.m. on such date as the Company and Investec may agree from time to time in relation to that Admission, not being later than 4 July 2020; (iii) a valid supplementary prospectus, Future Summary and/or Future Securities Note being published by the Company if such is required by the Prospectus Rules and (iv) the Share Issuance Agreement being wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to any subsequent Admission.

The Company and the AIFM have given warranties and undertakings to Investec concerning, *inter alia*, the accuracy of the information contained in the Prospectus. The Company and the AIFM have also given indemnities, and undertakings, to Investec. The warranties, indemnities and undertakings given by the Company and the AIFM (as the case may be) are standard for an agreement of this nature.

The Share Issuance Agreement provides for Investec to be paid by the Company, (i) in respect of the Ordinary Shares to be allotted pursuant to the Issue, commissions equal to 1.5 per cent. of the Gross Issue Proceeds, and (ii) in respect of Shares issued pursuant to Subsequent Issues, commissions equal to 1.75 per cent. of the gross issue proceeds of such Subsequent Issue, or such other amount as may be agreed between the Company and Investec; in each case less an amount equal to the issue costs in respect of the Issue or such Subsequent Issue (as the case may be).

The Share Issuance Agreement is governed by the laws of England and Wales.

## 7.2 2017 Placing and Offer Agreement

The 2017 Placing and Offer Agreement dated 17 November 2016 between the Company, the AIFM, Aberdeen Asset Managers Limited, the Directors and Canaccord Genuity Limited, pursuant to which, subject to certain conditions, Canaccord Genuity Limited agreed to use its reasonable endeavours to:

- (a) procure subscribers for Ordinary Shares under the initial placing undertaken in connection with the Company's initial public offering; and
- (b) procure subscribers for Shares made available under any further placings under the prior placing programme which was implemented following the Company's initial public offering.

The 2017 Placing and Offer Agreement is governed by the laws of England and Wales.

## 7.3 The Management Agreement

The Management Agreement dated 17 November 2017 between the Company and the AIFM, pursuant to which the AIFM is appointed to act as alternative investment fund manager of the Company with responsibility for portfolio management and risk management of the Company's investments. Under the terms of the Management Agreement, the AIFM may delegate portfolio management functions to the Investment Manager.

Under the terms of the Management Agreement, the AIFM is entitled to the Annual Management Fee together with reimbursement of all reasonable costs and expenses incurred by it and the Investment Manager in the performance of its duties. Details of the Annual Management Fee are set out in Part 5 of this Registration Document.

The AIFM has also been appointed by the Company under the terms of the Management Agreement to provide day-to-day administration services to the Company and provide the general company secretarial functions required by the Companies Act.

In this role, the AIFM provides certain administrative services to the Company which includes reporting the Net Asset Value, bookkeeping and accounts preparation. The AIFM has currently delegated the provision of these accounting and administration services to State Street Bank and Trust Company (London Branch).

The AIFM has also delegated the provision of the general company secretarial services to Aberdeen Asset Management PLC.

The AIFM charges an additional fee of €145,000 per annum (subject to an annual uplift at the rate of RPI to be effective from the 1 January each year) to the Company for the provision of the administration and secretarial services. The AIFM is also entitled to reimbursement of all out-of-pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company in connection with its services.

The initial term of the Management Agreement was for two years commencing on 15 December 2017 (the "**Initial Term**"). The Company may terminate the Management Agreement by giving the AIFM not less than 12 months' prior written notice such notice not to be given prior to the end of the Initial Term. The AIFM may terminate the Management Agreement by giving the Company not less than 12 months' prior written notice such notice

not to be given prior to the end of the Initial Term. The Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or material and continuing breach.

The Company has given an indemnity in favour of the AIFM in respect of the AIFM's potential losses in carrying on its responsibilities under the Management Agreement.

The Management Agreement is governed by the laws of England and Wales.

#### 7.4 *Registrar's Agreement*

The Registrar's Agreement dated 17 November 2017 between the Company and the Registrar pursuant to which the Registrar agreed to act as registrar to the Company.

Under the agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all out-of-pocket costs, expenses and charges properly incurred on behalf of the Company.

The Registrar's Agreement may be terminated on twelve (12) months' notice by either party, such notice not to expire prior to the end of the three year anniversary of appointment and is also terminable on shorter notice in the event of breach of the agreement or insolvency.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar's Agreement is governed by the laws of England and Wales.

#### 7.5 *Receiving Agent Agreement*

The Receiving Agent Agreement dated 5 July 2019 between the Company and the Receiving Agent pursuant to which the Receiving Agent has agreed to act as receiving agent in connection with the Open Offer and the Offer for Subscription. Under the terms of the agreement, the Receiving Agent is entitled to a processing fee per application. The Receiving Agent will also be entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liabilities under the Receiving Agent Agreement are subject to a financial cap.

The agreement is governed by the laws of England and Wales.

#### 7.6 *Depositary Agreement*

The Depositary Agreement dated 15 October 2018 entered into between the Depositary, the AIFM and the Company, pursuant to which, the Depositary acts as the sole depositary of the Company and is responsible for:

- (a) ensuring the Company's cash flows are properly monitored;
- (b) the safe keeping of the Company's assets entrusted to it (which it shall hold on trust for the Company) by the Company; and
- (c) the oversight and supervision of the AIFM and the Company.

The duties and obligations of the Depositary under the Depositary Agreement are construed in accordance with all laws and regulations applicable from time to time, including, the Alternative Investment Fund Managers' Directive (2011/61/EU) and the relevant provisions of the FCA Handbook (the "**Applicable Provisions**"). Under the Depositary Agreement, the AIFM and Company are responsible for providing the Depositary with information required by the Depositary to carry out its duties. Subject to the Applicable Provisions, the Company indemnifies the Depositary against any and all liabilities suffered or incurred by the Depositary in the proper performance of its obligations and duties under the Depositary Agreement except as a result of negligence, fraud, bad faith, wilful default or breach of the Depositary Agreement on the part of the Depositary.

Pursuant to the Depositary Agreement, the Depositary warrants (amongst other things) that it is and will maintain all licences, approvals, authorisations and consents which are necessary for the performance of its obligations and duties under the Depositary Agreement.

In consideration of its services, the Depositary is entitled to receive from the Company a periodic fee (together with any VAT) equal to 0.01 per cent. of the Net Asset Value per annum calculated quarterly. The Depositary is also entitled to certain variable transaction and custody charges on an agreed basis. The Depositary is entitled to reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement or applicable law.

The Depositary has sub-delegated safe keeping functions to State Street Bank and Trust Company (London Branch).

The Depositary Agreement is governed by the laws of England and Wales.

#### 7.7 *The DZ HYP Flörsheim Loan Facility*

The DZ HYP Flörsheim Facility dated 19 February 2019 between ASELI Flörsheim B.V. (in this paragraph 7.7 only, the “**Borrower**”), a subsidiary of the Company, and DZ HYP AG (in this paragraph 7.7 only, the “**Lender**”), pursuant to which the Lender has made available to the Borrower a mortgage loan of €12.4 million (the “**Flörsheim Loan**”) for the part-refinancing of the equity and shareholder loans provided by the Borrower for the acquisition of a logistics facility in Flörsheim, Germany. The term of the Flörsheim Loan is an estimated seven years. The Flörsheim Loan has been drawn-down in full and is due to be repaid in full on 30 January 2026. The 1.539 per cent. interest rate is fixed. Interest payments are due at month-end.

In the event of a change of control of the Borrower, the Lender is entitled to extraordinary termination provided that the Lender and the Borrower have not been able to agree on changes to the relevant terms and conditions, including interest and collateralisation.

The Flörsheim Loan is secured by:

- (a) a German law non-certificated land charge (Buchgrundschuld) over the real property registered in the land register (Grundbuch) Flörsheim of the local court (*Amtsgericht*) of Wiesbaden, folio (*Blatt*) 9906 (the “**Flörsheim Property**”) in the amount of €12,400,000.00 plus 15 per cent. interest and a 5 per cent. non-recurring ancillary charge (*Nebenkosten*), ranking first in section III plus (i) submission to immediate enforcement in an amount of €2.48 million in the Flörsheim Property, which is last payable, and (ii) assumption of personal liability by the Borrower and submission to immediate enforcement in the entire property of the Borrower;
- (b) the Borrower had to agree with the Lender a security purpose agreement;
- (c) an enforceable abstract promise of debt by the Borrower in an amount of €2.48 million;
- (d) an assignment of all rent receivables;
- (e) the lease agreements may not contain termination rights of any significance; and
- (f) a declaration of submission and perpetuation of equity contributed by way of shareholder's loan(s).

The DZ HYP Flörsheim Facility contains standard terms and conditions, including undertakings customary for a loan facility of this nature.

The DZ HYP Flörsheim Facility is governed by German law.

#### 7.8 *The DZ HYP Erlensee Loan Facility*

The DZ HYP Erlensee Facility dated 21 February 2019 between ASELI Erlensee B.V. (in this paragraph 7.8 only, the “**Borrower**”), a subsidiary of the Company, and DZ HYP AG (in this paragraph 7.8 only, the “**Lender**”), pursuant to which the Lender has made available to the Borrower a mortgage loan of €17.5 million (the “**Erlensee Loan**”) for the part-financing of the acquisition of a logistics facility in Erlensee, Germany. The term of the Erlensee Loan is an estimated ten years. The Erlensee Loan has been drawn-down in full and is due to be repaid in full on 31 January 2029. The 1.62 per cent. interest rate is fixed. Interest payments are due at month-end.

In the event of a change of control of the Borrower, the Lender is entitled to extraordinary termination provided that the Lender and the Borrower have not been able to agree on changes to the relevant terms and conditions, including interest and collateralisation.

The Erlensee Loan is secured by:

- (a) a German law non-certificated land charge (*Buchgrundschuld*) over the real property registered in the land register (*Grundbuch*) Langendiebach of the local court (*Amtsgericht*) of Hanau, folio (*Blatt*) 6407 ("**Langendiebach Property**") in the amount of €17,800,000.00 plus 15 per cent. interest and a 5 per cent. non-recurring ancillary charge (*Nebenkosten*), ranking first in section III plus (i) submission to immediate enforcement in an amount of €3.56 million in the Langendiebach Property, which is last payable, and (ii) assumption of personal liability by the Borrower and submission to immediate enforcement in the entire property of the Borrower;
- (b) the Borrower had to agree with the Lender a security purpose agreement;
- (c) an enforceable abstract promise of debt by the Borrower in an amount of €3.56 million;
- (d) an assignment of all rent receivables;
- (e) the lease agreements may not contain termination rights of any significance;
- (f) a declaration of submission and perpetuation of equity contributed by way of shareholder's loan(s).

The DZ HYP Erlensee Facility contains standard terms and conditions, including undertakings customary for a loan facility of this nature.

The DZ HYP Erlensee Facility is governed by German law.

#### 7.9 The BayernLB Loan Agreement

The BayernLB Loan Agreement dated 12 February 2019 between the Company's subsidiary ASELI France Holding as guarantor and as agent for the borrowers (in this paragraph 7.9 only, the "**Guarantor**"), the latter's subsidiaries ASELI Avignon and ASELI Meung SCI as borrowers (in this paragraph 7.9 only, the "**Original Borrowers**"), and Bayerische Landesbank as arranger, facility agent, security agent and original lender (in this paragraph 7.9 only, the "**Lender**"), the Lender has made available to ASELI Avignon a (non-revolving) term loan facility of €23 million and to ASELI Meung SCI a (non-revolving) term loan facility of €10 million (the "**BayernLB Loans**").

The purpose of the BayernLB Loan to ASELI Avignon was to refinance (within the limit of this loan) the acquisition price of a logistic property in Marseille, France together with its rooftop solar plant. The purpose of the BayernLB Loan to ASELI Meung SCI was to finance (within the limit of this loan) the acquisition price of a logistic property in Meung-sur-Loire, France. Both BayernLB Loans have been fully drawn in a single drawdown on the execution date of the BayernLB Loan Agreement.

The BayernLB Loan Agreement contemplates the possibility of amendments thereto for the purposes of documenting additional loans to additional borrowers in respect of additional property assets.

Both BayernLB Loans are bullet loans maturing on 12 February 2026 (the "**Maturity Date**").

Both BayernLB Loans produce quarterly interest at the fixed rate of 1.56535 per cent. p.a. (this rate includes a margin of 0.95 per cent. p.a.) or, if certain mortgage registration or insurance (*Pfandbriefdeckung*) eligibility requirements are not met, 1.74535 per cent. p.a. (this rate includes a margin of 1.13 per cent. p.a.). The interest payment dates are 31 March, 30 June, 30 September, 31 December and the Maturity Date, subject to a business day convention.

In case of (voluntary or, subject to certain exceptions, mandatory) early repayment in the first four years, a prepayment fee applies: 1 per cent. the first year, 0.75 per cent. the second year, 0.5 per cent. the 3rd year and 0.25 per cent. the fourth year. The BayernLB Loan Agreement also provides for break costs corresponding to the difference between (i) interest on the prepaid amount at the above-mentioned fixed rate minus 0.90 per cent. p.a. for the period between the prepayment date and the Maturity Date and (ii) interest that the Lender



would be able to obtain by placing an amount equal to the prepaid amount on deposit with a leading bank for a period starting on the business day following the prepayment date and ending on the Maturity Date, calculated in accordance with the applicable principles set by the German Federal Court of Justice (*Bundesgerichtshof*).

The BayernLB Loan Agreement provides for mandatory prepayment events that are typical for a loan agreement of this nature, including change of control, disposal of a property or shares in a borrower, destruction of a property, expropriation of a property, and breach of financial covenants.

Each Borrower's BayernLB Loan is secured by:

- (a) a first-ranking mortgage over the property asset of the relevant Borrower;
- (b) the legal delegation of the property damage insurance proceeds that would be payable in case of damage to the relevant Borrower's property (applies automatically when a property is mortgaged and the insurer is notified pursuant to article L.121-13 of the French Code des assurances);
- (c) the security assignment of the relevant Borrower's receivables in respect of (amongst other things) rents, other insurance proceeds and seller's warranties;
- (d) the pledge of the bank accounts of the relevant Borrower and of the Guarantor;
- (e) the pledge by the Guarantor of its shares in the Borrowers (and in any additional borrower) as well as the pledge by the other Borrower of its share in the relevant Borrower;
- (f) the pledge by the Company of its securities account where its shares in the Guarantor are registered, together with the associated bank account for dividends and other proceeds produced by such shares; and
- (g) the guarantee of the Guarantor.

A subordination deed has been entered among, *inter alia*, the Lender, the Borrowers and the Guarantor and any property manager must sign a duty of care letter in favour of the Lender, which is typical in structure real estate facilities.

The BayernLB Loan Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) waterfall provisions limiting distributions to excess cash flows, subject to the absence of default;
- (b) a negative pledge not to create or allow to exist any security interest on any assets of the Borrowers or the Guarantor (including the shares in the Borrowers); and
- (c) restrictions on the disposal of assets.

The BayernLB Loan Agreement includes both a loan to value covenant ("**LTV Covenant**") and an interest cover covenant ("**ICR Covenant**"). The ICR Covenant requires that, on 30 September of each year, the net operating income to be generated by both properties over a one-year forward-looking period not be less than 300 per cent. of the expected financial expenses for the same period in respect of the combined BayernLB Loans. The LTV Covenant requires that, on 31 January of each year, the outstanding principal amount of the combined BayernLB Loans not exceed 65 per cent. of the market value of both properties. Breach of the LTV Covenant or ICR Covenant is a mandatory prepayment event, requiring the Borrowers (each Borrower in proportion to the amount of its BayernLB Loan) to prepay such sum that is necessary to comply with such ratios.

The BayernLB Loan Agreement includes various events of default customary for a secured facility of this nature, including cross-defaults and insolvency events of default which are applicable to each of the Borrowers and the Guarantor. The occurrence of an event of default may result in the acceleration of the BayernLB Loans.

The BayernLB Loan Agreement is governed by French law.

#### 7.10 *The Berlin Hyp Loan Agreement (Waddinxveen)*

The Berlin HYP Loan Agreement (in this paragraph 7.10 only the “**Loan Agreement**”) dated 4 June 2019 and made between ASEL I Netherlands I B.V. and ASEL I Waddinxveen B.V. (in this paragraph 7.10 only the “**Borrowers**”) and Berlin Hyp AG (as arranger, original lender (in this paragraph 7.10 only the “**Lender**”), agent (in this paragraph 7.10 only “**Agent**”) and security agent (in this paragraph 7.10 only the “**Security Agent**”), the Lender has made available to the Borrowers (i) a euro term loan facility in an aggregate amount of €37,700,000 (in this paragraph 7.10 only the “**Term Loan Facility**”) and (ii) on an uncommitted basis, a term loan accordion facility (being zero at the date of the Loan Agreement) (in this paragraph 7.10 only the “**Accordion Facility**”) (in this paragraph 7.10 only together the “**Loans**”).

The Accordion Facility requires the consent of all Lenders and can be requested at any time up to the Termination Date (as defined below). The Accordion Facility may be made to an existing Borrower or to a new borrower (being a direct or indirect subsidiary of the Company).

The Borrowers must apply the amounts borrowed under (i) the Term Loan Facility towards financing or refinancing the cost of acquisition of the Original Properties (as defined in the Loan Agreement) and (ii) the Accordion Facility towards financing the cost of acquisition of the Additional Properties (as defined in the Loan Agreement).

€29,700,000 of the Term Loan Facility is currently drawn and the remaining €8,000,000 is expected to be drawn mid-July 2019.

The Borrowers must repay the Loans on 4 June 2025 (being 6 years after the date of the Loan Agreement) (in this paragraph 7.10 only the “**Termination Date**”).

The rate of interest under the Loan Agreement for each interest period is the percentage rate per annum equal to the aggregate of the applicable margin and the fixed rate. The fixed rate is as specified in the fixed rate notice, issued by the Agent to the Borrowers from time to time. The all in fixed rate for the Term Loan Facility as currently drawn is 1.22 per cent. per annum (including the margin of 1.10 per cent.). The margin and the fixed rate for the Accordion Facility will be determined at the time of the advance and as set out in the relevant request. The interest payment dates are 31 March, 30 June, 30 September and 31 December in each year and the Termination Date (the first being 30 September 2019).

The Loan Agreement is secured by:

- (a) a Dutch law deed of mortgage over each Original Property, between that Original Property's owner as mortgagor and the Security Agent as mortgagee;
- (b) a Dutch law security agreement over lease receivables, bank accounts, insurance receivables, intercompany receivables and other receivables between each Borrower as pledger and the Security Agent as pledgee; and
- (c) a Dutch law deed of pledge of all shares in the capital of each Borrower, between the Company (as shareholder) as pledger, the Security Agent as pledgee and such Borrower as company.

The Loan Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or permit to subsist any security over any of the Borrowers' assets; and
- (b) restrictions on disposals of assets.

The Loan Agreement includes several financial covenants, including:

- (a) projected interest cover: this must, at all times, be at least 250 per cent.; and
- (b) loan to value : this must not exceed 65 per cent.

Breach of financial covenants can constitute an event of default (subject to cure rights provisions).



In addition to the events of default arising from a breach of the financial covenants, the Loan Agreement includes various other events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to each Borrower, the Company (as shareholder) and any subordinated creditor. An event of default which is continuing would entitle the Agent to:

- (a) by giving notice to the Borrowers:
  - (i) immediately cancel the total commitments under the Loan Agreement;
  - (ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents (as defined in the Loan Agreement) be immediately due and payable; and/or
  - (iii) declare that all or part of the Loans be payable on demand; and/or
- (b) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

The Loan Agreement is governed by Dutch law, and the parties submit to the jurisdiction of the courts of Amsterdam, The Netherlands.

#### 7.11 *The Berlin HYP Loan Agreement ('s – Heerenberg)*

The Berlin HYP Loan Agreement (in this paragraph 7.11 only the **"Loan Agreement"**) dated 27 June 2019 and made between ASELI 's-Heerenberg B.V. (in this paragraph 7.11 only the **"Borrower"**) and Berlin Hyp AG (as arranger, original lender (in this paragraph 7.11 only the **"Lender"**), agent (in this paragraph 7.11 only **"Agent"**) and security agent (in this paragraph 7.11 only the **"Security Agent"**)), the Lender has made available to the Borrower (i) a euro term loan facility in an aggregate amount of €8,000,000 (in this paragraph 7.11 only the **"Term Loan Facility"**) and (ii) on an uncommitted basis, a term loan accordion facility (being zero at the date of the Loan Agreement) (in this paragraph 7.11 only the **"Accordion Facility"**) (in this paragraph 7.11 only together the **"Loans"**).

The Accordion Facility requires the consent of all Lenders and can be requested at any time up to the Termination Date (as defined below). The Accordion Facility may be made to an existing Borrower or to a new borrower (being a direct or indirect subsidiary of the Company).

The Borrower must apply the amounts borrowed under, (i) the Term Loan Facility towards financing or refinancing the cost of acquisition of the Original Property (as defined in the Loan Agreement) and (ii) the Accordion Facility towards financing the cost of acquisition of the Additional Properties (as defined in the Loan Agreement).

The Term Loan Facility has not yet been drawn down.

The Borrower must repay the Loans on 27 June 2025 (being 6 years after the date of the Loan Agreement) (in this paragraph 7.11 only the **"Termination Date"**).

The rate of interest under the Loan Agreement for each interest period is the percentage rate per annum equal to the aggregate of the applicable margin and the fixed rate. The fixed rate is as specified in the fixed rate notice, issued by the Agent to the Borrower from time to time. The all in fixed rate for the Term Loan Facility is 0.94 per cent. per annum (including the margin of 1.00 per cent.). The margin and the fixed rate for the Accordion Facility will be determined at the time of the advance and as set out in the relevant request. The interest payment dates are 31 March, 30 June, 30 September and 31 December in each year and the Termination Date (the first being 30 September 2019).

The Loan Agreement is secured by:

- (a) a Dutch law deed of mortgage over each Original Property, between that Original Property's owner as mortgagor and the Security Agent as mortgagee;
- (b) a Dutch law security agreement over lease receivables, bank accounts, insurance receivables, intercompany receivables and other receivables between the Borrower as pledger and the Security Agent as pledgee; and

- (c) a Dutch law deed of pledge of all shares in the capital of the Borrower, between the Company (as shareholder) as pledger, the Security Agent as pledgee and the Borrower as company.

The Loan Agreement contains undertakings, representations and warranties customary for a loan facility of this nature, including:

- (a) a negative pledge not to create or permit to subsist any security over the Borrower's assets; and
- (b) restrictions on disposals of assets.

The Loan Agreement includes several financial covenants, including:

- (a) projected interest cover: this must, at all times, be at least 250 per cent.; and
- (b) loan to value : this must not exceed 55 per cent.

Breach of financial covenants can constitute an event of default (subject to cure rights provisions).

In addition to the events of default arising from a breach of the financial covenants, the Loan Agreement includes various other events of default customary for a secured facility of this nature, including insolvency events of default which are applicable to the Borrower, the Company (as shareholder) and any subordinated creditor. An event of default which is continuing would entitle the Agent to:

- (a) by giving notice to the Borrower:
  - (i) immediately cancel the total commitments under the Loan Agreement;
  - (ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable; and/or
  - (iii) declare that all or part of the Loans be payable on demand; and/or
- (b) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

The Loan Agreement is governed by Dutch law, and the parties submit to the jurisdiction of the courts of Amsterdam, The Netherlands.

## **8 LITIGATION**

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this Registration Document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Group.

## **9 NO SIGNIFICANT CHANGE**

Save to the extent disclosed below, there has been no significant change in the financial or trading position of the Group since 31 December 2018, being the end of the period covered by the historical financial information:

- On 15 February 2019 the Company completed the purchase of a logistics warehouse located in Meung-sur-Loire for €23.5 million. In addition, the Company entered into a new secured loan facility with BayernLB for €33 million secured over the Group's Noves (Avignon) and Meung-sur-Loire properties.
- On 20 February 2019 the Company exchanged contracts to acquire a freehold logistics warehouse near Krakow, Poland for an acquisition price of €24.5 million. Completion of the acquisition was announced on 6 March 2019.
- On 22 February 2019 the Company declared a third interim dividend of 1.3p per Ordinary Share in respect of the period from initial launch to 31 December 2018. The third interim dividend was paid on 22 March 2019 to Shareholders on the register on 8 March 2019.

- On 6 March 2019 the Company completed its purchase of a logistics property in Erlensee, Germany for a final acquisition price of €32.3 million. In addition, the Company entered into two new secured loan facilities with DZ HYP AG secured over the Group's Erlensee and Flörsheim properties for €17.8 million and €12.4 million respectively.
- On 23 May 2019 the Company completed the purchase of the logistics warehouse near Leon, Spain for €15.3 million.
- On 12 June 2019 the Company declared a dividend of 1.27 pence per Share in respect of the quarter ended 31 March 2019.
- On 17 June 2019 the Company exchanged contracts to acquire a logistics warehouse in 's-Heerenberg in the Netherlands for €24 million. On the same date, the Company completed the acquisition of the logistics warehouse in Zeewolde in the Netherlands. In addition, the Company entered into a new term loan facility for €37.7 million with Berlin Hyp secured over its assets in Ede, Oss and Waddinxveen in the Netherlands.
- On 27 June 2019, the Company entered into a new loan facility for €8 million with Berlin Hyp in relation to its proposed acquisition of the 's-Heerenberg asset.

## 10 GENERAL

- 10.1 No Director has any interest in any property acquired or proposed to be acquired by, the Company.
- 10.2 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than the main market for listed securities of the London Stock Exchange.
- 10.3 Investec has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which it appears.
- 10.4 Aberdeen Standard Fund Managers Limited was incorporated in England and Wales as a limited company on 7 November 1962 and operates under the Companies Act (registration number 740118). The AIFM is regulated by the FCA (FCA registration number 121803). The registered office of the AIFM is Bow Bells House, 1 Bread Street, London EC4M 9HH (tel. +44 02074636000). The AIFM has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which they appear.

Aberdeen Standard Investment Ireland Limited was incorporated in the Republic of Ireland as a limited company on 23 February 2018 and operates under the Irish Companies Act 2014 (registration number 621721). The Investment Manager is regulated by the Central Bank of Ireland (registration number C181127). The registered office of the Investment Manager is 2-4 Merrion Row, Dublin 2, Republic of Ireland (tel. +353 1 5230900). The Investment Manager has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which they appear. Where a statement in this Registration Document is expressly stated to be based on the belief of the Investment Manager (an **"Investment Manager Belief Statement"**), the Investment Manager accept responsibility for such Investment Manager Belief Statements for the purposes of Prospectus Rule 5.5.3(f). To the best of the knowledge and belief of the Investment Manager (who has taken all reasonable care to ensure that such is the case), the Investment Manager Belief Statements are in accordance with the facts and do not omit anything likely to affect the import of such Investment Manager Belief Statements.

- 10.6 CBRE GmbH has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears and has authorised the contents of the Valuation Report and the Leon Valuation Report for the purposes of Prospectus Rule 5.5.3R(2)(f). CBRE accepts responsibility for the Valuation Report and the Leon Valuation Report. To the best of the knowledge and belief of CBRE (who has taken all reasonable care to ensure that such is the case), the information contained in the Valuation Report and the Leon Valuation Report is in accordance with the facts and contains no omission likely to affect its import. CBRE GmbH was incorporated in Germany on 3 April

1973 as a private limited company under German law (registered number HRB13347). CBRE's registered office is situated at Hausvogteiplatz 10, 10117 Berlin Germany (telephone number +49 (0) 30 7 26 15 40).

- 10.7 Where third party information has been referenced in this Registration Document, the source of that third party information has been disclosed. All information in this Registration Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 10.8 The auditors of the Company are KPMG LLP of 319 St Vincent Street, Glasgow G2 5AS and have been the only auditors of the Company since its incorporation. KPMG LLP is a member of the Institute of Chartered Accountants in England and Wales.
- 10.9 The assets of the Group are held and controlled by the Group directly and no assets are held in third party custody arrangements.

## **11 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the life of this Registration Document:

- 11.1 the Memorandum and Articles of the Company;
- 11.2 the consolidated financial statements of the Group for the period from incorporation to 31 December 2018;
- 11.3 the Valuation Report and the Leon Valuation Report; and
- 11.4 this Registration Document, the Summary and the Securities Note.

Dated: 5 July 2019

## PART 10

### DEFINITIONS

The following definitions apply throughout this Registration Document unless the context requires otherwise:

<b>Aberdeen Standard Investments</b>	the brand name representative of the asset management division of Standard Life Aberdeen plc, the global investment company formed as a result of the merger between Aberdeen Asset Management PLC and Standard Life plc in August 2017
<b>Admission</b>	admission of any Shares issued pursuant to any Subsequent Issue under the Share Issuance Programme to the premium listing segment of the Official List and admission of such Shares to trading on the main market for listed securities of the London Stock Exchange
<b>Affiliate</b>	an affiliate of, or person affiliated with, a specified person, including a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance published by the AIC from time-to-time
<b>AIFM</b>	Aberdeen Standard Fund Managers Limited
<b>AIFM Directive</b>	the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers
<b>AIFM Rules</b>	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK, including without limitation the AIFM Regulations and all relevant provisions of the FCA Handbook
<b>AIFM Regulations</b>	the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (SI 2013/1773)
<b>alternative investment fund manager</b>	an alternative investment fund manager within the meaning of the AIFM Directive
<b>Annual Management Fee</b>	has the meaning set out in section 2.5 of Part 5 of this Registration Document
<b>Application Form</b>	the application form attached to the Securities Note for use in connection with the Offer for Subscription
<b>Articles</b>	the articles of association of the Company
<b>Audit Committee</b>	the audit committee of the Board
<b>Basic Entitlements</b>	the entitlements of Qualifying Shareholders to apply for Ordinary Shares pursuant to the Open Offer as set out in the Securities Note
<b>BayernLB Loan Agreement</b>	the facility agreement between ASELI France Holding SAS, ASELI Avignon SCI and ASELI Meung SCI and Bayerische Landesbank, a summary of which is set out in paragraph 7.9 of Part 9 of this Registration Document
<b>Benefit Plan Investor</b>	(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of the ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the U.S. Tax Code

	(including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of a Plan’s investment in the entity, or (iii) any benefit plan investor” as otherwise defined in section 3(42) of ERISA or regulations promulgated by the U.S. Department of Labor
<b>Berlin Hyp Loan Agreement ('s – Heerenberg)</b>	the facility agreement between ASELI 's – Heerenberg B.V. and Berlin Hyp AG, a summary of which is set out in paragraph 7.11 of Part 9 of this Registration Document
<b>Berlin Hyp Loan Agreement (Waddinxveen)</b>	the facility agreement between ASELI Netherlands I B.V., ASELI Waddinxveen B.V. and Berlin Hyp AG, a summary of which is set out in paragraph 7.10 of Part 9 of this Registration Document
<b>Board</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>Business Day</b>	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
<b>Calculation Date</b>	has the meaning given in paragraph 5.21.1 of Part 9 of this Registration Document
<b>Capital gains tax or CGT</b>	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
<b>certificated or in certificated form</b>	not in uncertificated form
<b>City Code</b>	the City Code on Takeovers and Mergers
<b>Companies Act</b>	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
<b>Company</b>	Aberdeen Standard European Logistics Income PLC
<b>Continental Europe</b>	Europe excluding the UK and Ireland
<b>Conversion</b>	the conversion of C Shares into Ordinary Shares in accordance with the Articles and as described in paragraph 5.21 of Part 9 of this Registration Document
<b>Conversion Date</b>	has the meaning given in paragraph 5.21 of Part 9 of this Registration Document
<b>Conversion Ratio</b>	has the meaning given in paragraph 5.21 of Part 9 of this Registration Document
<b>CPI</b>	the Euro Area Consumer Prices Index
<b>CREST</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>C Shares</b>	C shares of £0.10 each in the capital of the Company
<b>CTA 2009</b>	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
<b>CTA 2010</b>	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
<b>COB Rules</b>	the FCA Conduct of Business Rules applicable to firms with investment business customers
<b>Depository</b>	NatWest Trustee and Depository Services Limited
<b>Depository Agreement</b>	the agreement between the Company, the AIFM and the Depository, a summary of which is set out in paragraph 7.6 of Part 9 of this Registration Document



<b>Directors</b>	the directors from time to time of the Company and “ <b>Director</b> ” is to be construed accordingly
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules made by the Financial Conduct Authority under section 73A of FSMA
<b>DP Act</b>	the Data Protection Act 2018
<b>DZ HYP Erlensee Facility</b>	the facility agreement between ASELI Erlensee B.V. and DZ HYP AG, a summary of which is set out in paragraph 7.8 of Part 9 of this Registration Document
<b>DZ HYP Flörsheim Facility</b>	the facility agreement between ASELI Flörsheim B.V. and DZ HYP AG, a summary of which is set out in paragraph 7.7 of Part 9 of this Registration Document
<b>EEA</b>	the states which comprise the European Economic Area
<b>EFTA</b>	the European Free Trade Association
<b>EPRA</b>	the European Public Real Estate Association
<b>ERISA</b>	U.S. Employee Retirement Income Security Act of 1976, as amended
<b>ESG</b>	environmental, social and governance
<b>Euro</b>	the single European currency unit adopted by certain members of the EU
<b>Euroclear</b>	Euroclear UK & Ireland Limited, being the operator of CREST
<b>Europe</b>	together the member states of the European Union, the EEA and the members of EFTA (and including always the United Kingdom, whether or not it is a member state of the European Union, the EEA or a member of EFTA)
<b>European Union or EU</b>	the European Union first established by the treaty made at Maastricht on 7 February 1992
<b>Excess Application Facility</b>	the arrangement pursuant to which Qualifying Shareholders may apply for additional Ordinary Shares in excess of their Basic Entitlement in accordance with the terms and conditions of the Open Offer
<b>Excluded Shareholders</b>	subject to certain exceptions, Shareholders who have a registered address in, who are incorporated in, registered in or otherwise resident or located in any Excluded Territory
<b>Excluded Territory</b>	Australia, Canada, Japan and the Republic of South Africa the U.S. and any member state of the EEA (with the exception of the United Kingdom, the Republic of Ireland and The Netherlands) and any jurisdiction where the extension or availability of the Issue would breach any applicable laws or regulations
<b>Existing Ordinary Shares</b>	Ordinary Shares existing at the Record Date
<b>FATCA</b>	the U.S. Foreign Account Tax Compliance Act of 2010, as amended
<b>FCA</b>	the Financial Conduct Authority or any successor authority
<b>FCA Handbook</b>	the FCA handbook of rules and guidance as amended from time to time
<b>FSMA</b>	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force



<b>Future Securities Note</b>	a securities note to be issued in the future by the Company in respect of a Subsequent Issue (other than a Placing-Only Issue) pursuant to the Share Issuance Programme and subject to separate approval by the FCA
<b>Future Summary</b>	a summary to be issued in the future by the Company in respect of a Subsequent Issue (other than a Placing-Only Issue) pursuant to the Share Issuance Programme and subject to separate approval by the FCA
<b>GDP</b>	gross domestic product
<b>General Meeting</b>	the general meeting of the Company to be held at 10.30 a.m. on 24 July 2019
<b>Gross Assets</b>	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time-to-time
<b>Group</b>	the Company and the other companies in its group for the purposes of Section 606 of CTA 2010
<b>HMRC</b>	Her Majesty's Revenue and Customs
<b>IFRS</b>	international financial reporting standards as endorsed by the European Union
<b>IGAs</b>	intergovernmental agreements
<b>ILAT</b>	the Tertiary Activities Rent Index ( <i>indice des loyers des activités tertiaires</i> )
<b>Initial Admission</b>	admission of the Ordinary Shares to the premium listing segment of the Official List of the FCA and admission of the Ordinary Shares to trading on the main market for listed securities of the London Stock Exchange pursuant to the Issue
<b>Initial Gross Proceeds</b>	the gross proceeds of the Issue
<b>Intermediary</b>	a financial intermediary that is appointed by Investec and/or the Company to offer Ordinary Shares to retail investors under the Offer for Subscription and reference to “ <b>Intermediaries</b> ” shall be construed accordingly
<b>Investec</b>	Investec Bank plc
<b>Investment Committee</b>	the Investment Manager's investment committee
<b>Investment Manager</b>	the Amsterdam branch of Aberdeen Standard Investments Ireland Limited
<b>ISA</b>	UK individual savings account
<b>Issue</b>	the issue of Ordinary Shares pursuant to the Placing, the Open Offer and the Offer for Subscription
<b>Issue Price</b>	98.75 pence per Ordinary Share
<b>KID</b>	the key information document in respect of an investment in the Company prepared by the AIFM in accordance with the PRIIPs Regulation
<b>Leon Valuation Report</b>	the valuation report prepared by CBRE in relation to the Group's warehouse asset near Leon in Spain as set out in Part 8B of this Registration Document.
<b>Listing Rules</b>	the listing rules made by the FCA under section 73A of FSMA
<b>London Stock Exchange</b>	London Stock Exchange plc

<b>Management Agreement</b>	the management agreement between the Company and the AIFM, a summary of which is set out in paragraph 7.3 of Part 9 of this Registration Document
<b>Management Engagement Committee</b>	the management engagement committee of the Board
<b>Market Abuse Regulation or MAR</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
<b>Net Asset Value</b>	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
<b>Net Asset Value per C Share</b>	at any time the Net Asset Value attributable to the C Shares divided by the number of C Shares in issue (other than C Shares held in treasury) at the date of calculation
<b>Net Asset Value per Ordinary Share</b>	at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation
<b>Net Proceeds</b>	the proceeds of the Issue, after deduction of the Company's costs and expenses
<b>Nomination Committee</b>	the nomination committee of the Board
<b>Offer or Offer for Subscription</b>	the offer for subscription of Ordinary Shares at the Issue Price on the terms set out in the Securities Note
<b>Official List</b>	the official list maintained by the FCA pursuant to Part VI of FSMA
<b>Open Offer</b>	the conditional offer to Qualifying Shareholders pursuant to the Issue which is expected to close on 25 July 2019, constituting an invitation to apply for Ordinary Shares, on the terms and subject to the conditions set out in the Securities Note and, in the case of Qualifying Non-CREST Shareholders only, the Open Offer Application Form
<b>Open Offer Application Form</b>	the personalised application form on which Qualifying Non-CREST Shareholders may apply for Ordinary Shares under the Open Offer and the Excess Application Facility
<b>Ordinary Shares</b>	ordinary shares of one penny each in the capital of the Company and " <b>Ordinary Share</b> " shall be construed accordingly
<b>Placees</b>	any person who agrees to subscribe for Shares pursuant to the Placing and/or any future placing under the Share Issuance Programme
<b>Placing</b>	the conditional placing of Ordinary Shares by Investec at the Issue Price as described in the Securities Note
<b>Placing-Only Issue</b>	an issue under the Share Issuance Programme which comprises only a placing and does not include an offer for subscription or an open offer component
<b>Plan Asset Regulations</b>	the U.S. Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA
<b>Portfolio</b>	the current portfolio of properties owned by the Group as at the date of this Registration Document as described in Part 3 of this Registration Document (but excluding for the avoidance of doubt any assets on which contracts have been exchanged but not yet completed)

<b>Prospectus</b>	<p>(i) in relation to the Issue and any subsequent Placing-Only Issues; together the Summary, the Registration Document and this Securities Note</p> <p>(ii) in relation to any Subsequent Issue (not being a Placing-Only Issue); together the Future Summary and Future Securities Note applicable to such Subsequent Issue and the Registration Document</p>
<b>Prospectus Directive</b>	the EU Prospectus Directive 2003/71/EC
<b>Prospectus Rules</b>	the prospectus rules made by the FCA under section 73A of FSMA
<b>Qualifying Non-CREST Shareholder</b>	an existing Qualifying Shareholder holding Ordinary Shares in certificated form and Qualifying Non-CREST Shareholders shall be construed accordingly
<b>Qualifying Shareholder</b>	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date other than Excluded Shareholders
<b>Receiving Agent</b>	Equiniti Limited
<b>Receiving Agent Agreement</b>	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 7.5 of Part 9 of this Registration Document
<b>Record Date</b>	5.00 p.m. on 3 July 2019
<b>Registrar</b>	Equiniti Limited
<b>Registrar Agreement</b>	the registrar's agreement between the Company and the Registrar, a summary of which is set out in paragraph 7.4 of Part 9 of this Registration Document
<b>Registration Document</b>	this Registration Document
<b>Regulation S</b>	Regulation S promulgated under the U.S. Securities Act
<b>Regulatory Information Service</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>Relevant Member State</b>	a member state of the European Economic Area which has implemented the Prospectus Directive
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting (and references to any of them shall be construed accordingly)
<b>RPI</b>	Retail Price Index
<b>Securities Note</b>	the securities note dated 5 July 2019 issued by the Company in respect of the Ordinary Shares made available pursuant to the Issue and approved by the FCA
<b>Shareholder</b>	a holder of Shares
<b>Share Issuance Agreement</b>	the conditional share issuance agreement between the Company, the AIFM and Investec, a summary of which is set out in paragraph 7.1 of Part 9 of this Registration Document
<b>Share Issuance Programme</b>	the programme under which the Company intends to issue Shares in tranches on the terms set out in the Summary and Securities Note (and any Future Summary and Future Securities Note)
<b>Shares</b>	Ordinary Shares and/or C Shares (as the context may require)
<b>SIPP</b>	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK

<b>Similar Law</b>	any U.S. federal, state, local or foreign law that is similar to section 406 of ERISA or section 4975 of the U.S. Tax Code
<b>SSAS</b>	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
<b>Standard Life Aberdeen</b>	Standard Life Aberdeen plc or a subsidiary thereof
<b>Sterling or £ or pence</b>	the lawful currency of the United Kingdom
<b>Subsequent Issue</b>	any issue of Shares pursuant to the Share Issuance Programme
<b>Summary</b>	the summary dated 5 July 2019 issued by the Company in respect of Shares made available pursuant to the Issue and any Placing-Only Issue and approved by the FCA
<b>Target Returns</b>	has the meaning given in section 5 of Part 1 of this Registration Document
<b>UK Corporate Governance Code</b>	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
<b>UK Money Laundering Regulations</b>	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2007/692) and any other applicable anti-money laundering guidance, regulations or legislation
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States of America, United States or U.S.</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>U.S. Code</b>	U.S. Internal Revenue Code of 1986, as amended
<b>U.S. Dollars, USD, U.S.\$, dollars and cents</b>	the lawful currency of the United States of America
<b>U.S. Investment Company Act</b>	U.S. Investment Company Act of 1940, as amended
<b>U.S. Person</b>	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
<b>U.S. Securities Act</b>	U.S. Securities Act of 1933, as amended
<b>Valuation Report</b>	the valuation report prepared by CBRE in relation to the Portfolio (but for the avoidance of doubt excluding the asset near Leon in Spain which is the subject of the Separate Leon Valuation Report), as set out at Part 8A of this Registration Document
<b>Valuer or CBRE</b>	CBRE GmbH, in its capacity as the Company's external valuer as defined by the Royal Institution of Chartered Surveyors' Valuation – Global Standards (2017)
<b>VAT</b>	value added tax

