



## Due Diligence Questionnaire for Non-Listed Real Estate Investment Vehicles

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Professional Standards

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## Introduction

As the non-listed real estate market has matured, both in terms of number of vehicles on offer and geographical reach, there is an increasing necessity for a more standardised due diligence process to assist investors at all levels to easily access vehicle and investment manager information.

The Due Diligence Questionnaire (DDQ) for Non-Listed Real Estate Investment Vehicles, originally launched in April 2007, assists an investor or consultant in determining, in principle, whether a proposal fits the investor's investment objectives. The questionnaire provides, relatively quickly, an understanding of:

- a vehicle's strategy, risk processes, management, terms and (projected) performance;
- an investment manager's structure, non-listed real estate business and track record; and
- the operational processes required to manage a vehicle.

As the non-listed real estate market has evolved, the questionnaire has been regularly updated – in 2010, 2014 and most recently in 2018. In this latest iteration, a phased approach has been introduced. While the questionnaire has been restructured, the majority of the questions have been retained and some are now contained in supplements in the Data Room – see Due Diligence Data Room Guidelines (<https://www.inrev.org/library/publications>).

The phased approach consists of three stages: Preliminary, Advanced and Supplementary. There are two additions at the front of the questionnaire: a Vehicle Fact Sheet, providing a snapshot of the basic high-level vehicle information and an Investment Manager Statement, giving the investment manager the opportunity to showcase its platform and expertise. This phased approach should benefit both the investor and investment manager by tailoring the type of questions to the relevant stage in the due diligence process, as well as allowing more sensitive information to be provided in the later phases.

The objective of the **Preliminary Stage** of the Due Diligence Questionnaire is to provide sufficient information to allow an investor to create an initial short list of vehicles to take forward for more detailed due diligence. It is envisaged that it will be provided in the very early stages of due diligence as part of the information pack (i.e. in addition to the Private Placement Memorandum (PPM), subscription agreement etc) either within the Data Room dedicated to that vehicle or when circulating the information to investors.

The objective of the **Advanced Stage** of the Due Diligence Questionnaire is to provide sufficient information to allow an investor to select one vehicle to take forward to the operational stage of the due diligence process. This phase allows for deeper analysis of the key areas outlined in the Preliminary Stage. The questionnaire may be sent directly to the investor or placed in the Data Room.

The objective of the **Supplementary Stage** of the Due Diligence Questionnaire is to provide sufficient information to allow an investor to complete the operational elements of the due diligence process. It is envisaged that it will be provided in the later stages of due diligence when, generally, one vehicle has been selected by the investor. The questionnaire may be sent directly to the investor or placed in the Data Room.

Throughout the questionnaire, additional information is requested to be placed in the vehicle's Data Room. If the Data Room is not available, the relevant information should be supplied with the questionnaire. If the investment manager has additional documentation that is essential to fully answer a question, this information may be placed in the Data Room, even if not requested by the questionnaire, and it may be referenced in the answer that this has been actioned.

In addition to non-listed real estate funds, the questionnaire has been designed to also accommodate the due diligence of joint ventures, separate accounts and club deals, to reflect the changing investment landscape.

The questionnaire is intended to provide a useful tool for non-listed real estate vehicles for the essential information that an investor may expect to receive from investment managers. This questionnaire is not intended to replace meetings between investors and investment managers, or to replace more detailed vehicle, market, business, tax, and legal or any other type of due diligence.

The questionnaire has been prepared with the expectation that investment managers will answer the questions appropriately and in a clear and precise manner. This includes ensuring that the documentation provides the information the question asks for and that cross references to other documentation (e.g. PPM, financial models or vehicle documentation) are clearly made. Investors should also be mindful of the time taken by investment managers to answer the questionnaire.

Please note that in responding to the questionnaire, the Global Definitions Database (<https://www.inrev.org/definitions/>) should be used as a point of reference for the terms included in this document.

INREV will enhance its separate due diligence questionnaires for fund of funds and multi-manager mandates as well as real estate debt vehicles. These questionnaires, which follow a similar template, are designed to meet the specific needs of investors in different types of non-listed real estate vehicles. Please refer to the INREV website ([www.inrev.org](http://www.inrev.org)) for further information.

This questionnaire is to be used in its full and complete form without amendment. INREV and its members do not take any responsibility for the completion or any corrections of this questionnaire.

### **Disclaimer**

This questionnaire contains a disclaimer because the document will amount to a promotion. Therefore, the completed questionnaire can only be sent to restricted categories of investors. Each investment manager will need to ensure that the questionnaire contains the appropriate disclaimer.

It is recommended that the investment manager reprints the disclaimer contained in their PPM, if applicable, and upon which they have obtained relevant legal advice.

INREV is not in a position to give legal advice in relation to appropriate disclaimers. However, INREV's view is that responses to the Due Diligence Questionnaire for Non-Listed Real Estate Investment Vehicles have the same status as the PPM.

## Vehicle Fact Sheet

General Information	Vehicle Name	
	Investment Manager Name	
	Contact Person Name	
	Contact Person Telephone	
	Contact Person Email	
Vehicle Structure	Vehicle Type <sup>1</sup>	
	Vehicle Structure <sup>2</sup>	
	Vehicle Domicile	
	Manager-defined Style <sup>3</sup>	
	Legal Structure	
	Year of First Closing	
	Planned Termination Year	
Target Strategy	Target Gross IRR	
	Target Net IRR	
	Target Vehicle Size	
	Target LTV	
	Maximum LTV	
	Target Region/Country	
	Target Sectors	
	Target Investment Strategy <sup>4</sup>	
	Performance Benchmark	
Financial Reporting	Reporting Currency	
	Current Net Asset Value (NAV)	
	Current Gross Asset Value (GAV)	
	Accounting Standard	
	INREV Guidelines compliant	
Investors	Target Investor type	
	Target Number of Investors	
	Minimum Investment per Investor	
	Investment Manager Co-investment	

Note: 1. Fund, Separate Account, Club Deal, Joint Venture, Other, 2. Open end, Closed end 3. Core, Core Plus, Value Add, Opportunistic, Other 4. Provide brief details of strategic themes (e.g. targeting prime assets) or subsectors.

## Investment Manager Statement

This statement should be short, no more than one page, and outline what distinguishes the investment manager and vehicle from competitors and competing offerings. The statement should not be a direct copy of information contained in the vehicle marketing documents or the PPM but should be a short, unique summary of factual information that can be substantiated within the DDQ or other supporting documents. For further guidance on content, please see Appendix I.

# 1 Preliminary Stage

## 1.1 Vehicle Strategy

### 1.1.1 Investment Strategy

1.1.1.1 Describe briefly the overall investment strategy, objectives and key themes of the vehicle. Explain why this is an appropriate strategy.

1.1.1.2 Using the list below, please describe the vehicle's limits, as defined in the legal documentation or PPM (mention relevant section), and confirm whether each item is an **'investment restriction'** or simply a **'guideline'**:

a Style limits (core/value add/opportunistic);

b Geographical exposure limits (country, region)

c Sector exposure limits;

d Tenant covenant exposure limit;

e Development restrictions;

f Investment size limits (minimum/maximum);

g Investments through real estate funds, real estate equities, real estate debt and/or real estate derivatives;

h Liquidity;

i Investments in in-house vehicles;

j Lender exposure; and

k Any others (please specify).

1.1.1.3 Place a copy of the PPM in the Data Room.

### 1.1.2 Bank Leverage and Debt Management Strategy

1.1.2.1 Describe the vehicle's leverage strategy. Please include information on vehicle-level and asset-level debt (short-term vs long-term, including targets, restrictions and controls e.g. LTV ratios, interest coverage ratios, debt-service coverage ratios, collateralised debt, number of debt facilities).

## 1.2 Existing Portfolio (Existing Vehicle) or Seed Assets (New Vehicle)

1.2.1 Complete the table in Appendix II for the subject vehicle to describe the composition of your portfolio. If not applicable, please add N/A and explain below.

1.2.2 If applicable, have there been any realisations in the portfolio? If yes, please provide realised net IRR and net equity multiples, if available.

## 1.3 Principal Terms

1.3.1 Provide the following details and include the extract of the relevant provision under comments (if applicable).

Vehicle decision making				
		Provide % threshold of approval required	Section reference to legal documents/PPM (if applicable)	Comments
Changes requiring investor approval	Investment strategy <input type="checkbox"/> Yes <input type="checkbox"/> No			
	Vehicle term <input type="checkbox"/> Yes <input type="checkbox"/> No			
	Investment period <input type="checkbox"/> Yes <input type="checkbox"/> No			
	Leverage limit <input type="checkbox"/> Yes <input type="checkbox"/> No			



Replacement of manager <input type="checkbox"/> Yes <input type="checkbox"/> No			
Change of control of the investment manager <input type="checkbox"/> Yes <input type="checkbox"/> No			
Timing of vehicle or mechanism for termination <input type="checkbox"/> Yes <input type="checkbox"/> No			
Acquisitions/disposals outside the investment strategy <input type="checkbox"/> Yes <input type="checkbox"/> No			
Remuneration of the manager <input type="checkbox"/> Yes <input type="checkbox"/> No			
Waterfall <input type="checkbox"/> Yes <input type="checkbox"/> No			
No-fault divorce clause <input type="checkbox"/> Yes <input type="checkbox"/> No			
For-cause removal clause <input type="checkbox"/> Yes <input type="checkbox"/> No			
Any other (please specify)			

Side Letters			
			Comments
Side letters	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Disclosed to all investors <input type="checkbox"/> Only to investors committing above: <input type="checkbox"/> Any others, please specify <input type="checkbox"/> Includes all historic side letters	
Additional policies			
			Comments
Vehicle ESG policy	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Code of Ethics	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Conflicts of Interest	<input type="checkbox"/> Yes <input type="checkbox"/> No		

## 1.4 Investment and Asset Management Process

### 1.4.1 Investment Decision-Making

1.4.1.1 Describe the decision-making processes by which the overall structure of the portfolio is determined.

1.4.1.2 Complete the table detailing who is responsible for the approvals process you use for investing in an underlying asset for the acquisition and sale of individual properties.

Size of asset	Responsibility for sign-off
Example: <€25m	Example: Investment Manager

1.4.1.3 Is there an investor advisory committee? Explain the process for selecting investors for representation? What rights do the committee have?

1.4.1.4 How are your risk management processes embedded in your investment and monitoring of the vehicle?

1.4.1.5 How long is the investment period of the vehicle? Can the investment period be extended and, if so, whose approval is required?

### 1.4.2 Sourcing

1.4.2.1 How are assets sourced? What advantage(s) do you believe you have over your competitors in sourcing assets?

1.4.2.2 How many assets have you screened, and how many have you closed, in each year over the past three years, which are relevant to the proposed strategy of the vehicle?

1.4.2.3 If your organisation manages other vehicles with similar strategies, how are assets assigned to each fund? Provide a copy of your Deal Allocation Policy (in the Data Room).

### 1.4.3 Exit Strategy

1.4.3.1 Is this an open end vehicle?

*If yes:*

1.4.3.2 Describe the redemption and subscription pricing mechanism.

1.4.3.3 Describe any discretion you have to vary the issue or redemption pricing and under what circumstances you could envisage using it.

*If no:*

1.4.3.4 Can the vehicle be extended and, if so, whose approval is required for each extension?

1.4.3.5 Describe the vehicle's exit strategy including the process by which full liquidation will be achieved.

### 1.4.4 Liquidity Management

1.4.4.1 Describe the liquidity policy of the vehicle, if any.

1.4.4.2 Provide details of any investor side letters that restrict normal liquidity rights for a specified period.

1.4.4.3 Describe any deferral rights the fund manager has on redemption.

### 1.4.5 Currency Hedging

1.4.5.1 Are the foreign currencies hedged? What type of instruments are utilised?

## 1.5 Vehicle Staff

1.5.1 Provide a structure chart detailing all personnel responsible for the vehicle (in the Data Room). Please include the percentage of each staff member's time spent on the vehicle.

1.5.2 Complete the table below for the senior staff listed in the structure chart. Provide biographies of all individuals listed in the table unless they are already provided in the PPM (in the Data Room).

Name	Year of birth	Role/job description	Date joined	Relevant real estate years of experience (years)	Office location	Countries covered
Mr. X	1980	Portfolio manager, sourcing, due diligence and monitoring	March 2010	7	Germany	Germany

1.5.3 Provide a structure chart illustrating how the senior staff responsible for the vehicle are positioned in the overall structure of the real estate group (in the Data Room).

## 1.6 Fees and Expenses

1.6.1 Please give details of:

a The fund management fee including details about timing, services provided by the investment manager and the level and basis on which a fee is proposed (GAV, NAV, income or other).

b All other fees payable including asset management fees, performance fees, subscription fees, acquisition and disposal fees, property management fees, cash management fees, commitment fees, leasing commissions, wind-up fees, project management fees and development fees. Please also detail the associated impact on gross to net returns.

1.6.2 If the vehicle has not been launched, please provide a forward-looking estimate of INREV Total Expense Ratio (TER), and how you have calculated it. If the vehicle is an existing vehicle, please provide INREV TER. Please provide the TER based on NAV and GAV, with and without performance fees. If INREV TER is not used, please provide a calculation in line with INREV TER (see INREV Fee and Expense Metrics - <https://www.inrev.org/standards>).

1.6.3 Provide details of the expected vehicle formation costs. Please elaborate whether those costs are being written off or capitalised and amortised over time. If the latter, please elaborate on the timeframe.

## 1.7 Investors

1.7.1 Please detail the type and domicile of the five largest investors in the vehicle as well as the approximate size of their commitment.

## 1.8 Investment Manager Platform

### 1.8.1 Organisation

1.8.1.1 Provide a brief description of your organisation's strategy. Provide an organisation structure chart (in the Data Room).

1.8.1.2 If the investment manager is part of a group, provide details of the group's offices and how they are staffed and established.

### 1.8.2 Real estate investment management business

1.8.2.1 Provide an organisation chart detailing your real estate business including the number of dedicated real estate staff in each office location (in the Data Room).

1.8.2.2 Provide a breakdown of your real estate business using the table below (over the past three years).

	By assets under management (AUM) (value)		
	20XX	20XX	20XX
Direct non-listed funds			
Fund of funds			
Separate accounts			
Listed funds			
Debt funds			
Joint ventures			
Others (please specify)			
<b>Total</b>			

1.8.2.3 Provide a list of your assets under management (AUM) for non-listed real estate or real estate debt vehicles, broken down by investment style, geography and sector.

1.8.2.4 Complete table in Appendix III. List all active non-listed real estate or real estate debt vehicles, including separate accounts, that you are currently managing which have been raised by your firm, as well as products which you are currently raising capital for. If not applicable, please add N/A and explain below.

## 1.9 Investment Manager Track Record

1.9.1 Complete the table in Appendix IV related to vehicles/separate account mandates, with a similar strategy and regional focus to that of the proposed vehicle. If not applicable, please add N/A and explain below.

1.9.2 Confirm if the above track record performance has been audited?

## 2 Advanced Stage

### 2.1 Vehicle Strategy

#### 2.1.1 Investment Strategy

2.1.1.1 Is the strategy consistent with earlier strategies carried out by the non-listed vehicle or previous vehicles managed by the fund manager? If not, what changes have been made?

2.1.1.2 If applicable, describe what the vehicle's expected geographical and sector allocations are likely to be, using the table below.

Country	Target weighting range	Current weight (if applicable)
Country 1		
Country 2		
Sector	Target weighting range	Current weight (if applicable)
Sector 1		
Sector 2		

2.1.1.3 Describe how you will generate your target returns and describe what the return components (income return, capital growth, leverage effect, etc.) are expected to be.

2.1.1.4 Provide a breakdown (in Excel) of the projected gross-to-net total returns (in the Data Room).

2.1.1.5 What types of qualitative, quantitative and fundamental research do you use to determine your strategy? Do you have a dedicated research team? Provide an example of the research used to define your strategy (in the Data Room).

2.1.1.6 Please provide an electronic copy of the vehicle's financial model (in the Data Room).

#### 2.1.2 Bank Leverage and Debt Management Strategy

2.1.2.1 What are the key characteristics of the vehicle's leverage/debt strategy? Include comments on the following areas:

a Cross collateralisation versus asset by asset finance;

b Use of syndicated lending;

c Use of commercial mortgage-backed securities (CMBS);

d Securitisation policies; and

e Any other restrictions imposed.

2.1.2.2 Who is in charge of debt management for the vehicle? Do you have a dedicated debt management team? Provide details of their experience.

2.1.2.3 How do you deal with a breach of vehicle-level debt restrictions?

2.1.2.4 How do you deal with debt covenant breaches and what governance is in place around this?

2.1.2.5 What (vehicle-level) guarantees are provided in relation to bank debt?

2.1.2.6 Can the vehicle use a credit facility backed by investor commitments? If so, please provide details (facility provider, costs, maximum duration of use before replacing by equity, etc.). Are these commitments included in calculating the LTV with respect to the limits under 1.2.1?

2.1.2.7 Provide a summary of any interest hedging strategies and instruments employed by the vehicle and details of who is responsible for these.

## 2.2 Existing Portfolio (Existing Vehicle) or Seed Assets (New Vehicle)

2.2.1 If applicable, provide the latest annual and interim investor reports of the vehicle under due diligence (in the Data Room).

2.2.2 If applicable, describe any asset write downs or losses the vehicle has experienced over the last five years. Describe the remediation strategy for the respective assets and, if appropriate, give an estimate of expected recovery and gross asset IRRs in comparison to underwritten IRRs.

## 2.3 Principal Terms

2.3.1 Please provide (in the Data Room) a copy of the Code of Ethics by which both the vehicle and the investment manager adhere.



2.3.2 Provide details of any no-fault divorce clause, including voting threshold, when it can be applied, restrictions, impact on manager co-investment etc. Furthermore, provide details of the compensation due (base fees, performance fees etc.), if any, in the case of removal.

2.3.3 Provide details of any for-cause removal clause, including clear description of causes, voting threshold, voting rights, how cause is established, impact on manager co-investment etc. Furthermore, provide details of the compensation due (base fees, performance fees etc.), if any, in the case of removal.

2.3.4 Provide the following details and include the extract of the relevant provision under comments (if applicable).

Indemnification and exculpation clause			
	Exceptions	Comments	Section reference to legal documents/PPM (if applicable)
	Negligence <input type="checkbox"/> Yes <input type="checkbox"/> No		
	Fraud <input type="checkbox"/> Yes <input type="checkbox"/> No		
	Wilful misconduct <input type="checkbox"/> Yes <input type="checkbox"/> No		
	Criminal acts <input type="checkbox"/> Yes <input type="checkbox"/> No		
	Material breach of conduct <input type="checkbox"/> Yes <input type="checkbox"/> No		
	Any others (please specify)		
Key man provision			
Are there key man provisions?		Section reference to legal documents/PPM (if applicable)	Comments
Replace- ment time	Applicable: <input type="checkbox"/> During investment period <input type="checkbox"/> At all times	Consequences: <input type="checkbox"/> Investments suspended until replaced <input type="checkbox"/> Replacement approved by investors	

		<input type="checkbox"/> Investments suspended, if not replaced <input type="checkbox"/> Any others		
Conflicts of interest				
Are there conflicts of interest provisions?		Comments	Section reference to legal documents/PPM (if applicable)	
Disclosure	Conflicts disclosed to: <input type="checkbox"/> All investors <input type="checkbox"/> Only to advisory board <input type="checkbox"/> Any others			
Full exclusivity of deal flow during the investment period	<input type="checkbox"/> Yes <input type="checkbox"/> No			
No competing vehicles during the investment period	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Reinvestment				
		Comments	Section reference to legal documents/PPM (if applicable)	
Reinvestment	<input type="checkbox"/> Yes <input type="checkbox"/> No	Principal: Profits: Income: During what period?		

## 2.4 Investment and Asset Management Process

### 2.4.1 Investment Decision-Making

2.4.1.1 Explain the processes and considerations used for entering new investment markets and sectors.

2.4.1.2 Describe any significant changes you have made to your investment process in the past three years and the rationale for those changes.

2.4.1.3 Do you receive input from other in-house investment teams as part of the investment process? If so, please describe.

2.4.1.4 If you have an investment committee, please provide a brief description of the committee (including external and independent members) and its terms of reference. Please include a list of the members and their biographies (in the Data Room).

2.4.1.5 Provide an example (in the Data Room) of documents relating to one of the underlying assets (including for example an investment memorandum). Where no assets have been acquired, please provide a sample for a transaction undertaken for a previous vehicle/mandate.

## 2.4.2 Sourcing

2.4.2.1 Do you maintain a database of deal flow? How often is this database updated? If available, please provide a screenshot of this database (in the Data Room).

## 2.4.3 Underwriting

2.4.3.1 What models, metrics and guidelines do you make use of when analysing underlying assets? Please consider the following:

- determination of exit cap rates;
- determination of rental growth;
- expectation on void periods for new leases;
- expectation of capex;
- determination of the cost of take-out financing (if that is an expected exit strategy for your assets); and
- provision of re-financing loans.

2.4.3.2 Describe the composition of a typical due diligence team for a given deal for this vehicle. Who is responsible for the various activities (property, legal, financial, debt, tax etc) and are any outsourced?

## 2.4.4 Co-investment/Joint Ventures

2.4.4.1 Describe the co-investment policy with both related (investors, other managed funds, staff etc.) and unrelated parties including non-executive board approval procedures, if any.

2.4.4.2 Describe how you structure arrangements with any joint venture partners for this vehicle and how you remunerate your partners and monitor the arrangements.

**2.4.5 Monitoring**

2.4.5.1 Describe your processes in monitoring underlying assets and the criteria for Buy/Hold/Sell decisions. Do you maintain an asset level and vehicle level returns forecasting model as part of these processes? If so, what are the inputs into this model, how frequently is this updated and by whom? What happens with the monitoring process if the vehicle goes beyond the life of the initially proposed vehicle?

2.4.5.2 How often do you visit underlying properties?

**2.4.6 Exit Strategy**

2.4.6.1 Describe how you manage the ultimate wind-up of the vehicle including any policies you have regarding the management, likely wind-up timeframe and limitation of on-going liabilities after the sale of all the vehicle's real estate assets.

**2.4.7 Liquidity Management**

2.4.7.1 Provide details of any prior secondary trading of interests in the vehicle (dates, amounts and pricing).

**2.4.8 Cash Management**

2.4.8.1 Describe your organisation's policy on moving cash and securities among custodians, operating companies, bank accounts, investors and counterparties? Describe processes and controls in place including different levels of authorisation.

2.4.8.2 Which member(s) of the team is/are specifically in charge of cash management and what relevant experience do they have?

2.4.8.3 State the buffer/target buffer at the vehicle level for fees and expenses.

**2.4.9 Capital calls and distributions**

2.4.9.1 Describe the frequency of capital calls. How much notification is provided to investors of upcoming capital calls and distributions?

2.4.9.2 How often will distributions be paid out?

## 2.5 Vehicle Staff

2.5.1 Provide the following details for senior staff who have departed (including pending departures) over the past five years.

Role	Departure date	Functional area	Years with firm	Replaced? (y/n)

2.5.2 How long have the relevant key team members worked together?

2.5.3 Describe the current succession plan for key team members.

2.5.4 Explain your compensation policy/structure. How do you ensure staff are compensated fairly? How are compensation schemes of the vehicle's key personnel structured and aligned to the performance of the vehicle?

2.5.5 Do any of the key personnel have other significant business interests apart from their employment with your company/group? If so, please explain what these are.

2.5.6 If any of the key personnel is involved in other products offered by the fund manager, what are their additional responsibilities? If there is a conflict of interest, how is it managed?

2.5.7 Do you have dedicated internal tax, legal and structuring resources? If so, please ensure that these resources are shown in the organisational chart in 1.8.1.1 and comment on whether they are 100% dedicated to this vehicle.

## 2.6 Fees and Expenses

2.6.1 Provide a summary budget for the vehicle fees and costs, and give an estimate of the different cost items, their maximum and expected development over the life of the vehicle.

2.6.2 Provide the following details:

Waterfall structure		
Carry structure	Basis:	
	Hurdle:	
	Percentage:	
	Estimated impact on gross-to-net returns: Overall vehicle basis <input type="checkbox"/> Deal-by-deal basis <input type="checkbox"/>	
Catch-up	Split (Investment Manager /Investor):	
	Are investors reimbursed for fees and organisational expenses before the manager earns its promote?	
Clawback or escrow account for overpaid performance fees	Provisions of the clawback:	
	Percentages of fees:	
Performance fees	Paid at the end of life of vehicle: <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Provisions of the clawback:	
	Percentages of fees:	

2.6.3 Who maintains the vehicle's investor waterfall models? What is the review and approval process? Is it audited?

2.6.4 Provide a scenario analysis table of the estimated fees leakage for on-target, below-target and above-target performance.

2.6.5 Provide scenarios that demonstrate the calculation of performance fees in line with the following circumstances:

a Anticipated fund performance;

b Fund under-performance; and

c Fund over-performance.

## 2.7 Investors

2.7.1 Do you manage different types of shares/units within the vehicle, e.g. different institutional share classes depending on investment amount, distribution or accumulation units? Please specify and provide details.

2.7.2 Will all investors be made aware of any side letters, and if so when?

2.7.3 Confirm whether or not investors will be liable for anything beyond the amount of their commitment.

2.7.4 Are there investor meetings and what is the frequency? Are the minutes of these meetings distributed? Do investors have the ability to convene an investor meeting at any time?

2.7.5 Does the vehicle documentation contain a defaulting investor clause, with penalties and suggested remedies for investors defaulting on their capital calls after a certain number of days? Does the manager have discretion in exercising the remedies under the defaulting investor clause?

2.7.6 Is the manager bound by confidentiality restrictions regarding the sharing of client due diligence among investors? Please provide the clause, if any.

2.7.7 If applicable, what is the pricing of units at:

a The initial closing; and

b Subsequent closings.

2.7.8 What are the equalisation provisions for any new investors into the vehicle after the launch date?

2.7.9 Who is responsible for performing 'Know Your Client' and anti-money laundering checks and procedures in connection with investor subscriptions into the vehicle?

## 2.8 Investment Manager Platform

### 2.8.1 Organisational structure

2.8.1.1 Explain the current ownership of the fund manager and the history of company ownership changes. Have there been any changes in the last three years? Are any changes currently planned?

2.8.1.2 If relevant, provide details of the top 10 shareholders of the company. Does any shareholder have over 50% of the voting rights?

2.8.1.3 Describe your firm's approach to recruitment, and any background checks that are undertaken.

2.8.1.4 How do you assess the ongoing competence of your staff and what programmes do you have in place to facilitate their continued professional development?

2.8.1.5 Please provide a copy of the investment manager's consolidated financial statements and annual reports (as well as broker reports, if applicable) from the past two years (in the Data Room).

### 2.8.2 Real estate fund management business

2.8.2.1 Outline your business strategy in the real estate or real estate debt sector for the next three to five years.

2.8.2.2 Discuss any competitive advantages you believe the company enjoys in the real estate or real estate debt fund investment vehicle business.

2.8.2.3 Elaborate on any expected personnel expansion plans, including roles.

## 2.9 Investment Manager Track Record

2.9.1 Provide an explanation for the worst performing (three maximum) vehicles/separate account mandates in question 1.9.1.

2.9.2 To what extent are the individuals responsible for past performance still involved in the fund?





### 3 Supplementary Stage

#### 3.1 Reporting and Valuation

3.1.1 Have there been any material disputes in relation to the vehicle's documentation or the operation of the vehicle? Have its annual reports and accounts been qualified in any manner?

3.1.2 Describe the valuation policy of the vehicle and the frequency of the valuations of both the real estate assets and any loans secured over them. Are the valuations conducted externally or internally? Do investors have rights to nominate and appoint the external valuer? If internally, which firm employees conduct these valuations and what is their experience?

3.1.3 What events will cause the investment manager to make a change in the valuation of an underlying asset?

3.1.4 What is the vehicle's policy regarding the length of appointment of valuers to carry out external valuations and their subsequent re-appointment?

3.1.5 What accounting and professional valuation standards are applied?

3.1.6 Provide details as to how the vehicle complies with the INREV Guidelines (indicate total compliance percentage on a module-by-module basis). Provide explanations for any departure from the guidelines. Does the vehicle provide an INREV NAV?

3.1.7 Provide (in the Data Room) a sample of all communications and reports (in addition to the annual and interim reports already requested) sent to investors. What is the frequency of these reports and what are the reporting deadlines?

3.1.8 Do all investors receive the same information at the same time to sustain full transparency?

3.1.9 Can client reports be tailored according to client-specific requirements?

3.1.10 Do investors have the right to inspect the books and records of the vehicle and/or investment manager or have a third-party auditor to conduct an audit? Please provide the relevant clause in the documents.

### 3.2 Risk Management and Compliance

3.2.1 Summarise your risk management and compliance processes, include team details, reporting lines and issue escalation processes. If applicable due to the AIFMD regulations, please provide the risk management policy (CSSF requirement) in the Data Room.

3.2.2 Have there ever been criminal, civil or regulatory proceedings or any similar matters (including reparations, arbitrations and negotiated settlements) against the firm, its affiliates or any of its principles? Please provide details of any past, current or pending proceedings against the firm, its affiliates or principles.

3.2.3 Provide a copy (in the Data Room) of your internal controls report (e.g. ISAE3402/AAF01/06).

3.2.4 Describe what type of insurance coverage(s) the organisation maintains including professional indemnity or other relevant insurance indemnities. Provide a schedule (in the Data Room) showing level of coverage, provider, adequacy, claims to date.

3.2.5 Describe how you manage risk in the following areas (where appropriate) including details of the controls in place:

a Joint venture (JV) partner risk;

b Debt management;

c Credit risk;

d Interest rate risk

e Currency risk;

f Fraud;

g Litigation;

h Taxation and legal;

i Regulatory risk; and

j Cash transfer controls.

3.2.6 Is there a dedicated internal audit function within your firm at group or local entity level?

### 3.3 IT, Cyber and Physical Security

3.3.1 Are you compliant with ISO 27001 or any other cyber security or information security certifications?

3.3.2 Is IT and physical security a standing item on your board (or equivalent) agenda?

3.3.3 Have you developed a formal, documented Cyber Incident Response Plan that describes workflow in the event of a cyber incident?

3.3.4 Have you experienced any material internal or external information/cyber security incident in the past three years?

3.3.5 Are all servers, workstations and remote devices connecting to corporate networks required to have approved antivirus software installed?

3.3.6 How frequently do you carry out IT security training for staff?

3.3.7 Do you carry out phishing or similar social engineering tests on your staff?

3.3.8 How frequently are full (physical and system) vulnerability assessments carried out?

3.3.9 How frequently are internal and external penetrations tests carried out?

3.3.10 Are there any critical or high-risk points from any penetration tests or vulnerability assessments that are currently outstanding and have been so for over six months?

3.3.11 Have you engaged with an external cyber security specialist as a first point of contact in the event of an incident?

3.3.12 How is physical access to the server/communication (comms) room controlled?

3.3.13 Are permanent members of staff always on the premises when the cleaners are working?

### 3.4 Disaster Recovery and Business Continuity Plans

3.4.1 Are you ISO 22301 compliant or with any other equivalent certifications?

3.4.2 Are DRP and BCP policies regularly reviewed for appropriateness and approved by management?

3.4.3 How frequently are your DRP and BCP plans tested?

3.4.4 Do all business critical staff have the ability to work from home and do they use firm-supplied hardware or their own? If firm-supplied hardware is used, how often is this tested in the home environment?

3.4.5 Are the primary and secondary data centres on different utility and power grids?

3.4.6 Do all servers and network devices receive power from an Uninterruptable Power Supply (UPS)?

3.4.7 Does the company have a specific back-up location for staff? In this location, is the seating dedicated or syndicated? If it is syndicated, what proximity restrictions are in place?

### 3.5 Crisis Management

3.5.1 Are you compliant with BS 11200:2014 or any equivalent standard?

3.5.2 Do you have a designated Crisis Management Team (CMT) with specified deputies?

3.5.3 Is specific training given to CMT members at Strategic (Gold), Tactical (Silver) and Operational (Bronze) levels?

3.5.4 How frequently are crisis exercises carried out?

3.5.5 Do you make use of consultants to assist you with your external communications in the event of a crisis?

### 3.6 Regulation and external auditors

3.6.1 Is the vehicle or fund manager regulated? If so, please describe. Please also explain your status under AIFMD. If you are not regulated under AIFMD, how do you manage your marketing activities?

3.6.2 Who is your external auditor? Have audits disclosed any significant risks during the previous two years?

3.6.3 Is there a rotation process for external auditors?

### 3.7 Corporate Governance

3.7.1 Have you filled in the INREV corporate governance self-assessment tool? If so, please place a copy in the Data Room.

#### 3.7.2 Boards and Committees

3.7.2.1 Explain the process for selecting investors for representation on any appropriate boards/committees, the maximum and minimum number of board/committee members, the length of their appointment, and how the boards/committees are made up. Specify which boards/committees include investment manager personnel as members. Can the board/committee constitution be changed by investor vote?

3.7.2.2 Are there any arrangements for independent representation for corporate governance including the appointment of non-executive officers? Describe how these arrangements work and the extent to which investors are represented either directly or through non-executive officers.

3.7.2.3 What decisions/approvals are reserved for the boards/committees? Describe the processes and procedures in place.

3.7.2.4 Explain the voting process/structure for the boards/committees, (i.e. one vote per member or are votes allocated based on an investor's commitment to the vehicle)? Are decisions recommended by the manager for consideration and approval, or just for consultation by the committee?

3.7.2.5 Is the investment committee dedicated to this specific vehicle, or is there a general investment committee? How are changes to the composition of the committee determined?

3.7.2.6 Describe in which aspects of the vehicle's investment (overall strategy, acquisitions and disposals) as well as operational activities the Investment Committee play an active role.

3.7.2.7 Is officers' liability insurance provided to participants in any advisory committee or board of the vehicle?

3.7.2.8 Can any non-executive officer retain an external legal counsel at the expense of the vehicle?

### 3.7.3 Alignment of Interest

3.7.3.1 Detail in the table below any commitments that the fund manager, key personnel, investment committee members and employees have made or will make to the vehicle. What is the source of the commitments from the investment manager and/or key personnel etc. (e.g. balance sheet, third party or other)?

Name	Source of funds	Amount	Commitment as a % of net worth	% share of carried interest	Role in proposed vehicle	Key person?	Trans-ferability?	Comments
Example	Own equity	€ 2M	1%	20%	Investment committee member	Yes	No	

3.7.3.2 Will the investment manager maintain investment in the vehicle throughout the vehicle's life? If not, are there any limitations for the investment manager or key personnel to syndicate, sell, encumber or otherwise transfer their investment? If so, please describe on what basis and whether this will be on the same terms as other investors.

3.7.3.3 Describe the investment manager’s policy on the distribution of carried interest among the team members and if applicable within the parent company. Is it shared with the parent company or any other entities?

3.7.3.4 What happens with carried interest if people leave?

**3.7.4 Potential Conflicts of Interest**

3.7.4.1 Provide a copy of your conflicts of interest protocol, if available (in the Data Room). State the measures in place to avoid conflicts of interest. Are conflicted parties excluded from any board or investment committee discussions?

3.7.4.2 Do matters involving conflicts of interest require approval by:

a Investors;

b Advisory board;

c Non-executive board;

d Fund manager or GP; and

e Any others, please specify.

3.7.4.3 Describe your approach to the following conflict of interest issues:

a Allocation policy between other vehicles/mandates with overlapping strategies;

b Timing of starting a successor vehicle, if applicable;

c Committing to affiliate vehicles;

d Doing business with affiliates;



e Separate account mandates;

f Sales/purchases to/from two vehicles/accounts managed by the fund manager;

g Raising loans and refinancing assets under management of the same fund manager;  
and

h Any others, please specify.

### 3.7.5 Third-Party Service Providers

3.7.5.1 Does the real estate vehicle make use of third-party service providers, such as a custodian, paying agent, administration agent or transfer agent? If so, please supply the following for each provider in the Data Room:

- role and contact details;
- a short bullet point description of the duties and responsibilities;
- start date;
- highlight any affiliates to your firm including principals, department heads, directors/partners, shareholders/investors, family members; and
- details of any compliance with independent organisational standards. (The default assumption is that the investment manager is accountable for the services provided by third parties. Please comment if this is not the case.)

3.7.5.2 Describe your approval/due diligence process for the selection of service providers. Does the vehicle require the prior approval of investors with any replacement of service provider?

3.7.5.3 Describe your on-going due diligence/monitoring procedures for all service providers. Who is responsible for this function?

3.7.5.4 What reasons have you found to prevent you working with service providers in the past?

3.7.5.5 Discuss any changes in service providers in the last five years.

3.7.5.6 Do you incorporate requirements relating to cyber-security risk into contracts with service providers? If so, provide details and experience of any individuals who monitor these requirements.

3.7.5.7 Are any of your credit products rated by rating agencies? Are the duties involved defined in the real estate debt vehicle documentation?

### 3.8 Environmental, Social and Governance (ESG) Issues

3.8.1 Do you submit data to the Global Real Estate Sustainability Benchmark (GRESB) report? If so, what is the score? How has the score changed since participating in GRESB? If the vehicle does not have a GRESB score, detail the key ESG indicators and related performance metrics.

3.8.2 Explain how you incorporate your long-term company policies on the following sustainability issues at the vehicle and organisational level and how these are incorporated into strategic decisions:

a Environmental issues;

b Social issues; and

c Governance issues including code of ethics.

3.8.3 Who is responsible for coordinating the monitoring of ESG issues at vehicle and organisation level?

3.8.4 Describe the process and frequency used to report ESG issues into senior management and to the investors.

3.8.5 Does the vehicle have an Environmental Management System (EMS)? What aspects are covered by the EMS?

3.8.6 Is the vehicle's ESG report(s) in line with the INREV sustainability reporting recommendations?

3.8.7 Are any reporting standards used in the reporting of information on ESG practices (e.g. GRI, CRESS, CDP, ISAE 3000, ISO etc.)?

3.8.8 Indicate if and to what standards the social aspects of the policy adheres to (e.g. national laws and regulation, Universal Declaration of Human Rights, ILO core labour standards, UN Global Compact, UN Principles for Responsible Investment, IFC Performance Standards, OHSAS 18000, ISO 14000)?

3.8.9 Does the scope of the policy and management system include contracted parties and suppliers?

3.8.10 Does the vehicle and organisation operate in jurisdictions that have not ratified ILO core conventions?

3.8.11 What indicators are used to measure social performances?

3.8.12 Provide details of three ESG initiatives linked to the vehicle or your organization that you are proud of:

a Initiative One;

b Initiative Two; and

c Initiative Three.

## Data Room

Please fill in the Data Room table to indicate if you have included the information requested. Please indicate in case a Data Room is not available and you are providing the information separately.

	Information requested	Question	Information included or reference to PPM
	<b>Preliminary Phase</b>		
A	PPM	1.1.1.3	
B	Deal Allocation Policy	1.4.2.3	
C	A structure chart detailing all personnel responsible for the vehicle.	1.5.1	
D	Biographies of all senior staff	1.5.2	
E	A structure chart illustrating how senior staff responsible for the vehicle are positioned in the overall structure of the real estate group.	1.5.3	
F	Organisation structure chart	1.8.1.1	
G	Real estate structure chart	1.8.2.1	
	<b>Advanced Phase</b>		
H	Breakdown of gross-to-net returns.	2.1.1.4	
I	An example of the research (qualitative, quantitative and fundamental research) used to define your strategy.	2.1.1.5	
J	Financial model in electronic format	2.1.1.6	
K	Annual and Interim reports, if applicable.	2.2.1	
L	Code of Ethics	2.3.1	
M	A list of the investment committee members and their biographies	2.4.1.4	
N	An example of the documents for one of the underlying assets (including for example an investment memorandum/paper).	2.4.1.5	
O	A screenshot of deal flow database	2.4.2.1	
P	A copy of the investment manager's consolidated financial statements and annual reports (as well as broker reports, if applicable) from the past two years.	2.8.1.5	
	<b>Supplementary Phase</b>		
Q	Sample of all communications and reports	3.1.7	
R	A risk management policy (CSSF requirement), if applicable under AIFMD regulations.	3.2.1	
S	A copy of your internal controls report (e.g. ISAE3402/AAF01/06)	3.2.5	
T	A schedule of all insurance coverage	3.2.6	
U	A copy of the INREV corporate governance self-assessment tool.	3.7.1	
V	A copy of your conflicts of interest protocol.	3.7.4.1	
W	A list of third-party service providers	3.7.5.1	

## Appendix

### I. Investment Manager Statement Guidance

Below is listed a number of themes which may be included in the statement. The list is for guidance only and should not be considered exhaustive.

<b>Investment Manager Platform</b>	<b>Instructions</b>
• Inception	Year
• History	Only if very brief and relevant
• Ownership structure	Stand alone, investment group, insurance group, other
• Headquarters and other offices	Local presence, local reach
• AUM	In specific currency (as of date)
• Scope	Markets covered, number of employees and their experience
• Investments beliefs	What is remarkable about the company and its business model
• Track record	Details of relevant funds
<b>Business Model &amp; Operations</b>	<b>Instructions</b>
• Range of products & services	Reporting, online tooling
• In-house activities	Operating model, investment process
• Outsourced activities & policy	Valuation, property management, others
• Range of products	Other funds, segregated mandates, strategies, investment styles - prior/legacy, competing
• Research	In-house? What makes it special?
• Risk management	What methodology is applied?
• Corporate Governance	Licenses, use of standards, certifications, memberships
• ESG	INREV, GRESB, PRI
• Valuation methodology	RICS, local valuation methodology

- Additional information [Link to website](#)

## II. Composition of the portfolio for the subject vehicle (related to Question 1.2.1)

Asset/ SPV	Location	Sector	Owner-ship (%)	Occupancy	Date acq.	Expected exit (mm/yyyy)	Purchase price	Equity invested	Current FMV	Projected gross IRR	Projected multiple	Projected net IRR	Projected net multiple
Asset 1													
Asset 2													
Asset 3													
Total													

FMV = fair market value; NOI = net operating income.

Financing overview						
Asset/SPV	Lender	Loan in millions (currency)	Maturity date	Margin, bps	Average amortization p.a.	Interest all in p.a. (%)
Asset 1						
Asset 2						
Asset 3						

bps = basis points; p.a. = per annum.

Covenant overview					
LTV %				ICR /DSCR,x	
Asset/SPV	Current	Covenant	Ratio	Current	Covenant

DSCR = debt service coverage ratio; ICR = interest coverage ratio; LTV = loan-to-value.



**III. Non-listed real estate vehicles managed by the investment manager (related to Question 1.8.2.4)**

Vehicle name	Target geography	Target sector	Investment style	LTV, cap and current	Target net return/ equity multiple	Equity raised	Equity invested	Launch date	Termination date (excl. extensions)	Current status
Example	Europe (excl. UK)	Diversified	Prime assets only	Target 60% Cap 75% Current 65%	9% internal rate of return (IRR)	150	50	2010	2017	Fund raising and investing

Note: LTV = loan-to-value.



**IV. Investment manager track record for investment vehicles (related to Question 1.9.1)**

Vehicle name	Manager-defined style	Vehicle type*	Year of final close	Geo-graphic focus	Sector focus	Equity invested	Number of investments to date	Target net IRR	Target Total Value Paid Multiple (TVPI)	Current net IRR** since inception	Current Total Value Paid Multiple (TVPI)*	Projected net IRR	Projected Total Value Paid Multiple (TVPI)	LTV %	Distributed Paid Multiple (DPI)**
1.															
2.															
3.															
4.															
5.															

\* Open/closed end fund, Separate Account, Club Deal, Joint Venture, Other

\*\* See INREV Performance Measurement Guidelines (<https://www.inrev.org/standards>)