

Appendix II – Sustainability factors

The following table illustrates a range of potential qualitative and quantitative disclosures in relation to valuation inputs that could be materially impacted by sustainability factors. The investment manager may use this as a guide in developing disclosure templates and adjust them based on the availability of relevant data and/or the needs of the investors.

		Valuation input assumptions materially impacted by sustainability factors**					
Property*	Sector	Market Rent	Cap Rate	OpEx	CapEx	Useful Life	Comments
Building A	Office	x	x				Building A is a prime office building in Berlin with top-tier energy certificates. Per discussion with current tenants and market participants, tenants are willing to pay higher rent of (X/sqm) in comparison to the current market rental level to operate in the ESG-compliant property. Cap rate was adjusted by (X bps).
Building B	Office				x	x	Building B is an office building in Amsterdam with below energy label C. Due to changes in the regulation, office assets with subpar energy certificate levels are prohibited from being used after 2023. The useful life and CapEx estimate are further adjusted by (X yrs) and (%), respectively, in the concluded fair value.
Building C, D	Residential			x	x		Building C & D are currently undergoing major refurbishments to convert into new residential buildings with modern technologies and control systems. Accordingly, CapEx increased by (%) due to refurbishment and maintenance costs increased by (%). These are partly offset by an expected decrease of (%) in operational costs.

Valuation input assumptions materially impacted by sustainability factors**							
Property*	Sector	Market Rent	Cap Rate	OpEx	CapEx	Useful Life	Comments
Industrial Portfolio E	Industrial	x	x	x			Industrial Portfolio E comprises Class A modern logistic buildings that are currently occupied by market-leading tenants in the e-commerce industry. The buildings provide modern warehouse space with advanced technology and automation and with best-in-class energy certificate levels. Cap rate assumption was adjusted by (X bps), rent increased by (X/sqm) and maintenance costs decreased by (%).
Net Zero Building F	Office	x	x	x		x	Building F is a net-zero office building in Luxembourg. The asset is equipped with the most modern technology available in the market and provides a high energy efficiency. The market rent was adjusted by (X/sqm) and useful life has been increased by (yrs). Annual OpEx has been decreased by (%) which has also favoured tenant retention (WALT increased by (yrs)).

*For large portfolios, information may be aggregated by sector or other self-defined categories

**For illustrative purposes only