

# Guide to Completing DDQ

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**These guidance notes should be read in conjunction with the Implementation Kit.**

This section guides users in completing the INREV DDQ with the aim of enhancing consistency in the responses provided to investors who receive DDQs. The instructions focus on the open-ended questions in the DDQ, including word count, specific areas which should be covered and any repetitions that should be avoided in answers. Along with this, some examples are provided for user reference.

# Guide to Completing DDQ

## Preliminary Stage

| Question no. | Question                                                                                                                                                                                                                                                                                                                                                     | Answer Guide                                                                                                                                                                                                                                                                                                                                                                      |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.1</b>   | <b>Vehicle Strategy</b>                                                                                                                                                                                                                                                                                                                                      | The user should provide a concise summary of the investment and leverage strategies, using clear and descriptive language. Answers should avoid directly replicating PPM content and limit the use of visuals unless necessary - if included, their relevance should be explained (should be a concise depiction of the investment criteria, guidelines and leverage strategies). |
| 1.1.1.1      | Describe briefly the overall investment strategy, objectives and key themes of the vehicle. Explain why this is an appropriate strategy.                                                                                                                                                                                                                     | The user should keep the answer short (up to 500 words). The user should use descriptive language for a clear and concise answer; limiting the use of tables, graphs, or lists from external sources. If such visuals are included, their relevance should be explained within the text. An example response has been provided below.                                             |
| 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 eg LTV ratios, interest coverage ratios, debt-service coverage ratios, collateralised debt, number of debt facilities, whether it is classified as green financing, etc.). | The user should keep the answer short (up to 500 words). The user should use descriptive language for a clear and concise answer; limiting the use of tables, graphs, or lists from external sources. If such visuals are included, their relevance should be explained within the text. An example response has been provided below.                                             |

# Guide to Completing DDQ

## Preliminary Stage

| Question no. | Question                                                                                                                                                                                 | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.2</b>   | <b>ESG Strategy</b>                                                                                                                                                                      | The user should clearly describe the organisation's ESG strategy and its integration into the vehicle strategy. The response should outline the time frame of the strategy in relation to the vehicle's life cycle and style. The response should include any regulatory framework to which the strategy will be aligned. The user should also explain how ESG policies, including environmental and social aspects, such as DEI initiatives, are embedded at both vehicle and organisational levels. If not applicable, the user should state this and provide an explanation. Responses should be concise, avoiding repetition of PPM content or other regulatory, and use descriptive language. The user may include relevant policy documents as appendix. |
| 1.2.1        | Does the vehicle have an ESG strategy and/or objectives?                                                                                                                                 | The user should specify the ESG strategy of the vehicle (and how this is integrated into the overall business strategy), keep the answer short (up to 500 words). The user should use descriptive language for a clear and concise answer; limiting the use of tables, graphs, or lists from external sources. If such visuals are included, their relevance should be explained within the text. An example response has been provided below.                                                                                                                                                                                                                                                                                                                 |
| 1.2.3        | Explain how you incorporate your policies on the following ESG aspects at the<br>i. vehicle and/or<br>ii. organisational level, and how these are incorporated into strategic decisions. | The user should also highlight DEI initiatives as a part of the social aspects. If not applicable, please add N/A and explain.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

# Guide to Completing DDQ

## Preliminary Stage

| Question no. | Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Answer Guide                                                                                                                                                                                                                          |
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| <b>1.4</b>   | <b>Fees and Expenses</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The user should clearly describe the fees and expenses paid by the vehicle. The response should also outline the types of fees that may potentially apply. The user should specify whether fees are calculated on a NAV or GAV basis. |
| 1.4.2        | If the vehicle has not been launched, please provide a forward-looking estimate of Total Global Expense Ratio (TGER) for the first year when the vehicle is expected to be stabilised. If the vehicle is an existing vehicle, please provide the historical TGER. An NAV TGER based on the time-weighted average INREV NAV may also be provided. If the TGER is not used, please provide a calculation in line with the INREV Fee and Expense Metrics module ( <a href="https://www.inrev.org/standards">https://www.inrev.org/standards</a> ). | The user may also include details of the TGER split per share class.                                                                                                                                                                  |
| 1.4.3        | 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.                                                                                                                                                                                                                                                                                                                                   | The user should mention clearly if there are any deviations from the INREV NAV Guidelines, which state that set-up costs and acquisition expenses are capitalised and amortised over five years.                                      |

# Guide to Completing DDQ

## Preliminary Stage

| Question no. | Question                                                                                                                                         | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                  |
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| <b>1.5</b>   | <b>Investment and Asset Management Process</b>                                                                                                   | The user should outline decision-making structures, investor committee roles, and risk oversight procedures, where helpful, supported by visuals or process descriptions. Pricing policy answers may include assumptions, governance, frequency, and any use of INREV NAV. Direct replication from legal documents should be avoided.                                                         |
| 1.5.1.1      | Describe the decision-making processes by which the overall structure of the portfolio is determined.                                            | The user should keep the answer short (up to 500 words). The answer may include a flow chart/visual aid, if needed, to explain the process clearly.                                                                                                                                                                                                                                           |
| 1.5.1.3      | If there is an investor advisory committee, explain the process for selecting investors for representation. What rights does the committee have? | The user should clearly mention the eligibility criteria for the Investment Advisory Committee (IAC), the role they play and mention the matters for which they may be consulted. Other details may include the max/ min number of investors/ representatives on committee, the frequency of meetings, voting procedures, quorum requirements and membership rotation policy (if applicable). |

# Guide to Completing DDQ

## Preliminary Stage

| Question no. | Question                                                                                                                                                                                                                                                                              | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.5.1.4      | How are your risk management processes embedded in your investment and monitoring of the vehicle?                                                                                                                                                                                     | The user should keep the answer short (up to 500 words). The answer may include a flow chart/ visual aid, if needed, to explain the chronological description of the process clearly. Other details may include the role of any risk management team/committee, main risk parameters considered, frequency of risk review and reporting, and the process for fixing, breaches of risk limits/tolerance. An example response has been provided below. |
| 1.5.2.1      | Describe the pricing policy, including the redemption and subscription pricing mechanism, underlying assumptions and governance process. Specify how the pricing mechanism of the vehicle aims to minimise dilution and ensure fair treatment of (remaining and redeeming) investors. | The user should limit direct replication from external sources such as the PPM or other legal documents. Other details may include frequency of pricing, use of internal and external valuation processes and the use of INREV NAV (and any deviation from INREV NAV Guidelines).                                                                                                                                                                    |
| 1.5.2.2      | Describe any discretion you have to vary the issue or redemption pricing and under what circumstances you could envisage using it, including exceptional circumstances (eg the pricing policy in case of dislocated markets).                                                         | The user should provide details around the exceptional circumstances described in the answer and reference any relevant past events where discretion was employed.                                                                                                                                                                                                                                                                                   |

# Guide to Completing DDQ

## Preliminary Stage

| Question no. | Question                                                                                                                                                                                                                                                              | Answer Guide                                                                                                                                                                                                                                                                           |
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| <b>1.7</b>   | <b>Investment Manager Platform</b>                                                                                                                                                                                                                                    | This section intends to provide a complete overview of the manager's structure, including any affiliations with other businesses. The response should also give an overview of the real estate business and strategies, highlighting how these have evolved over the past three years. |
| 1.7.2.3      | Provide a brief description of all non-listed real estate or real estate debt vehicles, including separate accounts, that you are currently managing, as well as products which you are currently raising capital for. If not applicable, please add N/A and explain. | The user should include sufficient information around the investment stage of these vehicles/ separate accounts, any possible conflicts of interest and how these are being addressed. The user may also use a table to answer this question.                                          |

# Guide to completing DDQ

## **Question no. 1.1.1.1 text example - Investment strategy, objective and key themes of the vehicle**

Fund XYZ aims to provide diversification across asset classes, countries, cities, and sectors by strategically investing in core assets. Employing an income growth-oriented investment strategy, the Fund focuses on well-established and transparent markets within Europe.

Our investment scope zeroes in on major cities and conurbations displaying robust economic and population growth, fuelling sustained occupier demand and rental growth. Mainstream asset classes such as offices, retail, logistics, along with residential and hotels, are targeted. The Fund adopts a flexible asset allocation approach to capitalise on attractive opportunities throughout the real estate cycle.

With a targeted long-term gross return of 7% - 8%, the Fund aspires to deliver a net

return of 6 - 7% per annum post-management fees, varying based on the share class. Additionally, an income distribution goal of 3.5% - 4% per annum is set, emphasizing the Fund's commitment to achieving stable long-term income through core real estate assets across Europe.

Fund XYZ's investment style combines elements of growth and value creation, with an added focus on sustainability across the portfolio. The core strategy involves investing in high-quality assets situated in established locations within major European cities. The Fund boasts a diversified portfolio across sectors and geographies, focusing on assets in well-established locations featuring top quality building specifications and tenants with robust covenants. Proactive asset management initiatives, including re-leasing, repositioning, and refurbishment, play a pivotal role in optimising portfolio assets. The Fund may allocate up to 20% to assets categorised as "non-income producing,"

defined by occupancy levels below 80%. Aligning with responsible investing, Fund XYZ integrates ESG principles to shape its strategy. The Fund prioritizes resource efficiency, community engagement, tenant well being, and governance standards across its diverse portfolio. Committed to ethical practices, Fund XYZ believes ESG integration enhances financial performance, mitigates risks, and identifies valuable opportunities, creating lasting value for investors and communities alike.

# Guide to completing DDQ

## Question 1.1.2.1 text example - Vehicle leverage strategy

Fund XYZ strategically employs leverage with a targeted 25% loan-to-gross asset value (LTV) at the portfolio level and an absolute limit set at 40% LTV. Short-term borrowing, capped at 30% of NAV for maturities under 12 months, is in place. Exceeding a 33% LTV at the portfolio level necessitates Investor Advisory Committee (IAC) consultation. Individually, assets may leverage up to 65% LTV at acquisition.

Maintaining robust controls, the Fund adheres to interest coverage, debt-service coverage, and LTV ratios. For instance, the interest coverage ratio is maintained at a minimum of 2.5, ensuring prudent financial management. The debt-service coverage ratio is targeted at 1.5, providing a healthy buffer for debt obligations. The Fund engages in unsecured financing from the bond market, with an average interest rate target of 3.5% to finance growth and refinance existing debt. To manage interest rate risk, a minimum of 80% hedging is consistently maintained. Collateralised debt is used

judiciously, with a diverse range of debt facilities to optimize funding flexibility. Currently, the Fund operates with five debt facilities, each structured to accommodate specific investment needs. This approach ensures a comprehensive yet controlled leveraging strategy for optimal performance and risk mitigation.

(or)

In alignment with green financing principles, Fund XYZ strategically employs environmentally conscious leverage. The Fund targets a 25% loan-to-gross asset value (LTV) at the portfolio level, with an absolute limit set at 40% LTV. Short-term borrowing, capped at 30% of NAV for maturities under 12 months, adheres to green financing standards. Exceeding a 33% LTV at the portfolio level requires Investor Advisory Committee (IAC) consultation. Individually, assets may leverage up to 65% LTV at acquisition, with a focus on green initiatives.

Maintaining robust controls, the Fund adheres to green-focused interest coverage, debt-service

coverage, and LTV ratios. For instance, the interest coverage ratio is maintained at a minimum of 2.5, ensuring prudent financial management with an environmentally conscious approach. The debt-service coverage ratio is targeted at 1.5, providing a healthy buffer for debt obligations while adhering to green financing principles. The Fund engages in unsecured green financing from the bond market, with an average interest rate target of 3.5% to finance green initiatives and refinance existing debt. To manage interest rate risk, a minimum of 80% hedging is consistently maintained, aligning with green financing goals.

Collateralised green debt is used judiciously, with a diverse range of green debt facilities to optimise funding flexibility. Currently, the Fund operates with five green debt facilities, each structured to accommodate specific environmentally friendly investment needs. This approach ensures a comprehensive yet environmentally conscious leveraging strategy for optimal performance and risk mitigation in the realm of green financing.

# Guide to completing DDQ

## **Question 1.5.1.4 text example - Risk management process and monitoring of the vehicle**

Risk management is thoroughly integrated into ABC IM processes, with each organizational function having specific roles and responsibilities. This ensures continuous risk oversight throughout Fund XYZ's lifecycle.

### **1st Level Permanent Control – Individual Team Member**

Every team member in fund management, asset management, and transaction teams is primarily responsible for performance and risk controls, regardless of their role.

- Pre-investment: The transaction team serves as the initial control layer, assessing acquisitions before logging them into our deal flow database (the “asset flow tool”). The fund manager subsequently reviews the asset to ensure alignment with the fund’s guidelines. Once selected by fund management, all acquisitions are reviewed by the Investment Committee for senior management and

risk management scrutiny. The Investment Committee’s function is to rigorously examine all proposed investments. Their main objective is to facilitate an open discussion about a proposal before recommending a price for final approval by the investment management company.

- Post-investment: Per ABC IM - investment governance, the Fund Manager is the first to identify any deviations from the Fund’s guidelines. The Middle Office acts as a secondary control, performing additional checks alongside the ongoing reviews by the fund management team. Compliance functions also conduct checks as needed to ensure adherence to guidelines and restrictions. The asset management team manages daily asset operations and reports any deviations from the business plan to the fund management team.

### **2nd Level Regular Control – ABC IM Risk Management Teams**

The dedicated Risk Management and Compliance teams at ABC IM provide a second level of control, independently overseeing investment, operational,

and regulatory risks. The Investment Risk Management team is part of the Investment Committee involved in reviewing investments. After an investment is made, a risk profile is established for each fund and monitored by the risk management team.

At a strategic level, biannual fund reviews are conducted where Fund Management, along with legal, risk, and compliance teams, presents the Fund’s performance to the Management Board. The Fund Review process enables senior management, including risk management, to monitor investment and asset management strategies, performance, budget variances, and future fund priorities and guidelines. This senior management team may offer advice to the Fund Manager to adjust the Fund and its strategy according to evolving market conditions and requirements.

The risk management team broadly sets standards and limits, proactively identifies risks, implements remediation plans, and monitors both investment and operational risks.

# Guide to completing DDQ

## 3rd Level Periodical Control – ABC IM Internal Audit Team

The Internal Audit team at ABC IM provides the third level of control. Internal Audit delivers an independent and objective assessment of the control

environment's effectiveness, supporting ABC IM's global business, including the activities of ABC IM. Reviews are conducted across functions and locations using a standardized methodology for planning, execution, and reporting.

Audit findings are documented in a report first communicated to the CEO and the Global CFO, COO & Company Secretary of ABC IM, and then to the Audit Committee of the Board of Directors of ABC IM.



## 1st Level Permanent Control

- Investment teams manage initial portfolio risks per ABC IM governance.
- Managers ensure team compliance with established rules.

## 2nd Level Regular Control

- The ABC IM Risk Management & Compliance (RMC) team conducts independent oversight.
- They set standards, identify risks, implement remediation plans, and monitor investment, operational, and regulatory risks.
- The RMC also ensures the first level of control is effective.

## 3rd Level Periodical Control

- ABC IM Internal Audit Team

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                                                                                                                                                           | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2.1</b>   | <b>Vehicle Strategy</b>                                                                                                                                                                                                            | The user should describe whether the current vehicle strategy aligns with strategies of previous vehicles managed by the investment manager, highlighting any material changes. The user should also explain the types of research used to inform strategy, including whether it is conducted in-house or by third parties, and the tools and team involved. The user should outline the breakdown of the target returns for the vehicle. If a data room is not applicable, the user should state this. For open-end vehicles, the user should disclose any past breaches of debt restrictions or covenants and explain how they were managed. |
| 2.1.1.1      | Is the strategy consistent with earlier strategies carried out by the non-listed vehicle or previous vehicles managed by the investment manager? If not, what changes have been made?                                              | The user should mention if the current strategy has changed and highlight the differences in strategies of the current vehicle as compared to previous vehicles managed by the manager (eg expansion of geographical territories, leverage approach, portfolio management approach etc.)                                                                                                                                                                                                                                                                                                                                                       |
| 2.1.1.4      | 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). | The user should keep the answer concise, including information on the use of in-house and/or third-party research (including proprietary and paid-for/bespoke research), and the tools used (i.e., excel, programs, in-house systems). Other details on the number of dedicated research team members, their locations and how insights from the three types of research are combined, and whether the research team participates in the investment making decisions should also be clearly mentioned.                                                                                                                                         |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                     | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1.2.3      | How do you deal with and monitor a breach of vehicle-level debt restrictions?                | The user should provide information on the breaches over the last 3 years, if any, and how these have been mitigated. Indicate if any prospectus or PPM changes to the LTV limit have been made since the initial limit (mention temporary changes as well).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2.1.2.4      | How do you deal with debt covenant breaches and what governance is in place related to this? | The user should provide information on the breaches over the last 3 years, if any, and how these have been mitigated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>2.2</b>   | <b>ESG Strategy</b>                                                                          | The user should clearly explain how the ESG strategy is linked to the organisation objectives over the full lifecycle of the strategy implementation. This should outline at the organisation or vehicle level the objectives and policies and how these are integrated into the governance framework, including how those involved in the ESG strategy are assessed (whether they are linked to staff remuneration and supported by measurable KPIs). Responses should cover ESG targets, performance, risks and opportunities and be concise yet comprehensive. The user should focus on the asset lifecycle and the implementation of the ESG Strategy over this time and the associated reporting. For certified assets, the user should provide a summary aligned with the vehicle fact sheet. Where applicable, the user may refer to the INREV ESG SDDS template. All answers should be specific, and if certain elements are not applicable, this should be explained. |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                                                                                                                                                                                                                                                                                                                             | Answer Guide                                                                                                                                                                                                                                                                                 |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.2.2.2      | Explain whether the investment manager's remuneration takes into consideration the vehicle's ESG performance. Are there KPIs for vehicle staff to achieve overall ESG objectives, and if so, how are they identified and measured?                                                                                                                                                                   | In case there are specific ESG objectives which feed into the investment manager's remuneration, the user should explain this explicitly.                                                                                                                                                    |
| 2.2.5.4      | For portfolios with a limited number of certified assets, complete the table in Appendix V to describe the status of your portfolio with regard to ESG building certificates (eg, LEED, BREEAM, etc.) and energy ratings (eg EU EPC, NABERS, Energy Star etc.) obtained or targeted. For portfolios with a large number of certified assets, provide an overview (related to the vehicle fact sheet) | In the case of a portfolio, the user may refer to the INREV ESG SDDS template.                                                                                                                                                                                                               |
| 2.3.2        | 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.                                                                                                        | The user should include and explain the primary reasons for asset write-downs or losses (eg market correction, macro-economic factors, change in leasing situation, inability to carry out original business plan etc.). Other factors from attribution analysis should also be highlighted. |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                                                                                                           | Answer Guide                                                                                                                                                                                                |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2.4</b>   | <b>Principal Terms</b>                                                                                                                                                             | The user should provide an overview of the most relevant terms of the legal documents or PPM. The user should not copy directly from the legal documents.                                                   |
| 2.4.3        | Provide the following details, explain the procedure for key elements and include the extract of the relevant provision from the vehicle documents under Comments (if applicable). | If any of the below items are not applicable, the user should explain in the comments column.                                                                                                               |
| <b>2.5</b>   | <b>Fees and Expenses</b>                                                                                                                                                           | In addition to this section in the Preliminary Stage, the user should provide further details on the performance fees                                                                                       |
| 2.5.3        | Who maintains the vehicle's investor waterfall models? What is the review and approval process? Is it audited?                                                                     | The user should include details of whether this is performed internally by the investment manager and/or with support of any third-party review/consultation and the timing/ frequency of these activities. |
| 2.5.5        | Provide scenarios as part of your financial model that demonstrate the calculation of performance fees in line with the following circumstances:                                   | The user should include a base case, under and over performance scenarios and provide a summary or rationale for changes in inputs.                                                                         |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                                                              | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <b>2.6</b>   | <b>Investment and Asset Management Process</b>                                                                                        | The user should explain any updates to the investment process, including committee structures, research, ESG integration, and use of technology. Input from internal or external teams should be described, as well as committee composition and terms. The user should outline asset sourcing methods, allocation across vehicles, and due diligence responsibilities, including, but not limited to, co-investment policies, joint venture structures, and outsourcing arrangements, risk controls, pricing, and foreign exchange policies, along with models or metrics used in the analysis. If applicable, the user should refer to relevant policy documents or include supporting visuals for clarity. |
| 2.6.1.2      | Describe any significant changes you have made to your investment process in the past five years and the rationale for those changes. | The user should describe changes such as structural changes to the investment committee, documentation, portfolio and risk management approach, level of consideration of factors such as ESG, operational aspects, use of new technology and addition of relevant new skill sets to their team.                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2.6.1.3      | Do you receive input from other in-house investment teams as part of the investment process? If so, please describe.                  | The user should include details of the type of input provided by other internal teams and/or any support from third-party contributors, common reporting lines and any relevant compensation/ incentivisation factors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                                                                                                                                                                         | Answer Guide                                                                                                                                                                                                                                                                                           |
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| 2.6.1.4      | 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). | The user should keep the answer concise, describing where the investment committee is geographically based.                                                                                                                                                                                            |
| 2.6.1.7      | Do you use IT solutions to make investment decisions or to monitor the performance of the underlying assets? If yes, please specify.                                                                                                             | Please note that this version of the DDQ is from 2023. The user should include references to AI in the appropriate questions, if applicable.                                                                                                                                                           |
| 2.6.2.1      | How are assets sourced? What advantage(s) do you believe you have over your competitors in sourcing assets?                                                                                                                                      | The user should clearly mention if they have teams located in each market where deals are sourced under the strategy and provide the percentage of off-market transactions historically.                                                                                                               |
| 2.6.2.3      | If your organisation manages other vehicles with similar strategies, how are assets assigned to each vehicle?                                                                                                                                    | The user should provide the number of investments in the past 2 years where a decision has been taken to allocate to other vehicles with similar strategies (and which would otherwise have been allocated to this vehicle). Refer to Appendix VII for the products managed by the investment manager. |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Answer Guide                                                                                                                                                                                                                                                                                               |
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| 2.6.3.1      | <p>What models, metrics and guidelines do you make use of when analysing underlying assets? Please consider the following:</p> <ul style="list-style-type: none"><li>- determination of exit cap rates;</li><li>- determination of rental growth;</li><li>- expectation on void periods for new leases;</li><li>- expectation of capex;</li><li>- determination of the cost of take-out financing (if that is an expected exit strategy for your assets);</li><li>- provision of re-financing loans; and</li><li>- comparables approach.</li></ul> | <p>The user should include other models, metrics and guidelines which are not mentioned in the list above, if relevant. The user may also consider replacement cost and how this is evaluated.</p>                                                                                                         |
| 2.6.3.2      | <p>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 activities outsourced?</p>                                                                                                                                                                                                                                                                                                                    | <p>The user may use flow charts or diagrams to describe the Due Diligence team and refer to the overall investment team flow chart (question 1.6.1)</p>                                                                                                                                                    |
| 2.6.4.1      | <p>Describe the co-investment policy with both related (investors, other managed vehicles, staff etc.) and unrelated parties including non-executive board approval procedures, if any.</p>                                                                                                                                                                                                                                                                                                                                                        | <p>The user should mention if any co-investments have been done in the past and the standard coinvestment fees. Provide a summary of the number of co-investments deals offered to investors over the last 1,3 and 5 years, the number of investors that participated, the quantum offered and raised.</p> |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                                                                                                                                                                    | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.6.4.2      | Describe how you structure arrangements with any joint venture partners for this vehicle and how you remunerate your partners and monitor the arrangements.                                                                                 | The user should include details of situations where they would expect to arrange joint ventures as opposed to completing an investment in-house. Details of how JV partners are aligned with the user and the vehicle's interests should also be included.                                                                                                                                                                   |
| 2.6.5.3      | Describe how asset and property management operations are managed within the vehicle. Are these processes outsourced?                                                                                                                       | The user should include details of how agreements with third-party service providers or JV partners structured, tendering processes are, how performance is monitored, reporting lines and periodical reviews of contracts/service.<br>The user should also describe how alignment is achieved between external asset managers and property managers and may highlight any competitive advantage they have over their peers. |
| 2.6.6.1      | Explain the current and/or expected foreign currency exposure and if there is a currency hedging strategy applied to the vehicle. Are the foreign currencies hedged? What type of instruments are utilised?                                 | The user should include details such as the basis for the policy, the use of third-party service providers to advise and/or arrange and manage hedging instruments.                                                                                                                                                                                                                                                          |
| 2.6.7.1      | 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. | If applicable, the user should share the relevant policy document in the Data Room.                                                                                                                                                                                                                                                                                                                                          |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                                                                                                                                          | Answer Guide                                                                                                                                                                                                                                                                                                                                                    |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.7          | <b>Vehicle Staff</b>                                                                                                                                                                                              | For this section, <ul style="list-style-type: none"><li>• Senior staff includes dedicated personnel who are considered influential at the organisational level or with respect to the vehicle.</li><li>• Key members include dedicated personnel who are significantly important to the functioning of the vehicle and/or have decision making power.</li></ul> |
| 2.7.2        | Provide the following details for senior staff who have departed (including pending departures) over the past five years.                                                                                         | The user may also include a new column in the table explaining the reasons for the departure of mentioned senior staff.                                                                                                                                                                                                                                         |
| 2.7.4        | Describe the current succession plan for key team members.                                                                                                                                                        | The user should include expected timeframes where known, and whether such succession is expected during the life of the vehicle.                                                                                                                                                                                                                                |
| 2.7.5        | 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? | The user should include details of any market compensation studies or consultation which is undertaken as part of the compensation review process, and how these may influence compensation decisions.                                                                                                                                                          |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                             | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.8          | <b>Investors</b>                                                                                     | The user should provide anonymous breakdown of the nature of the investor base (if the fund has closed) and outline the nature of the relationship of the investor (related party) to the vehicle.                                                                                                                                                                                                                                                          |
| 2.9          | <b>Investment Manager Platform</b>                                                                   | The user should provide concise responses covering recruitment processes, use of third-party recruiters, and internal vs external hiring decisions. For staff development, the user should outline how training needs are identified and monitored, including CPD certification. Business strategy responses should include high-level plans over the next three to five years, such as vehicle launches, AUM growth targets, and organisational expansion. |
| 2.9.1.3      | Describe your organisation's approach to recruitment, and any background checks that are undertaken. | The user should keep the answer concise including details of the use of third-party recruiters, typical interview/assessment process, company level policies and any specific provisions for recruitment of senior employees. The user should also include the reasoning behind the appointment of external recruitment vs internal promotions or sideways moves.                                                                                           |

# Guide to Completing DDQ

## Advanced Stage

| Question no. | Question                                                                                                                                                | Answer Guide                                                                                                                                                                                                                   |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.9.1.4      | How do you assess the ongoing competence of your staff and what programmes do you have in place to facilitate their continued professional development? | The user should include details of how training and Continuing Professional Development certification is monitored and any processes to identify the need for and to provide further training to the staff.                    |
| 2.9.2.2      | Outline your business strategy in the real estate or real estate debt sector for the next three to five years.                                          | The user should keep the answer concise including high-level details of plans such as expected successor vehicles and/or new vehicles/ strategies, targets for growth in AUM, company growth and planned new office locations. |

# Guide to Completing DDQ

## Supplementary Stage

| Question no. | Question                                                                                                                                                                                                                                                                            | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1.1        | Using the list below, describe the valuation policy of the vehicle and provide the details of the valuation policy for the underlying investments in place (Reference to INREV Property Valuation Guidelines):                                                                      | The user should seek to include the governance framework that exists within the organisation and its appropriateness under the relevant regulation (i.e. composition and terms of reference of the valuation committee, role of the AIFM etc). The user should also consider the processes, controls and governance of the data underpinning the valuations. The name of the valuer and any reconciliation between different valuation methodologies should also be included. |
| 3.1.2        | How are units priced at:<br>a) The initial closing; and<br>b) Subsequent closings.                                                                                                                                                                                                  | For a closed ended fund the user should outline the equalisation methodology and capital charge mechanism.                                                                                                                                                                                                                                                                                                                                                                    |
| 3.1.3        | What events will cause the investment manager to make a change in the valuation of an underlying asset?                                                                                                                                                                             | The user should also mention any events in the past that led to a change in the valuation for an underlying asset.                                                                                                                                                                                                                                                                                                                                                            |
| 3.1.4        | 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 along with any relevant adjustments? | The user should use the <a href="#">INREV Self Assessment Tool</a> to check the compliance score of the vehicle with the INREV Guidelines. The calculation methodology can also be found via the link. For INREV NAV, the user should mention if this is subject to external audit or review.                                                                                                                                                                                 |

# Guide to Completing DDQ

## Supplementary Stage

| Question no. | Question                                                                                                                                                                                                                                                                                                                  | Answer Guide                                                                                                                                    |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.2.2        | 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? Is the investor reporting regularly reviewed in terms of regulatory requirements? | If Data room is not applicable, the user should add N/A and explain. These reports may also be added to the DDQ as an attachment in this case.  |
| 3.2.3        | Do all investors receive the same information at the same time to sustain full transparency?                                                                                                                                                                                                                              | If not, the user should provide an explanation and outline the applicable MFN rules of the vehicle, if appropriate.                             |
| 3.3.2        | Please elaborate on the AML risk assessment processes in place, both at the vehicle and organisational level, and outline the results for the vehicle. Please describe your approach for AML controls on the invested assets? Do you screen against sanction lists?                                                       | The user should include the details of any third-party service providers or systems which are or have been used in the risk assessment process. |
| 3.3.5        | Describe how you manage, monitor and report risk in the following areas (where appropriate) including details of the controls in place:                                                                                                                                                                                   | The user should include details of reporting lines and responsible functions (eg AML Reporting Officer).                                        |

# Guide to Completing DDQ

## Supplementary Stage

| Question no. | Question                                                                                                                                                                                                                                   | Answer Guide                                                                                                                                                                                                                                                                                |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.4</b>   | <b>IT, Cyber and Physical Security</b>                                                                                                                                                                                                     | Please note that this version of the DDQ is from 2023. The user should include references to AI in the appropriate questions, if applicable.                                                                                                                                                |
| 3.7.1        | Is the vehicle or investment manager regulated? If so, please describe. Please also explain your status, eg under AIFMD in the European Union or other regulations. If you are not regulated, how do you manage your marketing activities? | The user should include details of any third-party regulatory service providers if relevant, eg, providing appointed representative or tied agent services.                                                                                                                                 |
| <b>3.8.2</b> | <b>Boards and Committees</b>                                                                                                                                                                                                               | The user should consider the relevant boards to the fund and manager. These should consider at least the Investment Committee, Valuation Committee, Risk Committee, AIFM, LPAC and any other Advisory Board required under the jurisdictional regulation, and/or other relevant committees. |

# Guide to Completing DDQ

## Supplementary Stage

| Question no.     | Question                                                                                                                                                                                                                                                                                                       | Answer Guide                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.8.3.1          | Describe any commitments that the investment manager, key personnel, investment committee members and employees have made or will make to the vehicle. Do you have a retention programme in place and what do you do to ensure alignment of interest between the investment management team and the investors? | The user should include personal investments from the team or key personnel in the respective vehicle as well as the parent company. Details of the amounts and how such commitments are funded (e.g. from own funds, company or third-party loans, salary/bonus contributions etc.) and use of co-investment vehicles and phantom/synthetic schemes should also be included, subject to any confidentiality agreements. |
| <b>Data Room</b> |                                                                                                                                                                                                                                                                                                                | If a Data room is not available, the user should add N/A and explain. The relevant reports may also be added to the DDQ as an attachment in this case.                                                                                                                                                                                                                                                                   |