

MUKRIF PAI for 1 Jan – 31 Dec 2023

SFDR Principal Adverse Impacts template

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Matter UK Residential Income Fund SCSp

Summary

Matter UK Residential Income Fund SCSp (MUKRIF) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of MUKRIF at the product level.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

Description of the principal adverse impacts on sustainability factors

The MUKRIF fund comprises of residential real estate assets only located in the United Kingdom and all data provided within this statement relates to those properties. There are no employees within this fund, so many of the indicators relevant to employees are not relevant.

Economic activities may cause or contribute to negative effects on sustainability factors. In the context of SFDR, the most significant negative effects on sustainability factors that are material or likely to be material are referred to as principal adverse impacts (“PAI”).

SFDR provides 14 mandatory PAI indicators for corporate issuers (for companies with <500 employees) and a smaller selection of mandatory indicators for real estate assets. We have assessed that only the real estate PAIs relate to the MUKRIF fund and it is these that we will report on. In addition, SFDR also proposes a large number of “voluntary” environmental and social indicators from which

investment managers must select two as a minimum. The SFDR PAI indicators and metrics are set out below, including the voluntary SFDR indicators that have been selected by MUKRIF and are also described below.

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2023	Impact prior year	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	PAI15.Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	n/a	As above	All of this funds investments relate to residential property within the UK
Energy efficiency	PAI16.Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0%	n/a	We refer to energy inefficient properties as those at EPC E (the legal	

					<p>limit for rental properties) and below. This indicator shows how many properties in the fund are below this level.</p>	
<p>Other indicators for principal adverse impacts on sustainability factors</p>						
<p>Description of policies to identify and prioritise principal adverse impacts on sustainability factors</p> <p>MUKRIF’s investment adviser Matter Real Estate LLP’s ESG Policy which covers MUKRIF refers to the strategy to target Net Zero emissions by 2040. Additionally, the strategy of MUKRIF requires that the properties within the portfolio at 31 December 2023 become EPC B by 31 December 2027.</p> <p>https://matterrealestate.co.uk/wp-content/uploads/2024/05/Matter-Real-Estate-LLP-ESG-Policy-2.1-May.pdf</p>						
<p>Engagement policies</p> <p>MUKRIF does not have a specific engagement policy but is instead governed by the engagement practices of its investment adviser Matter Real Estate LLP.</p>						
<p>References to international standards</p> <p>The properties within the fund at the 31 December 2023 will become EU EPC B by 2027.</p>						

Historical comparison

This is the first year submission for MUKRIF and there is therefore no historical comparison. Going forward we will provide comparisons against this baseline.

Table 2

VOLUNTARY: Indicators applicable to investments in real estate assets

Greenhouse gas emissions	17: GHG emissions	Scope 1 GHG emissions generated by real estate assets 4.19tco2e
		Scope 2 GHG emissions generated by real estate assets 1.66tco2e
		Scope 3 GHG emissions generated by real estate assets 1430tco2e
		Total GHG emissions generated by real estate assets 1435.85tco2e

Energy consumption	18: Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter 0.00013114gwh/sqm
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