

2022 ANNUAL REPORT

Blackstone European Private Credit Fund SICAV



Blackstone

Dear Investor,

We are pleased to share the inaugural annual report for the **Blackstone European Private Credit Fund** ("ECRED" or the "Fund"), covering the three-month period from ECRED's launch in October 2022 to December 2022.

Blackstone Credit launched ECRED as a pioneering solution offering investors access to European private credit through an actively managed, open-ended fund. ECRED has been built to perform across different market environments, aiming to deliver income focused returns with a defensive investment approach. The Fund aims to invest primarily in privately originated, senior secured floating rate loans to high quality, performing European companies operating in resilient sectors with secular growth trends. ECRED will leverage the scale and deep expertise of the broader \$280 billion Blackstone Credit platform¹, which has operated with an established local footprint in Europe over the past 17 years, to originate and diligence investments.

Having launched in October 2022, we believe ECRED is well positioned for the current environment of higher interest rates and inflation, and economic uncertainty. To date, ECRED has been constructed to withstand increased volatility by investing in a high quality, senior secured and majority private credit portfolio focused on floating rate income. This has resulted in

robust initial performance for ECRED with monthly distributions to investors commencing in November 2022, the second month of fund operations. With further disruption in capital markets and continued economic headwinds, we believe Blackstone Credit's private credit offering can provide a differentiated asset class that can be a strong solution in an investment portfolio.

Thank you for your trust and choosing us to be your partner.

Portfolio Highlights

- 100% senior secured with 36% average loan-to-value² puts ECRED's investments at the top of the capital structure with meaningful equity cushions
- 100% invested in floating rate loans³ meaning ECRED may benefit from higher interest rates as underlying rates on loans typically reset every three months
- Focus on larger market companies, illustrated by €116 million average EBITDA⁴ operating in less cyclical sectors that we believe exhibit strong cash flow profiles and secular growth trends (software, IT services, professional services)
- Young, healthy portfolio which means investments have been underwritten to our recent assumptions of higher inflation and interest rates, as well as significant liquidity and value coverage



Paulo Eapen

Head of European and APAC Private Credit Strategies ("PCS")



Mike Carruthers

Co-Chief Investment Officer Europe and APAC PCS



Andrea Valeri

Co-Chief Investment Officer Europe and APAC PCS



Jurij Puth

Head of Europe Origination PCS



Alex Leonard

Head of European Liquid Credit Strategies ("LCS")



Marion Buten

Chief Operating Officer Europe and APAC PCS

Past performance is not necessarily indicative of future results. There can be no assurance that ECRED will achieve its objectives or avoid substantial losses. ESG initiatives may not apply to some or all of ECRED's investments and none are binding aspects of the management of the assets of ECRED. There can be no assurance that ESG initiatives will continue or be successful.

Portfolio Overview

Since launching in October 2022, ECRED has generated robust returns driven by consistent income and has commenced monthly distributions to investors

€198M

Total Asset Value

€100M

Net Asset Value

Key Attributes & Sector Breakdown

(As of 31 December 2022)

22

Issuers

100%

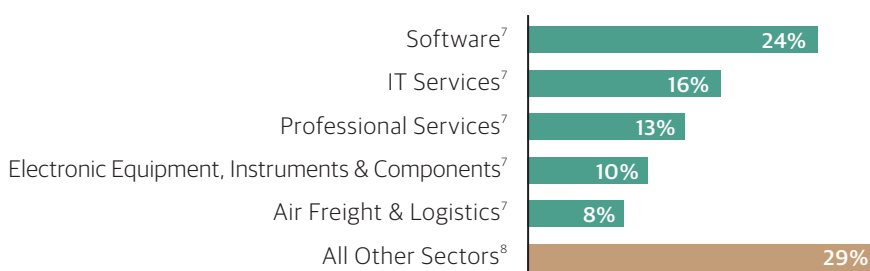
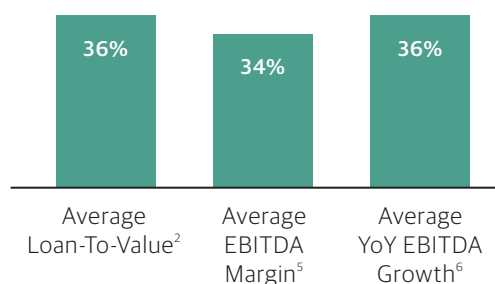
Senior Secured³

100%

Floating Rate³

€116M

Average EBITDA
(private portfolio)⁴



Performance Summary

Distributions Per Share

		October	November	December	ITD ⁹
Class I	Distributing	-	€0.11	€0.11	€0.21
Class A	Distributing	-	€0.09	€0.09	€0.17

Net Asset Value (NAV) Per Share

		October	November	December
Class I	Accumulating	€25.22	€25.50	€25.54
	Distributing	€25.22	€25.39	€25.33
Class A	Accumulating	€25.21	€25.46	€25.49
	Distributing	€25.21	€25.37	€25.31

Past performance is not necessarily indicative of future results. There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. Currency fluctuations which may increase or decrease as a result of changes in exchange rates. Distributions are not guaranteed.



Market Overview¹⁰

After a strong 2021, financial markets succumbed to volatility in 2022 as headwinds gathered. The year reflected a transition from an era of financial easing to financial tightening as central banks responded to growing concerns of rising and persistent inflation. This was initially driven by rising energy and commodity prices, which were exacerbated by Russia's invasion of Ukraine, and continued supply chain bottlenecks. The subsequent interest rate hikes and growing economic uncertainty caused sharp corrections across equity markets: over the year S&P 500 and EuroStoxx 50 lost 18.1% and 11.7%, respectively. Loans and bonds were also impacted: the Morningstar LSTA US Leveraged Loan Index and the Credit Suisse Western European Leveraged Loan Index lost 0.6% and 3.3%, respectively, while the Bloomberg US High Yield Index and the Credit Suisse Western European High Yield Index lost 11.2% and 11.7%, respectively.

This volatility created severe disruption in capital markets, with banks pulling further back from traditional corporate lending in Europe. Public leveraged loan and high yield bond issuance in 2022 was down 70% year-on-year,¹¹ which resulted in private credit becoming a vital source of financing, especially for private equity sponsors. The speed and certainty offered by private credit enabled lenders to step into increasingly larger transactions, further driving the penetration and growth of the asset class.

Investor sentiment towards Europe struck a more constructive tone as we entered early 2023. This was driven by improvement in macroeconomic developments including better than anticipated PMI data, declining headline inflation, subsiding energy risks and the reopening of the Chinese economy, contributing to reduced downside tail risks.¹² However, macroeconomic volatility returned in February as continued robust economic data and stickier-

than-expected inflation in Europe reinforced the higher-for-longer interest rate narrative. The European Central Bank ("ECB") affirmed their determination to combat rising prices with hikes in February and March, the latter despite turmoil in the banking sector with the collapse of Silicon Valley Bank and the takeover of Credit Suisse.¹³

Core inflation continued to rise to an all-time high in February and we believe the market may still underestimate the additional work the ECB needs to do to combat inflation.¹⁴ However, we also anticipate that the contraction in credit conditions, as banks hunker down in the wake of uncertainty, may bring forward the point of peak interest rates. Additionally, it could accelerate the onset of a potential recession in both Europe and the US.¹⁵

Capital markets volatility and continued caution on the banking system may create investment opportunities for private credit managers. Broader uncertainty creates challenges for syndicated markets to issue new loans and bonds and we believe private credit managers stand to fill the bank void thanks to their structural advantages, including dry powder and the ability to perform through market cycles.¹⁵ Although regular way M&A activity has slowed, we believe the current high levels of dry powder available to private equity sponsors, near €230 billion in Europe,¹⁶ can sustain demand for financing. As key transaction partners for private credit, private equity sponsors continue to seek investment opportunities that require flexible capital, including financing to companies looking for growth capital, public-to-private buyouts, corporate carve outs and large leveraged buyouts. We believe the private credit market will build on its growing reputation as a reliable and flexible provider of capital this year, creating longer-term momentum in the asset class in both the US and Europe.

Board Members



Paulo Eapen
Head of European and
APAC PCS



Jurij Puth
Head of Europe
Origination PCS



Marion Buten
COO Europe and
APAC PCS



Claire Gerault
Conducting Officer of
BEFM Valuation and
Finance



Katia Panichi
Director
Non-affiliated



Revel Wood
Director
Non-affiliated

End Notes

As of 31 December 2022, unless otherwise indicated.

1. The AUM for Blackstone, Blackstone Credit & Insurance or any specific fund, account or investment strategy presented in this Presentation may differ from any comparable AUM disclosure in other non-public or public sources (including public regulatory filings) due to, among other factors, methods of net asset value and capital commitment reporting, differences in categorizing certain funds and accounts within specific investment strategies and exclusion of certain funds and accounts, or any part of net asset value or capital commitment thereof, from the related AUM calculations. Certain of these differences are in some cases required by applicable regulation. All figures are subject to change.
2. Reflects average closing loan-to-value of private credit investments only and weighted by fair market value. Calculated as net debt through respective Blackstone Credit loan tranche divided by estimated enterprise value of the portfolio company, at closing of the investment.
3. As a percentage of debt investments in ECRED's portfolio, which represents 99.9% of ECRED's investments.
4. Reflects average latest available LTM EBITDA of private credit investments only, weighted by fair market value. Non-EUR EBITDAs have been converted to EUR at applicable currency rates where relevant.
5. Reflects average LTM EBITDA margin of ECRED's private credit investments only, weighed by fair market value.
6. Reflects average latest available year-on-year LTM EBITDA growth of ECRED's private credit investments only, weighted by fair market value. Excludes portfolio companies that do not have comparable reported financial information.
7. Reflects percentages based on market value as of 31 December 2022.
8. "All Other Sectors" include: Health Care Providers & Services, Pharmaceuticals, Diversified Financial Services, Transportation Infrastructure, Media, Diversified Telecommunication Services, Biotechnology, Diversified Consumer Services, Insurance, Specialty Retail and Interactive Media & Services.
9. Inception date of class I and A was 3 October 2022.
10. Views expressed are those of Blackstone Credit. Such statements cannot be independently verified and are subject to change. Data from third party sources has not been independently verified. Forward looking statements are inherently uncertain and there can be no assurance that any anticipated outcomes expressed herein will ultimately be achieved or that any trend described herein will continue or will not reverse. The contents hereof should not be construed as investment, legal, tax or other advice.
11. Source: LCD, as of 31 December 2022.
12. Blackstone PWS Investment Strategy, as of 17 March 2023.
13. Bloomberg News, as of 22 March 2023.
14. Blackstone PWS Investment Strategy, as of 20 February 2023.
15. Preqin, BofA CLO research as of 17 March 2023.
16. Preqin as of December 2022. Applicable EURUSD FX rate used, as of December 2022. Dry powder is a term for uncalled capital commitments.

Key Risk Factors

Risk Indicator



Capitalised terms herein not defined in this document have the meaning ascribed to them in the latest visa stamped version of the prospectus of ECRED Feeder SICAV.

Under the packaged retail and insurance-based investment products (PRIIPs) Regulation, we have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions could impact our capacity to pay you.

There is no specific recommended holding period for the product. The actual risk can vary significantly and you may get back less. You may not be able to sell your Shares in ECRED Feeder SICAV easily or you may have to sell them at a price that significantly impacts on how much you get back. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

The purchase of Shares in ECRED Feeder SICAV entails a high degree of risk and is suitable for sophisticated investors for whom an investment in ECRED Feeder SICAV does not represent a complete investment program, and who fully understand ECRED Feeder SICAV's strategy, characteristics and risks, including the use of borrowings to leverage Investments, and are capable of bearing the risk of an investment in ECRED Feeder SICAV. There are no guarantees or assurances regarding the achievement of investment objectives or performance. This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose some or all of your investment. The attention of potential investors is drawn to the risks to which any investor is exposed by investing in the Fund. Potential investors should pay particular attention to the risks described in the dedicated section of the Fund Prospectus / Offering Memorandum and Key Information Document (KID). In making an investment decision, investors must rely on their own examination of ECRED Feeder SICAV and the terms of the offering, including the merits and risks involved. Potential investors should not construe the contents of this Prospectus as legal, tax, investment or accounting advice.

The following is a summary description of the principal risks of investing in ECRED Feeder SICAV. The order of the below risk

factors does not indicate the significance of any particular risk factor. The comprehensive list of risks to which ECRED Feeder SICAV is subject to is available in the Prospectus. For the purpose of the below, references to "ECRED" are references to ECRED Feeder SICAV and its sub-funds, ECRED Master FCP, the ECRED Aggregator and the Parallel Entities (if any) (each as defined in the Prospectus).

For the purpose of the below, references to "ECRED" are references to ECRED Feeder SICAV and its sub-funds, ECRED Master FCP, the ECRED Aggregator and the Parallel Entities (if any) (each as defined in the Prospectus).

Risk of Capital Loss and No Assurance of Investment Return.

ECRED offers no capital protection guarantee. This investment involves a significant risk of capital loss and should only be made if an investor can afford the loss of its entire investment. There are no guarantees or assurances regarding the achievement of investment objectives or performance. There may be little or no near-term cash flow available to the Shareholders from ECRED Feeder SICAV, and there can be no assurance that ECRED Feeder SICAV will make any distribution to the Shareholders. This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose some or all of your investment. A fund's performance may be volatile. An investment should only be considered by sophisticated investors who can afford to lose all or a substantial amount of their investment. A fund's fees and expenses may offset or exceed its profits. In considering any investment performance information contained in the document and related materials ("the Materials"), recipients should bear in mind that past performance is not necessarily indicative of future results. Investors should draw no conclusions from the performance of any other investments of Blackstone Credit or Blackstone and should not expect to achieve similar results.

Lack of Liquidity. There is no current public trading market for the Shares, and the Sponsor does not expect that such a market will ever develop. Therefore, redemption of Shares by ECRED Feeder SICAV will likely be the only way for you to dispose of your Shares. ECRED Feeder SICAV expects to redeem Shares at a price equal to the applicable NAV as of the Redemption Date and not based on the price at which you initially purchased your Shares. Subject to limited exceptions, Shares redeemed within one year of the date



Key Risk Factors (cont'd)

of issuance will be redeemed at 98% of the applicable NAV as of the Redemption Date. As a result, you may receive less than the price you paid for your Shares when you sell them to ECRED Feeder SICAV pursuant to ECRED Feeder SICAV's redemption program.

The aggregate NAV of total redemptions (on an aggregate basis (without duplication) across ECRED, but excluding any Early Redemption Deduction applicable to the redeemed Shares) is generally limited to 2% of aggregate NAV per calendar month of all Parallel Entities and the ECRED Aggregator (measured using the aggregate NAV as of the end of the immediately preceding month) and 5% of such aggregate NAV per calendar quarter (measured using the average of such aggregate NAV as of the end of the immediately preceding three months), except in the event of exceptional circumstances described below.

In exceptional circumstances and not on a systematic basis, ECRED Feeder SICAV may make exceptions to, modify or suspend, in whole or in part, the redemption program if in the Investment Manager's reasonable judgment it deems such action to be in ECRED's best interest and the best interest of ECRED's investors, such as when redemptions of Shares would place an undue burden on ECRED's liquidity, adversely affect ECRED's operations, risk having an adverse impact on ECRED that would outweigh the benefit of redemptions of Shares or as a result of legal or regulatory changes. Material modifications, including any amendment to the 2% monthly or 5% quarterly limitations on redemptions and suspensions of the redemption program will be promptly disclosed to Shareholders on ECRED's website. If the redemption program is suspended, the Investment Manager will be required to evaluate on a monthly basis whether the continued suspension of the redemption program is in ECRED's best interest and the best interest of ECRED's investors.

The vast majority of ECRED's assets are expected to consist of Investments that cannot generally be readily liquidated without impacting ECRED's ability to realize full value upon their disposition. Therefore, ECRED may not always have a sufficient amount of cash to immediately satisfy Redemption Requests. As a result, your ability to have your Shares redeemed by ECRED may be limited and at times you may not be able to liquidate your investment.

Conflicts of Interest. ECRED Feeder SICAV is subject to certain conflicts of interest arising out of ECRED's relationship with Blackstone, including the Sponsor and its affiliates. Members of the Board of Directors are also executives of Blackstone and/or one or more of its affiliates. There is no guarantee that the policies and procedures adopted by ECRED Feeder SICAV, the terms of its Articles of Incorporation, the terms and conditions of the Investment Management Agreement, that the policies and procedures adopted by the Board of Directors, the Sponsor, the

AIFM, Blackstone and their affiliates, will enable ECRED Feeder SICAV to identify, adequately address or mitigate these conflicts of interest, or that the Sponsor will identify or resolve all conflicts of interest in a manner that is favorable to ECRED Feeder SICAV.

Other Blackstone and Blackstone Credit Clients; Allocation of Investment Opportunities. Certain inherent conflicts of interest arise from the fact that the Sponsor, Blackstone Credit and Blackstone provide investment management, advisory and sub-advisory services to ECRED Feeder SICAV and Other Clients. Blackstone Credit and/or Blackstone may give advice to, and recommend securities for, Other Clients that may differ from advice given to, or securities recommended or bought for, ECRED Feeder SICAV, even though their investment objectives may be the same as or similar to those of ECRED Feeder SICAV. While Blackstone Credit will seek to manage potential conflicts of interest in a fair and equitable manner, the portfolio strategies employed by Blackstone Credit and Blackstone in managing their respective Other Clients are likely to conflict from time to time with the transactions and strategies employed by the Sponsor in managing ECRED Feeder SICAV and may affect the prices and availability of the securities and instruments in which ECRED Feeder SICAV invests.

Recent Market Events Risk. Local, regional, or global events such as war (e.g., Russia/Ukraine), acts of terrorism, public health issues like pandemics or epidemics (e.g., COVID-19), recessions, or other economic, political and global macro factors and events could lead to a substantial economic downturn or recession in the U.S. and global economies and have a significant impact on the Fund and its investments. The recovery from such downturns is uncertain and may last for an extended period of time or result in significant volatility, and many of the risks discussed herein associated with an investment in the Fund may be increased.

Currency Risks. A portion of ECRED Feeder SICAV's assets may be denominated in a currency that differs from the functional currency of ECRED Feeder SICAV or an investor's functional currency. Consequently, the return realized on any investment by such investor may be adversely affected by movements in currency exchange rates over the holding period of such investment and the life of ECRED Feeder SICAV generally, costs of conversion and exchange control regulations in such jurisdiction, in addition to the performance of the investment itself. Shareholders holding shares with a functional currency other than Euro acknowledge that they are exposed to fluctuations of the Euro foreign exchange rate and/or hedging costs, which may lead to variations on the amount to be distributed. This risk is not considered in the indicator shown above. Fund charges will be incurred in multiple currencies, meaning that payments may increase or decrease as a result of currency exchange fluctuations.

Key Risk Factors (cont'd)

Highly Competitive Market for Investment Opportunities.

The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that ECRED Feeder SICAV will be able to locate, consummate and exit investments that satisfy its objectives or realize upon their values or that ECRED Feeder SICAV will be able to fully invest its Shareholders' investment. There is no guarantee that investment opportunities will be allocated to ECRED Feeder SICAV and or that the activities of Blackstone's other funds having similar or overlapping investment objectives will not adversely affect the interests of ECRED Feeder SICAV.

Valuations Matters. The valuation methodologies used to value any investment in which ECRED Feeder SICAV invests will involve subjective judgments and estimates and may not be accurate. Valuation methodologies are based on assumptions and opinions about future events, which may or may not turn out to be correct. Valuation methodologies may permit reliance on a prior period valuation of particular Investments. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Blackstone Credit's control. Accordingly, there is no guarantee that the fair value as determined by the AIFM (with the assistance of Blackstone Credit) at any given point in time will represent the value that will be realized by ECRED Feeder SICAV on the eventual disposition of the Investment or that would, in fact, be realized upon an immediate disposition of the Investment.

Use of Leverage. The Fund intends to borrow money. If returns on such investment exceed the costs of borrowing, investor returns will be enhanced. However, if returns do not exceed the costs of borrowing, Fund performance will be depressed. This includes the potential for the Fund to suffer greater losses than it otherwise would have. The effect of leverage is that any losses will be magnified. The use of leverage involves a high degree of financial risk and will increase ECRED's exposure to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Investments.

This leverage may also subject ECRED and its Investments to restrictive financial and operating covenants, which may limit flexibility in responding to changing business and economic conditions. For example, leveraged entities may be subject to restrictions on making interest payments and other distributions.

Reliance on Key Management Personnel. The success of the Fund will depend, in large part, upon the skill and expertise of certain

Blackstone professionals. In the event of the death, disability or departure of any key Blackstone professionals, the business and the performance of the Fund may be therefore adversely affected. Some Blackstone professionals may have other responsibilities, including senior management responsibilities, throughout Blackstone and, therefore, conflicts are expected to arise in the allocation of such personnel's time (including as a result of such personnel deriving financial benefit from these other activities, including fees and performance-based compensation).

Limited Operating History: Relation to Prior Investment Results.

ECRED Feeder SICAV has not commenced operations and therefore has no operating history upon which prospective investors may evaluate its performance. Although Blackstone Credit has made investments through certain of its funds and separately managed accounts that would have been within the investment objective of ECRED Feeder SICAV, ECRED Feeder SICAV will make Investments under different geographic, market, regulatory and economic conditions than those prevalent when the previous investments were made. The size and type of Investments to be made by ECRED Feeder SICAV could differ from prior Blackstone investments (including prior Blackstone credit investments). Where provided, as part of the Prospectus or otherwise, the prior investment results of Blackstone Credit are provided for illustrative purposes only and not to imply that such results will be obtained in the future. Although Blackstone's investment professionals have considerable prior experience in private originated and privately negotiated first lien, senior loan and other debt investments, the past investment performance of Blackstone Credit (and investment vehicles sponsored or managed by Blackstone Credit) is not necessarily indicative of ECRED Feeder SICAV's future results, and there can be no assurance that ECRED Feeder SICAV will achieve comparable results, be able to effectively implement its investment strategy, achieve its investment or asset allocation objectives, be profitable or avoid substantial losses.

Sustainability Risks. The Fund may be exposed to an environmental, social or governance event or condition that, if it occurs, could have a material adverse effect, actual or potential, on the value of the investments made by the Fund. Sustainability risks are assessed into investment decisions relating to the Fund.

Target Allocations. There is no guarantee that such strategies and targets will be achieved and any particular investment may not meet the target criteria.

Important Disclosure Information

This document (together with any attachments, appendices, and related materials, the "Materials") is provided on a confidential basis for informational due diligence purpose only and is not, and may not be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell, or a solicitation of an offer to buy any security or instrument in or to participate in any trading strategy with any Blackstone fund, account or other investment vehicle, nor shall it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. All information is as of January 31, 2023, unless otherwise indicated and may change materially in the future.

Blackstone Proprietary Data. Certain information and data provided herein is based on Blackstone proprietary knowledge and data. Portfolio companies may provide proprietary market data to Blackstone, including about local market supply and demand conditions, current market rents and operating expenses, capital expenditures, and valuations for multiple assets. Such proprietary market data is used by Blackstone to evaluate market trends as well as to underwrite potential and existing investments. While Blackstone currently believes that such information is reliable for purposes used herein, it is subject to change, and reflects Blackstone's opinion as to whether the amount, nature and quality of the data is sufficient for the applicable conclusion, and no representations are made as to the accuracy or completeness thereof.

Case Studies. The selected investment examples, case studies and/or transaction summaries presented or referred to herein may not be representative of all transactions of a given type or of investments generally and are intended to be illustrative of the types of investments that have been made or may be made by a Fund in employing such Fund's investment strategies. It should not be assumed that a Fund will make equally successful or comparable investments in the future. Moreover, the actual investments to be made by a Fund or any other future fund will be made under different market conditions from those investments presented or referenced in the Materials and may differ substantially from the investments presented herein as a result of various factors. Prospective investors should also note that the selected investment examples, case studies and/or transaction summaries presented or referred to herein have involved Blackstone professionals who will be involved with the management and operations of a Fund as well as other Blackstone personnel who will not be involved in the management and operations of such Fund. Certain investment examples described herein may be owned by investment vehicles managed by Blackstone and by certain other thirdparty equity partners, and in connection therewith Blackstone may own less than a majority of the equity securities of such investment. Further investment details are available upon request.

Diversification; Potential Lack Thereof. Diversification is not a guarantee of either a return or protection against loss in declining markets. The number of investments which a Fund makes may be limited, which would cause the Fund's investments to be more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. There is no assurance that any of the Fund's investments will perform well or even return capital; if certain investments perform unfavorably, for the Fund to achieve above-average returns, one or a few of its investments must perform very well. There is no assurance that this will be the case. In addition, certain geographic regions and/or industries in which the Fund is heavily invested may be more adversely affected from economic pressures when compared to other geographic regions and/or industries.

Forward-Looking Statements. Certain forward looking statements, including financial estimates and statements regarding future performance, are inherently uncertain and there may be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. Blackstone undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Future returns subject to tax. Any future returns will be subject to tax which depends on the personal tax situation of each investor, which may change over time.

Images. The Materials contain select images of certain investments that are provided for illustrative purposes only and may not be representative of an entire asset or portfolio or of a Fund's entire portfolio. Such images may be digital renderings of investments rather than actual photos.

Logos. The logos presented herein were not selected based on performance of the applicable company or sponsor to which they pertain. Logos were selected to illustrate managers and/or portfolio companies that are indicative representations of the thesis, theme or trend discussed on the slide(s) where they appear. In Blackstone's opinion, the logos selected were generally the most applicable examples of the given thesis, theme or trend discussed on the relevant slide(s). All rights to the trademarks and/or logos presented herein belong to their respective owners and Blackstone's use hereof does not imply an affiliation with, or endorsement by, the owners of these logos.

No Benchmark. ECRED is not managed in reference to any benchmark index.

Opinions. Opinions expressed reflect the current opinions of Blackstone as of the date appearing in this document only and are based on Blackstone's opinions of the current market



Important Disclosure Information (cont'd)

environment, which is subject to change. Certain information contained in this document discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice.

Private Debt Awards. Private Debt Investor (PDI) selected award winners by researching news sources to compile a list of finalists, vetting those finalists and soliciting votes from readers. Blackstone Credit or its affiliates have not investigated and does not know the makeup of voters. A different set of voters may have achieved different results. Blackstone Credit does not know whether it has been rated by this or any other third party in any way that would conflict with these awards. There may be other categories for which Blackstone Credit, its funds or its portfolio companies were nominated but not awarded. The awards may not be representative of a particular investor's experience or the future performance of any Blackstone Credit fund or transaction. There is no guarantee that similar awards will be obtained by Blackstone Credit with respect to existing or future funds or transactions. This information is provided solely for informational purposes. It should not be relied upon as any indication of future performance of ECRED or of Blackstone Credit and any of its funds or portfolio companies.

Third Party Information. Certain information contained in the Materials has been obtained from sources outside Blackstone, which in certain cases have not been updated through the date hereof. While such information is believed to be reliable for purposes used herein, no representations are made as to the accuracy or completeness thereof and none of Blackstone, its funds, nor any of their affiliates takes any responsibility for, and has not independently verified, any such information.

Trends. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of future events or results.

Please refer to the Key Information Document (KID) before making any investment decision. The KID is available in multiple languages on www.ecred.com.

Financial Section

Management Report	13 - 18
Report of the Réviseur d'Entreprises Agréé	19 - 21
Financial Statements	
Statement of Financial Position	22
Statement of Comprehensive Income.....	23
Statement of Changes in Amounts Attributable to Shareholders	24
Statement of Cash Flows	25
Schedule of Investments	26
Notes to the Financial Statements	27 - 45

Management Report

This Management Report of Blackstone European Private Credit Fund SICAV (“ECRED Feeder SICAV”) is prepared for the period from 29 April 2022 (ECRED Feeder SICAV’s date of incorporation) to 31 December 2022.

Any capitalised term not otherwise defined herein shall have the meaning ascribed to it in the version of the prospectus of ECRED Feeder SICAV applicable at the date of issuance of this report (the “Prospectus”). The Prospectus is available on www.ecred.com.

I. Overview of Business

Corporate Structure

ECRED Feeder SICAV is a vehicle for investment into ECRED. ECRED is a credit investment program operated through several entities and the term “ECRED” is used to refer to the program as a whole.

ECRED Feeder SICAV is an open-ended fund organized as a multi-compartment Luxembourg investment company with variable capital (*société d’investissement à capital variable*) governed by Part II of the 2010 Law. ECRED Feeder SICAV is currently set up with one compartment, namely Blackstone European Private Credit Fund SICAV – ECRED Feeder SICAV – I (the “Sub-Fund”). This Management Report relates to ECRED Feeder SICAV as a whole. For the avoidance of doubt, any reference to ECRED Feeder SICAV in this Management Report shall be understood, as the case may be, as a reference to the Sub-Fund, ECRED Feeder SICAV or ECRED Feeder SICAV acting for the account of the Sub-Fund.

Blackstone European Private Credit Fund (Master) FCP (“ECRED Master FCP”), a Luxembourg mutual fund (*fonds commun de placement*) governed by Part II of the 2010 Law, is the master fund for ECRED Feeder SICAV.

ECRED Feeder SICAV will invest all or substantially all of its assets into one or more sub-funds of ECRED Master FCP, which will invest all or substantially all of their assets through ECRED (Aggregator) SCSp (“ECRED Aggregator”).

The investment objective and strategies, related risk factors and potential conflicts of interest, subscription and redemption terms, calculation of net asset value, fees and expenses, tax and regulatory considerations, and other aspects of the activities of ECRED Feeder SICAV and ECRED Master FCP are substantially identical except as specifically identified in their respective prospectuses.

A separate annual report is made available by the AIFM in order to comply with the annual requirements for periodic and regular disclosure to investors set out under (i) AIFMD and (ii) the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 (the “Regulation”). The AIFMD report for the year ended 31 December 2022 as required under AIFMD and the Regulation will be available by 30 June 2023.

Investment Objectives

ECRED Feeder SICAV’s investment objective is to deliver attractive risk adjusted returns, primarily through current income, with some balance derived from longer-term capital appreciation. ECRED will seek to meet its investment objective by investing in a highly diversified portfolio primarily constructed from privately originated investments in European companies, focusing on floating rate, first lien and senior secured loans, with dynamic exposure to a broad range of other private credit investments as detailed further herein. To a lesser extent, the portfolio will also invest in liquid debt securities, including broadly syndicated loans.

Investment Strategy

ECRED’s investment strategy is to invest approximately 80-90% of its total assets in private credit investments, such as loans, bonds and other credit instruments that are issued in private offerings or issued by private companies. ECRED expects that the majority of its portfolio will be in privately originated and privately negotiated investments in European companies through: (i) first lien senior secured and unitranche loans and bonds; (ii) anchor orders and club deals (generally, investments made by small groups of investment firms) in broadly syndicated or quasi-liquid loans and bonds; and (iii) second lien, unsecured, subordinated, mezzanine debt; structured credit and asset backed financings; and other debt and equity securities (the

MANAGEMENT REPORT

investments described in this sentence, collectively, “Private Credit”). ECRED also expects that it will invest approximately 10-20% of its total assets in broadly syndicated and publicly traded loans, bonds and other debt securities (primarily senior secured) (collectively, “Opportunistic Credit”) and cash and/or cash equivalents. ECRED expects that Opportunistic Credit generally will be liquid, and may be used for the purposes of maintaining liquidity, while also presenting an opportunity for attractive investment returns, in particular during idiosyncratic and dislocated market environments. ECRED will focus a majority of its portfolio on investments in European companies, predominantly in the upper-middle market, and to a lesser extent, expects to allocate a portion of its portfolio to investments in US, Asian, Australian and other non-European companies.

Overall, ECRED will seek to capitalize on Blackstone Credit’s scale and reputation in the market as an experienced financing partner to originate and execute investments, and generate attractive risk adjusted returns.

There can be no assurance that ECRED will be able to achieve its objective, pursue its objective, pursue any particular theme or avoid substantial losses. See “Risk Factors, Potential Conflicts of Interest and Other Considerations” of the Prospectus.

ECRED’s portfolio composition as of 31 December 2022 is in line with the Investment Objectives and Strategy stated above.

Investment Restrictions

In accordance with the diversification requirements of Circular IML 91/75, ECRED Feeder SICAV will not at any one time directly or indirectly, through the ECRED Aggregator, invest and hold more than 20% of its Net Asset Value in any single Investment as measured at the time of acquisition; provided that such diversification will be assessed on a look-through basis and no remedial action will be required if such restriction is exceeded for any reason other than the acquisition of a new Investment (including the exercise of rights attached to an Investment).

This 20% diversification requirement will not apply during a ramp-up period of up to four years after the initial subscription is accepted.

II. Performance Summary

ECRED broke escrow in October 2022 and as of 31 December 2022 has built a defensive and high-quality portfolio with €198m of market value. The following tables provide a summary of performance since escrow break:

Total Returns

		October	November	December	ITD
Class I	Accumulating	0.89%	1.09%	0.17%	2.16%
	Distributing	0.89%	1.09%	0.17%	2.16%
Class A	Accumulating	0.82%	1.02%	0.10%	1.95%
	Distributing	0.82%	1.02%	0.10%	1.95%

Distributions Per Share

		October	November	December	ITD
Class I	Distributing	-	€ 0.11	€ 0.11	€ 0.21
Class A	Distributing	-	€ 0.09	€ 0.09	€ 0.17

Net Asset Value (NAV) Per Share

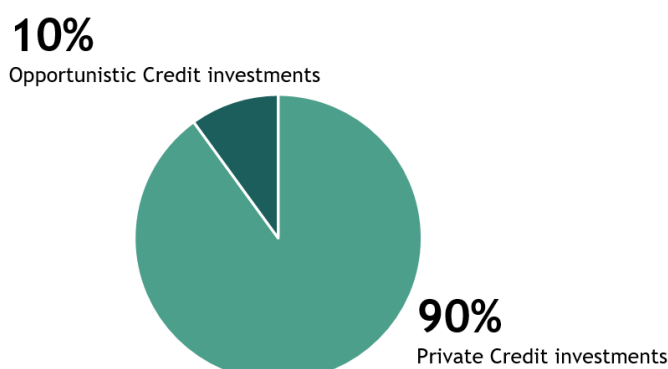
		October	November	December
Class I	Accumulating	€ 25.22	€ 25.50	€ 25.54
	Distributing	€ 25.22	€ 25.39	€ 25.33
Class A	Accumulating	€ 25.21	€ 25.46	€ 25.49
	Distributing	€ 25.21	€ 25.37	€ 25.31

III. Investment Activity and Portfolio Overview

ECRED broke escrow on 3 October 2022 and launched the Fund with a total market value of €128m. The initial portfolio consisted of 7 Private Credit issuers representing approximately 90% of total market value, with the balance in Opportunistic Credit investments (broadly syndicated loans). Over the remainder of the quarter to 31 December 2022, ECRED invested in an additional 5 Private Credit issuers, and selectively added exposure to Opportunistic Credit, primarily for the purposes of maintaining liquidity.

As of 31 December 2022, ECRED has built a defensive and high-quality portfolio with a total market value of €198m, consisting of 12 Private Credit issuers (€178.3m) and 10 Opportunistic Credit issuers (€19.4m). The investments to date are consistent with ECRED's strategy of investing primarily in senior secured, floating rate loans in established, high quality companies predominantly operating in the upper-middle market. The portfolio is substantially diversified across sectors, that can benefit from long term secular growth trends, and is primarily focused on European companies (and to a lesser extent US and APAC companies). The returns generated by ECRED are provided in II. Performance Summary above and have been primarily driven by consistent income generation. Additionally, please note, returns have been supported by waivers to the management and performance fees for the initial 6-months of operations, and expense support provided by Blackstone. This is further detailed in note 10 of the financial statements.

The following chart and table provide a summary of ECRED's portfolio at 31 December 2022:



As at 31 December 2022	Fair Value (€'000)	Percentage of Total
Software	47,024	23.8%
IT Services	31,541	15.9%
Professional Services	26,683	13.5%
Electronic Equipment, Instruments & Components	19,812	10.0%
Air Freight & Logistics	16,228	8.2%
Health Care Providers & Services	11,055	5.6%
Pharmaceuticals	10,711	5.4%
Diversified Financial Services	9,714	4.9%
Transportation Infrastructure	9,618	4.9%
Media	3,703	1.9%
Diversified Telecommunication Services	2,907	1.5%
Biotechnology	1,964	1.0%
Diversified Consumer Services	1,899	1.0%
Insurance	1,654	0.8%
Specialty Retail	1,649	0.8%
Interactive Media & Services	1,599	0.8%
Total	197,761	100%

IV. Capital Structure

ECRED employs a prudent financial policy, including a Leverage Limit (as defined in and subject to the terms of the Prospectus) of 67%. As at 31 December 2022, ECRED's Leverage Ratio was 43.43%.

V. Capital Raising

In the period from inception to 31 December 2022, the Fund raised €99m in new subscriptions.

The Fund permits shareholders to request redemptions on a monthly basis. ECRED's redemption program allows for redemptions up to 2% of NAV per month and 5% of NAV per calendar quarter (subject to the terms in the Prospectus).

VI. Events Subsequent to the Period End

Subsequent to the period end, ECRED Feeder SICAV had net subscriptions for shares of €16.69m.

Apart from the above, the Directors have evaluated the impact of all subsequent events through to 26 April 2023, which is the date that these financial statements were available to be issued, and have determined that there were no other subsequent events requiring adjustment to or disclosure in the financial statements.

VII. Principal Risks, Uncertainties and Conflicts of Interests

Principal Risks and Uncertainties

The purchase of shares in ECRED Feeder SICAV entails a high degree of risk that is suitable for sophisticated investors for whom an investment in ECRED Feeder SICAV does not represent a complete investment program, and who also fully understand ECRED's strategy, characteristics and risks, including the use of borrowings to leverage Investments, and are capable of bearing the risk of an investment in ECRED Feeder SICAV.

In addition to the risks and conflicts of interest detailed in Section XVII – "Risk Factors, Potential Conflicts of Interest and Other Considerations" of the Prospectus, below please find additional notable risks for ECRED Feeder SICAV:

General Economic and Market Conditions

The success of ECRED's investment activities could be affected by general economic and market conditions, as well as by changes in applicable laws and regulations (including laws relating to taxation of ECRED's investments), trade barriers, currency exchange controls, rate of inflation, currency depreciation, asset re-investment, resource self-sufficiency, labour market and energy market volatility and national and international political and socioeconomic circumstances in respect of the countries in which ECRED may invest. These factors will affect the level and volatility of securities prices and the liquidity of ECRED's Investments, which could impair ECRED's profitability or result in losses. General fluctuations in the market prices of securities and interest rates may affect ECRED's investment opportunities and the value of ECRED's Investments. ECRED may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss. Declines in the performance of national economies or the credit markets in certain jurisdictions have had a negative impact on general economic and market conditions globally, and as a result, could have a material adverse effect on ECRED's business, financial condition and results of operations.

Blackstone's financial condition may be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Blackstone's businesses and operations (including those of ECRED). A recession, slowdown and/or sustained downturn in the global economy (or any particular segment thereof) could have a pronounced impact on ECRED and could adversely affect ECRED's profitability, impede the ability of ECRED's Portfolio Entities to perform under or refinance their existing obligations, and impair ECRED's ability to effectively deploy its capital or realize its investments on favorable terms.

Any of the foregoing events could result in substantial or total losses to ECRED in respect of certain Investments, which losses will likely be exacerbated by the presence of leverage in a Portfolio Entity's capital structure.

While Blackstone Credit expects that the current environment will yield attractive investment opportunities for ECRED, there can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of ECRED's Investments, its access to capital for leverage or ECRED's overall performance. As more fully described above, ECRED's investment strategy and the availability of opportunities satisfying ECRED's risk-adjusted return parameters rely in part on the continuation of certain trends and conditions observed in the market for Investments (e.g., the inability of certain companies to obtain financing solutions from traditional lending sources or otherwise access the capital markets) and the broader financial markets as a whole, and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by Blackstone Credit will prove correct, and actual events and circumstances may vary significantly. Any of the foregoing events could result in substantial or total losses to ECRED in respect of certain Investments, which losses will likely be exacerbated by the presence of leverage in an issuer's capital structure.

In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets and, in turn, could adversely affect ECRED's performance.

Inflation

Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies. For example, if a Portfolio Entity is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Portfolio Entities may have revenues linked to some extent to inflation, including without limitation, by government regulations and contractual arrangement. As inflation rises, a Portfolio Entity may earn more revenue but may incur higher expenses. As inflation declines, a Portfolio Entity may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on ECRED's returns. Certain countries, including the US, have recently seen increased levels of inflation and there can be no assurance that continued, and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on ECRED's returns.

Rising Interest Rates

In 2022, the US Federal Reserve, the European Central Bank and other relevant central banks raised benchmark overnight interest rates on multiples occasions and may further increase interest rates in 2023. The private credit industry generally, and ECRED's investment activities in particular, are affected amongst other things by rising interest rates. Rising interest rates could adversely impact the value of ECRED's debt instruments and thus the NAV price per Shares, including due to (a) a decline in the market price of debt instruments generally (including due to a perceived increase in counterparty default risk) and (b) default from debt instruments' issuers and counterparties in which ECRED invested or transacted with (including due to the recoveries' expenses incurred by ECRED where applicable). Furthermore, rising and/or interest rate fluctuations could adversely affect the ability of ECRED and its Portfolio Entities to carry on normal financing activities, such as obtaining committed debt financing for acquisitions, bridge financings or permanent financings (or increase the costs of such activity) thus adversely affecting ECRED's ability to generate attractive investments returns. Finally rising and/or interest rates' fluctuations are likely to affect the level and volatility of securities prices and the liquidity of ECRED's Investments, which could impair ECRED's profitability, result in losses, impact ECRED's investment returns and limit ECRED's ability to satisfy Redemption Requests.

Conflicts of Interest

Blackstone Credit has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships between and among Blackstone Credit, Blackstone, the Sponsor, ECRED, the Other Blackstone Credit Clients, the Other Clients, the Portfolio Entities of ECRED and Other Clients and affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. In addition, as a consequence of Blackstone holding a controlling interest in the Sponsor and Blackstone's status as a public company, the officers, directors, members, managers and employees of Blackstone Credit will take into account certain additional considerations and other factors in connection with the management of the business and affairs of ECRED and its affiliates that would not necessarily be taken into account if

Blackstone were not a public company. Not all potential, apparent and actual conflicts of interest are included in this Prospectus, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. Potential Shareholders should review this section and the Sponsor's Form ADV carefully before making an investment decision. Blackstone and its personnel may in the future engage in further activities that may result in additional conflicts of interest not addressed below.

If any matter arises that the Sponsor and its affiliates (including Blackstone Credit and the Investment Managers) determines in its good faith judgment constitutes an actual and material conflict of interest, the Sponsor and relevant affiliates will take the actions they determine in good faith may be necessary or appropriate to mitigate and/or disclose the conflict, which will be deemed to fully satisfy any fiduciary duties they may have to ECRED or the Shareholders. Upon taking such actions, the Sponsor and relevant affiliates will be relieved of any liability related to such conflict to the fullest extent permitted by law and shall be deemed to have satisfied applicable fiduciary duties related thereto to the fullest extent permitted by law.

Actions that could be taken by the Sponsor or its affiliates to mitigate a conflict include, by way of example and without limitation, (i) if applicable, handling the conflict as described in this Prospectus, (ii) obtaining from the Board of Directors (or the non-affiliated members of the Board of Directors) advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the Board of Directors to address the conflict, (iii) disposing of the investment or security giving rise to the conflict of interest, (iv) disclosing the conflict to the Board of Directors, including non-affiliated members of the Board of Directors, as applicable, or Shareholders (including, without limitation, in distribution notices, financial statements, letters to Shareholders or other communications), (v) appointing an independent representative to act or provide consent with respect to the matter giving rise to the conflict of interest, (vi) validating the arms-length nature of the transaction by referencing participation by unaffiliated third parties, (vii) in the case of conflicts among clients, creating groups of personnel within Blackstone separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise or represent one of the clients that has a conflicting position with other clients, (viii) implementing policies and procedures reasonably designed to mitigate the conflict of interest, or (ix) otherwise handling the conflict as determined appropriate by the Sponsor in its good faith reasonable discretion.

ECRED is subject to certain conflicts of interest arising out of ECRED's relationship with Blackstone, including the Sponsor and its affiliates. Members of the Board of Directors are also executives of Blackstone and/or one or more of its affiliates. There is no guarantee that the policies and procedures adopted by ECRED, the terms of its Articles of Incorporation, the terms and conditions of the Investment Management Agreement, that the policies and procedures adopted by the Board of Directors, the Sponsor, the AIFM, Blackstone and their affiliates, will enable ECRED to identify, adequately address or mitigate these conflicts of interest, or that the Sponsor will identify or resolve all conflicts of interest in a manner that is favorable to ECRED.

Risks and conflicts of interest are discussed in greater detail in Section XVII – "Risk Factors, Potential Conflicts of Interest and Other Considerations" of the Prospectus.

To the Board of Directors of
Blackstone European Private Credit Fund SICAV
11-13 Boulevard de la Foire
L-1528 Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Opinion

We have audited the financial statements of Blackstone European Private Credit Fund SICAV, referred to as the “Fund”, which comprise the statement of financial position as at 31 December 2022 and the statements of comprehensive income, changes in amounts attributable to shareholders, and cash flows for the period from 20 April 2022 to 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2022, and of its financial performance and its cash flows for the period from 29 April 2022 to 31 December 2022 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “*Commission de Surveillance du Secteur Financier*” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “*réviseur d’entreprises agréé*” for the Audit of the Financial Statements” section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the AIFMD required disclosures (not fully included in this reporting), which are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

When we read the AIFMD required disclosures (not fully included in this reporting), if we conclude that the information therein is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated, we are required to communicate the matter to the Board of Directors.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*réviseur d'entreprises agréé*" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de révision agréé*

Ronan Richard, *Réviseur d'entreprises agréé*
Partner

26 April 2023

Statement of Financial Position

€000's	Notes	As at 31 December 2022
Assets		
Non-current assets		
Investments at fair value	3	93,218
Current assets		
Cash and cash equivalents	4	1,424
Total assets		94,642
Liabilities		
Non-current liabilities		
Trade and other payables	5	(211)
Current liabilities		
Trade and other payables	5	(170)
Distribution payable		(173)
Subscriptions received in advance	6	(1,240)
Total liabilities excluding amounts attributable to shareholders		(1,794)
Amounts attributable to shareholders (IFRS)		92,848
Adjustment to IFRS to obtain Net Asset Value	2a	7,539
Net Asset Value attributable to shareholders		100,387
Net Asset Value attributable to holders of:		
Class I _D shares		7,457
Class I _A shares		9,999
Class A _D shares		41,267
Class A _A shares		41,664
		100,387
Net Asset Value per share		
Class I _D		25.3306
Class I _A		25.5408
Class A _D		25.3124
Class A _A		25.4865

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income

€000's	Notes	29 April 2022 to 31 December 2022
Revenue		
Interest Income		5
Expenses (excluding servicing fees)		
Other expenses	7	(222)
Operating loss before revaluation of investments		(217)
Loss on change in fair value of investment	3	(5,478)
Loss attributable to shareholders before share class specific expenses		(5,695)
Finance cost: distributions to shareholders		(342)
Servicing fee on Class A shares	7	(159)
Loss attributable to shareholders (IFRS)		(6,196)
Adjustments to IFRS to obtain appreciation of Net Asset Value	2a	7,539
Appreciation of Net Asset Value		1,343
Attributable to holders of:		
Class I _D shares		92
Class I _A shares		159
Class A _D shares		464
Class A _A shares		628
		1,343

There are no items of other comprehensive income for the current period.

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Amounts Attributable to Shareholders

€000's	Share Class				Total
	Class I _D	Class I _A	Class A _D	Class A _A	
Net Asset Value attributable to shareholders at 29 April 2022	-	-	-	-	-
Contributions and redemptions by shareholders					
Issue of shares	7,365	9,840	40,803	41,036	99,044
	7,365	9,840	40,803	41,036	99,044
Result for financial period					
Loss attributable to shareholders before share class specific expenses	(407)	(592)	(2,270)	(2,426)	(5,695)
Finance cost: distributions to shareholders	(61)	-	(281)	-	(342)
Servicing fee on Class A shares	-	-	(84)	(75)	(159)
	(468)	(592)	(2,635)	(2,501)	(6,196)
Amounts attributable to shareholders at 31 December 2022 (IFRS)	6,897	9,248	38,168	38,535	92,848
Adjustment to IFRS to obtain Net Asset Value	560	751	3,099	3,129	7,539
Net Asset Value attributable to shareholders at 31 December 2022	7,457	9,999	41,267	41,664	100,387

A reconciliation of the number of shares and share price per share class is included in note 8.

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

€000's	29 April 2022 to 31 December 2022
Cash flows from operating activities	
Interest received	5
Expenses paid	(0)
Cash flows before distributions	5
Distributions paid to shareholders	(169)
Net cash from/(used in) operating activities	(164)
Cash flows from investing activities	
Contributions paid for investments	(98,696)
Net cash used in investing activities	(98,696)
Cash flows from financing activities	
Cash flows with shareholders	
Proceeds from shares issued	99,044
Proceeds from shares to be issued	1,240
Net cash from financing activities	100,284
Net (decrease)/increase in cash and cash equivalents	1,424
Cash at the beginning of the period	-
Cash and cash equivalents at the end of the period	1,424

The accompanying notes form an integral part of these financial statements.

Schedule of Investments as at 31 December 2022

Category of Investments held by indirect subsidiaries	Cost (€'000)	Fair Value (€'000)	Percentage of Total
Software	47,564	47,024	23.8%
IT Services	31,569	31,541	15.9%
Professional Services	26,706	26,683	13.5%
Electronic Equipment, Instruments & Components	19,835	19,812	10.0%
Air Freight & Logistics	16,246	16,228	8.2%
Health Care Providers & Services	11,004	11,055	5.6%
Pharmaceuticals	10,721	10,711	5.4%
Diversified Financial Services	9,717	9,714	4.9%
Transportation Infrastructure	9,620	9,618	4.9%
Media	3,592	3,703	1.9%
Diversified Telecommunication Services	2,914	2,907	1.5%
Biotechnology	1,895	1,964	1.0%
Diversified Consumer Services	1,898	1,899	1.0%
Insurance	1,684	1,654	0.8%
Specialty Retail	1,590	1,649	0.8%
Interactive Media & Services	1,544	1,599	0.8%
Total	198,099	197,761	100%
Other assets and liabilities			
ECRED (Aggregator) SCSp liabilities	(6,031)	(6,031)	
ECRED Holding II SCSp liabilities	(85,082)	(85,082)	
Other net working capital (1)	(8,290)	(13,430)	
Investments at fair value	98,696	93,218	

(1) Other assets and liabilities held by direct and indirect subsidiaries not related to investments.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1. Corporate information and principal activities

Blackstone European Private Credit Fund SICAV (“ECRED Feeder SICAV”) is a multi-compartment Luxembourg company with variable capital (*société d’investissement à capital variable*) incorporated on 29 April 2022 and governed by Part II of the Luxembourg law of 17 December 2010, as amended (the “2010 Law”) and established as a public limited liability company (*société anonyme*) in accordance with the law of 10 August 1915 on commercial companies (the “1915 Law”). ECRED Feeder SICAV is authorized and supervised by the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (the “CSSF”). Any capitalised term not otherwise defined herein shall have the meaning ascribed to it in the version of the prospectus of ECRED Feeder SICAV applicable at the date of issuance of these financial statements.

ECRED Feeder SICAV will continue for an indefinite period of time unless put into liquidation in certain specified circumstances. The registered address of ECRED Feeder SICAV is 11-13, boulevard de la Foire, L-1528 Luxembourg and the registration number is B267471.

Principal activities

ECRED Feeder SICAV is a vehicle for investment into ECRED. ECRED is a credit investment program operated through several entities and the term “ECRED” is used throughout these financial statements to refer to the program as a whole. The primary vehicles for investors to subscribe to ECRED are ECRED Feeder SICAV and ECRED Master FCP (as defined below).

ECRED invests primarily in privately originated and negotiated loans to European companies, focusing on floating rate, first lien and senior secured investments. ECRED seeks to deliver attractive risk adjusted returns, primarily through current income, with some balance derived from longer-term capital appreciation. Further details on the investment objectives and strategy can be found in the Management Report.

Corporate structure

Blackstone European Private Credit Fund (Master) FCP (“ECRED Master FCP”), a Luxembourg mutual fund (*fonds commun de placement*) governed by Part II of the 2010 Law, is the master fund for ECRED Feeder SICAV. At 31 December 2022, ECRED Feeder SICAV owned 100% of the units (by value) issued by ECRED Master FCP.

ECRED Feeder SICAV and ECRED Master FCP are alternative investment funds under the amended law of 12 July 2013 relating to Alternative Investment Fund Managers (the “2013 Law”). Blackstone Europe Fund Management S.à r.l. (the “AIFM”), has been appointed as alternative investment fund manager under the 2013 Law in order to perform the investment management (including both portfolio and risk management), oversight, valuation and certain other functions. The registered office of the AIFM is 2-4 rue Eugene Ruppert, L-2453 Luxembourg. The AIFM is also the management company of ECRED Master FCP (in this capacity “the Management Company”). The AIFM has delegated its portfolio management function to Blackstone Alternative Credit Advisors L.P. (the “Investment Manager”). The Investment Manager has discretion to make investments on behalf of ECRED Feeder SICAV and ECRED Master FCP.

Collectively ECRED Feeder SICAV and ECRED Master FCP are referred to as “the Funds”. ECRED (Aggregator) SCSp (“ECRED Aggregator”), a Luxembourg special limited partnership (*société en commandite spéciale*), is a vehicle incorporated to indirectly hold the investments of the Funds.

2. Accounting policies

ECRED Feeder SICAV’s financial year starts on 1 January and ends on 31 December, with the exception of the first financial period which began on 29 April 2022 (date of incorporation) and ended on 31 December 2022.

ECRED Feeder SICAV is preparing the separate financial statements as its only financial statements. The financial statements are presented for the period 29 April 2022 to 31 December 2022 and were approved for issue on 20 April 2023 by the Board of Directors.

Shareholders can obtain the financial results of ECRED Master FCP for the year on request to the AIFM.

NOTES TO THE FINANCIAL STATEMENTS

a) Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). No IFRS standards have been adopted early and there are no new or amended standards that are expected to have a material impact on the financial statements of ECRED Feeder SICAV.

The functional and presentational currency is Euro (EUR).

The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities held that have been measured at fair value through profit and loss.

The financial statements for the period ending 31 December 2022 presented herein consist of a Statement of Financial Position, a Statement of Comprehensive Income, a Statement of Changes in Amounts Attributable to Shareholders, a Statement of Cash Flows and a Schedule of Investments.

As further described in note 2d, ECRED Feeder SICAV has no financial instruments classified as equity. A Statement of Changes in Amounts Attributable to Shareholders is presented in lieu of a Statement of changes in equity.

In preparing these financial statements, management has made judgements and estimates that affect the application of the Fund’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in note 3c and relates to the determination of fair value of financial instruments with significant unobservable inputs.

Net Asset Value Attributable to Shareholders

ECRED Feeder SICAV’s Net Asset Value is determined monthly in accordance with the Valuation Policy (being the policies and procedures set by the AIFM to determine the Net Asset Value) and sets the price at which shares in ECRED Feeder SICAV are traded. The Valuation Policy is aligned with the recognition and measurement requirements of IFRS except for the recognition of organisational and offering expenses and initial fund expense support (see note 10). Such expenses are recognised as a deduction to Net Asset Value only when they are reimbursed to the Investment Manager whereas under IFRS such expenses are recognised when the associated services are provided. The amounts attributable to shareholders (IFRS) in the Statement of Financial Position is therefore lower than the Net Asset Value.

€000's	29 April 2022 to 31 December 2022
Amounts attributable to shareholders (IFRS)	92,848
Organisational and offering expenses and initial fund expense support adjustment	7,539
Net Asset Value attributable to shareholders	100,387

Going concern

These financial statements have been prepared on a going concern basis. In the opinion of the Directors, there are no material uncertainties in reaching this conclusion. The Investment Manager has prepared liquidity forecasts which show that, for at least the next 12 months, ECRED Feeder SICAV will have sufficient funds to meet its obligations to third parties as they fall due. Redemptions are satisfied in accordance with the Articles and Prospectus of ECRED Feeder SICAV.

b) Consolidation exemption for Investment Entities

ECRED Feeder SICAV has multiple unrelated investors and holds multiple investments indirectly through ECRED Master FCP and ECRED Aggregator. The Directors have determined that ECRED Feeder SICAV meets the definition of an investment entity, according to IFRS 10, because the following conditions exist:

NOTES TO THE FINANCIAL STATEMENTS

- ECRED Feeder SICAV has obtained funds for the purpose of providing investors with professional investment management services;
- ECRED Feeder SICAV's business purpose, which was communicated directly to investors, is investing for current income and capital appreciation; and
- The investments are measured and evaluated on a fair value basis.

ECRED Feeder SICAV does not have any subsidiaries other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at fair value through profit or loss and are not consolidated in accordance with IFRS 10. The fair value of controlled subsidiary investments are determined on a consistent basis to all other investments measured at fair value through profit or loss, and as described in the fair value estimation notes below.

ECRED Feeder SICAV's direct and indirect investments are disclosed in note 3b.

Additional disclosures on the underlying investments held within the ECRED structure are included in the Schedule of Investments and note 3.

c) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

d) Financial instruments

ECRED Feeder SICAV classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

Financial assets

Other than investments in subsidiaries, all financial assets are measured at amortised cost. Financial assets include cash and cash equivalents and receivables. Cash and cash equivalents include cash in hand and cash held by the Depositary (as defined in note 9) from subscriptions received in advance (note 2e). At 31 December 2022, the carrying amounts of cash and cash equivalents and receivables approximate their fair values.

Financial liabilities

Other than amounts attributable to shareholders, all financial liabilities are measured at amortised cost. Financial liabilities include trade and other payables, distribution payable and amounts attributable to shareholders.

Trade and other payables (including management fees) and distribution payable are initially recognised at fair value less any transaction costs that are directly attributable to the liability and are subsequently carried at amortised cost using the effective interest rate method. Where payment terms are deferred, the future cash flows are discounted at a market rate of interest. At 31 December 2022, the carrying amounts of trade and other payables and distribution payable approximate their fair values.

Amounts attributable to shareholders are initially recognised at fair value, which is taken to be the proceeds received for the shares issued. Subsequently the carrying amount is adjusted for the allocation of profit or loss attributable to that share class, less any distributions or redemptions.

Liabilities to settle satisfied redemptions of shares are transferred to a separate liability in the Statement of Financial Position at the Redemption Date (see note 8). Redemption Requests which are not satisfied (termed 'outstanding redemptions') remain included in amounts attributable to shareholders. There were no Redemption Requests as at 31 December 2022. Distributions are recognised as a separate liability when they are declared.

Classification of shareholders' investment into ECRED Feeder SICAV as a financial liability

Shareholders have the right to request a redemption of their investment in ECRED Feeder SICAV. Payment of redemptions is subject to the redemption caps as described in ECRED Feeder SICAV's Prospectus and may be deferred in certain circumstances (redemption terms are summarised in note 8). However, the contractual obligation to redeem is not extinguished and hence there is a contractual obligation to deliver cash to shareholders. Therefore, shareholders' investments in ECRED Feeder SICAV are classified as financial liabilities. The impact of this judgement is that distributions are presented as an expense in the Statement of Comprehensive Income.

e) Subscriptions received in advance

Subscriptions received in advance represent amounts received for subscriptions prior to the trade date when shares are issued. The cash from subscriptions is included in cash and cash equivalents along with an offsetting liability until shares are issued.

f) Revenue

Revenue includes interest income. Interest income is recognised on a time-proportion basis, using the effective interest method and includes interest from cash and cash equivalents.

g) Fees

The Management Fee, Servicing Fee and other administrative fees are recognised in profit or loss when the related services are received.

h) Tax

ECRED Feeder SICAV is not subject to any income taxes as defined in IAS 12 *Income taxes*. Instead, Luxembourg subscription tax is charged (see note 7) which is computed on net assets rather than profit. The subscription tax charge is therefore presented as an operating expense in profit or loss.

i) Statement of Cash Flows

The direct presentation method for the Statement of Cash Flows has been adopted. Distributions to shareholders are presented as an operating cash flow as these are funded from operational cash flows from investments.

3. Investments at Fair Value

a) Reconciliation of Investments at fair value

Investments at fair value represents ECRED Feeder SICAV's investment in ECRED Master FCP. At 31 December 2022, ECRED Feeder SICAV owned 100% of the Class F units issued by ECRED Master FCP, representing 100% of all units issued (by value). The following table presents the movement of fair value of ECRED Feeder SICAV's investment in ECRED Master FCP at 31 December 2022.

€000's	29 April 2022 to 31 December 2022
Opening fair value (IFRS / Valuation Policy)	-
Contributions	98,696
Redemptions	-
Revaluation of investments	1,836
Organisational and offering expenses and initial fund expense support adjustment	(7,314)
Closing fair value (IFRS)	93,218
Adjustments to obtain Net Asset Value	7,314
Closing fair value (Valuation Policy)	100,532

NOTES TO THE FINANCIAL STATEMENTS

b) Financial assets at fair value through profit and loss

In accordance with IFRS 10, ECRED Feeder SICAV meets the criteria of an investment entity and therefore recognises its direct subsidiaries at fair value through profit and loss. The details of ECRED Feeder SICAV's unconsolidated subsidiaries at 31 December 2022 are set out below. Unless otherwise stated, the share capital consists of equity or similar instruments that are directly held by ECRED Feeder SICAV, and the proportion of ownership interest held, equals the voting rights held by ECRED Feeder SICAV. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of Incorporation	Direct or Indirect Ownership interest held by ECRED Feeder SICAV 2022 (%)	Ownership interest held by the non- controlling interests 2022 (%)	Principal activities
Direct Subsidiary				
Blackstone European Private Credit Fund (Master) FCP	Luxembourg	100	-	Investment holding
Indirect Subsidiary				
ECRED (Aggregator) SCSp	Luxembourg	100	-	Investment holding
ECRED Holding I SCSp	Luxembourg	100	-	Investment holding
ECRED Holding II SCSp	Luxembourg	100	-	Investment holding
ECRED Holding III SCSp	Luxembourg	100	-	Investment holding
ECRED Equity Investments Master Luxco S.à r.l.	Luxembourg	100	-	Investment holding
BX Lomond (Singapore) VCC	Singapore	100	-	Investment holding
BX Lomond S.à r.l.	Luxembourg	100	-	Investment holding
BX Thames S.à r.l.*	Luxembourg	100	-	Investment holding
BX Thames Direct Lending SCSp	Luxembourg	100	-	Investment holding
BX Lomond Holding SCSp	Luxembourg	100	-	Investment holding

* BX Thames S.à r.l. was formerly known as BX Shipston I S.à r.l.

BX Thames (Singapore) VCC is expected to launch in 2023 and will be an indirect subsidiary of ECRED Feeder SICAV.

The objective of the entities is to carry out transactions pertaining directly to ECRED's investment objective.

No financial or other support was provided to unconsolidated subsidiaries during the period under review by ECRED Feeder SICAV and ECRED Feeder SICAV has no commitment, contractual obligation or intention to provide financial or other support to the subsidiaries in the near future.

As at 31 December 2022, there were no significant restrictions on the ability of the unconsolidated subsidiaries to transfer funds to ECRED Feeder SICAV in the form of cash dividends or repayment of capital.

c) Fair value

Valuation oversight

The AIFM is responsible for the proper and independent valuation of the assets of ECRED Feeder SICAV. The Investment Manager provides valuation advice and assists the AIFM in the valuation of the assets of ECRED Feeder SICAV, while the AIFM ensures that the valuation function is independent from the Investment Manager and performed in accordance with applicable law.

The AIFM has engaged Valuation Research Corporation ("VRC") to serve as independent valuation advisor with respect to debt and other securities. VRC will review the quarterly internal valuations prepared by the AIFM.

Fair value methodology

The fair value of ECRED Feeder SICAV's interest in ECRED Master FCP at the end period is based on the month-end values of Investments (including Debt and Other Securities), the addition of the value of any other assets (such as cash on hand), and the deduction of any liabilities, including the allocation/accrual of the Management Fee and the Performance Participation Allocation and the deduction of expenses attributable to certain Classes, such as applicable Servicing Fees, determined in

NOTES TO THE FINANCIAL STATEMENTS

accordance with the valuation policy adopted for ECRED. Methodologies used to determine fair value on material components of the valuation that are subject to significant estimation uncertainty are described below. For other material components (for example cash and working capital) the fair value approximates the IFRS carrying value on a historical cost basis.

Loans and securities

Loans and securities will be valued by the AIFM, in each case with the support of the Investment Managers (as applicable), based on market quotations or at fair value determined in accordance with the Valuation Policy. For the avoidance of doubt, acquisitions and dispositions of loans and securities will be reflected in ECRED Feeder SICAV's NAV on an as-settled basis.

Readily available market quotations

Investments for which market quotations are readily available will typically be valued at those market quotations. To validate market quotations, the AIFM will utilize a number of factors to determine if the quotations are representative of fair value, including the source and number of the quotations. Where it is possible to obtain reliable, independent market quotations from a third-party vendor, the AIFM will use these quotations to determine the value of the investments. The AIFM utilizes mid-market pricing (i.e. mid-point of average bid and ask prices) to value these investments. The AIFM obtains these market quotations from independent pricing services, if available; otherwise from at least two principal market makers or primary market dealers.

No readily available market quotations

If market quotations are not readily available (or are otherwise not reliable for a particular Investment), the fair value will be determined in good faith by the AIFM. Due to the inherent uncertainty of these estimates, estimates of fair value may differ from the values that would have been used had a ready market for these Investments existed and the differences could be material. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, or broker-dealer quotations). Certain Investments, such as mezzanine loans, privately originated loans, or preferred equity, are unlikely to have market quotations. The AIFM and Investment Manager will utilize generally accepted valuation methodologies to value such Investments.

In the case of loans acquired by, or originated by ECRED Feeder SICAV, such initial value will generally be the acquisition price of such loan. Each such Investment will then be valued by the AIFM within the first three full months after ECRED Feeder SICAV makes such Investment and no less frequently than quarterly thereafter. For each month that the AIFM does not perform a valuation, it will review such loans to confirm that there have been no significant events that would cause a material change in its value. An independent valuation advisor will assess the quarterly assets valuations and provide ECRED Feeder SICAV with an independent range of values. In the month in which the independent valuation appraisal is received, the AIFM's end of month valuation must fall within the range of the independent appraisal; however, valuations thereafter may be outside of the range of values provided in the most recent independent appraisal.

Investments in Other BX Funds

Any Investments of ECRED Feeder SICAV in any Other BX Fund will be valued based on the aggregate NAV of the relevant BX Fund's interests held by ECRED Feeder SICAV, as determined from the most recent available NAV per unit of such Other BX Fund. The AIFM may, but is not obligated to, incorporate into ECRED Feeder SICAV's NAV an unreported estimated determination of a relevant Other BX Funds NAV per unit that is more recent than the latest reported NAV per unit for such Other BX Fund, to the extent available. None of the AIFM, the Investment Managers, the general partner, manager and/or investment advisor of such Other BX Fund (as applicable) is obligated to monitor such Other BX Fund's investments for events that could be expected to have a material impact on such Other BX Fund's NAV during a quarter.

Liabilities

With respect to each Class of Shares, the AIFM will include the fair value of such Class's *pro rata* portion of ECRED Feeder SICAV's liabilities as part of the Class's monthly NAV calculation. These liabilities are expected to include the fees payable to the Investment Manager, the AIFM, any accrued Performance Participation Allocation, accounts payable, accrued operating expenses, any portfolio-level facilities, other borrowings and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below and relates to the determination of fair value of financial instruments with significant unobservable inputs.

ECRED Feeder SICAV is required to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that ECRED Feeder SICAV can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

ECRED Feeder SICAV considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Fair value hierarchy analysis

The table below shows the fair value hierarchy categorisation for ECRED Feeder SICAV's financial instruments carried at fair value at 31 December 2022.

€000's	Level 1	Level 2	Level 3	Total
31 December 2022				
Financial Assets				
Investments at fair value	-	-	93,218	93,218
Total	-	-	93,218	93,218

Investments classified within Level 3 make use of significant unobservable inputs in deriving fair value, because they trade infrequently. Since observable prices are not available for these securities, ECRED Feeder SICAV has used valuation techniques to derive the fair value.

Because of the inherent uncertainties associated with the valuation, the carrying amount of investments at the year end may differ significantly from the value that could be realised in an arm's length transaction.

The table below shows the fair value hierarchy categorization for the investments held at the underlying subsidiaries at 31 December 2022.

€000's	Level 1	Level 2	Level 3	Total
31 December 2022				
Financial Assets				
Financial assets at fair value through profit or loss	-	19,418	178,343	197,761
Derivative financial assets	-	889	-	889
Financial Liabilities				
Derivative financial liabilities	-	(15)	-	(15)
Total	-	20,291	178,343	198,634

The following table sets out information about valuation techniques, significant unobservable inputs and sensitivity to changes in assumptions used at 31 December 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy in ECRED Feeder SICAV.

NOTES TO THE FINANCIAL STATEMENTS

Name of entity	Cost €000's	Fair Value €000's	Fair Value Hierarchy	Valuation Technique	Significant Unobservable Inputs	Weighted Range Average	Sensitivity of fair value to changes in significant unobservable inputs: 10% increase/ decrease in price will have a fair value impact of:
Asset Class							
Investments at fair value	98,696	93,218	Level 3	Reported value	Net asset value	N/A	N/A
							+/- 9,322

The table below sets out information about valuation techniques, significant unobservable inputs and sensitivity to changes in assumptions used at 31 December 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy in the underlying subsidiaries.

Investment	Fair Value €000's	Valuation Technique	Inputs	Unobservable Inputs	Sensitivity to 5% increase in Yields €000's	Sensitivity to 5% decrease in Yields €000's
Financial assets						
Term Loan	167,632	Discounted Cash Flow	7.65% - 11.59%	Yield	(3,917)	3,676
Corporate Bond	10,711	Discounted Cash Flow	9.78%	Yield	(193)	275
Total	178,343				(4,110)	3,951

4. Cash and cash equivalents

Restricted cash

Cash for subscriptions is received in advance of the subscription date on the first day of each month. Such cash is held in a separate bank account managed by the Depositary (as defined in note 9) and is not available for use until the subscription date.

€000's	As at 31 December 2022
Cash at bank	184
Restricted Cash	1,240
Total cash and cash equivalents	1,424

5. Trade and other payables

€000's	As at 31 December 2022
Non-current liabilities	
Accruals	211
Current liabilities	
Servicing fee payable	159
Accruals	11
Total trade and other payables	381

6. Subscriptions received in advance

Subscriptions received in advance remain as unsecured creditors, in respect of amounts paid, until the issuance of the shares has been completed.

€000's	29 April 2022 to 31 December 2022
Balance at the start of the period	-
Proceeds for issue of shares	100,284
Issue of shares	(99,044)
Balance at the end of the period	1,240

7. Expenses

€000's	29 April 2022 to 31 December 2022
Depository fees	24
Subscription tax	0
Other expenses	198
Expenses excluding servicing fees	222
Servicing fees for Class A shareholders	159
Balance at the end of the period	381

Management fee and AIFM Fee

Details on fees payable to the Investment Manager and the AIFM can be found in note 10.

Fees payable to the auditor

ECRED Feeder SICAV's auditor is Deloitte Audit S.à r.l ("Deloitte"). Deloitte's fee for the audit of these financial statements is €28,500. In addition, Deloitte is the auditor of ECRED Master FCP, ECRED Aggregator and certain of its subsidiaries for which Deloitte's fees total €126,400. Deloitte provides tax compliance services to ECRED Feeder SICAV. Fees for the period were €8k. Deloitte also provides tax compliance services to direct and indirect subsidiaries of ECRED Feeder SICAV. Fees for the period were €94k.

Servicing fee

Holders of Class A shares in ECRED Feeder SICAV are subject to a servicing fee of 0.85% per annum (calculated monthly) on the Net Asset Value, prior to accrual of the servicing fee, distributions and redemptions, of such shares ("Servicing Fee"). Class I shares do not incur a servicing fee.

Luxembourg subscription tax

Luxembourg subscription tax for the period to 31 December 2022 is €5.

8. Net Asset Value attributable to shareholders

Terms of the share classes set out below are intended to be an aide-mémoire and for compliance with the requirements of IFRS. Shareholders should refer to ECRED Feeder SICAV's Prospectus for the full terms applicable to their shares.

Classes of Shares

During the period, ECRED Feeder SICAV had issued shares in four classes: Class I_D, I_A, A_D and A_A. Except as otherwise described below, the terms are identical for each class of shares.

Class A_A and Class I_A shares are "Accumulation Sub-Class" shares and Class A_D and Class I_D shares are "Distribution Sub-Class" shares. Shareholders that subscribe for Distribution Sub-Class shares will receive, in cash, any distributions that ECRED Feeder SICAV pays in respect of such classes. No distributions are paid on the Accumulation Sub-Class shares, the value of distributions that would have otherwise been paid are reflected in the value of those shares.

Class A_A and Class A_D shareholders are charged a Servicing Fee (see note 7) of 0.85% per annum payable to their financial intermediary. No Servicing Fee is payable on Class I_A or Class I_D shares.

Subscriptions

Subscriptions to purchase shares may be made on an ongoing basis and are effective as of the first calendar day of each month (a "Subscription Date"). The offering price will equal the Net Asset Value per share of the applicable share class determined

NOTES TO THE FINANCIAL STATEMENTS

as of the last calendar day of the previous month. The Investment Manager may accept, delay acceptance, or reject subscriptions in its sole discretion, including choosing to reject or delay acceptance of all subscriptions for a given month.

Redemptions

Shareholders may request to have some, or all of their shares redeemed (a “Redemption Request”) as of the closing of the last calendar day of each month (each a “Redemption Date”) by submitting a notice on or before the first business day of such month. Amounts distributed in connection with a redemption will be based upon the Net Asset Value per share of the applicable share class as of the last calendar day of the applicable month, except for shares that have been held for a period of less than 12 months in which case an early redemption deduction equal to 2% of the value of the Net Asset Value of the shares being redeemed will apply (the “Early Redemption Reduction”). Early Redemption Deduction will inure indirectly to the benefit of the ECRED Aggregator and hence indirectly to investors in all Funds.

It is expected that settlements of share redemptions will generally be made within 60 calendar days of the Redemption Date. No distributions are payable on shares subject to a Redemption Request after the Redemption Date.

The aggregate Net Asset Value of total redemptions across ECRED is generally limited to 2% of aggregate Net Asset Value per month of ECRED and 5% of such aggregate Net Asset Value per calendar quarter. In exceptional circumstances and not on a systematic basis, ECRED Feeder SICAV may make exceptions to, modify or suspend, in whole or in part, the redemption programme if in the Investment Manager’s reasonable judgement it deems such action to be in the Funds’ best interest and the best interest of the Funds’ investors, such as when redemptions of shares would place an undue burden on liquidity, adversely affect operations, risk having an adverse impact on ECRED that would outweigh the benefit of redemptions of shares or as a result of legal or regulatory changes.

In the event that, pursuant to the limitations above, not all of the shares submitted for redemption during a given month are to be accepted for redemption by ECRED Feeder SICAV, shares submitted for redemption during such month will be redeemed on a pro rata basis (measured on an aggregate basis (without duplication) across ECRED if applicable). A Redemption Request that has been agreed to be paid, and hence excluded from Net Asset Value, is termed a satisfied redemption. Redemptions Requests which are not satisfied are described as outstanding redemptions. All outstanding redemptions will be automatically resubmitted for the next available Redemption Date, unless such a Redemption Request is withdrawn or revoked by a shareholder before such Redemption Date.

At 31 December 2022, ECRED Feeder SICAV had no Redemption Requests outstanding.

Allocation of profits

Profits are allocated to shareholders each month based on the relative Net Asset Value of each share class on the first of the month (after subscriptions for that month). Servicing fees are allocated solely to the share class to which the fee relates.

Distributions

ECRED Feeder SICAV intends to declare monthly distributions as authorised by the Investment Manager. Any distributions ECRED Feeder SICAV makes are at the discretion of the Investment Manager, considering factors such as earnings, cash flow, capital needs, taxes and general financial condition and the requirements of applicable law. The per share amount of distributions on Class A and Class I shares will generally differ because of Servicing Fees. As a result, ECRED Feeder SICAV’s distribution rates and payment frequency may vary from time to time. There is no assurance ECRED Feeder SICAV will pay distributions in any particular amount, if at all.

ECRED Feeder SICAV has declared and/or paid the following distributions per share in 2022:

€ per share	Class I _D	Class A _D
Declared and paid in the period		
October 2022	-	-
November 2022	0.1050	0.0871
Declared in the period but not yet paid		
December 2022	0.1050	0.0870
Total distributions relating to the period	0.2100	0.1741

NOTES TO THE FINANCIAL STATEMENTS

Distributions declared post year end and prior to issuance of these financial statements totaled €0.3550 per share and €0.3007 per share for classes I_D and A_D respectively. This related to performance for January to March 2023.

Reconciliation of amounts attributable to shareholders

Class I _D	NAV (€000's)	Number of shares	NAV per share (€)
Net Asset Value at 29 April 2022	-		25.0000
Issue of shares	7,365	294	
Impact of share of IFRS Adjustments	560		1.9024
Loss attributable to shareholders before share class specific expenses	(407)		(1.3618)
Distributions	(61)		(0.2100)
Net Asset Value at 31 December 2022	7,457	294	25.3306

Class I _A	NAV (€000's)	Number of shares	NAV per share (€)
Net Asset Value at 29 April 2022	-		25.0000
Issue of shares	9,840	391	-
Impact of share of IFRS Adjustments	751		1.9183
Loss attributable to shareholders before share class specific expenses	(592)		(1.3775)
Net Asset Value at 31 December 2022	9,999	391	25.5408

Class A _D	NAV (€000's)	Number of shares	NAV per share (€)
Net Asset Value at 29 April 2022	-		25.0000
Issue of shares	40,803	1,630	-
Impact of share of IFRS Adjustments	3,099		1.9009
Loss attributable to shareholders before share class specific expenses	(2,270)		(1.3605)
Distributions	(281)		(0.1741)
Servicing fees	(84)		(0.0539)
Net Asset Value at 31 December 2022	41,267	1,630	25.3124

Class A _A	NAV (€000's)	Number of shares	NAV per share (€)
Net Asset Value at 29 April 2022	-		25.0000
Issue of shares	41,036	1,635	-
Impact of share of IFRS Adjustments	3,129		1.9141
Loss attributable to shareholders before share class specific expenses	(2,426)		(1.3736)
Servicing fees	(75)		(0.0540)
Net Asset Value at 31 December 2022	41,664	1,635	25.4865

Capital Management

ECRED Feeder SICAV's investment objective is to generate attractive risk adjusted returns, primarily through current income, with some balance derived from longer-term capital appreciation. The Board, with the assistance of the Investment Manager, monitors ECRED Feeder SICAV's capital so as to promote the long-term success of the business and achievement of its investment objectives. ECRED Feeder SICAV considers proceeds from issue of shares (which are classified as liabilities in the Statement of Financial Position), external borrowings and retained profits as its capital. Under Luxembourg law ECRED Feeder SICAV is required to maintain a minimum capital balance of €1.25m.

Leverage

ECRED Feeder SICAV will not incur indebtedness, directly or indirectly, that would cause the Leverage Ratio (as defined in the Prospectus) to be in excess of 67%, *provided*, that no remedial action will be required if the Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an Investment). At 31 December 2022, ECRED's Leverage Ratio was 43.43%.

9. Financial risk management

Risk management oversight

The AIFM

The AIFM is responsible for the risk management function of ECRED Feeder SICAV. The AIFM is authorized as alternative investment fund manager and supervised by the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (the “CSSF”).

The AIFM has established and maintains a dedicated risk management function that implements effective risk management policies and procedures in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to ECRED Feeder SICAV’s investment objective including in particular market, credit, liquidity, counterparty, operational and all other relevant risks.

The risk management staff within the AIFM supervise the compliance of these policies and procedures in accordance with the requirements of applicable circulars or regulation issued by the CSSF or any European authority authorized to issue related regulation or technical standards which are applicable to ECRED Feeder SICAV.

The Depositary

ECRED Feeder SICAV has appointed RBC Investor Services Bank S.A. (“the Depositary”) as depositary bank and paying agent.

The duties of the Depositary include: the safekeeping of financial instruments that can be held in custody and record keeping and verification of ownership of the other assets; oversight duties, and cash flow monitoring in accordance with applicable Luxembourg law.

Financial instruments

This note presents information about ECRED Feeder SICAV’s exposure to risks from its financial instruments other than amounts due to its shareholders which are described in note 8. The only directly held financial instrument of ECRED SICAV is its interest in ECRED Master FCP.

The Directors consider that the objectives of IFRS 7 *Financial Instruments: Disclosures* are met by providing disclosures looking through to the investments held via ECRED Aggregator as well as directly held financial instruments.

Market risk

ECRED Feeder SICAV’s strategy with respect to management of market risk is driven by ECRED Feeder SICAV’s investment objective. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The significant market risks that the ECRED Feeder SICAV is exposed to include interest rate risk, currency risk and other price risk.

Market risk embodies the potential for both gains and loss and includes:

- i) Interest rate risk;
- ii) Currency risk; and
- iii) Other price risk.

NOTES TO THE FINANCIAL STATEMENTS

i) Interest rate risk

Interest rate risk primarily results from exposures to the volatility of interest rates. The majority of ECRED Feeder SICAV's financial assets are non-interest bearing. ECRED Feeder SICAV is exposed to fluctuations in the prevailing levels of market interest rates.

The table below shows the interest classification of the financial assets and liabilities of ECRED Feeder SICAV.

31 December 2022				
€000's	Non-Interest	Fixed	Floating	Total
Financial Assets				
Investments at fair value	93,218	-	-	93,218
Cash and cash equivalents		-	1,424	1,424
Financial Liabilities				
Trade and other payables	(381)	-	-	(381)
Distribution payable	(173)	-	-	(173)
Subscriptions received in advance	(1,240)	-	-	(1,240)
Total	91,424	-	1,424	92,848

A 100 basis point increase or decrease in interest rates will cause the fair value of ECRED Feeder SICAV's floating rate assets and liabilities to increase or decrease by €14k. 100 basis point represent management's best estimate of a reasonable possible shift in the interest rates, having regard to historical volatility of those rates.

The following table shows the interest classification of the financial assets and liabilities at the subsidiary and indirect subsidiaries level included within ECRED Feeder SICAV's investment in subsidiary held at fair value through profit and loss.

31 December 2022				
€000's	Non-Interest	Fixed	Floating	Total
Financial Assets				
Investments at fair value	-	-	197,761	197,761
Derivative financial assets	889	-	-	889
Other receivables	262	-	-	262
Interest receivable on financial assets at fair value	1,241	-	-	1,241
Cash and cash equivalents	-	-	4,242	4,242
Financial Liabilities				
Long-term borrowings	-	-	(81,987)	(81,987)
Derivative financial liabilities	(15)	-	-	(15)
Interest payable on long-term borrowings	(1,052)	-	-	(1,052)
Payable for securities purchased but not yet settled	(18,953)	-	-	(18,953)
Short-term organisation costs payable	(338)	-	-	(338)
Long-term organisation costs payable	(5,469)	-	-	(5,469)
Other payables and accrued expenses	(3,362)	-	-	(3,362)
Total	(26,798)	-	120,016	93,218

A 100 basis point increase or decrease in interest rates will cause the fair value of the subsidiaries' floating rate assets and liabilities to increase or decrease by €1.2m.

At 31 December 2022, the underlying subsidiaries held a portfolio of privately originated debt which exposed ECRED Feeder SICAV to interest rate risk.

ii) Currency Risk

ECRED Feeder SICAV and its subsidiaries may invest in financial instruments and enter into transactions in currencies other than its functional currency. Consequently, ECRED Feeder SICAV is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of the portfolio of ECRED Feeder SICAV's assets or liabilities denominated in currencies other than Euro.

NOTES TO THE FINANCIAL STATEMENTS

The exposure of ECRED Feeder SICAV to foreign currency is through its investment in the underlying subsidiaries and regular stress testing is carried out to ensure potential currency events can be managed properly.

The following table describes the subsidiaries and indirect subsidiaries underlying gross exposure to foreign currencies as at 31 December 2022.

31 December 2022									
€000's	Pound Sterling	Danish Krone	United States Dollar	Swedish Krona	Swiss Franc	New Zealand Dollar	Norwegian Krone	EUR	Total
Financial assets at fair value through profits or loss	49,556	10,305	33,354	5,015	2,180	9,714	7,801	79,837	197,761
Cash and cash equivalents	1,110	194	345	69	32	-	174	2,308	4,232
Other receivables	-	-	226	-	-	-	-	36	262
Interest receivable on financial assets at fair value through profit and loss	317	7	522	38	9	48	6	295	1,241
Long-term borrowings	(31,806)	(6,314)	(27,098)	(2,894)	-	-	(4,714)	(9,161)	(81,987)
Long-term organisation costs payable	-	-	(5,474)	-	-	-	-	-	(5,474)
Short-term organisation costs payable	-	-	(338)	-	-	-	-	-	(338)
Payables for securities purchased but not yet settled	-	-	-	-	-	-	-	(18,953)	(18,953)
Interest payable on long-term borrowings	(363)	(60)	(274)	(30)	-	-	(60)	(265)	(1,052)
Other payables and accrued expenses	(603)	-	(14)	-	-	-	-	(2,582)	(3,199)
Gross exposure	18,210	4,132	1,249	2,198	2,220	9,762	3,207	51,516	92,494
Notional amounts of foreign currency forward contracts	(18,920)	-	(6,484)	(2,216)	(2,240)	(9,890)	(3,071)	-	(42,820)
Net exposure	(710)	4,132	(5,235)	(18)	(20)	(128)	136	51,516	49,674

The following table summarises the sensitivity of the indirect subsidiaries' monetary assets and monetary liabilities to changes in foreign exchange movements at 31 December 2022. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the following table, with all other variables held constant.

31 December 2022	Net exposure €000's	Reasonable possible shift in rate	Sensitivity +/- €000's
Pound Sterling	(710)	+/- 3%	(21)
United States Dollar	(5,235)	+/- 3%	(157)
Swedish Krona	(18)	+/- 3%	(1)
Swiss Franc	(20)	+/- 3%	(1)
New Zealand Dollar	(128)	+/- 3%	(4)
Norwegian Krone	136	+/- 3%	4
Total	(5,974)		(179)

As the Danish Krone is pegged to the Euro, no change in exchange rates between the two currencies is expected.

At period end, had the exchange rate of the Euro increased by 3% against the underlying currencies, with all variables held constant, the increase/decrease in the indirect subsidiaries' net assets is reflected in the table above. A decrease of 3% would have an equal but opposite effect. 3% represents management's best estimate of a reasonable possible shift in the exchange rates, having regard to historical volatility of those rates.

Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rates or currency exchange rates), whether caused by factors specific to an individual investment, its issuer or all factors affecting all investments traded in the market. As ECRED Feeder SICAV's investment in ECRED Master FCP is carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions will directly affect net investment income or loss.

To mitigate price risk, the investment manager maintains single position, industry and geography limits with the objective of constructing a diversified portfolio of investments.

If the fair value of ECRED Feeder SICAV's investments at fair value changed by 1%, the net assets of ECRED Feeder SICAV would increase or decrease by €932,180. In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

NOTES TO THE FINANCIAL STATEMENTS

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with ECRED Feeder SICAV.

All of ECRED Feeder SICAV's cash accounts are held with the Depositary which has a credit rating of AA-.

ECRED Feeder SICAV's maximum exposure to credit risk is set out in the table below.

€000's	As at 31 December 2022
Investments at fair value	93,218
Cash and cash equivalents	1,424
Total assets	94,642

ECRED Feeder SICAV is exposed to credit risk with respect to its investments, held through its subsidiaries. At 31 December 2022, ECRED Feeder SICAV through its investments in subsidiaries was exposed to the credit risk of a portfolio of privately originated debt.

The credit risk management process begins prior to the investment during the initial analysis of an opportunity and through the credit process. ECRED focuses on the potential investment companies' individual circumstances, assessing the underlying risk which drives ECRED's opinion on pricing, credit risk exposure and the ultimate decision to approve or decline a transaction.

To mitigate its credit risk, ECRED Feeder SICAV monitors the financial position of its financial institutions as well as the credit rating of the underlying financial assets which are held by its subsidiaries. All other positions in the portfolio are not publicly rated.

Refer to the Schedule of Investments for a sector split of the investments held at the level of the underlying subsidiaries as at 31 December 2022.

Liquidity and cash flow risk

Liquidity risk is the risk that ECRED Feeder SICAV will encounter difficulty in meeting obligations associated with its financial liabilities. ECRED Feeder SICAV's financial liabilities are paid monthly, quarterly or on demand. ECRED Feeder SICAV's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions.

The table below analyses ECRED Feeder SICAV's financial liabilities by relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

31 December 2022 €000's	Cashflows			
	Gross contractual cashflows	<3 months	3 months to 1 year	> 1 year
Liabilities				
Trade and other payables	430	159	14	258
Distribution payable	173	173	-	-
Subscriptions received in advance	1,240	1,240	-	-
Total liabilities	1,843	1,572	14	258

The following table analyses the underlying subsidiaries' financial liabilities by relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022	Cashflows							
	Gross contractual cashflows	<3 months	3 months to 1 year	Year 1 to 2	Year 2 to 3	Year 3 to 4	Year 4 to 5	Year >5
€000's								
Liabilities								
Long-term borrowings	81,987	-	-	-	-	-	-	81,987
Interest payable on long-term borrowings	31,498	1,147	3,505	4,653	4,653	4,653	4,653	8,234
Other payables and accrued expenses	3,583	2,583	1,000	-	-	-	-	-
Organizational and offering and expense support expenses	8,197	-	410	1,639	1,639	1,639	1,639	1,229
Total liabilities	125,265	3,730	4,915	6,292	6,292	6,292	6,292	91,450

10. Related party transactions

a) Fees payable to affiliates of Blackstone Inc.

Management fee

The Investment Manager is entitled to a management fee of 1.25% per annum of ECRED's net asset value computed, and paid, monthly. The applicable net asset value is prior to deducting accruals for the Management fee, the servicing fee (note 7), the share of the Performance Participation Allocation in ECRED Aggregator, any redemptions for the month, and any distributions declared in the month. The Investment Manager may elect to receive the Management fee in cash, shares of ECRED Feeder SICAV, units of ECRED Master FCP or units in ECRED Aggregator. The Management fee has been waived for the first six months following the date on which ECRED Feeder SICAV accepted its first subscriptions (being 3 October 2022 to 31 March 2023).

AIFM Fee

From 3 October 2022, the AIFM is entitled to payment of a fee (the "AIFM Fee") up to a maximum of 0.10% per annum of the Net Asset Value of ECRED Feeder SICAV and ECRED Master FCP (without duplication). The AIFM Fee for the period is €11,228.

Performance Participation Allocation

Blackstone European Private Credit Fund Associates L.P., the ECRED Aggregator's special limited partner or any other entity so designated by the general partner of the ECRED Aggregator (the "Recipient") is allocated a performance participation (the "Performance Participation Allocation") by the ECRED Aggregator. The Performance Participation Allocation consists of two components that are independent of each other, with the result that one component may be payable even if the other is not. A portion of the Performance Participation Allocation is based on income and a portion on capital gains.

The portion of the Performance Participation Allocation based on income (the "Income Performance Participation Allocation") is based on Pre-Performance Participation Allocation Net Investment Income Returns. "Pre-Performance Participation Allocation Net Investment Income Returns" means, as the context requires, either the Euro value of, or percentage rate of return on the NAV of the ECRED Aggregator units at the end of the immediate preceding quarter from, interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence, directors', topping, break-up, transaction, closing, amendment, monitoring, exit, disposition and consulting fees or other fees received in connection with the provision of capital to and maintenance of investment in current or prospective Portfolio Entities) accrued during the calendar quarter, minus operating expenses of ECRED Feeder SICAV, ECRED Master FCP accrued for the quarter (including the AIFM Fee, Management Fee, and any interest expense or fees on any credit facilities or outstanding debt and dividends paid on any issued and outstanding preferred shares, but excluding the Performance Participation Allocation, any Servicing Fees and any other Shareholder servicing and/or distribution fees).

Pre-Performance Participation Allocation Net Investment Income Returns include, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero-coupon securities), and accrued income not yet received in cash. Pre-Performance Participation Allocation Net Investment Income Returns do not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

NOTES TO THE FINANCIAL STATEMENTS

Pre-Performance Participation Allocation Net Investment Income Returns, expressed as a rate of return on the value of net assets at the end of the immediate preceding quarter, is compared to a “hurdle rate” of return of 1.25% per quarter (5.0% annualized).

The Performance Participation Allocation based on income has been waived for the first six months following the date on which ECRED Feeder SICAV accepted its first subscriptions (being 3 October 2022 to 31 March 2023).

The second component of the Performance Participation Allocation based on capital gains (the “Capital Gains Performance Participation Allocation”), is payable at the end of each calendar year in arrears. The amount payable equals 12.5% of cumulative realized capital gains from inception through the end of such calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid Capital Gains Performance Participation Allocations as calculated in accordance with IFRS on the NAV of the ECRED Aggregator units.

Each year, the Capital Gains Performance Participation Allocation is net of the aggregate amount of any previously paid Capital Gains Performance Participation Allocation for all prior periods. The Recipient will accrue, but will not be paid, a Capital Gains Performance Participation Allocation with respect to unrealized appreciation because a Capital Gains Performance Participation Allocation would be owed to the Recipient if ECRED were to sell the relevant investment and realize a capital gain.

As at 31 December 2022, there was no performance participation allocation related to realized capital gains.

Administration fees

The Investment Manager has charged ECRED €184k for accounting and administrative services, of which all related to organisational and offering expenses and initial fund expenses. All amounts were outstanding at the period end.

Organisational and Offering Expenses

The Investment Manager agreed to advance all ECRED’s Organizational and Offering Expenses (as defined in the Prospectus), such as legal, regulatory and advisory fees, until 3 October 2023. These costs will be reimbursed to the Investment Manager over 60 months from 3 October 2023. Total costs advanced by the Investment Manager are €5,837,658.

After discounting for the deferred repayment terms and adjusting for ownership of ECRED, the liability attributable to ECRED Feeder SICAV is €22,879.

Initial Fund Expenses Support

The Investment Manager may at its discretion advance all of ECRED’s initial fund expenses (as defined in the Prospectus), until 3 October 2023. These costs will be reimbursed to the Investment Manager over 60 months from 3 October 2023. Total costs advanced by the Investment Manager as at 31 December 2022 are €1,702,026.

After discounting for the deferred repayment terms and adjusting for ownership of ECRED, the liability attributable to ECRED Feeder SICAV is €202,696.

Warehouse Transactions

On 12 July 2022, ECRED Master FCP entered into a forward purchase agreement, as purchaser, together with BX Shipston SCSp, an entity owned by Blackstone Treasury Holdings I LLC, a subsidiary of Blackstone Inc., for the purchase of all the shares in BX Thames S.à r.l., a subsidiary of BX Shipston SCSp, and certain warehouse assets in the form of debt obligations

NOTES TO THE FINANCIAL STATEMENTS

held by BX Shipston II S.à r.l., a subsidiary of BX Shipston SCSp. ECRED purchased €33.9m of investments from BX Shipston SCSp during 2022, none of which was outstanding on 31 December 2022.

During the period ended 31 December 2022, loans for consideration of €114.3m were transferred from BX Shipston II S.à r.l. to BX Thames S.à r.l.

During the period ended 31 December 2022, loans for consideration of €19.6m were transferred from Blackstone Holdings Finance Co. LLC to BX Thames S.à r.l.

b) Directors' Fees

Non-affiliated directors of ECRED Feeder SICAV have earned €40k for services rendered, all of which is outstanding at 31 December 2022. Directors who are employees of the Blackstone Inc. did not receive any directorship remuneration.

c) Investments in ECRED

The table below shows the Net Asset value of shares in ECRED held by related parties. All shares were acquired at Net Asset Value on the subscription date.

Net Asset Value of shares held €000's	As at 31 December 2022
Subsidiaries of Blackstone Inc. ⁽¹⁾	30
Other key management personnel ⁽²⁾	801

(1) Includes the Investment Manager

(2) Includes directors of ECRED Feeder SICAV and other key management personnel of ECRED or Blackstone, Inc.

During the year the Investment Manager subscribed for €30k of Class I_D shares in ECRED Feeder SICAV.

11. IFRS to US GAAP Reconciliation

As described in note 1, these financial statements are prepared under IFRS and the accounting policies included in note 2.

The Directors have elected to include this note which reconciles between the Amounts attributable to shareholders (per the Statement of Financial Position) and the gain for the period attributable (per the Statement of Comprehensive Income) and the equivalent amounts as determined under accounting principles generally accepted in the United States of America ("US GAAP") (assuming the application of the Financial Accounting Standards Board Accounting Standards Codification Topic 946 Financial Services – Investment Companies).

As at, and for the period ended, 31 December 2022 there were no differences between the Amounts attributable to shareholders and the gain for the period attributable to shareholders under IFRS and US GAAP. Inclusion of this note does not result in these financial statements constituting the full primary statements and notes required to achieve a 'fair presentation' under US GAAP.

€000's	As at 31 December 2022
IFRS Net Asset Value	92,848
Adjustments	-
US GAAP Net Asset Value	92,848

12. Financial Highlights

€000's	As at 31 December 2022			
	Class I _D	Class I _A	Class A _D	Class A _A
Per share data:				
Net asset value, beginning of period	25.00	25.00	25.00	25.00
Net investment income/(loss) ⁽¹⁾⁽⁴⁾⁽⁶⁾	0.00	0.00	(0.05)	(0.05)
Net unrealized and realized gain ⁽¹⁾	0.54	0.54	0.54	0.54
Net increase in net assets resulting from operations	0.54	0.54	0.49	0.49
Net decrease in net assets from shareholders' distributions ⁽²⁾	(0.21)	-	(0.17)	-
Early Redemption fees	-	-	-	-
Total increase in net assets	0.33	0.54	0.31	0.49
Net asset value, end of period	25.33	25.54	25.31	25.49
Shares outstanding, end of period	294,370	391,485	1,630,308	1,634,685
Total Return based on NAV ⁽³⁾	2.16%	2.16%	1.95%	1.95%
Ratios:				
Ratio of net expenses to average net assets ⁽⁴⁾⁽⁵⁾	0.0%	0.0%	N/A	N/A
Ratio of net investment income to average net assets ⁽⁴⁾⁽⁵⁾⁽⁶⁾	0.0%	0.0%	N/A	N/A
Supplemental Data:				
Net assets, end of period	7,456,564	9,998,831	41,267,000	41,662,394

(1) The per share data was derived by using the weighted average shares outstanding during the period.

(2) The per share data for distributions was derived by using the actual shares outstanding at the date of the relevant transactions.

(3) Total return is calculated as the change in NAV per share during the period, plus distributions per share divided by the beginning NAV per share.

(4) Amounts do not include organizational costs, initial fund expenses, or management fees.

(5) For the period ended 31 December 2022, amounts are annualized.

(6) Does not reflect the effects of any incentive allocation.

13. Commitments and Contingencies

On 16 August 2022, ECRED Holding II SCSp (the "Partnership") entered into a Senior Credit Facility Agreement (the "Facility") with Bank of New York Mellon (the "Facility Agent"), Morgan Stanley Bank, N.A. (the "Original Senior Lender" or "Mandated Lead Arranger") and BNY Mellon Corporate Trustee Services Limited (the "Security Trustee"). The Facility makes available to the ECRED Holding II SCSp a multicurrency revolving credit facility in the initial amount of EUR 400,000,000. As security for the Facility, the Partnership entered a security deed dated 16 August 2022, between the Partnership and the Trustee creating security over cash accounts and debt obligation or debt security purchased or originated (and which remains held) by the Partnership or a subsidiary. The Partnership also has pledged the shares it holds in BX Thames S.à r.l. as security for the Facility.

14. Subsequent events

Subsequent to the period end, ECRED Feeder SICAV had net subscriptions for shares of €16.69m.

Apart from the above, the Directors have evaluated the impact of all subsequent events through to 26 April 2023, which is the date that these financial statements were available to be issued, and have determined that there were no other subsequent events requiring adjustment to or disclosure in the financial statements.



Glossary

The following are explanations of terms you may come across in this report. These definitions are not exhaustive and are intended as a guide only. Please refer to the Prospectus and KID for further details.

Assets	Anything that has a commercial or exchange value that is owned by a business.
Blackstone European Private Credit Fund	Blackstone European Private Credit Fund, also referred to as "ECRED" or "the Fund".
Debt Investments	A type of security where money is lent to a company with the expectation of principal being returned after a stated period, plus interest.
Diversification	The practice of investing in a variety of investments. A diversified portfolio can be a risk management technique and contains a mix of distinct assets and investments to offset losses from any single asset class, thereby lessening the impact on the overall portfolio.
EBITDA	Stands for Earnings Before Interest, Taxes, Depreciation and Amortization. It's a widely used measure of corporate profitability.
Equity	Shares of ownership in a company which are listed on an exchange.
First Lien Loans/ First Lien Senior Secured Debt	A debt or loan (i) that is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the borrower, (ii) that is secured by a security interest on specified collateral and (iii) where, in the event that the borrower defaults, the value of the collateral together with other attributes of the borrower is adequate to repay the debt and to repay all other loans of equal seniority secured by a security interest in the same collateral. See definition of "Senior Secured Loan" below.
High Yield	Bonds that are rated below investment grade so have a higher risk of default or other adverse credit events. but offer higher yields than investment grade bonds to compensate for the increased risk.
Hurdle Rate	A 5% annualized internal rate of return on the NAV over a reference period. This excludes, among other things, any shares redeemed during the period. The Hurdle Rate represents a level of return that the Fund must achieve before the Performance Fees are payable.
Inflation	General increase in prices and fall in the purchasing value of money.
Leverage	The use of borrowed capital in an effort to increase the potential return of an investment The use of leverage is likely to increase any losses. Furthermore, fees associated with borrowing may decrease fund performance.
Liquidity	Ability for fund investors to subscribe and redeem units in a fund. The more liquid a fund, means the greater ease to subscribe and redeem units.
Loan-to-Value (LTV)	Loan-to-value (LTV) measures the relationship between the loan amount and the market value of the asset securing the loan. If a lender provides a loan worth half the value of the asset, the loan-to-value is 50%.
Mezzanine	A type of financing that is a hybrid between debt and equity financing and typically gives the lender the right to convert debt to an equity interest in the company in the case of a default.



Glossary (cont'd)

Net Asset Value (NAV)	Represents the value of a fund's assets, minus a fund's liabilities, determined in accordance with the valuation methods summarized in the fund's offering documents
Net Investment Income	Income received from investment assets, before taxes, such as bonds, stocks, mutual funds, loans and other investments
Private Credit	Private credit is the investment of capital to acquire the debt of private companies (as opposed to acquiring equity).
Private Equity Sponsor	Typically the manager or general partner of a private equity investment fund.
Publicly Traded Loans and Bonds	Syndicated Loans and other forms of debt such as bonds that are available to purchased and sold by investors on a secondary market.
Redemption	Takes place when an investor requests the Fund to repurchase its shares for payment.
Floating Rate Loans	Floating rate loans are loans made to borrowers that feature a variable interest rate that is tied to a market reference rate and adjusted periodically.
Senior Secured Loans	Senior secured loans are loans made to borrowers that are secured by collateral and which sit high up on the capital structure. This means that they have the highest priority claim on the collateral. Of the senior secured debt holders, first lien senior secured debt holders (see definition of "First Lien Senior Secured Debt" above) are paid first in the event the borrower fails to pay back the loan.
Warehouse	A third party that owns a portfolio of assets, which will be sold/ transferred to the fund at escrow break.