

Cover Page

Savills Investment Management Inc.

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Form ADV Part 2A Brochure

March 29, 2019

This brochure (this “**Brochure**”) provides information about the qualifications and business practices of Savills Investment Management Inc. (“**SIM US**”), an investment adviser registered with the United States Securities and Exchange Commission (the “**SEC**”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

If you have any questions about the contents of this Brochure, please contact SIM US’s Chief Compliance Officer at joe.dibartolo@savillsim.com. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about SIM US also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

SIM US will ensure that its clients receive a summary of any material changes to this Brochure and subsequent brochures (or a copy of those brochures, free of charge) promptly or within 120 days of the close of SIM US's fiscal year.

There are no material changes from SIM US's last annual update to its brochure dated March 21, 2018.

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Glossary

“Act on Land and Building Lease” is defined in Item 8.

“Advisers Act” means the U.S. Investment Advisers Act of 1940, as amended.

“AIFMD” means the Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers .

“Asset Holding Vehicles” is defined in Item 4.

“Associate” means, in relation to any person, (a) any person controlled, directly or indirectly, by that person, (b) any person that controls, directly or indirectly, that person or (c) any person directly or indirectly under common control with that person. For the avoidance of doubt, in relation to the Fund Manager, the Investment Manager and the Fund, “Associate” shall not include (i) any person which controls Savills IM directly or indirectly (**“Savills Controlling Shareholders”**), (ii) other persons directly controlled by Savills Controlling Shareholders who are not members of Savills IM or (iii) a real estate investment trust or property fund which is sponsored or managed by Savills IM. For purposes of this definition of an “Associate,” “control” means, when used in the context of control of a person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting interests, by contract or otherwise.

“Brochure” has the meaning set forth on the cover page of this Brochure.

“Civil Code” is defined in Item 8.

“Compensation” means, collectively, commissions, retainers, fees and any other form of compensation.

“Connected Parties” is defined in Item 10.

“Designated Real Estate Act” is defined in Item 8.

“FIEL” is the Financial Instruments and Exchange Act (Act. No. 25 of 1948), inclusive of subsequent amendments.

“Fund(s)” means both the Greater Tokyo Office Fund (Jersey) L.P. and Savills Investment Management Japan Value Fund II, L.P. as advisory clients of SIM US.

“Fund Documentation” means, collectively, the Fund’s information memorandum and governing documents.

“Fund GPs” means collectively the Greater Tokyo Office Fund (Jersey) GP Limited and Savills Investment Management Japan Value Fund II, GP Pte. Ltd.

“GTOF” means the Greater Tokyo Office Fund (Jersey) L.P.

“GTOF Fund GP” means Greater Tokyo Office Fund (Jersey) GP Limited.

“GTOF Fund Manager” means Savills Investment Management (Jersey) Limited.

“GTOF Investment Manager” means Savills Investment Management Pte. Limited.

“Investor Advisory Committee” is defined in Item 10.

“JVF II” means Savills Investment Management Japan Value Fund II, L.P.

“JVF II Fund GP” means Savills Investment Management Japan Value Fund II, GP Pte. Ltd.

“JVF II Management Company” means Savills Investment Management Pte. Limited.

“Other Accounts” is defined in Item 10.

“PML” is defined in Item 8.

“Products and Services” is defined in Item 12.

“Property Advisor” means Savills Investment Management Asia Limited (Japan Branch).

“Savills Group” means SIM US and its affiliates.

“Savills IM” means Savills Investment Management LLP.

“SIM US” has the meaning set forth on the cover page of this Brochure.

“SEC” is defined on the cover page of this Brochure.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Singapore HoldCo” means Greater Tokyo Office Fund (Singapore) Pte. Ltd.

“TK” means *tokumei kumiai*.

“TMK Law” is the Act on Securitization of Assets (Act No. 105 of 1998), inclusive of subsequent amendments.

“TMKs” is defined in Item 8.

“GK” is defined under the Japanese Companies Act (Act No. 86 of 2005), inclusive of subsequent amendments (the **“Companies Act”**). There are two types of corporations commonly used as a company with limited investors liability, the stock corporation (*Kabushiki Kaisha* or KK) and the limited liability company (*godo kaisha* or GK). A GK provides a higher level of flexibility than a KK with regards to its internal structure, while limiting the liability of all members (i.e., shareholders) to their contribution. Therefore, a GK is widely used as special purpose vehicle for real estate investment, in particular, as TK operator of TK arrangements.

“Trust Act” is defined in Item 8.

“Unit Ownership Law” is defined in Item 8.

“1940 Act” means the U.S. Investment Company Act of 1940, as amended.

Item 4 – Advisory Business

A. SIM US and its Principal Owners

SIM US is a Delaware corporation with its principal place of business in Seattle, WA. SIM US is wholly owned by Savills (Overseas Holdings) Limited, which itself is wholly owned by Savills Holding Company Limited, which itself is wholly owned by Savills PLC (which is listed on the London Stock Exchange). SIM US commenced operations in 2017.

B. Advisory Services

All descriptions of the Funds in this Brochure, including, but not limited to, investments, the strategies used in managing the Funds, the fees and other costs associated with an investment in a Fund, and conflicts of interest faced by SIM US in connection with management of a Fund, are qualified in their entirety by reference to the Fund Documentation.

SIM US provides non-discretionary advisory services to the Funds and the Fund GPs based on the particular investment objectives and strategies described in the Fund Documentation. Each Fund seeks to make (and/or have made) investments in real estate and related corporate opportunities or certain completed developments in the Japanese real estate markets with a focus on the greater Tokyo area (as described further in Item 8 below).

As of the date of this Brochure, SIM US sub-advises only two clients: (1) GTOF, which is no longer accepting new investors and is winding up its assets; and (2) JVF II. SIM US has entered into an intercompany agreement with the Property Advisor pursuant to which SIM US provides advice and support related to investments made by GTOF and JVF II.

GTOF made its investments through Singapore HoldCo, which is advised by the GTOF Fund Manager, an affiliate of SIM US, subject to the overall policies, direction, control and supervision of the board of directors of the Singapore HoldCo and the terms of GTOF's information memorandum. The Singapore HoldCo invests its assets through Japanese special purpose and limited companies.

JVF II Fund GP has overall responsibility for the management of JVF II and delegates its investment authority to the JVF II Management Company, which is an affiliate of SIM US. The JVF II Management Company provides investment management services to JVF II Fund GP and manages the affairs of JVF II. JVF II makes its investments through various structures that involve multiple investment entities which include, without limitation, any (i) TMK, (ii) GK, and/or (iii) other types of special purpose entity in Japan or intermediate entities in other jurisdictions (e.g., a Singapore company) which may be necessary or desirable for JVF II to hold for a specific investment.

Investment entities through which GTOF or JVF II may make their investments are collectively referred to as the **“Asset Holding Vehicles.”**

Various other affiliates of SIM US also provide advisory and other services to the Funds.

C. Tailoring of Advisory Services

SIM US's investment advice is subject to each Fund's investment objectives and guidelines, as set forth in the Fund Documentation. Guidelines include the amount of assets that may be invested in

any single portfolio company, the amount of assets that may be invested in companies over which GTOF or JVF II, as the case may be, do not have control and the geographies in which a Fund may invest, among others.

In addition, one or more of the Fund GPs have entered into agreements, such as side letters, with certain Fund investors (without the approval of any other investors). The side letters or other similar agreements have the effect of establishing rights under, altering or supplementing the terms of the Fund Documentation with respect to one or more such investors in a manner that could be more favorable to such investors than those applicable to other investors. For example, a Fund's side letters or other similar agreements may:

- provide most favored nation rights;
- provide consultative rights on potential investments;
- reduce carried interest incurred by an investor; or
- require a Fund to provide additional information or reports to an investor.

D. Wrap Fee Programs

SIM US does not participate in wrap fee programs.

E. Assets Under Management

As of December 31, 2018, SIM US managed \$ 284, 630, 153 on a non-discretionary basis.

Item 5 – Fees and Compensation

A. Compensation for Advisory Services.

SIM US does not currently have a fee schedule. Members of the Savills Group receive asset and performance-based fees and allocations from the Funds (as well as other compensation and reimbursements of expenses, as described further below). As a member of the Savills Group, SIM US benefits from these compensation arrangements with the Funds. SIM US has a cost plus arrangement under the terms of its Investment Management Intercompany Services Agreement. The fees paid by the Funds to members of the Savills Group are summarized below. The specific payment terms and other conditions of these fees and allocations are set forth in the Fund Documentation. See Item 10 for disclosures regarding Savills Group's provision of services to the Funds and the Asset Holding Vehicles.

1. GTOF.

Advisory Fees

From the date of GTOF's initial closing date until the expiration of its investment period, GTOF paid a management fee to the GTOF Fund Manager, calculated at the rate of 2% of GTOF's aggregate capital commitments per annum, whether or not such commitments were drawn down. After the end of GTOF's investment period, the management fee is calculated at the rate of 2% per annum of the "projected equity requirements" as determined from time to time in accordance with the Fund Documentation. The management fee is paid quarterly in arrears.

“Projected equity requirements” means the sum of the aggregate GTOF contributions, the forecasted contributions for the upcoming calendar year as determined by the GTOF Fund GP and any monies that the GTOF Fund GP deems necessary to be set aside for transaction-related costs or other contingencies. The determination of the “projected equity requirements” requires the GTOF Fund GP to make estimates of necessary future funding, some of which, by their nature, involve subjective judgments on the part of the GTOF Fund GP, and therefore, may present certain conflicts of interest. However, to the extent the GTOF Investment Manager, the Property Advisor or an Associate receives fees for fund management, investment management or property advisory services (but excluding non-fund management services) from GTOF; the management fee is reduced accordingly.

The GTOF Fund GP receives a fee of £25,000 per annum (payable quarterly in advance) from GTOF. The GTOF Investment Manager receives from the Singapore HoldCo (i) reimbursement of certain expenses and (ii) a minimum fee (payable quarterly in arrears) equal to 0.75% per annum of the aggregate capital commitments of GTOF (which will be deducted from the management fee payable to the GTOF Fund Manager). The Property Advisor receives a market-based management fee from the GTOF Investment Manager (payable in arrears on a semi-annual basis), and receives asset management fees (payable monthly in arrears, calculated on annual rates as set forth in the asset management agreements) from the Asset Holding Vehicles.

Investors in GTOF paid a subscription fee to Savills IM (based on committed capital), which was used to offset placement agent costs.

Carried Interest

GTOF allocates to the GTOF Fund GP a carried interest distribution based on proceeds generated from the sale of GTOF investments, in an amount equal to 20% of the profits from disposition of portfolio investments made by GTOF, after the return of invested capital and a preferred return to investors and the GTOF Fund GP. All performance-based compensation payable to the Savills Group will be effected consistent with the requirements of Section 205 of the Advisers Act and Rule 205-3 thereunder. Distributions will be at such times and with such frequency as the GTOF Fund GP may determine in its absolute discretion, although the GTOF Fund GP currently anticipates that it will distribute certain available cash from time to time (for example, in connection with a divestment by GTOF).

Fee Waivers/Reductions

Certain Investors in GTOF have negotiated different fee terms than those set forth in the Fund Documentation.

2. JVF II.

Advisory Fees

JVF II pays to the JVF II Management Company or its affiliate an annual management fee equal to (a) during the period from the initial closing date until the expiration of its investment period, 2% of aggregate commitments and (b) thereafter, 2% of contributed capital (i.e., excluding leverage) used to fund the acquisition cost (including directly related expenses) of each Investment that is held by JVF II as of the applicable payment date. In addition, the JVF II Management Company may receive

reasonable fees during the period of winding up of the Fund. JVF II management fees are paid quarterly in advance.

The JVF II management fee attributable to each limited partner will be reduced by such limited partner's share of 100% of any fees payable to the JVF II Fund GP or its affiliates constituting directors' fees, monitoring fees, transaction fees, break-up fees or other similar fees, in each case net of directly related expenses (including taxes), as set forth in the Fund Documentation; provided, that such offset shall not apply to fees for property-level services.

JVF II may engage (a) Savills Investment Architecture Design, an affiliate of Savills IM, to provide architectural services in respect of one or more investments, on terms determined on an arm's length basis by the JVF II Fund GP and for which it will be paid market fees or (b) other affiliates of Savills IM to provide additional property-level services in respect of one or more Investments, on such fees and terms as may be approved by the JVF II Investor Advisory Committee.

Carried Interest

JVF II allocates to the JVF II Fund GP or an affiliate thereof ("Carried Interest Partner") a carried interest distribution based on proceeds generated from the sale of JVF II investments, in an amount equal to 20% of the profits from disposition of portfolio investments made by JVF II. The allocations are made after the return of invested capital and a preferred return to investors, the JVF II Fund GP or a Carried Interest Partner.

All performance-based compensation payable to the Savills Group will be effected consistent with the requirements of Section 205 of the Advisers Act and Rule 205-3 there under. Distributions will be at such times and with such frequency as the JVF II Fund GP may determine in its absolute discretion, although the JVF II Fund GP currently anticipates that it will distribute certain available cash from time to time (for example, in connection with a divestment by JVF II).

Fee Waivers/Reductions

JVF II limited partners with large commitments or those who invested in GTOF and/or who were admitted at the JVF II initial closing may be subject to a reduced management fee.

B. Method of Fee Payments

Any fees payable by a Fund are generally deducted from the respective Fund's assets (and may be funded through a drawdown of investor commitments). Any carried interest is generally allocated to a Fund GP's capital account solely based on cash generated from the sale of a portfolio investment.

C. Other Fees/Expenses

Fees and Expenses.

The Savills Group is generally responsible for (i) office facilities, office and executive staff and office equipment to facilitate the carrying on of the business of the GTOF, and (ii) all ordinary administrative and overhead expenses incurred in connection with operation of JVF II (excluding JVF II expenses), including employees' salaries, rent, utilities and equipment expenses.

Each Fund bears its own organizational expenses (including those incurred by the Fund GPs and any related entities thereof) relating to the establishment of the Funds, including travel, printing, legal, capital raising, marketing, accounting, regulatory compliance (including the initial compliance, if required, contemplated by the AIFMD or any similar law, rule or regulation), any administrative or other filings, and other organizational expenses, up to an amount specified in the Fund Documentation. Organizational expenses exclude, in the case of GTOF, any amounts in relation to the establishment of the Singapore HoldCo and, in the case of both Funds, any amounts in relation to the establishment of the Asset Holding Vehicles.

The Funds bear all fees and expenses incurred in the operation and administration of the Fund, as set forth in the Fund Documentation. In the case of GTOF, these expenses include, among things, all expenses incurred by the Asset Holding Vehicles in connection with acquiring, holding or divesting of investments, and the fees and expenses payable to the other service providers to be appointed by the Asset Holding Vehicles from time to time (for example, the Property Advisor's fees charged to the Asset Holding Vehicles).

In the case of JVF II, these expenses include (i) costs, expenses, liabilities and obligations attributable to structuring, organizing, acquiring, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of JVF II's investments and potential investments (including broken-deal fees in respect of non-consummated Investments), including follow-on investments and re-financings (including interest on money borrowed by or on behalf of JVF II) as well as treasury and financing management; (ii) legal, filing, notarization, certification, accounting, auditing, administration, board and other meetings, corporate and similar communications, consulting, financing, insurance (including directors and officers, errors and omissions liability and other insurance), broker, finder's, financing commitment fees, real estate title, appraisal costs, printing, custodian, corporate, secretarial or services, depositary, transfer, registration, registered office, database expenses, and other similar fees, costs and expenses; (iii) the JVF II management fee, (iv) expenses incurred in connection with third party valuations; (v) costs and expenses associated with the preparation of JVF II's financial statements, tax returns, tax estimates, tax forms or its equivalent or any other administrative, regulatory or other reporting or filing obligations of JVF II, the JVF II Fund GP or its affiliates; (vi) extraordinary costs and expenses (such as litigation, indemnification, judgments and settlements, if any); (vii) fees, costs and expenses incurred in connection with transactions not consummated (including legal, accounting, auditing, insurance, travelling, consulting, finder's, financing, appraisal, filing, printing, real estate title and other fees and expenses); (viii) any taxes, fees or other governmental charges levied against JVF II or its subsidiaries; (ix) expenses of the JVF II Investor Advisory Committee (excluding travel expenses of the members thereof in connection with annual meetings); (x) costs and expenses incurred by JVF II in connection with any conference or meeting of limited partners; and (xi) costs and expenses incurred in connection with the organization, management, operation, dissolution, liquidation and final winding-up of any intermediate holding entities of alternative investment vehicles.

Distribution Clawback.

As a general matter, for up to two years after the expiration of a Fund's term, each investor will be required to contribute to the respective Fund its proportionate share of any liability or loss incurred by such Fund. However, the amount of this "clawback" is subject to certain limitations, as set forth in the Fund Documentation.

Reserves.

Each Fund is entitled to withhold from any distribution such amounts that the Fund GPs in their sole discretion deem necessary or desirable to create appropriate reserves for expenses and liabilities of a Fund as well as for any required tax withholdings.

D. Prepayment of Fees

The GTOF Fund GP receives a fee of £25,000 per annum (payable quarterly in advance) from GTOF. It is anticipated that any unearned fees would be refunded to GTOF (based on the number of days remaining in the applicable payment period).

JVF II pays an annual management fee, calculated in the manner outlined above, to JVF II Management Company or its affiliate quarterly in advance. It is anticipated that any unearned fees would be refunded to JVF II (based on the number of days remaining in the applicable payment period).

E. Compensation for the Sale of Securities

Neither SIM US nor its supervised persons accept compensation for the sale of securities or other investment products.

Item 6 – Performance-Based Fees and Side-By-Side Management

Generally

As described in Item 5 above, members of the Savills Group receive performance-based compensation from the Funds.

Conflicts

Members of the Savills Group may provide services similar to those provided to the Funds to other accounts and clients. The terms of the carried interest distributions could incentivize the Fund GPs and their affiliates to make decisions regarding potential investments and the timing and structure of realization transactions that may not be in the best interests of a Fund (and its investors). For example, the Fund GPs and their affiliates may be incentivized to make riskier or speculative investments than they would otherwise make in the absence of performance-based compensation.

Item 7 – Types of Clients

As noted in Item 4 above, SIM US provides non-discretionary investment advisory services to the Funds and their service providers. Fund investors include private banks, family offices and high net worth individuals.

Interests in the Funds are not registered under the Securities Act and the Funds themselves are not registered under the 1940 Act. Accordingly, interests in the Funds are offered exclusively to investors satisfying the applicable eligibility requirements either in private placement transactions within the United States or in offshore transactions. The Funds are excepted from the definition of an “investment company” under Section 3(c)(7) of the 1940 Act.

Investors in the Funds are required to complete and submit a subscription agreement binding them to the terms of the Fund Documentation. The minimum investment is generally JPY1 billion for each Fund. However, that minimum investment amount may be modified, depending on the investor relationship, in accordance with the Fund Documentation.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

A. Investment Strategies, Instruments and Certain Related Risks

The following is a summary of (i) the strategies and methods of analysis that SIM US and its affiliates use in formulating advice or managing assets for the Funds and (ii) certain material risks associated with the types of securities that SIM US and its affiliates primarily recommend to the Funds.

The information included in this Brochure does not include every potential investment strategy or associated risk. Investors in the Funds are urged to ask questions regarding risk factors applicable to a particular investment strategy or security, read all product-specific risk disclosures (for example, the relevant Fund's information memorandum) and determine whether a particular strategy or type of security is suitable for his/her/its own account in light of his/her/its circumstances, investment objectives and financial situation. Investing in securities involves risk of loss that investors should be prepared to bear.

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

GTOF

The Fund focuses on acquiring office assets or any completed developments (in respect of which at least 70% of the “net rentable area” of such asset consists of office use) in greater Tokyo at a discount to their open market value and subsequently improve the assets through light capex and repositioning and sourcing for quality office assets off-market through longstanding relationships with bankruptcy trustees, creditors, property companies and banks or through special situations to. The stabilized assets are then divested to the universe of natural acquirers of high quality office assets (such as the Japanese REITS) at market value.

The Fund makes its investments through the Singapore HoldCo and the Asset Holding Vehicles.

JVF II

The strategy of the Fund is to leverage the Property Advisor's long-standing relationships in Japan with creditors, banks, property companies and bankruptcy trustees. The Property Advisor has acted as a trusted financing partner for construction companies and developers and has a proven reputation and ability to execute quickly and discreetly to address each seller's unique situation. The Property Advisor also has specialist knowledge and technical skills for distressed debt workouts to source suitable investment opportunities.

The Fund seeks to acquire investments at below-market pricing, and to pursue value-add strategies typically involving modest repositioning or operational improvements, including lease-up strategy in respect of such investments. The Fund also strategically employs substantial leverage in its investment program.

The Fund seeks to capitalize on inefficiencies in the Japan real estate market, robust market fundamentals, and the longstanding relationships, experience and specialist capabilities of the Property Adviser to execute the strategy of acquiring medium to large-sized special situation type of investments in high-quality, but largely undermanaged properties in Japan, with a focus on offices located in Greater Tokyo and other markets in Japan at below-market pricing.

CERTAIN RELATED RISKS

The following related risks are associated with both Funds unless otherwise noted.

Use of feeder or parallel funds or alternative investment vehicles

The Funds may use feeder or parallel funds or alternative investment vehicles and cause the investors to fund a portion of their commitments through such entities in a manner that provides similar economic terms, management terms and the liability protection afforded by investments made through the Funds. These vehicles may involve additional costs of formation, structuring and operation. Because of the wide range of the investments proposed by the Funds, alternative investment vehicles could be of a type with which members of the Savills Group have less familiarity, and therefore provide additional informational and operational uncertainty or difficulties in managing and disposing of investments through such entities.

Impact of Governmental Regulation and Legislative Changes

Changes in laws and regulations (or in the interpretation thereof) occurring from time to time in the jurisdiction in which the Funds will invest may worsen the legal and tax constraints within which the Funds will operate and, as a result, may require structuring and financing alternatives to be identified and implemented, increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, a Fund's assets.

An investment in a Fund involves a number of complex tax considerations

Changes in tax legislation in Singapore or any of the countries in which the Funds have investments, or changes in tax treaties negotiated by those countries, or conflict in interpretation of tax treaties by the relevant tax authorities, could adversely affect the returns achieved by the Funds. In particular, the legal and regulatory framework governing *tokutei mokuteki kaishas* (“**TMKs**”) continues to evolve and be reviewed by lawmakers and regulators. The Japanese taxation system is also undergoing significant changes as part of reform measures designed to stimulate the overall economy in Japan. These and other factors could lead to unanticipated changes in the tax laws and regulations relating to TMKs, and such changes may even apply to existing TMKs that were set up prior to the change in law. No assurance can be given regarding the actual level of taxation that may be imposed on the Funds or its investments.

Bankruptcy Considerations

Under certain circumstances, payments to the Funds in respect of certain investments in real estate and real estate related assets operating in workout mode or under applicable bankruptcy or corporate insolvency laws and distributions by the Funds to investors may be challenged or reclaimed by a trustee in bankruptcy (or similar officer) if any such payment or distribution is later determined to have been, for example, a transaction to defeat creditors or a preference under

applicable bankruptcy or corporate insolvency laws. Numerous other risks also arise in workout and bankruptcy contexts.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment, members of the Savills Group may be required to make representations about such investment. The Funds also may be required to indemnify the purchaser of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Savills Group may establish contingency reserves or escrow accounts.

Counterparty Risk

The Funds may be exposed to counterparty risk as part of their financial management: undrawn bank financing, hedging counterparts, guarantees received from purchases or from other parties.

General Risks Associated with Real Estate Investments

The value and marketability of a Fund's investments will depend on many factors beyond the control of the Fund, including all those risks associated with the acquisition, financing, ownership, operation and disposal of real estate. Real estate historically has experienced significant fluctuations in local values. Market conditions may result in long-term reductions in the value of real estate investments. There is no assurance that there will be either a ready market for any of the properties held by the Funds or that such properties will be sold at a profit or will yield a positive cash flow. Projects such as those targeted by the Funds are also generally subject to global cycles and market conditions affecting corporate businesses at large. The Funds' investments may thus be adversely affected by: the domestic and international economic climate; local real estate market conditions; changes in the supply of, or demand for, competing properties in a given area and the financial condition of buyers and sellers of properties and of tenants; energy and other supply shortages; changes in local road or rail networks; natural disasters and other "force majeure" events; various uninsured or uninsurable risks; government regulation (such as land use and zoning restrictions, environmental protection and occupational safety) and bureaucratic inertia; increases in taxes associated with the direct or indirect ownership, and the operation, of real property; interest rate fluctuations and the lack of availability of real estate financing; and the quality of management.

Investments through Other Partnerships and Joint-Ventures

Instead of purchasing projects directly, the Funds may invest as a partner or a co-investor with a non-related third party. This would involve additional risks such as potential limitations on the Fund's control of the property, possibility that the partner or co-investor becomes bankrupt or defaults on their obligations, or may have business interests unaligned with those of the Funds. An impasse on decisions may be reached if no party has full control over the partnership or joint-venture. This may subsequently result in disputes and litigations with a partner or a co-investor, increasing the Funds' expenses and diverting the Fund GPs from focusing their time and effort on the Funds' business. In the event of litigation, the Funds could be found liable to their co-investors or partners for a range of damages available under applicable law.

Environmental Liabilities

Investments acquired by the Funds may be affected by deleterious substances and other environmental problems. The Funds will therefore be subject to all the risks arising under applicable environmental laws and regulations from the acquisition, holding and disposal of contaminated properties, including loss and reduced returns resulting from environmental claims, related occupational safety issues and claims and the performance of requisite clean-up work. The liability of the Funds as owner of contaminated properties may exceed the value of the properties concerned and/or the aggregate assets of the Funds, and the laws and regulations relating to such liability may change. Such liability can be imposed without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances on or in the property. In addition to liability issues, environmental problems affecting projects within a Fund's portfolio may limit the Fund's ability to raise or maintain debt financing secured by such projects or to dispose of such projects.

Earthquake and tsunami risk

Japan lies in one of the most seismically active areas of the world and suffers the effects of earthquakes frequently, accounting for about 20% of the world's earthquakes of magnitude 6.0 or greater on the Richter scale. On average, over 1,500 earthquakes are recorded in and around Japan each year and earthquakes of magnitudes of 4.0 to 6.0 on the Richter scale are common. Japan has also suffered an estimated 200 recorded tsunamis in its history due to earthquakes that take place below or close to the oceans that surround Japan.

With its frequent exposure to earthquakes, Japan is one of the most seismically prepared countries in the world, with building codes designed to resist major earthquakes, exceptional emergency preparedness, a state-of-the-art tsunami warning system, and well-coordinated fire and disaster management agencies. However, a recurrence of a major catastrophe comparable to the Tohoku Earthquake and tsunami disaster of 11 March 2011 may potentially have a serious, widespread and long-term impact on the real estate market in Japan. If this occurs, the business, operations as well as market value of the properties held by the Funds are likely to be adversely affected as well.

Building damage, destruction and deterioration

Damage to any of a Fund's properties due to earthquake, seismic hazards such as soil liquefaction, fire, flood or other man-made or natural disaster or casualty event could have a material adverse effect on the Fund's business. Generally, the Asset Holding Vehicles will carry insurance to cover losses against fire and other physical losses; however certain types of losses are partially or completely uninsurable, such as personal damage. In addition, it is currently difficult to take out earthquake insurance policies on terms recognised as appropriate on cost and benefit basis. Under these circumstances, the Fund intends to maintain such insurance policies, based on the probable maximum loss ("PML") of the properties and in accordance with reasonable requirements raised by the trustees and/ or lenders. Should any of the properties suffer an uninsured loss or loss in excess of insured limits, or if an insurance company delays or refuses to pay for insured damages, an Asset Holding Vehicle could lose its capital invested in such property and this could cause a material adverse effect on the profitability of the Asset Holding Vehicle.

Property Leverage Risk

The Funds intend to leverage their investments with debt financing which will be non-recourse to the investors. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss of principal. For instance, the maturity date of a loan agreement associated with an investment may not align with that investment's completion date where significant delays arise. The prevailing borrowing market at any given time may make it difficult for the Funds to secure leverage for certain projects.

Credit Risks of Tenants

The Funds may be subject to the credit risk of its tenants. In the event that a Fund's tenants default on their leases and fail to make rental payments when due, there could be a significant decrease in the projects' exit values as well as a loss of revenues. In addition, the Funds may be unable to secure replacement tenants in a timely manner or on comparable or better terms if tenants default on their leases.

Lack of Liquidity of Investments

Real property is a relatively illiquid investment as it is non-fungible and the sale or acquisition of real estate requires considerable time and costs. In particular, more time and cost may be required if a significant defect is discovered in the physical condition or title to any real property. Consistent with other forms of investment, market prices of real property are impacted by changes in the economic climate or the balance of supply and demand for real estate. As a result, the acquisition or sale of real estate assets may not always be achievable by an Asset Holding Vehicle on terms favourable to the Asset Holding Vehicle, which could have an adverse effect on the profitability of the Asset Holding Vehicle.

Uninsured Losses

To the extent available, the Funds will maintain insurance on properties within its portfolio, in each case on such terms and with such insured limits as are customary for properties in the same location and of a similar type. Certain types of risk (such as from wars, nuclear accidents, terrorism, civil disturbances, earthquakes and environmental matters) may be either uninsurable or not economically insurable. In addition, there can be no assurances that the particular risks that are currently insurable will continue to be insurable on an economically affordable basis. In the event of an uninsured loss, or of a loss in excess of insured limits, a Fund may lose both its capital invested in, and the return expected from, the investments concerned while remaining liable with respect to indebtedness and other obligations incurred in connection with such investments.

Expert's Reports

While the Asset Holding Vehicles will have real estate appraisers investigate the prices and values of all their properties, each such appraisal valuation represents the opinion of the individual appraiser as of the valuation date and another appraiser investigating the same property could reach significantly different conclusions. Obtaining an appraisal does not guarantee or assure that the property can be sold at that value now or in the future. The Asset Holding Vehicles do not provide assurances that they will be able to sell or purchase properties at the appraisal prices. The Asset Holding Vehicles will obtain engineering and seismic reports on their properties. However, the reviews conducted in preparation of these reports are limited in their scope and there is no assurance that such reports will be accurate or complete. As a result, if an Asset Holding

Vehicle later discovers a significant engineering or seismic liability, the value of the property could fall, which could adversely affect the profitability of the Asset Holding Vehicle. In addition, while the Asset Holding Vehicles also obtain information from third party experts relating to a property's PML, these PML estimates are based on many subjective assumptions and no assurance is given as to their accuracy. As a result, if a large earthquake occurs in the future, an Asset Holding Vehicle may incur considerably more damage than expected thereby requiring unexpected funds to cover the cost of such damages.

Real Property Defects

The properties that an Asset Holding Vehicle acquires may have defects in the construction or structure (including defects due to non-compliance with applicable laws) that may require significant costs to repair, despite the Asset Holding Vehicle's due diligence investigations prior to the acquisitions. In many real estate property transactions in Japan, the seller assumes liability for latent defects. However, post-acquisition, such liability may not be enforceable against the seller or might be limited due to circumstances relating to the seller such as in the case of an acquisition from a seller who is being liquidated, or an acquisition under a court-ordered auction. Also, it is not uncommon that a seller assumes no latent defect liability and even if it assumes latent defect liability, the warranty period is typically limited only to two years after the delivery. In addition, if the seller's financial condition is insufficient to cover such liability the actual damages may not be recoverable. This could adversely affect the profitability of an Asset Holding Vehicle.

In addition, although title to the properties will be registered under Japanese law, in Japan, registration of title does not guarantee absolute ownership. Also, "title insurance" policies are not utilised in the Japanese real estate market. As a result, in the event of defects in the title to real estate, there is currently no remedy available other than making a claim for damages against the seller.

Occupancy Rates

In the event of non-renewal or early termination of a lease agreement, there is no assurance that a new tenant will be identified and moved into the property on a timely basis, thereby resulting in a decrease in the overall occupancy and expected rental revenues. Although in many cases the termination of lease agreements during the lease period is restricted and there are penalty provisions in the case of breaches, the penalty could be partially reduced or the effectiveness of the provision could be denied by the courts depending on the amount of the penalty fee and other conditions. Also, in some leases, early termination during the lease period by a tenant without paying any penalty is permissible. Moreover, an Asset Holding Vehicle will be required to refund the security deposit to each vacating tenant. If there is an insufficient amount reserved for this purpose, the Asset Holding Vehicle may be required to raise additional funds on unfavourable terms, which could adversely affect the profitability of the Asset Holding Vehicle.

Rent Reductions

Rents payable under lease agreements in Japan may be reduced by agreement either at the time the lease is renewed (which is generally every two years) or during the term of the lease agreement. In addition, a tenant has the statutory right to request for rent reduction in certain circumstances (including change of neighbourhood market rents) under the Act on Land and Building Lease (Act No. 90 of 1991), inclusive of subsequent amendments (the "**Act on Land and Building Lease**"), and such statutory right may not be excluded by agreement in case of a standard building lease. In the

event of deterioration in the rental market, an Asset Holding Vehicle might have to agree to requests for rent reduction from tenants during the lease term of the agreements and the profitability of the Asset Holding Vehicle could be adversely affected.

Competition for Tenants

The Asset Holding Vehicles expect to compete for tenants with numerous other owners of properties in the same and surrounding areas on the basis of a wide range of factors, including location, appearance, age, construction quality, design, maintenance, rent levels and lease terms. Should tenants consider competing properties to be superior, an Asset Holding Vehicle may need to reduce rents or incur additional costs in order to retain such tenants and this could have a material adverse effect on the profitability of the Asset Holding Vehicle.

In addition, in respect of retail facilities, because retail areas and regions are limited, if new facilities are constructed in the vicinity of properties held by an Asset Holding Vehicle, it may be difficult to attract and retain tenants. Further, if an Asset Holding Vehicle loses tenants, it may be unable to fill vacancies on a timely basis because the specifications and interior designs of retail facilities are different for each tenant. As a result, the Asset Holding Vehicle may need to reduce rents or incur additional costs to modify the specifications of the interior in order to attract replacement tenants. Moreover, when leasing retail facilities there is a tendency to compete for tenants with similar business profiles due to the location and building construction. In particular, if the tenants' business is of a specific type such as a retail or department store, the success or failure of such tenants' business due to deterioration in the consumer market could have a material adverse effect on the profitability of an Asset Holding Vehicle.

Master Leases

The Funds may have an Asset Holding Vehicle to use the arrangement of master lease agreements for some or all of its real property. Under these master lease agreements, the master lessee will have the primary leasehold interest in the properties, and will sublease to the end-tenants. Although the Asset Holding Vehicle will retain ownership or beneficiary interest in the properties, it may lose the ability to select end-tenants or evict end-tenants who default on rent payments. In addition, the title holder of the real property such as the real property trustee for an Asset Holding Vehicle will be an unsecured creditor of the master lessees in respect of substantially all of the rent from such properties. Any insolvency of the master lessee at any of these properties may lead to losses, which could have a material adverse effect on the profitability of the Funds.

Building and Other Regulations

Although the Asset Holding Vehicles expects their properties to be substantially compliant with current requirements imposed by applicable administrative laws and local ordinances, the enactment of new or additional regulations, including those relating to buildings standards, handicap accessibility, environmental protection, and zoning restrictions could force the Funds to incur costs in modifying or improving the properties to comply with any such regulations, as well as, prevent it from disposing of the properties under satisfactory terms. The amount of these compliance costs could have an adverse effect on the profitability of an Asset Holding Vehicle.

Co-ownership of Property

In acquiring co-ownership interests in properties, the title holder's rights may be restricted by rules agreed to between the co-owners. As co-owned properties are managed by the co-owners with majority interests, in the event that a Fund owns less than the majority interest in the properties, an Asset Holding Vehicle's intentions may not be reflected in the management of such properties. In addition, co-owners have the right to use the entire property in proportion to their equity interests and as a result, the ownership or use of the property may be impaired by the exercise of these rights by the majority co-owners.

When co-owned real property is leased to a third party, it is generally considered that the obligation to return security deposits under the lease agreement is not divisible. Therefore, if the other co-owner fails to perform its obligation to return security deposits, the Funds may have to return the security deposits to the tenant owed by such other co-owner. The same risk applies if another co-owner fails to perform its obligation to pay taxes or other public charges such as fixed asset tax or expenses such as repairs and insurance premiums.

In general, a co-owner has the right to demand that such property be partitioned with each part owned separately. Although special provisions may be agreed upon by the co-owner to contractually prohibit the exercise of such right of partition, such provisions are only valid for a period of five years (which may in turn be renewed for subsequent five-year periods). If a co-owner becomes subject to bankruptcy proceedings, corporate reorganisation or civil rehabilitation proceedings, the trustees in the proceedings of such co-owner may have the right to demand partition.

Also, co-owners are, in principle, free to dispose of their respective equity interests without the consent of the other co-owners, which may result in a change of co-owners irrespective of a Fund's intentions. However, although certain pre-emptive rights or rights of first refusal of the other co-owners may restrict such sales occurring without the knowledge of the Funds, on the other hand, other co-owners may restrict the Funds when it intends to sell its co-owned property.

Unit Ownership Interests

Unit ownership interests refer to interests under the Act on Unit Ownership, etc. of Building (Act No. 69 of 1962), inclusive of subsequent amendments (the "**Unit Ownership Law**") whereby the building is divided into different portions by, for example, floors or apartments which can be separately owned. Property owned in the form of unit ownership interests are subject to various administrative rules among the owners of interests including restrictions on transfers to a third party. Such administrative rules may be amended by approval of (a) three quarters of the owners of the unit ownership interests and (b) three quarters of the voting rights. Meetings of unit owners are held at least once a year, and approvals by a: (i) majority of all the owners, (ii) majority of voting rights, are required to make decisions unless otherwise provided in the Unit Ownership Law or administrative rules and, (iii) supermajority vote for the administration of major matters, such as a decision to rebuild the property. Should an Asset Holding Vehicle own less than the required percentages of the unit ownership interests for voting in meetings, the Asset Holding Vehicle's intentions may not be reflected in the management of a property.

Each individual owner of unit ownership interests is, in principle, free to dispose of their respective interests, which could result in a change of the other unit owners regardless of the Asset Holding Vehicle's intentions. On the other hand, if the Funds intend to sell its unit ownership interests held

in the properties, certain pre-emptive rights, rights of first refusal, or other obligations of the other owners of unit ownership interests may restrict the completion of such intended transaction.

Leasehold Rights

Under Japanese law, buildings can be owned independently of the underlying land and as such it is not uncommon for the land owner to be different from the building owner. For example, where an Asset Holding Vehicle owns a building, it may only hold a leasehold interest in the underlying land. However, leasehold rights may be extinguished when the term expires. In some situations, the party that created the leasehold right may refuse to renew the leasehold right if there are reasonable grounds to do so or terminate the leasehold right if there is any default such as a default on payment of land rent. If an Asset Holding Vehicle holds leasehold rights in property which are terminated, the rental revenues will be affected resulting in adverse effect on the profitability of the Asset Holding Vehicle. Even if an Asset Holding Vehicle is subsequently able to purchase the property that was previously only leased, the Asset Holding Vehicle may incur additional costs in purchasing the property, which may not be sold to the Asset Holding Vehicle on favourable terms.

In order for owners of buildings to perfect their leasehold interest in the underlying land, the building owner lessee must register its leasehold interest or own the registered building on the underlying land. If the interest in the land is not perfected, the owner cannot assert its leasehold interest against a new purchaser. Furthermore, the leasehold interest is subject to any mortgage over the underlying land if it is registered prior to the registration of the leasehold interest. Therefore, to the extent that an Asset Holding Vehicle owns a leasehold interest that was not perfected prior to a registered mortgage, if the mortgagor owner of the land becomes insolvent, there is the risk that the mortgagee will foreclose on the land with the result that the Asset Holding Vehicle's security deposit may not be returned and the lessee may be required to vacate the land before the end of the lease term.

In addition, under the Civil Code (Act No. 89 of 1896), inclusive of subsequent amendments (the “**Civil Code**”), a lessee of leasehold right (*Chinshakukun*) (as opposed to superficies (*Chijou-ken*), which is generally transferable) is required to obtain the approval of the lessor to transfer the leasehold right (Article 612, Paragraph 1 of the Civil Code). However, there is no guarantee that an Asset Holding Vehicle will be able to obtain such approval promptly and, even if it obtains such approval, the lessor might demand payment of a fee for such approval. Consequently, the Asset Holding Vehicle may not be able to dispose of any leasehold building on terms favourable to the Asset Holding Vehicle.

Environmental Pollutants

Prior to the acquisition of a property, an Asset Holding Vehicle will normally obtain an environmental assessment of the property. However, this assessment may not be adequate to identify all potential environmental problems, which can be hidden or otherwise impossible to detect. Under the Soil Contamination Countermeasures Act (Act No. 53 of 2002; inclusive of subsequent amendments), a current owner of real property may be held strictly liable for the removal or remediation of hazardous or toxic substances on such property, whether or not the owner knew of or was responsible for the presence of such hazardous and toxic substances. An Asset Holding Vehicle may also be held liable under other laws for the use of asbestos and PCBs on its properties. In addition, the presence of hazardous or toxic substances, or the failure to remediate

such substances, could have a material adverse effect on an Asset Holding Vehicle's ability to dispose of the real property or borrow using the real property as collateral.

Liability to Third Parties

In the event of an injury to a third party that is caused by a defect in the installation or structure of an Asset Holding Vehicle's property, the Funds, as the owner of the property, will be strictly liable for the injury caused under the Civil Code. However, in the event that no insurance policy is maintained or no insurance benefits are paid out under an insurance policy, the Asset Holding Vehicle may incur significant liability to indemnify the third party, resulting in an adverse impact on the Asset Holding Vehicle's profitability.

Reduction in Property Value Due to Tenants

An Asset Holding Vehicle will decide whether to renew or conclude each lease agreement after taking into account the attributes and financial resources of each tenant. Although it intends to manage the properties through property management companies, an Asset Holding Vehicle may not be able to closely monitor how each tenant uses the property and whether they may engage in unauthorised activities such as subleasing the property without consent, permitting an anti-social group to occupy the property, or performing interior alterations in violation of building regulations. As a result, an Asset Holding Vehicle could incur costs to remedy such activities, which could adversely affect the profitability of the Asset Holding Vehicle.

Bankruptcy of Seller

In Japan, registration of title does not guarantee absolute ownership. Accordingly, if a former owner of a property an Asset Holding Vehicle acquires subsequently becomes insolvent due to bankruptcy, corporate organisation or civil rehabilitation proceedings, the Asset Holding Vehicle could face a claim for fraudulent conveyance, or the purchase could be declared void. For example, if the seller becomes insolvent at the time an Asset Holding Vehicle acquires the property, the acquisition may be voided by the creditors or bankruptcy trustee of the seller with the result that the property will be transferred to the bankruptcy estate and the Fund may eventually only recover a fraction of the purchase price from the bankruptcy proceedings.

In addition, depending on the circumstances surrounding a property purchase, the purchase may not meet "true sale" requirements under Japanese law and may be considered a secured financing. In such a case, the relevant property would be deemed to still belong to the seller and an Asset Holding Vehicle would lose its ownership interest in the property and be left with only a security interest in the property. This situation could occur when the seller becomes insolvent by way of bankruptcy, corporate reorganisation or civil rehabilitation proceedings. In the event that any properties acquired by an Asset Holding Vehicle are considered a secured financing, there could be an adverse effect on the profitability of the Asset Holding Vehicle.

Restrictions on the Sale of Property

In some cases, lease agreements often contain commitments from the lessor to the lessee that, during the term of the lease agreement, the property will not be sold or the lessee has a pre-emptive rights or rights of first refusal for the purchase of the real property prior to any sale to a third party. To the extent that these commitments are contained in lease agreements entered into

by an Asset Holding Vehicle, the Asset Holding Vehicle may be unable to sell its property under favourable terms and market conditions and as a result the profitability of the Asset Holding Vehicle could be adversely impacted.

Liability for Defects in Properties Sold

Under Japanese law, in the event that an Asset Holding Vehicle sells any property that contains any physical or legal defects, the Asset Holding Vehicle may be deemed liable for such defects. Further, in addition to statutory or regulatory liability, there is a risk that an Asset Holding Vehicle may be contractually liable for breaches of representations and warranties, defects in the transferred property, or other factors under the provisions of any purchase and sale agreement.

Risks Associated With a TMK Structure

The Funds may make investments in real property through the use of securitisation vehicles known as TMKs, which are special purpose limited liability entities organised under the TMK Law. TMKs are highly regulated, with direct regulatory supervision and governmental filings required for most material actions (including, without limitation, acquiring property and incurring debt). The TMK Law and the rules and regulations governing TMKs, and their interpretations thereof, are subject to change from time to time.

Risks Associated With a TK Structure

All assets with respect to the business and operations of a TK (including capital contributions) belong to its operator and no TK investor has any title in such assets of the TK, except for such rights as are set forth in the TK agreement which entitle a TK investor to the repayment of all or a portion of a TK contribution. In addition, no TK investor has any right to make decisions with respect to the business of a TK conducted by its operator, nor any right or obligation with respect to profits generated or costs incurred through the business of a TK, except for such rights set forth in the TK agreement which may allow, among other things, such TK investor to receive distributions of profits or assume losses.

TK Agreement not being recognized as "Tokumei Kumiai Agreements"

While the Funds, through one or more Asset Holding Vehicles, intends to enter into or otherwise become party to TK agreements and make TK investments thereunder, there is risk that one or more of such TK agreements will not be recognised as "TK agreements" due to changes in the treatment of such agreements under or the interpretation of applicable tax and other laws. Should a TK agreement not be recognised as a TK under applicable tax and other laws, the relevant Asset Holding Vehicle and/or the Funds may suffer higher taxes than previously expected.

Restricted Transfer of Status under a TK Agreement

No direct or indirect sale, assignment or transfer of a TK interest may be made without the prior written consent of the TK operator, which may be granted or withheld by the TK operator in its sole and absolute discretion. In addition, an Asset Holding Vehicle may not transfer its TK interest unless it transfers all of its TK interest in whole, and not in part, to a single transferee in a single transaction. Furthermore, since no stock exchange or trading market presently exists for such TK investor status or rights and the liquidity of such TK investor status or rights is extremely limited, a

TK investor may be unable to make an assignment, or may only be able to make an assignment at a price that is lower than desired.

Risks Associated with the Trust Held by the Asset Holding Vehicles

(i) Risk Associated with Beneficiary Interest

The beneficiary in a trust enjoys benefits of the trust but, on the other hand, the trust beneficiary is ultimately liable for expenses of the trust including, but not limited to, taxes on the trust assets (i.e., the real property), remuneration of the trustee and damages claimed by third parties on account of defects in trust assets, based on individual agreements between the trustee and the beneficiary. Accordingly, when an Asset Holding Vehicle acquires the beneficiary interest in a trust with trust assets of real property, lease rights on land or superficies, the Asset Holding Vehicle should acquire such beneficiary interest after having taken protective measures similar to those measures taken in cases where the Asset Holding Vehicle acquires real property itself. Such measures include but are not limited to the performance of sufficient due diligence and the purchase of property insurance, where the trustee is named as the insured under a policy underwritten by an insurance company with adequate financial capacity to compensate the trustee for damage sustained. After an Asset Holding Vehicle becomes the beneficiary of a trust, lease rights over the land or superficies, the Asset Holding Vehicle will, through the trustee, bear risks substantially the same as in the case that the Asset Holding Vehicle has acquired the real property itself, as stated above.

The trustee in a trust is entitled to be compensated for damages sustained in relation to the operation of the trust through the use of its trust assets or by requiring the beneficiary to compensate for such damage. To ensure such compensation, the trustee may retain trust assets until the completion of such compensation and if the trustee is not paid trust expenses, it may sell the trust assets for reimbursement of such expenses. Accordingly, in the event that such damage and/or expenses are compensated with trust assets or an Asset Holding Vehicle as trust beneficiary is required to compensate for such damage and/or expenses, the Asset Holding Vehicle's income may be adversely affected.

Furthermore, in the event that the initial settlor is liable to the trustee of the real property for any latent defect(s) in the real property existing as of the time of commencement of the trust, and if the trustee does not pursue or is unable to pursue such liability, an Asset Holding Vehicle may sustain unexpected damage.

(ii) Risk Associated with the Liquidity of Beneficiary Interest

When an Asset Holding Vehicle holding the beneficiary interest in real property trust intends to dispose of the real property through the trustee, the Asset Holding Vehicle may face the liquidity risk of real property as stated above.

When an Asset Holding Vehicle assigns the beneficiary interest in a real property trust, the Asset Holding Vehicle will be required to obtain the trustee's approval for the disposal under the relevant provisions of the trust agreement.

On the other hand, even though the beneficiary interest in a trust is a "deemed security" under FIEL, it does not have the nature of securities in the traditional sense. As a result, unlike traditional

liquidity securities, there exists no secondary market for trust beneficiary interests, so their liquidity is considered to be low in comparison with traditional liquidity.

(iii) Risk Accompanying Debt Owed by Trustee

There is a risk that an Asset Holding Vehicle holding the beneficiary interest in real property trust sustains unexpected damage due to the trustee disposing of the real property in violation of the purpose of the trust or owing debts where the real property is given as security or the like. The Japanese Trust Act (Act No. 108 of 2006) (the “**Trust Act**”) stipulates that the beneficiary is entitled to cancel a disposition of trust corpus made in violation of the purpose of the trust (Article 27 of the Trust Act), but damages due to such disposition will not always be prevented by exercise of the right of cancellation.

(iv) Risk Concerning Sale of Real Property after Return Based on Trust Agreement

In the event of a sale of the real property after its return to an Asset Holding Vehicle due to termination of the trust agreement, the Act Concerning Designated Real Estate Joint Enterprises (Act No. 77 of 1994; inclusive of subsequent amendments; the “**Designated Real Estate Act**”), may apply. In such case, the Asset Holding Vehicle may thereafter intend to obtain permission based on Article 3 of the Designated Real Estate Act or retain an asset manager licensed under Article 3 of the Designated Real Estate Act or enter into a new trust agreement subjecting the real property. However, such conduct will face more severe restrictions involving liquidity of the real property than stated in above and transaction costs will increase.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of SIM US’s advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Financial Industry Affiliations

Various members of the Savills Group, which are affiliates of SIM US, provide services to the Funds and their investments (as well as other Savills Group clients).

GTOF

GTOF Fund GP serves as the general partner of GTOF and provides discretionary advice to GTOF. GTOF Fund GP is responsible for the safekeeping of GTOF’s property (but has delegated certain of those responsibilities to GTOF’s depositary), and is effectively the manager of GTOF (though it has delegated certain day-to-day management functions to the GTOF Fund Manager).

The GTOF Fund Manager provides non-discretionary advice to GTOF and is the “alternative investment fund manager” of GTOF (and, in that capacity, provides risk and portfolio management services to GTOF). The GTOF Fund Manager also provides fund management services to GTOF (such as managing GTOF’s property and making investment and divestment recommendations to GTOF Fund GP).

The GTOF Investment Manager provides investment management services to the Singapore Holdco (including implementing its investment objective, sourcing investment and divestment opportunities, evaluating potential opportunities and monitoring the performance of investments).

The Property Advisor identifies investment opportunities, and provides asset advisory services to the GTOF Investment Manager and the Asset Holding Vehicles.

Savills Japan Co., Ltd. acts as property manager for one of GTOF's indirectly held properties (and its appointment was approved by the Investor Advisory Committee). Savills Japan Co., Ltd. also operates as a real estate broker and has a license (class 2) with the Japan Financial Services Agency for brokering real estate held in trust, but has not been used by GTOF in that capacity.

JVF II

JVF II Fund GP serves as the general partner of JV F II and provides discretionary advice to JV F II. JV F II Fund GP is responsible for the safekeeping of JV F II's property (but has delegated certain of those responsibilities to JV F II's depositary), and is effectively the manager of JV F II. JV F II GP has delegated certain day-to-day management functions to the JV F II Management Company, which may make investments through various Asset Holding Vehicles.

The Property Advisor identifies investment opportunities, and provides asset advisory services to the JV F II Management Company and the Asset Holding Vehicles.

JVF II may engage Savills Investment Architecture Design, an affiliate of Savills Investment Management, to provide architectural services in respect of one or more investments. Savills Investment Architecture Design will provide such service at market fees and on other terms determined at an arm's length basis by JV F II Fund GP, subject to approval by the JV F II Investor Advisory Committee.

Potential Conflicts of Interest

Generally

Due to the extensive operations undertaken by the Savills Group, which include a wide spectrum of real estate funds management and real estate investment and other real estate businesses, it is inevitable that conflicts of interest may arise between the Funds, the Singapore HoldCo or Asset Holding Vehicles on the one hand, and any of the Fund GPs, the GTOF Fund Manager, the GTOF Investment Manager, the Property Advisor, the JV F II Management Company and their respective shareholders, officers, directors and employees (together, the "**Connected Parties**") on the other. SIM US's Code of Ethics and related compliance policies and procedures require the reporting and review of potential conflicts of interests associated with SIM US and the Connected Parties to address and/or mitigate such conflicts of interests where deemed appropriate.

Carried Interest

The existence of the carried interest may create an incentive for the Fund GPs to make more speculative investments on behalf of the Funds than they would otherwise make in the absence of such performance-based arrangement (see [Item 6](#) for additional disclosures).

Interested Party Transactions

As described above in this Item 10 and in Item 5, the Property Advisor provides property management services to the Asset Holding Vehicles and Savills Japan Co., Ltd. acts as property manager for one of GTOF's indirectly held properties. The use of affiliates in connection with these services raises potential conflicts of interest in that there may be an incentive for a Fund's service providers to favor (or cause the investments in which the Funds have an interest to favor) affiliates over more qualified service providers or to agree to pay fees that are higher than the fees charged by third parties for comparable services. Under the terms of the Fund Documentation, members of the Savills Group are permitted to (i) provide any management, leasing or other services in respect of an investment owned by the Funds or any Asset Holding Vehicle and (ii) introduce potential investments to the Funds, provided that any fees are on bona fide commercial arm's length terms (and Investor Advisory Committee consent is obtained, if required by the Fund Documentation). Any transactions between the Savills Group (or its personnel) and the Funds (or the Singapore HoldCo or any alternative investment vehicle) must be conducted in accordance with the terms of the Fund's Documentation (including Investor Advisory Committee consent, where applicable) and applicable law (including Section 206(3) of the Advisers Act).

Competition with the Funds and the Connected Parties in the Purchase, Operation and Sale of Investments

The Connected Parties presently furnish advisory, asset management and consulting services to the Funds, as well as to other clients. Conflicts of interests may arise between the Connected Parties, the Funds and other clients in the allocation of investment opportunities among the Funds, members of the Savills Group and their clients. Since members of the Savills Group and their respective clients may from time to time be seeking investments similar to those desired by the Funds, situations may arise in which the interests of the Fund GPs, the GTOF Fund Manager, the GTOF Investment Manager, the JVF II Management Company and their Associates conflict with those of the Funds. Potential conflicts of interest may arise from the possibility that a Fund's investments may compete with properties owned or managed by the Connected Parties for sale, leasing or financing opportunities.

The Funds may participate in investments with other clients of the Connected Parties (in which case, conflicts of interest could arise, for example, in the context of varying investment timelines and different levels of seniority). The Funds will only participate in such joint investments subject to Investor Advisory Committee consent.

Conflicts and Competition For Time and Services of the Connected Parties

The Connected Parties provide services to the Funds, its special purpose vehicles, and Asset Holding Vehicles (and other clients) and there may be conflicts involving their duties to the respective entities (in respect of allocation of personnel and such personnel's time). (See "Other Investment Funds" below for additional disclosures related to allocation of personnel.)

Co-investment Opportunities

From time to time pursuant to the terms of the Fund Documentation, the Fund GPs may, but shall not be obligated to, offer the opportunity to invest in a co-investment opportunity to some or all of a Fund's investors or third parties, provided that the Fund may invest side-by-side with an investor not related to the Fund's service providers or a third party without providing the opportunity to

other investors as determined by the Fund GPs in their sole discretion. Potential conflicts may be inherent in, or arise from, the Fund GPs' discretion in determining when to make such opportunities available to Fund investors or third parties. In addition, once such co-investments are made, a Fund's interests and those of co-investors may subsequently diverge as market conditions shift or other opportunities become available.

Cooperative Partners

Some of the third-party operators and cooperative partners with which the GTOF Investment Manager or JVF II Management Company may elect to co-invest a Fund's capital may have pre-existing investments with the Funds' service providers or their Associates. The terms of these pre-existing investments may differ from the terms which a Fund invests with such operators and partners. To the extent that a dispute arises between a Funds' service providers (or their Associates) and such operators and partners, the Fund's investments may be affected.

Other Investments

Certain of the directors, officers, employees or Associates of the Funds' service providers may have interests in other investments sponsored by or associated with the Savills Group. The performance or financial returns on such other investments may be at odds with those of the Funds (see Item 11 below for related disclosures).

Other Investment Funds

The Savills Group manages (and, subject to the restrictions described above, may establish) other funds or accounts that may invest in assets eligible for purchase by the Funds ("**Other Accounts**"). The investment policies, fee arrangements and other circumstances of the Funds may vary from those Other Accounts. The Funds' service providers will attempt to allocate investment opportunities in a manner that it deems fair and reasonable in its discretion. The existence of Other Accounts could affect adversely the size of the investment purchased or sold by the Funds.

The Funds' service providers and their Associates may from time to time incur expenses on behalf of the Funds and Other Accounts. The Funds' service providers will attempt to allocate such expenses on a basis they consider to be equitable, however, there can be no assurance that such expenses will in all cases be allocated appropriately.

The Funds' service providers and their Associates will allocate such time and attention as they deem appropriate and necessary to carry out the operations of the Funds effectively. However, such officers, directors and employees will continue to devote time to the management and operation of the Savills Group, its existing businesses and the Other Accounts. Therefore, as the Funds' personnel will work on other projects, conflicts may arise in the allocation of certain personnel and other resources.

Confidential Information

Associates of the Savills Group may receive certain confidential client information in the normal course of their business (or in connection with personal trading related to REITs). Such confidential information would not ordinarily be available to the GTOF Fund Manager, the GTOF Investment Manager or the JVF II Management Company in connection with the Funds' business. However, the possession of such information by such Associates may preclude the Funds from engaging in certain

transactions or impose restrictions on certain transactions. SIM US and the Savills Group maintains procedures to be employed when it identifies that it is in possession of inside information on a public company. Such procedures include requiring declarations to be provided to compliance personnel, maintenance of insider lists and use of stop requests.

Common Counsel

Legal counsel, accountants and advisors who may represent or act for the GTOF Fund Manager, GTOF Investment Manager, JVF II Management Company or the Funds, either currently or in the future, may represent their clients in relation to a variety of different matters and may under certain circumstances serve as counsel, accountants and advisors to service providers to certain fund portfolio holdings and Asset Holding Vehicles or other persons involved in transactions with the foregoing. Such counsel, accountants and advisors should not be deemed to represent or advise prospective investors in connection with their investment in the Funds. Each prospective investor should consult its own legal, tax, financial and accounting advisors with respect to its investment in the Funds and in particular its own personal financial and tax situation.

Limited Partner Advisory Committee

The Funds have each established an advisory committee (the “**Investor Advisory Committee**”), whose members are designated by the respective Fund GP. The Investor Advisory Committee is responsible for approving any potential conflicts of interest identified in any transaction that are presented to the Investor Advisory Committee (or required to be approved by the committee by the terms of the Fund Documentation).

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

SIM US has adopted a Code of Ethics (the “**Code**”) that is applicable to its “Supervised Persons” and recognizes that the personal securities transactions and investments of “Access Persons” (i.e., those persons who have access to certain of SIM US and its affiliates investment information and transactions) require the application of restrictive compliance policies on such transactions and activities to ensure that such personal transactions do not endanger the interest of any Fund or its Investors.

The Code describes the expected standard of conduct and fiduciary duties of Supervised Persons, and limits on certain personal trading and investments of Access Persons and their immediate family/household members. To address conflicts of interests, the Code generally sets forth the standard of ethical and professional business conduct policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that SIM US and each of its Access Persons owes to the Funds. Such policies and procedures require Access Persons to report and pre-clear certain personal trading and investments. Access Persons must also provide SIM US’s Chief Compliance Officer with initial holdings reports. In addition, Access Persons must provide annual holdings reports and quarterly transactions, where applicable, in accordance with Rule 204A-1 of the Advisers Act.

SIM US or its affiliates may also maintain a restricted list that includes issuers about which any Access Person may have material non-public information. As a general matter, Access Persons are prohibited from trading in the securities of issuers that are included on the restricted list (or any other securities to which the material non-public information relates) for either a personal account or for any Fund.

SIM US's compliance team periodically monitors Access Persons' personal account trading against the restricted list and general compliance with the Code. The Code is circulated at least annually or when amended to all Access Persons and other Supervised Persons where applicable, and each Supervised Person at must annually certify in writing that he or she has received and followed the Code and any amendments thereto.

The Funds, prospective SIM US clients and investors in the Funds may obtain a complete copy of SIM US's Code of Ethics free of charge by submitting a written request to SIM US's Chief Compliance Officer at joe.dibartolo@savillsim.com.

General Conflicts

Connected Parties may invest, on behalf of themselves, in securities and other instruments that would be appropriate for, are held by, or may fall within the investment guidelines of the Funds. Connected Parties may also give advice or take action for their own accounts that may differ from, conflict with, or be adverse to, advice given to or action taken for the Funds. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for SIM US's clients. While SIM US believes that it is unlikely that Connected Parties would acquire investments otherwise appropriate for the Funds (given the nature and size of the Funds' investments), the Savills Group has established declaration requirements related to personal trading.

The Code also includes other policies and procedures for the review and pre-clearance by SIM US's Chief Compliance Officer of certain activities such as: (1) restrictions placed on Supervised Persons on the acceptance and provision of gifts and entertainment reflective of the Savills Group policies; (2) approval of Supervised Person's outside business activities that may conflict with SIM US business activities and the Funds' interests including Investors to the Funds; and, (3) restrictions and pre-clearance by the SIM US Chief Compliance Officer on certain political contributions made to state and local government officials in the United States and candidates for such offices, as well as other activities to comply with U.S. regulations.

Affiliated Investments, Cross Trades and Principal Trades

In accordance with the anti-fraud provisions of the Advisers Act and SIM US's policies and procedures, neither SIM US nor its related persons will, as a principal, sell a security to, or buy a security from, any advisory client, without providing appropriate disclosure to and obtaining the prior consent of that client prior to the settlement of that transaction. Prior to effecting or recommending a principal or cross transaction, SIM US or its affiliates determine independently that such principal or cross transaction would be appropriate for the Funds or clients involved, based upon, among other things, each Fund's or clients investment/risk parameters, assets under management, liquidity and portfolio exposure, tax considerations and any other relevant factors and compliance with Advisers Act regulations. The Transaction Advisory Committee reviews the proposed transaction for the Funds for potential conflicts of interest, the terms of the Fund governing documents and for required consents and approvals prior to the transaction.

Item 12 – Brokerage Practices

Selection of Brokers

Affiliates of SIM US (the Fund GPs, GTOF Fund Manager and JVF II Management Company) have the authority to determine whether to utilize real estate brokers or other service providers on the purchase or sale of real estate, and the level of fees paid for these services. The nature of the Funds' investments are acquisitions through special situations and as such the role of intermediaries at acquisition is narrower in scope than other markets or funds and they primarily serve to satisfy regulatory requirements that a licensed broker be involved.

When the Funds are sellers, a decision to use a particular real estate broker on a disposition is typically driven by the potential buyer. The Funds considers offers both directly from buyers and through multiple real estate brokers, with the primary criteria being the amount of the net proceeds after fees and costs and the ability of the actual end buyer to execute the transaction within the required time frame. On the sales side, real estate brokers include a mix of trust banks, real estate firms, and, least frequently, international brokerages.

When the Funds are buyers, as a regulatory matter, a real estate broker is necessary to prepare and take responsibility for the property description and disclosures relating to the real estate and, if applicable, the trust in which it is held. In these types of acquisitions, the entity providing these services will typically be designated by the seller or creditor group. A unique feature of the Japan market is that the largest real estate brokers are the trust banks, are often the legal owners of the property through the entrustment services and therefore the most familiar with the asset and are also directly or through their group banking affiliates creditors of the property owner. On the acquisition side, the real estate brokers are generally one of the major trust banks.

The Savills Group receives or may receive research and market information from real estate brokers and other intermediaries, as well as information about properties being offered for sale by other clients of these intermediaries. The receipt of such materials or information is in the ordinary course of business and ordinarily do not impact the decision to utilize a specific service provider, and should not impact the fees being charged on a specific transaction.

The Savills Group does not consider, in selecting or recommending intermediaries, whether it or a related person receives investor referrals from such intermediaries. The Savills Group does not enter into directed brokerage arrangements.

Item 13 – Review of Accounts

A. Review

The Managing Director of SIM US will conduct reviews of all aspects of the Funds' portfolios on an ongoing basis, including reviews related to market conditions, tenants, property improvements and liquidity risks.

B. Reports to Clients

Fund investors receive:

- 1) annual reports of the Funds prepared in accordance with applicable law, including the AIFMD where applicable. The annual report shall include, amongst other things, the annual audited financial statements for a Fund and shall be provided to investors in a Fund within four (4) months of the end of each financial year. Copies of each Fund's annual report shall also be made available to applicable competent regulatory authorities;
- 2) quarterly update reports for the Funds (that cover all facets of the specific portfolio investments as well as market conditions and other risk factors), within 45 days of the end of each financial quarter; and
- 3) quarterly statements of the particular investor's capital account.

The annual or quarterly reports to investors will, where necessary, include any additional periodic disclosures required under the AIFMD. The reports provided to Fund investors are written.

Item 14 – Client Referrals and Other Compensation

SIM US's affiliates may enter written arrangements with placement agents or third-party cash solicitors. To the extent SIM US's affiliates engage a placement agent, such terms and conditions will be disclosed to each potential investor in a Fund consistent with applicable U.S. law, where applicable. To the extent SIM US's affiliates engages a third-party cash solicitor, all such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Item 15 – Custody

SIM US will not be deemed to have custody of the assets of the Funds or other clients since SIM US or its employees do not hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them. To the extent required by applicable law, the Funds' securities and funds are held by qualified custodians. As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm for the Funds. Fund investors are urged to carefully review such statements.

Item 16 – Investment Discretion

SIM US does not currently, but may in the future, have discretion to manage client accounts. Any such discretion will be based on the relevant client's investment objectives, policies and strategies and the terms of any side letters. SIM US anticipates that it will typically assume this authority through its investment management agreement with the relevant client.

Item 17 – Voting Client Securities

Summary of Proxy Voting Policies and Procedures

Generally, SIM US does not acquire investments that require it to vote proxies on behalf of its clients. However, pursuant to Rule 206(4)-6 under the Advisers Act, SIM US is providing this summary of its proxy voting process if it were to vote proxies on behalf of its clients, as well as

information as to how investors in the clients may obtain SIM US's complete proxy voting policy and procedures and information as to how proxies were voted for securities held by the client if SIM US were to vote such proxies.

To the extent proxy voting is part of a particular investment strategy, SIM US has adopted proxy voting policies and procedures designed to ensure that where its clients have delegated proxy voting authority to SIM US, all proxies are voted in the best interest of its clients without regard to the interests of SIM US or related parties. Clients may not direct SIM US's vote in a particular solicitation. SIM US's proxy voting policies provide that, in the case of any potential material conflict of interest related to a proxy vote, (i) SIM US's Chief Compliance Officer will determine the manner in which the proxy will be voted (and may involve Investor Advisory Committee consent) or (ii) the proxy will be voted through a third party proxy service. SIM US believes that either of these alternatives would serve to address any potential conflict of interest related to the proxy vote between SIM US and its clients.

Investors in the Fund may obtain a complete copy of SIM US's Proxy Voting Policy and Procedures or information on how SIM US voted proxies for the Fund free of charge by submitting a written request to SIM US's Chief Compliance Officer at joe.dibartolo@savillsim.com.

Item 18 – Financial Information

Form ADV Part 2 requires investment advisers such as SIM US to disclose any financial condition reasonably likely to impair their ability to meet contractual commitments to clients. At this time, SIM US has no information to report that is applicable to this Item 18.