



MARCH 2019

# CBRE GLOBAL INVESTMENT PARTNERS LIMITED (CBRE GIP)

PART 2A OF FORM ADV THE BROCHURE

**CBRE**  
GLOBAL  
INVESTORS

# TABLE OF CONTENTS

1. MATERIAL CHANGES .....	3
2. ADVISORY BUSINESS .....	4
3. FEES AND COMPENSATION .....	6
4. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	7
5. TYPES OF CLIENTS .....	8
6. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	9
7. DISCIPLINARY INFORMATION .....	14
8. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	15
9. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL .....	19
10. BROKERAGE PRACTICES .....	22
11. REVIEW OF ACCOUNTS .....	25
12. CLIENT REFERRALS AND OTHER COMPENSATION .....	26
13. CUSTODY .....	27
14. INVESTMENT DISCRETION .....	28
15. VOTING CLIENT SECURITIES .....	29
16. FINANCIAL INFORMATION .....	30

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This brochure provides information about the qualifications and business practices of CBRE Global Investment Partners Limited ("CBRE GIP" or "we"). If you have any questions about the contents of this brochure, please contact us at +44 20 7809 9000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

CBRE GIP's registration number is 801-80391.

Additional information about CBRE GIP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# 1. MATERIAL CHANGES

This current brochure is dated March 2019. The following material changes have been made.

- The brochure has been updated to reflect current year information
- The explanation of our investment process has been updated in section 6
- Information on affiliations has been updated in section 8
- Information on the Code of Ethics has been added in section 9
- Information on Order Allocation and Best Execution has been added in section 10
- Information on the Review of Accounts has been updated in section 11

Pursuant to regulatory requirements, we will ensure that you receive a summary of any material changes to this and subsequent brochures by April 30th of each year. We will provide an interim delivery of this document if any changes are sufficiently material. Copies of the most recent version of this form are always available at any time, without charge.

## 2. ADVISORY BUSINESS

CBRE Global Investors ("the Firm") was founded as Coldwell Banker Asset Management in Los Angeles in 1972. CBRE Global Investors began investing in real estate on behalf of tax-exempt U.S. investors in 1972, on behalf of international investors in 1998, and investing in real assets in 2017. The Firm has grown through the acquisition and integration of Westmark Realty Advisors (1995); Koll Investment Management and DA Management (1997); Hillier Parker Fund Management in the UK (1998); ING Clarion Real Estate Securities ("ING CRES") (2011); ING Real Estate Investment Management ("ING REIM") in Europe and Asia (2011); and Caledon Capital Management (2017).

CBRE Global Investors is an independently operated affiliate of CBRE Group, Inc. ("CBRE"), which is traded on the New York Stock Exchange under the ticker symbol 'CBRE'. CBRE is the world's premier full-service commercial real estate services and investment company with more than 90,000 employees in approximately 480 offices worldwide.<sup>1</sup> This gives CBRE Global Investors a significant competitive and knowledge advantage, as the firm harnesses the research, market intelligence, investment sourcing, financing, leasing and property management expertise of CBRE for the benefit of its investors.

CBRE Global Investors is a global real asset investment management firm with \$105.5 billion in assets under management ("AUM").<sup>2</sup> The Firm sponsors real asset investment programs across the risk/return spectrum in the Americas, Europe and Asia for over 550 institutional investors worldwide. Programs include a complete range of real asset investment solutions, including equity and debt, direct and indirect, real estate and infrastructure, and listed and unlisted strategies delivered through commingled funds and separate account vehicles.

CBRE Global Investors is organised into divisions for direct property separate accounts and commingled funds; indirect property separate accounts and commingled funds (CBRE Global Investment Partners ("CBRE GIP")); listed real estate securities (CBRE Clarion Securities); infrastructure and private equity (CBRE Caledon), with a common platform of shared services.

Platforms	Real Estate		Infrastructure	
Programs	Private Direct	Private Indirect		Public Securities
Implementation	Separate Accounts		Commingled Funds	
Profile	Core	Value Add		Opportunistic

<sup>1</sup> Excludes affiliates.

<sup>2</sup> As of December 31, 2018. Assets under management ("AUM") refers to the fair market value of real asset-related investments with respect to which CBRE Global Investors provides, on a global basis, oversight, investment management services and other advice, and which generally consist of investments in real assets; equity in funds and joint ventures; securities portfolios; operating companies and real asset-related loans. This AUM is intended principally to reflect the extent of CBRE Global Investors' presence in the global real asset market, and its calculation of AUM may differ from the calculations of other asset managers.

CBRE GIP provides customised global real estate investment management solutions to investors. CBRE GIP took on its first global real estate mandate in 2008 and as at 31 December 2018, CBRE GIP manages \$27.2 billion<sup>2,3</sup> of AUM. CBRE GIP manages portfolios of indirect real estate investments, both as separate accounts and commingled funds for clients that require a customized solution, and through pooled funds. CBRE GIP invests in primary funds, secondaries, joint ventures, club deals and co-investments with specialist managers across the world.

As CBRE GIP has grown, it has utilised its scale to establish programmatic ventures with best-in-class local operating partners across all regions to pursue preferred strategies. These ventures provide CBRE GIP with greater control over: decision making (i.e. veto rights on investments which mitigates strategy drift); greater control of the size and duration of the vehicle; and the exit strategy. Programmatic ventures provide the opportunity for adding new clients or for existing clients to increase their commitments. They also typically have lower fees than the market equivalent. All of these factors feed through into enhanced performance which is the ultimate foundation for a successful and sustainable investment management business.

CBRE GIP has a dedicated team operating from offices in London (HQ), Amsterdam, Boston, Singapore, Sydney and Tokyo.

CBRE GIP engage in two lines of business: (i) to act as sponsor, manager, general partner and/or investment advisor of funds vehicles and programs, such as limited partnerships, limited liability companies and other commingled vehicles ("Investment Funds"); and, (ii) to act as investment manager or advisor for separately managed accounts for certain clients ("Separate Accounts"). CBRE GIP's primary entity, CBRE Global Investment Partners Limited, is authorised and regulated by the United Kingdom Financial Conduct Authority (FCA) and acts as an alternative investment fund manager to funds under the Alternative Investment Fund Managers Directive (AIFMD) Regulations (S.I. No.257 of 2013). CBRE GIP's funds and separate accounts (together, "clients") cover a broad range of the risk/return spectrum and make investments in real estate and real estate related investments and investments in third party managed and sponsored private real estate funds.

CBRE GIP may share newsletters and provide investors with educational seminars/workshops on a periodic basis.

The CBRE GIP investor base includes large institutional investors, such as public and corporate pension plans. Many of these investors have their own independent consultants or advisors to assist them in their investment choices. Each investor is also required, either alone or with its representatives, to possess knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of the method of investment and compensation received by CBRE GIP.

Clients may impose certain restrictions and limitations with respect to separate accounts. In particular, clients may impose investment guidelines and/or restrictions that will be taken into account in managing the account. Investment guidelines or restrictions may limit CBRE GIP's ability to fully invest available client commitments according to the investment objective desired by the investor. CBRE GIP does not provide investment advice to investors in funds based upon their individual needs.

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<sup>3</sup> Includes \$7.0B of AUM managed by CBRE Global Investors affiliates.



### 3. FEES AND COMPENSATION

For its real estate investment advisory services, CBRE GIP is usually paid some or all of the following fees (depending on the client): (i) an acquisition fee based upon the cost of an acquired asset; (ii) a disposition fee based on the sales price of a sold asset; (iii) an asset management or investment advisory fee based upon the cost or fair market value of assets under management, the amount of committed equity or the amount of equity invested; and, (iv) a performance or incentive fee when a pre-specified performance objective is met or when an investment fund is liquidated (such performance or incentive fees are calculated based on the profits achieved for the separate account or investment fund). Performance fees are further described in Item 4, below.

CBRE GIP do not have a set fee schedule. Fees for separate account clients are generally individually negotiated with the client upfront and are set forth in applicable separate account investment management agreements with the client. No compensation is payable until services are rendered. Fees for CBRE GIP funds are typically set on a fund-by-fund basis, are disclosed in the fund's private placement memorandum or prospectus and are set out in the constituent documents of those funds, or in separate agreements with the applicable investor. Unless otherwise agreed with a client, for both separate account and fund clients, fees are typically charged on the net asset value of the client's investment.

CBRE GIP's fees are exclusive of real estate brokerage commissions, service provider transaction fees, underlying manager or joint venture partner management fees, property management fees, appraisal fees, custodial fees, and other related service provider costs and expenses, all of which are liabilities of clients or funds.

CBRE GIP or its affiliates and employees (including CBRE) may also be an investor in an investment fund, in which case it or they will receive its percentage interest of income, profits and gains/losses as an investor in addition to the management fees, incentive distributions and transaction fees received by the general partners (or analogous party), CBRE GIP or their affiliates.

With respect to certain investment funds, investors that are employees of CBRE GIP or its affiliates ("Adviser Investors") do not pay management fees in connection with their investment in such investment fund.

Notwithstanding, that such Adviser Investors will not pay management fees; Adviser Investors will pay for their pro rata share of certain investment fund expenses or the pro rata portion of such Adviser Investors' expenses will be allocated to the applicable Adviser Investor or affiliate or the general partner of the applicable Investment Fund.

Please refer to Item 10 for additional information regarding the use of service providers for client transactions, and in determining the reasonableness of their compensation, and refer to Item 8 regarding our use of affiliated entities for these functions.

For Separate Accounts, clients are generally billed directly for management fees. For investment funds, the fees and performance-based compensation are typically deducted from the assets of the pooled vehicle or from cash flows attributable to such funds. For separate accounts, performance-based compensation, if any, is either billed to the client or deducted from the client's assets.

Generally, management fees for separate accounts are charged quarterly in arrears. To the extent that a separate account is in existence less than a full calendar quarter, the management fee will be prorated. For investment funds, management fees may be charged either quarterly or monthly.

## 4. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

CBRE GIP receives performance-based fees for certain separate account clients. Such fees are specifically tailored to the separate account client and are based on achieving a return or a level of net operating income for a portfolio above a pre-specified benchmark. CBRE GIP also charges a performance-based fee for its sponsored investment funds, based on realised returns and exceeding a pre-specified return or high-water mark.

Because of the different fee arrangements in place for CBRE GIP clients, including the receipt of performance-based fees from some clients and not from others, CBRE GIP have an incentive to favour clients that pay performance-based fees over those that do not. Without CBRE GIP's controls, this incentive could, for example, affect the decision to effect real estate transactions for some clients and not for others if it is believed that the transaction will be profitable. Similarly, CBRE GIP's receipt of performance-based fees, in the absence of controls could also incentivise CBRE GIP to make investments that are riskier or more speculative than if there were not performance-based fees. In addition, certain separate accounts and investment funds have similar and, in some limited instances, overlapping investment strategies and objectives.

These risks are mitigated by CBRE GIP's organizational structure, policies and procedures that seek to ensure investment decisions are made without consideration of our pecuniary interests, and instead are made in accordance with the governing legal documents relating to a client account.

## 5. TYPES OF CLIENTS

CBRE GIP advises institutional separate account clients on investments in commercial real estate. The separate account clients include public and corporate pension plans, sovereign wealth funds, endowments, foundations, family offices, and other institutions, and other real estate investment vehicles. Subject to CBRE GIP discretion, the minimum size for a global real estate separate account is generally \$150 million.

CBRE GIP also serves as an investment manager or advisor of investment funds, which were formed by CBRE GIP to facilitate investment in commercial real estate by institutional investors. Such investment funds are typically formed as either limited partnerships or limited liability companies. CBRE GIP provides management services directly to the investment funds. CBRE GIP does not provide investment advice to investors in such pools based upon their individual needs. Unless otherwise stated in a prospectus or other constituent documents for an investment fund, the minimum investment is generally \$5 million, although CBRE GIP have discretion to accept a lower investment amount.

Investment management agreements between CBRE GIP and separate account clients are bespoke but are generally terminable by the client on short periods of notice, or immediately for certain cause events. For CBRE GIP's investment funds, manager termination provisions vary and are as defined in the applicable investment funds constituent documents, but generally a simple majority in investors interests may be sufficient to terminate CBRE GIP's engagement as manager and/or adviser to an investment fund.



## 6. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our investment approach is methodological and involves well-defined processes set in place to mitigate risks of not achieving client investment objectives. For risk assessment and monitoring CBRE GIP use a number of in-house proprietary frameworks in a well-structured process.

The CBRE GIP investment approach relies on research that is systematic and comprehensive. Research is an integral component of the investment process of the CBRE GIP business. In undertaking research, CBRE GIP look at broad economic and financial trends, employment outlooks and demographic shifts, combined with analysis of local real estate markets, occupancy rates and rents. As part of the world's premier real estate service provider, CBRE, CBRE GIP are uniquely placed to harness global real estate market intelligence.

### Research-based House Views

The purpose of the Firm's top down investment process is to ensure that investment decisions are timely and well-informed based on coherent, consistent and analytical procedures and frameworks. The process is highly collaborative and involves the Firm's dedicated in-house Global Strategy and Research Group ("Research Group" or "Research"), regional investment teams from across the Firm and the wider CBRE group, with the final *House View* reviewed and signed off by the Firm's CIO Council.

A highly sophisticated proprietary tool is used in this process termed "Risk-Adjusted Real Estate" (RARE). It combines (i) in-house, top-down total return forecasts of retail, office, logistics and multi-family markets across the globe and (ii) multi-factor, forward-looking risk model. By this process, the *House View* includes a list of preferred markets and strategies. These are published with a semi-annual frequency in the flagship publication called *Global Vision*. A set of preferred strategies provides a high conviction basis for designing target portfolios for each separate account / investment fund, within their respective strategic risk frameworks.

A collaborative approach that combines detailed market research and local market knowledge, involving the entire Firm, CBRE Global Investors Research and the wider CBRE network supported by a sophisticated quantitative framework ensures that the process is analytical and results in real time information that supports timely well-informed investment decisions. CBRE GIP attaches significant importance to this element of our process as it is central to the investment philosophy that value can be added by correctly identifying which markets offer the most attractive risk adjusted returns.

Through this process, CBRE GIP are able to form conviction around which markets are most/least attractive on a risk-adjusted basis and subsequently recommend preferred portfolio allocations. This means that the framework is consistent with CBRE GIP's value orientation and tends to discourage CBRE GIP from overpaying for growth markets, on the basis of a near term outlook. A unique breadth and depth of local market intelligence within CBRE is extremely valuable in assessing real-time market conditions and recognising turning points in markets.

Portfolio construction is driven by top down *House Views* and preferred strategies. The principal steps involved in the investment process are:



Source: CBRE Global Investors

## 1. Strategic Risk Framework

The Strategic Risk Framework sets out the return objective and risk budget for the mandate as well as the specific portfolio risk constraints. Based on these requirements the investible universe is determined and strategic allocation ranges for geographies and property types are set. This provides the framework within which the portfolio is then structured.

## 2. Market Views & Recommended Strategies

Semi-annually, CBRE GIP produce a comprehensive set of market views and preferred strategies. A series of regional and global discussions are organised to formulate these views and strategies and is guided by CBRE GIP's proprietorial market pricing framework. The output is a set of preferred strategies on a regional and global basis for both core and enhanced return investment styles and a set of model portfolios outlining recommended tactical positions within the strategic ranges.

## 3. Investment Plan

The tactical positioning recommended by the market views process provides the strategic focus for the client investment plan. This is updated semi-annually following the conclusion of the market views process and is undertaken for all clients. The plan incorporates a target portfolio spreadsheet comprising existing investments to be held, new investments to be made and existing investments to be sold within the next 12 months. The plan shows recommended allocations to each investment and a set of outputs outlining the portfolio structure, expected return and expected risk. The plan is prepared by the assigned portfolio manager and provides an opportunity for them to advocate on behalf of the client to deliver the client's investment objective. It is reviewed by the portfolio risk team prior to approval by the Head of Global Portfolio Management and the Portfolio Oversight Committee ("POC").

## 4. Investment Selection

Following the approval of the investment plan, a set of actions is generated that is aggregated across all clients to show total appetite across the investor base for specific strategies/markets that are being targeted. Regional investment teams can then source both proactively and reactively according to this and be focused in their effort in originating investments. As investments

are identified they are screened and then subjected to a rigorous internal review and approval process which is designed to filter out less attractive opportunities and complete on preferred strategies/investments.

## 5. Asset Management

CBRE GIP believe in the value of active management, which is of particularly critical importance with real estate. Portfolio management activity includes ongoing monitoring of all investments and a formal twice-yearly review of the overall portfolio. Every investment is subject to twice-yearly updates of their forecast returns and risk metrics. These updated metrics are fed into the CBRE GIP fund database, which in-turn is used to update the target portfolio of each client investment plan. The portfolio manager will be able to assess how the portfolio in its current structure is likely to perform and what its risk profile is, consequently allowing for well-informed decisions about what investments to either add or divest. As noted above, the portfolio manager is frequently reviewing this and is required to formally present an updated plan for approval semi-annually.

## 6. Reporting

The final stage of the CBRE GIP investment process involves reporting both to clients and to the POC. A quarterly report is delivered to the POC, which shows performance of every mandate and compliance with risk constraints. A quarterly report is also produced and sent to investors.

The CBRE GIP investment process has been documented in detail and is subject to extensive review. Compliance, with the investment and operational process, is reviewed externally and has been approved to AAF01/06 and ISAE 3402 standards.

## Our Approach to Investment Risk

CBRE GIP has embedded risk management as an integrated function within its organisation, with the aim to identify, monitor and manage distinct risks under the responsibility of the Board of CBRE GIP. Different expert teams are responsible for each category of risk identified within the business of CBRE GIP:

- Investment Risk – under the supervision of the POC, reporting to the CBRE GIP Board.
- Operational Risk – under the supervision of the Operational Risk Committee, reporting to the CBRE GIP Board
- Legal/Regulatory Risk – under the supervision of the Legal team and regulatory Compliance officers, reporting to the General Counsel of CBRE Global Investors.

The POC meets on a quarterly basis and reviews past performance, adherence to investment policies and guidelines and expected performance relative to the objectives.

Any issues are escalated to the CBRE GIP Board for discussion and resolution. Evidence of the review and resolution are contained in the meeting minutes of the POC and CBRE GIP Board, copies of which are retained.

CBRE GIP has developed a proprietary investment risk management system which provides transparent quantification and attribution of risk in global indirect real estate portfolios. The objective of CBRE GIP's Investment risk management framework is to manage and control exposure to the main sources of risk in indirect property funds and portfolios. The main risks are:

- Market risk: the volatility of the geographies and property types to which the portfolio has exposure and the intercorrelations of those market segments, and positioning in the capital value cycle
- Property specific risk: the number of properties and leases held in each market segment, the building and tenant quality and the degree of development/leasing risk the additional risk from property specifics within each portfolio, for example development and leasing risk

- Financial structure risk: the financial structure of the investment, especially the amount of leverage

This quantitative risk measurement framework explicitly quantifies the impact of these factors upon investment risk. We believe these risks can be effectively managed through appropriate limits and reasonable diversification.

### Material Risks attached to some of our Investment Funds

As set out in Item 2 (Advisory Business), investment funds form a significant part of the CBRE GIP investment strategy. An investment in investment funds contains normal investment risk as well as specific risks associated with the investment strategies employed for each investment fund. Shown below is a brief explanation of the material risks attaching to those investment funds that are offered and sold to United States Persons (being: (a) a person included in the definition of a "United States Person" under Rule 902 of Regulation S of the United States Securities Act of 1933, as amended; or (b) a person excluded from the definition of "Non-United States person" as used in CFTC Rule 4.7).

A wider discussion of each of these risks is set out in the prospectus, offering memoranda or other documents that a prospective client considering participating in the investment fund will receive or has received prior to making its investment. Details of these documents are also set out below. Nonetheless, the list of risks set out below, and in the documentation, does not purport to be a complete enumeration or explanation of the risks involved in such an investment. Additional risks and uncertainties of which CBRE GIP and/or its associates are not aware or that CBRE GIP and/or its associates currently believe are immaterial may also impair the investment fund's performance. Prospective investors in an investment fund should read the offering documentation in respect of the investment fund in full and consult with their own advisers in respect of the investment.

Please refer to Appendix A, for a brief explanation of each of the material risks that may impact some of our Investment Funds.

### Liquidity Risk

CBRE GIP has established a Liquidity Policy, to ensure that all dimensions of fund liquidity risk are identified, assessed and monitored on an on-going basis. The redemption terms of the funds are contained in the constitutional documents of each fund and liquidity is monitored with reference to these terms. The nature of the investments and their underlying illiquidity are disclosed to investors prior to commitment to a fund.

A liquidity profile is completed, for each fund, and is reviewed by the POC. The degree of liquidity is expressed in terms of elements of the fund's portfolio that could be converted into cash within periods related to the redemption requirements of the fund. If the POC believes there is insufficient liquidity to meet redemptions then this will be highlighted to the board of directors of CBRE Global Investment Partners Limited (the "Board"), who will consider and determine any further actions. It is the role of the Board to assess any liquidity shortages which exist, to quantify each shortage and then to propose remedial action to solve such shortages.

Stress tests are carried out on a quarterly basis, which assist in the assessment and monitoring of liquidity risk. Dedicated liquidity stress tests have been established to assess the resilience of the liquidity profile of funds to difficult market conditions, combined with simulated large-scale capital outflows over a short-term horizon.

### Currency Hedging

CBRE GIP manages both investment funds and separate account mandates where investments are made in non-base currencies, and this involves currency risk. For the majority of investment funds and separate accounts no currency hedging is arranged by CBRE GIP, in these instances the clients receive information on a monthly basis regarding the underlying currency

exposures within the investment fund or separate account. Where agreed in advance, CBRE GIP is able to utilise currency hedging primarily to protect the performance returns of client investments and to mitigate the impact of foreign currency gains and losses over the term of such investments. CBRE GIP has in place a documented hedging protocol.

Where investors explicitly request CBRE GIP to hedge this currency risk, CBRE GIP uses all reasonable commercially practicable efforts to ensure the CBRE GIP hedging protocol is adhered to. CBRE GIP does not hedge for speculative purposes. For non-base currency investments, the market value of the portfolio (excluding cash), as signed off in the valuation, is hedged quarterly on a rolling basis using FX forwards placed with the client's custodian bank. Hedging is updated for any calls, distributions, returns of capital or material increases/decreases in valuation during the quarter.

The CBRE GIP financial operations team is responsible for ensuring all foreign exchange hedging requests from clients are accurately processed. All foreign exchange trades are approved by a financial operations manager or the Head of Financial Operations. All open foreign exchange positions are reviewed by a financial operations manager on a bi-weekly basis.

CBRE GIP shall be entitled to consider, among other things, the following factors, both when the hedge is initially to be executed and at any time in the future when portfolio may need to re-hedge the exposure:

- Whether the currency exposure is material to the applicable position or to the portfolio taken as whole;
- The cost effectiveness (including breakage costs) of the hedge;
- The amount of any collateral required to be posted for the hedge;
- The liquidity (or illiquidity) of the hedging instrument or the market for it;
- Whether the instrument is unlikely to be available in the future even though available at the time of an initial hedge;
- The creditworthiness of any party to the hedge.

## 7. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of a firm or the integrity of the firm's management.

CBRE GIP has not been subject to any legal or disciplinary events which require disclosure under this item. Likewise, CBRE GIP personnel have not been subject to any legal or disciplinary events which require disclosure under this item.

## 8. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### CBRE Group

As noted above, CBRE Global Investors is an indirect, wholly owned division of CBRE Group, Inc. ("CBRE"). CBRE is a leading diversified commercial real estate services firm, with operating divisions or subsidiaries in commercial real estate brokerage, mortgage banking, appraisal, property management and investment management.

CBRE GIP relies on CBRE Global Investors and its parent company CBRE Group for a number of shared resources, such as corporate leadership, IT property market research, marketing and compliance.

### Affiliations Generally

CBRE GIP is affiliated with several types of entities, including but not limited:

- Broker dealer
- Investment advisor
- Real estate broker
- General partners

### Broker-Dealer

CBRE GIP is affiliated with CBRE Capital Advisors, Inc., a broker dealer registered with FINRA. CBRE Capital Advisors, Inc., markets limited partnership and similar interests in Investment Funds sponsored by CBRE GIP.

CBRE Capital Advisors Limited, a company incorporated in England and Wales may provide debt arrangement services for CBRE GIP.



## Investment Advisors

The related persons for CBRE GIP listed below include (though are not necessarily limited to):

- CBRE Global Investors (Singapore) Pte. Ltd
- CBRE Global Investment Partners Fund Series S.a.r.l.
- CBRE Global Investors (Asia Pacific) Pte. Ltd.
- CBRE Global Investors, LLC
- CBRE Global Investment Partners Eurosirir Fund Management B.V.
- CBRE Global Investment Partners, LLC
- CBRE Global Investors (UK Funds) Limited
- CBRE Global Investors (UK) Limited
- CBRE Global Investors Trustee Limited
- CBRE Global Value Investors, LLC
- CBRE Clarion Securities LLC
- CBRE Clarion Securities UK Ltd
- CBRE Global Investors Luxembourg AIFM S.A.R.L
- CBRE Global Investors EMEA AIFM B.V.
- CBRE Global Investment Partners Umbrella Fund Plc
- CBRE Indirect Investment Services Limited

CBRE GIP has an agreement with an affiliated investment team which operates under CBRE Indirect Investment Services Limited, (CBRE IISL). Through this arrangement, certain CBRE IISL personnel provide non-discretionary investment advice to a specified U.S. client, at the direction of the client. These CBRE IISL personnel are supervised persons of CBRE GIP, subject to CBRE GIP's controls, including the firm's compliance manual and Code of Ethics. Through this arrangement, the CBRE IISL personnel provide investment advisory services as part of CBRE GIP and its global advisory business; CBRE IISL does not hold itself out to U.S. clients to separately provide investment advisory services on the investments covered by this arrangement. CBRE GIP and CBRE IISL are operationally integrated with respect to the investment advisory services provided by CBRE IISL personnel for the specified U.S. client.

CBRE GIP has an agreement in place with the EMEA Direct real estate business of CBRE Global Investors in relation to the following side car clients: CBRE GIP US Feeder Vehicle (Allinv Plan) LP, CBRE GIP US Feeder Vehicle (Allinv A) LP, CBRE GIP US Feeder Vehicle (Allinv B), LP, Lockheed Martin Investment Management Company, as a named fiduciary of the Lockheed Martin Corporation Master Retirement Trust, CBRE GIP US Feeder Vehicle, LP and YEGRE (ECF) Ltd, whereby personnel of the EMEA Direct real estate business of CBRE Global Investors provide portfolio management and related services as part of CBRE GIP and its global advisory business.

## Real Estate Broker

In some circumstances CBRE GIP may engage the service side of the CBRE business on an arms-length basis to provide specific services, for example to act as broker on the sale of a secondary interest in an underlying fund. Appointments of CBRE are governed by a protocol for engagement of CBRE affiliates. The protocol covers, but is not limited to:

- Client-imposed restrictions – our clients or applicable fund or investment management documents may provide guidance on or restrict the use of affiliated service providers in connection with their accounts.

- Written agreements with competitive terms – we endeavour to engage the best service providers in an applicable market (whether affiliates or unaffiliated third parties) with the most competitive fees and rates.
- Good faith selection and arm's length treatment – we will select any affiliated service providers in good faith and in furtherance of the best interests of the applicable client.
- Estate business of CBRE Global Investors provide portfolio management and related services as part of CBRE GIP and its global advisory business.
- Disclosure – we disclose to clients where we have engaged an affiliate and the terms of the appointment.

## Fund Administration

CBRE Group Inc. provides administration services for various CBRE GIP vehicles, including limited partnerships. The fees with respect to providing services for the various CBRE GIP vehicles are charged to the applicable investment entity.

## General Partners

CBRE GIP incorporates affiliates to act as the general partner, advisor, manager or similar role for particular funds or separate accounts.

## Potential Conflicts

Investment management agreements for separate account clients and the constituent documents for investment funds may contain guidance and/or restrictions on the use of affiliated service providers, a potential conflict of interest. For example, some separate account clients may have the right to review and approve fees paid to affiliates and/or the proposed written agreements with affiliates or require that the fees be confirmed by quotes or bids.

With respect to investment fund clients, the use of affiliated service providers is generally disclosed in the offering document and the independent advisory board of the investment fund (usually composed of the largest investors that are not affiliated with CBRE) typically reviews the rates and fees charged by affiliates.

CBRE GIP endeavor to engage the best service providers in an applicable market (whether affiliates or unaffiliated third parties) with the most competitive fees and rates. Subject to client-imposed criteria or restrictions, when engaging CBRE affiliates, clients must receive fair, reasonable and competitive terms and fee rates that are commensurate with and no less favourable than those that would be negotiated with an unaffiliated third party on an arm's length basis providing comparable services in the local market. CBRE affiliates must provide written affirmation that engagement terms are at least as favourable as those offered in the market. Fees paid to affiliates are disclosed to investors within client reporting.

All service agreements with affiliates must be set forth in writing. Fees payable to affiliates are disclosed to the applicable fund investors, in financial statements or client reports. Affiliates provide written affirmation that engagement terms are at least as favourable as terms offered in the market.

In addition, CBRE GIP must select any affiliated service providers in good faith and in furtherance of the best interests of the applicable client.

Affiliates of CBRE GIP may be retained by the investment funds and separate accounts to provide services, including, but not limited to, property acquisition, financing and sale brokerage, leasing brokerage, property management, mortgage banking and other services. Other services may include but are not limited to, services provided to, or with respect to, the investment fund or separate account, or an investment property, and, include services provided by CBRE GIP and its affiliates. Such services shall be reimbursed by the investment fund, separate account, or investment asset, as appropriate, and include those provided for or related to property and asset management, construction management, development, brokerage (whether for sales, acquisitions, leasing, mortgage banking, debt origination or otherwise), sustainability, workplace strategy, marketing, business development, training, due diligence, environmental, entitlement and zoning, appraisal, janitorial, security, engineering and landscaping, debt-related services, hedging services, custodial and depository services, the investment fund's or separate account's investments and entity (including REITs) related matters (including for licensing, qualification, maintenance, reporting, auditing and filing services), audits, tax preparation, filing and appeal services and other tax related services, regulatory and structuring (legal, tax, accounting or otherwise) related services, reporting, accounting, administration and benchmarking licensing the activities of the investment fund within and outside the United States, including for AIFMD purposes (which refers to the European Union "Alternative Investment Fund Managers Directive"), and other services provided by any service providers. Marketing, branding and related services will be provided by affiliated personnel.

Where applicable, employee salaries and other costs and expenses of affiliates will be reimbursed by the investment fund or separate account strictly in accordance with the corresponding client agreement.

Further, CBRE GIP will generally provide notice to the Advisory Board (where applicable and one is in place) of an investment fund or representatives of a separate account of any new services agreement paying a fee to an affiliate which is entered into by the investment fund or separate account directly with any affiliate after the date of the last meeting, which notice will generally summarize the fees payable to affiliates.

CBRE GIP is affiliated with CBRE Global Investment Administration ("GIA"), which provides investment administration services (including, but not limited to, accounting and reporting services). GIA was formed through the restructuring of CBRE Global Investors' fund accounting and investment reporting function and is now part of CBRE's Asset Services, separate from CBRE Global Investors. GIA provides: fund, property, and portfolio oversight level accounting; reporting and administration and transfer agency; investor and other financial reporting; performance measurement; data aggregation; treasury, cash and debt management; and regulatory support services for CBRE GIP and other third-party clients. GIA provides services to investment funds and separate accounts at the cost and expense of those clients.

CBRE GIP operates as a division of CBRE Global Investors, separated by information barriers from the direct property investment management business. Subject to limitations agreed with its clients, CBRE GIP invests in funds managed by the direct investment division of CBRE Global Investors. In such circumstances, approval to invest in in-house funds must receive unanimous approval from the independent members of the CBRE GIP investment committee (the "IC").

For clients where CBRE GIP has permission to vote on 'in-house' funds, all 'material' items would be delegated to the independent IC members for their decision. On immaterial matters, CBRE GIP would exercise their discretion. For clients where CBRE GIP does not have permission, CBRE GIP would contact the client in advance of any vote and ask for their agreement to proceed.

CBRE GIP maintains a register of clients and investment funds where 'in house' investments exist.

A Conflicts of Interest Register is in place with respect to all potential or actual conflicts of interest. The CBRE GIP Conflicts of Interest Policy is available on request.

## 9. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL

### Trading

#### Code of Ethics

CBRE Global Investors and CBRE GIP have adopted a written Code of Ethics ("the Code") in their Investment Management Policies and Procedures (Red Book). The Investment Management Policies and Procedures are applicable to and are made available to all employees of CBRE GIP. Among other things, the Investment Management Policies and Procedures requires CBRE GIP and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on certain kinds of personal securities transactions. All employees of CBRE GIP are required to make annual certifications certifying that they are in compliance with the Investment Management Policies and Procedures. Clients, prospective clients, Investment Fund investors, and prospective investors may review a copy of the Code by contacting CBRE GIP at the address and telephone number listed on the first page of this document.

### Participation or Interest in Client Transactions

The decision whether or not to invest is made by the client/investor or an independent fiduciary of the client/investor.

CBRE GIP operates a co-investment/carried interest scheme in its enhanced return Funds. Under this scheme, senior members of the CBRE GIP management team and the portfolio management team for the relevant mandate co-invest in the fund and have a pro-rata share of the team carried interest in the fund. 30% of the total carried interest earned by CBRE is allocated to the CBRE GIP team and subject to a five-year vesting schedule.

For Separate Accounts, there are no precedents of CBRE GIP personnel co-investing with the client. The normal arrangement is to include a performance fee in the mandate. 30% of the profit of the CBRE GIP business is allocated to a bonus pool for the team. Hence 30% of performance fees on separate accounts flow directly to the CBRE GIP team. The individual allocations from the bonus pool reflect the source of the revenues, so that the relevant team member's bonus would reflect a performance fee originating from a client to which he/she had directly contributed.

Based on the forgoing, CBRE GIP believes that it has a strong incentive to achieve maximum returns to investors over the long term/life of the Investment Fund or Separate Account.

### Personal Trading

CBRE GIP has a Personal Account Dealing Policy in place, which all CBRE GIP employees must adhere to.

### General requirements

No CBRE GIP employee may transact in a security of a company or issuer, either personally or on behalf of others, while in possession of Insider Information (as defined in the Red Book – CBRE Global Investors Investment Management Policies &

Procedures) about that company or a material subsidiary of such company. Additionally, no employee may communicate Insider Information to others in violation of the law.

CBRE GIP employees are not permitted to invest in CBRE Group, Inc. stock without prior written permission from the CBRE Global Investors Global Chief Compliance Officer.

CBRE GIP employees are not permitted to invest in any private real estate fund except a co- investment in a CBRE GIP fund.

All investment professionals must disclose to senior management and the Compliance Department any personal investments in third-party funds, partnerships, joint ventures, individual commercial real estate assets, or otherwise which may have overlapping investment objectives with any CBRE Global Investors investment programs.

All co-investments by employees in CBRE Global Investors-sponsored funds must be approved by the Global Compliance Department.

## Initial Reporting

As a CBRE GIP employee becomes an access person (i.e. new CBRE GIP employee), the employee must report his/her initial securities holdings (including trade statements), to include those of his/her immediate family members sharing the same household. Mutual fund holdings or other pooled funds do not have to be disclosed or reported. Securities must be disclosed in the initial report, even where the employee does not have discretion. CBRE GIP employees will contact the UK Compliance Department to obtain the appropriate Form. A nil return is required if applicable.

## Quarterly Reporting

For CBRE GIP employees who hold securities, the employee must report his/her securities holding via brokerage statement (including those of immediate family members sharing the same household). Brokerage statements with respect to mutual funds or similar pooled schemes do not have to be supplied quarterly. Brokerage statements with respect to securities where the employee does not have discretion, do not have to be disclosed. CBRE GIP employees will contact the UK Compliance Department to obtain the appropriate form.

## Annual Reporting

All CBRE GIP employees must complete an annual report of securities holdings. Mutual fund holdings or other pooled funds do not have to be disclosed/reported. Pension plans where an employee has the discretion to select securities are also notifiable. The UK Compliance Department will issue the Form to CBRE GIP at year end. A nil return is required if applicable.

## CBRE GIP Stop List

CBRE GIP employees must not trade in any security on the Restricted List, which is circulated monthly to employees by the UK Compliance Department.

### Post-notification to Compliance – Trades in securities not on the CBRE GIP restricted list

CBRE GIP employees need to notify the UK Compliance Department within 48 hours of the trade providing a contract note. They must use the personal account dealing notification form, obtainable from the UK Compliance Department.

### Pre-approval of IPOs/Private placements

CBRE GIP employees must obtain pre-approval from the UK Compliance Department, before they directly or indirectly acquire an interest in any security in an IPO or a private placement. They must contact the UK Compliance Department for the pre-approval Form.

### Gifts and Entertainment

Please see item 12 regarding gifts and entertainment provided by third parties with whom we engage to perform services for clients.

# 10. BROKERAGE PRACTICES

## Order Allocation

CBRE GIP's investment allocation principles can be summarized as follows:

Investment opportunities will be allocated to clients in accordance with their desired allocations. Where appetite exceeds available capital, clients will be scaled back on a pro-rata basis. This may result in a clients' allocation being deemed "de minimus" and so such clients may withdraw from the allocation process at this point. "De-minimus" is defined as the percentage share of the client portfolio that a stock would represent deemed to be meaningless in the portfolio context. De-minimus allocation is set at 3.0% of the client portfolio apart from the two following cases where it is set at 1.5% of the client portfolio:

- a) Where the investment is viewed as being complementary to the strategy of an existing investment (e.g. it could be an additional logistics investment sitting alongside an existing logistics investment) or it could be a co-investment in a single asset.
- b) To give an opportunity to clients to gain exposure to a preferred stock, that can be increased over time.

Where a client fails to achieve an allocation relative to another client this will be taken into consideration at the next allocation decision. Should there once again be an excess of appetite at that allocation decision and the pro-rata allocation be deemed to be meaningless the client which failed to secure an allocation in the preceding allocation round will be given a priority allocation. Total client appetite, final client allocations and any outstanding appetite will be validated by Investment Operations and documented in the final IC Memo as per the CBRE GIP order allocation process.

On occasion a situation may arise where regional clients could end up with a small allocation or not participating at all due to de minimus principle. In this case an alternative approach can be agreed with the CIO / CRO as and when this type of situation arises.

The CBRE GIP COO and CRO has responsibility for overseeing the CBRE GIP Order Allocation Policy. Any deviations to this policy must have a justifiable reason and this must be approved by the CBRE GIP Compliance Officer.

CBRE GIP's Order Allocation Policy details the full investment allocation process.

## Best Execution

CBRE GIP is required by its regulators to ensure:

- that we must take all sufficient steps to obtain, when executing orders, the best possible results for its clients taking into account the execution factors.
- that we must establish and implement effective arrangements for complying with the obligation to take all sufficient steps to obtain the best possible result for its clients. In particular, we must establish and implement an order execution policy to allow it to obtain, for its client orders, the best possible result in accordance with that obligation.



- CBRE GIP's senior management will use the results of its monitoring and substantive review of CBRE GIP's execution arrangements, including taking corrective action where required, to enable CBRE GIP to demonstrate to clients that CBRE GIP is delivering best execution on a consistent basis.

Where CBRE GIP executes orders or it places with or transmits orders to brokers for execution, it shall take into account specific factors listed below and the requirements of the underlying client mandates.

Investment decisions must be approved by at least a single individual in CBRE GIP who is registered with an appropriate regulator.

CBRE GIP/its brokers will take into account a range of factors. These factors include:

- Price;
- Size and nature of order;
- Costs related to execution of the order (commission charges and related fees);
- Speed and likelihood of execution;
- Speed and likelihood of settlement; Any other consideration relating to the execution of the order.

When determining the relative importance of each of the above execution factors the following criteria will be taken into consideration:

- The client's characteristics;
- The characteristics and nature of the order placed on the client's behalf.

Ordinarily, price will merit a high degree of importance where we are executing orders/placing client orders with brokers for execution. However, given the liquidity of unlisted real estate relative to the size of a typical client order, CBRE GIP believes that market indications (if they exist) frequently may not always represent the best possible price at the time of the order. Consequently, other execution factors may merit a higher weighting. The process for determining the relative importance of these factors is based on commercial judgement.

Service provider brokers are selected on an arm's length basis and may include PropertyMatch (a joint venture between CBRE and GFI). CBRE GIP maintain a list of approved brokers with a due diligence review undertaken on an annual basis by the Compliance department.

The factors we used in selecting the service provider brokers, our execution strategies and the process that was followed are as follows:

- Knowledge and experience of local market
- Fees
- Breadth of investor network
- History of transacting specific fund and/ local market
- Ability to maintain confidentiality of trading book
- Any other opportunity specific consideration relating to the select of a secondary market broker.

CBRE GIP will undertake due diligence on each broker it uses, prior to the coming on board of the broker. On-going monitoring will also take place on existing brokers, with a focus on whether any material changes in a broker's circumstances that come to light. Most brokers will typically be registered by a regulator, either the UK FCA or the UK Royal Institution of Chartered Surveyors (RICS).

We inform clients of any third-party payments we receive from brokers. Clients are also informed of the broker we use, after a trade.

The Appointment of PropertyMatch (as well as our US based affiliate CBRE Capital Advisors) for secondary trade transactions is subject to adherence with Chapter D-2 of the Investment Management Policies and Procedures (Red Book) on Affiliate relationships.

Through maintaining an open dialogue with a number of secondary market brokers on a daily basis, CBRE GIP sustain awareness of market sentiment such that best priced opportunities are identified swiftly providing first mover advantages, particularly for our discretionary clients. When applicable, CBRE GIP can negotiate reduced brokerage fees from the established market norms to reflect the frequency and volume of activity undertaken on behalf of clients. Clients are typically charged between 25-100bps of the transaction value.

There is a strict code of conduct for appointment of affiliates to provide services, including measures to ensure competitive pricing and provide full disclosure to clients.

If a client selects their own brokers for secondary market trades, CBRE GIP may not be able to ensure the most favourable execution. Direct brokerage may cost clients, more money.

Please see item 12 regarding gifts and entertainment provided by third parties with whom we engage to perform services for clients.

A copy of CBRE GIP's Order Execution Policy is available on request.

## 11. REVIEW OF ACCOUNTS

CBRE GIP, through its investment process, has developed a comprehensive set of procedures and controls to ensure all investments are subject to an appropriately-detailed level of control. Ahead of acquisition, preferred terms are negotiated to reflect market best practice and to take account of investment size. This ensures that CBRE GIP obtain an advisory board seat where such a forum exists and benefit from most favoured nations status. In conjunction with external legal advisors, CBRE GIP have developed a complete set of standard terms and provisions that are observed in the different investment vehicles that are considered. This means divergences from standard can be identified and appropriate action taken.

CBRE GIP have an active approach to portfolio management which includes ongoing monitoring of investments and an overall review of the portfolio. All investments are subject to twice-yearly updates of their forecast returns and risk metrics. These updated metrics are fed into our fund database which in turn is used to update the target portfolio of each client investment plan. The portfolio manager assesses how the portfolio in its current structure is likely to perform and what its risk profile is and consequently can make well-informed decisions about what investments to either add or divest. The portfolio manager is frequently reviewing this and is required to formally present an updated plan for approval by the CBRE GIP CIO twice per annum.

CBRE GIP engage actively with the managers of funds clients are invested with and CBRE GIP have seats on the Advisory Boards of all significant underlying investments. Finally, CBRE GIP have a comprehensive and well documented set of procedures, guidelines and controls to ensure that all corporate actions and portfolio related activity is properly dealt with.

Standard client communication and reports typically include the following:

- Monthly valuation reports for separate accounts
  - A schedule of portfolio holdings, including details of units held, latest price information and valuations of each holding in local currency and the client's base currency
  - Cash, as reconciled with the client's custodian
  - Accruals for receivables and payables
  - A transaction listing showing portfolio activity during the month
- Quarterly reports

CBRE GIP adheres to a quarterly reporting cycle. Each client receives a comprehensive report. The report provides the following information:

- Executive summary
  - Market commentary and CBRE GIP house views
  - Investment activity
  - Portfolio composition
  - Performance measurement and attribution
  - Commentary on portfolio holdings
  - Environmental, social and governance update
  - Assessment of compliance with investment restrictions.
- Monthly currency exposure reports

## 12. CLIENT REFERRALS AND OTHER COMPENSATION

CBRE Global Investors may from time to time establish a referral program for its employees and/or the employees of its parent company whereby such employees are compensated with referral fees for referring clients to CBRE Global Investors (subject to certain conditions and compliance with Rule 206(4)-3 under the Investment Advisors Act of 1940).

### Gifts and Entertainment

In order to provide the quality of services that clients expect, we believe it is necessary for us to establish, maintain and enhance relationships with professionals in the real estate industry, such as attorneys, consultants, title companies, and other service providers and professionals (collectively, "Relationship Parties"). Establishing meaningful and long-term relationships can be important factors in our ability to provide a high level of service to our clients. We and many Relationship Parties value important and long-standing relationships, and as such, we and our employees may invite, or be invited by, Relationship Parties to participate in activities, such as sporting events, concerts, golf and other outdoor outings and other recreational activities, and may give or receive gifts related to attendance or participation in such activities (collectively, "Events").

The primary benefits that we and our clients receive from our sponsorship and participation in these Events is to establish and further strengthen our relationships within Relationship Parties. We believe that working to have such relationships is important to help ensure that we are provided with the opportunity to capitalize upon active sources of investment opportunities, as well as to receive critical and reliable services and information.

While we believe employee sponsorship or participation in these Events is beneficial to clients for the reasons described above, our subsequent selection and retention of such Relationship Parties as service providers could be viewed as a form of reimbursement for attending such Events, and we may have an incentive to select service providers based on the expectation of receiving gifts or invitations to future Events. Notwithstanding that potential conflict of interest, we recognize and acknowledge our fiduciary duty to our clients and have adopted policies and procedures designed to help prevent any Event from influencing our decision to hire or retain a service provider or to engage in any transaction on behalf of a client. Our policies and procedures require all gifts and entertainment to be pre-approved in writing by our Compliance Department and CBRE GIP COO.

## 13. CUSTODY

CBRE GIP is deemed to have constructive custody of the assets of its investment funds under the applicable SEC regulations regarding custody. CBRE GIP ensures that all investment funds are audited by a third-party accounting firm no less frequently than annually and sends the audited financial statements to all investors within 120 days of the investment fund's fiscal year-end.

Separate account clients appoint their own custodian and this relationship is directly between the client and their custodian bank. Generally, the custodian will provide client statements on at least a quarterly basis, clients should carefully review these statements. CBRE GIP urge clients to compare the statements received from their custodians with the CBRE GIP reporting. Reporting provided by CBRE GIP may vary from the statements received from custodians due to differences in valuation basis, the timing of posting transactions, accounting procedures, or other reasons.

## 14. INVESTMENT DISCRETION

An Investment Fund or a Separate Account for which we control investment acquisitions, financing and dispositions, directly or indirectly, is referred to as a “Discretionary Fund” or a “Discretionary Account”. Our Investment Funds are discretionary, and for these we control the fund and its subsidiary entities. CBRE Global Investors Separate Accounts are primarily non-discretionary, but in some instances, we provide officers for, or control the client’s investment entity.

CBRE Global Investors generally has investment discretion, under its management and fund agreements, to hire third party service providers, including real estate brokers and the commissions paid to those brokers. Because CBRE Global Investors is affiliated with a real estate brokerage company, limitations are imposed on CBRE Global Investors’ ability to select its affiliated brokerage company. Some clients’ investment management agreements with us permit the client to review and approve fees paid to affiliated brokers. In all cases, CBRE Global Investors only pays commissions and other fees that are standard in the local market. Commissions and other fees are not affected by the research used in the investment process.

For clients that have granted discretionary authority to CBRE Global Investors, this authority is typically assumed through a power of attorney or contract provision granted or entered into by a Separate Account client, or through the constituent documents of an Investment Fund it advises.

## 15. VOTING CLIENT SECURITIES

CBRE GIP has policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interests of our clients and to recognise and resolve any material conflicts of interest that may arise in the course of such voting.

Employees must first consult the relevant fund's proxy voting provisions. Companies within CBRE Global Investors and/or their affiliates may have the right to vote on certain matters related to the fund as other fund investors do. CBRE GIP will vote proxies in the best interest of the fund or client. This will include abstention or against Board/Company proposals if it is felt under UK FCA rules and client mandates to be the right thing to do. All voting is recorded in a master log and reported to clients quarterly. Voting for In House events is further governed by the relevant section in the 'CBRE GIP Conflicts of Interest Policy'. In particular, in such circumstances, approval to invest in in-house funds must be, by unanimous approval from the independent members of the CBRE GIP Investment Committee.

The Global Chief Compliance Officer (CCO) or Compliance personnel designated by him, in co-operation with the relevant investment personnel or CBRE Global Investors personnel, checks periodically for any conflicts of interest within CBRE Global Investors. A Conflicts of Interest register is maintained by the UK Compliance Department. CBRE Global Investors may use an independent third-party voting service for the voting and management of proxies.

If you would like additional information regarding how we have voted on specific proxies, or a copy of our proxy voting policies and procedures, please forward your written request to CBRE Global Investment Partners Ltd, One New Change, London, EC4M 9AF, United Kingdom or via facsimile at +44 207 809 9001.



## 16. FINANCIAL INFORMATION

CBRE GIP has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

# APPENDICIES

## APPENDIX A

### CBRE Asia Value Partners IV ("AVP IV") – Information Memorandum dated 6 July 2017

#### Risks related to the investments and investment terms of AVP IV

- AVP IV is structured as a closed-ended unit trust. Due to its illiquid investments, unitholders will not be permitted to request redemption of units until the end of the term and no secondary market for the units is expected to develop. There is no certainty that AVP IV will be able to realise its positions at the planned time.
- The loss of services of any of AVP IV's key persons and/or its investment team could have an adverse effect on the operations of AVP IV.
- AVP IV is a newly formed entity without any operating history. Its success will depend on the skills of its board and manager in selecting, managing and disposing of investments. No assurances can be given that AVP IV will be profitable or that any particular investment return will be achieved.
- The manager, rather than the unitholders, have control over many key fund policies (other than in respect of the investment objectives); any changes to such policies could be detrimental to the value of AVP IV.
- Investors have no assurance as to the degree of diversification that will actually be achieved by AVP IV, either by geographic region, asset size or asset type.
- AVP IV's investments require long-term commitments, with no certainty of return.
- The investments to be made by AAP II are likely to be illiquid due to the absence of an established market and the possibility of legal, contractual and other limitations on transfer.
- AVP IV's ability to exit investments is dependent upon its manager's, or the underlying fund manager's ability to implement efficient and timely exit strategies. There can be no assurance that such managers will be able to dispose of their investments on favourable terms, in a timely manner or at all and as a consequence the proceeds from investments may be adversely affected.
- An investment may not generate any distributable cash flow until several years after its acquisition, or never generate such cash flow.
- AVP IV's use of leverage will accentuate any change in its NAV and thereby result in increased volatility and exposure to market and credit risk.
- The value of investments may be affected by currency fluctuations, forex rules or other monetary policies or regulatory changes.
- Changes in currency exchange rates and costs of conversion between an investment's local currency and AVP IV's denominated currency may adversely affect the value of the investment.
- AVP IV may enter into credit facilities with one or more lenders which would likely require it to maintain specified financial ratios and comply with certain tests. Any such indebtedness could also bear interest at a variable rate which could be increased due to macroeconomic conditions.

- There is no public market for interests in AVP IV and none is expected to develop. Redemptions are not permitted during AVP IV's term. Each prospective investor must consider its investment to be illiquid and must be prepared to bear the financial risk of its investment for the life of AVP IV.
- Transfers into the United States will only be permitted in limited circumstances, and with the consent of the manager. The manager will not accept any purported transfer of an interest unless the transfer is pursuant to an exempt transaction under the 1933 Act and in accordance with all other United States and non-United States securities laws. Each prospective investor must consider its investment to be illiquid and must be prepared to bear the financial risk of its investment for the life of AVP IV.
- AVP IV intends to operate so that its assets are not deemed to include "plan assets" subject to ERISA. If the assets of the fund were deemed to be "plan assets", this could materially adversely impact all unitholders. Investors are advised to review the in-depth summary of certain ERISA-related issues in AVP IV's IM.
- Past results are not indicative of future results. There can be no assurance that AVP IV will achieve similar results or that any projected favourable conditions in the real estate industry will occur, or that decisions the manager makes in the future will be profitable.
- AVP IV will make investments based on its manager's projections of internal rates of return, which in turn are based on projections of future growth rates and interest rates of AVP IV's investments and the applicable market, as well as other factors. AVP IV's actual performance will differ from the manager's projections and may differ materially and there is no guarantee that the rate of return will equal or exceed the stated targeted returns.
- If AVP IV itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to its assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.
- The right of Class I (USD) unitholders to receive attributable performance where certain conditions are met may create an incentive for the manager, its employees or its Affiliates as Class I (USD) unitholders to make riskier or more speculative investments.
- If a unitholder fails to pay the amount due in respect of a call, AVP IV may be unable to meet its obligations in relation to certain of its underlying investments and may suffer forfeiture of its shares and/or other penalties in respect of such investments. In the event that a unitholder fails to pay any portion of its capital commitment on the due date, the unitholder will be in default and will be subject to certain remedies under law and the fund documentation.
- AVP IV may invest in investments with maturity dates later than the date which AVP IV will be dissolved, either by expiration of the term or otherwise. Although AVP IV will make such investments with the expectation that they will be disposed of prior to dissolution, AVP IV may have to sell or otherwise dispose of the investments at a disadvantageous time as a result of dissolution.
- Investment analyses and decisions by the manager may from time to time need to be undertaken on an expedited basis. In such situations, no assurance can be given that the manager will have knowledge of all circumstances that may adversely affect an investment.
- In the event AVP IV chooses to effect a transaction by means of a multi-step acquisition, there can be no assurance that such transition can be completed, and the remainder can be successfully acquired. This could result in AVP IV having only partial control over the investment or partial access to its cash flow to service debt incurred in connection with the acquisition.

- The manager will not be liable for any act or omission of the AIFM provided that it is able to demonstrate that the AIFM is qualified and capable of performing its functions, that it was selected with care and due diligence and that certain other obligations were satisfied.
- AVP IV's fund documentation includes contractual protections for the AIFM and its affiliates which limit their liability to AVP IV. As a result, unitholders have a more limited right of action against such persons than they would in the absence of such protections.
- The manager and the AIFM must comply with various regulatory and legal requirements, including Irish securities laws and tax laws as well as laws imposed by the jurisdictions in which AVP IV operates. Should any of those laws change during AVP IV's life, the regulatory and legal requirements to which AVP IV and its unitholders may be subject could differ materially from current requirements.
- The regulatory environment in which AVP IV and its advisors/appointed representatives operate is subject to heightened regulation, in particular in connection with United States securities laws. Potential investors should review the sections of AVP IV's IM which deal with United States securities laws in full and consult with their own advisers in respect of the investment.
- Unitholders shall be required, as a condition of their subscription, to make payments of capital following a capital call to an account of AVP IV over which the manager has granted security to the lender of the indebtedness up to the total amount of their unfunded capital commitments.
- The AIFM proposes to select a certain number of investments that operate independently. Such diversification intends to reduce the risk of loss, but no guarantee can be given that the diversification shall not result globally in losses recorded on certain investments exceeding the profits generated by others.
- Unitholders are expected to include taxable and tax-exempt entities from various jurisdictions. This may lead to conflicts of interest as AVP IV may take decisions which are more beneficial for one type of unitholder over another.
- The AIFM depends on each underlying fund manager for information concerning Investments. The management company generally will have no means of independently verifying the information supplied to it by the underlying fund managers. There can be no assurance that such information will be accurate.
- It is possible that under certain circumstances (including the liquidation of the investments) distributions may be made in kind and could consist of securities for which there is no readily available public market.
- AVP IV may invest in unregulated funds in jurisdictions which do not have equivalent levels of investor protection as provided in Ireland (AVP IV's jurisdiction of incorporation)
- As a result of AVP IV investing in other Investment Funds, unitholders will incur a duplication of fees and commissions.
- AVP IV may invest in non-controlling interests of real estate and real estate related companies. Holding a non-controlling interest in such a company is likely to involve risks such as an inability to influence the management of such a company or to elect a representative to its board or other governing body.
- Investments by AVP IV in emerging countries may expose clients to potentially higher risks, making their investments more volatile than investments in developed countries.
- To the extent that AVP IV invests in derivative or synthetic instruments or over-the-counter transactions, AVP IV may take a

credit risk with regard to parties with whom it trades and may also bear the risk of settlement default.

- The price of shares can go down as well as up and investors may not realise their initial investment.
- AVP IV may be called on to provide additional funds to an investment, or be offered the opportunity to increase its investment. There is no guarantee that it will do so, or that it will have sufficient funds to make such an investment at that time. This could result in a substantial negative impact on the return of such an investment.
- The manager or AIFM may seek appropriate management rights in respect of its investments but there is no guarantee that these rights, if sought, will be obtained. The success or failure of investments will depend to a significant extent on the specific management team owning or managing the investments.
- The AIFM may invest in non-controlling interests of real estate and real estate related companies. Holding a non-controlling interest in such a company is likely to involve risks such as an inability to influence the management of such a company or to elect a representative to its board or other governing body.
- Although AVP IV may offer multiple classes of units, all of its assets are available to meet all of its liabilities, regardless of the class(es) of units to which such assets or liabilities are attributable. The assets attributable to any one class of units will not be isolated from the liabilities attributable to other classes of units.

#### **Risks associated with real estate investments**

- All real estate investments are speculative in nature and the possibility of partial or total loss of capital exists. Prospective investors should not invest in AVP IV unless they can readily bear the consequences of such loss.
- Adverse changes in the financial condition of any tenant may have an adverse effect on the ability of the manager to collect rent payments and, accordingly, on AVP IV's ability to make distributions to its investors.
- AVP IV may not be able to find a sufficient number of attractive opportunities to meet its investment objectives. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. There can be no guarantee that AVP IV will be able to locate, complete and exit Investments that satisfy its rate of return objectives, or realise upon their values, or that AVP IV will be able to fully invest all funds committed for investment by its unitholders.
- Even if the investments of AVP IV are successful, they may not produce a realised return to the unitholders for a period of several years.
- Fees and charges may be incurred by AVP IV in association with the acquisition of investments identified prior to the offer period opening or to repay the AIFM for any charges incurred by it prior to the first drawdown date.
- Vehicles through which AVP IV makes its investments may be responsible for paying real property taxes. These taxes may increase or decrease as property tax rates change. Such vehicles, or AVP IV, may be unable to recoup any increased costs as a result of such changes which could have a material adverse effect on AVP IV's operations.
- Increases in national or local sales, income, service or taxes may adversely affect AVP IV's cash flow and its ability to make distributions. Regulations on zoning and land use may also affect the value and profitability of any property held by AVP IV and increase their expenses.
- Vehicles in which AVP IV invests may suffer losses that may either be uninsurable or not economically insurable (for example, earthquake coverage). There are also various other restrictions on the scope of protection that may be obtained from

insurance. As such, there is no guarantee that the insurance proceeds any vehicle holding real estate receives will be adequate to restore its economic position on such property which could have a materially adverse effect on AVP IV.

- When disposing of an investment, the underlying investment vehicle may be required to make certain representations or give certain indemnities to a purchaser. These arrangements will generally result in the incurrence of contingent liabilities for which the AIFM may establish reserves or escrow accounts.
- AVP IV may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect its value and may continue without resolution for long periods of time.
- Properties held by AVP IV or its investment vehicles could be subject to future acts of terrorism. In addition, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the local financial and insurance markets and economy, thus harming leasing demand for and the value of the properties. These events may have a negative effect on the business and performance results of one or more acquired properties.
- Investments may be made as a co-venturer or partner with the seller of the property (or its affiliate). Such investments carry risks not present in other investments, such as potential conflicts over major decisions or the third party carrying potential liquidity or credit risk. As a result of these (and other related) risks, AVP IV may not be able to fully realise its expected return on any such investment.
- Operating expenses are not fixed and may increase in the future. There is no guarantee that managers of the investments will be able to pass these expenses and increases on to its tenants.
- Acquisitions of existing properties by AVP IV entail general investment risk associated with any real estate investment and they may fail to perform in accordance with expectations.
- AVP IV may invest in a variety of real estate-related debt investments. Such investments may carry risk of borrower default, illiquidity, lack of control, mismanagement or decline in the value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the Fund's exercise of contractual remedies for defaults of such investments.
- AVP IV may participate in and/or acquire real estate loans that are non-recourse to the borrower. Returns on an investment of this type depend on the borrower's ability to make required payments, and, in the event of default, the ability of the loan's servicer to foreclose and liquidate the mortgage loan.
- It is possible that the AIFM may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by AVP IV. The foreclosure process can be lengthy and expensive, and borrowers often find ways to delay or prevent completion of the process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.
- Environmental laws and regulations may impose substantial liability on the owners or operators of real property, even where the owner or operator did not know, and was not responsible for, any contamination. The cost of any required remediation may be substantial and could exceed the value of the property or the assets of the owner.
- Remediation efforts and litigation relating to any harmful contaminants (including mould and asbestos) are not covered by insurance policies obtained by AVP IV. Such actions may impact on returns.
- AVP IV may invest in investments that are or may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. A bankruptcy filing may adversely and permanently affect an investment and thus affect

AVP IV itself.

#### **Valuation Risks**

- An investment's performance will be measured in its local currency, which may not be the same as AVP IV's base currency (USD). Currency fluctuations may therefore impact on the attributable performance due to class I (USD) unitholders.
- When calculating the units' NAV, the administrator and trustee will not be liable to any person as a result of having relied on any information provided to it by the AIFM or its connected persons.
- Valuations of AVP IV's holdings rely on financial information provided by the underlying investments' managers and/or owners. Independent valuation sources may not be available for such valuations.
- There may be delays in obtaining net asset values for AVP IV's underlying Investment Funds, meaning AVP IV would have to rely on estimates in calculating its own net asset value. There is no guarantee as to the accuracy of such estimates.
- It is inherently difficult to value property due to the lack of marketability, meaning valuations are subject to substantial uncertainty and there is no assurance that any estimates will reflect the actual sales price.
- There may be circumstances where the manager considers it in unitholders' best interests to acquire property at a price in excess of its valuation.

#### **Taxation Risks**

- Any changes to tax legislation may adversely affect AVP IV.
- Where AVP IV invests in securities or other equity interests that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof.
- United States tax consequences to prospective investors from a subscription for units in AVP IV could be complex and prospective investors are strongly urged to review the detailed discussion of United States taxation in the AVP IV IM and to consult their own professional advisers in this regard
- In future, AVP IV will be required to comply with the OECD's Common Reporting Standard ("CRS") due diligence and reporting requirements, as adopted by Ireland. Investors may be required to provide additional information to the manager to enable AVP IV to satisfy its obligations under the CRS. Failure to provide the requested information may subject the Fund to penalties or other sanctions imposed under the applicable regulations. AVP IV may hold non-compliant investors liable for any resulting penalties or other charges and/or mandatory termination of its interests in AVP IV.





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