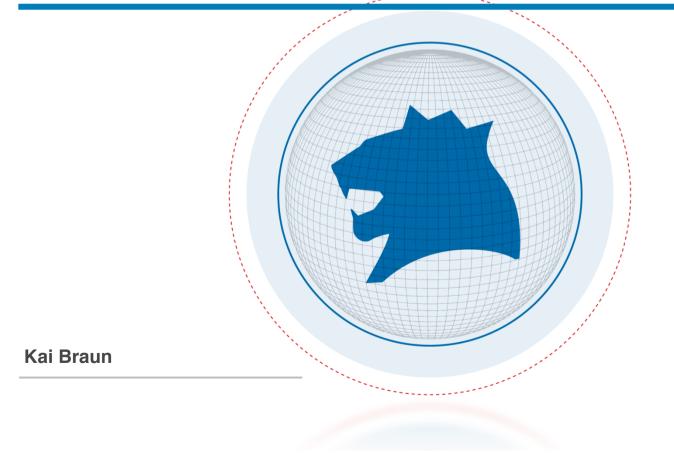


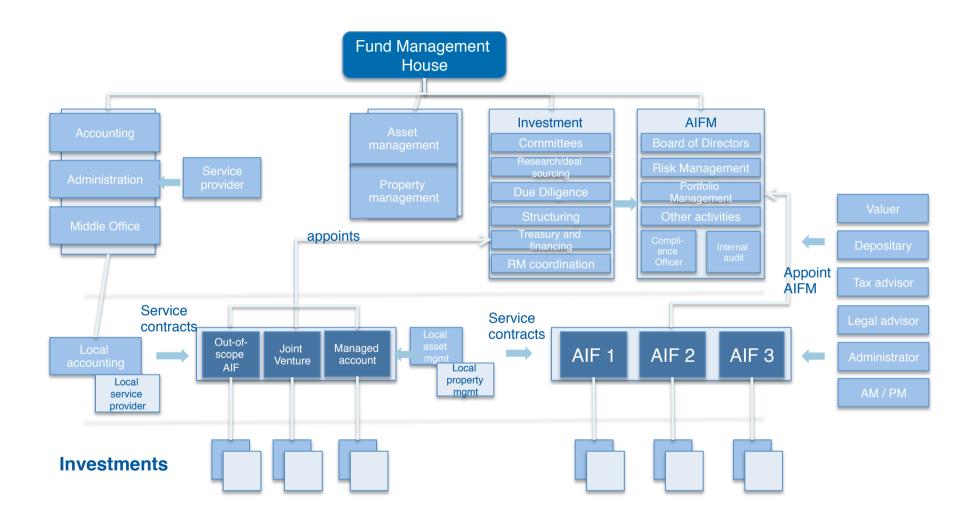
LUXEMBOURG

AIFMD READY FOR YOUR REAL ESTATE STRUCTURES





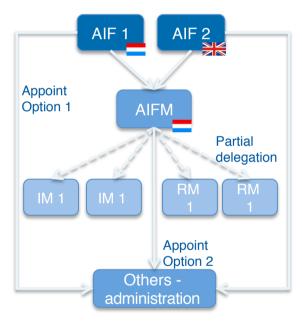
Fund platforms in Europe



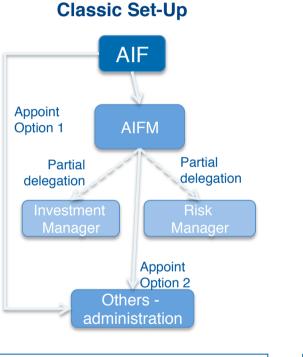


Luxembourg business models



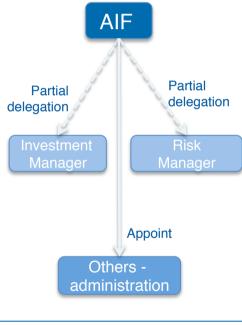


- Partial delegation will need to cope with third-party characteristics
- Service offering to attract small to medium size business
- Use of passport allows to centralize monitoring and supervision



- Anticipated model for large players
- Other functions than IM and RM can be monitored by the AIF itself





- Model only valid for a single AIF
- Structure cannot be leveraged for other AIF's



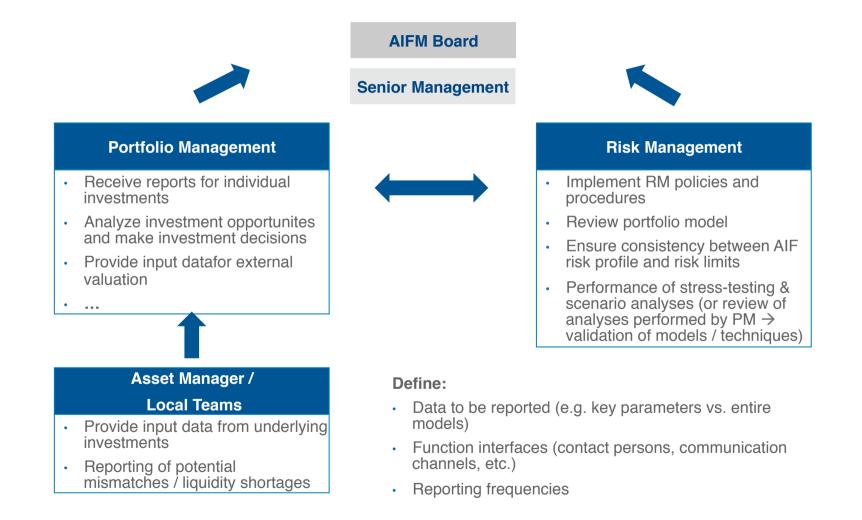
Risk management for Real Estate

Risk Management for RE has traditionally been different from Risk Management for liquid assets.

	RE	Liquid assets (UCITS-like)
Organization	 RM often integrated in Portfolio Management operations and largely covered by transaction DD procedures No formalized or documented RM procedures Traditionally no independent or separate RM function 	 Regular RM procedures based on sophisticated statistical models Formalized and documented RM procedures Separate functions / departments in charge of RM
Operation	 Due to heterogeneity of assets as well as often limited liquidity and market transparency, RM largely to be performed based on more asset- / fund-specific indicators Quantitative measurement not always possible, greater degree of judgment may be needed 	 Due to homogeneity of assets and sufficient data available, risk assessments based on statistical models possible (liquid and transparent markets) Usually quantitative measurement, lesser degree of judgment needed



Governance and role for RM





Risk Management system for RE

NF Name Reporting Date	RE-6x Fund 20.09 2013																		
sporary care													Risk Limits						
Risk Calegory	State Type	Priority of Risk	888		it for chosen		Limit Value (LV) at Reporting Date		ation from L		Linit Rule	Line Warning (automated)	Linit Warning (manual)	Indication from previous reports	Excelution to	Mitgating Action proposed	Last Reporting Date	Frequency of Mankaring	
	Neta-micro level	- 10	- development of fund performance vs. bechmark index	-	110	absolute	115		5.00	absolute	FLV <nnl*ned< td=""><td>ок</td><td></td><td></td><td>CR0/SM/Bob</td><td></td><td>30.06.2213</td><td>Quativity</td><td></td></nnl*ned<>	ок			CR0/SM/Bob		30.06.2213	Quativity	
		High	-changes in ERV	-2%	-4%	*	-2.02%	-33.32%	40.00%	wister	FLV>EWL (absolute) + yellow; FLV>MNL (absolute) + red	œ			CRO/SM/BoD		30.06.2213	Quarterly	
	Noo-Irwei Igenerzistanding and volatility of Iniewart submanara i rindustry benchmanking	Hgti	-changes in actual terms	-2%	-15	*	-1.00%	-60.00%	-76.00%	minter	FLV> EWL (absolute) = yellow; FLV> MNL (absolute) = red	ок			CRO/SM/BoD		30.06.2213	Quarterly	
		Hgh	-price changes / yield movements	25	50	bps	30	22.00%	-40.00%	absolute	FLV> SWL (absolute) = yellow; FLV> MNL (absolute) = red	Monitor Closely			CRD/SM/Bob		30.06.2213	Quarterly	_
	Currence fills		 % movements in the fund value resulting from exchange rate changes in the sensitivity analysis 	-2%	4%	~	-6.02%	65.67%	0.00%	wister	FLV> EWL (absolute) = yellow; FLV> MNL (absolute) = red	Escalate			CR0/SM/Bob		30.06.2213	Quarterly	
			S charge in currency-solatility above historic average	8%.	-	*	-4.02%	-20.02%		wister	fLV>EWL(absolute)+yellow	ox			CR0/SM/Bob		30.06.2013	Quarterly	
	Coverage (saliateral)		- sao "Loverage" under Liquidity nex	63	64	64	-	-		-	na timit assigned				CRO/SM/Bob		30.06.2213		
with Rich	Liability (according to contract)		•recourse vs. non-recourse	63	-	6/8	-		÷		na limit assigned				CR0/SM/Bob		30.06.2213	On occurrence	
	Property cash flows / adues		• see "Property cash flows./ velues" under Liquidity fisk	nia	nia	n/a			-	-	na limit assigned				CR0/SM/Bob		30.06.2213	- 14	
	Leviage		-LTV	45%	70%	*	64%	-1%	-4%	absolute	FLV> EWL (absolute) = yellow; FLV> MNL (absolute) = red	œ			CR0/SM/Bob		30.06.2213	Quarterly	
			-ICR	1.60	1.90	absolute	1.55	-0.05	0.55	absolute	FLV <ewl (absolute)="yellow;<br">FLV<mnl (absolute)="red</td"><td>Monitor Closely</td><td></td><td></td><td>CR0/SM/Bob</td><td></td><td>30.06.2213</td><td>Quarterly</td><td></td></mnl></ewl>	Monitor Closely			CR0/SM/Bob		30.06.2213	Quarterly	
			-DECR	1.36	1.25	absolute	1.30	-0.05	0.55	absolute	FLV <rwl (absolute)="yellow;<br">FLV<wl (absolute)="red</td"><td>Monitor Closely</td><td></td><td></td><td>CRD/SM/Bob</td><td></td><td>30.06.2213</td><td>Quarterly</td><td></td></wl></rwl>	Monitor Closely			CRD/SM/Bob		30.06.2213	Quarterly	
quidiy Rab	Asset liquidity		marketing period & achievable market conditions			qualitative				qualitrise	Qualitative limit assessment based on assessment for respective market		œ		CR0/SM/Bob		30.06.2213	Quarterly	
	Property cash flows / whoes		% charge in NOI minus total financing casts (internal & external) miative to budget	-2%	4%	~	-3.52%	75.00%	-00.00%	~	FLV> EWL (absolute) = yellow; FLV> MNL (absolute) = red	Monitor Closely			CR0/SM/Bob		30.06.2213	Quarterly	
	Fund cash tows		Ns change in NOT minus total financing costs (internal & external) plus capital cats minus dividends relative to budget	-2%	4%	~	-6.02%	205.00%	22.00%	~	FLV> EWL (absolute) = yellow; FLV> MNL (absolute) = red	Escalate			CR0/SM/Bob		30.06.2213	Quarterly	
			amount / margin of net cash nemaining relative to payment obligations	105%	102%	~	110.00%	6.00%	7.00%	absolute	FLV <ewl (absolute)="" +="" yellow;<br="">FLV< MNL (absolute) + red</ewl>	OK			CR0/SM/Bob		30.06.2213	Quarterly	
	Investors		 positive outcome of investor check 							quilitie	Qualitative limit assessment based on investor DD		œ		CR0/SM/Bob		30.06.2213	Quativity	
			-passed dues	> 3 months' rest	>é norths' ant	absolute	300,000			-	LV assigned pertenant, result links from separate sheet	Link aggregated result from tecart monitoring cheet			CR0/SM/Bob		30.06.2213	Quarterly	
	Tenara -		endernal credit rading	з	2	absolute	3	۰	,	qualitrise	FLV <ewl (absolute)="yellow;<br">FLV< MNL (absolute) = red</ewl>		Monitor Classify		CR0/SM/Bob		30.06.2213	Quarterly	
			-tenant industry performance	-	-	qualitative	-			qualitie	Qualitative limit assessment based on assessment for respective industry		ox		CRD/SM/BoD		30.06.2213	Quarterly	
			-tenant financial performance			qualitative	-			qualitrise	Qualitative limit assessment based on tenants financial performance		œ		CR0/SM/Bob		30.06.2213	Quarterly	
outimaria Tob	Custodian		- credit agency/s (kBP) assessment	-	^	absolute	88-			8316739	FLVworse than MNL + red	Escalate			CR0/SM/Bob		30.06.2213	Quarterly	
	Creditors		- credit agency's (kBP) assessment	-	^	qualitative	88-			qualitie	FLVworse than MML+ and		Escatate		CRO/SM/Bob		30.06.2013	Quativity	
			-bank guarantee			qualitative	-			qualitrise	Qualitative limit assessment based on developer's financial soundness		œ		CR0/SM/Bob		30.06.2213	Quarterly	
	Developers		-outcome of SOP checks / SOP memo	-	-	qualitative	-			qualitrise	Qualitative limit assessment based on developer 20		œ		CR0/SM/Bob		30.06.2213	Quarterly	
			-francial performance			outilitie				autible	Qualitative limit assessment based on developer's financial		~		CRO/RM/Bid		20.06.22113	Quarteria	

Steps:

- 1. Assigned limits are compared to actual limits values.
- 2. Depending on risk type and measurement approach, qualitative assessment and comments can / have to be supplemented.
- 3. Depending on the actual limit value / qualitative assessment, the Limit Warning is triggered.

The Risk Monitoring Tool (RMT) contains information on:

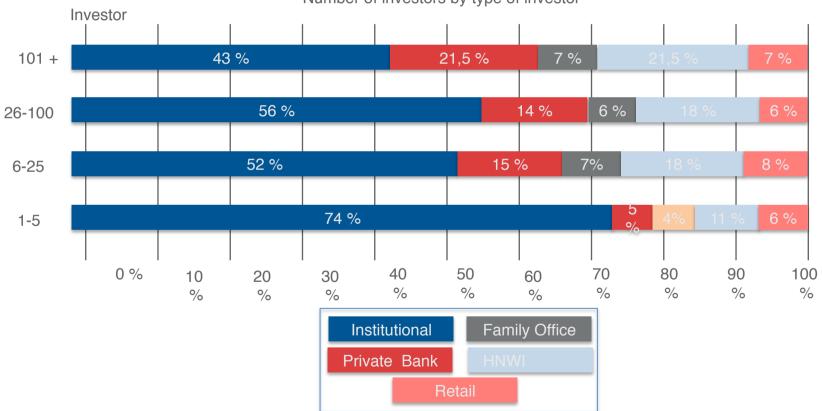
- Risk type
- Risk priority
- KRI
- Risk Limits & Limit Warning
- Escalation Lines
- Mitigating action (proposed)
- Last reporting date
- Monitoring frequency.

Advantages:

- Excel-based RMT is easy to adjust and integrate into running systems.
- Risk types with limit warnings can easily be extracted into a separate risk report (e.g. using a macro).
- Timely escalation is facilitated since escalation lines are provided.



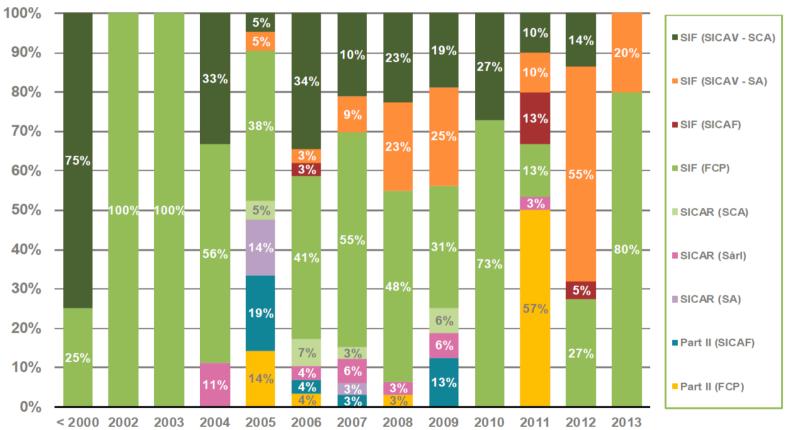
Marketing to private investors will become more challenging in the future



Number of investors by type of investor



Legal structure and regime



Legal regime and vehicle type combined by launch year (*)

(*) This graph shows the launch year of fund units that are included in the REIF Survey 2013. It is NOT a cumulative sequence.



Questions