ELECTRONIC TRANSMISSION DISCLAIMER

STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission applies to the attached document and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Prospectus relating to Eurocastle Investment Limited (the "Company") dated 27 April 2015 accessed from this page or otherwise received as a result of such access and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached document. In accessing the attached document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission or the attached document to any other person. This Prospectus has been approved by the Financial Conduct Authority as a prospectus prepared in accordance with the Prospectus Rules made under section 73A of the Financial Services and Markets Act 2000. This Prospectus is available from the Company's registered office and on the Company's website at www.eurocastleinv.com.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT MAY ONLY BE DISTRIBUTED: (I) TO PERSONS REASONABLY BELIEVED TO BE "ACCREDITED INVESTORS" WITHIN THE MEANING OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR "QUALIFIED INSTITUTIONAL BUYERS" ("QIBs") AS DEFINED IN RULE 144A OF THE SECURITIES ACT ("RULE 144A") THAT IN EACH CASE ARE ALSO "QUALIFIED PURCHASERS" OR "KNOWLEDGABLE EMPLOYEES" WITHIN THE MEANING OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"); OR (II) TO INVESTORS THAT ARE NOT "U.S. PERSONS" AS SUCH TERM IS DEFINED IN RULE 902 IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT: (I) TO PERSONS REASONABLY BELIEVED TO BE ACCREDITED INVESTORS OR QIBs THAT IN EACH CASE ARE ALSO QUALIFIED PURCHASERS OR KNOWLEDGABLE EMPLOYEES; OR (II) TO INVESTORS THAT ARE NOT U.S. PERSONS IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

A purchase of the securities described herein by an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA") or a plan subject to Section 4975 of the U.S. Internal Revenue Code of 1986 (the "Code"), or by any entity whose assets are treated as assets of any such plan, could result in severe penalties or other liabilities for the purchaser, the Company and the directors of the Company. By receiving this document, without the consent of the Company you and any subsequent recipients will therefore be deemed to have represented and warranted that you are not, and that each subsequent recipient is not, such a plan or entity.

This electronic transmission and the attached document and the Offer when made are only addressed to and directed at persons in member states of the European Economic Area ("Member States") who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) ("Qualified Investors"). In addition, in the United Kingdom, this electronic transmission and the attached document is being distributed only to, and is directed only at, Qualified Investors: (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and Qualified Investors falling within Article 49(2)(a) to (d) of the Order; and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This electronic transmission and the attached document must not be acted on or relied on: (i) in the United Kingdom, by persons who are not relevant persons; and (ii) in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to: (i) in the United Kingdom, relevant persons; and (ii) in any member state of the European Economic Area other than the United Kingdom, Qualified Investors, and will be engaged in only with such persons.

In certain Member States this electronic transmission may constitute marketing, as such term is defined in the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "AIFMD"). This electronic transmission is not intended for recipients domiciled or with a registered office in any such Member State unless prior notification has been given to the competent authority in the relevant Member State and the other conditions in Article 42 of AIFMD (as implemented in the relevant Member State) have been met.

Confirmation of Your Representation: This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to the Company and Credit Suisse Securities (Europe) Limited (the "Sole Bookrunner") that: (i) you are: (a) a QIB that is also a Qualified Purchaser acquiring such securities for its own account or for the account of another QIB that is also a Qualified Purchaser; or (b) an Accredited Investor that is also a Qualified Purchaser or Knowledgable Employee acquiring such securities for its own account; or (c) a non-U.S. Person acquiring such securities in "offshore transactions", as defined in, and in reliance on, Regulation S; (ii) if you are in the UK, you are a relevant person, and/or a relevant person who is acting on behalf of, relevant persons in the United Kingdom and/or Qualified Investors to the extent you are acting on behalf of persons or entities in the UK or the EEA; (iii) if you are in any member state of the European Economic Area other than the UK, you are a Qualified Investor and/or a Qualified Investor acting on behalf of, Qualified Investors or relevant persons, to the extent you are acting on behalf of persons or entities in the EEA or the UK; and (iv) you are an institutional investor that is eligible to receive this document and you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, the Sole Bookrunner nor any of its respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the linked document, you consent to receiving it in electronic form. Neither the Sole Bookrunner nor any of its affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Shares. The Sole Bookrunner and each of its affiliates, each accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by the Sole Bookrunner or any of its affiliates as to the accuracy, completeness or sufficiency of the information set out in this document.

The Sole Bookrunner is acting exclusively for the Company and no one else in connection with the Offer. It will not regard any other person (whether or not a recipient of this document) as its client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) (the "FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a prospectus relating to the Company in connection with the issue of shares in the Company, prepared in accordance with the Prospectus Rules made under Section 73A of FSMA, has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council accept any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard thereto. The Company and the Directors of the Company, whose names appear on page 414, accept responsibility for the completeness and accuracy of the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Credit Suisse Securities (Europe) Limited, which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority, is acting as Sole Bookrunner to the Company in connection with the matters described herein. Credit Suisse Securities (Europe) Limited is acting exclusively for the Company and for no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Credit Suisse Securities (Europe) Limited nor for giving advice in relation to the Offer or any other matter referred to herein.

Capitalised terms contained in this Prospectus shall have the meanings set out in Part XIII of this Prospectus.

INVESTMENT IN THE COMPANY INVOLVES SIGNIFICANT RISKS AND SPECIAL CONSIDERATIONS. PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE DOCUMENT AND, IN PARTICULAR, ATTENTION IS DRAWN TO THE RISK FACTORS IN THE SECTION ENTITLED "RISK FACTORS" SET OUT ON PAGES 21 TO 43 OF THIS PROSPECTUS.

Details of the Offer are set out in Part V of this document.

Eurocastle Investment Limited

(incorporated in Guernsey on 8 August 2003 and registered under the Companies (Guernsey) Law, 2008 (as amended) with registered number 41058)

Prospectus

Offer of 39,762,992 Ordinary Shares at an Offer Price of €7.85 per Share

Credit Suisse

SOLE BOOKRUNNER

Ordinary Share capital immediately following Admission of Offer Shares

Authorised	*Ordinary Shares*	*Issued*
Unlimited	Of no par value	72,398,494

The closing price of the Shares on Euronext Amsterdam on 23 April 2015 was €8.00.

Please refer to "Important Information" on page 44 for a discussion of additional important legal restrictions and risks applicable to an investment in the Shares.

Eurocastle Investment Limited is offering Offer Shares under the Offer.

The Offer Shares to be made available pursuant to the Offer will, on their Admission, rank *pari passu* in all respects with the existing Shares, including for all dividends and other distributions declared, made or paid on the Shares after their Admission.

Application will be made for the admission to listing and trading of all of the Offer Shares on Euronext Amsterdam. The Company, Euronext Amsterdam and the Listing Agent do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the listing or the (related) annulment of any transaction in Shares on Euronext Amsterdam.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or acquire Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Advisers, and, in particular, is not for distribution in the United States, Australia, Canada or Japan or to U.S., Australian, Canadian or Japanese persons. The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any other applicable law of the United States, or under the applicable securities laws of Australia, Canada or Japan.

Subject to certain exceptions, the Offer Shares may not be offered or sold in the United States, Australia, Canada or Japan or to, or for the account or benefit of, any U.S. person, or any national, resident or citizen of Australia, Canada or Japan. The Offer Shares may only be offered: (i) to persons reasonably believed to be Accredited Investors (each, an "Accredited Investor") as defined in Rule 501(a) of Regulation D promulgated under the Securities Act or Qualified Institutional Buyers (each, a "Qualified Institutional Buyer") pursuant to Rule 144A under the Securities Act ("Rule 144A") that in each case are also Qualified Purchasers (each, a "Qualified Purchaser") or Knowledgeable Employees (each, a "Knowledgeable Employee") within the meaning of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"); or (ii) to investors that are not U.S. Persons in Offshore Transactions pursuant to Regulation S under the Securities Act. The Company will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of such Act. For further information on selling and transfer restrictions please see the section entitled "Important Information" on pages 44 to 51 of this Prospectus.

Prospective investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or another exemption from the registration requirements of the Securities Act. The Offer Shares are not transferable except in compliance with the restrictions described under "Transfer Restrictions" in Part VIII of this Prospectus. In addition, prospective investors should take note that there are restrictions on the acquisition of the Offer Shares by investors using assets of any retirement plan or pension plan that is subject to Title I of ERISA or Section 4975 of the Code. Prospective investors are also notified that the Directors believe that the Company is classified as a passive foreign investment company for U.S. federal income tax purposes.

Within the European Economic Area, Shares may only be marketed in accordance with the provisions of the EU Alternative Investment Fund Managers Directive ("AIFMD") and relevant implementing legislation. In member States that have implemented AIFMD, the Shares cannot be marketed to investors unless prior notification has been given to the competent authority in the relevant member State and the other conditions contained in Article 42 AIFMD have been met.

The Company may be a "covered fund" for the purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "covered banking entities" for the purposes of the Volcker Rule, including, without limitation, non-U.S. banks with a banking presence in the United States, may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

Prospectus dated 27 April 2015

Notice to investors in the United States

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares.

The Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority or any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Shares are being offered and sold only to: (1) Qualified Institutional Buyers within the meaning of and pursuant to Rule 144A or Accredited Investors that in each case are also Qualified Purchasers or Knowledgeable Employees or in transactions not subject to, the registration requirements of the Securities Act; and (2) persons that are not U.S. Persons in "offshore transactions" pursuant to Regulation S and applicable laws. Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy or accuracy of the Prospectus. Prospective investors are hereby notified that any seller of the Shares may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A. Any offer or sale of the Shares within the United States in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act, if any, will be made by broker-dealers who are registered under the U.S. Exchange Act of 1934, as amended (the "Exchange Act").

The Offering is being made in the United States through U.S. broker-dealer affiliates of the Sole Bookrunner. Transfers of the Shares will be restricted and each purchaser will be deemed to have made acknowledgments, representations and agreements, as described below. Each U.S. purchaser of the Shares and each subsequent purchaser thereof will be deemed to have represented and agreed as follows (terms used herein that are defined in Rule 144A or Regulation S are used herein as defined therein):

1. The purchaser: (A) is, and at the time of its purchase of Shares will be, a Qualified Institutional Buyer within the meaning of Rule 144A or an Accredited Investor that in each case is also a Qualified Purchaser or Knowledgeable Employee; (B) is aware that the sale of the Shares to it is being made in a transaction exempt from registration under the Securities Act; and (C) is purchasing the Shares: (i) for its own account; or (ii) for the account of one or more other Qualified Institutional Buyers or Accredited Investor that in each case is also a Qualified Purchaser or Knowledgeable Employee, for which it is acting as duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgments, representations and agreements on such person's behalf), in each case for investment and not with a view to any resale or distribution of any such Shares; or

2. the purchaser is not a U.S. Person and is acquiring the Shares, in an offshore transaction complying with Regulation S.

The purchaser understands that for so long as the Shares are "restricted securities" within the meaning of the U.S. federal securities laws, no Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such Shares will not settle or trade through the facilities of DTC or any other U.S. clearing system.

The purchaser has received a copy of this Prospectus and has had access to such financial and other information concerning the Company as it deems necessary in connection with making its own investment decision to purchase Shares. The purchaser acknowledges that neither the Company nor any of its representatives has made any representation to it with respect to the Company, the Group or the allocation, offering or sale of any Shares other than as set forth in this Prospectus which has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Shares. The purchaser also acknowledges that it has made its own assessment regarding the U.S. federal tax consequences of an investment in the Shares. The purchaser has held and will hold any offering materials, including the Prospectus, it receives directly or indirectly from the Company in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it.

The purchaser understands that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Sole Bookrunner and their affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. The purchaser irrevocably authorises the Company and the Sole Bookrunner to produce these representations and undertakings to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered herein.

The purchaser undertakes promptly to notify the Company and the Sole Bookrunner if, at any time prior to the purchase of Shares, any of the foregoing ceases to be true.

The purchaser understands that any offer, sale, pledge or other transfer made other than in compliance with the above stated restrictions shall not be recognised by the Company in respect of the Shares.

Neither the Company nor the Sole Bookrunner accept any legal responsibility for any violation by any person, whether or not a prospective investor in the Shares, of any of the foregoing restrictions.

Notice to New Hampshire Residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANYWAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

TABLE OF CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A—E (A.1—E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into this summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in this summary with the mention of 'not applicable'.

Section A – Introduction and Warnings		
Element	**Disclosure Requirement**	**Disclosure**
A.1	Warning	This summary must be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Use of the prospectus for resale or final placement of securities by financial intermediaries	Not applicable. The Company has not given its consent to the use of this document for the resale or final placement of the Shares by financial intermediaries.
Section B – Issuer		
Element	**Disclosure Requirement**	**Disclosure**
B.1	Legal and commercial name	Eurocastle Investment Limited.
B.2	Domicile and legal form	The Company is a closed-ended investment company limited by shares. The Company is incorporated and domiciled in Guernsey. The Company operates under the Companies (Guernsey) Law and regulations made under that law. The Company is regulated as an authorised closed-ended investment fund by the Guernsey Financial Services Commission. The Company's Shares are currently listed on Euronext Amsterdam.

B.3	Current operations and principal activities	The current principal activities of the Group comprise the investment of its assets in Italian non-performing loans ("NPLs") and real estate related assets and related businesses. In addition, the Group may pursue selective real estate related investment opportunities in other European markets and continues to manage its legacy German commercial property portfolio and European real estate related debt portfolio. The Company is externally managed by its manager, FIG LLC (the "Manager"), an affiliate of Fortress Investment Group LLC ("Fortress"). Fortress is a global alternative asset manager with US$67.5 billion of assets under management as at 31 December 2014. The Company has entered into a Management Agreement under which the Manager advises the Group on various aspects of its business and manages its day-to-day operations, subject to the supervision of the Company's Board of Directors, of which a majority are independent of the Manager. For its services, the Manager receives an annual management fee (and reimbursement for certain expenses) and incentive compensation. The Company has no ownership interest in the Manager.
B.4a	Significant recent trends	The Company believes that the markets in which the Group seeks to make investments, and in particular Italy, continue to be characterised by a significant imbalance between sellers and buyers of investments, including real estate related investments. This has, the Company believes, been driven in large part by banks' requirements to deleverage, which has resulted in them seeking to make provisions for, and seeking to sell, their non-core assets to improve capital ratios. The Company believes that this imbalance creates attractive investment opportunities for the Group, especially because there is a limited universe of buyers with access to deep market knowledge, industry relationships and servicing expertise, particularly in Italy. In Germany, the Company believes that the real estate market continues to support its strategy of realising its existing portfolio, with certain asset types experiencing strong demand.
B.5	Group description	The Company holds its legacy real estate investments through three main Luxembourg based wholly owned subsidiaries. Depending on the specific investment structure, these companies generally hold the real estate investment through an intermediate holding company. The three main Luxembourg holding companies also hold Luxembourg based property companies. The Company holds its Italian performing and non-performing loan investments and fund units through Luxembourg and Delaware subsidiaries.

B.6	Major shareholders	As at 23 April 2015, the following persons held 3 per cent. or more of the issued share capital and voting rights of the Company:

Shareholder	No. of Shares	% of issued share capital pre-Offer
Euroclear Nominees Limited	26,600,651	81.51%
The Bank of New York (Nominees) Limited	3,128,049	9.59%

Based on the information notified to the Company at 23 April 2015, the Company was aware of the following persons who were indirectly interested in 3 per cent. or more of the share capital of the Company and have not subsequently notified the Company of any changes:

Shareholder	No. of Shares	% of issued share capital pre-Offer
York Capital Management[(1)]	7,744,919	23.73%
Select Equity Group Inc.	4,466,914	13.69%
EMS Capital LLP	3,596,628	11.02%
California State Teachers' Retirement System	3,005,043	9.21%
Kingdon Capital Management, LLC[(1)]	2,044,928	6.27%
Lafayette Street Fund II L.P.	1,671,470	5.12%
Abrams Capital Management L.P.	1,502,519	4.60%
Lafayette Street Offshore Master Fund Ltd	1,429,295	4.38%
Indus Capital Partners, LLC[(1)]	999,293	3.06%

(1) Shares beneficially owned by funds managed or advised by named entity or affiliates.

As at 23 April 2015, Fortress, its principals and its senior management owned approximately 4.96 per cent. of the issued share capital of the Company (and, assuming the exercise of their options to purchase Shares, an additional 4.45 per cent. of the then issued share capital). In addition, certain funds managed by the Manager on behalf of third party investors owned approximately 10.37 per cent. of the Company's issued share capital as at 23 April 2015.

As at the date of this Prospectus, the Directors are not aware of any person or persons who, directly or indirectly, owns or exercises control over the Company. Each Share carries the same voting rights as the other Shares.

B.7	Key financial information	Selected historical financial information relating to the Company which summarises the financial condition of the Company for the three years ended 31 December 2014 is set out in the following table:

Balance sheet

	At 31 Dec 2014 €'million	At 31 Dec 2013 €'million	At 31 Dec 2012 €'million
Cash and cash equivalents	146.5	193.2	141.3
Real estate investment property	1,098.9	1,722.5	2,020.3
Debt investments	202.1	343.5	456.1
Italian investments	59.4	14.5	–
Other assets	27.0	43.5	37.6
Total assets	**1,533.9**	**2,317.2**	**2,655.3**
Interest bearing debt financing	(1,205.7)	(1,861.8)	(2,251.0)
Other liabilities	(119.5)	(128.4)	(112.2)
Total liabilities	**(1,325.2)**	**(1,990.2)**	**(2,363.2)**
Total net assets as reported under IFRS	**208.7**	**327.0**	**292.1**
Net assets €/share(1)	**6.39**	**10.02**	**16.57**

The Adjusted Net Assets shown below reflect the Group's NAV excluding the Company's non-controlling interests, the net asset value of the Mars Floating and Bridge Portfolios, and adjusting for the revaluation of the Superstella, Tannenberg and Turret Portfolios to their agreed sales price. Adjusted Net Assets is a non-IFRS measure and should not be considered as an alternative to "net assets", "total equity" or "total shareholders' equity" or any other performance measure derived in accordance with IFRS.

	2014	2013	2012
Reversal of Non-controlling interest(2)	(2.3)	(2.8)	–
Reversal of net liabilities of the Mars Floating Portfolio	46.6	30.2	15.2
Reversal of net assets of the Bridge Portfolio(3)	–	(26.0)	–
Revaluation of the Superstella, Tannenberg and Turret Portfolios	5.5	–	–
Other Roundings	(0.1)	–	0.1
Adjusted net assets	**258.4**	**328.4**	**307.4**
Adjusted net asset €/share(1)	**7.92**	**10.06**	**17.43**

(1) The 2012 figure has been adjusted for the share consolidation (ratio of 200:1).
(2) Reflects the 19 per cent. interest in certain of the Group's Italian loan pools that the Group does not own.
(3) Reflects the loss of the Bridge portfolio in January 2014.

Income statement

	For the year ended 31 Dec 2014 €'000,000	For the year ended 31 Dec 2013 €'000,000	For the year ended 31 Dec 2012 €'000,000
Rental and service charge income	101.8	156.3	167.7
Interest income	8.4	14.2	23.9
Fair value gains on Italian investments	3.7	5.3	–
Net impact of sale of Mars Fixed	–	–	6.8
Loss on deconsolidation of Bridge	(26.1)	–	–
Decrease in fair value of investment properties	(66.7)	(44.8)	(94.7)
Other than temporary impairment on securities	(20.4)	(54.5)	(16.7)
Interest expense	(51.5)	(80.4)	(89.6)
Service charges and property related expenses	(43.0)	(60.8)	(62.0)
Other operating income/(expenses)	(16.0)	(21.9)	(7.9)
Net (loss)/profit before taxation	**(109.8)**	**(86.6)**	**(72.5)**
Taxation	0.9	0.7	(9.2)
Net (loss) after taxation	**(108.9)**	**(85.9)**	**(81.7)**
Attributable to:			
Ordinary equity holders of the Company	**(109.3)**	**(86.9)**	**(81.7)**
Non-controlling interests	**0.4**	**1.0**	**–**

There have been no significant changes to the Company's financial condition and operating results during or subsequent to the period of the three years ended 31 December 2014, except:

On 12 April 2013, all convertible securities issued by the Company were converted into Shares. This resulted in the issue of 3,398,474,717 new Shares, increasing the issued share capital of the Company from 127,425,780 Shares to 3,525,900,497 Shares.

The Company and the Manager agreed conditional on the Conversion, to amend the Management Agreement with effect from 12 April 2013 to reduce the annual management fee payable by the Company. The effect of the amendment was to reduce the annual management fee by approximately €17.5 million on an annualised basis through re-setting the capital base upon which the fee is calculated. The Manager's entitlement to incentive compensation was also re-set to the lower capital base.

On 8 May 2013, a 200 to 1 share consolidation was implemented which resulted in the consolidation of outstanding shares into 17,629,502 Shares (after taking account of fractional interests).

On 30 May 2013, the Company issued 15,000,000 shares at €7.25 per share, raising net proceeds of €103.8 million which were used by the Company to pursue new investment

		opportunities in the Italian real estate and debt markets in line with the Company's new investment focus. On 12 February 2015 the Company announced that, together with other affiliates of Fortress, it had reached an agreement to acquire UniCredit Credit Management Bank S.p.A. ("UCCMB") from UniCredit S.p.A. ("UniCredit"). The acquisition includes a portfolio of non-performing loans with a gross book value of approximately €2.4 billion and an NPL servicing business and a subsidiary, UniCredit Credit Management Immobiliare S.p.A ("UCCMI"). On 13 February 2015, the Company announced that, in line with its strategy to accelerate recoveries from its legacy real estate assets in Germany, it had reached agreement for the sale of three retail portfolios for a gross sales price of €286 million. These sales were completed on 11 March 2015.
B.8	Key pro forma financial information	The summary unaudited pro forma financial information set out below shows the effect of: (i) the UCCMB Acquisition; and (ii) the Offer, as if these events had occurred on 31 December 2014. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not reflect the Company's actual financial position or results.

		Adjustments		
	Balance sheet as at 31 Dec 2014 €'000	**UCCMB Acquisition €'000**	**Net proceeds of the Offer €'000**	**Pro forma balance sheet as at 31 Dec 2014 €'000**
Cash and cash equivalents	142,581	(250,000)	304,042	196,623
Investment properties held for sale	217,418	–	–	217,418
Assets in disposal groups	283,060	–	–	283,060
Loans and receivables	199,676	–	–	199,676
Investment property	603,026	–	–	603,026
Investment in joint ventures	15,483	242,250	–	257,733
Other assets	72,679	–	–	72,679
Total assets	1,533,923	(7,750)	304,042	1,830,215
Total equity	208,684	(7,750)	304,042	504,976
Total liabilities	1,325,239	–	–	1,325,239
Total equity and liabilities	1,533,923	(7,750)	304,042	1,830,215

<table>
<tr><td>B.9</td><td>Profit forecast</td><td>Not applicable. No profit forecast has been included in this Prospectus.</td></tr>
<tr><td>B.10</td><td>Description of the nature of any qualifications in the audit report on the historical financial information</td><td>Not applicable. There are no qualifications in the audit report on the historical financial information.</td></tr>
<tr><td>B.11</td><td>Qualified working capital</td><td>
The Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is, for the 12 months from the date of this Prospectus.
The Group has a number of financing facilities which are non-recourse to the Company and which have either recently passed their maturity dates or are due to reach maturity within the next 12 months (the “Relevant Portfolio Financings”), at which time, the outstanding balance of the financings are or will become due and payable unless such financings can be extended. If proceeds from the sale of the assets which secure the Relevant Portfolio Financing do not equal or exceed the amount outstanding under the Relevant Portfolio Financing, the Group would be unable to repay the outstanding balance of the Relevant Portfolio Financing when it becomes due and payable. The maturity dates and principal amounts outstanding (as at 31 March 2015) on each Relevant Portfolio Financing are set out below:
<table>
<tr><th>Portfolio</th><th>Current face Value €’000</th><th>Maturity date</th></tr>
<tr><td>Mars Floating</td><td>97,746</td><td>May 2015</td></tr>
<tr><td>Mars Fixed II</td><td>45,541</td><td>Jun 2015</td></tr>
<tr><td>Belfry</td><td>53,544</td><td>Oct 2015</td></tr>
<tr><td>Drive Senior[(1)]</td><td>21,630</td><td>Jan 2016</td></tr>
<tr><td>Drive Junior</td><td>308,467</td><td>Jan 2016</td></tr>
<tr><td>Truss</td><td>83,580</td><td>Feb 2016</td></tr>
<tr><td>Wave</td><td>68,029</td><td>May 2016</td></tr>
<tr><td>Zama[(2)]</td><td>25,868</td><td>May 2016</td></tr>
<tr><td>Total</td><td>704,405</td><td></td></tr>
</table>
(1) Reflects the repayment of €56.5 million from sales proceeds received by 31 March 2015 but not applied until the next loan interest payment date in April 2015.
(2) Interim maturity date of May 2015 extended subject to certain asset management targets being met.
The Relevant Portfolio Financings are secured by assets within each of the portfolios, the net assets of which represent 23 per cent. of the Group’s Adjusted Net Assets.
The Group typically seeks to resolve these maturities through repayments arising from sales but would look to secure extensions or replacement facilities should it require more time to do so. The Directors expect those assets in the Wave and Mars Fixed II portfolios to repay their respective facilities in 2015. The Group is in constructive discussions
</td></tr>
</table>

		with the lenders of the Mars Floating facility to allow for the sale of the remaining two assets that are currently under binding sale contracts. The Group anticipates that it will be able to meet repayments on maturity of the Drive Senior facility through asset sales with any remaining outstanding balance on the Drive Junior facility likely to be extended. Should sufficient sales not be achieved ahead of their respective loan maturities, the Group will engage in discussions with lenders in relation to the other Relevant Portfolio Financings as they approach maturity, typically commencing such discussions a number of months prior to the relevant maturity date. There can be no guarantee that these discussions will lead to an agreement to extend or refinance a particular facility prior to its maturity. Given that the financings are non-recourse to the Company, it is not obliged to utilise any additional capital to refinance any of the Relevant Portfolio Financings and it does not currently anticipate that it would use a significant amount of capital for this purpose. In particular, the Company does not anticipate utilising any of the proceeds of the Offer for this purpose. In the event that the Group is unable to reach a mutually satisfactory agreement with a lender in relation to a Relevant Portfolio Financing then the lender would be entitled to enforce its security rights over the assets secured against the Relevant Portfolio Financing. Should the lender enforce its security rights over such assets, the proceeds from the sale of the assets would be applied to repay, to the extent possible, the amount owing under the Relevant Portfolio Financing (with the Group being entitled to any excess proceeds from the sale of the assets following repayment in full of the amount outstanding), the Group would no longer own those assets and would not have the benefit of any operating cash distributions from the relevant portfolio (aggregate annual distributable operating cash (being an amount equal to the income from the relevant portfolio (including rent) less: (i) capital expenditures; (ii) interest; and (iii) cash that is required to be retained at the portfolio level or paid to the lender under the terms of the Relevant Portfolio Financing) from all such portfolios as at 31 December 2014 was approximately €2.8 million). Lenders only have recourse to the portfolio of assets relevant to their financing and the subsidiaries that are parties to the Relevant Portfolio Financing and do not have any recourse to any other assets of the Company or other subsidiaries of the Group. Taking into account the proceeds of the Offer, the Company is of the opinion that, should any or all lenders enforce their security in relation to a Relevant Portfolio Financing(s) and after taking into account the relevant forfeiture of the assets secured against such Relevant Portfolio Financing(s) and enforcement against subsidiaries, the remainder of the Group would be able to continue to operate its business in the ordinary course for at least the next 12 months from the date of this Prospectus including meeting the Company's obligations in respect of the UCCMB Acquisition.

B.34	Description of investment objective, policy and investment restrictions	Alongside realising value from its legacy investments in German commercial real estate and European real estate related debt, the Company's strategy for new investments is to focus on the Italian real estate sector. Its policy is to target a wide range of Italian real estate related assets, including, but not limited to, NPLs and closed-end real estate fund units. Where the Manager considers that such acquisitions would complement the Company's overall investment programme, the Company may also acquire stakes in operating businesses engaged in related activities, such as loan servicing businesses. The Company may also pursue other real estate related investment opportunities (including direct real estate and debt investments) in other European markets on an opportunistic basis and may pursue certain non-traditional real estate investments. The Company will generally target assets that are expected to generate significant current cash flows and/or have the potential for meaningful capital appreciation. The Company is seeking opportunistically to redeploy capital harvested from its legacy portfolio in line with its current investment strategy. The Group does not have specific policies as to the allocation of its investments amongst asset types since its investment decisions depend on changing market conditions. Instead, the Group focuses on relative value and in-depth risk/reward analysis (with an emphasis on asset quality and principal protection), diversification, suitable financing and credit risk management. There are no investment restrictions applicable to the Company.
B.35	Borrowing and/or leverage limits	The Group employs leverage, where appropriate, in order to achieve its return objectives. The Group does not have a predetermined target debt to equity ratio because the Directors believe the appropriate leverage for the particular assets that the Group is financing depends on the nature and credit quality of those assets. Leverage will not exceed 95 per cent. of the Group's gross assets.
B.36	Regulatory status of the Company	The Company is a Guernsey-incorporated, closed-ended investment company limited by shares. The Company is regulated as an authorised closed-ended investment fund by the Guernsey Financial Services Commission. The Company is not registered as an investment company under the Investment Company Act. The Company is managed by the Manager which is an investment adviser registered with the U.S. Securities and Exchange Commission pursuant to the Investment Advisers Act. The Company is an Alternative Investment Fund as such term is defined in AIFMD.
B.37	Profile of typical investor	Typical investors in the Company are expected to be sophisticated, institutional and/or professional investors who understand the risks involved in investing in the Company and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment.

B.38	Investments which individually constitute at least 20 per cent. of the gross assets of the Company	Not applicable. The Company does not have any investments in underlying assets which individually constitute 20 per cent. or more of the gross assets of the Company.
B.39	Investments which individually constitute at least 40 per cent. of the gross assets of the Company	Not applicable. The Company does not have any investments which individually constitute 40 per cent. or more of the gross assets of the Company.
B.40	The Company's investment manager and other advisers	The Company has appointed the Manager to be responsible for managing the Group and its portfolio of assets on a discretionary basis in accordance with the investment objectives and policies of the Company. The Manager is an affiliate of Fortress, a global alternative asset manager with US$67.5 billion of assets under management as at 31 December 2014. The Company and the Manager have been parties to a Management Agreement since 23 June 2004. The Manager has appointed Fortress Investment Group (UK) Limited, Fortress Investment Group Germany GmbH and Fortress Germany Asset Management GmbH, all wholly-owned subsidiaries of the Manager, to provide investment advice and/or asset or property management services including in relation to the Group. The Manager is entitled to an annual management fee of 1.5 per cent. of the Company's net asset value excluding uninvested cash and 0.75 per cent. of the Company's uninvested cash. The Manager is also entitled to additional incentive compensation equal to 25 per cent. of returns from investments made on or after 1 April 2013 in excess of a threshold return to investors.
B.41	Identity and regulatory status of Investment Manager	The Manager is a limited liability company incorporated in Delaware with registered number 2854297. The Manager is an investment adviser registered with the U.S. Securities and Exchange Commission pursuant to the Investment Advisers Act. The Manager will be considered to be the Company's AIFM, as such term is defined in AIFMD. As a non-EEA AIFM, the Manager is not currently required to be authorised under AIFMD, and the Manager is not regulated or authorised in the EU. Fortress Investment Group (UK) Limited is authorised in the UK by the Financial Conduct Authority.
B.42	Valuation of the Company's NAV	The net asset value of the Group is determined quarterly by the Manager in accordance with IFRS as part of the preparation of the Company's interim and annual financial statements. The Company communicates this valuation in its quarterly earning announcements made to the market and on its website.

B.43	Umbrella collective investment undertaking cross liabilities	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investments in another collective investment undertaking.
B.44	Collective investment undertakings which have not commenced operations	Not applicable. The Company has commenced operations and financial information is included in this Prospectus.
B.45	The Company's existing portfolio	As at 31 December 2014, the Group held: (a) €1,098.9 million (by carrying value) of real estate investments located in Germany; (b) €202.1 million (by carrying value) of real estate related debt in a diversified portfolio; and (c) €59.4 million (by carrying value) of Italian real estate related investments.
B.46	NAV per Share	As at 31 December 2014 (being the last date prior to the publication of this Prospectus in respect of which the Company has published its net asset value), the Company's net asset value per Share (audited) was €6.39. The Company expects to report its net asset value as at 31 March 2015 during the second quarter of 2015.
Section C – Securities		
Element	**Disclosure Requirement**	**Disclosure**
C.1	Type and class of securities	Ordinary shares of no par value. ISIN: GB00B94QM994. Amsterdam Security Code (fondscode): 37115. Trade Symbol: ECT.
C.2	Currency	Euro
C.3	Number of securities in issue	As at 23 April 2015 (being the latest practicable date prior to the publication of this Prospectus), the issued share capital of the Company comprised 32,635,502 ordinary shares of no par value.
C.4	Description of the rights attaching to the securities	The Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Shares in issue at the time the Offer Shares are issued and will rank in full for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company (save in respect of the dividend payable on 30 April 2015 based on a record date of 2 April 2015). Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Shares, Shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company. Subject to the provisions of the Companies (Guernsey) Law, the Company may from time to

		time declare dividends and make other distributions on the Shares. Shareholders are entitled to participate in the assets of the Company attributable to their shares in a winding up of the Company or other return of capital.
C.5	Restrictions on the free transferability of the securities	Subject to compliance with applicable securities laws and regulations, there are no restrictions on the free transferability of the Shares.
C.6	Admission	Application will be made for all of the Offer Shares to be admitted to listing and trading on Euronext Amsterdam. It is expected that admission of the Offer Shares to Euronext Amsterdam will become effective and that dealings in the Offer Shares will commence on 29 April 2015 and that delivery will take place on 29 April 2015 through the facilities of CREST UK and/or Euroclear Netherlands in accordance with its normal settlement procedures applicable to equity securities and against payment for the Offer Shares in immediately available funds.
C.7	Dividend policy	Subject to investment proceeds being available for the purpose and other legal requirements, the Company intends to pay an annual dividend of €0.50 per Share. The Company expects to pay this as a quarterly dividend of €0.125 per Share. All distributions will be made at the discretion of the members of the Board of Directors and will depend on the Company's earnings, financial condition and such other factors as the Board of Directors may deem relevant from time to time, including limitations under Guernsey company law and any other applicable laws.

Section D – Risks

Element	**Disclosure Requirement**	**Disclosure**
D.1	Key information on the risks specific to the issuer or its industry	**Risks relating to real estate investments** Failure to comply with covenants, amortisation targets and near-term maturities in relation to the Group's financing facilities is likely to trigger (and has triggered) a cessation of the Group's ability to upstream cash flow to the Company from the related portfolios, as well as potentially triggering defaults under the financings, with the consequence that such borrowings may become immediately repayable by the borrower in whole or in part (and thus allow foreclosure by lenders against the borrower and in particular on assets over which they have security). Currently the Drive, Mars Floating, Mars Fixed II, Wave, Zama and Belfry Portfolios are prohibited from upstreaming operating cash to the Company as a result of breaching covenants and/or maturities as applicable. The market value of the Group's real estate investments could be affected by macro and micro-economic factors which are outside of its control, such as global, national,

		regional and local economic conditions, political conditions and events and local property market conditions. Changes in the market value of the Group's properties may adversely affect the Group's ability to dispose of assets or the amount of proceeds received from any such disposals. All of the Group's existing direct real estate assets are located in Germany. A weakening of the retail sector or business conditions generally in Germany may adversely affect demand for space at the Group's retail and commercial properties and thus affect each such property's operation, lessen its market value and also lead to increased vacancy rates. Income received from properties held by the Group could be impacted by the following factors: • vacancies (including through departure of or consolidation by major tenants) that lead to reduced occupancy rates which reduce the Group's income and ability to recover operating costs; • credit risk of tenants, especially in times of economic slowdown, which may lead to loss of income, an increase in bad debts and costs associated with an empty property; • tenants seeking the protection of bankruptcy laws which may delay the receipt of rental payments and/or sale of properties; • re-letting and renewal costs as there is no assurance that the Group's existing tenants will renew their leases or that new tenants of equivalent standing will be found; • maintenance costs and capital investments required to maintain properties and attract and satisfy major tenants, and that some of the Group's properties are not readily convertible to alternative uses; and • changes in laws and regulations in relation to real estate. In an attempt to diversify its portfolio, the Company may invest in other types of real estate related assets which may include certain non-traditional asset classes. Investments in such asset classes will involve risks that may be different to the risks that the Company faces in connection with its current investments. **Risks relating to the debt investments** The investments which the Group holds are generally illiquid. Such illiquidity may affect the Group's ability to dispose of or liquidate its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions, including, in relation to real estate, the exercise by tenants of their contractual rights such as those which enable them to vacate properties. The Group is subject to credit risk in respect of its debt investment business by virtue of the risk of delinquency, foreclosure and loss on the loans underpinning the securities in which the Group invests.

		A significant portion of the Group's ABS investments consist of securities that are subordinated in right of payment and ranked junior to other securities that are secured by or represent ownership in the same pool of assets. **Risks relating to NPLs** Real estate loans that are in default may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal of such loans. The Manager may find it necessary to foreclose on collateral securing one or more real estate loans in the Group's portfolio. The foreclosure process can be lengthy and expensive. In any foreclosure action, the amount realised by the Group may be substantially less than the sum of the underlying loan and the expenses incurred in connection with such foreclosure action. **Specific Risks relating to Italy and Europe** The impact of the austerity programme implemented in Italy coupled with general recessionary conditions and ongoing uncertainty in the current macroeconomic environment could have negative effects on the market value of properties and tenant creditworthiness. **Risks relating to UCCMB** If the Company completes the UCCMB Acquisition then the results of the Company's operations will be impacted by factors affecting the business of UCCMB (and its subsidiary, UCCMI), including the risk that UniCredit, UCCMB's principal counterparty, may terminate its servicing agreement. **Risks relating to the Manager** The Group's performance is dependent on the Manager, and the Company may not find a suitable replacement if the Manager terminates the Management Agreement or engages in other business activities that reduce the time the Manager spends managing the Group.
D.2	Key information on the risks that are specific to the issuer	The Group's ability to generate its desired returns will depend on the Manager's ability to identify and invest in suitable investment opportunities. Changes in tax laws or their interpretation could affect the intended tax treatment for the Company, its Special Purpose Vehicles or any subsidiaries. The Group does not have sufficient working capital for its present requirements, that is, for the 12 months from the date of this Prospectus.

D.3	Key information on the key risks specific to the securities	The Shares are subject to certain restrictions on transfers in the United States pursuant to the Securities Act, ERISA and the Investment Company Act. This may make it more difficult to resell the Shares in many instances, and this could have an adverse impact on the market value of the Shares.
	Section E – Offer	
Element	**Disclosure Requirement**	**Disclosure**
E.1	Net proceeds and costs of the issue	The Company's net proceeds from the Offer are expected to be approximately €304,042,036 (after deduction of expenses payable by the Company in connection with the Offer). The estimated total expenses of the Offer are €8.1 million. There are no expenses of the Offer that the Company will charge to investors.
E.2a	Reason for the offer and use of proceeds	The Manager believes there is the potential for attractive gross unlevered returns through investment in Italian and other European real estate related assets, including debt investments and NPLs. The net proceeds of the Offer will be used to fund further investments following utilisation of the proceeds of the 2013 Offer. In particular, on 12 February 2015, the Company announced it had, together with other affiliates of Fortress, reached an agreement to acquire UCCMB from UniCredit. It is expected that the Company's proportion of the overall UCCMB Acquisition cost will be approximately €250 million. It is intended that the net proceeds of the Offer be used by the Company to acquire further investments in accordance with the Company's investment strategy and guidelines.
E.3	Term and conditions of the offer	The Company proposes to issue 39,762,992 Offer Shares through the Offer, at the Offer Price. Under the Offer, the Offer Shares are being sold to certain institutional and other sophisticated investors outside the United States and in the United States to Accredited Investors or Qualified Institutional Buyers that in each case are also Qualified Purchasers or Knowledgeable Employees. The issue of the Offer Shares is conditional on, amongst other things, admission of the Offer Shares to listing on Euronext Amsterdam and the Underwriting Agreement becoming unconditional and not having been terminated in accordance with its terms. In circumstances in which these conditions are not fully met, the Offer will not take place and no Offer Shares will be issued. The Offer will be fully underwritten by the Sole Bookrunner in accordance with the terms of the Underwriting Agreement.

E.4	Material interests	The Manager has an interest that is material to the Offer by virtue of the management fee structure. The management fee will increase as a result of the Offer because it is calculated in part on the amount of capital raised. The Manager has also been granted an option to acquire 10 per cent. of the Offer Shares at an exercise price per Share equal to the Offer Price.
E.5	Name of person selling securities	Not applicable. There are no Shareholders offering to sell their Shares as part of the Offer. There are no lock-up agreements.
E.6	Dilution	If 39,762,992 Shares are issued pursuant to the Offer, this will represent 54.92 per cent. of the enlarged share capital of the Company and will result in existing shareholders who do not subscribe in the Offer being diluted by 54.92 per cent.
E.7	Expenses charged to the investor	Not applicable, investors will not be charged expenses by the Company.

RISK FACTORS

An investment in the Company is subject to a number of risks and is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment. There can be no assurance that the Company will achieve its investment objectives. Prospective investors should carefully review and evaluate the factors and risks associated with any investment in the Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus, including, in particular, the risk factors described below before making a decision to invest in the Company. Investors should immediately seek their own personal financial advice from their independent professional financial adviser authorised under the Financial Services and Markets Act 2000 or other advisers such as legal advisers and accountants.

Prospective investors should be aware that the value of the Shares and any income from them may decrease and that they may not realise the value of their initial investment. In addition, the market price of Shares may be less than the underlying value of the Group's net assets

The risks set out below are the risks which the Directors currently consider to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares but are not the only risks relating to the Group or an investment in the Company or the Shares. There may be additional material risks that the Company does not currently consider to be material or of which the Company is not aware. These additional risks may be or become material and adversely affect the Group's business, results of operations, financial condition, prospects and/or the value of the Shares.

Prospective investors should note that the risks relating to the Group, its industry and the Shares summarised in the section of this document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

This Prospectus also contains estimates, valuations and projections that involve risks and uncertainties. The Company's results may differ significantly from those previously projected as a result of certain factors, including the risks which it faces, as described below and in other sections of this document.

The information given is as at the date of this Prospectus and, except as required by the FCA, the Prospectus Rules, the Disclosure and Transparency Rules, the City Code on Takeovers and Mergers or any other applicable law, will not be updated. Any forward-looking statements are made subject to the reservations specified under "Forward-looking statements" in the section headed "Important Information".

RISKS RELATING TO REAL ESTATE INVESTMENTS

If the Group breaches covenants or amortisation targets under its financing agreements of its real estate investments or is unable to repay or refinance such financings on maturity, it could be forced to sell assets and lose the ability to make operating distributions to the Company

The Group does not have sufficient working capital for its present requirements. The Group is party to various financings which contain financial covenants, amortisation targets and near-term maturities. Failure to comply with such covenants, amortisation targets and near-term maturities is likely to trigger (and has in the past triggered) a cessation of the Group's ability to upstream cash flow to the Company from the related portfolios as well as potentially triggering defaults under the financings, with the consequence that such borrowings may become immediately repayable in whole or in part (and thus allow foreclosure by lenders). Currently the Drive, Mars Floating, Mars Fixed II, Wave, Zama, and Belfry Portfolios are prohibited from upstreaming operating cash to the Company as a result of breaching covenants and/or maturities, as applicable.

There can be no assurance that the Group will be able to secure the relevant facility extensions, refinance near-term maturities as they fall due or have sufficient cash resources (whether through asset sales or otherwise) or other credit facilities available to make full repayments of any such facilities as they fall due, which could lead to foreclosure by the lenders.

Facilities with an aggregate face value of approximately €704,405,000 (as at 31 March 2015[(1)]) are due to mature within the next 12 months from the date of this Prospectus, the net assets of which represent 23 per cent. of the Group's Adjusted Net Assets. The Group does not yet have agreed extensions or replacement facilities in place in relation to the Relevant Portfolio Financings. Although the Group is engaged in constructive discussions with lenders in respect of the Mars Floating facility, there can be no assurance that these discussions will be successful. The Group anticipates that it will be able to meet repayments on maturity of the Drive Senior, Mars Fixed II and Wave facilities through asset sales with any remaining outstanding balance likely to be extended or refinanced.

Failure to reach a mutually satisfactory outcome may result in a lender seeking to enforce its security rights over the assets secured against the financing. Should the lender enforce its security rights over such assets, the proceeds from the sale of the assets would be applied to repay, to the extent possible, the amount owing under the facility (with the Group being entitled to any excess proceeds from the sale of the assets following repayment in full of the amount outstanding). Although lenders only have recourse to the portfolio of assets relevant to their financing and the subsidiary who is a party to the financing and do not have any recourse to any other assets of the Company or other subsidiaries of the Group, the Group would no longer own these portfolios and would not have the benefit of any cash distributions from the relevant portfolio (aggregate annual distributable operating cash from all such portfolios as at 31 December 2014 was approximately €2.8 million). The loss of the revenue from the upstreamed cash could affect the Company's ability to pay dividends, however, there is no obligation on the Company to use the upstreamed cash to service the other facilities. Restrictions on cash distributions from the portfolios or foreclosures over the portfolios would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The value of the Group's real estate investments could be affected by a number of factors, some of which are outside its control

The market value of the Group's real estate investments could be affected by macro and micro-economic factors which are outside of its control. Real estate valuations are impacted by global, national, regional and local economic conditions (which may be adversely affected by business closures or slowdowns and other factors), and political conditions and events, as well as by local property market conditions (such as an oversupply of commercial property).

Valuation of property is inherently subjective due to the individual nature of each property. As a result, valuations are subject to uncertainty. The valuation reports prepared by CBRE in Part XI of this Prospectus are made on the basis of assumptions set out in those valuation reports which may not prove to reflect the true position. In the current economic environment, real estate prices and values remain subject to heightened volatility and could decline significantly. There can be no assurance that the valuations of the properties will reflect actual sale prices even where any such sales occur shortly after the relevant valuation date, or that estimated yield and annual rental will prove to be obtainable.

Changes in the market value of the Group's properties will affect the amount at which such properties can be sold and the profit or loss made on realisation. Where the estimated disposal proceeds of each such property fall below the carrying value, the Group must account for the amount of that shortfall in its financial statements prepared in accordance with IFRS. This may have a material adverse impact on the Group's results. Furthermore, the Group's properties are and will be independently revalued on a semi-annual basis, and any increase or decrease in the estimated value of its properties will be recorded as a revaluation gain or loss in the Group's consolidated income statement for the period in which the revaluation occurs. For example, the Group recorded a decrease in the fair value of its investment properties arising from the combined impact of accounting for disposals and revaluations of €66.7 million in the year ended 31 December 2014 and €44.8 million in the year ended 31 December 2013). As a result, the Group could have significant non-cash revenue gains and losses from period to period depending on the change in fair market value of its properties, whether or not such properties are sold. If there is a

(1) Reflects the repayment of €56.5 million from sales proceeds received by 31 March 2015 but not applied until the next loan interest payment date in April 2015.

substantial decrease in the fair market value of the Group's properties over the longer term the Group's business, results of operations, financial condition and prospects could be materially adversely affected.

The Group's real estate portfolio is concentrated in Germany and is therefore exposed to changes in German economic conditions

All of the Group's direct real estate assets currently are located in Germany. A weakening of the retail sector or business conditions generally in the relevant regions or in Germany generally may adversely affect demand for space at the Group's retail and commercial properties and thus affect each such property's operation, lessen its market value and also lead to increased vacancy rates. Conversely, strong economic conditions could lead to increased building activity and increased competition for tenants. In either case, the operation of the properties could be adversely affected. Also, a decline in the German economy or the commercial property market may have an immediate effect on the net income of the properties and could lead to higher rates of delinquency or defaults under leases. Each of these circumstances and events may individually or in aggregate adversely affect the income from and market value of the properties.

Income received from the Group's properties could be adversely affected by a number of factors

Income received from properties held by the Group may be adversely affected by the following factors:

(a) Vacancies that lead to reduced occupancy rates which reduce the Group's income and its ability to recover certain operating costs such as service charges.

(b) The Group's ability to collect rent from tenants and other contractual payments on a timely basis or at all. In particular, in periods of economic slowdown or recession, the Group's tenants may face increased financial pressure that may result in them facing difficulty in paying their rental commitment to the Group and consequently these tenants may breach contract terms and/or vacate the premises. This may result in the loss of rental income, an increase in bad debts and/or costs associated with an empty property.

(c) Tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rental and other contractual payments, inability to collect such payments at all or the termination of a tenant's lease, or which could hinder or delay the sale of properties.

(d) The amount of rent and the terms on which lease renewals and new leases are agreed being less favourable than current leases and the re-letting costs involved in this process. There can be no assurance that the Group's existing tenants will renew their leases at the end of their current tenancies or, if they do not, that the new tenants of equivalent standing (or any new tenants) will be found to take up replacement leases.

(e) A competitive rental market or a slowdown in the rental market may affect rental levels or occupancy levels at the Group's properties. The age, construction, quality and design of the buildings on a particular property may affect its occupancy levels as well as the rents that may be charged for individual leases. Over time, there may be a requirement for increased maintenance costs and necessary capital improvements in order to maintain a property and to attract and satisfy major tenants. Some of the Group's properties may not readily be convertible to an alternative use if such properties were to become unprofitable due to competition, age of the improvements, decreased demand, regulatory changes or other factors. The conversion of commercial properties to alternate uses generally requires substantial capital expenditure. Thus, if the operation of any such property becomes unprofitable the liquidation value of any such property may be substantially less.

(f) Changes in laws and governmental regulations in relation to real estate, including those governing permitted and planning usage, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to particular properties may also be restricted by legislative actions, such as revisions to existing laws or the enactment of new laws.

Departure of, or consolidation by, major tenants could result in significant loss of letting income, empty property costs, a reduction in asset values and increased bad debts

Many of the Group's current real estate assets are let to a variety of corporates and retailers. Consolidation among those tenants, over which the Group would have no control, may adversely affect the Group if it led to the closure or consolidation of stores and/or office space located in properties owned by the Group.

For example, the merger between Dresdner Bank and Commerzbank resulted in the consolidation of back office operations which primarily led to a decrease in tenancy rates in the Drive Portfolio. This led to a decrease of Group occupancy from 77.1 per cent. as at 31 December 2013 to 75.1 per cent. for the year ended 31 December 2014 (on a like-for-like basis).

In addition, the Group is heavily dependent on its top five tenants who accounted for 59.4 per cent. of its passing rental income for the year ended 31 December 2014 and 59.0 per cent. for the year ended 31 December 2013 after excluding the Mars Floating and Bridge Portfolios. Loss of any one of these tenants could have a significant impact on the Group's performance.

Specific factors relating to the office and retail sectors could lead to a reduction in income derived from the Group's office properties and retail centres

The Group derives a significant portion of its income from properties that are offices and shopping centres. The income from and market value of such properties are subject to a number of specific risks. In particular, a given property's age, condition, design, and access to transportation affect the ability of such a property to compete against other similar properties in the area in attracting and retaining tenants. Other important factors include the quality and mix of a property's existing tenants, the quality of its property manager, the attractiveness of the property and the surrounding area to prospective tenants and their customers, access to public transportation and major roads and the public perception of safety in the surrounding neighbourhood. Attracting and retaining tenants often involves refitting, repairing or making improvements to the property, in the case of an office to accommodate the type of business conducted by prospective tenants or a change in the type of business conducted by existing major tenants and, in the case of a shopping/retail centre, to continue to attract customers and other tenants.

Local and regional economic conditions and other related factors also affect the demand for and success of a property. For example, decisions by companies to locate an office in a given area will be influenced by factors such as labour cost and quality, and quality of life issues such as those relating to schools and cultural amenities. Equally, leases at retail centres may contain turnover rent provisions which can result in lower income during periods of low consumer spending.

Also, changes in local or regional population patterns and employment growth influence the success of both office properties and retail centres and the ability of such properties to generate income and sustain market value. In addition, an economic decline in the businesses operated by tenants can affect office buildings and cause one or more significant tenants to cease operations and/or become insolvent. A decline in consumer spending could have a similar effect on a retail centre. The risk of such an adverse effect is increased if revenue is dependent on a single tenant or a few large tenants or if there is a poor tenant mix.

The Group's ability to dispose of assets has been impacted by events resulting from the global financial crisis

The Group's ability to dispose of assets and the proceeds received in relation to any such disposals has been affected by the reduction in property values following the global financial crisis. Also, the Group's ability to dispose of assets is influenced by restrictions in its financings requiring lender consent for sales below a threshold value. Due to the current market conditions and the nature of the assets the Group holds, sales of assets by the Group could result and have resulted in significantly lower proceeds than the carrying value of those assets in the consolidated financial statements of the Group. Also, due to the nature of the Group's assets, asset sales may not be affected swiftly enough to avoid default on the Group's existing financings.

The Group may be liable for any health and safety or environmental issues on or in its real estate investments

The Group is subject to a variety of laws and regulations concerning the protection of health and the environment. This includes environmental laws and regulations that impose liability on the Group for the costs of removal or remediation of hazardous or toxic substances located on or in its real estate investments. The costs of any required remediation or removal of such substances may be substantial. The presence of such substances, or the failure to remediate such substances properly, may also adversely affect the owner's ability to sell or lease the real estate or to borrow using the real estate as collateral.

Laws and regulations may also impose liability for the release of certain materials into the air or water from a real estate investment, including asbestos, and such release can form the basis for liability to third persons for personal injury or other damages. Other laws and regulations can limit the development of and impose liability for the disturbance of wetlands or the habitats of threatened or endangered species.

Also, the Group is required to comply with laws and regulations in relation to fire safety at properties. These laws and regulations may change and as there is no right of continuance in relation to fire safety requirements, any changes must be considered and implemented by the Group, where required. The cost of implementing changes to fire safety arrangements at properties may be significant and could also lead to loss of rent if an area affected by the change in requirements is leased at the time a change is required to be implemented.

Insurance on real estate or other assets may not cover all losses

There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, and other factors, including terrorism or acts of war, also might make the insurance proceeds insufficient to repair or replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds might not be adequate to restore the Group's economic position with respect to the affected real property. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future turnover from that property. In addition, the Group could be liable to repair damage caused by uninsured risks. The Group would also remain liable for any debt or other financial obligation related to that property. Such risks also apply to the real estate assets that underlie the Group's European Real Estate Related Debt Portfolio. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

RISKS RELATING TO THE COMPANY'S DEBT PORTFOLIO INVESTMENTS

Concentration in any one industry, region or country may increase risk of defaults on debt obligations

The risk that payments on the Group's investments could be adversely affected by defaults on debt obligations is likely to increase to the extent that the Group's portfolio is concentrated in any one industry, region or country as a result of the increased potential for correlated defaults in respect of a single industry, region or country as a result of downturns relating generally to such industry, region or country. As at 31 December 2014, the Group's European Real Estate Related Debt Portfolio has a collateral spread 27 per cent., 14 per cent., 21 per cent. and 38 per cent. respectively between UK, Italy, Germany and other European countries. The Group's strategy will increase the Group's exposure to real estate assets in Italy. Except as described in Part I of this Prospectus, the Group is not required to observe specific diversification criteria.

The investments which the Group holds are generally illiquid

The investments which the Group holds are generally illiquid, and the securities that the Group may purchase in connection with privately negotiated transactions may not be registered under relevant securities laws, resulting in restrictions on their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise in accordance with, those laws. A majority of the securities and loans that the Group has acquired as well as a majority of the securities that the Group may in future acquire have been purchased or may be purchased in private, unregistered transactions and are therefore subject to restrictions on resale or otherwise have no established trading market. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions, including, in relation to real estate, the exercise by tenants of their contractual rights such as those which enable them to vacate properties. This could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the market value of the Group's Shares or on the Group's ability to make expected distributions to its shareholders.

Insolvency of obligors under investments may prevent payment in full or on time

Investments may be subject to various laws for the protection of creditors in the jurisdictions of incorporation of the obligor and, if different, the jurisdictions from which the obligor conducts its business and in which it holds its assets, which may adversely affect such obligor's ability to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which an obligor or its assets are located and may differ depending on the legal status of the obligor.

The Group holds a range of securities where its interest is subordinated to other interests in the same assets

The Group holds securities that are subordinated in right of payment and ranked junior to other securities or interests that are secured by or represent ownership in the same assets.

In relation to ABS investments, in general, losses on a mortgage loan included in a securitisation will be borne first by a cash reserve fund or letter of credit, if any, and then by the "first loss" subordinated security holder. The "first loss" holder is the holder of the most junior securities, being the securities most at risk if the value of the collateral falls below the loan amount. In the event of default and the exhaustion of any equity support, reserve fund, letter of credit and any classes of securities junior to those in which the Group invests, the Group may not be able to recover all of its investment in the securities purchased. In addition, if the underlying mortgage portfolio has been overvalued by the originator of the loan, or if the values subsequently decline, and, as a result, less collateral is available to satisfy interest and principal payments due on the related mortgage backed securities, the securities in which the Group invests may effectively become the "first loss" position behind the more senior securities.

In addition, certain of the Group's investments have structural features that divert payments of interest and/or principal to more senior classes when the delinquency or loss experience of the pool exceeds certain levels. As a result of these features, subordinated securities have a higher risk of loss as a result of delinquencies or losses on the underlying assets.

Separately, where the Group finances the acquisition of a portfolio of assets through a structure such as a CDO, ratings downgrades in relation to underlying obligors or a failure to satisfy other portfolio level tests may result in substantially all of the interest receipts from the portfolio being mandatorily diverted to repay the senior debt in the structure. This is currently the position in relation to the Group's CDO financing, Duncannon CRE CDO I, which has failed to meet cash flow triggers. The risk has also materialised in the past in relation to other subordinated securities and may again in the future, which can and has resulted in impairments in relation to such assets.

Subordinated securities generally do not have the right to call a default or vote on remedies following a default unless more senior securities have been paid in full. As a result, a shortfall in payments to subordinated investors in asset backed securities will generally not result in the default being declared on the relevant transaction and the transaction will not be restructured or unwound first. Furthermore, because subordinated securities may represent a relatively small percentage of all securities secured by the same asset pool, the impact of a relatively small loss on the overall pool may be substantial on the holders of such subordinated securities.

The prices of lower credit quality securities are generally less sensitive to interest rate changes than more highly rated investments but more sensitive to adverse economic downturns or individual issuer developments. A projection of an economic downturn, for example, could cause a decline in the price of lower credit quality securities because the ability of obligors of mortgages underlying mortgage backed securities to make principal and interest payments may be impaired. In such event, existing credit support in the securitisation structure may be insufficient to protect the Group against loss of its principal on these securities.

The Group's investments in mortgage loans may be subject to delinquency, foreclosure and loss

Commercial mortgage loans are secured by multi-family or commercial property and are subject to risks of delinquency and foreclosure, and risks of loss. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Net operating income of an income-producing property can be affected by, among other things, tenant mix, success of tenant businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expense or limit rents that may be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies, including environmental legislation, acts of God, terrorism, social unrest and civil disturbances.

In the event of any default under a mortgage loan held directly, the Group is expected to bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage loan, which could have a material adverse effect on cash flow from operations. Foreclosure of a mortgage loan can be an expensive and lengthy process which could have a substantial negative effect on the Group's anticipated return on the foreclosed mortgage loan.

The ability of the Group to sell investments and reinvest the proceeds may be restricted

The Group may dispose of certain of its investments and reinvest the proceeds thereof in substitute investments in accordance with the Group's investment objectives and subject to certain other conditions, in particular the terms of CDO issuances. The earnings with respect to such substitute investments will depend, among other factors, on reinvestment rates available at the time and on the availability of investments satisfying the above criteria. The need to identify acceptable investments may require the Group to purchase substitute investments with a lower yield than those initially acquired or require that the sale proceeds be maintained temporarily in cash which may reduce the yield.

The value of investments is subject to changes in credit spreads

The value of the Group's "available for sale" securities will be subject to changes in credit spreads as a result of changes in interest rates and market demand. The value of these securities is dependent on the yield demanded on these securities by the market. Excessive supply of these securities or a reduced demand will generally cause the market to require a higher yield on these securities, resulting in the use of a higher, or "wider", spread over a benchmark rate to value such securities. Under such conditions, the value of the Group's securities portfolio would tend to decline. Conversely, if the spread used to value such securities were to decrease, or "tighten", the value of the Group's securities portfolio would tend to increase.

Furthermore, shifts in the market's expectations of future interest rates would also affect the yield required on the Group's securities and therefore their value. This would have similar effects on the Group's portfolio and the Group's financial position and operations as a change in spreads.

RISKS RELATING TO NON-PERFORMING LOANS

The Group's due diligence may not reveal all pertinent information and/or the Manager may not be able to assess factors affecting returns from NPLs

The seller of a portfolio of loans may not have made certain information available either because such information is subject to confidentiality restrictions or otherwise. Therefore, the information available to the Manager at the time of making an investment decision may be limited, and the Manager may not have access to detailed information regarding the investment. Therefore, no assurance can be given that the Manager will have knowledge of all factors relevant to the value of an investment (including the amount and timing of collections from individual loans and the costs of servicing successfully) or all circumstances that may adversely affect such investment, or that it will accurately assess such information.

In addition, the Manager may make assessments that prove to be inaccurate, even with access to all relevant information. Furthermore, the Manager expects to rely upon third parties in connection with their evaluation and management of proposed investments, and no assurance can be given as to the accuracy or completeness of the information provided by such third parties or to the Group's right of recovery against them in the event errors or omissions do occur.

Recovery under loans secured by real estate is subject to a variety of specific real estate related risks

It is likely that a portion of the NPLs expected to be acquired by the Group will be secured by real estate predominantly located in Italy or other European countries. Accordingly, real estate related risks will indirectly apply to such investments. These are similar to the risks that the Group faces in respect of its direct real estate investments described in "Risks Relating To Real Estate Investments" above.

Real estate loans in default may be expensive and time-consuming to restructure or workout, and enforcement proceedings in Italy can take a considerable period of time

Real estate loans that are in default may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal of such loans. Even if a restructuring were successful, a risk exists that upon maturity of such real estate loan, replacement "takeout" financing will not be available. It is possible that it may be necessary or desirable to foreclose on collateral securing one or more real estate loans in the Group's portfolio. The foreclosure process can be lengthy and expensive. In Italy and certain other European countries, foreclosure actions can take several years to litigate. Foreclosure litigation tends to create a negative public image of the collateral property and related assets, and may disrupt the ongoing leasing and management of the property. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the foreclosure process. In any foreclosure action, the amount realised by the Group may be substantially less than the sum of the underlying loan and the expenses incurred in connection with such foreclosure action. The amount that may be received by the Group may also be substantially affected by foreclosure actions by lenders senior to the Group, if any.

Cash flows to be generated by NPLs may be subject to the effectiveness of enforcement proceedings in respect of the NPLs, which in many circumstances, can take a considerable amount of time depending on the type of action required, where such action is taken and on the servicer carrying out such enforcement proceedings. The length of and costs associated with enforcement proceedings depends on several factors, including the following in Italy: proceedings in certain courts involved in the enforcement of the real estate loans and mortgages may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction and if the relevant borrower raises a defence or counterclaim to the proceedings; it may take an average of six to seven years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any asset; and further time would be required for the completion of the forced sale process in the event that a sole auction date is not sufficient for the completion of the same forced sale process. If such proceedings are delayed to a greater extent than it is currently expected to be the case, the Company's returns could be materially adversely affected. In addition, there can be no assurance that any such forced sale proceeding would result in the payment in full (or even in part) of outstanding amounts under such real estate loans and, therefore, the Company's returns could be materially adversely affected.

Insolvency proceedings may not result in repayment of outstanding amounts

The Group may acquire NPLs in which the relevant borrower is subject to insolvency proceedings. In addition, certain NPLs may be unsecured debts. The main way of enforcing such loans is by insolvency proceedings against the relevant borrower. Due to the complexity of the insolvency proceedings in Italy, the time involved (potentially considerably longer than in some other European jurisdictions) and the possibility for challenges and appeals by the borrower, there can be no assurance that any such insolvency proceedings in relation to the borrowers would result in the payment in full (or even in part) of outstanding amounts under such loans. After insolvency proceedings are commenced, no legal action can be taken against the borrower and, in most cases, no enforcement proceedings may be initiated or continued. If such risks materialise to a greater extent than it is currently expected to be the case for the NPLs, the Group's returns could be materially adversely affected.

RISKS RELATING TO FUND UNITS

The Group's investments in real estate fund units are managed by an independent fund manager

The Group has invested in listed and unlisted Italian real estate fund units. An independent party manages those funds and the Group has little or no influence in the day-to-day management of the underlying assets. Therefore, income on the units may be restricted or otherwise affected by a number of factors that are outside the Group's control.

Fund assets are subject to a variety of specific real estate related risks

All or a significant portion of the assets which underlie the fund units currently held by or expected to be acquired by the Group are real estate related. Accordingly, real estate related risks will indirectly apply to such investments. These are similar to the risks that the Group faces in respect of its direct real estate investments described in "Risks Relating To Real Estate Investments" above.

Market factors may mean the Group is unable to realise full value for its publicly listed units

Certain of the fund units held by the Group are publicly listed. An investment in any publicly traded entity is subject to a number of risks that will not be within the control of the Group. In particular, the value of such fund units will be set by the market. Furthermore, while such units will generally be considered to be liquid, the Group's ability to liquidate such investments will be subject to sales volume present in the market for those units at the time of disposal.

Concentration in any one industry, region or country may increase risk

All or a majority of the fund units held by or expected to be held by the Group relate to real estate located in Italy. The value of the Group's investments in such fund units could be adversely affected by events or downturns relating to Italy or the rest of Europe and/or the real estate market within Europe, Italy or more generally.

SPECIFIC RISKS RELATING TO ITALIAN NPL SERVICING AND FUND MANAGEMENT

The Group depends upon the performance of loan servicers with respect to its NPL portfolios

A failure of a loan servicer appointed to service the Group's NPL portfolios could have an adverse effect on cash flows from those NPLs. Furthermore, the bankruptcy of a servicer or its failure to maintain its status as a loan servicer with the Italian Central Bank (*Banca d'Italia*) ("Bank of Italy") or other relevant regulator or to comply with applicable laws and regulations could result in a termination of the agreed servicing arrangements in a manner that is outside the control of the Group. In such a case, the NPLs might be without a servicer for some period and there might be no compensation to the Group. Furthermore, although there are other entities that may be willing to act as servicer for the Group, they may not be of the same quality or they may not be willing to act on the same economic terms. Even if the Group and its co-investors hire an entity of equal quality and on the same economic terms, there is often a temporary degradation in the quality of servicing when the servicing of a mortgage loan is transitioned from one servicer to another. As a result, if the Group and its co-investors have to replace a loan servicer, the Group's income from those assets could be adversely affected.

Servicer ratings are subject to change in the future without notice. Servicer ratings may be important to our ability to finance current or future NPLs. Downgrades in a servicer's ratings could have an adverse effect on our financing activities in relation to those assets and, therefore, on our returns.

Torre SGR S.p.A. acts as manager of many of the Italian funds in which the Group holds units

The Group holds a number of units in both listed and unlisted Italian funds managed by Torre SGR S.p.A. ("Torre"). A failure of Torre to adequately manage the assets underlying these funds could have an adverse effect on cash flows from those fund units. Furthermore, the bankruptcy of Torre or its failure to maintain its status as a regulated fund manager in Italy or comply with applicable laws and regulations could result in a termination of Torre in a manner that is outside the control of the Group. In such a case, the funds in question might be without a manager for some period and there might be no compensation to the Group. Furthermore, a new manager might not be of the same quality or they may not be willing or able to act on the same economic terms. As a result, if Torre is replaced the Company's operating results could be adversely affected.

SPECIFIC RISKS RELATING TO ITALY AND EUROPE

Current unfavourable economic conditions worldwide and in Italy

The value of the Group's portfolio of Italian real estate related investments is dependent on macroeconomic and political conditions prevailing in Italy, and Italy's ongoing economic crisis may have a significant adverse impact on the Company's returns on such investments.

Italy's economy has faced and continues to face unprecedented macroeconomic headwinds, originating from sizeable fiscal imbalances which were compounded by other deep-rooted structural vulnerabilities. These developments, in conjunction with downgrades of Italy's sovereign debt by the major rating agencies (including S&P, Fitch and Moody's), translated into deteriorating financial market conditions for Italian assets. Italy's GDP contracted by 1.9 per cent. in 2013 and by 0.4 per cent. in 2014, and unemployment remains high, at 13 per cent. Any future growth depends on a number of factors, such as the evolution of the global economy and financial markets and improvements in existing internal weaknesses, such as low internal demand, weak foreign investment and excessive public debt that puts Italy at risk of additional infringement procedures by the European Commission for breaching the maximum debt: GDP ratio. In addition, the intensification of existing political tensions may threaten the stability of the current government.

Should there be further political instability in Italy, or should the measures for Italy's fiscal consolidation and economic recovery not be implemented or not achieve their intended results, the state of uncertainty connected to the economic and financial crisis may intensify, further weakening the trust held by international markets in Italy and, subsequently, worsening their evaluation of Italy's sovereign debt and prospects of economic growth.

Borrowing costs and liquidity levels may be negatively affected by downgrades of Italy's credit rating, and the cost of risk for Italy's debt would increase further. Negative sentiment surrounding Italy, including downgrades of its sovereign debt rating, could also further increase the cost of Italy servicing its debt, resulting in increased taxation and lower Italian government spending. This could further delay the country's economic stabilisation and eventual recovery, which may have an adverse effect on the Company's returns following investment in Italy.

Moreover, Italian conditions may be affected also by further significant deterioration of global economic conditions, including the credit profile of other EU countries or the creditworthiness of Italian or international banks. If such events were to occur, the market reaction would be negative and business activity would deteriorate, which may have a material adverse effect on the Company's financial position and result of operations.

A break-up of the Eurozone could have a significant impact on the Group's net income derived from Euro-denominated investments

The instability of the Eurozone and stagnant growth of Italy and certain other member states has resulted in concerns regarding the suitability of a single currency to appropriately deal with specific circumstances in individual member states. If such concerns were to be realised, this could lead to the reintroduction of individual currencies in Italy and other member states, which would result in the redenomination of the Company's euro-issued assets and liabilities to the currency of the country of their origination, for example the Italian Lire or such other currency of Italy in relation to the Italian NPLs. This could result in a mismatch in the values of assets and liabilities and expose the Company to additional currency risks. Leaving the Eurozone could entail substantial economic, political and procedural costs. Such concerns regarding the possibility of Italy reverting to a national currency could materially adversely affect the Company's returns.

Italian bankruptcy laws may limit the Group's ability to recover

Italian bankruptcy laws and other laws and regulations governing creditors' rights in Italy may offer significantly less protection for creditors than the bankruptcy regime of the United States or elsewhere. If the current economic downturn persists or worsens, bankruptcies could intensify, or applicable bankruptcy protection laws and regulations may change to limit the impact of the recession on corporate and retail borrowers. Applicable bankruptcy laws and other laws and regulations governing creditors' rights in Italy may limit the Group's ability to obtain payments on defaulted credits.

Interest on loans may not be fully recoverable as a result of the application of Italian usury laws

The interest payments and other remuneration paid by the borrowers in relation to the NPLs are subject to Italian law No. 108 of 7 March 1996 (the "Usury Law", as from time to time amended and supplemented), which introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "Usury Rates") set every three months on the basis of a decree issued by the Italian Ministry of Economy and Finance (the last such decree being issued on 26 March 2015). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions); and (ii) the person who paid or agreed to pay them was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

The Italian Government, with law decree No. 394 of 29 December 2000 (the "Usury Law Decree" and, together with the Usury Law, the "Usury Regulations"), converted into law by law No. 24 of 28 February 2001, has established, *inter alia*, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached. The Usury Law Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 31 December 2000 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be substituted with a lower interest rate fixed in accordance with parameters determined by the Usury Law Decree.

The Italian Constitutional Court has rejected, with decision No. 29/2002 (deposited on 25 February 2002), a constitutional exception raised by the Court of Benevento (2 January 2001) concerning article 1, paragraph 1, of the Usury Law Decree (now reflected in article 1, paragraph 1 of the above-mentioned conversion law No. 24 of 28 February 2001). In so doing, it has confirmed the constitutional validity of the provisions of the Usury Law Decree which hold that interest rates may be deemed to be void due to usury only if they infringe Usury Regulations at the time they are agreed between the borrower and the lender and not at the time such rates are actually paid by the borrower. Several recent court precedents have stated that default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rates (see, for instance, Cassazione 9 January 2013 No. 350). In addition, according to recent court precedents, the remuneration of any given financing must be below the applicable Usury Rates from time to time applicable. Based on this recent evolution of case law on the matter, it will constitute a breach of the Usury Regulations even if the remuneration of a financing is lower than the applicable Usury Rates at the time the terms of the financing were agreed but becomes higher than the applicable Usury Rates at any point in time thereafter (see, for instance, Cassazione of 11 January 2013 No. 603).

If an NPL is found to contravene the Usury Regulations, the relevant borrower might be able to claim relief on any interest previously paid, claim that no interest is due under the NPL and/or to oblige the Company (or the relevant member of the Group) to accept a reduced rate of interest, or potentially no interest on such NPL. Accordingly, there is a risk that interest on certain NPLs may not be fully collectible which would reduce the value of and the income stream from such loans. If any such risks materialise, the Company's returns could be materially adversely affected.

Compounding of interest (anatocismo) is subject to restrictions under Italian law

Pursuant to article 1283 of the Italian civil code, accrued interest in respect of a monetary claim or receivable may be capitalised after a period of not less than six months provided that the capitalisation has been agreed after the date on which the claim or receivable has become due and payable or from the date on which the relevant legal proceedings were commenced with regard to such monetary claim or receivable.

Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices (*usi normativi*) to the contrary. Banks and financial intermediaries in Italy have traditionally capitalised accrued interest on a three-month basis on the grounds that such practice should be characterised as a customary rule (*uso normativo*). According to some judgments from Italian courts (including the judgment from the Italian Supreme Court No. 2374/99) such practice has been re-characterised and deemed not to permit banks to capitalise accrued interests on a quarterly basis. Italian Legislative Decree n. 342 of 4 August 1999 expressly permitted interest capitalisation by banks upon certain conditions set out in Resolution of 9 February 2000 of the Comitato Interministeriale per il Credito ed il Risparmio. However, the provisions of the said legislative decree have been challenged and the Italian Constitutional Court has ruled that such provisions of law have not been validly enacted. Recent judgments by the Italian Supreme Court (*Corte di Cassazione*) (Italian Supreme Court No. 21095 of 2004, confirmed by Italian Supreme Court No. 10376 of 2006) have stated that the practice of banks to capitalise accrued interest on a quarterly basis is invalid even in relation to agreements executed before the judgment No. 2374/99 by the Italian Supreme Court. Consequently, if borrowers were to challenge this practice and such interpretation of the Italian civil code were to be upheld before other courts in the Republic of Italy, this could adversely affect the Group's returns generated from NPLs.

Law No. 147 of 27 December 2013, which became effective on 1 January 2014 amended the provisions of the Banking Act concerning interest compounding. Article 120 removes any possibility, with the exception of current accounts, of interest compounding.

Mortgage borrowers may unilaterally subrogate loans to a new lender

Article 120-quarter of Legislative Decree No. 385 of 1 September 1993, as amended, provides that any borrower may at any time prepay a loan, funding such prepayment through a loan granted by another lender which will be subrogated, pursuant to Article 1202 of the Italian Civil Code (*surrogato per volontà del debitore*), to the rights of the former lender. This includes the subrogation in the mortgage. Subrogation can be requested by delivery of a certified copy of the deed of subrogation (*atto di surrogazione*) made in the form of a public deed (*atto pubblico*) or of a deed certified by a notary public with respect to the signature (*scrittura privata autenticata*), without the payment of any penalty or encumbrances whatsoever.

If subrogation is not completed within thirty business days from the date of on which the relevant borrower requests the succeeding lender to take-over from the former lender the amount of the outstanding debt of the borrower *vis-à-vis* the former lender, the former lender shall pay to the borrower an amount equal to 1 per cent. of the outstanding amount of the relevant loan for each month (or part thereof) of delay, provided that if such delay is caused by the succeeding lender, the succeeding lender shall indemnify the former lender for the payment of any such penalty.

RISKS RELATING TO THE COMPANY'S COMMITMENT TO ACQUIRE UCCMB

UCCMB has undergone a recent demerger from a larger banking group

On 12 February 2015, the Company announced that, together with other affiliates of Fortress, it had reached an agreement to acquire UCCMB from UniCredit. UCCMB owns a portfolio of NPLs and carries on a loan servicing business. Along with the acquisition of the shares in UCCMB, the purchaser will also buy from UniCredit a receivable owed to UCCMB originating from a loan. The aggregate consideration for the acquisition of the UCCMB shares and the receivable is approximately €500 million. The UCCMB Acquisition is conditional upon Bank of Italy approval and customary closing conditions.

Historically, UCCMB was the sole captive loan servicer for UniCredit and its group of companies. In January 2015, each of UCCMB and its subsidiary, UCCMI, was the subject of a Bank of Italy approved demerger whereby certain of the respective assets and liabilities of UCCMB and UCCMI were spun out to UniCredit and its group in preparation for the sale of UCCMB.

As a result, UCCMB and UCCMI remain subject to a period of transition from the wider UniCredit group. While a set of agreements relating to transitional services and migration between UCCMB/UCCMI and the UniCredit group have been and will be negotiated, there can be no assurance that those agreements will be fully adequate for the needs of UCCMB or UCCMI going forward. In addition, over time, each of UCCMB and UCCMI will need to establish its own operating and reporting procedures, implement new systems (including IT systems) and complete other tasks necessary to conduct its business activities independent of UniCredit. There can be no assurance that UCCMB and UCCMI will be successful in doing so. Any gap in services in the short, medium or long term may have an adverse effect on the business of UCCMB or UCCMI and on the Company's financial position and results of operations.

While the demerger deed effective from January 2015 (as integrated on February 16, 2015) endeavoured to define the types of assets and liabilities to be transferred to UniCredit from UCCMB and UCCMI, there can be no assurance that all appropriate assets and liabilities were so transferred. Therefore, UCCMB and UCCMI may in the future be subject to a request by UniCredit to transfer additional assets that were subject to the scope of the demerger but not so transferred at that time to UniCredit. Also, UCCMB and UCCMI may be affected by liabilities that have not been transferred to UniCredit and have been retained by UCCMB or UCCMI.

Risks related to the UCCMB Acquisition

The due diligence on UCCMB and UCCMI may not have revealed all the risks connected to the acquisition, and UCCMB and UCCMI might be affected by latent liabilities accruing prior to closing (including liabilities accruing prior to the demerger that UniCredit fails to satisfy or that were not precisely allocated and apportioned in the demerger deed).

The UCCMB Acquisition indirectly entails the acquisition of the NPL portfolio owned by UCCMB, the NPL servicing business of UCCMB and the real estate assets held by UCCMI. Hence the UCCMB Acquisition is subject to the same risks identified in the other sections of these Risk Factors with respect to debt portfolios, real estate investments, NPLs and the servicing business, as well as to risks specifically related to Italy and the Italian market.

The performance of UCCMB depends upon its current management team

While UCCMB currently employs a full management team and loan servicing teams whose members are experienced in the loan servicing industry, there can be no assurance that UCCMB will be successful in retaining these employees. Loss of one or more key members of personnel may have an adverse operational impact on the business of UCCMB.

The future performance of UCCMB is reliant on flows of NPLs from UniCredit under a new master services agreement

UCCMB's performance relies primarily on the ability of UniCredit to generate a certain amount of flows of NPLs. Reduction of such flows may adversely affect UCCMB's business, both in terms of revenues (i.e., reduction of fees) and increase of costs.

Under the new master services agreement to be entered into between UCCMB and UniCredit (the "MSA"), UCCMB is expected to be entitled to manage all the stock of claims existing at closing which it already manages. There is, however, no guarantee that a minimum flow of claims will be granted to UCCMB for servicing activities in the future. A failure by UniCredit to generate significant flows may adversely affect UCCMB's business, both in terms of revenues (i.e. reduction of fees) and increase of costs.

Under the MSA, UniCredit is expected to grant exclusive servicing rights to UCCMB in relation to NPLs belonging to certain clusters (namely, claims vis-a-vis individuals and enterprises and leasing claims) having a cumulative gross book value per customer or economic group equal to or lower than €1 million. However, the MSA is expected to provide for certain exceptions to this exclusivity and, for the purposes of the benchmarking tests, UniCredit is entitled to assign to third parties management of, or to manage directly itself, a certain amount of claims falling within the exclusivity rights.

In addition, corporate reorganisations and/or extraordinary transactions carried out by UniCredit may adversely affect the flows of NPLs serviced by UCCMB. Although the MSA is expected to set out certain provisions aimed at mitigating such risks, there is no guarantee that such provisions would actually prevent the possible reduction of flows of NPLs.

Under the MSA the performance of UCCMB is expected to be measured against certain key performance indicators ("KPIs"). Although the MSA is expected to provide for a transition period of 24 months in order for UCCMB to correct any initial non-compliance with such KPIs, there is no guarantee that, once such period has elapsed, UCCMB will be in position to comply with the KPIs in full. Failure to meet the KPIs may trigger, as the case may be: (i) a reduction of the fees payable to UCCMB; (ii) loss of exclusivity on future flows; (iii) loss of exclusivity on the managed stock; and (iv) the right for UniCredit to terminate the MSA.

The Group's counterparties may terminate servicing contracts

The owners of the loans serviced by UCCMB, may, under certain circumstances terminate their servicing contract with UCCMB, which in return may have a material adverse effect on the Group's investment.

Under the MSA, the following events are expected to trigger a right for UniCredit to terminate the agreement: (i) repeated breaches of the critical KPIs; (ii) repeated breaches of the instructions for the collections of the claims provided in the service level agreement attached to the MSA; (iii) repeated breaches of the delegation limits; (iv) repeated breaches of the provisions of the MSA causing the non-collectability of the claims; (v) repeated breaches of the provisions relating to the management of the conflicts of interest; (vi) breaches of the provisions of the MSA determining sanctions on UniCredit by supervisory authorities; (vii) unlawful use of customer data; (viii) breaches of criminal law provisions; (ix) breaches of the provisions of the MSA determining the impossibility for the committees set out in the MSA to operate for a certain timeframe; (x) breaches of the MSA determining the impossibility for UniCredit to comply with provisions of law or orders by supervisory authorities; (xi) serious failure to comply with reporting obligations; (xii) delivery of inaccurate data to UniCredit due to wilful misconduct or gross negligence; (xiii) failure to amend the services to the extent required by law or by the supervisory authorities; (xiv) insolvency; (xv) extraordinary administration or compulsory liquidation; (xvi) sanctions by regulatory authorities for serious breaches of laws or regulations also having criminal law relevance; (xvii) dismissal of the board of directors; (xviii) change of control in favour of one of the two major competitors of UniCredit in Italy or in Germany; (xix) downgrading of the servicer rating to junk equivalent; or (xx) only with respect to securitised claims, termination of the existing servicing agreements, without prejudice to the right of UCCMB to be indemnified in case the termination may be ascribed to UniCredit.

Although the binding MSA is expected to provide for certain materiality thresholds and cure periods, there is no guarantee that these will be sufficient to avoid termination of the MSA by UniCredit.

In addition, while UCCMB's primary client is UniCredit, the company currently service loans for unaffiliated third parties. These parties may choose to terminate their relationship with UCCMB upon change of control of the company or otherwise in accordance with the provisions of their individual servicing contracts.

The Group's investments would be adversely affected if UCCMB lost its regulatory licence

UCCMB is a regulated entity subject to supervision by the European Central Bank and Bank of Italy. The increased level of regulation (and related costs) and/or the inability of UCCMB to comply with the relevant requirements, including capital requirements, of the Bank of Italy and/or deriving from European regulation, may adversely affect the business of UCCMB.

The Group's investments would be adversely affected if certain tax changes occurred in Italy

The Group's assessment of the UCCMB Acquisition included a review of certain carry forward tax losses currently available to UCCMB and other applicable tax regulations. Changes in existing Italian tax laws or regulations, or in their interpretation or enforcement, regarding the carry forward of tax losses or other taxation calculations or adverse decisions by Italian tax authorities regarding previous or future fulfilment of tax obligations by UCCMB could result in UCCMB becoming liable to Italian tax not anticipated by the Company at the time of entering into the UCCMB Acquisition. This in turn may lead to a significant reduction in returns to the Company, which could materially adversely affect its business, financial condition and results of operations.

Technology failures could damage UCCMB's business operations and increase its costs

The loan servicing business is reliant upon IT and other operational and reporting systems. Therefore, system disruptions and failures caused by fire, power loss, telecommunications failures, unauthorised intrusion, computer viruses and disabling devices, natural disasters and other similar events, may interrupt or delay UCCMB's ability to service loans. Security breaches, acts of vandalism and developments in computer capabilities could result in a compromise or breach of the technology that the UCCMB uses to protect borrowers' personal information and transaction data. Systems failures could cause the UCCMB to incur significant costs and this could adversely affect its business, financial condition or results of operations.

Under the MSA UCCMB is expected to be under an obligation to provide UniCredit with certain detailed information relating to the servicing activity and the NPLs. Although UCCMB believes that such information should be able to be made available on a regular basis, there is no guarantee that the delivery of such information will be duly performed in accordance with the term and conditions of the MSA. A failure to perform such obligations may give rise to liabilities for UCCMB and, in certain circumstances, trigger the right of UniCredit to terminate the MSA in whole or in part.

The success and growth of UCCMB's business will depend upon its ability to adapt to and implement technological changes

UCCMB's loan servicing business is currently dependent upon its ability to effectively interface with borrowers and other third parties and to efficiently process loan applications and closings. The loan collection process is becoming more dependent upon technological advancement, such as the continued ability to process applications over the Internet, accept electronic signatures, provide process status updates instantly and other borrower-expected conveniences. Maintaining and improving this new technology and becoming proficient with it may also require significant capital expenditures. As these requirements increase in the future, the UCCMB will have to fully develop these technological capabilities to remain competitive and any failure to do so could adversely affect its business, financial condition or results of operations.

Any failure of UCCMB's security measures could cause harm to its reputation and subject it to liability

In the ordinary course of UCCMB's business, it receives and stores certain confidential information and personal data concerning borrowers and guarantors. Additionally, it enters into third party relationships to assist with various aspects of its business, some of which require the exchange of confidential information. If a third party were to compromise or breach UCCMB's security measures or those of its vendors, through electronic, physical or other means, and misappropriate such information, it could cause interruptions in UCCMB's operations, expose UCCMB to significant liabilities, reporting obligations, remediation costs and damage its reputation. Any of the foregoing risks could adversely affect UCCMB's business, financial condition or results of operations.

UCCMB's vendor relationships subject it to a variety of risks

UCCMB has significant vendors that, among other things, provide it with financial, technology and other services to support its servicing and originations businesses. With respect to vendors engaged to perform activities required by servicing criteria, UCCMB has elected to take responsibility for assessing compliance with the applicable servicing criteria for the applicable vendor and is required to have procedures in place to provide reasonable assurance that the vendor's activities comply in all material respects with servicing criteria applicable to the vendor. In the event that a vendor's activities do not comply with the servicing criteria, it could negatively impact UCCMB's servicing agreements. In addition, if UCCMB's current vendors were to stop providing services to it on acceptable terms, including as a result of one or more vendor bankruptcies due to poor economic conditions, UCCMB may be unable to procure alternatives from other vendors in a timely and efficient manner and on acceptable terms, or at all. Further, UCCMB may incur significant costs to resolve any such disruptions in service and this could adversely affect its business, financial condition or results of operations.

Closing of the UCCMB Acquisition

The closing of the UCCMB Acquisition depends on authorisation of the Bank of Italy and other customary conditions. Moreover, before closing, the parties will need to agree on the final and binding MSA (on the basis of an existing term sheet) and on a detailed migration plan (supplementing and developing the guidelines attached to the acquisition agreement). The closing is expected to occur in the second quarter of 2015. The parties have agreed on a long-stop date of 30 September 2015, which can be extended under certain conditions. Although the acquisition agreement provides for interim covenants and protections against material adverse events, changes in law and/or the financial or business condition of UCCMB or UCCMI occurring before closing may impact the targets of the acquisition.

GROUP'S FINANCING ARRANGEMENTS

The Group is exposed to foreign exchange risk and interest rate risk, the hedging of which may limit gains or result in losses

The Group has used derivatives for the purposes of efficient portfolio management. This strategy has certain risks, including the risk that losses arising from the early termination of a hedge position will reduce the cash available for distribution to shareholders and that such losses may exceed the amount invested in such instruments.

The Group's primary interest rate exposure relates to its real estate and other asset backed securities, loans and floating rate debt obligations, as well as its interest rate swaps. In the event of a significant rising interest rate environment and/or economic downturn, mortgage and loan defaults may increase and result in credit losses. Interest rates are highly sensitive to many factors, including governmental monetary and political conditions, and other factors beyond the Group's control.

The Group's primary foreign exchange rate exposure relates to its non-Euro denominated portfolio of securities and loans. Changes in currency exchange rates can adversely impact the fair values and earning streams of the Group's non-Euro denominated assets and liabilities. In the past, the Group has mitigated this impact through a combination of: (i) non-Euro denominated financing; (ii) the use of balance guaranteed hedging; and (iii) rolling forward foreign exchange contracts to hedge its net non-Euro equity investment. Recognising the liquidity risk and related margin requirements associated with entering into forward foreign exchange contracts and the increased uncertainty as to the future cash flows from, and value of, its equity investments in the debt portfolio, the Company stopped hedging its net non-Euro equity investments from the beginning of 2009.

RISKS RELATING TO THE COMPANY

The Group's ability to generate its desired returns will depend on its ability to identify and invest in suitable investment opportunities

The ability of the Group to effectively implement its investment strategy and achieve its desired investment returns may be limited by the ability of the Manager to identify and acquire appropriate investments on its behalf. Until such time as the Group is able to invest in suitable investments, its funds may not be fully invested. The Group's funds may be held on cash deposit pending investment.

In addition, the Group may be subject to significant competition in seeking investments. Some of the Group's competitors may have greater resources, and the Group may not be able to compete successfully for investments. Furthermore, competition for investments may lead to the price of such investments increasing which may further limit the Group's ability to generate its desired returns.

The Shares are subject to restrictions on transfers

The Shares have not been registered in the United States under the Securities Act or under any other applicable securities law and are subject to restrictions on transfer contained in such laws or imposed to avoid adverse consequences under ERISA.

There are additional restrictions on the resale of Shares by Shareholders who are located in the United States or who are U.S. Persons and on the resale of Shares by any Shareholders to any person who is located in the United States or is a U.S. Person. These restrictions will make it more difficult to resell the Shares in many instances, and such restrictions could have an adverse impact on the market value of the Shares. Prospective investors should refer to the section "Transfer Restrictions" in Part VIII of this Prospectus.

Risk of the Group's assets being deemed "plan assets" if it has ERISA investors

Unless an exception applies, if 25 per cent. or more of the Shares (calculated in accordance with the Plan Asset Regulation) or any other class of equity interest in the Group are held by Benefit Plan Investors, assets of the Group could be deemed to be "plan assets" subject to the constraints of ERISA. Were the assets of the Group deemed to be "plan assets", the Manager would become an ERISA fiduciary and subject to U.S. court jurisdiction, the "prohibited transaction" rules of ERISA would apply to all of the Group's dealings and the ownership documents for all of the Group's assets would be required to be held in the U.S. Any requirement to comply with such rules would likely lead to the Company unknowingly violating ERISA, given the scale and geographical spread of the operations of each of the Group and the Manager.

Accordingly, the Company's Articles of Incorporation restrict ownership of Shares by Benefit Plan Investors. No Benefit Plan Investor will be permitted to acquire the Shares without the consent of the Company, in its sole discretion. For further details, prospective investors should refer to "ERISA Considerations" and "Transfer Restrictions" in Part VIII of this Prospectus.

The Company is not registered under the Investment Company Act and Shareholders will not be afforded the protections provided by that act

The Company is not registered as an investment company in the United States under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which will be applicable to investors in the Company or to the Company.

Shareholders may not be entitled to the takeover offer protections provided by the City Code on Takeovers and Mergers

The City Code on Takeovers and Mergers applies to offers for all public companies considered by the Takeover Panel to be resident in the United Kingdom, the Channel Islands (which includes Guernsey) or the Isle of Man.

Currently, the Takeover Panel will normally consider a company resident in the United Kingdom, the Channel Islands or the Isle of Man only if it is incorporated in one of those jurisdictions and has its place of central management in one of those jurisdictions.

The Board considers that on the basis that the Company does not have its place of central management in the United Kingdom, the Channel Islands or the Isle of Man, the Takeover Panel will decline to apply the City Code to the Company and Shareholders will not receive the benefit of the takeover offer protections provided by the Code.

Future Share issues could dilute the interests of existing Shareholders and lower the price of the Shares

The Company intends in the future, subject to applicable contractual and other restrictions, to issue additional Shares in subsequent public offerings or private placements at prices that may be lower than the price of the Offer Shares. The Company is not required under Guernsey law to offer any such Shares to existing Shareholders on a pre-emptive basis. Therefore, it may not be possible for existing Shareholders to participate in such future Share issues, which may dilute the existing Shareholders' interests in the Company. In addition, the issue of additional Shares by the Company, or the possibility of such issue, may cause the market price of the Shares to decline.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not the euro.

The Company declares and distributes dividends in euro. Exchange rate movements of the euro will therefore affect the value of these dividends and distributions for investors whose principal currency is not the euro. Furthermore, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange volatility. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not the euro. Additionally, should the Eurozone break up as a result of the sovereign debt crisis in Europe or other reasons or should certain member states of the Eurozone abandon the euro, the resulting exchange rate movements to the euro could also materially affect the value of dividends and distributions for investors whose principal currency is not the euro.

RISKS RELATING TO REGULATION AND TAXATION

Compliance with, and changes in, laws and regulations

The Group is required to comply with various laws and regulations in the jurisdictions in which it operates, including in relation to planning, environmental, fire, health and safety, tax, landlord and tenant and other matters. Compliance with these laws and regulations may impose significant compliance costs and restrictions on the Company. If the Group fails to comply with these laws and regulations, the Group may have to pay penalties or private damages awards.

Certain of the Company's subsidiaries are currently under audit or review by German tax authorities in relation to historic tax liabilities. Whilst the Group has and continues to seek to comply with taxation laws and regulations, there is a lack of clarity in relation to the requirements of certain German taxation laws applicable to the Group. As such, the Group has taken steps to address any potential issues that may be identified as part of the tax audit or review and the Company has made a provision in its consolidated financial statements for the year ended 31 December 2014 of €12.1 million, being an amount equal to the Group's estimated potential exposure. However, there may be unasserted claims (the German and Luxembourg tax authorities have up to five years to initiate an audit), and a tax authority may find that the Company's efforts to improve tax compliance are insufficient.

In addition, changes in existing laws or regulations, or in their interpretation or enforcement, could require the Company to incur additional costs in complying with those laws, or require changes to its investment strategy, operations or accounting and reporting systems, leading to additional costs and tax liabilities or loss of revenue, which could materially adversely affect the Company's business, financial condition and results of operations.

For example, there could be changes in tenancy laws that limit the Company's recovery of certain property operating expenses, limiting the ability of the Company to review rent under its lease on an upwards-only basis, or altering the frequency of collection of rent, which is typically quarterly in advance. There could also be changes or increases in real estate taxes that cannot be recovered from the Company's tenants or changes in environmental laws that require significant capital expenditure.

Changes in tax laws or their interpretation could affect the intended tax treatment for investments using Special Purpose Vehicles

The Company holds a substantial amount of its investments through SPVs. For tax and other reasons, the Company's investments in the SPVs are likely to be funded wholly or partly by way of a series of debt instruments with the equity of certain SPVs held by one or more third parties. The Company structures its SPVs so that they are substantially exempt from income taxes in their jurisdiction of incorporation and seeks to conduct their affairs so as not to be subject to, or subject to minimal, income tax in the jurisdictions in which their assets are located. Further the Company structures the SPVs so that they only hold assets that are not subject to withholding taxes on distributions made by, or on realisations of, the assets.

However, tax laws may change or be subject to differing interpretations, possibly with retroactive effect, so that the tax consequences of a particular investment or SPV structure may change after the investment has been made or the SPV has been established with the result that investments held by SPVs may be required to withhold tax or the SPVs themselves may become liable to tax, in each case resulting in the Company's returns being reduced. Recent statements by the Leaders and Finance Ministers of the G-20 countries and the development by the Organisation for Economic Cooperation and Development of an "Action Plan on Base Erosion and Profit Shifting" suggest that countries will be taking steps to address tax rules that permit entities to minimise inappropriately taxes in jurisdictions in which they are formed, operate or hold assets. The nature and timing of any change in tax laws that may occur is not clear. The Company and the SPVs will be subject to tax risk and uncertainty in the jurisdictions in which they are incorporated or resident for tax purposes and in each jurisdiction where their assets are located.

The Company believes that it has been and anticipates that it will continue to be classified as a Passive Foreign Investment Company ("PFIC") for U.S. federal income tax purposes, which may result in certain adverse U.S. federal income tax consequences to U.S. Holders

Based on the Company's income, assets, and activities, the Directors believe that the Company has been and anticipate that it will continue to be classified as a PFIC for U.S. federal income tax purposes. If the Company is a PFIC for any taxable year (or portion thereof) in which a U.S. Holder (as defined below) owns Shares, and such U.S. Holder does not make a Qualified Electing Fund ("QEF") or "mark-to-market" election that is effective for the taxable year in which the U.S. Holder first acquires any Shares, such holder generally will be liable to pay U.S. federal income tax at the highest ordinary income tax rate on any "excess distribution" from the Company and on the U.S. Holder's gain from the disposition of Shares as if such excess distribution or gain had been recognised ratably over the U.S. Holder's holding period for the Shares, plus interest on such amount as if it were treated as a series of underpayments of tax in such prior years. A U.S. Holder may be able to avoid these adverse tax consequences, however, by making a QEF election to include its *pro rata* share of the Company's earnings and profits in income currently as it is earned. See "Tax Considerations – United States Taxation – U.S. Holders – Passive Foreign Investment Company" below. U.S. Holders are urged consult their own tax advisers about the impact of making or failing to make a timely QEF or mark-to-market election with respect to their Shares.

Risk of adverse tax consequences by reason of having a permanent establishment

If the Company, its SPVs or any subsidiaries were treated as having a permanent establishment or otherwise creating a taxable presence in any country in which it invests or operates, income attributable to such permanent establishment or taxable presence may be subject to tax on a net basis. If this were the case, the Company or the applicable SPV or subsidiary may be subject to an amount of tax that is materially larger than what the company was expecting.

Changes in the Company's tax status or tax treatment may adversely affect the Company and if the Company becomes subject to the UK offshore fund rules there may be adverse tax consequences for certain UK resident Shareholders

Any change in the Company's tax status or treatment, or in taxation law or practice in jurisdictions including Guernsey, Germany, Luxembourg, Italy, Ireland, the United Kingdom, the United States, any jurisdiction which Shareholders are held to be tax resident or where the Company operates could affect the value of the investments held by the Company or the Company's ability to achieve its investment objectives or alter the after-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of Shareholders are based upon current Guernsey, United Kingdom and United States tax law and published practice. Law and practice is, in principle, subject to change (potentially with retrospective effect).

In particular, in respect of the UK offshore fund rules, the statements in this Prospectus are based upon the Directors' interpretation of the rules and it is possible that HM Revenue & Customs may ultimately seek to apply the rules in a different way. Should HM Revenue & Customs take a different view that the Company does fall within the rules, this may (unless the Company applies for, and is granted, reporting fund status) have adverse UK tax implications for certain United Kingdom investors as any gains arising upon disposal of Shares would be treated as being subject to UK income tax.

Failure by the Company to maintain its non-UK tax resident status may subject the Company to additional taxes

In order to maintain its non-UK tax resident status, the Company is required to be controlled and managed outside the United Kingdom. The composition of the board of Directors of the Company, the place of residence of the individual Directors and the location(s) in which the board of Directors of the Company makes decisions will be important in determining and maintaining the non-UK tax resident status of the Company. Although the Company is established outside the United Kingdom and a majority of the Directors of the Company live outside the United Kingdom, continued attention must be given to ensure that major decisions are not made in the United Kingdom or the Company may lose its non-UK tax resident status. As such, management errors may potentially lead to the Company being considered UK tax resident which may adversely affect the financial condition of the Company, results of operations, the value of the Shares and/or the after-tax return to the Shareholders.

Individual Shareholders may have conflicting investment, tax and other interests with respect to their investments in the Company

Shareholders are expected to include taxable and tax-exempt entities and persons organised and residing in various jurisdictions who may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of investments made by the Group, the structuring of the acquisition of investments, the timing of disposition of investments and the manner in which income and capital generated by the Company is distributed to Shareholders. The structuring of investments and distributions may result in different returns being realised by different Shareholders. As a consequence, conflicts of interest may arise in connection with decisions made by the Manager, including the selection of borrowers in whose debt obligations the Group will invest, which may be more beneficial for one investor than for another investor, especially with respect to investors' individual situations. In selecting and structuring investments appropriate for the Group and in determining the manner in which distributions shall be made to Shareholders, the Manager and the Directors respectively will consider the investment and tax objectives of the Company and Shareholders as a whole, not the investment, tax or other objectives of any Shareholder individually, which may adversely affect the investment returns of individual Shareholders.

Compliance with taxation requirements is difficult

The Group is subject to a number of different taxation regimes. In particular, it must comply with the taxation rules and regulations in Guernsey, the jurisdictions of its investments (currently Germany and Italy), Luxembourg, the United States and the United Kingdom. It is complicated to apply the various taxation regimes to the Group and there is a risk that the Group may not be fully compliant with all required regimes. This could result in fines or penalties for the Group, or other consequences imposed by the relevant regulator, which may be to the detriment of the Group.

RISKS RELATING TO THE MANAGER

The Group's performance is dependent on the Manager (including its relationship with Italfondiario S.p.A.), and the Company may not find a suitable replacement if the Manager terminates the Management Agreement

The Group is reliant on the Manager, who has significant discretion as to the implementation of the Group's operating policies and strategies. The Group is subject to the risk that the Manager will terminate the Management Agreement and that no suitable replacement will be found, or that the Manager engages in other business activities that reduce the time the Manager spends managing the Group. In addition, the Directors believe that the Group's success depends to a significant extent upon the experience of certain key employees of the Manager, whose continued service is not guaranteed. The departure of a key executive of the Manager may have an adverse effect on the performance of the Group.

Furthermore, the success of the Group's new investment focus in Italy is, in part, dependent upon the Manager's strategic relationships with its Italian affiliate, Italfondiario S.p.A. ("Italfondiario"). To the extent that the Manager is unable to utilise these relationships in relation to the Group, particularly given that there is no umbrella contractual relationship between Italfondiario and the Group currently in place (rather the Group will continue to engage Italfondiario on a case-by-case basis) then this may have a material adverse effect on the Company's ability to implement its new strategy.

Furthermore, there can be no assurance that Italfondiario will remain under the control of Fortress. A change of control, or changes precipitated by Italfondiario's minority investor, may lead to a change in Italfondiario's management and possibly its processes and procedures in a manner adverse to the Group, or Italfondiario ceasing to act as servicer to the Group in relation to its existing Italian NPL portfolios. Once engaged, any subsequent replacement of Italfondiario as a servicer of relevant portfolios could entail substantial business disruption and additional transaction costs that may adversely affect the Group's returns. If Italfondiario were to fail or otherwise cease to service the relevant portfolios, there can be no assurance that the Company will be able to arrange for a replacement of equal experience and expertise to service such portfolios.

There are conflicts of interest in the Group's relationship with the Manager

The Manager and its affiliates manage and invest in other investment vehicles which have investment objectives which overlap with those of the Group, and some of the members of the Board of Directors also serve as officers and/or directors of these other entities. For example, the Manager and its affiliates may have investments in and/or earn fees from such other investment vehicles which are larger than their economic interests in the Group and may therefore have an incentive to allocate investments to such other investment vehicles. These relationships may lead to conflicts of interest. Certain investments appropriate for the Group may also be appropriate for one or more of these other investment vehicles. Accordingly it is possible that the Group will not have the opportunity to participate in investments made by such other investment vehicles which fall within the Group's investment objectives. When it is determined that it would be appropriate for the Group and one or more other investment vehicles managed by the Manager or its affiliates to participate in the same investment opportunity, the Manager will seek to allocate participation levels on an appropriate basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to market trends and the size, liquidity, finance ability and anticipated term of the proposed investment. The Group has broad investment guidelines and may co-invest with vehicles managed by the Manager and its affiliates or invest in securities that are senior or junior to securities owned by such investment vehicles. As of 31 December 2014, Fortress managed one fund focused on investing in Italian non-performing loans with approximately $809 million in capital commitments. The Group co-invests with this fund. The Manager may also engage in additional real estate related management and investment opportunities in the future which may also compete with the Group for investments. Appropriately dealing with conflicts of interest is complex and difficult, and the Company's reputation could be damaged if the Company fails, or appears to fail, to deal appropriately with one or more potential, actual or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on the Company's reputation, which could materially adversely affect the Group's business in a number of ways, including causing an inability to raise additional funds, a reluctance of counterparties to do business with the Group, a decrease in the price of the Company's shares and a resulting increased risk of litigation and regulatory enforcement actions.

The ability of the Manager and its officers and employees to engage in other business activities will reduce the time the Manager spends managing the Group. The Group may engage in a material transaction with the Manager or another entity managed by the Manager provided the transaction is on arm's length commercial terms.

The management compensation structure that the Company has agreed to with its Manager includes an incentivisation payment designed to closer align the interests of the Manager with the Company. In evaluating investments and other management strategies, the opportunity to earn incentive compensation based on Normalised FFO may lead the Manager to place undue emphasis on the maximisation of Normalised FFO at the expense of other criteria, such as preservation of capital, in order to achieve higher incentive compensation. Investments with higher yield potential are generally riskier or more speculative.

Retention of the Manager's affiliates to provide services to the Group may create additional conflicts of interest

The Group may retain or otherwise purchase services from affiliates of the Manager and businesses in which they have an interest, including in respect of Italfondiario. The Group may compete with other affiliates of the Manager or third parties for access to opportunities provided by the Manager's affiliates. Conflicts of interest may arise in connection with such transactions, and such conflicts of interest may have adverse consequences for the Group.

The Management Agreement may be difficult and costly to terminate

Termination of the Management Agreement may be difficult and costly. The term of the Management Agreement is ten years from 13 August 2003, subject to automatic renewal: (i) on the tenth anniversary of its commencement; and (ii) on each three year anniversary of such date, for an additional three year period unless a majority of the Shareholders by vote agree that there has been unsatisfactory performance by the Manager that is materially detrimental to the Company. On 13 August 2013 the Management Agreement automatically renewed for an additional three year period. Unless terminated for cause, and even if terminated on an anniversary date, the Manager must be paid a termination fee equal to the amount of management fee earned by the Manager during the 12 month period preceding such termination. In addition, following any termination of the Management Agreement, unless the Company, either at the request of the Manager or at its own volition, purchases the Manager's right to receive incentive compensation at its fair market value (determined by independent appraisal to be conducted by an appraisal firm recognised in the United States, and mutually agreed upon by the Company and the Manager), the Company must continue to pay the incentive compensation to the Manager following termination or expiration of the Management Agreement which payments could continue for an indefinite period of time. These provisions may increase the effective cost to the Company of terminating the Management Agreement.

Broad investment guidelines provide the Manager with a wide range of potential investments each of which the Directors will not specifically review and may be made without shareholder consent

The Manager is authorised to follow very broad investment guidelines. Consequently, the Manager has great latitude in determining the types and categories of assets it may decide are proper investments for the Group. Accordingly, while the Group's new investment focus is on the Italian real estate market, the Group's investment strategy may evolve in light of the Manager's view of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets in which it invests and its ability to finance such assets on a short or long-term basis. Decisions to make investments in new asset categories present risks that may be difficult for the Group or the Manager to adequately assess and could therefore reduce the Group's ability to pay dividends or have adverse effects on the Group's liquidity or financial condition. A change in the Group's investment strategy may also increase the Group's exposure to interest rate, foreign currency, real estate market or credit market fluctuations. The Manager's failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect the Group's results of operations and the Group's financial condition.

The Board of Directors will periodically review the Company's investment guidelines and the Group's investments. However, the Board of Directors does not review each proposed investment. Transactions entered into by the Manager may be difficult or impossible to unwind by the time they are reviewed by the Board of Directors. Further, the Group may change its investment strategy without shareholder consent, which may result in it making investments that are different, risker or less profitable than its current investments.

The Manager will not be liable to the Company for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of the Group's investments

Pursuant to the Management Agreement, the Manager will not assume any responsibility other than to render the services called for thereunder in good faith and will not be responsible for any action of the Board of Directors in following or declining to follow its advice or recommendations. The Manager, its members, managers, officers and employees will not be liable to the Group or the Board of Directors for any acts or omissions by the Manager, its members, managers, officers or employees, except by reason of acts constituting bad faith, wilful misconduct, gross negligence or reckless disregard of the Manager's duties under the Management Agreement. The Company shall, to the full extent lawful, reimburse, indemnify and hold the Manager, its members, managers, officers and employees and each other person, if any, controlling the Manager harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of the Manager's duties under the Management Agreement and not constituting such indemnified party's bad faith, wilful misconduct, gross negligence or reckless disregard of the Manager's duties under the Management Agreement.

The Manager's due diligence of investment opportunities or other transactions may not identify all pertinent risks, which could materially affect the Group's business, financial condition, liquidity and results of operations

The Manager intends to conduct due diligence with respect to each investment opportunity or other transaction it pursues. It is possible, however, that the Manager's due diligence processes will not uncover all relevant facts, particularly with respect to any assets the Group acquires from third parties. In these cases, the Manager may be given limited access to information about the investment and will rely on information provided by the target of the investment. In addition, if investment opportunities are scarce, the process for selecting bidders is competitive, or the timeframe in which the Manager is required to complete diligence is short, the Manager's ability to conduct a due diligence investigation may be limited, and the Manager or the Company would be required to make investment decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, investments and other transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

The ownership by certain of our directors of shares, options, or other equity awards of other entities either owned by Fortress funds managed by affiliates of the Manager or managed by the Manager may create, or may create the appearance of, conflicts of interest

Some of our directors and certain employees of our Manager hold positions with other entities either owned by Fortress funds managed by affiliates of the Manager or managed by the Manager and own such entities' shares, options to purchase such entities' shares or other equity awards. Such ownership may create, or may create the appearance of, conflicts of interest when these directors and other employees are faced with decisions that could have different implications for such entities than they do for the Group.

IMPORTANT INFORMATION

Investors should rely on the information in this Prospectus. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of the Offer Shares other than as contained in this Prospectus, and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by or on behalf of the Company. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of the FSMA and PR 3.4.1 of the Prospectus Rules neither the delivery of this Prospectus nor the allotment or issue of Offer Shares shall under any circumstances create any implication that there has been no change in the business or affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

No representation or warranty, express or implied, is made by the Sole Bookrunner as to the accuracy, completeness or verification of the information set forth in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Sole Bookrunner assume no responsibility for its accuracy, completeness or verification and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any subscription, purchase or proposed subscription or purchase of Shares.

Neither the Company, nor the Directors, nor the Sole Bookrunner or any of their respective affiliates, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment by such offeree or purchaser under the laws applicable to such offeree or purchaser.

An investment in the Company should be regarded as a long term investment. There can be no assurance that the Company's investment objectives will be achieved.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved.

An investment in the Offer Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Offer Shares should constitute part of a diversified investment portfolio. Further, the price of Shares and the income from Shares can go down as well as up, and investors may not realise the value of their initial investment. Investors must be able and willing to withstand the loss of their entire investment. Accordingly, typical investors in the Company are expected to be sophisticated, institutional and/or professional investors who understand the risks involved in investing in the Company.

The investors also acknowledge that: (i) they have not relied on the Sole Bookrunner or any person affiliated with the Sole Bookrunner in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this document, and that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Sole Bookrunner.

Statements made in this Prospectus are based on the law and practice currently in force and are subject to changes therein. This Prospectus should be read in its entirety before making any application for Offer Shares.

All times and dates referred to in this Prospectus are, unless otherwise stated, references to London times and dates and are subject to change without further notice.

In connection with the Offer, the Sole Bookrunner and any of its affiliates, acting as an investor for its own account, may take up Offer Shares in the Offer and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offer. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Shares to the Sole Bookrunner or any of its affiliates acting in such capacity. The Sole Bookrunner does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition the Sole Bookrunner or its affiliates may enter into financing arrangements including swaps with investors in connection with which the Sole Bookrunner (or its affiliates) may from time to time acquire, hold or dispose of Offer Shares.

The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Forward-looking Statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it, and Special Purpose Vehicles formed by the Company, invest and issue securities. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition and dividend policy of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- the risk factors set forth above in the section entitled "Risk Factors";
- changes in economic conditions generally and the real estate and debt markets specifically;
- economic conditions in Europe, and in particular in Germany and Italy;
- changes in the Company's business strategy;
- impairments in the value of the Group's investments;
- legislative/regulatory changes;
- changes in taxation regimes;
- the Group's continued ability to invest the cash on its balance sheet and the proceeds of this Offer in suitable investments on a timely basis; and
- the availability and cost of capital for future investments.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Forward-looking statements speak only as at the date of this Prospectus. Although the Company undertakes no obligation to revise or update any forward-looking statements contained herein (save where required by the Euronext Amsterdam Listing Rules, Prospectus Rules or Disclosure Rules and Transparency Rules, as applicable), whether as a result of new information, future events, conditions or circumstances, any change in the Company's expectations with regard thereto or otherwise, investors are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through a Regulatory Information Services announcement (or a "RIS").

Potential investors are advised to read this Prospectus in its entirety before making any investment in Shares and, in particular, should carefully review the sections of this Prospectus entitled "Summary", "Risk Factors", Part I "The Company, its Business and Investment Opportunities", Part II "Overview of Current Portfolio and Financing Arrangements", Part III "Operating and Financial Review and Prospects", Part IV "Management of the Company" and Part IX "Historic Financial Information". In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum and Articles of Incorporation of the Company which investors should review.

The contents of the Company's website at www.eurocastleinv.com are not incorporated into and do not form part of this Prospectus and prospective investors should not rely on it.

Certain information in this Prospectus is attributed to or sourced from third parties as specifically noted in this Prospectus. Such information has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by the stated sources, no facts have been omitted which would render the information inaccurate or misleading.

Subject to its legal and regulatory obligations, the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Prospective investors must not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Investors should note that the Sole Bookrunner and/or their respective affiliates have acted, and in some cases, continue to act, in various capacities in relation to the issuers of certain securities in which the Group invests or may invest, including as manager, servicer, security trustee, equity holder and/or secured lender to affiliates of the issuer of the relevant securities. Each role confers specific rights to and obligations on the Sole Bookrunner and/or their affiliates. In carrying out these rights and obligations the interests of the Sole Bookrunner and/or their respective affiliates may not be aligned with the interests of a potential investor in the Shares. The Sole Bookrunner and/or their respective affiliates in their capacity as lender to certain of the issuers of securities in which the Group invests or its affiliates may hold security interests in various of those issuers' assets, some of which assets may also secure obligations owed to holders of the relevant issuer's securities, which may include the Group.

Neither the Shares nor the Company have been approved or disapproved by any governmental or regulatory authority of any country or jurisdiction, nor has any such governmental or regulatory authority passed upon or endorsed the merits of the Company or an investment in its Shares. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

THE OFFER SHARES HAVE NOT BEEN APPROVED OR RECOMMENDED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY U.S. STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE SUCH AUTHORITIES CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

The distribution of this Prospectus and the offer, sale and/or issue of Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Company and the Sole Bookrunner to inform themselves about, and to observe, any such restrictions.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Offer Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of Offer Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom into whose possession this Prospectus comes are required by the Company and the Sole Bookrunner to inform themselves about and to observe any restrictions as to the offer or sale of Shares and the distribution of this Prospectus under the laws and regulations of any territory in connection with any applications for Shares in the Group, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Group, the Sole Bookrunner, the Manager or the Administrator that would permit a public offering of the Offer Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required.

Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the following paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Shares, and the transfer restrictions to which they are subject, see "Other Selling Restrictions".

The Offer is only being made to persons in the United Kingdom whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the FSMA, and each of the Sole Bookrunner has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply.

The distribution of this Prospectus and the offer, sale and/or issue of the Offer Shares has not been and will not be registered under the Securities Act or any state securities laws in the United States or, except as set out in this Prospectus, the securities laws of any other jurisdiction and may not be reoffered, resold, pledged or otherwise transferred except as permitted by the Company's Articles of Incorporation and as provided in this Prospectus. Subscribers shall be required to represent, acknowledge and agree that they will not reoffer, resell, pledge or otherwise transfer the Offer Shares except: (x) in compliance with the Securities Act and other applicable laws and except to a transferee who is (i) (a) an Accredited Investor or a Qualified Institutional Buyer and (b) in each case also a Qualified Purchaser or Knowledgeable Employee or (ii) not a U.S. Person purchasing for its own account, or for the account of a buyer that meets such criteria, in an Offshore Transaction pursuant to Regulation S; and (y) (1) upon delivery of all certifications, opinions and other documents that the Company may require and (2) in accordance with any applicable securities law of any state of the United States and any other jurisdiction.

Further, without the consent of the Company, no purchase, sale or transfer of Offer Shares may be made to a person whose assets include "plan assets" within the meaning of ERISA that are subject to Title I of ERISA or Section 4975 of the Code. Accordingly, without the consent of the Company, Benefit Plan Investors will not be permitted to acquire Offer Shares, and subject to the foregoing, each investor will be required to represent or will, by its acquisition of an Offer Share be deemed to have represented, that it is not a Benefit Plan Investor. Any purported purchase or transfer of an Offer Share to a Benefit Plan Investor is subject to restrictions as provided in the Company's Articles of Incorporation and this Prospectus.

The Offer Shares are transferable subject to the restrictions described herein. Each transferor of Offer Shares agrees to provide notice of the transfer restrictions set forth herein to the transferee.

THE MANAGER IS EXEMPT FROM REGULATION BY THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") AS A COMMODITY POOL OPERATOR PURSUANT TO CFTC RULE 4.13(a)(3). THEREFORE, THE MANAGER IS NOT REQUIRED TO DELIVER A DISCLOSURE DOCUMENT (AS DEFINED IN THE CFTC RULES) OR A CERTIFIED ANNUAL REPORT TO SHAREHOLDERS. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR THIS PROSPECTUS.

THE MANAGER QUALIFIES FOR THE EXEMPTION UNDER CFTC RULE 4.13(a)(3) ON THE BASIS THAT, AMONG OTHER THINGS (I) EACH SHAREHOLDER THAT IS A U.S. PERSON OR A U.S. RESIDENT IS A "QUALIFIED PURCHASER" (WITHIN THE MEANING OF THE INVESTMENT COMPANY ACT), (II) THE INTERESTS ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND ARE OFFERED AND SOLD WITHOUT MARKETING TO THE PUBLIC IN THE UNITED STATES AND (III) AT ALL TIMES EITHER (A) THE AGGREGATE INITIAL MARGIN AND PREMIUMS REQUIRED TO ESTABLISH THE COMPANY'S COMMODITY INTEREST POSITIONS WILL NOT EXCEED FIVE PERCENT OF THE LIQUIDATION VALUE OF THE COMPANY'S PORTFOLIO; OR (B) THE AGGREGATE NET NOTIONAL VALUE OF THE COMPANY'S COMMODITY INTEREST POSITIONS WILL NOT EXCEED ONE HUNDRED PERCENT OF THE LIQUIDATION VALUE OF THE COMPANY'S PORTFOLIO.

Covered banking entities

The Company may be a "covered fund" for the purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "covered banking entities" for the purposes of the Volcker Rule, including, without limitation, non-US banks with a banking presence in the United States, may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

Available Information

For so long as any of the Shares are in issue and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the Exchange Act nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Share, or to any prospective purchaser of a Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

Service of Process and Enforcement of Civil Liabilities

The Company is incorporated under Guernsey law. Service of process upon Directors and officers of the Company, the majority of whom reside outside the United States, may be difficult to obtain within the United States. Furthermore, since most directly owned assets of the Group are outside the United States, any judgment obtained in the United States against it may not be collectible within the United States. There is doubt as to the enforceability in England and Guernsey, in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated upon U.S. federal securities laws.

Other Selling Restrictions

Relevant Member States of the EEA

In relation to each Member State of the EEA which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State"), an offer to the public of any Offer Shares may not be made in that Relevant Member State prior to the publication of the Prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than the offers contemplated in the Prospectus in a Relevant Member State after the date of such publication or notification, and except that the Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive, as implemented in the Relevant Member State;

(b) by the Sole Bookrunner to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company or the Sole Bookrunner of a Prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires Offer Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the Sole Bookrunner and the Company that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression "an offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Sole Bookrunner have been obtained to each such proposed offer or resale.

The Company, the Sole Bookrunner and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement, and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Sole Bookrunner of such fact in writing may, with the consent of the Sole Bookrunner, be permitted to subscribe for or purchase Offer Shares in the Offer.

For the purposes of the AIFMD, the Company is a non-EEA AIF managed by a non-EEA AIFM. Each member state of the EEA is adopting or has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing to any investor domiciled or with a registered office in the EEA will be restricted by such laws and the Offer will not be made to investors domiciled or with a registered office in any member state unless prior notification has been given to the competent authority in the relevant member state and other conditions in Article 42 of AIFMD (as implemented in the relevant member state) have been met.

Germany

The Offer Shares which are the subject of this Prospectus are not registered for distribution with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* — "BaFin") according to the German Capital Investment Act. No sales prospectus pursuant to the German Securities Prospectus Act has been filed with the BaFin. Consequently, the Offer Shares in the Company must not be distributed within Germany and this document and any other document relating to the Offer Shares in the Company, as well as information or statements contained therein, may not be supplied to prospective investors in Germany or used in connection with any offer for subscription of the Offer Shares in the Company to prospective investors in Germany or any other means of marketing.

Italy

The offering of the Offer Shares has not been authorised by the relevant Italian authorities pursuant to Article 43 and Article 94 and seq. of Legislative Decree no. 58, dated 24 February 1998, as amended, and, accordingly, no Offer Shares may be offered, sold, delivered or marketed to investors of any kind in the Republic of Italy, nor may copies of the Prospectus or of any document relating to the Offer Shares be distributed in the Republic of Italy.

Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "FIEL"). This Prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares or the Offer may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Offer, the Company, the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the Offer will not be supervised by, the Swiss Financial Market Supervisory Authority, and the Offer has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

Dubai International Financial Centre

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set forth herein and has no responsibility for the Prospectus. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective investors in the Shares should conduct their own due diligence on the Shares. If you do not understand the contents of this Prospectus you should consult an authorised financial adviser.

Presentation of Financial Information

The audited consolidated financial statements of the Company as at and for the years ended 31 December 2012, 2013 and 2014 and the notes thereto are incorporated by reference into this document as further detailed in Part XII "Documentation Incorporated by Reference".

The financial statements of the Company are prepared under Companies (Guernsey) Law and IFRS.

Certain financial information in this Prospectus has been rounded and, as a result, the totals of the data presented may vary slightly from the actual arithmetic totals of such information.

The financial information included in the Prospectus includes certain measures which are not accounting measures within the scope of IFRS. These measures are used by the Company to measure the performance of its business. As used in the Prospectus, the following terms have the meaning set out below which represent the primary measures which are not accounting measures within the scope of IFRS.

Adjusted net asset value ("Adjusted Net Assets") excludes the Company's non-controlling interests in certain of its Italian loan pools, the net asset value of the Mars Floating and Bridge Portfolios, and adjusts for the revaluation of the Superstella, Tannenberg and Turret Portfolios to their agreed sales price. Adjusted Net Assets is a non-IFRS measure and should not be considered as an alternative to "total equity" or "total shareholders' equity" or any other performance measures derived in accordance with IFRS.

Normalised funds from operations ("Normalised FFO"), as defined by the Company, combines two measures. With respect to the Company's Legacy Investments, Normalised FFO represents net income after taxation and non-controlling interest (computed in accordance with IFRS) excluding realised gains and losses, sales related costs (including realised swap losses), impairment losses and foreign exchange movements. With respect to the Company's New Investments, Normalised FFO represents income recognised on an expected yield basis. Normalised FFO should not be considered an alternative to "funds from operations" or any other performance measure derived in accordance with IFRS.

Rating Agencies

Where a credit rating is referenced in this Prospectus, the value of the stated credit rating is the lower of the relevant credit ratings provided by each of S&P, Fitch and Moody's. In some instances, only two of these credit rating agencies provide a relevant credit rating, in which case the stated credit rating is the lower of the two credit ratings provided. Each of S&P, Fitch and Moody's is a credit rating agency registered or certified in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

OFFER STATISTICS

Offer Price (per Offer Share)	€7.85
Number of Offer Shares being offered in the Offer	39,762,992
Number of Shares in issue following the Offer	72,398,494

EXPECTED TIMETABLE

Event	Expected Time and Date
Announcement of Offer Price and allocation	6.00 p.m. on 24 April 2015
Admission to listing of the Offer Shares on Euronext Amsterdam	29 April 2015
Commencement of trading of the Offer Shares on Euronext Amsterdam	29 April 2015
CREST UK account of the Sole Bookrunner credited in respect of Offer Shares in uncertificated form	29 April 2015
Share certificates in respect of Offer Shares issued in certificated form expected to be dispatched (or as soon as practicable thereafter)	1 May 2015

Each of the dates in the above timetable and as referenced throughout this Prospectus is subject to change and may be brought forward as well as moved back, in which case new dates and times will be announced publicly. Reference to times are to Central European Time unless otherwise stated. Temporary documents of title will not be issued.

The Company's ISIN is GB00B94QM994. The Company's Amsterdam Security Code (fondscode) is 37115 and its trade symbol is ECT.

PART I:

THE COMPANY, ITS BUSINESS AND INVESTMENT OPPORTUNITIES

The financial information set out in this Part I has been derived from the Company's audited consolidated financial statements for the year ended 31 December 2014 and its unaudited management accounts.

Introduction

The Company was incorporated in Guernsey, Channel Islands on 8 August 2003 and commenced its operations on 21 October 2003. The Company is a Euro denominated Guernsey closed-ended investment company listed on Euronext Amsterdam (the Company was formerly listed on the London Stock Exchange and formerly had a secondary listing on the Frankfurt Stock Exchange). The Company is regulated as an authorised closed-ended investment fund by the Guernsey Financial Services Commission. The Company is an Alternative Investment Fund as such term is defined in AIFMD. The activities of the Group include the investing in, financing and managing of European real estate and real estate related investments. The Company is externally managed by its investment manager, FIG LLC, an affiliate of Fortress Investment Group LLC. FIG LLC is the Company's AIFM as such term is defined in AIFMD.

Investment Objectives and Strategy

The Company's goal is to drive strong risk-adjusted returns primarily from European real estate and real estate related investments.

Alongside realising value from its legacy investments in German commercial real estate and European ABS and real estate loans, the Company's strategy for new investments is to focus on the Italian real estate sector. Its policy is to target a wide range of Italian real estate related assets, including, but not limited to, NPLs and closed-end real estate fund units. Where the Manager considers that such acquisitions would complement the Company's overall investment programme, the Company may also acquire stakes in operating businesses engaged in related activities, such as loan servicing businesses. The Company may also pursue other real estate related investment opportunities (including direct real estate investments and debt investments) in other European markets on an opportunistic basis and may pursue certain non-traditional real estate investments. The Company will generally target assets that are expected to generate significant current cash flows and/or have the potential for meaningful capital appreciation. The Company is seeking opportunistically to redeploy capital harvested from its Legacy Investments (which may include existing available corporate cash) as well as the proceeds of the Offer and other debt and equity financings it may carry out in the future in line with this investment strategy.

The Company's asset allocation and target assets may change over time, depending on the Manager's investment focus in light of prevailing market conditions.

The Company believes that through its Manager, it is one of only a small number of market participants that has the combination of industry expertise and key business relationships necessary to take advantage of the current opportunities in Italy and elsewhere. The Company believes that the markets in which the Group seeks to make investments, in particular Italy, continue to be characterised by a significant imbalance between sellers and buyers of investments, including real estate related investments. This has, the Company believes, been driven in large part by banks' requirements to deleverage, which has resulted in them seeking to make provisions for, and seeking to sell, their non-core assets to improve capital ratios. The Company believes that this imbalance creates attractive investment opportunities for the Group, especially because there is a limited universe of buyers with access to deep market knowledge, industry relationships and servicing expertise, particularly in Italy. In Germany, the Company believes that the real estate market continues to support its strategy of realising its existing portfolio, with certain asset types experiencing strong demand.

The Group intends to pursue a medium term strategy substantially, but not exclusively, consisting of: (i) investing in Italian NPLs and other Italian real estate related opportunities including, where appropriate, operating businesses such as loan servicers; (ii) selective opportunistic investment in real estate related assets in other European markets, including direct commercial real estate investments or debt investments; and (iii) running off its legacy German commercial real estate portfolio and European real estate related debt portfolio.

New Investments

Italian NPLs and Other Italian Real Estate Related Investments

Given the current market environment, the Company sees significant investment opportunities in Italian NPLs and other Italian real estate related assets with potential to generate strong risk-adjusted returns and permit dividend growth over time. Since February 2013, the Company's strategy has been to focus new investments in this sector.

The European financial crisis has created a significant supply-demand imbalance, with: (i) approximately €186 billion[(1)] of Italian NPLs on banks' balance sheets and pressure on banks, driven by new capital requirements, to sell non-core assets; and (ii) a limited universe of buyers with deep market knowledge, industry relationships and servicing expertise in Italy.

The Company intends to capitalise on: (i) the Manager's longstanding experience in Italy to source opportunities to acquire Italian NPLs, real estate assets and closed-end real estate fund units; and (ii) the Manager's relationship with Italfondiario, which is majority-owned by Fortress and Fortress managed funds, to analyse and service investments. Fortress and its affiliates have acquired €18.6 billion (by gross book value) of Italian non-performing and performing loans in 14 transactions since 2001 and currently manage approximately €1.5 billion of assets through Italian real estate funds. Italfondiario is the largest independent special servicer in Italy. As at 31 December 2014, Italfondiario had approximately 600[(2)] employees in nine offices in Italy, servicing approximately €40 billion[(2)] of loans. Italfondiario has developed long term strategic relationships with top Italian banks including an agreement with Intesa Sanpaolo to manage certain of their NPL portfolios. Italfondiario is one of the highest rated special servicers in Italy by Fitch and S&P with access to a vast network of external professionals and proprietary IT asset management systems. Assuming that the acquisition of UCCMB completes as expected (see "UCCMB Acquisition" below), the Company anticipates that the servicing of its Italian loan portfolios will be spread between Italfondiario and UCCMB depending on the nature of the portfolio being serviced, with UCCMB initially focusing principally on servicing the portfolio acquired from UniCredit as well as future loans generated by UniCredit.

Italian Non-Performing Loans

The Company believes Italian NPLs represent an attractive, "actionable" investment opportunity that the Company is particularly well positioned to take advantage of. The Company is targeting unlevered returns (before expenses associated with the investment) in the range of 15 to 20 per cent. per annum from investments in Italian NPLs. From a low of €42 billion[(3)] in 2008, the volume of NPLs on Italian banks' balance sheets had grown to approximately €186 billion at the end of January 2015, representing an increase of over 400 per cent. A number of factors have contributed to the surge in NPLs in Italy, including:

- deteriorating loan quality during the period leading up to the global financial crisis – the influx of foreign banks into the Italian market led Italian banks to lend more aggressively to stay competitive;
- poor servicing capabilities within the banks – banks are typically not well equipped to handle special servicing, and rely on a lengthy court resolution process as compared to active management and out of court settlements to resolve NPLs; and
- limited NPL sales by banks from 2007 to 2014 – due to a large gap between ask and bid prices.

In addition, the completion of the ECB's comprehensive assessment of 15 Italian banks added significant pressure on banks. The results of the ECB's comprehensive assessment, published in October 2014, identified €9.7 billion of capital shortfalls among Italy's top banks – the largest among 130 European

(1) Source: ABI Monthly Outlook – Mar. 2015 (data as at Jan. 2015).

(2) Source: Italfondiario management data at 31 December 2014.

(3) Source: ABI Monthly Outlook – Feb 2015.

banks inspected by the ECB[1]. As a result of these new capital requirements, Italian banks are expected to sell or recapitalise significant quantities of non-core assets, and after a long period of inactivity, banks now appear motivated to dispose of NPL portfolios in order to manage regulatory pressure, improve their capital ratios, create liquidity and deconsolidate assets. The Company believes that the impact of quantitative easing will also influence the behaviour of banks, with expected increased profits providing a cushion to accept losses on the sale of non-core assets. Another factor that the Company believes will contribute to the volume of NPL disposals is the position of small-to-mid sized banks, which the ECB did not inspect, but which face significant structural, liquidity, and bad loan problems. For example, the ECB took over the supervision of five mid-to-small size banks in the past two years, due to their inability to restructure and meet regulatory requirements.

Based on these factors and the Manager's previous experience, the Manager anticipates that a significant proportion of the stock of Italian NPLs could be sold over the next two to three years, representing NPLs with a face value potentially in excess of €50 billion.

The Company intends to pursue a customised investment approach to acquiring Italian NPLs which may include entry into strategic partnerships with banks and other co-investors and negotiating structured transactions to match the seller's specific requirements.

Italian Performing and Non-Performing Loan Investments

Since May 2013, the Company has invested approximately €33.3 million to acquire interests in 10 pools of non-performing loans and one portfolio of performing loans with a combined gross book value of €6.1 billion. The Company's interest in the pools ranges from 25 per cent. to 81 per cent. and as at 31 December 2014, these investments had generated net collections of €18.6 million for the Group.

On 12 February 2015, the Company announced it had entered into an agreement to acquire UCCMB, along with other affiliates of Fortress, from UniCredit acting as seller. The acquisition includes a portfolio of NPLs owned by UCCMB with a gross book value of approximately €2.4 billion. Further information on the acquisition of UCCMB is set out under "UCCMB Acquisition" below.

Further information on the Company's portfolios of NPLs is included in Part II "Overview of Current Portfolio and Financing Arrangements".

Italian Real Estate Funds

The closed-end fund structure was created in 1998 in Italy to attract institutional capital to Italian real estate. It is estimated that as of 31 December 2014 there were over 380[2] Italian closed-end real estate funds (listed and reserved to institutional investors) with total assets under management of approximately €51 billion[1], a number of which are approaching liquidation. Listed real estate funds can trade at a substantial discount to net asset value and the Group intends to target funds that it believes will realise value above current trading levels.

In March 2014, the Group invested €22.2 million to acquire 11,929 units of a closed-end Italian Real Estate fund managed by an affiliate of the Manager at a discount of approximately 37 per cent. to the fund's net asset value. Subsequently, in September 2014 the Company committed to invest approximately €11 million in an Italian real estate fund unit transaction at a discount of approximately 51 per cent. to the fund's net asset value. The Company hopes to complete the transaction by the end of the second quarter of 2015.

The Company may also make opportunistic investments in private Italian real estate funds. In July 2014, the Group entered into a co-investment arrangement with certain affiliates of Fortress and a third party property developer to acquire 100 per cent. of the units of a newly established private fund. The fund is managed by an affiliate of the Manager. As at 31 December 2014, the Group had invested €13.2 million into the fund of an anticipated total commitment of €15.4 million. The fund has invested in two office buildings in Rome that will be redeveloped into luxury residential properties for resale.

(1) Source: ECB Comprehensive Assessment Final Result Press Conference Oct. 26, 2014. ECB Press Release.

(2) Source: Immobiliari "I Fondi immobiliari in Italia e all'Estero" 2014.

Opportunistic Real Estate Related Investments

The Company considers that market conditions mean that there may be attractive opportunities in European markets, to invest in direct commercial real estate investments and other real estate related debt investments. Such investments may include non-traditional real estate investments such as the acquisition of real estate employed in the production of renewable energy.

Legacy Investments

Run-Off of Existing German Real Estate Portfolio

As at 31 December 2014 the Group owned 352 properties in Germany with a market value of €1,081 million and an annual rental income of €78 million. As at 31 December 2014, approximately 63 per cent. of the value of the Group's portfolio was located in secondary markets outside the largest five cities in Germany. As at 31 December 2014, investments in German commercial real estate represented approximately 16 per cent. of the Group's net assets (€32.5 million) or 33 per cent. (€84.5 million) of the Group's Adjusted Net Assets. Since 31 December 2014, the Group has sold the assets comprised in the Superstella, Tannenberg and Turret Portfolios generating net proceeds for the Company of €25.0 million.

The Company intends to continue to sell its existing German real estate assets as part of a comprehensive sales strategy to divest this legacy portfolio in the short to medium term. In addition to distributable operating cash, the Group generates cash flow both through net proceeds from asset sales (after costs and repayment of financing) and through sales fees. In the two year period to 31 December 2014 the Group sold 63 assets generating gross sales proceeds of €440.3 million. Of these proceeds, €421.9 million was used to repay debt and to cover the costs of sale, with the remaining €18.3 million being distributed to the Company. In the period from 1 January 2015 to 31 March 2015 the Group disposed of a further 110 properties for gross sales proceeds of €350.2 million, generating €25 million of cash for the Company with a further €2.2 million currently restricted and expected to be released from the portfolio in April 2015. These sales include 107 retail assets comprising the Superstella Portfolio, Tannenberg Portfolio and Turret Portfolio and a large vacant office building from the Drive Portfolio.

Active Portfolio Management: European Real Estate Related Debt Portfolio

The Company intends to continue to seek to monetise its legacy debt portfolio. Through negotiated loan workouts and active asset management, the Company seeks to maximise recoveries within its remaining public CDO, Duncannon. At the same time, the Company seeks to realise investments made other than through Duncannon, which are unencumbered by financing, and use any proceeds in accordance with the Company's prevailing investment and distribution strategy.

As at 31 December 2014, the Group's debt portfolio represented approximately 11 per cent. of its net assets (€22.5 million) or 7 per cent. (€18.5 million) of the Group's Adjusted Net Assets. Since 31 December 2014, the Group has sold an asset from the debt portfolio generating net proceeds for the Company of €3.9 million. Please refer to the section headed "European Real Estate Related Debt Portfolio" in Part II of this Prospectus for a summary of the Group's current debt portfolio.

UCCMB Acquisition

On 12 February 2015, the Company announced that, together with other affiliates of Fortress, it had reached an agreement to acquire a portfolio of NPLs and a loan servicing business held through UCCMB from UniCredit for aggregate consideration of approximately €500 million. Payment of the consideration will be staggered with approximately €300 million due at closing and the balance due in December 2015. The balancing payment will be adjusted to take into account cash collections on the NPL portfolio until December 2015. The NPL portfolio has a gross book value of approximately €2.4 billion. The acquisition will be made by Avio S.àr.l., a Luxembourg company 50 per cent. of which is indirectly owned by the Company, and 50 per cent. of which is indirectly owned by other affiliates of Fortress. The Company will be required to invest into Avio S.àr.l. 50 per cent. of the amount required by Avio S.àr.l. to satisfy its obligations under the purchase agreement, subject to Avio S.àr.l. utilising potential alternative sources of funding. A subsidiary of the Company will enter into a shareholders agreement with the other shareholders in Avio S.àr.l., which will govern the management and operation of Avio S.àr.l. It is anticipated that all material decisions relating to Avio S.àr.l's ownership of UCCMB will require the unanimous agreement of each of the shareholders of Avio S.àr.l.

UCCMB is the largest captive servicer in Italy, servicing loans with a gross book value of approximately €34.1 billion and with a wide network throughout Italy. In the past five years, UCCMB averaged collections of approximately €1.4 billion per annum. As part of the acquisition, UCCMB will enter into a 10-year master servicing agreement ("MSA") with respect to existing NPLs and which is expected to include a right to service certain of UniCredit's future NPLs with balances below €1 million generated during the term of the agreement. UCCMB's future income from the MSA is expected to be based on a base fee and a performance fee, with the base fees being a simple percentage of the net accounting balance of the outstanding claims and the performance fees being dependent on collections. In addition, it is expected that the MSA will include a specific indemnity due to UCCMB if UniCredit decides to sell portfolios of non-performing loans that fall within the terms of the master servicing agreement. This indemnity would consist of a portion of the base fee plus a portion of the variable fee depending on the aggregate gross book value of loans sold in a certain timeframe. Penalties are expected to apply to the overall fees due to UCCMB in the event that it fails to meet certain agreed key performance indicators and repeated failure to achieve critical key performance indicators may lead to termination of the MSA. It is expected that the agreement may also be terminated by UniCredit in the event of certain other actions constituting a material breach of the contract by UCCMB.

The NPL portfolio being acquired comprises loans to approximately 4,700 borrowers, with loans with a gross book value of more than €1 million accounting for some two-thirds of aggregate gross book value of €2.4 billion. Forty two per cent. of the loans are secured by first lien mortgages over residential, commercial or other property with a further 8 per cent. secured by second lien mortgages. Seventy eight per cent. of the loans by gross book value relate to northern and central Italy. The average default year for the portfolio is 2003.

The UCCMB Acquisition, which is subject to approval from the Bank of Italy and customary conditions, is expected to close in the second quarter of 2015.

Please refer to Part X of this Prospectus for pro forma financial information showing the effect of the acquisition of UCCMB as if it had occurred on 31 December 2014.

Investment Pipeline

The Company is currently evaluating a number of potential investments, both NPLs and other real estate related investments. The Company has entered into exclusive negotiations with a seller in relation to the acquisition alongside other Fortress affiliates of a partial stake in a €1.2 billion portfolio of NPLs and is at varying stages of evaluating or bidding on acquiring a stake in a further six portfolios comprising loans with an aggregate gross book value in excess of €4 billion. The Company is also evaluating a number of real estate fund and other, including non-traditional, real estate investments. There is no guarantee that the Company will successfully complete any of the transactions that it is currently evaluating.

Diversification and Risk Management

The Group does not have specific criteria as to the allocation of its investments amongst asset types since its investment decisions depend on changing market conditions. Instead, the Group focuses on relative value and in-depth risk/reward analysis (with an emphasis on asset quality), diversification, suitable financing and credit risk management.

The Board, taking into account advice received from the Manager in accordance with the Management Agreement, periodically reviews the Company's portfolio of investments in the context of the objective of diversification described above and for compliance with the Group's overall investment objective. The independent Directors may consider corrective action if they identify that a particular investment does not comply with the Group's investment criteria.

The Group's investment policy is adopted by and may be varied by the Board from time to time, taking into account advice received from the Manager in accordance with the Management Agreement. The approval of Shareholders is not required for any change in the Group's investment policy.

The Group does not have a predetermined target debt to equity ratio because the Directors believe the appropriate leverage for the particular assets that the Group is financing depends on the nature and credit quality of those assets. However, the total leverage of the Group will not exceed 95 per cent. of the Group's gross assets.

The Board of Directors has adopted guidelines for investments where there may be a conflict of interest with the Manager and these guidelines, which are set out in the Management Agreement, are currently as follows:

- the Company will not invest in joint ventures with the Manager or any of its affiliates unless: (i) the investment is made in accordance with any guidelines approved by the Board of Directors from time to time; and (ii) such investment is approved in advance by a majority of the independent Directors; and
- the Group may acquire assets from the Manager or its affiliates, acquire assets in which the Manager or its affiliates has an ownership interest, sell assets to the Manager and its affiliates, appoint affiliates of the Manager to perform due diligence or service investments, provided in each case that such transaction complies with the Group's investment guidelines and the transaction is on arm's length commercial terms.

Net Asset Value

As at 31 December 2014 (being the last date prior to the publication of this Prospectus in respect of which the Company has published its net asset value), the net asset value of the Company was €208.7 million (Adjusted Net Assets were €258.4 million). Based on the Shares in issue as at 31 December 2014, the net asset value per Share was €6.39 (€7.92 as adjusted).

Amount of Leverage

The amount of equity relative to the external debt of the Group will depend, among other things, upon the diversification and quality of the underlying investments. In any case, the total leverage of the Group will not exceed 95 per cent. of its gross assets. As at 31 December 2014, the Group on a consolidated basis had incurred €1,205.7 million nominal of debt representing 78.6 per cent. of its gross assets.

Use of Derivatives

Save for the purposes of efficient portfolio management, the Group does not invest in derivative financial instruments, money market instruments or currencies.

Dividend and Dividend Policy

Since 1 January 2012, the Board of Directors of the Company has declared the following dividends:

	Record Date	Payment Date	Per Share Dividend
2013 – Third quarter	9 October 2013	31 October 2013	€0.125
2013 – Fourth quarter	31 December 2013	30 January 2014	€0.125
2014 – First quarter	9 April 2014	30 April 2014	€0.125
2014 – Second quarter	2 July 2014	31 July 2014	€0.125
2014 – Third quarter	3 October 2014	31 October 2014	€0.125
2014 – Fourth quarter	30 December 2014	30 January 2015	€0.125
2015 – First quarter	2 April 2015	30 April 2015	€0.125

Subject to investment proceeds being available for the purpose and other legal requirements, the Company intends to pay an annual dividend of €0.50 per Share. The Company expects to pay this as a quarterly dividend of €0.125 per Share. Offer Shares will not carry any entitlement in respect of the dividend payable on 30 April 2015 (payable with respect to a record date of 2 April 2015) but will be entitled to participate in all dividends declared with respect to a record date after the date of Admission.

The Company intends to make dividend payments from available cash from operations including proceeds of sale in relation to disposals of existing investments.

All distributions will be made at the discretion of the members of the Board of Directors and will depend on the Company's earnings, financial condition and such other factors as the Board of Directors may deem relevant from time to time, including limitations under Guernsey company law and any other applicable laws or regulations. The Company may revise its dividend policy from time to time and there can be no assurance that the Company will pay dividends at all.

Between the date of the issue of the perpetual subordinated convertible securities in 2009 and the reinstatement of its dividend policy in 2013, the Company did not pay any dividends to Shareholders due to restrictions on dividend payments contained in the terms of the convertible securities and its losses from write-downs to the value of its portfolio.

Use of Proceeds

The Company is seeking to raise further capital in order to acquire further investments in accordance with its investment strategy and guidelines including, investments in its current investment pipeline and other potential investments not yet identified.

Financial Information

Consolidated financial information for the three years ended 31 December 2014 is incorporated by reference in Part XII of this Prospectus.

Other than as set out below, there has been no significant change in the financial or trading position of the Group since 31 December 2014, being the end of the last financial period of the Company for which historical financial information is incorporated by reference in this document.

On 12 February 2015, the Company announced that, together with other affiliates of Fortress, it had agreed to acquire UCCMB from UniCredit.

On 13 February 2015, the Company announced that, in line with its strategy to accelerate recoveries from its legacy real estate assets in Germany, it had reached agreement for the sale of the Superstella Portfolio, the Turret Portfolio and the Tannenberg Portfolio for a gross sales price of €286 million. These sales were completed on 11 March 2015.

As noted in Part II, the Group has a significant number of financing facilities which are non-recourse to the Company and which have recently passed their maturity dates or are due to reach maturities within the next 12 months. For further detail, please refer to the Company's qualified working capital statement which is set out in paragraph 9.13 of Part VI of this Prospectus.

PART II:

OVERVIEW OF CURRENT PORTFOLIO AND FINANCING ARRANGEMENTS

Save where indicated otherwise, the following disclosures have been extracted from the Group's accounting records and are not audited.

In line with its investment strategy, the Group's current portfolio is divided into three segments: (i) New Investments comprising all those investments made since the Company's new strategy was established in April 2013; (ii) Legacy Investments comprising German commercial real estate and European real estate related debt; and (iii) Net Corporate Cash. The table below shows their segmental assets and liabilities:

As at 31 December 2014	**New Investments €'000**	**Net Corporate Cash €'000**	**Legacy Investments €'000**	**Total €'000**
Total assets	67,940	97,005	1,368,980	1,533,925
Total liabilities	(2,798)	(8,421)	(1,314,022)	(1,325,241)
Segment net assets/(liabilities) as reported under IFRS	**65,142**	**88,584**	**54,958**	**208,684**
€ per share	*2.00*	*2.71*	*1.68*	*6.39*
Reversal of Non-controlling interest[(1)]	(2,315)	–	(6)	(2,321)
Reversal of net liabilities of the Mars Floating Portfolio	–	–	46,575	46,575
New Investments reallocations[(2)]	17,425	(13,425)	(4,000)	–
Revaluation of Superstella, Tannenberg and Turret Portfolios	–	–	5,462	5,462
Total Adjusted net assets[(3)]	**80,252**	**75,159**	**102,988**	**258,399**
€ per share	*2.46*	*2.30*	*3.16*	*7.92*

(1) Reflects the 19 per cent. interest in certain of the Group's Italian loan pools that the Group does not own.

(2) New Investments include €13.4 million of corporate cash that is committed (mainly by way of put and call options) but not yet paid and a reallocation of €4.0 million relating to a repurchase of existing debt, in February 2014, from Legacy Investments to New Investments.

(3) Subsequent to 31 December 2014, the Company has generated net proceeds of €28.9 million through certain sales of Legacy Investments.

NEW INVESTMENTS

As at 31 December 2014, the Group had invested or committed €84.2 million in New Investments at an average targeted gross yield of 18 per cent. After adjusting for €18.6 million of cash returned and including commitments, the current portfolio has a remaining net asset value of €80.3 million and comprises: (i) 10 pools of Italian NPLs and one performing loan valued at €27.6 million; (ii) an interest of €48.6 million in three Italian real estate funds; and (iii) €4 million of other investments in distressed bonds.

	Number of Portfolios	**Equity Invested**	**Equity Committed**	**Total Equity**	**Cash flows Realised**	**Adjusted NAV**	**Adjusted NAV (€ per share)**
As at 31 December 2014		**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	
NPL	11	33,339	–	33,339	18,617	27,612	0.85
Real Estate Funds	3	35,377	13,424	48,803	–	48,550	1.49
Other Investments	1	2,053	–	2,053	13	4,090[(1)]	0.12
TOTAL	**15**	**70,769**	**13,424**	**84,195**	**18,630**	**80,252**	**2.46**

(1) Includes €0.1 million of other assets & liabilities.

Italian Non-Performing and Performing Loan Investments

Since May 2013, the Company has invested approximately €33.3 million to acquire interests in 10 pools of NPLs and a single portfolio of performing loans with a combined gross book value of €6.1 billion. To date, these investments have generated €18.6 million of cash flow or 55 per cent. of the amount invested.

In aggregate the portfolio comprises of over 27,000 claims which are predominantly (88 per cent.) unsecured and whose average default year per pool ranges from 1994 to 2010. Almost 70 per cent. of the borrowers are based in North or Central Italy. Typical collateral on the secured portion of the book includes commercial and residential real estate and loans with personal or corporate guarantees.

The table below sets out in summary form certain information relating to the various portfolios of Italian performing and non-performing loans held by the Group.

Portfolio[1]	Pools 1 to 5	Pool 6	Pool 7	Pools 8, 9 and 11	Pool 10	TOTAL
Investment Date	May 13	Jul 13	May 13	Jul 14 to Dec 14	Dec 14	
Invested to Date (€million)	14.0	2.6	7.4	1.0	8.3	33.3
CF Realised to Date (€million)	14.6	1.3	2.2	0.0	0.5	18.6
NAV (€million)	9.7	2.2	6.1	1.1	8.5	27.6
Eurocastle Ownership	81%	50%	25%	25%	25%	
GBV (€million)	4,040	14	883	210	1,001	6,148
Average Loan Size (€'000s)	495	159	75	64	258	216
Number of Claims	8,159	86	11,763	3,301	3,877	27,186
% Secured	12%	91%	19%	4%	8%	12%
Avg. Default Year	1994	2008	1997	2010	1995	
% North & Central Italy	70%	54%	57%	68%	79%	69%

(1) Portfolio Invested amounts, Cash flows realised and NAVs as of 31 December 2014.

Actual recoveries on the loans comprised in the pools described above have significantly exceeded the projected recoveries upon which the Group's investment was initially valued. Furthermore, aggregate cash flows received to date have outperformed the Group's original forecast by 34 per cent.

Italian Real Estate Funds

On 28 March 2014, the Group purchased 11,929 units in the UniCredito Immobiliare Uno closed-end real estate fund ("UIU") for a total consideration of €22.2 million (including transaction costs), the price representing a 36.5 per cent. discount to the prevailing net asset value. The holding represents 7.46 per cent. of the total units issued by UIU with the purchase settled in cash. The units are listed on the Italian Stock Exchange. UIU's assets consist of 14 mixed use properties with a current value of €490 million. A large proportion of the properties are concentrated in Rome, Milan and elsewhere in Northern Italy. UIU is managed by Torre SGR S.p.A., an affiliate of Fortress.

Since 1 January 2015, UIU sold two assets representing 35 per cent. of its net asset value at a slight premium to net asset value. UIU distributed the majority of the net proceeds to unit holders in March 2015, resulting in the Company's first cash flow from this investment of €8.9 million, or approximately 40 per cent. of the amount invested. As at 16 March 2015, the day immediately after a distribution of €750 per unit, the price per unit was €1,275[1] compared to an acquisition price of €1,788.

In July 2014, the Group made its second investment in Italian real estate funds, co-investing with certain affiliates of Fortress and a third party developer to acquire 100 per cent. of the units in Torre Real Estate Fund III Value Added – Sub fund A, a newly established private fund which is managed by another affiliate of the Manager. As at 31 December 2014, the Company had invested €13.2 million into the fund of an anticipated €15.4 million. The fund has purchased two office buildings in Rome that will be

(1) Source: Borsa Italiana.

redeveloped into luxury residential properties for resale. The Company expects that the units will be developed and sold by the end of 2017.

In September 2014, the Company entered into an investment agreement with a co-investor, committing an additional €11.3 million by way of put and call options in another Italian real estate fund. The Company hopes to complete the transaction by the end of the second quarter of 2015.

Other Investments

The Group may also selectively pursue special investment situations where the Manager believes cash flows have been mispriced, such as discounted securities in particular sectors or jurisdictions which have fallen out of favour due to economic pressures, regulatory issues or illiquidity.

As at 31 December 2014, the Group had made a €2.1 million investment in a distressed bond with a current value of approximately €4 million. In March 2015, the Group invested a further €4.5 million in the same distressed bond at a discount to its face value.

LEGACY INVESTMENTS

As at 31 December 2014, the Group's Legacy Investments represented approximately 40 per cent. (€103.0 million) of its Adjusted Net Assets. The Company's strategy is to sell down and realise cash flow from the Legacy Investments and since 31 December 2014 the Company has generated net proceeds of €28.9 million through the sale of the Superstella, Tennenberg and Turret Portfolios and an asset from its debt portfolio. Modelling for a range of potential scenarios, the Company anticipates that recoveries from the remaining Legacy Investments will be in the range of €50 million to €90 million, although this is not guaranteed and actual recoveries will vary based upon a number of factors outside of the Company's control.

Legacy German Commercial Real Estate

The Group historically invested primarily in German commercial real estate. Substantially all of these assets were direct real estate investments, comprising, as at the date of this Prospectus, the Wave Portfolio, Belfry Portfolio, Truss Portfolio, Drive Portfolio, Zama Portfolio, Mars Floating Portfolio and Mars Fixed II Portfolio.

As at 31 December 2014, investments in German commercial real estate represented approximately 16 per cent. of the Group's net assets (€32.5 million) or 33 per cent. (€84.5 million) of its Adjusted Net Assets. The portfolio comprised 352 properties in Germany with an aggregate market value of €1,081 million (excluding capitalised tenant incentives, leasing commission and head leases). As described more fully below under "Group Financing Overview" upstream payments to the Company from each of the German real estate portfolios, other than the Truss Portfolio, are currently subject to restrictions imposed by the relevant lenders.

Between 31 December 2014 and 31 March 2015, the Group disposed of 110 properties and accordingly, as at 31 March 2015, the Group's direct real estate investments comprised 242 properties with an aggregate market value of €743.6 million. Those sales include: (i) the sale of 107 retail assets for €286 million comprising the Superstella Portfolio, Tannenberg Portfolio and Turret Portfolio generating net proceeds of approximately €25.0 million for the Company; and (ii) the sale of a large vacant asset from the Drive Portfolio for €62 million generating approximately €2.2 million in sales fees to the Company. These sales fees are currently restricted and the Company expects that they will be released on the next loan interest payment date on or around 20 April 2015.

The tables below contain a summary of data in relation to the Group's real estate portfolio as at 31 December 2014, as at 31 December 2014 adjusting for the sales up to 31 March 2015 referred to above, and as at 31 December 2013 also adjusting for these sales. Further information in relation to the Group's real estate portfolio is set out in the valuation reports in Part XI of this Prospectus.

Property Valuation Data (by Portfolio)

As at 31 December 2014

	Number of properties	Occupancy %	Lettable space (sqm)	Property valuation[(1)] €m	Passing rent €m	Net operating income (NOI)[(2)] €m	NOI yield on valuation %
Drive	124	52.8%	265,631	419	22.9	17.2	4.1%
Wave	44	74.4%	108,818	110	9.0	7.3	6.6%
Turret	63	95.3%	141,608	165	14.1	12.2	7.4%
Mars Fixed II	1	74.8%	20,726	60	3.6	2.4	4.0%
Truss	41	94.9%	81,709	88	7.8	6.7	7.7%
Belfry	27	85.7%	52,913	52	4.6	3.8	7.3%
Tannenberg	26	89.3%	48,683	49	4.9	4.0	8.1%
Superstella	18	100.0%	38,641	58	4.4	4.0	6.8%
Zama	6	95.2%	21,334	29	2.7	2.2	7.5%
Subtotal excl. Mars Floating	**350**	**76.5%**	**780,063**	**1,030**	**74.0**	**59.8**	**5.8%**
Mars Floating[(3)]	2	56.8%	62,826	51	4.2	3.0	5.8%
Total portfolio	**352**	**75.1%**	**842,889**	**1,081**	**78.2**	**62.8**	**5.8%**

As at 31 December 2014 adjusted for sales prior to 31 March 2015

	Number of properties	Occupancy %	Lettable space (sqm)	Property valuation[(1)] €m	Passing rent €m	Net operating income (NOI)[(2)] €m	NOI yield on valuation %
Drive	121	61.6%	222,740	354	22.7	18.3	5.2%
Wave	44	74.4%	108,818	110	9.0	7.3	6.6%
Mars Fixed II	1	74.8%	20,726	60	3.6	2.4	4.0%
Truss	41	94.9%	81,709	88	7.8	6.7	7.7%
Belfry	27	85.7%	52,913	52	4.6	3.8	7.3%
Zama	6	95.2%	21,334	29	2.7	2.2	7.5%
Subtotal excl. Mars Floating	**240**	**74.2%**	**508,240**	**693**	**50.4**	**40.7**	**5.9%**
Mars Floating[(3)]	2	56.8%	62,826	51	4.2	3.0	5.8%
Total portfolio	**242**	**72.3%**	**571,066**	**744**	**54.7**	**43.6**	**5.9%**

As at 31 December 2013 adjusted for sales prior to 31 March 2015

	Number of properties	Occupancy %	Lettable space (sqm)	Property valuation[(1)] €m	Passing rent €m	Net operating income (NOI)[(2)] €m	NOI yield on valuation %
Drive	121	67.4%	222,716	359	23.9	17.8	5.0%
Wave	44	76.4%	108,079	114	9.1	7.1	6.2%
Mars Fixed II	1	86.4%	18,591	62	4.0	3.0	4.9%
Truss	41	92.9%	81,437	93	7.8	6.8	7.4%
Belfry	27	86.7%	52,900	57	4.6	3.8	6.7%
Zama	6	94.5%	21,334	29	2.6	2.3	7.8%
Subtotal excl. Mars Floating	**240**	**77.3%**	**505,057**	**714**	**52.0**	**40.8**	**5.7%**
Mars Floating[(3)]	2	55.5%	62,779	60	4.1	2.2	3.6%
Total portfolio	**242**	**74.9%**	**567,836**	**774**	**56.1**	**43.0**	**5.6%**

(1) Property valuation excludes the leasehold gross-ups of €23.3 million (31 December 2013: €23.1 million).

(2) Net operating income is after deducting €0.5 million (31 December 2013: €0.8 million on a like-for-like basis) of free rent. It excludes the amortisation of tenant incentives and leasing commissions, the fund costs related to the Drive Portfolio and other real estate related general expenses included within property operating expenses in the consolidated income statement. It is shown here as the annualised amount at the period end.

(3) The total portfolio includes 100 per cent. of the Mars Floating Portfolio, in which the Group has a 50 per cent. investment. The portfolio has a negative net asset value and has been separated as the financing is non-recourse to the Company and not callable as a result of any changes in the fair value of the assets.

Non-Retail Portfolio

Wave Portfolio

The Wave Portfolio was acquired through a sale/leaseback transaction with Deutsche Bank in December 2004. As at 31 December 2014, this portfolio was approximately 109,000 sqm spread across 41 cities and towns throughout Germany and predominantly consists of office buildings. Rentals to Deutsche Bank accounted for 72.5 per cent. of the portfolio's revenue from 47.2 per cent. of the total lettable space. Deutsche Bank has leased the properties on a standard form of lease which reflects customary terms in the German market. It is fully indexed to the German consumer price index. In addition, Deutsche Bank has options to extend the lease term, in most cases twice, on each occasion by 5 years.

The average remaining lease term for properties let to Deutsche Bank in the Wave Portfolio is 5.9 years and for the Wave Portfolio in total 5.0 years. As at 31 December 2014, the total occupancy of the Wave Portfolio was approximately 74.4 per cent. with unlet space in the region of 30,000 sqm.

Following a number of lease renewals in 2014 with Deutsche Bank, the Group has completed a marketing process for the Wave Portfolio and on 24 April 2015, the Company announced that it had agreed to sell the portfolio. The Company expects that the sale, which is anticipated to close before the end of September 2015 and which is subject to customary closing conditions, will generate approximately €30 million of net proceeds for the Company before expected historic taxes in the range of €6 million to €8 million.

Drive Portfolio

Drive S.àr.l., a wholly-owned subsidiary of Luxgate S.àr.l. which in turn is a wholly-owned subsidiary of the Company, owns all of the units in ECT GPROP1, a German public open ended real estate fund that owns a portfolio of 124 commercial properties in Germany as of 31 December 2014.

The Fund is managed by Aberdeen Immobilien Kapitalanlagegesellschaft GmbH. An affiliate of Fortress is currently retained by the Fund to provide asset management services.

The Drive Portfolio consists primarily of office buildings and comprises approximately 266,000 sqm of leasable space. The properties within the Drive Portfolio are located throughout Germany with concentrations in Frankfurt and the western part of Germany. As at 31 December 2014, rentals to Commerzbank accounted for approximately 83 per cent. of the portfolio's rental income and Commerzbank's average remaining lease term was 2.5 years, while the average remaining lease term of the entire portfolio was approximately 2.7 years. As at 31 December 2014 the occupancy rate of the Drive Portfolio was 53 per cent. by lettable area, as a result of changes in Commerzbank's requirements following its acquisition of Dresdner Bank.

All of the Commerzbank leases are based on a standard form of lease which reflects customary terms in the German market. In particular, there is a rent adjustment equal to 100 per cent. of the change in the German consumer price index determined on an annual basis. In addition, Commerzbank has options to extend the lease term, in most cases twice, on each occasion by five years.

Since 31 December 2014, and up to 31 March 2015, sales activity on this portfolio has culminated in: (i) the sale of a large vacant asset from the Drive Portfolio for €62 million generating approximately €2.2 million in sales fees for the Company; and (ii) the sale of two other assets with total sales proceeds of €2.6 million generating an additional €0.1 million in sales fees for the Company.

Zama Portfolio

The Group acquired the portfolio through a sale/leaseback transaction with HUK, a leading German insurance group, in 2007. As at 31 December 2014 the portfolio consisted of six office properties located throughout Germany and comprising approximately 21,000 sqm. The average remaining lease term is 2.9 years with HUK accounting for 74.0 per cent. of rental income. As at 31 December 2014, approximately 95 per cent. of the portfolio was occupied.

All of HUK's leases are based on a standard form of lease reflecting customary terms in the German market. In most cases, the rent adjustment is equal to 100 per cent. of the change in the German consumer price index determined on an annual basis. HUK has the option to extend the lease term for any or all of the leases for four or five years.

Mars Floating Portfolio

The Group acquired a portfolio of multi-tenanted office properties within a larger transaction in 2007. As at 31 December 2014, the portfolio comprised two properties located in the Rhine-Main, and the Munich area. Approximately 56.8 per cent. of the portfolio is occupied with an average remaining lease term of 2.9 years. None of the in-place tenants contributes more than 9 per cent. to the portfolio's rental income.

The Group has signed sale and purchase agreements for the remaining two assets within the portfolio and expects to close these sales ahead of the loan maturity in May 2015. Despite the sales proceeds being insufficient to repay the outstanding debt amount, the Group expects to benefit from these sales by receiving a percentage of the proceeds in the form of sales fees.

Mars Fixed II Portfolio

The Group acquired a portfolio of multi-tenanted properties within a larger transaction in 2007. As at 31 December 2014, the portfolio consisted of a single high street retail anchored multi-use property in Darmstadt. The property comprises approximately 21,000 sqm and is approximately 74.8 per cent. occupied. Of the available space, 75 per cent. is retail and 14 per cent. is office usage. The average remaining lease term is 3.9 years. Following significant recent asset management activity, 3,100 sqm of leases were signed prior to 31 December 2014 and will take effect over the course of 2015.

Retail Portfolio

As at 31 December 2014, the Group's Retail Portfolio comprised 175 German retail assets amounting to approximately 364,000 sqm of lettable floor space in five separately financed portfolios, the Belfry Portfolio, Superstella Portfolio, Tannenberg Portfolio, Truss Portfolio and Turret Portfolio.

Since 31 December 2014, the Group has sold all the retail assets comprising the Superstella Portfolio, the Tannenberg Portfolio and the Turret Portfolio. This sale, comprising 107 assets for total consideration of €286 million, and which completed on 11 March 2015, generated net proceeds of approximately €25.0 million for the Company.

Belfry Portfolio

The Group acquired a portfolio of retail properties in various locations across Germany in 2005. The Belfry Portfolio comprises 27 properties, the majority of which are leased to prominent German retailers with long term leases. The properties are generally in grocery, discounter or supermarket formats with an aggregate lettable area of approximately 53,000 sqm. As at 31 December 2014 the portfolio benefited from over 85.7 per cent. occupancy and in-place leases have a weighted-average lease term of 4.1 years. Over 67 per cent. of the Belfry Portfolio's income is due from prominent German retailers.

Truss Portfolio

The Group acquired a portfolio of 41 retail properties held by various unconnected sellers in various locations across Germany in 2006.

These properties are generally in grocery, discounter or supermarket formats, and have an aggregate lettable area of approximately 82,000 sqm. As at 31 December 2014, they benefited from 94.9 per cent. occupancy. In-place leases have a weighted-average lease term of approximately 3.8 years and 64 per cent. of income is derived from prominent German national retailers.

Legacy European Real Estate Related Debt Portfolio

As at 31 December 2014, the Group's legacy debt portfolio represented approximately 11 per cent. of its net assets (€22.5 million) or 7 per cent. (€18.5 million) of the Group's Adjusted Net Assets. Since 31 December 2014, the Group has generated €3.9 million of net proceeds for the Company through the sale of an investment in a loan.

Levered: Duncannon CRE CDO I is a portfolio primarily consisting of mezzanine CMBS and junior real estate backed loan positions financed by securitised debt. Since 2009, as a result of Duncannon failing to meet certain cash flow triggers, the Company receives no cash flows other than management fees which totalled €0.2 million for 2014. All of the remaining cash flows are diverted towards paying down the most senior class of debt. As at 31 March 2015, the portfolio had an average rating of CCC–.

Unlevered: Excluding the loan sold in February 2015, the remaining portfolio, consisted of 4 low value mezzanine real estate backed loans or securities carried at approximately 35 per cent. of their total face value with an average rating of D.

GROUP FINANCING OVERVIEW

The Group does not currently utilise leverage in the financing of its NPL portfolios although in future it may seek to do so, including in respect of the portfolio of NPLs acquired from UniCredit through the UCCMB Acquisition.

Real Estate Asset Financing

The Group has in the past procured medium to long term secured financing which is non-recourse to the Company for its direct real estate investments and its real estate debt investments. It structures such financing taking into account jurisdiction-specific factors to optimise returns.

The Group's real estate financing comprises the following facilities which are non-recourse to the Company:

Portfolio	Month raised	Face value as at 31 March 2015 €'000	Face value as at 31 Dec 2014 €'000	Interest Rate as at 31 Dec 2014 (%)	Fixed or Floating Interest Rates	Maturity date
Mars Fixed II	June 08	45,541	45,541	2.58	Floating	June 15
Belfry	August 05	53,544	53,544	4.66	Fixed	October 15
Drive Senior(1)	February 06	21,630	80,259	3.18	Floating	January 16
Drive Junior	February 06	308,467	308,467	3.09	Floating	January 16
Truss	December 05	83,580	83,580	4.85	Fixed	February 16
Wave	April 07	68,029	68,200	2.53	Floating	May 16
Zama	February 07	25,863	25,868	1.91	Floating	May 16(2)
Subtotal		**606,659**	**665,459**			
Turret	May 06	0	147,556	4.85	Fixed	May 16(3)
Superstella	August 07	0	54,500	4.91	Fixed	November 17(3)
Tannenberg	May 07	0	52,317	0.61	Floating	March 15(3)
Subtotal Basket sales		**0**	**254,373**			
Total excluding Mars Floating		**606,659**	**919,832**			
Mars Floating	January 07	97,746	97,746	1.80	Floating	May 15
Total		**704,405**	**1,017,578**			

(1) Reflects the repayment of €56.5 million from sales proceeds received by 31 March 2015 but not applied until the next loan interest payment date in April 2015.

(2) The portfolio has an interim maturity trigger of May 2015 extended subject to certain asset management targets being met. The contractual maturity date is May 2016.

(3) These portfolios were repaid in March 2015 as a result of the retail sale.

The Group's debt financings had a face value as at 31 December 2014 of €194.6 million in relation to Duncannon CRE CDO I.

As at 31 March 2015, being the latest practicable date prior to publishing this Prospectus, the Group's current borrowings were €867.7 million.

Maturities of certain financing facilities in 2015 and 2016

Since a restructuring of the senior and junior loans relating to the Drive Portfolio in 2013 the Group has repaid €313 million (as at 31 March 2015) generating approximately €14 million in sales and asset management fees. The Group has recently agreed a waiver of a January 2015 amortisation target which the Group previously failed to meet, having recently agreed the sale of an asset whose proceeds would bring the facility current.

The Mars Fixed II facility is current. The Group expects to repay this facility upon the sale of the underlying assets.

The Mars Floating Portfolio has had its maturity extended to 31 May 2015. The Directors expect that the financing will be extended as required to allow for the closing of the sales of the remaining assets in the portfolio. The final two assets in this portfolio have now been sold with closing subject to customary conditions precedent.

The Superstella, Tannenberg and Turret facilities have been repaid in full following closing of the sales of these portfolios in March 2015.

The Group secured an extension of its Zama facility in the fourth quarter of 2014. The facility pricing has not changed but the Group is now required to utilise excess cash generated by the Zama Portfolio to repay the facility which will mature in May 2016.

The Group refinanced its original Wave facility in the fourth quarter of 2014 with a two year facility to allow it to effect a sale of the Wave Portfolio. The Directors expect that this facility will be repaid upon the sale of the Wave Portfolio in the course of 2015.

Financial Covenants

The Group has financial covenants that apply to each of its debt facilities in its real estate portfolio. If uncured, non-compliance with these covenants would constitute an event of default under the relevant facility. The main covenants relate to interest cover ("ICR"), the actual requirements of which vary between each loan and are set out in the table below. One facility contains a gross yield covenant ("GYR") which measures total annual rental income as a percentage of the total debt amount outstanding. All such covenants are set out in the table below and are tested quarterly in line with the interest payment date of each facility.

One facility, the Drive senior loan, has a loan to value covenant set at 40 per cent. As at 31 December 2014, this covenant was reported at 18.7 per cent.

The financing arrangements on all portfolios additionally require the sale of investment properties to achieve minimum release price thresholds before lenders will release security over the assets being sold. The release pricing varies from portfolio to portfolio. Release pricing in excess of current values will hinder the ability of the Group to sell certain assets without specific lender waivers.

Compliance with financial covenants is continuously monitored by the Group. The Group actively manages covenant compliance with measures to take remedial action initiated as soon as it becomes aware of a breach or a projected breach.

As at 31 December 2014 and for all covenant test dates to 28 February 2015, the Group is compliant with all financial covenant tests certified to lenders for all facilities breach of which could result in a default, taking into account the waiver of the January 2015 amortisation target in relation to the Drive Senior facility described above. Each of the financing arrangements, however, with the exception of Truss, imposes prohibitions on upstream payments to the Company.

Portfolio	Maturity date	ICR covenant (default)	Actual ICR	GYR covenant	Actual GYR
Mars Floating	31-05-15	100%	156%	n/a	n/a
Mars Fixed II	30-06-15	115%	309%	7.5%	9.12%
Wave	30-05-16	175%	324%	n/a	n/a
Belfry	18-10-15	100%	126%	n/a	n/a
Zama	09-05-16	100%	593%	n/a	n/a
Truss	07-02-16	100%	139%	n/a	n/a
Drive Junior	20-01-16	145%	188%	n/a	n/a
Drive Senior	20-01-16	n/a	n/a	n/a	n/a

Within the debt investment portfolio, the Group has financing against Duncannon CRE CDO I through the issue of collateralised debt obligations in 2007 (see "Duncannon CRE CDO I" below). Duncannon CRE CDO I, also contains a default financial covenant. In order to comply with this covenant, the value (calculated by reference to various rating agency criteria) of the assets must at least be at or exceed the debt outstanding of the most senior class of the notes. As at 31 December 2014, the ratio was reported at

328.4 per cent. against the required covenant level of 100 per cent., this equates to a cushion of €122 million or 228.4 per cent.

Securitisation and Loan Asset Financing

CDOs

The Group utilises securitisation structures, such as CDOs, to match-fund certain debt investments.

CDOs are multiple class debt securities, or bonds, secured by pools of collateral consisting of assets, such as mortgage backed or other asset backed securities.

Duncannon CRE CDO I

On 30 July 2007, the Group completed a CDO financing, Duncannon CRE CDO I, whereby a portfolio of European real estate related securities and loans were refinanced through a public issue with a corresponding U.S. private placement by Duncannon CRE CDO I plc of €730 million of senior and mezzanine bonds and €80 million of subordinated bonds. The Group retained €110.5 million of mezzanine and subordinated bonds and, in the period up to 31 December 2014, acquired a further €4.7 million at a discount.

Since June 2009, Duncannon CRE CDO I has failed to meet certain cash flow triggers, where compliance is generally a function of the default rate and external credit ratings of the underlying investments. As a consequence, excess cash flow has been mandatorily diverted to amortise senior debt. In order to meet the cash flow triggers referred to above, the value (calculated by reference to various rating agency criteria) of the assets must exceed the amount of debt senior to the Group's interest by at least 5 per cent. As at 31 December 2014, the ratio was reported at 73.6 per cent. against the required covenant level of 105 per cent., which equates to a shortfall of €70.2 million or 31.4 per cent. The Company does not therefore expect to receive any cash flows from this portfolio in the near term.

The weighted-average credit rating of Duncannon CRE CDO I plc's portfolio of securities and loans as at 31 December 2014 was CCC–.

CONSOLIDATED SUBSIDIARIES AND SPECIAL PURPOSE VEHICLES

The Company holds its investments either directly, through subsidiaries or indirectly through leveraged SPVs. In the case of SPVs, the ordinary share capital of the SPVs is held by a third party trust unconnected to the Company or the Manager, but the SPVs are nevertheless consolidated with the Company because, in substance, the Company retains the majority of the residual or ownership risks related to each SPV and its assets in order to obtain benefit from the SPV's activities.

The Company holds its legacy real estate investments through three main Luxembourg based wholly owned subsidiaries: Luxgate S.àr.l., Marathon S.àr.l. and Mars Holdco S.àr.l. Depending on the specific investment structure, these companies generally hold the real estate investment through an intermediate holding company (Belfry Lux Participation S.àr.l. in the case of the Belfry Portfolio, Truss Lux Participation S.àr.l. in the case of properties within the Truss Portfolio, Eurobarbican S.àr.l. in the case of the Wave Portfolio, Drive S.àr.l. in the case of the Drive Portfolio) which holds the assets in the relevant jurisdiction through one or more local vehicles.

The three main Luxembourg holding companies also hold Luxembourg based property companies that own properties within the Zama Portfolio, and the Mars Floating and Mars Fixed II Portfolios. Each of these portfolios is consolidated at the Group level.

The Company holds its legacy securities and loan investments through four wholly owned SPVs incorporated in Ireland (Eurocastle Funding Limited, Eurocastle CDO IV PLC, Duncannon CRE CDO I plc and FECO Sub SPV plc), and one Luxembourg subsidiary, Undercroft S.àr.l.

The Company holds its investments in Italian performing and non-performing loan portfolios and real estate fund units through several Luxembourg and Delaware subsidiaries. These companies hold such investments through an intermediate Luxembourg or Delaware holding company (as applicable), who themselves hold the assets through a number of SPVs incorporated in Italy. The Company has recently incorporated Verona Holdco S.àr.l., which jointly controls Avio S.àr.l., a vehicle that is intended to hold the investment in UCCMB.

The Company does not have, and does not currently anticipate having, any off-balance sheet financing.

PART III:

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The discussion and analysis below provides information which the Directors believe is relevant to an assessment and understanding of its consolidated financial position and results of operations. You should read this discussion and analysis in conjunction with the consolidated financial statements and related notes set out in Part IX and incorporated by reference as set out in Part XII of this Prospectus.

The following discussion and analysis contains statements reflecting the Directors' views about the Company's future performance and constitutes "forward-looking statements". These views may involve risks and uncertainties that are difficult to predict and may cause the Company's actual results to differ materially from the results discussed in such forward-looking statements. Readers should consider that various factors, including changes in general economic conditions, developments in the European property markets, influence of currency fluctuations and inflation, and other factors discussed in the section entitled "Risk Factors" in this Prospectus, may affect the Company's performance. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise save to the extent it is required to do so under applicable law or regulation.

The Company has prepared its consolidated financial statements in accordance with International Financial Reporting Standards (or "IFRS") which differ in certain respects from generally accepted accounting principles in the United States.

For the purposes of this section, the term "Company" means Eurocastle Investment Limited and where the context requires, Eurocastle Investment Limited and its consolidated subsidiaries.

The financial information in this Part III has been extracted without material adjustment from the Company's audited accounts for the years ended 31 December 2014, 31 December 2013 and 31 December 2012.

The comparative information for the year ended 31 December 2013 contained in the consolidated financial statements for the year ended 31 December 2014 were re-presented to show the reclassification of certain items comprised in other operating expenses as interest expenses. The historical financial statements for the year ended 31 December 2013 incorporated by reference in this Prospectus do not reflect this reclassification. The income statement for the year ended 31 December 2013 contained within this Prospectus (excluding the financial statements for the year ended 31 December 2013 incorporated by reference), is shown using the comparative data for the year ended 31 December 2013 contained in the financial statements for the year ended 31 December 2014. The income statement data for the year ended 31 December 2012 has not been re-presented and is therefore not directly comparable to the income statement data for the years ended 31 December 2014 or 31 December 2013. Interest expenses and other operating expenses in the year ended 31 December 2012 would have been €92.6 million and €34.8 million, respectively, if they had been reclassified and presented on the same basis. The cashflow statements have not been adjusted as the reclassification relates to non-cash items.

Factors Affecting Results of Operations

The Company's results have been affected in recent years in part due to external factors influencing valuations and revenues but also as a result of the change in the Company's structure and resultant strategy as it has looked to reduce its assets comprising its Legacy Investments to realise cash flow which could be redeployed at higher returns in its New Investments. The following factors have in combination had a significant impact on the Company's results of operations and financial condition.

Financing facilities reaching maturity

A significant proportion (81 per cent. by nominal value) of the Group's financing facilities reach their scheduled maturities in 2015 and 2016[1]. The Company expects to meet the Group's long-term liquidity requirements, especially in relation to its term financing maturities, through negotiated extensions of its term debt, the refinancing of its term debt or asset sales at or before maturity. If the Company is unable to successfully achieve any of the foregoing, the relevant lenders may enforce their security over the assets

(1) As at 31 March 2015, reflects the repayment of €56.5 million from sales proceeds received by 31 March 2015 but not applied until the next loan interest payment date in April 2015.

securing such facility with the consequence that the Company loses any residual value in, or cash flows derived from, such assets. Each of the Group's financing facilities are non-recourse to the Company meaning that the Company would not, in such circumstances, be exposed to further losses beyond those described above.

The restructuring of the Company in second quarter of 2013

On 12 April 2013, the Company completed the mandatory conversion of all of its outstanding convertible securities into Shares. Since the issue of the convertible securities in 2008 the Group, after servicing external debt and meeting its other operating costs, had not upstreamed sufficient cash flow to the Company to enable it to pay the interest due on the outstanding convertible securities, with the consequence that the outstanding amount of principal and interest due on the convertible securities had increased year on year as a result of the deferral and accrual of unpaid interest. The Company therefore sought and obtained the consent of the holders of the convertible securities to an amendment to the terms of the convertible securities that would permit mandatory conversion at the Company's option in return for a reduction in the conversion price from €0.30 per Share to €0.05 per Share. The Conversion has discharged in full the Company's liability to pay interest and repay the outstanding principal amount on the convertible securities.

In addition, in order to preserve additional capital for investment, the Company and the Manager agreed conditional on the Conversion, to amend the Management Agreement with effect from 12 April 2013 to reduce the annual management fee payable by the Company. The effect of the amendment was to reduce the annual management fee by approximately €17.5 million on an annualised basis through re-setting the capital base upon which the fee is calculated. The Manager's entitlement to incentive compensation was also re-set to the lower capital base.

On 7 April 2015, the Company and the Manager entered into a further amendment to the Management Agreement which reduced the Management Fee on uninvested cash and provided that incentive compensation was only payable in respect of investments made in the period from 1 April 2013. Further details of the amended fee arrangements are set out in Part IV of this Prospectus.

In May 2013, the Group issued ordinary shares and raised net proceeds of €103.9 million to focus on the Group's new investment strategy. As of 31 December 2014, €68.7 million has been invested in Italian non-performing and performing loan portfolios, and real estate fund units. To date, these investments have generated €18.6 million in cash.

Valuation declines on Legacy Assets

The economic conditions on the back of the global credit crisis have had an adverse impact on property valuations and hence a significant decrease in the net asset value of the Group. Due to the market conditions experienced in recent years and the nature of the assets in which the Group invests, sales of assets by the Group have resulted in significantly lower proceeds than the historic carrying values of those assets resulting in losses to the Group. These conditions have also resulted in lower leasing or renewals volume and in a reduction in rents as a result of increased vacancy within the Group's portfolio or tenant defaults. Furthermore, these conditions have led to certain cash flow triggers under the Company's financing facilities being met which has resulted in a prohibition on the upstreaming of operating cash to the Company from the Drive, Mars Floating, Mars Fixed II, Wave, Zama and Belfry Portfolios.

Sales of the Group's Legacy Assets

During 2013 and 2014, and in line with the Company's strategy, the Group has sold 63 assets in the legacy German commercial real estate portfolio for a total net sales price of €413.6 million. The proceeds have primarily been used to repay the financing of the related portfolios with a total amount outstanding of €1.0 billion at 31 December 2014. Within Eurocastle's legacy portfolio of debt securities, in the same period the Group has either sold or received prepayments representing total proceeds of €227.1 million on 69 assets in the debt portfolio with a face value of €248.2 million. As with its legacy German commercial real estate portfolio, these proceeds have primarily been used to repay the financing of the underlying portfolios. The reduction in assets has therefore resulted in a decline in the gross operating revenues and expenses that the Group previously derived from these legacy portfolios.

Current Trading and Prospects

The Company's ability to increase its earnings largely depends on its ability to successfully implement its current investment strategy, which includes investing in Italian and other European real estate related investments whilst realising value from its existing German real estate assets and portfolio of debt investments. The Company will continue to look for opportunities to dispose of its real estate assets and will actively manage its debt portfolio. Cash proceeds from realisations of investments, together with the net proceeds of the Offer, will be reinvested in accordance with the Company's investment strategy. Based on the Directors' view of the opportunities in Italian and other European real estate related investments and the projected returns from investing in this asset class at the current phase in the cycle, the Directors believe that the Company is currently in a position to capitalise on these opportunities and this should lead to an increase in net income and funds from operations over time.

INCOME STATEMENT

	Year ended 31 December 2014 €'000	Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
Operating income			
Interest income	8,357	14,241	23,900
Rental income	84,965	130,121	139,753
Service charge income	16,800	26,131	27,912
(Loss)/gain on disposal of loans and receivables	(407)	–	592
Fair value movements on Italian Portfolios	2,099	5,050	–
Decrease in fair value of investment properties	(66,699)	(44,759)	(94,658)
Gain on repurchase of debt financing	–	–	30,381
Gain on purchase of mezzanine financing	1,963	–	885
(Decrease)/increase in fair value of interest rate swaps	–	(4)	52
Gains on foreign currency contracts, translation and swaps	681	1,424	–
Impairment losses	(20,437)	(54,534)	(16,710)
Gain on transfer of investment in Mars Fixed I Portfolio	–	–	6,793
Gain on paydown	1,853	–	–
Fair value movements in real estate fund units	567	–	–
Income from Joint Venture	471	221	–
Income from associate	582	–	–
Loss on deconsolidation of Bridge	(26,077)	–	–
Total operating income	**4,718**	**77,891**	**118,900**
Operating expenses			
Interest expenses	51,524	80,352	89,582
Service charge expenses	16,151	25,240	27,045
Property operating expenses	26,807	35,564	34,962
Losses on foreign currency contracts, translation and swaps	–	–	1,707
Other operating expenses	19,961	23,318	38,050
Total operating expenses	114,443	164,474	191,346
Net operating loss before taxation	**(109,725)**	**(86,583)**	**(72,446)**
Taxation expense/(credits) – current	1,318	(1,590)	7,711
Taxation (credit)/charge – deferred	(2,173)	890	1,515
Net loss after taxation	**(108,870)**	**(85,883)**	**(81,672)**
Attributable to:			
Ordinary equity holders of the Company	(109,300)	(86,866)	(81,672)
Non-controlling interest	430	983	–
Loss per ordinary share			
Basic and diluted	(3.34)	(3.24)	(0.64)

BALANCE SHEET

	As at 31 December 2014 €'000	As at 31 December 2013 €'000	As at 31 December 2012 €'000
Assets			
Cash and cash equivalents	142,581	193,192	141,344
Investment properties held for sale	217,418	94,402	76,510
Assets in disposal groups classified as held for sale	283,060	–	–
Available-for-sale securities	188	26,879	46,098
Fair value investments – listed shares	2,198	–	–
Loans and receivables (includes cash to be invested)	199,676	316,650	409,965
Derivative assets	8,291	10,584	13,360
Other assets	18,091	32,896	24,006
Fair value investments	6,325	12,315	–
Real estate fund units	21,890	–	–
Fixtures and fittings	–	4	55
Investment property	603,026	1,628,104	1,943,744
Investments in joint ventures	15,483	2,173	–
Investment in associate	15,681	–	–
Intangible assets	15	42	124
Total assets	**1,533,923**	**2,317,241**	**2,655,266**
Equity and liabilities			
Capital and reserves			
Issued capital, no par value, unlimited number of shares authorised	1,714,625	1,714,425	1,446,624
Accumulated loss	(1,525,145)	(1,399,529)	(1,296,297)
Net unrealised loss on available-for-sale securities and loans and receivables	(5,593)	(11,976)	(30,548)
Hedging reserve	588	(870)	(5,507)
Perpetual subordinated convertible securities	–	–	160,514
Other reserves	21,888	22,088	17,320
Total shareholders' equity	**206,363**	**324,138**	**292,106**
Non-controlling interest	**2,321**	**2,842**	**6**
Total equity	**208,684**	**326,980**	**292,112**
Liabilities			
Trade and other payables	77,023	83,347	59,198
Liabilities directly associated with assets in disposal groups classified as held for sale	263,565	–	–
Current taxation payable	10,824	9,678	11,249
CDO bonds payable	194,248	299,912	352,905
Bank borrowings	757,916	1,561,858	1,898,045
Derivative liabilities	–	5,297	12,324
Finance lease payable	17,085	23,062	23,216
Deferred taxation liability	4,578	7,107	6,217
Total liabilities	**1,325,239**	**1,990,261**	**2,363,154**
Total equity and liabilities	**1,533,923**	**2,317,241**	**2,655,266**
Net assets €/share(1)	**6.39**	**10.02**	**16.57**

The Adjusted Net Assets shown below reflect the Group's NAV excluding the Company's non-controlling interests, the net asset value of the Mars Floating and Bridge Portfolios, and adjusting for the revaluation of the Superstella, Tannenberg and Turret Portfolios to their agreed sales price. Adjusted Net Assets is a non-IFRS measure and should not be considered as an alternative to "net assets", "total equity" or "total shareholders' equity" or any other performance measure derived in accordance with IFRS.

Reversal of non-controlling interest(2)	(2,321)	(2,842)	–
Reversal of net liabilities of the Mars Floating Portfolio	46,575	30,236	15,241
Reversal of the net assets of the Bridge Portfolio(3)	–	(26,016)	–
Revaluation of the Superstella, Tannenberg and Turret Portfolios	5,502	–	–
Adjusted net assets(3)	**258,440**	**328,358**	**307,353**
Adjusted net asset €/share(1)	**7.92**	**10.06**	**17.43**

(1) The 2012 figure has been restated for the share consolidation (ratio of 200:1).

(2) Reflects the 19 per cent. interest in certain of the Group's Italian loan pools that the Group does not own.

(3) Reflects the loss of the Bridge Portfolio in January 2014.

Consolidated results for the year ended 31 December 2014 compared with the year ended 31 December 2013

The following discussion is based on the Company's audited consolidated financial statements, which have been prepared in accordance with IFRS, and is a brief description of the principal captions of the Company's consolidated income statement for 2014 and 2013.

Revenues (comprising interest income, rental income and service charge income)

In 2014, total revenues (comprising interest income, rental income and service charge income) decreased by 35 per cent. to €110.1 million from €170.5 million in 2013. This was primarily due to a reduction in interest income following prepayments and disposals of legacy debt investments in 2014 and the loss of rental income and associated service charge income as a result of the sale of investment property in both years together with the decline in occupancy from 77.1 per cent. to 75.1 per cent. (on a like-for-like basis).

Rental income in 2014 amounted to €85.0 million, a decrease of €45.2 million or 35 per cent. from 2013. The decline was primarily driven by a 10 per cent. reduction in the number of properties owned by the Company from 389 at the end of 2013 to 352 in 2014, in combination with the loss in rental income associated with the lower occupancy rate as a direct result of a major tenant vacating a significant property following the consolidation of their back-office locations in Frankfurt.

Interest income decreased by 41 per cent. from €14.2 million for 2013 to €8.4 million for 2014. The decrease was mainly due to prepayments and disposals of the Company's legacy debt investments in 2014.

Fair value income from New Investments

Fair value income generated from New Investments (comprising fair value movements on Italian portfolios and real estate fund units, income from joint ventures and income from associates) amounted to €3.7 million in 2014 versus €5.3 million in 2013, which amounted to a decrease of 29 per cent. or €1.6 million. A number of portfolios exceeded the underwriting assumptions in 2013 resulting in additional cash flow to the Group and the recognition of fair value income.

Total Operating Expenses

The Company's total operating expenses amounted to €114.4 million in 2014, representing a decrease of 30 per cent. from €164.5 million in 2013. This was mainly due to the reduction in the number of properties owned by the Company from 2013.

Interest expenses for 2014 decreased to €51.5 million compared with €80.4 million in 2013 mainly as a result of the disposal of investment properties and repayment of related debt, as well as the repayment of the CDO IV facility in January 2014 and partial repayment of the Duncannon debt in 2014.

Property expenses comprising service charge expenses and property operating expenses amounted to €43.0 million in 2014 compared to €60.8 million in 2013 of which 39 per cent. and 43 per cent. is recoverable respectively. The decrease in costs is explained by the disposal of properties. The recovery rate has decreased as expenditure on non-reimbursable costs (for example, capital expenditure) has increased due to re-letting efforts and the age of the properties.

Other operating expenses, representing corporate costs, costs relating to disposal of assets and other incidental expenses together with losses on foreign currency contracts, translation and swaps amounted to €20.0 million in 2014 compared to €23.3 million in 2013, with the decrease largely being due to the reduced Management Fee being effective for the whole of 2014 as opposed to only part of 2013.

Net Operating Loss before Taxation

The Company's net operating loss before taxation amounted to €109.7 million in 2014, which represents a 27 per cent. increase when compared to a net operating loss before taxation of €86.6 million in 2013. In addition to the effect of the activities described above, the increase in net operating loss before taxation was due to the decrease in fair value of investment properties and loss of the Bridge Portfolio following a loan foreclosure process in January 2014 (€26.1 million).

Net Loss after Taxation

The total taxation credit has increased by €0.2 million to €0.9 million in 2014 from €0.7 million in 2013 as a result of the decrease in provisions relating to the taxation audits in Germany and Luxembourg. Based on the factors described above, this resulted in a net loss after taxation of €108.9 million in 2014 compared to €85.9 million in 2013, an increase of 27 per cent. Of this amount, €0.6 million is due to non-controlling interests.

Consolidated results for the year ended 31 December 2013 compared with the year ended 31 December 2012

The following discussion is based on the Company's audited Consolidated Financial Statements, which have been prepared in accordance with IFRS, and is a brief description of the principal captions of the Company's consolidated income statement for 2013 and 2012.

Revenues (comprising interest income, rental income and service charge income)

In 2013, total revenues (comprising interest income, rental income and service charge income) decreased by 11 per cent. to €170.5 million from €191.6 million in 2012. This decrease was mainly due to the loss of rental income and associated service charge income following the disposal of investment properties and a decrease in the occupancy rate from 82.2 per cent. to 77.1 per cent. (on a like-for-like basis).

Rental income in 2013 amounted to €130.1 million, a decrease of €9.6 million or 7 per cent. from €139.8 million in 2012. This is due to the disposal of investment properties in the Drive and Wave Portfolios. The number of properties in the Company's portfolio decreased from 422 in 2012 to 389 in 2013.

Interest income decreased by 40 per cent. from €23.9 million for 2012 to €14.2 million for 2013. The decrease is due to the paydown of debt positions and loss of associated interest income.

Fair value income from New Investments

Fair value income generated from New Investments (comprising fair value movements on Italian debt portfolios and share of post tax profits of joint ventures) amounted to €5.3 million in 2013 following the Company's shift in investment focus during that period.

Total Operating Expenses

The Company's total operating expenses amounted to €164.5 million in 2013, representing a decrease of over 14 per cent. from €191.3 million in 2012. This was mainly due to the reduction in the property portfolios in 2012 and 2013.

Interest expenses for 2013 amounted to €80.4 million from €89.6 million in 2012 as a result of the disposal of investment property and repayment of related debt.

Property expenses comprising service charge expenses and property operating expenses amounted to €60.8 million in 2013 compared to €62.0 million in 2012 and in line with the reduction in revenue above. The recovery rate for 2013 decreased as a result of an increase in expenditure on non-reimbursable costs such as capital expenditure and tenant improvements.

Other operating expenses representing corporate costs, costs relating to disposal of assets and other incidental expenses, together with losses on foreign currency contracts, translation and swaps amounted to €23.3 million in 2013, as compared to €39.8 million in 2012, with part of this reduction being due to the reduced Management Fee which took effect in April 2013.

Net Operating Loss before Taxation

The Company's net operating loss before taxation amounted to €86.6 million in 2013, which represents a 20 per cent. increase when compared to its operating loss before taxation of €72.4 million in 2012. This increase was due to the increase in impairment losses in the debt portfolio set-off by the reduction in the Management Fee in 2013.

Net Loss after Taxation

The total taxation credit has increased by €9.9 million to €0.7 million in 2013 from a charge of €9.2 million in 2012. This partially resulted in the Company's net loss after taxation increasing by 5 per cent. from €81.7 million in 2012 to €85.9 million in 2013. The cause of the movement in tax was due to the tax provisions raised in relation to the taxation audits in Germany and Luxembourg.

Normalised Funds from Operations

Normalised FFO amounted to €9.4 million for 2014 (of which €8.6 million related to New Investments before corporate costs) versus €15.8 million for 2013, which represents a decrease of €6.4 million. Given the average net invested capital in 2014 was approximately €36 million, Normalised FFO on the New Investments only of €8.6 million equates to a yield on such net invested capital of 24 per cent. for 2014. The reduction in Normalised FFO from 2013 to 2014 is mainly due to the loss of net rental income from the German real estate portfolio because of the disposal of properties and lower interest income from the debt portfolio. The decrease is offset by an increase in the Normalised FFO from the Italian investments in 2014 as additional investments were made.

Normalised FFO amounted to €15.8 million for 2013 versus a negative €5.0 million for 2012, which represents an increase of €20.8 million. The increase is mainly due to the reduction in the Management Fee following the amendment of the Management Agreement in 2013 and interest expense on the real estate portfolio term financing resulting from the refinancing activity in 2013.

Normalised FFO is a non-IFRS financial measure that the Company believes provides investors with additional information regarding the underlying performance of its legacy assets and their ability to service debt and make capital expenditure. In respect of Legacy Investments, Normalised FFO, as defined by the Company, represents net income after taxation and non-controlling interest (computed in accordance with IFRS) excluding realised gains and losses, sales related costs (including realised swap losses), impairment losses and foreign exchange movements. With respect to the Company's New Investments, Normalised FFO represents income on its New Investments on an expected yield basis and allows the Company to report the run rate earnings from these investments in line with their projected annualised returns. Normalised FFO in respect of New Investments is used to compute incentive compensation to the Manager. No incentive compensation was payable in 2013 or 2014.

Normalised FFO does not represent cash generated from operating activities in accordance with IFRS and therefore should not be considered an alternative to cash flow as a measure of liquidity, and is not necessarily indicative of cash available for distribution or to meet the Company's other requirements.

A reconciliation of Normalised FFO to the Company's net loss after taxation is set out below.

Reconciliation of net loss after taxation and Normalised FFO	**Year ended 31 December 2014 € million**	**Year ended 31 December 2013 € million**	**Year ended 31 December 2012 € million**
Net loss after taxation and non-controlling interests	(109.3)	(86.9)	(81.7)
Losses attributable to the Mars Floating portfolio	15.4	0.6	(0.9)
Real Estate revaluations and sales	56.8	49.7	99.2
Debt Portfolio impairments, sales and paydowns	17.4	54.5	(15.1)
Fair value to effective yield adjustments	5.9	(2.2)	–
Amortisation of Mars Floating financing	–	–	(5.3)
Loss/(gain) on deconsolidation	26.1	–	(6.8)
Deferred tax charge on investment properties	(2.2)	0.9	1.5
Other	(0.7)	(0.8)	4.1
Normalised FFO	**9.4**	**15.8**	**(5.0)**
Normalised FFO split by segment:			
New Investments	8.6	2.0	–
Corporate	(13.7)	(16.2)	(22.7)
Legacy	14.5	30.0	17.7
Total Normalised FFO	**9.4**	**15.8**	**(5.0)**

Liquidity and Capital Resources

The Company's ability to execute its business strategy, particularly the growth of its investment portfolio, depends to a significant degree on its ability to obtain additional capital.

As at 31 December 2014, the Company had a corporate cash balance of €96.9 million which was increased subsequent to year end by approximately €29 million of proceeds from sales of assets within its legacy portfolios. The Company is free to use corporate cash to fund committed investments (€13.4 million outstanding as at 31 December 2014), corporate expenses and dividends.

The Company's liquidity is primarily generated by quarterly cash flow distributions from its New Investments which comprise net collections on its Italian loans and operating and sales proceeds from its real estate fund investments. With the exception of the Truss Portfolio and certain low value positions held unlevered within its legacy debt portfolio, all remaining portfolios within the Group's legacy portfolios are restricted from making operating distributions upstream as part of the terms of their financings. Cash flows from these Legacy Investments are therefore primarily generated in the form of net sale proceeds (after costs and repayment of financing).

The Group expects that its cash on hand and cash flow from operations will satisfy its liquidity needs with respect to its current investment portfolio over the next twelve months.

In addition, the Directors reviewed the commitment made in February 2015 with respect to the acquisition of UCCMB from UniCredit. The transaction is expected to complete in the second quarter subject to closing conditions and regulatory approval by the Bank of Italy with a gross investment of approximately €250 million. The Group is expecting to fund this transaction through a combination of possible sources including: (i) available corporate cash; (ii) investment level financing; and (iii) capital raised from the public markets.

The Group expects that it will meet its long term liquidity requirements, specifically the repayment of its debt obligations, through the liquidation or refinancing of its assets at maturity or through negotiated extensions. All debt is non-recourse to the Company. Although the Group has historically been able to obtain and renegotiate its financings on acceptable terms, there can be no assurance that future financing and/or renegotiation of existing terms will be available or, if it is, that it will be available on terms that the Group considers acceptable.

Details of the Group's real estate financing arrangements, including the maturity profile and financial covenants in respect of such financing arrangements, are more particularly described under "Real Estate Asset Financing" in Part II above and in Note 25.1 to the audited financial statements for the year ended 31 December 2014, as incorporated by reference in Part XII of this Prospectus.

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 December 2014 €'000	Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
CASH FLOW STATEMENT			
Net Cash flows from operating activities	17,911	27,387	1,915
Net Cash flows from investing activities	243,758	308,174	169,924
Net Cash flows from financing activities	(308,326)	(304,609)	(127,741)
Net (decrease)/increase in cash and cash equivalents	**(46,657)**	**30,952**	**44,098**

Cash flows for the year ended 31 December 2014 compared with the year ended 31 December 2013

Net Cash flows from operating activities

Cash inflows from operating activities decreased by €9.5 million to €17.9 million in 2014 from €27.4 million in 2013 mainly as a result of the decrease in real estate properties.

Net Cash flows from investing activities

Cash inflows from investing activities were €64.4 million lower in 2014 at €243.8 million compared to €308.2 million in 2013. This was driven by a reduction in proceeds from the sale of the investment properties of €270.7 million in 2013 compared to €169.6 million in 2014. The Group also recorded an increase of €57.6 million in 2014 from €51.3 million in 2013 in the sale and prepayment of loans and receivables. The net impact of cash from the Italian Investments (including distributions) were

€44.9 million in 2014 versus €5.9 million in 2013. Cash outflows on capital expenditure and tenant incentives decreased from €16.5 million in 2013 to €12.9 million in 2014.

Net Cash flows from financing activities

Cash outflows from financing activities increased by €3.7 million to an outflow of €308.3 million in 2014 from €304.6 million in 2013. As a result of the decrease in the proceeds on disposal of investment properties, the Group repaid €184.4 million of bank borrowings in 2014 which was €158.2 million lower than the amount repaid in 2013. At the same time, the Group repaid €104.6 million of its bonds issued in 2014 compared to an amount of €56.2 million in 2013. These outflows were set-off by the ordinary share capital raise of €103.8 million in 2013.

Capitalisation and Indebtedness

A summary of the Group's capitalisation as at 31 December 2014 and indebtedness as at 28 February 2015 is set out in Part VI of this Prospectus.

Dividend Policy

A summary of the Group's dividend policy is set out in Part I of this Prospectus.

Qualitative and Quantitative Disclosure about Market Risk

Interest Rate Risk

The Group's primary interest rate exposures relate to its real estate and other asset backed securities, loans and floating rate debt obligations, as well as its interest rate swaps. In the event of a significant rising interest rate environment and/or economic downturn, mortgage and loan defaults may increase and result in credit losses. Interest rates are highly sensitive to many factors, including governmental monetary and political conditions, and other factors beyond the Group's control.

The Group has financed the Truss and Belfry portfolios within its Legacy German Commercial real estate portfolio with fixed rate loans. Changes in interest rates affect the break costs incurred to unwind the financing arrangements and thus affect the gain or loss on disposal of the Group's real estate assets and also may affect the Group's ability to sell assets should the net proceeds be insufficient to repay their allocated liability.

Based on the Group's primary interest rate exposure to floating rate financial assets and financial liabilities held at 31 December 2014, including the effect of hedging instruments, a 100 basis point increase/(decrease) in interest rates would increase/(decrease) earnings by approximately €0.4 million per annum (31 December 2013: €0.9 million per annum).

Changes in the level of interest rates also can affect the Group's ability to acquire securities and loans and its ability to realise gains from the settlement of such assets. Increasing interest rates would decrease the value of the fixed rate assets because higher required yields result in lower prices on existing fixed rate assets in order to adjust their yield upward to meet the market. At 31 December 2014, a 100 basis point change in interest rates would impact the net equity by €nil (31 December 2013: €1.2 million) following the redemption of all fixed rate securities.

Market Risk

The Group's real estate investment assets are located in Germany, and, therefore, the performance of such assets depends on the strength of the German economy and other factors affecting German real estate values. A decline in the German economy or the commercial property market may have an immediate effect on the net income of the properties and could lead to higher rates of delinquency or defaults under leases. The Group is also subject to general property market risks including, among other things, fluctuations in rental levels and property yields. These risks are assessed by the Group at the point of acquisition and are then monitored on an ongoing basis. In addition, external third party valuations of the Group's real estate assets are obtained during each financial year. These appraisals take current market developments into consideration.

The Group recognises that the significant deterioration in economic conditions on the back of the global credit crisis adversely impacted the property valuations. This has affected and may continue to affect the Group's ability to dispose of assets or the level of proceeds received in relation to any such disposals. Due to the current market conditions and the nature of the assets in which the Group invests, sale of assets by the Group could result in significantly lower proceeds than the carrying value of those assets in the consolidated financial statements incorporated by reference herein. Also, due to the nature of the Group's assets, asset sales may not be affected swiftly enough to avoid default of the Group's existing financings. The Group also recognises that the economic situation may result in a lower leasing or renewals volume or in a reduction in rents as a result of tenant defaults. In addition, the Group's top five tenants accounted for 56.2 per cent. of its passing rental income for the year ended 31 December 2014 (31 December 2013: 56.5 per cent. on a like-for-like basis). Loss of any one of these tenants could have a significant impact on the Group's performance.

The Group's available-for-sale securities are predominantly floating rate and as such are valued based on a market credit spread over Euribor, Libor and CHF benchmarks for Euro and non-Euro denominated assets respectively. Increases in the credit spreads above such benchmarks may affect the Group's net equity, net income or cash flow directly through their impact on unrealised gains or losses on available-for-sale securities, and therefore its ability to realise gains on such securities, or indirectly through its impact on its ability to borrow and access capital.

At 31 December 2014, a 100 basis point increase/(decrease) in credit spreads would increase/(decrease) net equity by €nil (31 December 2013: €0.7 million) due to the carrying value of the portfolio being recognised at zero.

The Group's securities held as loans and receivables are predominantly floating rate, are held at amortised cost and subject to impairment tests. The Group is therefore exposed to market risks associated with the underlying assets and its ability to service its financings.

Credit Risk

The Group is subject to credit risk in its real estate business, primarily in relation to its underlying tenants. The Group is also subject to credit risk in respect of its debt investment business (including its investments in Italian loans) by virtue of the risk of delinquency, foreclosure, speed of foreclosure proceedings and loss on the loans underpinning the securities in which the Group invests.

The Group manages its German real estate credit risk by assessing the creditworthiness of its larger tenants and its securities portfolio and the underlying credit quality of its holdings and where appropriate, repositioning such investments to upgrade the credit quality and yield on the investments.

Critical Accounting Policies and Estimates

The accounting policies and estimates are documented in the audited financial statements as detailed in Part IX of this Prospectus. The critical accounting policies and estimates are detailed below.

Impairment of available-for-sale investments and loans and receivables

The Group assesses on a regular basis whether there is any objective evidence of impairment in respect of the available-for-sale investments and loans and receivables portfolios. In determining whether objective evidence of impairment exists, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. This evidence may include observable significant financial difficulty of the issuer or obligor, defaults or breaches of contract, the probability of the borrower entering bankruptcy or other financial reorganisation, adverse changes in the payment status of the borrowers in a Company or external events that would imply a high probability of default and loss.

Valuation of available-for-sale investments

Available-for-sale investments are stated at fair value. The determination of the fair value of available-for-sale investments requires considerable judgment and the consideration of factors such as the nature of the securities, credit rating, quality of collateral, extent of active market and the reputation of the issuers. The fair value is based on indicative dealer price quotations.

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed by external valuers who hold a recognised and relevant professional qualification and have recent experience in the location and category of investment being valued. In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgment and not only relied on historical transactional comparables. The main factors the valuers consider when determining a fair valuation are the following: passing rent, void periods, yield, relettability and marketability of properties. The fair value represents the amount at which the asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with international valuation standards.

Fair value of derivatives

The fair values of derivatives are determined by using valuation techniques. Where valuation techniques including models are used to determine fair values, they are validated and periodically reviewed by qualified personnel. All models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical models use only observable data, however, areas such as credit risk (both own and counterparty) and volatilities require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Refinancing of bank borrowings and CDO bonds payable

Refinancing of bank loans and CDO bonds payable are reviewed to determine if the terms of the new facility are substantially different to the existing terms. The Group makes this determination using the net present value of the cash flows under the new terms discounted at the original effective interest rate compared to the discounted present value of the remaining cash flows under the existing terms. If the comparison exceeds a 10 per cent. threshold, the refinancing is considered to be substantially different. The Group also reviews the qualitative changes to the financings (e.g. nature and amount of security, counterparties or change in type of financing) to make their assessment. The Group renegotiated the Mars Floating term financing and the Duncannon revolver note assuming the same terms and conditions of the existing Class A note. Both are considered to be a continuance of existing facilities.

Financial assets at fair value through profit and loss

The underlying loan portfolio investments held by the Italian Investment entities are held at fair value through profit and loss on initial recognition. The fair value and changes therein are based on future expected cash flows based on the assumptions of the latest business plan discounted at the internal rate of return at the initial acquisition.

Disposal groups classified as held for sale

Assets and liabilities held in disposal groups classified as held for sale are recognised as such when the assets will be disposed of together as a group in a single transaction and liabilities associated with those assets will be transferred in the same transaction.

Off-Balance Sheet Arrangements

The Group does not have any off-balance sheet arrangements.

Contractual Obligations

	Total €'million	**Less than 12 months €'million**	**12-60 months €'million**	**After 60 months €'million**
CDO Bonds Payable	194	–	–	194
Term Financing	1,011	660	351	–
Finance Leases Payable	23	1	4	18
	1,228	**661**	**355**	**213**

Commitments & Contingent liabilities

As at 31 December 2014, the Company has entered into a letter of comfort for a term of 15 months with respect to an asset sale in its subsidiaries. The letter of comfort relates to warranties and documentation regarding the sold asset. The maximum exposure at the reporting date is €6.0 million.

In March 2015, as part of the terms of the sale of the Superstella, Tannenberg and Turret Portfolios and as is customary for such transactions in Germany, Eurocastle agreed to provide certain warranties to the buyer. With the exception of those related to tax and title, these warranties are capped at €21.9 million and endure for 24 months from the date of sale.

The Company has entered into an investment agreement with an asset manager relating to an investment of approximately €11.3 million in fund units issued by a closed-ended Italian real estate fund. This investment is anticipated to occur following the liquidation of a structured debt vehicle which currently owns the units. While the Company expects that the vehicle will be liquidated in the course of 2015, the investment agreement provides a put and call option to the parties in relation to the debt issued by the vehicle all of which is currently held by the asset manager, in case the liquidation does not occur. The options initially expired on 31 January 2015 and were extended to 30 June 2015. They are expected to be extended to accommodate a longer timeline for the liquidation of the vehicle, if required.

On 10 April 2015 the Company committed to subscribe an additional €2.0 million of units of Torre Real Estate Fund III Value Added – Sub fund A.

Description of Financing Facilities

A description of the Group's financing facilities, including a table setting out relevant maturities and a summary of the financial covenants applicable to such facilities is set out in Part II of this Prospectus.

PART IV:

MANAGEMENT OF THE COMPANY

Management of the Company

The Board of Directors is responsible for the determination of the Company's investment objectives and policies as specified in this Prospectus and has responsibility for its activities. The Company has, however, appointed the Manager, which is part of the Fortress group, to be responsible for managing the Group and its portfolio of assets on a discretionary basis in accordance with the investment objectives and policies of the Company and subject to the supervision of the Company's Board of Directors, of which a majority are independent of the Manager. The Company has no ownership interest in the Manager. The Manager is the Company's AIFM, as such term is defined in AIFMD.

The Manager

Fortress is a global alternative investment and asset management firm with approximately US$67.5 billion of assets under management as at 31 December 2014. Founded in 1998, Fortress seeks to provide its investors with risk-adjusted returns in a management structure that closely aligns the interests of investors and managers.

Fortress has three alternative investment businesses: private equity, credit and liquid markets. Fortress employs approximately 1,186 asset management professionals. Fortress is headquartered in New York City and its affiliates have offices in Atlanta, Dallas, Frankfurt, London, Los Angeles, New Canaan, Philadelphia, Rome, San Francisco, Shanghai, Singapore, Sydney and Tokyo.

Fortress' principals have extensive experience in the fields of real estate investment, asset-based investing and finance and risk management with respect to both dollar and non-dollar denominated investments. Fortress has a long and established track record of investing throughout a number of credit and distressed cycles around the world and is experienced at investing globally in undervalued assets and illiquid credit investments.

The Manager is a U.S. Securities and Exchange Commission-registered investment adviser which advises funds and managed accounts of Fortress.

Through investments in Italy, Fortress and Fortress-managed funds hold majority interests in Italfondiario. Italfondiario is the largest independent special servicer in Italy, currently servicing approximately €39.7 billion of assets. Italfondiario is rated Strong by Standard & Poor's and CSS1-RSS1 by Fitch and S&P, the highest ratings available for special servicing. The Manager has appointed Italfondiario as the Italian loan portfolio manager for certain of the Company's NPL portfolios.

The Manager has appointed Fortress Investment Group (UK) Limited, Fortress Investment Group Germany GmbH and Fortress Germany Asset Management GmbH, all wholly-owned subsidiaries of the Manager, to provide investment advice and/or asset or property management services to the Manager including in relation to the Group.

The Manager's Resources

The Company and the Manager have been parties to a management agreement since 23 June 2004. The Group relies on the facilities and resources of the Manager to conduct its day to day operations. The Group has access to all of Fortress' infrastructure (operational and risk management systems) and resources as well as a dedicated team of professionals responsible for the day-to-day operations of the Group. The Directors also expect the long standing close working relationships of the Manager with most market participants will afford the Group priority access to investments. The Manager is an investment adviser registered with the U.S. Securities and Exchange Commission pursuant to the Investment Advisers Act.

Pursuant to the terms of the Management Agreement, the Manager is required to provide a dedicated management team which shall have, as their primary responsibility, the management of the Company and shall devote such of their time to the management of the Company as the Board of Directors reasonably deems necessary and appropriate, commensurate with the Company's level of activity from time to time. Pursuant to an investment advisory agreement, Fortress Investment Group (UK) Limited supplies the Manager with dedicated investment advice and credit monitoring services.

Conflicts

The Management Agreement generally does not limit or restrict the Manager from engaging in any business or managing any other vehicle that invests generally in Target Investments. The Manager and its affiliates engage in a broad spectrum of investment activities that are independent from and which may, from time to time, conflict with the Group's investment activities. However, the terms of the Management Agreement prohibit the Manager and any entity controlled by or under common control with the Manager from raising or sponsoring any new investment fund, company or vehicle whose investment policies, guidelines or plan targets, as its primary investment category, investments in credit sensitive European real estate related securities (it being understood that no such fund, company or vehicle shall be prohibited from investing in credit sensitive European real estate related securities). A number of investment vehicles managed or sponsored by the Manager or its investment advisory affiliates have investment objectives which overlap, in part, with the Group's investment objectives. The Group will therefore face a number of conflicts of interest with the Manager and its affiliates with respect to the allocation of investment opportunities.

If and when other vehicles managed by the Manager intend to invest in Target Investments, the Manager will use its best judgment and act in a manner which it considers fair and reasonable in allocating investment opportunities, with the decision to allocate any particular investment opportunity being within the Manager's discretion. It is possible, therefore, that the Group will not have the opportunity to participate in investments made by such other investment vehicles which fall within the Company's investment objectives. If it is determined that it would be appropriate for the Group and one or more other investment vehicles managed by the Manager to participate in the same investment opportunity, the Manager will seek to allocate participation levels on an appropriate basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to market trends and the size, liquidity, financeability and anticipated term of the proposed investment.

The Board of Directors has adopted guidelines for investments where there may be a conflict of interest with the Manager and these guidelines, which are set out in the Management Agreement, are currently as follows:

- the Company will not invest in joint ventures with the Manager or any of its affiliates unless: (i) the investment is made in accordance with any guidelines approved by the Board of Directors from time to time; and (ii) such investment is approved in advance by a majority of the independent Directors; and
- the Group may acquire assets from the Manager or its affiliates, acquire assets in which the Manager or its affiliates has an ownership interest, sell assets to the Manager and its affiliates, appoint affiliates of the Manager to perform due diligence or service investments, provided in each case that such transaction complies with the Group's investment guidelines and the transaction is on arm's length commercial terms.

Manager's Fees and Incentive Compensation

Management Fee

As noted in Part III "Operating and Financial Review and Prospects", the terms of the Management Agreement were amended with effect from 1 January 2015. Under the terms of the amended Management Agreement, the Manager is entitled to receive from the Company an annual management fee equal to 1.50 per cent. of the Company's net asset value excluding uninvested cash and 0.75 per cent. of the Company's uninvested cash calculated and paid monthly in arrear.

The annual management fee payable under the Management Agreement is offset by any amount the Manager receives by way of fees from an SPV or subsidiary pursuant to any management agreement between the Manager and an SPV or subsidiary. Further details are set out in Part VI of this Prospectus. The Manager is entitled to use proceeds from the Management Fee in part to pay compensation to its officers and employees.

The Management Agreement will automatically renew for successive three-year periods at the expiration of its current term in August 2016 unless a majority of the holders of Shares agree, by vote, that there has been unsatisfactory performance that is materially detrimental to the Company. In these circumstances, a termination fee is payable equal to the amount of management fees earned by the Manager during the 12 consecutive calendar months immediately preceding the termination. If the Management Agreement is terminated on 60 days' prior written notice by the Company for fraud, misappropriation of funds, gross negligence or wilful violation on the part of the Manager ("cause"), no termination fee is payable.

Incentive Compensation

The Manager is entitled to receive annual incentive compensation pursuant to the terms of the Management Agreement with the Company. The purpose of the incentive compensation is to provide an additional incentive for the Manager to achieve targeted returns from its New Investments and to increase the Company's shareholder value. This incentive compensation, which is calculated on a cumulative, but not compounding, basis (and which is not subject to clawback) is an amount equal to 25 per cent. of the Euro amount by which the Company's income derived from investments made on or after 1 April 2013 (net of allocable Management Fees and expenses) exceeds the net amount invested in such investments multiplied by a simple interest rate of 8 per cent. per annum.

Upon any termination of the Management Agreement by either party (including for cause), the Company shall be entitled to purchase the Manager's right to receive incentive compensation from the Manager for a cash purchase price equal to its fair market value (as determined by independent appraisal to be conducted by an appraisal firm recognised in the United States and mutually agreed upon by the Company and the Manager) or otherwise shall continue to pay the incentive compensation to the Manager following termination or expiration of the Management Agreement, which payments could continue for an indefinite period of time. In addition, if the Company does not elect to so purchase the Manager's right to receive incentive compensation, the Manager will have the right to require the Company to purchase the same at the price described above.

The Board of Directors may request that the Manager accept all or a portion of its incentive compensation in Shares, and the Manager may elect, in its discretion, to accept such payment in the form of Shares, subject to limitations that may be imposed by any applicable laws or regulations.

Reimbursement of Expenses

Because employees of the Manager or its affiliates perform certain legal, accounting and other services that outside professionals or outside consultants otherwise would perform, the Manager will be paid or reimbursed for the cost of performing such services in addition to its Management Fee and incentive compensation, provided that such costs and reimbursements are no greater than those which would be paid to outside professionals or consultants on an arm's-length basis. In addition, insofar as the Company bears asset management (including property management) costs relating to its investments, the Manager or its affiliates will be reimbursed for any expenses incurred in contracting with third parties, including third parties who are affiliates of the Manager, for the asset management of the Company's investments.

The expenses required to be paid by the Company include, but are not limited to, issuance and transaction costs incidental to the acquisition, disposition and financing of investments, legal and auditing fees and expenses, the compensation and expenses of the Company's directors, the costs associated with the establishment and maintenance of any credit facilities and other indebtedness of the Company (including commitment fees, legal fees, closing costs, etc.), expenses associated with other securities offerings of the Company, the costs of preparing, printing and mailing the Company's annual report to its shareholders and proxy materials with respect to any meeting of the shareholders of the Company, costs incurred by employees of the Manager for travel on the Company's behalf, costs associated with any computer software or hardware that is used by the Company, costs to obtain liability insurance to indemnify the Company's directors and officers and the compensation and expenses of its transfer agent and administrator. The Manager is responsible for the following expenses: (i) the wages and salaries of its employees, officers and those of its affiliates to the extent not specifically covered by the Company; (ii) rent attributable to space occupied by the Manager and its affiliates; and (iii) all other overhead expenses not specifically covered by the Company.

Manager's Options

The Company has granted options to the Manager representing the right to acquire 10 per cent. of: (i) the number of Shares offered and sold in its private offering in October 2003 at an exercise price per Share of €1.00 (before consolidation of the Shares of the Company on 13 June 2004); (ii) the number of Shares offered and sold in its initial public offering in June 2004 at an exercise price per Share of €12.00 (which was the offer price for that offering) which have lapsed in 2014; (iii) the number of Shares offered and sold in its repeat offering in June 2005 at an exercise price of €17.25 per Share (which was the offer price for that offering); (iv) the number of Shares offered and sold in its repeat offering in January 2006 at an exercise price of €30.00 per Share (which was the offer price for that offering); (v) the number of Shares issued to the Fortress Funds in March 2006 at an exercise price per Share of €18.00 (which was the issue price for that issue); (vi) the number of Shares offered and sold in its repeat offering in December 2006 at an exercise price of €37.00 per Share (which was the offer price for that offering); (vii) the number of Shares offered and sold in its repeat offering in May 2013 at an exercise price of €7.25; and (viii) the number of Offer Shares offered and sold at an exercise price per Share equal to the Offer Price. The Options are fully vested and immediately exercisable on the date of grant and remain exercisable for 10 years following the date of grant. The number of options and the exercise price for each grant has been adjusted to reflect the consolidation of Shares on 8 May 2013. The Options were and are being granted in connection with the Manager's work related to the Company's offerings and provide an additional incentive for the Manager to enhance the value of the Company's Shares. The Options granted to the Manager form part of a "tandem award" where the Company may grant awards to the employees of the Manager. If the employees of the Manager exercise their options, the Manager's Options will no longer be exercisable to the extent exercised by the employee. The Manager's Options have been granted, and any tandem awards will be granted, under the Eurocastle Non-Qualified Share Option Plan adopted on 31 December 2003 (the "Plan"). As at the date of this Prospectus, no tandem options have been granted.

On 13 May 2013, the Board agreed to extend the Plan for a further term of 10 years so that Options may be granted pursuant to the Plan on any date on or before 31 December 2023.

Share-based payments are accounted for based on their fair value on the grant date in accordance with the provisions of IFRS 2, Share-Based Payment. Share options granted in 2003 and 2004, for the purpose of compensating the Manager for its successful efforts in raising capital for the Company, have therefore been accounted for at the fair value on the grant date. The fair values of such Options at the date of grant have been debited to equity as the costs of issuance of Shares with corresponding increases in other reserve.

Eligibility

The Manager and each employee of the Manager who is performing services for the Group and each officer, employee, consultant or adviser of the Group or any parent, affiliate or subsidiary of the Group is eligible for awards under the Plan.

Awards

Awards under the Plan will be granted by the Board. The Board or a committee of the Board, as applicable, may grant awards singularly, in tandem or in combination with other awards.

The awards which may be granted under the Plan are:

- share options, which are rights to acquire a specified number of Shares at an option price during a specified time as the Board determines. The share option will lapse on the 10th anniversary of its date of grant unless otherwise determined by the Board at the date of grant or in an award agreement. The option price will be fixed at the time of grant and will be the closing price of a Share of the Company on the principal stock exchange on which the Shares are trading;
- share appreciation rights, which are rights to receive, upon surrender of the rights, an amount payable in cash and/or in Shares under such terms and conditions as the Board may determine. The amount payable in cash and/or Shares with respect to each right will be equal to the percentage of the amount by which the fair market value of a Share on the exercise date exceeds the fair market value of a Share on the date of grant. The applicable percentage will be established by the Board; and

- performance awards based on such conditions as the Board deems appropriate. The performance awards may be contingent upon the performance of the Group's or the individual's performance. Performance awards may be in the form of performance units, performance shares and such other performance awards as the Board may determine.

The Board may amend the Plan. The participant's consent is required if the amendment adversely affects the rights of a participant.

As at 23 April 2015, Fortress, its principals and its senior management owned approximately 4.96 per cent. of the issued equity capital of the Company (and, assuming the exercise of their options to purchase shares of the Company, an additional 4.45 per cent. of the then issued share capital). In addition, certain funds managed by the Manager on behalf of third party investors owned approximately 10.37 per cent. of the Company's issued share capital as at 23 April 2015.

Code of Business Conduct and Ethics

The Manager has a code of business conduct and ethics governing matters such as conflicts of interest, insider trading and fair dealing. The code applies to all of the Manager's employees and sets out procedures for reporting violations and the consequences of non-compliance.

The Administrator

The Company entered into an Amended and Restated Administration Agreement with International Administration Group (Guernsey) Limited ("IAG") on 1 July 2009, under which IAG provides administrative and corporate secretarial services for the Company.

IAG was incorporated as a company with limited liability in Guernsey on 1 February 2000 and has its registered office at Regency Court, Glategny Esplanade, St Peter Port, Guernsey GY1 1WW. The ultimate holding company of IAG is IAG Holdings Limited, which is incorporated in Guernsey.

IAG is licensed to carry out controlled investment business in the Bailiwick of Guernsey.

Fees of IAG

IAG is entitled to receive from the Company a fee at the rate of €97,000 per annum, payable quarterly in advance. The Group shall reimburse IAG in respect of all documented reasonable out of pocket expenses properly incurred by it in the performance of its duties.

Directors

The Directors, all of whom are non-executive and do not have service contracts, are as follows:

Keith Dorrian was born in Guernsey in 1946 and has close to 40 years' experience in the offshore finance industry. Joining Manufacturers Hanover in 1973 he moved to First National Bank of Chicago in 1984 where he was appointed Vice President and Company Secretary. In 1989 he joined ANZ Bank (Guernsey) where, as a Director of the Bank and Fund Management company, he was closely involved in the banking and fund management services of the Group. He took up the position of Manager Corporate Clients in Bank of Bermuda (Guernsey) Ltd in 2000 and was appointed local Head of Global Fund Services and Managing Director of the Guernsey Bank's Fund Administration company, Management International (Guernsey) Limited, in 2001, retiring on 31 December 2003. He is currently a member of the Guernsey Investment Fund Association, the Institute of Financial services, has been elected a Fellow of the Institute of Directors and holds the Institute's Diploma in Company Direction and is a Director of a number of listed and unlisted funds and fund management companies.

He was appointed as a Director of the Company on 1 August 2003.

Randal A. Nardone is a principal and has been a member of the board of directors of Fortress Investment Group LLC since November 2006. Mr. Nardone has been a member of the Management Committee of Fortress since 1998. He served as interim Chief Executive Officer from December 2011 to July 2013 and was appointed as Chief Executive Officer in August 2013. Mr. Nardone is a Secretary of Newcastle Investment Corp. Mr. Nardone is also a Vice President and the Secretary of Newcastle Investment Holdings LLC (the predecessor of Newcastle). Prior to co-founding Fortress in 1998, Mr. Nardone was a managing director of UBS from May 1997 to May 1998. Before joining UBS in 1997, Mr. Nardone was a principal of BlackRock Financial Management, Inc. Prior to joining BlackRock, Mr. Nardone was a partner and a member of the executive committee at the law firm of Thacher Proffitt & Wood. Mr. Nardone received a B.A. in English and Biology from the University of Connecticut and a J.D. from Boston University School of Law. Mr Nardone was appointed as a Director of the Company on 22 August 2006.

Jason Sherwill is a Fellow of the Institute of Chartered Accountants in England and Wales, having trained in Guernsey with Peat Marwick Mitchell (which subsequently became KPMG), qualifying in 1980. Following qualification, he transferred to KPMG in Western Australia, spending four years in the audit division, the final two years as manager, before returning to Guernsey in early 1986. A transfer in 1988 to the expanding fiduciary division of KPMG Channel Islands then followed, and he became a partner of the Channel Islands firm in October 1990 as well as director of Orbis Management Limited, the entity under which the fiduciary division traded. This continued until September 2000 when Orbis Management Limited was acquired by Dresdner Bank/Kleinwort Benson. Following four years with Kleinwort Benson, in August 2004 he established the Guernsey office of Fauchier Partners, a London based fund of hedge funds manager/adviser for high net worth and institutional clients, and which had been a client of Orbis Management since 1995. In January 2005 he was appointed as CFO to the Fauchier Partners group in addition to having overall responsibility for managing the Guernsey office. In 2008 he decided to leave full-time employment, but continued in a non-executive directorship role with Fauchier Partners until March 2014. He is a director of a number of Guernsey open-ended investment funds in addition to the directorship of Eurocastle. Mr Sherwill was appointed as a Director of the Company on 3 February 2014.

Peter Smith is a member of the Board of Directors. Mr. Smith is a managing director in the Private Equity business at Fortress Investment Group LLC and is also a member of the firm's Management Committee. In addition Mr. Smith is a director of Nationstar Mortgage and National Real Estate Investment Services, and a member of the board of Springleaf Financial. Mr. Smith joined Fortress in May 1998, prior to which he worked at UBS and, before that, at BlackRock Financial Management Inc. from 1996 to 1998. Mr. Smith worked at CRIIMI MAE Inc. from 1991 to 1996. Mr. Smith received a BBA in Finance from Radford University and an MBA in Finance from George Washington University. He was appointed as a Director of the Company on 17 November 2011.

Simon Thornton was born in Sheffield in 1964. After completing his PhD at Nottingham University, Dr. Thornton joined PKF in 1992 and qualified as a Chartered Accountant. He was appointed Audit Director in 1997 and was responsible for the audit of a wide range of Financial Services Businesses. Dr. Thornton was appointed as the managing director of the Praxis Group in 2002. Following a recent merger, he is Chief Executive Officer of PraxisIFM one of the largest independent financial services groups based in the Channel Islands. Additionally, he is the director of a number of investment companies and several Channel Islands trading companies. He chairs the Audit and Remuneration Committees of SandpiperCI Limited. Dr. Thornton was appointed as a Director of the Company on 22 August 2006.

Directors' Fees

The ordinary remuneration of each Director for their services will be determined from time to time by the Directors but shall not exceed €100,000 each per annum or such higher amount as may be determined by an ordinary resolution of the Company. The Company may also reimburse any Director for such reasonable expenses as may be incurred in connection with the performance of their duties as Directors of the Company.

The total aggregate remuneration paid to the independent Directors for the period ended 31 December 2014 was €130,000. Neither Randal A. Nardone nor Peter Smith receives any remuneration from the Company.

Keith Dorrian and Jason Sherwill each currently receive €40,000 per annum payable quarterly in equal instalments. Simon Thornton is currently entitled to receive €50,000 per annum payable quarterly in equal instalments. They are also currently entitled to receive 1,000 Shares each per annum.

No amounts have been set aside or accrued by the Group to provide pension, retirement or similar benefits for any of the Directors.

As at the date of this Prospectus, Keith Dorrian holds 2,045 Shares, Randal A. Nardone holds 772,082 Shares, Jason Sherwill holds 1,000 Shares and Simon J. Thornton holds 7,547 Shares. Peter Smith does not hold any Shares as at the date of this Prospectus.

The Company's Audit Committee meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts, half yearly reports, interim management statements and to discuss the audit plan with the auditors.

Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement are considered before proceeding.

Simon J. Thornton acts as chairman of the Audit Committee, with Jason Sherwill and Keith Dorrian also members of the Audit Committee. The principal duties of the Audit Committee are to monitor the integrity of the financial statements; consider the appointment of external auditors; to discuss and agree with the external auditors the nature and scope of the audit; to keep under review the scope; results and cost effectiveness of the audit and the independence and objectivity of the auditor; to review the external auditors' letter of engagement and management letter; and to analyse the key procedures adopted by the Company's service providers.

PART V:

THE OFFER

The Offer

The Company intends to issue 39,762,992 Offer Shares pursuant to the Offer which would represent 54.92 per cent. of the enlarged share capital of the Company and raising net proceeds of €304,042,036.

The Offer is being made by means of an offer of Offer Shares to certain institutional and other sophisticated investors outside the United States and in the United States to Accredited Investors or Qualified Institutional Buyers that in each case are also Qualified Purchasers or Knowledgeable Employees. Typical investors in the Company are expected to be sophisticated, institutional and/or professional investors who understand the risks involved in investing in the Company and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. The Offer Shares are not being offered to and are not eligible for investment by any Benefit Plan Investor and any purported purchase or transfer of an Offer Share to a Benefit Plan Investor is subject to restrictions as provided in the Articles of Incorporation and this Prospectus.

The Offer will dilute each existing shareholding prior to the Offer by 54.92 per cent. if such shareholder does not subscribe in the Offer (so that a 1 per cent. shareholding immediately prior to the Offer would represent a 0.45 per cent. shareholding immediately after the Offer). The net asset value of the Company will increase by the amount equal to the net proceeds of the Offer. Until such proceeds begin to be used for the purposes disclosed in this Prospectus, the Directors expect that the Offer will not be accretive to earnings.

The Offer will be conditional on Admission occurring and becoming effective by 8.00 a.m. (Amsterdam time) on or prior to 29 April 2015 (or such later date as the Company may determine). In the circumstances in which the conditions set out in this Part V are not fully met, the Offer will not take place and no Offer Shares will be issued.

For additional information on the options granted to the Manager see "Manager's Fees and Incentive Compensation – Manager's Options" in Part IV of this Prospectus.

All Offer Shares issued pursuant to the Offer will be issued, payable in full, in cash at the Offer Price of €7.85. Immediately following Admission of the Offer Shares, it is expected that at least 25 per cent. of the Company's issued Shares (before exercise of the Manager's Options) will be held in public hands.

Allocation and Pricing

All Offer Shares issued pursuant to the Offer will be issued at the Offer Price of €7.85. The Offer Price and allocation of Offer Shares under the Offer has been determined by the Sole Bookrunner in consultation with the Company having regard to the outcome of the bookbuilding process.

Amongst the factors considered in determining the Offer Price were the prevailing market conditions, the closing price of the Shares on the dealing day prior to pricing and the demand for Offer Shares in the bookbuilding.

Underwriting

The Offer is fully underwritten by the Sole Bookrunner, in accordance with the terms of the Underwriting Agreement. Details of the Underwriting Agreement between the Company, the Manager, the Directors and the Sole Bookrunner are set out in Part VI "Additional Information" of this Prospectus.

The Offer is conditional upon the Underwriting Agreement becoming unconditional and not having been terminated in accordance with its terms in respect of the Offer.

The obligations of the Sole Bookrunner under the Underwriting Agreement are, and the Offer is, conditional on, *inter alia*:

(i) Admission occurring by not later than 8.00 a.m. (Amsterdam time) on 29 April 2015 (or such later time and date as the Company and the Sole Bookrunner may agree in writing);

(ii) the warranties, representations and undertakings given by the Company in the Underwriting Agreement being true and accurate and not misleading in any respect on and as of the date of the Underwriting Agreement and at any time prior to Admission; and

(iii) the fulfilment by the Company of its obligations under the Underwriting Agreement which are required to be performed or satisfied on or prior to Admission, save to the extent that any non-compliance is not material in the context of the Offer.

If any condition in the Underwriting Agreement is not satisfied or waived in accordance with the Underwriting Agreement within the stated time periods (or such later time and/or date as the Company and the Sole Bookrunner may agree), or has become incapable of being satisfied, or the Underwriting Agreement is terminated in accordance with its terms, the Offer will lapse. The Sole Bookrunner may in its sole discretion and upon such terms as they think fit, waive compliance by the Company with, or extend the time and/or date for fulfilment by the Company of the whole or any part of any of the Company's obligations in relation to the conditions in the Underwriting Agreement, save that certain conditions, including the condition relating to Admission referred to in paragraph (i) above may not be waived.

In addition, the Company reserves the right to decide not to proceed with the Offer at any time prior to Admission.

Dealings

Application will be made for the Offer Shares to be issued pursuant to the Offer to be admitted to listing on Euronext Amsterdam. It is expected that Admission of the Offer Shares will become effective and that dealings in Shares will commence in accordance with the timetable set out on page 53 of this Prospectus. The Company, Euronext Amsterdam and the Listing Agent do not accept any responsibility on liability with respect to any person as a result of the withdrawal of the listing or the (related) annulment of any transaction in Shares on Euronext Amsterdam. Allotment, delivery and settlement of the Shares is expected to take place in accordance with the timetable set out on page 53 of this Prospectus through the book entry systems of CREST UK and/or Euroclear Netherlands.

Dealings in Offer Shares in advance of the crediting of the relevant CREST UK stock account or the despatch of the relevant share certificate shall be at the risk of the person concerned.

Settlement

Save in respect of initial purchasers who are Qualified Institutional Buyers, each initial purchaser of Shares who is a U.S. Person and each U.S. Person who acquires Shares from another U.S. Person (other than pursuant to a *bona fide* market purchase on Euronext Amsterdam) is required to hold Shares in certificated form.

Temporary documents of title will not be issued pending the despatch by post of definitive certificates in respect of Offer Shares in certificated form which is expected to take place in accordance with the timetable set out on page 53 of this Prospectus (or as soon as practicable thereafter). Pending the despatch of such certificates, transfers will be certified against the register.

CREST UK/Euroclear Netherlands

The Shares will be in registered form and, subject to the ERISA and Investment Company Act considerations set out in Part VIII of this Prospectus, will be eligible for settlement through CREST UK. Investors may hold Shares either directly in CREST UK or indirectly through Euroclear Netherlands participants.

The Company will arrange for the Registrar to be instructed to credit the Euroclear UK account of the Sole Bookrunner with the Offer Shares to be issued in uncertificated form in accordance with the timetable set out on page 53 of this Prospectus. The Sole Bookrunner will then settle on a delivery versus payment basis with successful applicants under the Offer either through CREST UK or Euroclear Netherlands. Investors who hold Shares indirectly in CREST UK through Euroclear Netherlands participants may incur higher custody charges for their Shares than if such Shares were held directly in CREST UK. Also, as a result of the Company being incorporated in Guernsey, investors may incur higher transaction or brokerage costs when dealing with Shares. Investors should be aware that Offer Shares delivered in certificated form are likely to incur, on an ongoing basis, higher dealing costs than those in respect of Offer

Shares held in Euroclear UK accounts. Offer Shares initially issued in certificated form may subsequently be deposited into Euroclear UK accounts in accordance with normal CREST UK procedures subject to the ERISA and Investment Company Act considerations set out in Part VIII of this Prospectus.

Offer Shares settled through CREST UK are subject to the restrictions on transfer set out in Part VIII of this Prospectus.

Selling Restrictions

Please see "Important Information – Other Selling Restrictions" and "Transfer restrictions" of Part VIII of this Prospectus for details of certain restrictions relating to the Offer Shares.

Lock-up Arrangements

The Company has agreed not to issue any Shares (other than Shares issued pursuant to the Offer and the Manager's Options) for a period of 90 days from Admission of the Offer Shares (subject to certain exceptions, including where the Sole Bookrunner have consented to the issue or sale, as the case may be).

Costs and Expenses of the Offer

The costs and expenses of the Offer will be borne by the Company. The costs are expected to be approximately €8.1 million.

PART VI:

ADDITIONAL INFORMATION

1. Incorporation and Share Capital

The Company is incorporated and domiciled in Guernsey and was registered on 8 August 2003 under the provisions of the Companies (Guernsey) Law, 1994 (as amended), as a closed-ended investment company limited by shares (registered number 41058) under the name of Eurocastle Investment Limited. The Company operates under the Companies (Guernsey) Law and regulations made under that law. The base currency of the Company is the euro. The Company was incorporated with, and as at 30 September 2013 it had, an authorised share capital consisting of an unlimited number of Shares of no par value each. On 21 October 2003, the Company issued 118,576,700 Shares at €1.00 each. Pursuant to a written resolution of the Company dated 18 June 2004, the Shareholders resolved to consolidate the Shares and:

- to receive one Share in exchange for every ten Shares previously held by them; and
- to adopt new Articles of Incorporation, the material terms of which are summarised below.

At its initial public offering in June 2004, the Company issued 6,600,000 Shares at €12.00 per Share and further issued 6,000 Shares, also at €12.00 per Share, to directors Paulo Bassi and Keith Dorrian. At its annual general meetings in April 2005 and June 2006, the Company issued an additional 6,000 Shares to Paulo Bassi and Keith Dorrian. In its June 2005 offering, the Company issued 5,740,000 Shares at €17.25 per Share. In February 2006, pursuant to an agreement signed in December 2005, the Company issued 8,571,429 Shares to the Fortress Funds at €18.00 per Share. In its January 2006 offering, the Company issued 11,667,000 Shares at €30.00 per Share. On 1 February 2006, the over-allotment option relating to the January offering was exercised resulting in 1,156,000 ordinary shares being issued at €30 each. On 1 June 2006, 6,000 shares were issued to Paulo Bassi and Keith Dorrian in their capacity as Directors. On 8 June 2006, 71,146 options with a strike price of €10 each were exercised. On December 2006, a further public offering of 17,837,838 shares at €37 each was raised.

On 19 January 2007, 20,000 options with a strike price of €10.00 per Share were exercised. On 7 March 2007, 237,445 options with an average strike price of €21.26 were exercised. On 12 April 2007, 15,000 options with a strike price of €10.00 were exercised. On 7 May 2007, 10,573 options with an average strike price of €11.89 were exercised. On 21 May 2007, 8,639 options with an average strike price of €16.46 were exercised. On 29 May 2007, 8,891 options with an average strike price of €17.37 were exercised. On 2 July 2007, 2,429 share options with a strike price of €18.00 were exercised. On 20 August 2007, 3,000 shares were issued to Paulo Bassi, Keith Dorrian and Simon Thornton as part of their Directors' remuneration. On 1 October 2007, 13,238 share options with an average strike price of €12.81 were exercised. On 10 October 2007, 1,000 shares were issued to Udo Scheffel as part of his Directors' remuneration. On 11 October 2007, 34,305 share options with a strike price of €10.00 were exercised. On 12 October 2007, 29,031 share options with a strike price of €10.00 were exercised. On 15 October 2007, 25,000 share options with a strike price of €10.00 were exercised.

On 14 August 2008, 4,000 shares were issued to Paulo Bassi, Keith Dorrian, Udo Scheffel and Simon Thornton in their capacity as Directors at nil proceeds. On 25 September 2008, the Group repurchased 3,199,988 ordinary shares, representing 5 per cent. of the ordinary shares in issue, at a fixed price of €6.00 per Share.

On 22 June 2009, 4,000 shares were issued to Paulo Bassi, Keith Dorrian, Udo Scheffel and Simon Thornton as part of their remuneration as Directors for nil value.

On 25 June 2009, the Group issued €75 million of perpetual subordinated convertible securities (net of transaction costs of €1.2 million) on the following terms:

- The convertible securities were issued at par and will be entitled to a coupon of 20 per cent., payable annually in arrears. Interest may accrue and is capable of being paid in shares at the conversion price at the Company's discretion upon conversion. No interest will be paid out until the corporate loan facility has been paid off in full.

- The convertible securities are perpetual but the Company may redeem the securities after two years at a premium of 20 per cent.
- The securities will be convertible into shares at the holder's option at a conversion price per Ordinary Share of €0.30.
- The securities have a minimum denomination of €50,000 and are unlisted but can be transferred.

On 6 October 2009, the Group raised an additional €15 million of capital through the issuance of further convertible securities on terms that economically represented a premium to par. On 19 October 2009, the Group issued a further €9.75 million of convertible securities on the same terms as the prior issuance.

On 25 February 2010, convertible security holders presented €1.5 million of convertible securities for conversion. The Company duly converted these securities and issued 5,000,000 shares. On 21 June 2010, 4,000 shares were issued to Paulo Bassi, Keith Dorrian, Udo Scheffel and Simon Thornton per their in-place compensation arrangements at nil consideration.

On 12 July 2011, 4,000 shares were issued to Paulo Bassi, Keith Dorrian, Udo Scheffel and Simon Thornton per their in-place compensation arrangements at nil consideration. On 25 July 2011, convertible security holders presented €3.0 million of convertible securities for conversion. The Company duly converted these securities and issued 10,050,268 shares. On 29 July 2011, convertible security holders presented €3.2 million of convertible securities for conversion. The Company duly converted these securities and issued 10,568,550 shares. On 4 August 2011, convertible security holders presented €0.1 million of convertible securities for conversion. The Company duly converted these securities and issued 219,725 shares.

On 13 June 2012, 4,000 shares were issued to Paulo Bassi, Keith Dorrian, Udo Scheffel and Simon Thornton per their in-place compensation arrangements at nil consideration. On 5 June 2012, convertible security holders presented €0.1 million of convertible securities for conversion. The Company duly converted these securities and issued 370,443 shares. On 19 July 2012, convertible security holders presented €0.3 million of convertible securities for conversion. The Company duly converted these securities and issued 998,755 shares. On 6 August 2012, convertible security holders presented €3.2 million of convertible securities for conversion. The Company duly converted these securities and issued 10,546,849 shares. On 10 August 2012, convertible security holders presented €0.2 million of convertible securities for conversion. The Company duly converted these securities and issued 635,046 shares. On 18 September 2012, convertible security holders presented €0.3 million of convertible securities for conversion. The Company duly converted these securities and issued 1,091,125 shares. On 27 September 2012, convertible security holders presented €0.2 million of convertible securities for conversion. The Company duly converted these securities and issued 594,634 shares. On 3 October 2012, convertible security holders presented €0.7 million of convertible securities for conversion. The Company duly converted these securities and issued 2,493,999 shares. On 4 October 2012, convertible security holders presented €0.2 million of convertible securities for conversion. The Company duly converted these securities and issued 594,634 shares. On 10 October 2012, convertible security holders presented €2.5 million of convertible securities for conversion. The Company duly converted these securities and issued 8,244,053 shares. On 29 October 2012, convertible security holders presented €0.6 million of convertible securities for conversion. The Company duly converted these securities and issued 2,159,156 shares. On 7 November 2012, convertible security holders presented €0.6 million of convertible securities for conversion. The Company duly converted these securities and issued 1,962,868 shares. On 8 November 2012, convertible security holders presented €1.1 million of convertible securities for conversion. The Company duly converted these securities and issued 3,691,397 shares. On 13 November 2012, convertible security holders presented €0.2 million of convertible securities for conversion. The Company duly converted these securities and issued 606,180 shares. On 23 November 2012, convertible security holders presented €2.1 million of convertible securities for conversion. The Company duly converted these securities and issued 6,855,452 shares.

On 28 March 2013, the Company obtained approval from the holders of its convertible securities to lower the conversion price from €0.30 to €0.05 per Share in exchange for, *inter alia*, the right for the Company to require a conversion of all outstanding convertible securities. The Conversion has discharged the Company's liability to pay interest and repay the outstanding principal amount on the convertible securities and, subject to investment proceeds being available for the purpose and other legal requirements, will allow the Company to reinstate regular dividend payments to Shareholders. The Company and the Manager also agreed a material reduction in the level of annual management fees payable to the Manager by the Company to take effect following the Conversion. These fee arrangements are described in Part IV.

On 12 April 2013, the Company converted all outstanding convertible securities to Shares and increased the issued share count to 3,525,900,497. In accordance with Guernsey law, Shareholder approval was not required in connection with the Conversion.

On 8 May 2013, the Company consolidated its share capital such that every 200 Shares were consolidated into one Share. This resulted in the number of issued shares decreasing to 17,629,502 Shares.

On 30 May 2013, the Company issued 15,000,000 Shares at €7.25 per Share.

On 1 October 2013, the Company issued 3,000 Shares to Keith Dorrian, Udo Scheffel and Simon Thornton (1,000 Shares each) as part of their remuneration as Directors for nil value.

On 20 June 2014, the Company issued 3,000 Shares to Keith Dorrian, Jason Sherwill and Simon Thornton (1,000 shares each) as part of their remuneration as Directors for nil value.

As at the date of this Prospectus, the issued share capital of the Company (all of which is fully paid up) consists of 32,635,502 Shares and Options over 1,521,407 Shares.

Shares in the Company are listed on Euronext Amsterdam.

There are no provisions of Guernsey law which confer rights of pre-emption upon the issue or sale of any class of Shares in the Company.

Under the Companies (Guernsey) Law, the Shares can be compulsorily acquired from minority shareholders using a squeeze-out procedure if a take-over offer satisfies certain requirements. This procedure is triggered when shareholders holding 90 per cent. of the value of the shares affected by the offer accept the offer.

Save as disclosed in this Prospectus, no share or loan capital of the Group has been issued or agreed to be issued and no such capital of the Group is proposed to be issued or is under option or agreed conditionally or unconditionally to be put under option.

2. Memorandum

The Memorandum provides that the Company's principal object is to carry on business as an investment company.

The objects of the Company are set out in full in Clause 3 of the Memorandum which is available for inspection as stated at paragraph 11 of this Part VI.

3. Articles of Incorporation

The following is a summary of the principal provisions of the current Articles of Incorporation of the Company insofar as they have not been described earlier in this Prospectus.

Capital Structure

Under the Articles, the Directors have discretion to issue or grant options (or other rights of subscription or conversion) over Shares of the same class and to create new classes of Shares to such persons on such terms and conditions and at such times as the Directors determine. All Shares of each class will rank *pari passu* unless otherwise provided when the Shares are offered for sale.

Variation of Class Rights and Alteration of Capital

Subject to the provisions of Guernsey law, all or any of the special rights for the time being attached to any class of shares issued may (unless otherwise provided by the terms of issue of the shares of that class or the Articles) from time to time (and notwithstanding that the Company may or may be about to be in liquidation) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters of the capital committed or agreed to be committed in respect of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles, but so that the quorum at such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third of the capital committed or agreed to be committed in respect of the issued shares of the class in question. The Companies (Guernsey) Law does not specify a special quorum for such meetings.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Investors should note that the powers in the Articles of Incorporation to alter share capital are the same as would arise under Guernsey law, except that the share capital is currently limited in the Articles of Incorporation to the issue of ordinary shares. As such, shareholder approval would be required to issue shares of any other class of share capital.

Issue of Shares

The directors have power to issue an unlimited number of new Shares, subject to compliance with the procedural requirements of the Companies (Guernsey) Law (which includes satisfying themselves that the consideration for the issue of such shares is fair and reasonable to the Company and its existing members).

Classes of Shares

The rights attaching to the Shares are as follows:

(a) *Voting Rights*

Subject to any special rights or restrictions which may be attached to any class of share on a show of hands, every holder of Shares who (being an individual) is present in person or by a proxy shall have one vote and, on a poll, every holder present in person or by a proxy shall have one vote for every Share held.

(b) *Dividends and Distributions*

Subject to the Companies (Guernsey) Law, and as hereinafter set out, the Directors of the Company may from time to time declare dividends on Shares (which may, under the Companies (Guernsey) Law, be paid from any source, provided that the directors are satisfied on reasonable grounds that it is, and remains, solvent). Dividends will be declared and paid to Shareholders *pro rata* to their Shareholdings and no dividend will exceed the amount recommended by the Directors. The Directors have the right to recommend the payment of interim dividends in respect of the Company at their discretion, provided that dividends will be payable only to the extent that they are justified by the position of the Company and no dividend will be paid or distribution will be made otherwise than in accordance with the requirements of the Companies (Guernsey) Law. All unclaimed dividends and distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No dividend or distribution shall bear interest against the Company. Any dividend or distribution unclaimed after a period of 12 years from the date of declaration thereof will be forfeited and will revert to the Company.

(c) *Redemption*

The Shares do not carry a right to redemption by Shareholders.

Transfer and Compulsory Transfer of Shares

Subject to any restrictions on transfers described below and in Part VIII of this Prospectus:

(a) Any Shareholder may transfer all or any of his uncertificated shares by means of a relevant system authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the laws applicable to the Company or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system and accordingly no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred.

(b) Any Shareholder may transfer all or any of his certificated shares by an instrument of transfer in any usual form, or in any other form which the Board may approve, signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

(c) The Directors shall not be bound to register more than four persons as joint holders of any Share. In addition, the Articles allow the Directors to refuse to consent to a transfer by a Shareholder (a "Defaulting Shareholder") who, having been requested to do so by the Directors, fails to provide certain information regarding the interests of other persons in the Shares held by the Defaulting Shareholder.

The Articles require that Defaulting Shareholders can only make "approved transfers" as is defined in the Articles.

The Directors may refuse to register a transfer of Shares in the circumstances set out in Part VIII of this Prospectus provided that such discretion may not be exercised in such a way as to prevent dealings in Shares taking place on an open and proper basis.

Directors

(a) Unless otherwise determined by the Board, the number of Directors shall be not less than two or more than ten.

(b) The Directors shall not be required to hold any qualification shares. At each annual general meeting: (1) any Director who was elected or last re-elected a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation; and (2) such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one-third of the number of Directors in office at the date of the notice of the meeting (or, if their number is not a multiple of three, the number nearest to but not greater than one-third).

(c) The Directors (other than alternate directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine provided that the amount paid to any Director by way of fees shall not exceed €100,000 in any financial year, or such higher amount as may be determined from time to time by ordinary resolution of the Company. Any fees payable pursuant to the Articles shall be distinct from and shall not include any salary, remuneration for any executive office or other amounts payable to a Director pursuant to any other provisions of the Articles and shall accrue from day to day. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company. If by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, he may be paid such reasonable additional remuneration as the Board may determine.

(d) A Director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board.

(e) Subject to certain exceptions, a Director may not vote (or be counted in the quorum) in respect of any resolution of the Directors or committee of the Directors concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company).

(f) Any Director may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(g) Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Company or in which the Company may be interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such company.

(h) The Directors shall not be subject to a mandatory retirement age.

Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and hypothecate, mortgage, charge or pledge the assets, property and undertaking of the Company or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The borrowings of the Company shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 95 per cent. of the aggregate value of the assets of the Company (calculated in accordance with the Articles of Incorporation).

Disclosures of Beneficial Interests in Shares

(a) The Directors may serve notice on any Shareholder requiring that Shareholder to disclose to the Company the identity of any person (other than the Shareholder) who has an interest in the Shares held by the Shareholder and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

(b) If any Shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more in nominal value of the issued shares of the relevant class), the Directors in their absolute discretion may serve a direction notice on the Shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "Default Shares") and any other shares held by such Shareholder, such Shareholder shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. of the Shares for the time being in issue, the direction notice may additionally direct that dividends on such Default Shares will be retained by the Company (without interest), and that no transfer of Default Shares (other than a transfer approved under the Articles) shall be registered until the default is rectified.

Annual General Meeting

The annual general meeting of the Company will be held in Guernsey or such other place as may be determined by the Board of Directors. Notices convening the general meeting in each year will be sent to Shareholders at their registered addresses or despatched by other reasonable means not later than 10 clear days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders at their registered addresses or by Shareholders requisitioning such meetings in accordance with the Articles of Incorporation and Guernsey law.

Winding Up

The Company may be voluntarily wound up at any time by special resolution. On a winding up, the surplus assets remaining after payment of all creditors, including the repayment of bank borrowings shall be divided *pari passu* amongst Shareholders *pro rata*, according to the rights attached to the Shares.

Untraceable Shareholders

The Company shall be entitled to sell at the best price reasonably obtainable the shares of a Shareholder or any shares to which a person is entitled by transmission on death or bankruptcy if and provided that:

(a) for a period of 12 years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Shareholder or to the person so entitled to the share at his address in the Register or otherwise the last known address given by the Shareholder or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Shareholder or the person so entitled provided that in any such period of 12 years the Company has paid at least three dividends whether interim or final;

(b) the Company has at the expiration of the said period of 12 years by advertisement in a newspaper circulating in the area in which the address referred to in sub-paragraph (a) above is located given notice of its intention to sell such shares;

(c) the Company has not during the period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Shareholder or person so entitled; and

(d) if any part of the share capital of the Company is quoted on any stock exchange, the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such shares.

4. Report and Accounts

The annual report and accounts of the Company will be made for the 12 month period ending 31 December in each year. Copies of the annual audited financial statements and unaudited interim reports will be made available for inspection at and may be obtained upon request from the registered office of the Company shortly thereafter.

5. Directors' Interests

No Directors have any convictions in relation to fraudulent offences. None of the Directors have been the subject of any official public incrimination or sanction by statutory or regulatory authorities (including designated professional bodies) and none of the Directors have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Within the past five years, none of the Directors have been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of an administrative, management or supervisory body or a senior manager.

There are no outstanding loans granted by the Group to Directors, nor are there any guarantees provided by the Group for the benefit of any Director.

Save in respect of Randal Nardone's and Peter Smith's duties in their capacity as investment professionals working within the Fortress group as described on pages 87-88, no Director is subject to any conflict of interest between his duties to the Group and his private interests or other duties.

Over the five years preceding the date of this Prospectus, the Directors have been members of the administrative, management or supervisory bodies of the following companies and partnerships (apart from the Company):

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
Keith Dorrian	AB Alternative Strategies PCC Limited AB International Fund PCC Limited Arab Bank Fund Managers (Guernsey) Limited IIAB PCC Limited DW Catalyst Fund Limited Custom Portfolio PCC Ltd Credit Suisse Core Alternative Strategies Ltd Pensus Limited Premium Portfolio Fund PCC Ltd Premium Series PCC Ltd Asian Alternative Strategies Fund Ltd Leano Limited Eagle & Dominion Limited Eagle & Dominion Growth Fund Limited Eurocastle Investments Limited Strategic Investment Portfolio Holdings Limited Strategic Investments GP Limited	BH Credit Suisse Catalysts Limited Credit Suisse Opportunistic Alternative Strategies Limited Credit Suisse Global Real Estate & Infrastructure Opportunities Ltd Clarion ICC Limited Cayuga Global Growth Fund Elven Investments Limited Guernsey Training Agency Limited Hermes Absolute Return Fund Limited Hermes Commodities Umbrella Fund Limited HCIF Index Sub Fund Limited HSBC Global Absolute Fund of Funds Limited IDFC Private Equity Partners GP Limited International Public Partnerships Limited K A N Consulting Limited Montier Multistrategy Fund of Funds Limited

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
	Hermes Emerging Markets Private Equity Fund GP Limited HIL GP MasterCapital Fund Limited Third Point Offshore Investors Limited	Montier Long Short Equity Fund of Funds Limited Montier Multistrategy Master Fund Montier Multi Strategy Closed End Fund of Funds Limited Montier Asset Management Limited Montier Asia and Emerging Market Fund of Funds Limited PSource Structured Debt Limited Re Investments Alternative Strategies IC Ltd Re Investments ICC Ltd Re Investments Global IC Ltd Re Investments LEA Markets Ltd Secundum Series PCC Limited UK Commercial Property Trust Limited UK Commercial Property Holdings Limited UK Commercial Property Nominee limited UK Commercial Property GP Limited UK Commercial Property Estates Holdings Limited UK Commercial Property Estates Limited
Peter Smith	National Real Estate Information Services LP Springleaf Finance Corp. Springleaf Finance Inc. Nationstar Mortgage LLC Nationstar Regular Holdings Ltd. FIF HE Holdings LLC CW Financial Services LLC CWCapital LLC CWCapital Investments LLC CWCapital Asset Management LLC CW Financial Services Holdings LLC CWFS Holdings LLC CWFS LLC CWCAM LLC CWFS- REDS LLC	FIF Amstead BC Block LLC
Simon Thornton	Alternative Solutions Limited Annevilles Nurseries Limited Arlington Limited Audley Capital Management SPV1 Limited Audley Capital Management Limited Audley European Opportunities Fund Limited Audley European Opportunities Master Fund Limited Audley Investment 1 Limited Audley Investment 2 Limited Audley Investment Management Limited Audley Natural Resources Fund Limited Broadwell Capital Limited Eurocastle Investment Limited La Pomare Limited Mount Wise Developments Limited PKF Trade Mark Limited Praxis Corporate Finance Limited	Admiral Holdings (Devonport) Limited AGIC GP Limited AGICM Limited Airpoint Holdings Limited Alderney Housing Association Limited Alocasia Limited Ardleigh Road (Guernsey) Limited Audley Japan Opportunities Fund Limited Audley Japan Opportunities Master Fund Limited BKF Holdings (Guernsey) Ltd Bouet Holdings Limited Brittain Hadley Holdings Limited Clemenshof Property Limited Colne River Global Bond Fund Drury Limited Ferncliffe Developments Limited First Central (Guernsey) Limited Foundation Limited

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
	Praxis Fund Holdings Limited Praxis Fund Services Limited Praxis Holdings (Malta) Limited Praxis Holdings Limited Praxis Luxemburg SA Praxis Pensions and Benefits Limited Praxis Treasury Services Limited Praxis Trust and Corporate Services (Malta) Limited Praxis Wealth Solutions Limited Rosso Sarl SandpiperCI Limited Tradesavers Limited Trireme Pension (US) SICAV plc Trireme Pension Services (Malta) Limited Trireme Pension SICAV plc Typhoon Options Fund Verde Sarl Walter Property (Jersey) Limited Walter Property Limited Westpoint Holdings Limited	Foxtail Limited G Orange (Guernsey) Limited Grafton Group Holdings Limited Grafton Group Services Limited Guernsey Housing Association LBG Hallumshire (Guernsey) Limited Hallumshire Holdings Limited Heretic Holdings Limited L.S. Warry & Sons Limited Lavender Limited LDM Properties (Guernsey) Limited Lilly Limited Mount Wise (Guernsey) Limited Mount Wise Holdings Limited New Island Wide (Properties) Ltd New Island Wide Ltd Orchid Limited Perelle (2003) Limited Pitronnerie Properties Limited PKF (Guernsey) Limited Praxis Directors One Praxis Directors Two Praxis Nominees Praxis Secretaries Praxis Trustees Sandpiper Propertyco 1 Limited Sandpiper Propertyco 7 Limited Sandpiper Propertyco15 Limited Springfield Holdings Limited St James Limited St Johns Wood St Pierre Park Hotel Ltd TASNCH Holding S.r.l. Trade Savers C.I. Limited Truchot Trustees Limited West Street Developments Limited Westpoint (Guernsey) Limited Winchester Street (Guernsey) Limited
Jason Sherwill	Beaulins Investments Limited Jubilee Absolute Return Fund PCC Limited Jubilee Absolute Return Master Fund Limited Jubilee Special Situations Fund PCC Limited The Marylebone Lane Master Fund The Marylebone Lane Fund Marylebone General Partner Limited	Fauchier Allocator Fund I Limited Fauchier Allocator Fund II Limited Marylebone Partners Limited Fauchier Partners Corporation (dissolved) Fauchier General Partner Limited (in voluntary liquidation) Jubilee Counterpoint Fund Limited (formerly Fauchier Partners Counterpoint Fund Limited) Jubilee Incubator Fund Limited (formerly Fauchier Partners Incubator Fund Limited) Jubilee Asset Management Limited (in voluntary liquidation) Fauchier Partners Asset Management Limited (in voluntary liquidation)

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
Randal Nardone	Fortress Italian NPL Opportunities Fund GP (D) Ltd. A&K Sarl (f/k/a Abercrombie & Kent Group of Companies S.A.) Abercrombie & Kent S.A. AGF Holdings Inc. Alterra Healthcare Corporation BAI Liquidating LLC Alea Group Holdings (Bermuda) Ltd. (2) Bailbo LLC BC Holdings GP Ltd. (in process of dissolution) BlackRock Fortress Liquidating LLC FCF Deutschland GmbH FCF UK Limited Florida East Coast Railway Corp (f/k/a FECR Rail Corp) Florida East Coast Holdings Corp FECR Rail LLC FECR Rail Holding LLC FCF III UK Limited FCF UK (A) Limited FECR Rail Holding LLC FIF I NPL Residual S.à r.l. FIF III Liberty Holdings LLC FIF IV SPEC LLC FIF NPL Sarl FIG HCRS LLC FIG Corp FIG Asset Co LLC FIG LLC FIG Partners Pool (A) LLC FIG Partners Pool (2) LLC FIN Acquisition Limited FIN Acquisition Holdings Limited FIT FHA Acquisition LLC FIT Kansas Christian LLC FIT Foxwoods Springs LLC FIT Ramsey LLC FIT Oklahoma Christian LLC FIT REN LLC Fortress Canada Investment Corp. Fortress China Senior Care GP Ltd. Fortress China Senior Care Advisors Ltd. Fortress China Senior Care Management Holdco Ltd, Fortress China Home Health Holdco Ltd. Florida East Coast Industries LLC Fortezza Non IPO Sarl Fortress CBO Investments I Corp. Fortress CBO Investments I Limited Fortress CCRC Acquisition LLC Fortress Fund IV GP Holdings Ltd. Fortress Investment Group (UK) Ltd. Fortress Investment Group LLC Fund IV CFD LLC Fortress Drive Asset Manager LLC Fortress Investment Holdings II LLC	Lewis GP Ltd. (f/k/a Boxcleaver Acquisition GP Ltd.) (dissolved) Brookdale Senior Living Inc. Fortress Investment Fund V (Fund A) FFTL Limited (dissolved) Fortress Investment Fund V (Fund B) FFTL Limited (dissolved) Fortress Investment Fund V (CFG) Limited (dissolved) FIC BM LLC (dissolved) FIC GSA Mezzanine Borrower LLC (dissolved) FIF III CLIF Holding LLC (dissolved) FIT Aero Iceland Ltd. (dissolved) FIT Aero Investments Ltd. (dissolved) FIT Capital Trading LLC (dissolved) FIT CCRC LLC (dissolved) FIT CFN Holdings LLC (dissolved) FIT DVI LLC (dissolved) FIT Mapeley Holdings Ltd. (dissolved) Fortress Cayman Holdings LLC (dissolved) Fortress Cayman Partners LLC (dissolved) Fortress GSA Securities LLC (dissolved) Fortress GSA Securities SPE LLC (dissolved) Fortress IOFP 2 LLC (dissolved) Fortress Subsidiary (GAGACQ) Co-Investors (Cayman) Ltd. (dissolved) Fortress Investment Fund III (Fund D) (GAGACQ Subsidiary) Ltd. (dissolved) Fortress Investment Fund III (Fund E) (GAGACQ Subsidiary) Ltd. (dissolved) Fortress UK Acquisition Company (dissolved) FRID GP Holdings Ltd. (dissolved) FRIT PINN LLC (dissolved) GAGACQ Ireland Limited GAGFAH S.A. GMZ Funding LLC GMZ Funding II LLC GSA EQ Borrower LLC (dissolved) ITAL FT Investment Holdings IV LLC (dissolved) ITAL FT Investment Holdings V LLC (dissolved) Ital Investment Holdings II LLC (dissolved) Ital SP Acquisition GP LLC (dissolved) Newcastle CDO IV, Limited (dissolved) NIC 2 River Place LLC (dissolved) NIC 4 River Place LLC (dissolved) RESG Acquisition Corp. RESG MIDL Corp. RailAmerica Inc. (merged with RR Acquisition Sub Inc.) Seacastle Holdings MM LLC (dissolved) SPM Two Inc.

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
	Fortress Investment Fund V (Fund B) Securities Holdings Limited	Shannon Health Properties, Inc.
	Fortress Investment Fund V (Coinvestment Fund B) Securities Holdings Limited	Shannon Property Management Inc.
	Fortress Investment Fund V Securities Holdings L.P.	Shannon Health Care Realty, Inc.
	Fortress Principal Investment Group LLC	Springleaf Financial Corporation
	Fortress IW Coinvestment Fund GP Holdings Ltd.	Springleaf Finance Inc.
	Fortress GSA Mortgage LLC	SKI ITW BD GP Holdings Ltd. (dissolved)
	Fortress Oldcastle SLP LLC	New Media Investment Group Inc.
	Fortress Principal Investment Holdings IV LLC	Springleaf Holdings, Inc.
	Fortress Principal Investment Holdings LLC	Karl S.A. (dissolved)
	Fortress Fund V GP (BCF) Holdings Ltd.	
	Fortress Fund V GP Holdings Ltd.	
	Fortress Investment Fund III (Fund D) ECT Ltd.	
	Fortress Investment Fund III (Fund E) ECT Ltd.	
	Fortress Investment Fund V (Fund A) MBS Holdings Limited	
	Fortress Investment Fund V (Coinvestment Fund A) MBS Holdings Limited	
	Fortress Investment Fund V (Fund A) MBS III Holdings Limited	
	Fortress Investment Fund V (Fund A) MBS IV Holdings Limited	
	Fortress Investment Fund V (CFG) MBS Holdings Limited	
	Fortress Investment Fund V (CFG) MBSIII Holdings Limited	
	Fortress Investment Fund V (Coinvestment CF) MBS Holdings Limited	
	Fortress PE Promote Corp	
	FRIT Ital S.L.	
	Fund IV CFD LLC	
	Galaxy PEF Holdings LLC	
	Galaxy Acquisition Blocker B LLC	
	Galaxy Acquisition Blocker CFG LLC	
	Green Tree Investment Holdings LLC	
	Harvest Facility Holdings GP LLC	
	Harvest Facility Holdings GP II LLC	
	Harvest Headquarters LLC	
	Harvest Canada Blocker GP LLC	
	Harvest Leasing LLC	
	Harvest Management Sub LLC	
	Harvest Mezzanine I LLC	
	Harvest Mezzanine II LLC	
	Holiday Canada LLC	
	Holiday Canada GP II LLC	
	Holiday Acquisition Corp.	
	IMPAC Commercial Assets Corporation	
	Intrawest ULC	
	Intrawest Cayman GP Ltd.	
	Intrawest US Holdings Inc.	

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
	Italfondiario Investment Sarl Iron Horse Acquisition Holding LLC Iron Horse Holding LLC LIV Holdings LLC Luz Acquisition LLC Mapeley Columbus (Jersey) Limited Matakite A Cayman Ltd. Matakite B Cayman Ltd Matakite C Cayman Ltd Matakite D Cayman Ltd Matakite E Cayman Ltd Matakite F Cayman Ltd Matakite G Cayman Ltd Nationstar Regular Holdings Ltd. Newcastle 2005-1 Asset-Backed Note LLC Newcastle CDO V Corp. Newcastle CDO V Holdings LLC Newcastle CDO V, Limited Newcastle CDO VI Corp. Newcastle CDO VII Corp. Newcastle CDO VI Holdings LLC Newcastle CDO VII Holdings LLC Newcastle CDO VI, Limited Newcastle CDO VII Limited Newcastle MH I LLC Newcastle Mortgage Securities LLC Newcastle OPCO LLC Newcastle Investment Holdings LLC NIC Airport Corporate Center, LLC NIC Apple Valley I LLC NIC Apple Valley II LLC NIC Apple Valley III LLC NIC Dayton Towne Center, LLC NIC DP LLC NIC TRS Holdings, Inc. NIH TRS Holdings, Inc. NPL Holdings LLC PNG Acquisition Company Inc. PNG Merger Sub Inc. RR Acquisition Holding LLC RR Acquisition MM LLC Seacastle Inc. SP GP LLC Steamboat Ski & Resort Corporation Steamboat Acquisition Corp. Stelfort III Acquisition Inc. Stelfort III Holding Inc. Torre Real Speculative SGR P.A Wintergames Acquisition LLC Wintergames Acquisition ULC Wintergames Travel GP Ltd. WWTAI Finance Ltd. WPRM LLC WWTAI Offshore Co 1 Ltd. WWTAI Container 1 Ltd. WWTAI Container GP 1 Ltd. Eurocastle Investment Limited	

Name	Current Directorships/Partnerships	Previous Directorships/Partnerships
	SKI Cayman ITW BD Limited Springleaf Financial Holdings LLC Fortress Transportation and Infrastructure Investors Ltd. Seacastle Operating Company Ltd. Trac Intermodal Holding Corp. SCT Chassis Inc. Fortress (GAGACQ) Cayman Ltd. (in the process of dissolution)	

Disclosure of Interests in Shares

The interests of Directors in the Shares of the Company as at the date of this Prospectus and as they are expected to be immediately following the Offer are as follows:

Name	As at the date of this Prospectus	Following the Offer[1]
Keith Dorrian	2,045	2,045
Randal A Nardone[2]	772,082	772,082
Jason Sherwill	1,000	1,000
Simon Thornton	7,547	7,547
Peter Smith	–	–

(1) Assuming: (i) such Directors or their connected persons do not purchase any Offer Shares; (ii) 39,762,992 Offer Shares are issued pursuant to the Offer; and (iii) no outstanding Options are exercised on or prior to Admission.

(2) Randal A Nardone is a member of Fortress Operating Entity I LP which is the registered holder of 5,025 Shares and as a result of this relationship Randal A. Nardone is interested in the Shares owned by this entity or in some of such Shares.

Except as set out above, the Company is not aware of interests of any Directors as at 23 April 2015 (being the last practicable date prior to publication of this Prospectus), including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, such Director whether or not held through another party, in the share capital of the Company, together with any options in respect of such capital.

6. Major Shareholders

Save as disclosed below, the Directors are not aware of any person who, as at 23 April 2015 (being the latest practicable date prior to the date of this Prospectus), directly or indirectly is interested in 3 per cent. or more of the share capital of the Company. The Shares held by each person referred to below carry the same voting rights as all other Shares.

Name	Number of Shares	Percentage of Issued Share Capital Pre-Offer	Percentage of Issued Share Capital Post-Offer[1]
Euroclear Nominees Limited	26,600,651	81.51%	36.74%
The Bank of New York (Nominees) Limited	3,128,049	9.58%	4.32%

(1) Assuming: (i) such Shareholders do not purchase any Offer Shares; (ii) 39,762,992 Offer Shares are issued pursuant to the Offer; and (iii) no outstanding Options are exercised on or prior to Admission.

Based on the information known to the Company at 23 April 2015 (being the latest practicable date prior to the date of this Prospectus), the Company is aware of the following persons who were indirectly interested in 3 per cent. or more of the issued share capital of the Company and have not subsequently notified the Company of any changes.

Shareholder	Number of Shares	Percentage of Issued Share Capital Pre-Offer	Percentage of Issued Share Capital Post-Offer[(1)]
York Capital Management[(2)]	7,744,919	23.73%	10.70%
Select Equity Group Inc.	4,466,914	13.69%	6.17%
EMS Capital LP	3,596,628	11.02%	4.97%
California State Teachers' Retirement System	3,005,043	9.21%	4.15%
Kingdon Capital Management, LLC[(2)]	2,044,928	6.27%	2.82%
Lafayette Street Fund II L.P.	1,671,470	5.12%	2.31%
Abrams Capital Management, L.P.	1,502,519	4.60%	2.08%
Lafayette Street Offshore Master Fund Ltd	1,429,295	4.38%	1.97%
Indus Capital Partners, LLC[(2)]	999,293	3.06%	1.38%

(1) Assuming: (i) such Shareholders do not purchase any Offer Shares; (ii) 39,762,992 Offer Shares are issued pursuant to the Offer; and (iii) no outstanding Options are exercised on or prior to Admission.

(2) Shares beneficially owned by funds managed or advised by named entity or its affiliates.

As at 23 April 2015, Fortress, its principals and its senior management owned approximately 4.96 per cent. of the issued share capital of the Company (and, assuming the exercise of their options to purchase Shares, an additional 4.45 per cent. of the then issued share capital). In addition, certain funds managed by the Manager on behalf of third party investors owned approximately 10.37 per cent. of the Company's issued share capital as at 23 April 2015.

The Directors are not aware of any person who, as at the date of this Prospectus, directly or indirectly, jointly or severally, exercises control over the Company and are not aware of any arrangements, the operations of which may at a subsequent date result in a change of control of the Company.

7. Middle-market prices for Shares

The table below sets out the middle-market prices for the Shares on the first dealing day in each of the six months preceding the date of this Prospectus (and on 23 April 2015), as extracted from Euronext Amsterdam's Daily Official List (*Officiele Prijscourant*). It should be noted that trades in these securities were not necessarily transacted on these dealing days and that the figures shown below may therefore represent prices made on earlier trades. It should also be noted that not all trades will have been reported to Euronext Amsterdam.

Date	Price (€)
23 April 2015	8.00
1 April 2015	8.50
2 March 2015	8.40
2 February 2015	7.40
2 January 2015	7.15
1 December 2014	7.00
3 November 2014	6.65

8. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) are contracts which have been entered into by any member of the Group in the two years immediately prior to the date of this Prospectus, and which are or may be material or are contracts entered into by any member of the Group which contain any provisions under which any member of the Group has any obligation or entitlement which is or may be material to the Group at the date of this Prospectus:

8.1 ***Management Agreement***

The Company is party to an amended and restated Management Agreement with the Manager, dated 7 April 2015, pursuant to which the Manager provides for the day-to-day management of the Group's operations.

The Management Agreement provides that if Fortress acts as investment manager of any subsidiary or SPV, Fortress will, to the extent it is able to do so, be required to procure that the investment policy of the subsidiary or SPV conforms with the investment policies and guidelines of the Company.

The Company has agreed to indemnify, reimburse and hold harmless the Manager and its affiliates and their members, managers, officers, directors, and employees with respect to all expenses, losses, damages, liabilities, demands, charges and claims arising from acts or omissions of such party not constituting bad faith, wilful misconduct, gross negligence, or reckless disregard of the Manager's duties, performed in good faith under the Management Agreement. The Manager has agreed to indemnify, reimburse and hold harmless the Company, the Company's Shareholders, Directors, officers and employees with respect to all expenses, losses, damages, liabilities, demands, charges and claims arising from acts of the Manager and its affiliates and their members, managers, officers, directors and employees constituting bad faith, wilful misconduct, gross negligence or reckless disregard of the Manager's duties under the Management Agreement. The Manager carries errors and omissions and other customary insurance.

The Management Agreement generally does not limit or restrict the Manager from engaging in any business or managing any other vehicle that invests generally in Target Investments. However, the terms of the Management Agreement prohibit the Manager and any entity controlled by or under common control with the Manager from raising or sponsoring any new investment fund, company or other pooled vehicle (that raises equity capital from outside sources) whose investment policies, guidelines or plan targets as its primary investment category investments in credit sensitive European real estate related securities it being understood that no such fund, company or pooled investment vehicle shall be prohibited from investing in credit sensitive European real estate related securities other than as its primary investment category. See Part IV of this Prospectus for a summary of the fees and incentive compensation payable to the Manager under the Management Agreement.

The Management Agreement shall remain in force until 13 August 2016, subject to automatic renewal and on such date and on each three year anniversary of such date shall be deemed renewed automatically for an additional three year period unless the holders of a simple majority of Shares by vote taken at a meeting duly held for such purpose agree that there has been unsatisfactory performance that is materially detrimental to the Company. The Manager will be provided with 60 days' prior notice of any such termination and will be paid a termination fee described in Part IV of this Prospectus. The Company may terminate the Management Agreement effective upon 60 days' notice, without payment of any termination fee, in the event of fraud, misappropriation of funds, gross negligence or wilful violation by the Manager. The Manager may terminate the Management Agreement upon 60 days' notice in the event that the Company defaults in the performance or observance of any material term, condition or covenant under the Management Agreement (taking into account any applicable grace period) and on each anniversary of the commencement of the Management Agreement. Upon any termination of the Management Agreement by either party for any reason, the Company shall be entitled to purchase the Manager's right to receive incentive compensation from the Manager for a cash purchase price equal to its fair market value (as determined by independent appraisal to be conducted by an appraisal firm recognised in the United States and mutually agreed upon by the Company and the Manager). If the Company does not elect to so purchase the Manager's right to receive incentive compensation, the Manager, by delivering to the Company written notice within 20 days following termination, will have the right to require the Company to purchase the same at the price described above. Otherwise the Company will be required to continue to pay the incentive compensation to the Manager following termination of the Management Agreement, which payments could continue for an indefinite period of time.

The Manager may at any time, without the Company's consent, assign or subcontract certain duties under the Management Agreement to any affiliate of the Manager or to an entity whose day-to-day business and operations relating to the Company are managed and supervised by any one or more of Messrs. Wesley R. Edens, Peter L. Bridge Jr. and Randal A. Nardone, provided that certain officers of the Manager also jointly manage and supervise the day-to-day business and operations of such affiliate and provided, further, that the Manager shall be fully responsible to the Company for all errors or omissions of such assignee.

The Management Agreement is governed by the law of the State of New York.

8.2 ***Administration Agreement***

The Company is party to an Amended and Restated Administration Agreement with IAG dated 1 July 2009, pursuant to which IAG performs certain administrative duties in respect of the Company, including, among other things, maintenance of the books and records of the Company, monitoring adherence with applicable laws, maintaining bank accounts, preparation of annual tax exempt applications in Guernsey and provision of company secretary services.

In the absence of negligence, fraud, or wilful default, IAG will not be liable for any loss or damage suffered by the Company or its shareholders as a result of the performance or non-performance by IAG of its obligations and duties under the Administration Agreement.

The Company has agreed to indemnify and hold harmless IAG from and against all actions, proceedings, claims and demands (including costs, expenses incidental thereto) which may be made against, suffered or incurred by IAG in respect of any direct loss or damage suffered or alleged to have been suffered in connection with the performance or non-performance by IAG of the obligations or duties under the Administration Agreement.

References to IAG in the indemnity provisions include references to the officers, servants, agents and delegates of IAG.

The Administration Agreement provides that the appointment of IAG will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other in the event of a material breach of the Administration Agreement, or the insolvency of the other party.

See Part IV of this Prospectus for a summary of the fees payable to IAG for the performance of its duties under the Administration Agreement.

The Administration Agreement is governed by the laws of Guernsey.

8.3 ***Registrar's Agreement***

The Company is party to a Registrar Agreement with Anson Registrars Limited dated 24 June 2004, pursuant to which Anson Registrars Limited will act as registrar of the Company, and, amongst other things, will have responsibility for the transfer of shares, maintenance of the share register and acting as transfer and paying agent.

The Registrar shall not, in the absence of fraud, negligence or wilful default or breach by it of the terms of the Registrar Agreement be liable to the Company for any loss or damage suffered by the Company arising directly or indirectly out of anything done or omitted by the Registrar in good faith in accordance with the terms of the Registrar Agreement.

The Registrar shall not, in the absence of fraud, negligence or wilful default or breach by it of the terms of the Registrar Agreement be liable to the Company for any loss sustained by the Company or in any of the assets of the Company as a result of loss, delay, misdelivery or error in transmission of any email, cable, telex, telefax or telegraphic communication or if any document be proved to be forged or otherwise defective or erroneous.

The Company shall indemnify and hold harmless the Registrar against all claims and demands which may be made against the Registrar in respect of any loss or damage sustained or suffered or alleged to have been sustained or suffered by any third party as a result of or in consequence of the performance or non-performance by the Registrar of its obligations under the Registrar Agreement otherwise than by reason of fraud, negligence or wilful default or the breach by the Registrar of the terms of the Registrar Agreement.

The Registrar Agreement provides that the appointment of Anson Registrars Limited will continue unless and until terminated by either party giving to the other not less than 90 days' written notice, provided that such notice will not be effective within six months of the date of the Registrar Agreement. In certain circumstances, the Registrar Agreement may be terminated forthwith by notice in writing by either party to the other based on certain material breaches of the Registrar Agreement, or the insolvency of either.

In any event, the Registrar may cease to provide any services pursuant to the Registrar Agreement if any of its fees become overdue by more than seven days until such overdue fees are paid in full.

Anson Registrars Limited is entitled to a minimum annual fee of £4,400 for the performance of its duties under the Registrar Agreement. Anson Registrars Limited is entitled to additional fees in respect of the performance of tasks including transfers and dividend payments.

8.4 ***United Kingdom Transfer Agent Agreement***

The Company is party to a UK Transfer Agent Agreement with Anson Registrars Limited and Anson Administration (UK) Limited (the "UK Transfer Agent") dated 20 November 2006, pursuant to which the UK Transfer Agent will act as the transfer agent of the Group and Anson Registrars Limited in the United Kingdom, providing transfer agent services, including the processing of transfer deeds.

The UK Transfer Agent shall not, in the absence of fraud, negligence, wilful misconduct or wilful default or breach by it of the terms of the UK Transfer Agent Agreement be liable for any loss or damage suffered by the Company arising directly or indirectly out of anything done or omitted by the UK Transfer Agent in good faith in accordance with the terms of the UK Transfer Agent Agreement.

The UK Transfer Agent shall not, in the absence of fraud, negligence, wilful misconduct or wilful default or breach by it of the terms of this Agreement be liable to the Company for any loss sustained by the Company or in any of the assets of the Company as a result of loss, delay, misdelivery or error in transmission of any email, cable, telex, telefax or telegraphic communication or if any document be proved to be forged or otherwise defective or erroneous.

The Company undertakes to indemnify and hold harmless the UK Transfer Agent and its employees, agents and sub-contractors against all claims and demands which may be brought against or suffered by them arising out of or in connection with the performance or non-performance of the obligations under the UK Transfer Agent Agreement otherwise than by reason of negligence, fraud, wilful misconduct or wilful default or breach of the UK Transfer Agent Agreement.

The UK Transfer Agent Agreement provides that the appointment of the UK Transfer Agent will continue until terminated by Anson Registrars Limited giving to the UK Transfer Agent not less than 90 days' written notice, provided that such notice will not be effective within six months of the date of the UK Transfer Agent Agreement. In certain circumstances, the UK Transfer Agent Agreement may be terminated forthwith by notice in writing by a party to the other parties based on material breaches of the UK Transfer Agent Agreement or the insolvency of a party.

In any event, the UK Transfer Agent may either terminate its appointment or suspend performance of services by notice in writing to Anson Registrars Limited if Anson Registrars Limited fails to pay any sum due within 28 days of the UK Transfer Agent giving written notice to Anson Registrars Limited.

Anson Registrars Limited will reimburse the UK Transfer Agent, and the Company will reimburse the Registrar, for all out-of-pocket costs and reasonable expenses reasonably and properly incurred by the UK Transfer Agent in connection with the performance of any of its duties under the UK Transfer Agent Agreement. The Company is not liable to pay the UK Transfer Agent any remuneration under the UK Transfer Agent Agreement. The UK Transfer Agent Agreement is governed by English law.

8.5 ***Option Agreements***

A summary of the eight option agreements with Fortress Investment Group LLC (the "Manager's Options") is set out in Part IV of this Prospectus. The Option Agreements are governed by Guernsey law.

8.6 ***CDO IV Portfolio Management Agreement***

The Company and the Manager are parties to the CDO IV Portfolio Management Agreement with Eurocastle CDO IV dated 14 July 2005. Under this agreement, the Manager has agreed to manage the assets of Eurocastle CDO IV (including negotiating and executing documents on behalf of Eurocastle CDO IV in connection with acquisition, sale or hedging of any investments) and to be responsible for certain day-to-day operations of Eurocastle CDO IV. Eurocastle CDO IV will pay the Manager an annual management fee of €1,000. Eurocastle CDO IV shall pay all of its expenses and reimburse the Manager for expenses reasonably necessary for the performance of its duties and functions under the CDO IV Portfolio Management Agreement.

The CDO IV Portfolio Management Agreement may be terminated by Eurocastle CDO IV or the Company upon 60 days' prior written notice, without payment of any amounts by way of compensation, in the event of any act of fraud or misappropriation of funds by the Manager in its corporate capacity under the CDO IV Portfolio Management Agreement or in the event of any gross negligence on the part of the Manager in the performance of its duties under, or wilful violation of, the CDO IV Portfolio Management Agreement. The Manager may resign its appointment upon 60 days' prior written notice.

The Manager may assign its obligations under the CDO IV Portfolio Management Agreement to any of its affiliates.

The Manager assumes no obligation or responsibility under the CDO IV Portfolio Management Agreement or otherwise to any person other than Eurocastle CDO IV. With respect to Eurocastle CDO IV, the Manager assumes no obligation or responsibility other than to render the services required to be rendered by the Manager under the CDO IV Portfolio Management Agreement, as expressly provided therein, in good faith. The Manager and its affiliates will not be liable to Eurocastle CDO IV, the Company, the Board of Directors, or their shareholders or partners or any other person for any losses, claims, damages, costs, expenses, demands or liabilities incurred by any such person that arise out of, in relation to or in connection with any act or omission in the performance by the Manager or its affiliates of its functions under, or in connection with, the CDO IV Portfolio Management Agreement, except for any liability to Eurocastle CDO IV in respect of any direct losses incurred by Eurocastle CDO IV as a result of the Manager's own acts or omissions constituting wilful misconduct or gross negligence in the performance of its duties. Eurocastle CDO IV undertook to indemnify the Manager for any loss caused by, or arising out of or in connection with any of the transactions contemplated in the CDO IV Portfolio Management Agreement, except that such loss results from the Manager's gross negligence or wilful misconduct.

The CDO IV Portfolio Management Agreement is governed by English law.

8.7 ***Duncannon CDO Portfolio Management Agreement***

The Manager is a party to the Duncannon CDO Portfolio Management Agreement with Duncannon dated 31 July 2007 (the "Duncannon CDO Portfolio Management Agreement") pursuant to which the Manager has agreed (subject to the terms of the trust deed) to monitor and direct the investment and reinvestment of the collateral of Duncannon in accordance with its standards, policies and procedures. The Manager will, amongst other things, select investments to be acquired, retained, sold or otherwise disposed of, waive any default or vote to accelerate the maturity of a defaulted obligation. Under the Duncannon CDO Portfolio Management Agreement, the Manager has also agreed to perform, on behalf of the Duncannon CDO, portfolio management services such as the acquisition or sale of collateral debt obligations and hedge obligations. The Manager is entitled to receive a senior portfolio management fee of 0.10 per cent. per annum of the aggregate collateral balance, and a subordinated portfolio management fee equal to 0.15 per cent. per annum of the aggregate collateral balance and any accrued but unpaid subordinated collateral management fee.

The Manager shall be responsible for all ordinary expenses incurred in the performance of its obligations under the Duncannon CDO Portfolio Management Agreement, except that Duncannon shall reimburse the reasonable expenses incurred with respect to the offering and sale of the notes and of employing outside counsel with the performance of its obligations and with the restructuring of any collateral debt obligation.

The Manager and its delegates are excluded from any liability to Duncannon in the absence of any acts or omissions constituting bad faith, wilful misconduct or negligence in the performance of, or reckless disregard with respect to, its obligations under the Duncannon CDO Portfolio Management Agreement. The Duncannon CDO Portfolio Management Agreement also contains provisions whereby Duncannon has agreed to indemnify the Manager and its delegates from and against all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever incurred by the Manager in the performance of its duties and obligations (except such as shall be finally judicially determined to have arisen from bad faith, wilful misconduct, negligence or reckless disregard by the Manager or its delegates in the performance or non-performance of its duties and obligations).

The Duncannon CDO Portfolio Management Agreement shall be automatically terminated in the event of repayment in full of all amounts owing under the notes and the liquidation of the portfolio and the final distribution of proceeds as provided in the trust deed. The Manager may be removed without cause upon 90 days' written notice by the Trustee, as directed by holders of at least 75 per cent. of the aggregate principal amount outstanding of each class of the notes. The Manager may be removed with cause upon 30 days' prior written notice by the Trustee, acting upon the direction of the holders of at least 75 per cent. of the aggregate principal amount outstanding of: (i) in certain circumstances set out in the Duncannon CDO Portfolio Management Agreement, the "controlling class" (as defined therein); or (ii) in other specified circumstances, the notes in issue at the time (excluding any notes owned by the Manager, any affiliate thereof or any fund managed by the Manager). The Manager may resign upon 30 days' written notice to Duncannon or upon 10 days' written notice with cause. No termination or resignation shall be effective until a replacement portfolio manager is appointed.

The Duncannon CDO Portfolio Management Agreement is governed by English law.

8.8 ***Funding Management Agreement***

The Company and the Manager are parties to the Funding Management Agreement with Eurocastle Funding Limited, dated 23 June 2004, pursuant to which the Manager provides for the day-to-day management of Eurocastle Funding's operations (including negotiating and executing documents on behalf of Eurocastle Funding in connection with the acquisition, sale or hedging of any investments), subject to the investment policies and guidelines of the Company.

Eurocastle Funding is an SPV established in Ireland.

Eurocastle Funding shall pay all of its expenses and reimburse the Manager for expenses reasonably necessary for the performance of its duties and functions under the Funding Management Agreement.

Eurocastle Funding has agreed to indemnify the Manager and its affiliates and their members, managers, directors, officers and employees and any person controlling the Manager with respect to all expenses, losses, damages, liabilities, demands, charges and claims arising from acts of the Manager not constituting bad faith, wilful misconduct, gross negligence, or reckless disregard of the Manager's duties under the Funding Management Agreement. The Manager has agreed to indemnify Eurocastle Funding, Eurocastle Funding's shareholders, directors, officers and employees and any person controlling the Manager with respect to all expenses, losses, damages, liabilities, demands, charges and claims arising from acts of the Manager and its affiliates and their members, directors, managers, officers and employees constituting bad faith, wilful misconduct, gross negligence or reckless disregard of the Manager's duties under the Funding Management Agreement.

Eurocastle Funding and the Company may terminate the Funding Management Agreement on 60 days' written notice, without payment of any amounts by way of compensation, in the event of fraud, misappropriation of funds, or gross negligence by the Manager in the performance of its duties under or wilful violation of the Funding Management Agreement. The Manager may terminate the Funding Management Agreement upon 60 days' notice.

The Manager shall receive an annual management fee of €1,000 for the performance of services pursuant to the Funding Management Agreement.

The Funding Management Agreement is governed by English law.

8.9 ***Paying Agent Agreement***

The Company has entered into a paying agent agreement dated 14 December 2005 with ABN Amro Bank N.V. (the "Paying Agent Agreement"). Under this Agreement the Paying Agent agrees to make available, at the expense of the Company, all the necessary facilities and information to enable Shareholders in the Netherlands to exercise their rights and perform such duties commonly performed by a paying agent or required by the applicable Euronext Rules. The Company provides an indemnity to the Paying Agent in respect of any claims, demands, expense and liabilities the Paying Agent may incur in the performance of its duties without bad faith, negligence or wilful misconduct. The Company shall pay a fee of €250 per payment of dividends or other distributions plus any reasonable costs properly incurred by the Paying Agent in carrying out its duties to the Company. The Paying Agent Agreement can be terminated by either party by at least 60 days' notice, and termination shall not take effect without a successor being appointed by the Company and, if termination is sought by the Company, within 60 days. The Paying Agent Agreement is governed by Dutch law.

8.10 ***UCCMB Acquisition Agreement***

A summary of the agreement relating to the acquisition of UCCMB is set out in Part I of this Prospectus. The UCCMB Acquisition Agreement is governed by Italian law.

8.11 ***Underwriting Agreement***

The Underwriting Agreement was entered into on 24 April 2015 between the Company, the Manager, the Directors, and the Sole Bookrunner and contains *inter alia*, the following provisions:

(a) the Company confirmed the appointment of ABN Amro Bank N.V. as Listing Agent in connection with the proposed Admission of the Offer Shares to Euronext Amsterdam and the agreement sets out their duties as Listing Agent and the Company's obligations to it in its capacity as Listing Agent;

(b) the Company confirmed the appointment of Credit Suisse Securities (Europe) Limited as Sole Bookrunner in relation to the Offer;

(c) the Company has agreed, subject to certain conditions, to issue the Offer Shares at the Offer Price;

(d) the Sole Bookrunner has agreed, subject to certain conditions, to procure subscribers for or, failing which, to subscribe themselves, all of the Offer Shares at the Offer Price;

(e) the Company has agreed to pay to the Sole Bookrunner an underwriting commission of 1.75 per cent. of the amount equal to the product of the Offer Price and the aggregate number of Offer Shares together with any VAT chargeable thereon. In addition, the Company may pay to the Sole Bookrunner a further discretionary fee of up to 0.5 per cent. of the amount equal to the product of the Offer Price and the aggregate number of Offer Shares together with any VAT chargeable thereon;

(f) the obligations of the Company to issue Offer Shares and the obligations of the Sole Bookrunner to procure subscribers for or, failing which, themselves to subscribe for Offer Shares are subject to certain conditions including, amongst others, that Admission occurs by not later than 8.00 a.m. on 29 April 2015 or such later time as the Company may agree with the Sole Bookrunner. In certain circumstances, the Sole Bookrunner may terminate the Underwriting Agreement at any time on or before Admission. These circumstances include the occurrence of certain material changes in the condition (financial or otherwise), prospects or earnings of the Company or of companies in the Group and certain changes in financial, political or economic conditions (as more fully set out in the Underwriting Agreement);

(g) the Company has agreed to pay any stamp duty and/or stamp duty reserve tax and any other tax, charge or duty and any related costs, fines, penalties or interest arising in respect of the issue of Shares under the Offer;

(h) the Company has undertaken to pay or cause to be paid (together with any related value added tax) all costs, charges, fees and expenses of, in connection with or incidental to, *inter alia*, the Offer, Admission and the arrangements contemplated by the Underwriting Agreement;

(i) the Company has given customary warranties in relation to the business, the accounting records and the legal compliance of the Company and its consolidated subsidiaries and in relation to the contents of this Prospectus and has also given a customary indemnity to the Sole Bookrunner. The Manager has given customary warranties in relation to itself. Each Director has given customary warranties in relation to the information regarding that Director in this Prospectus;

(j) the Company has given certain indemnities to the Sole Bookrunner, its affiliates (as defined in Rule 405 under the Securities Act) and any person controlling, controlled by or under common control with it or any such person, including its directors, officers, employees and agents, in each case whether present or future; and

(k) the Company has agreed not to issue any Shares (other than Shares issued pursuant to the Offer and the Manager's Options) for a period of 90 days from Admission (subject to certain exceptions, including where the Sole Bookrunner has given its consent to the issue or sale, as the case may be).

9. General

9.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

9.2 The Company will not, to a significant extent, be a dealer in investments.

9.3 The Company does not intend to register under or become subject to the Investment Company Act as an investment company. In order to avoid such registration, it will seek to comply with Section 3(c)(7) of the Investment Company Act, which provides an exclusion from investment company status for investment funds whose securities are only held in the United States or by U.S. Persons who are Qualified Purchasers and certain other limited categories of persons.

9.4 The Company has the following principal subsidiaries as at the date of this Prospectus, which are directly or indirectly wholly owned by the Company and consolidated into the annual financial statements of the Company:

Company Name	Proportion of capital held	Principal activity	Registered office
LUXEMBOURG			
Luxgate S.àr.l.	100%	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Marathon S.àr.l.	100%	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Mars Holdco 1 S.àr.l.	100%	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Belfry Lux Participation S.àr.l.	100% (indirectly via Luxgate S.àr.l.)	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Bastion Lux Participation S.àr.l.	100% (indirectly via Luxgate S.àr.l.)	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Eurobarbican S.àr.l.	100% (indirectly via Luxgate S.àr.l.)	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Truss Lux Participation S.àr.l.	100% (indirectly via Luxgate S.àr.l.)	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Italy Investments S.àr.l.	100% (indirectly via Finial S.àr.l.)	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg

Company Name	Proportion of capital held	Principal activity	Registered office
Undercroft S.àr.l.	100%	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Zama (Windhoek) S.àr.l.	100% (indirectly via Marathon S.àr.l.)	Property Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Finial S.àr.l.	100%	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Mars Propco 2-39 S.àr.l. (23 real estate holding companies numbered 2,4-5,7, 9-24, 33, 38-39)	100% (indirectly via Mars Holdco 1 S.àr.l.)	Property Companies	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Drive S.àr.l.	100% (indirectly via Luxgate S.àr.l.)	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
FML NPL SPA	100% (indirectly via Italy Investment S.àr.l.)	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg (the company does not exist yet in Luxembourg)
FIF NPL S.ár.l.	80.66% (indirectly via Undercroft S.àr.l.)	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
Verona Holdco S.ár.l	100%	Holding Company	2-4 rue Beck L-1222 Luxembourg Grand Duchy of Luxembourg
GERMANY			
ECTGPROP1 (formerly known as Dresdner Grund-Fonds)	100% (indirectly via Luxgate S.àr.l.)	Real Estate Investment Fund	Bettinastraße 53-55, 60325 Frankfurt, Germany
Short Wave Acquisition GmbH	100% (indirectly via Luxgate S.àr.l.)	Holding Company	Neue Rothofstr. 17, 60313 Frankfurt, Germany
S-Wave Grundstücksverwaltungs-gesellschaft 1 mbH	100% (indirectly via Luxgate S.àr.l.)	Property Company	Junghofstraße 22, 60311, Frankfurt, Germany
Long Wave Acquisition GmbH	100% (indirectly via Luxgate S.àr.l.)	Holding Company	Neue Rothofstr. 17, 60313 Frankfurt, Germany
L-Wave Grundstrücksverwaltungs 1-59 GmbH & Co. KG (22 real estate holding companies numbered 1, 3, 4, 15, 20-22, 24-27, 30, 31, 38, 41, 43, 45, 47, 48, 51, 52, 54)	100% (indirectly via Luxgate S.àr.l.)	Property Companies	Junghofstraße 22, 60311 Frankfurt, Germany
Belfry GmbH & Co.KG	100% (indirectly via Luxgate S.àr.l.)	Property Company	Junghofstraße 22, 60311 Frankfurt, Germany
Truss GmbH & Co.KG	100% (indirectly via Luxgate S.àr.l.)	Property Company Frankfurt, Germany	Junghofstraße 22, 60311

Additionally, the Group has investments in Eurocastle Funding Limited, Eurocastle CDO IV, Duncannon CRE CDO I PLC and FECO Sub SPV PLC which are consolidated in accordance with International Accounting Standard 10.

Following the restructuring of the Mars Floating finance facility during 2009, the Mars Floating lender has acquired a 50 per cent. interest in the Mars Floating Portfolio.

9.5 CBRE has given and not withdrawn its consent to the inclusion in this Prospectus of the valuation reports prepared by it and set out in Part XI of this Prospectus in the form and context in which it is included, has authorised the contents of its above mentioned report for the purpose of Prospectus Rule 5.5.3. CBRE accepts responsibility for the content of its valuation reports and to the best of its knowledge and belief, having taken all reasonable care to ensure that the same is the case, the information contained in its valuation report or reports is in accordance with the facts and does not omit anything likely to affect the import of such information.

9.6 BDO LLP has given and not withdrawn its consent to the inclusion in this Prospectus of its report on the pro forma financial information set out in Section B of Part X of this Prospectus in the form and context in which it is included, and has authorised the contents of its above mentioned report for the purpose of Prospectus Rule 5.5.3R(2)(f). A consent under Prospectus Rule 5.5.3R(2)(f) and the rules promulgated thereunder is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is available only to transactions involving securities registered under the Securities Act. As the Offer Shares have not been and will not be registered under the Securities Act, BDO LLP has not filed a consent under Section 7 of the Securities Act.

9.7 Credit Suisse Securities (Europe) Limited has given and not withdrawn its consent to the inclusion in this Prospectus of references to its name in the form and context in which they are included in this Prospectus.

9.8 The Manager is or may be a promoter of the Company. Save as disclosed herein, no amount or benefit has been paid or given by the Group to the Manager, and, other than expressly disclosed in this Prospectus, none is intended to be given.

9.9 Application will be made for the Offer Shares to be admitted to listing and trading on Euronext Amsterdam.

9.10 No commission will be payable by the Company to financial intermediaries or placees in connection with the Offer.

9.11 The Company is a property collective investment undertaking. The property valuations in the valuation reports, as set out in Part XI of this Prospectus, are as at 31 December 2014. There has been no material change to the values of the properties since the date of the valuation reports.

9.12 The valuation of 4 properties in the German real estate portfolio set out in the CBRE valuation reports differs to the value of such properties included in the Group's financial statements for the year ended 31 December 2014 by an aggregate amount of €0.1 million. This results from value adjustments to reflect an agreed sale price in relation to those properties where such price differs from the CBRE valuations. For IFRS reporting purposes the Company is required to record the sale price in the financial statements, whereas CBRE provides its valuation of the property as at 31 December 2014.

9.13 The Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is, for the 12 months from the date of this Prospectus.

The Group has a number of financing facilities which are non-recourse to the Company and which have either recently passed their maturity dates or are due to reach maturity within the next 12 months, at which time the outstanding balance of the financings are or will become due and payable unless such financings can be extended. If proceeds from the sale of assets which secure the Relevant Portfolio Financing do not equal or exceed the amount outstanding under the Relevant Portfolio Financing, the Group would be unable to repay the outstanding balance of the Relevant Portfolio Financing when it becomes due and payable. The maturity dates and principal amounts outstanding (as at 31 March 2015) on each Relevant Portfolio Financing are set out below:

Portfolio	Current face value €'000	Maturity date
Mars Floating	97,746	May 2015
Mars Fixed II	45,541	Jun 2015
Belfry	53,544	Oct 2015
Drive Senior(1)	21,630	Jan 2016
Drive Junior	308,467	Jan 2016
Truss	83,580	Feb 2016
Wave	68,029	May 2016
Zama(2)	25,868	May 2016
Total	**704,405**	

(1) Reflects the repayment of €56.5 million from sales proceeds received by 31 March 2015 but not applied until the next loan interest payment date in April 2015.

(2) Interim maturity date of May 2015 extended subject to certain asset management targets being met.

The Relevant Portfolio Financings are secured by assets within each of the portfolios, the net assets of which represent 23 per cent. of the Group's Adjusted Net Assets.

The Group typically seeks to resolve these maturities through repayments arising from sales but would look to secure extensions or replacement facilities should it require more time to do so. The Directors expect those assets in the Wave, and Mars Fixed II Portfolios to repay their respective facilities in 2015. The Group is in constructive discussions with the lenders of the Mars Floating facility to allow for the sale of the remaining two assets that are currently under binding sale contracts. The Group anticipates that it will be able to meet repayments on maturity of the Drive Senior facility through asset sales with any remaining outstanding balance on the Drive Junior facility likely to be extended. Should sufficient sales not be achieved ahead of their respective loan maturities, the Group will engage in discussions with lenders in relation to the other Relevant Portfolio Financings as they approach maturity, typically commencing such discussions a number of months prior to the relevant maturity date. There can be no guarantee that these discussions will lead to an agreement to extend or refinance a particular facility prior to its maturity.

Given that the financings are non-recourse to the Company, it is not obliged to utilise any additional capital to refinance any of the Relevant Portfolio Financings and it does not currently anticipate that it would use a significant amount of capital for this purpose. In particular, the Company does not anticipate utilising any of the proceeds of the Offer for this purpose. In the event that the Group is unable to reach a mutually satisfactory agreement with a lender in relation to a Relevant Portfolio Financing then the lender would be entitled to enforce its security rights over the assets secured against the Relevant Portfolio Financing. Should the lender enforce its security rights over such assets, the proceeds from the sale of the assets would be applied to repay, to the extent possible, the amount owing under the Relevant Portfolio Financing (with the Group being entitled to any excess proceeds from the sale of the assets following repayment in full of the amount outstanding), the Group would no longer own those assets and would not have the benefit of any operating cash distributions from the relevant portfolio (aggregate annual distributable operating cash[1] from all such portfolios as at 31 December 2014 was approximately €2.8 million). Lenders only have recourse to the portfolio of assets relevant to their financing and the subsidiaries that are parties to the Relevant Portfolio Financing and do not have any recourse to any other assets of the Company or other subsidiaries of the Group.

Taking into account the proceeds of the Offer, the Company is of the opinion that, should any or all lenders enforce their security in relation to a Relevant Portfolio Financing(s) and after taking into account the relevant forfeiture of the assets secured against such Relevant Portfolio Financing(s) and enforcement against subsidiaries, the remainder of the Group would be able to continue to operate its

(1) Cash distributable to the Company, being an amount equal to the income from the relevant portfolio (including rent) less: (i) capital expenditures; (ii) interest; and (iii) cash that is required to be retained at the portfolio level or paid to the lender under the terms of the Relevant Portfolio Financing.

business in the ordinary course for at least the next 12 months from the date of this Prospectus including meeting the Company's obligations in respect of the UCCMB Acquisition.

9.14 The net asset value of the Group is determined quarterly by the Manager in accordance with IFRS as part of the preparation of the Company's interim and annual financial statements. The Company communicates this valuation in its quarterly earning announcements it makes to the market and on its website. The Directors currently only contemplate the publication of the net asset value being suspended in *force majeure* circumstances. If the publication of quarterly results was unduly delayed or cancelled, the Company would make a market announcement.

9.15 The Company complies with the corporate governance requirements provided for under applicable laws and regulations in Guernsey.

9.16 Without taking into account any capital raised pursuant to the Offer or any subsequent offer (which will impact the amount payable to the Manager), the estimated maximum amounts payable in respect of fees over a 12-month period to each of the Manager, the Administrator and the Registrar are as follows:

Manager (Management and Incentive Fee)	€6,936,910
Administrator	€97,000
Registrar	€9,000

10. Indebtedness and Capitalisation

The unaudited gross indebtedness of the Group as at 28 February 2015 and the audited capitalisation of the Group as at 31 December 2014 were as follows:

Gross Group Indebtedness	**As at 28 February 2015 (unaudited) €'million**
Total current debt:	
Bank credit facilities (guaranteed/secured)[1]	917.2
Other non-current loans (unguaranteed/unsecured)	1.0
	918.2
Total non-current debt:	
Bonds issued (collateralised debt obligations/secured)[1]	194.3
Bank credit facilities (guaranteed/secured)[1]	92.2
Other non-current loans (unguaranteed/unsecured)	22.3
	308.8
Total Gross Indebtedness	1,227.0

Capitalisation	**As at 31 December 2014 (audited) €'million**
Share capital	1,714.6
Other reserves	16.9
	1,731.5
Total Capitalisation and Indebtedness	2,958.5

(1) The assets secured under the Group's debt liabilities are either assigned or charged to the relevant lender by way of security or transferred to the relevant counterparty under a loan repurchase agreement.

Capitalisation does not include accumulated loss.

There has been no material change to the Group capitalisation since 31 December 2014.

The unaudited net indebtedness of the Group as at 28 February 2015 was as follows:

Net Group Indebtedness	**As at 28 February 2015 (unaudited) €'million**
Liquidity	
Cash	162.5
Trading securities	186.5
	349.0
Current Financial Indebtedness	
Current portion of non-current debt	(917.2)
Other current financial debt	(1.0)
	(918.2)
Net Current Financial Indebtedness	(569.2)
Non-Current Financial Indebtedness	
Non-current bank loans	(92.2)
Bonds issued	(194.3)
Other non-current loans	(22.3)
	(308.8)
Net Financial Indebtedness	**(878.0)**

As at 28 February 2015, the Group had no indirect or contingent indebtedness.

11. Documents available for Inspection

Copies of the following documents are available for inspection at the registered office of the Company, at the offices of the Manager, and at the offices of Linklaters, One Silk Street, London EC2Y 8HQ during usual business hours (Saturdays, Sundays and public holidays excepted) from the date of publication of this Prospectus for either a period of 14 days or until Admission of all of the Offer Shares, whichever is the longer period:

11.1 the Memorandum and Articles of Incorporation of the Company;

11.2 the annual reports and audited consolidated financial statements of the Company for the years ended 31 December 2014, 31 December 2013 and 31 December 2012 which have been audited by BDO LLP (in the case of the years ended 31 December 2014 and 31 December 2013) and Ernst & Young LLP (in the case of the year ended 31 December 2012). BDO LLP and Ernst & Young LLP are registered to carry out audit work by the ICAEW;

11.3 this Prospectus; and

11.4 the valuation reports set out in Part XI of this Prospectus.

12. AIFMD Disclosures

The table below provides information specifically required to be disclosed to investors prior to their making an investment in the Company pursuant to AIFMD. Where relevant information is contained elsewhere in this Prospectus a cross-reference is provided:

Article		
23(1)(a)	Investment strategy and objectives	Part I, page 54
23(1)(a)	Types of assets in which the AIF may invest	Part I, page 54
23(1)(a)	Investment techniques that the AIF or AIFM may employ and associated risks with those investment techniques	Part I, page 54; Risk Factors, page 21
23(1)(a)	Applicable investment restrictions	B.34: Description of investment objective, policy and investment restrictions, page 13
23(1)(a)	Circumstances in which leverage may be used	Amount of Leverage, page 13, 58, 98
23(1)(a)	Types and sources of leverage permitted	Borrowing Powers, page 98
23(1)(a)	Risks of the types and sources of leverage permitted	Group's Financing Arrangements, page 36
23(1)(a)	Restrictions on the use of leverage and any collateral and asset reuse arrangements	Amount of Leverage, page 13, 58, 98
23(1)(a)	Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	Amount of Leverage, page 13, 58, 98
23(1)(b)	Procedures by which the AIF may change its investment strategy or investment policy	Diversification and Risk Management, page 58
23(1)(d)	Identity of the AIFM and a description of their duties and the investor's rights	Part IV: Management of the Company, page 83; C.4 Description of rights attaching to the securities, page 15 The Management Agreement does not provide for any third party rights in favour of investors.
23(1)(d)	Identity of the auditor and a description of their duties and the investor's rights	Historical Financial Information, page 140; C.4 Description of rights attaching to the securities, page 15 BDO LLP will provide audit services to the Company and will audit the Company's annual report and financial statements in accordance with International Standards on Auditing. The Company has entered into an engagement letter with BDO LLP.

Article		
23(1)(d)	Identity of other service providers and a description of their duties and the investor's rights	Directors, Managers and Advisers, page 414; Material contracts, page 106; C.4 Description of rights attaching to the securities, page 15 None of the agreements for the appointment of the Company's service providers provide for third party rights in favour of investors.
23(1)(i)	All fees, charges and expenses borne by investors	E.7: Expenses charged to the investor, page 20
23(1)(f)	AIFM management function delegated by the AIFM	The AIFM has not delegated any part of its portfolio management or risk management function.
23(1)(f)	Identity of the delegates	Not applicable
23(1)(f)	Conflicts of interest arising from delegated management function	Not applicable
23(1)(e)	How the AIFM complies with the requirements (professional negligence) relating to professional liability risk	Not applicable
23(1)(g)	The AIF's valuation procedure and pricing methodology for valuing assets	Critical Accounting Policies and Estimates, page 80
23(1)(g)	Methods used in valuing any hard-to-value assets	Critical Accounting Policies and Estimates, page 80
23(1)(h)	AIF's liquidity risk management	Liquidity and Capital Resources, page 77
23(1)(h)	Redemptions	Redemption, page 96
23(1)(h)	A description of how the AIFM ensures fair treatment of investors	Issue of shares, page 96
23(1)(h)	Preferential treatment	No Shareholder will be granted preferential treatment in relation to the terms of its investment in the Company other than in accordance with the AIFM Rules.
23(1)(c)	Main legal implications of the contractual relationship entered into for the purposes of the investment	C.4:Description of the rights attaching to the securities, page 15
23(1)(c)	Jurisdiction and applicable law of the subscription agreement	Articles of Incorporation, page 95

Article		
23(1)(c)	Legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF is established	Subject to the provisions and requirements of the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957 (as amended), the Judgments (Reciprocal Enforcement) Ordinance, 1973 (as amended), and the Judgments (Reciprocal Enforcement) (Guernsey) Rules 1972 (as amended) the Royal Court of Guernsey (the "Royal Court") will recognise as a valid judgment and, without review of its substance, enforce any final and conclusive judgment given in the following jurisdictions: (a) England and Wales: The Supreme Court and the Senior Courts of England and Wales, excluding the Crown Court. (b) Isle of Man: The High Court of Justice of the Isle of Man. (c) Israel: The Supreme Court, The District Courts, Rabbinical Courts, Moslem Religious Courts, Christian Religious Courts, and Druze Religious Courts. (d) Jersey: The Royal Court of Jersey and The Court of Appeal of Jersey. (e) Kingdom of the Netherlands: The Hoge Raad der Nederlanden, The Gerechtshoven and the Arrondissement-srechtbanken. (f) Netherlands Antilles: The Hoge Raad der Nederlanden, The Hof van Justitie der Nederlandse Antillen and the Gerecht in Eerste Aanleg. (g) Northern Ireland: The Court of Judicature of Northern Ireland. (h) Republic of Italy: The Corte d'Appello and The Tribunale.

Article		
		(i) Scotland: The Court of Session and The Sheriff Court. (j) Surinam: The Hof van Justitie van Suriname, The Kantongerecht in het Eerste Kanton and The Kantongerecht in het Derde Kanton. If a foreign judgment does not fall within the above list, it may nevertheless be enforceable at common law.
23(1)(k)	Latest annual report	Report and Accounts, page 99
23(1)(l)	Procedure and conditions for the issue and sale of shares	Part V: The Offer, page 90-92
23(1)(p)	How and when the periodic disclosures in Art 23(4) AIFMD and the regular disclosures in Art 23(5) will be disclosed	This information will be provided at least annually to Shareholders by the Company on its website.
23(1)(l)	Latest NAV of the AIF or latest market price of the unit or share of the AIF	B.46: Valuation of the Company's NAV, page 15
23(1)(n)	The historic performance of the AIF	Historical Financial Information, page 140

PART VII:

TAX CONSIDERATIONS

1. General

The comments below are of a general and non-exhaustive nature based on the Directors' understanding of the current law and published tax authority practice in Guernsey, the UK (as applied in England and Wales) and the United States of America, which are subject to change, possibly with retrospective effect. The following summary does not therefore constitute legal or tax advice and applies only to persons holding Shares as an investment.

An investment in the Company involves a number of complex tax considerations and the following summary does not address all possible tax consequences. Changes in tax legislation in any of the countries in which the Company will have investments or in Guernsey (or in any other country in which a subsidiary of the Company, through which investments are made, is located), or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

Prospective investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding, converting or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.

2. Guernsey Taxation

2.1 ***The Company***

Under current law and practice in Guernsey, the Company is eligible for and has been granted exemption from Income Tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (the "Ordinance"). Under the provisions of the Ordinance, the Company will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax and will not be liable to income tax in Guernsey save in respect of income arising in Guernsey (other than bank deposit interest). It is anticipated that no income other than bank deposit interest will arise in Guernsey and therefore the Fund should not incur any additional liability to Guernsey tax. It is intended to conduct the affairs of the Company so as to ensure it retains such exempt status which is granted on application on an annual basis and on payment of the annual fee, currently £1,200 per application, and provided the Company continues to qualify under the applicable legislation for exemption.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties, (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of shares in the Company. In addition, interest and dividend payments by a company which has exempt status for Guernsey tax purposes are regarded as having a source outside Guernsey and are payable without deduction of tax in Guernsey.

US-Guernsey Intergovernmental Agreement

On 13 December 2013, the Chief Minister of Guernsey signed an intergovernmental agreement with the US (the "US–Guernsey IGA") regarding the implementation of FATCA under which certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or are entities controlled by one or more, residents or citizens of the United States. The US-Guernsey IGA is implemented through Guernsey's domestic legislation, in accordance with regulations and guidance which are currently published in draft from. Accordingly, the full impact of the US-Guernsey IGA on the Company and the Company's reporting responsibilities pursuant to the IGA is currently uncertain.

UK-Guernsey Intergovernmental Agreement

On 22 October 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the UK ("UK-Guernsey IGA") under which certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or are entities controlled by one or more, residents of the UK. The UK-Guernsey IGA is implemented through Guernsey's domestic legislation in accordance with regulations and guidance which are currently published in draft form. Accordingly, the full impact of the UK-Guernsey IGA on the Company and the Company's reporting responsibilities pursuant to the UK-Guernsey IGA is currently uncertain.

European Savings Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. Paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the "Directive") as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are equivalent to an Undertaking for Collective Investment in Transferable Securities ("UCITS"), guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements indicate that the Company is not equivalent to a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the Directive in Guernsey.

On 24 March 2014 the Council of the European Union formally adopted a directive to amend the Directive. The amendments significantly widen the scope of the Directive. EU member states are required to adopt national legislation to comply with the amended Directive by 1 January 2016. The amended Directive is anticipated to be applicable from 1 January 2017. Guernsey, along with other dependent and associated territories, will consider the effect of the amendments to the Directive in the context of existing bilateral agreements and domestic law. If changes to the implementation of the Directive in Guernsey are brought into effect, the treatment of Shareholders and the position of the Company in relation to the Directive may be different to that set out above.

Multilateral Competent Authority Agreement for Automatic Exchange of Taxpayer Information

On 13 February 2014, the Organisation for Economic Co-operation and Development released the "Common Reporting Standard" ("CRS") designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement ("Multilateral Agreement") that activates this automatic exchange of FATCA-like information in line with the CRS. Pursuant to the Multilateral Agreement, certain disclosure requirements may be imposed in respect of certain Shareholders in the Company who are, or are entities that are controlled by one or more, residents of any of the signatory jurisdictions. Both Guernsey and the UK have signed up to the Multilateral Agreement, but the US has not signed the Multilateral Agreement.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018. Guidance and domestic legislation regarding the implementation of the CRS and the Multilateral Agreement in Guernsey is yet to be published in finalised form. Accordingly, the full impact of the CRS and the Multilateral Agreement on the Company and the Company's reporting responsibilities pursuant to the Multilateral Agreement as it will be implemented in Guernsey is currently uncertain.

2.2 ***The Shareholders***

Shareholders resident in Guernsey

Provided the Company maintains its exempt status, Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm for these purposes) will suffer no deduction of tax by the Company from any dividends payable by the Company but the Administrator will provide details of distributions made to Shareholders resident in the Guernsey to the Director of Income Tax in Guernsey, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares, with details of the interest. Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of distributions paid in relation to any Shares owned by them nor on the redemption or disposal of their holding of Shares in the Company.

Shareholders not resident in Guernsey

In the case of Shareholders who are not resident in Guernsey for tax purposes, and provided the Company maintains its exempt status, the Company's distributions can be paid to such Shareholders without giving rise to a liability to Guernsey income tax, nor will the Company be required to withhold Guernsey tax on such distributions.

3. United Kingdom Taxation

In addition to the disclaimers contained in "Tax Considerations – 1. General" above, prospective investors should note that this summary of United Kingdom taxation considerations applies only to Shareholders resident and, in the case of an individual, domiciled, for tax purposes in the United Kingdom and to whom "split year" treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold Shares as an investment and who are the absolute beneficial owners of their Shares. (In particular, Shareholders holding their Shares via a depositary receipt system or clearance service should note that they may not always be the absolute beneficial owners thereof.) Certain categories of Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs or exemptions, those connected with the Company or Group and those for whom the shares are employment related securities may be subject to special rules and this summary does not apply to such Shareholders. This summary also does not apply to any individual Shareholder who owns 5 per cent. or more of the issued ordinary share capital of the Company or who (after taking into account, in certain circumstances, shares comprised in a settlement of which the Shareholder is a settlor, shares held by a connected person and shares transferred by a Shareholder pursuant to a repossession or stock lending arrangement) owns 10 per cent. or more of the issued share capital of the Company.

3.1 ***The Company***

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Company. This will include conducting the affairs of the Company so that it does not become resident in the UK for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a permanent establishment situated therein), the Company should not be subject to UK income tax or corporation tax other than on UK source income. The rest of the United Kingdom Taxation summary below is written on this basis.

3.2 ***The Shareholders***

(i) *Disposal of Shares*

The Company should not as at the date of this Prospectus be an "offshore fund" as defined in section 355 of the Taxation (International) and Other Provisions Act 2010 ("TIOPA"). Accordingly, the provisions of Part 8 of TIOPA and the Offshore Funds (Tax) Regulations 2009 should not apply. For so long as the Company is not an "offshore fund", any disposal of Shares by a Shareholder may give rise to a chargeable gain for United Kingdom tax purposes.

(a) *UK resident Shareholders*

A disposal or deemed disposal of Shares by a Shareholder who is (at any time in the relevant United Kingdom tax year) resident in the United Kingdom for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation on chargeable gains (including by reference to changes in the sterling/euro exchange rate), depending on the Shareholder's circumstances and subject to any available exemption or relief.

(b) *Non-UK resident Shareholders*

A Shareholder who is not resident in the United Kingdom for tax purposes but who carries on a trade in the United Kingdom through a branch or agency, or in the case of a company a permanent establishment, may be subject to United Kingdom taxation on chargeable gains on a disposal of Shares which are used in or for the purposes of the trade or used, held or acquired for use for the purposes of the branch, agency or permanent establishment.

A Shareholder who is an individual who ceased to be resident in the United Kingdom for tax purposes for a period of five years or less and who disposes of Shares during that period may also be liable, on his return to the United Kingdom, to United Kingdom taxation on chargeable gains (subject to any available exemption or relief).

(ii) *Income from the Company*

The Company will not be required to withhold amounts on account of United Kingdom tax at source when paying a dividend.

According to their personal circumstances, Shareholders resident in the United Kingdom for tax purposes may be liable to income tax or corporation tax in respect of dividend or other income distributions of the Company. A United Kingdom resident individual Shareholder who receives a dividend from the Company will generally be entitled to a tax credit which may be set off against the Shareholder's total income tax liability. The tax credit will be equal to 10 per cent. of the aggregate of the dividend (before deduction of any foreign withholding tax) and the tax credit (the "gross dividend"). Such an individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Shareholder's liability to income tax on the dividend. In the case of such an individual Shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match the Shareholder's tax liability on the gross dividend and such Shareholder will have to account for additional income tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received (before deduction of any foreign withholding tax)) to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the threshold for higher rate income tax. In the case of such an individual Shareholder who is subject to income tax at the additional rate, the tax credit will also be set against but not fully match the Shareholder's liability on the gross dividend and such Shareholder will have to account for additional income tax equal to 27.5 per cent. of the gross dividend (which is also equal to approximately 30.6 per cent. of the cash dividend received (before deduction of any foreign withholding tax)) to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the threshold for additional rate income tax.

Foreign withholding tax withheld from the payment of a dividend will generally be available as a credit against the income tax payable by an individual Shareholder in respect of the dividend.

A United Kingdom resident individual Shareholder who is not liable to income tax in respect of the gross dividend and other United Kingdom resident taxpayers who are not liable to United Kingdom tax on dividends will not be entitled to the tax credit attaching to dividends paid by the Company (and accordingly will not be entitled to claim repayment of the tax credit).

Shareholders who are within the charge to United Kingdom corporation tax in respect of Shares will be subject to corporation tax on the gross amount of any dividends paid by the Company, subject to any applicable credit for foreign withholding tax, unless (subject to special rules for such shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each such Shareholder's position will depend on its own individual circumstances, although it would normally be expected that the dividends paid by the Company would fall within an exempt class.

Shareholders who are not liable to United Kingdom tax on their income will not be subject to United Kingdom tax on dividends.

Additional considerations may apply if the Company were to pay dividends from its share premium account.

Where investments of the Company are distributed in specie to Shareholders, such distributions may represent a part-disposal of Shares for United Kingdom tax purposes.

(iii) *Anti-avoidance*

The attention of individual Shareholders resident in the United Kingdom is drawn to the provisions of Part 13, Chapter 2 of the Income Tax Act 2007 (the "ITA"). These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of undistributed income and profits of the Company on an annual basis.

More generally, the attention of Shareholders is also drawn to the provisions of Part 13, Chapter 1 of the ITA and Part 15 of the Corporation Tax Act 2010 which give powers to HM Revenue & Customs to cancel tax advantages derived from certain transactions in securities.

Part 9A of TIOPA contains provisions which subject certain United Kingdom resident companies to corporation tax on profits of companies not so resident in which they have an interest. The provisions may affect United Kingdom resident companies which are deemed to be interested whether directly or indirectly in at least 25 per cent. of the profits of a non-United Kingdom resident company which is controlled by residents of the United Kingdom and which is resident in a low tax jurisdiction. The legislation is not directed towards the taxation of chargeable gains.

It is possible that the Company would be a close company if resident in the United Kingdom. If this were to be the case, in certain circumstances, a proportionate part of any chargeable gain which accrues to the Company may be treated as if it had accrued at that time to any United Kingdom resident and, in the case of an individual, domiciled Shareholder who, whether alone or together with certain connected persons, holds more than 25 per cent. of the Shares. However, it is not expected that such a Shareholder would be subject to such treatment.

(iv) *Stamp duty and stamp duty reserve tax*

No United Kingdom stamp duty or stamp duty reserve tax will be payable on the issue of the Shares. No United Kingdom stamp duty should be required to be paid on the transfer of the Shares, provided that any instrument of transfer is not executed in the United Kingdom and that any instrument of transfer, wherever executed, does not relate to any property situate, or to any matter or thing done or to be done, in the United Kingdom. Provided that the Shares are not registered in any register of the Company kept in the United Kingdom or paired with shares issued by a body corporate incorporated in the United Kingdom, any agreement to transfer the Shares will not be subject to United Kingdom stamp duty reserve tax.

4. United States Taxation

4.1 *General*

The following is a summary of certain U.S. federal income tax consequences of acquiring, holding and disposing of the Shares by U.S. Holders, Tax-Exempt Holders and Non-U.S. Holders (all as defined below, and collectively, for the purposes of this section 4 the "Investors"). This summary is based upon the Code, U.S. Treasury regulations promulgated thereunder, judicial authorities, published positions of the U.S. Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). This summary does not discuss all of the tax consequences that may be relevant to a particular Investor based on such Investor's particular circumstances or to certain Investors that are subject to special treatment under U.S. federal income tax laws such as: former U.S. citizens or long term residents subject to Code section 877 or section 877A; subchapter S corporations; U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;

financial institutions and insurance companies; broker-dealers; regulated investment companies; real estate investment trusts; trusts and estates; persons holding the Shares as part of a "straddle", "hedge", "conversion transaction", "synthetic security", or other integrated investment; and persons subject to the alternative minimum tax. This summary is limited to Investors who acquire Shares in the Offering and who hold the Shares as capital assets. No rulings have been or will be sought from the IRS regarding any matter discussed in this Prospectus, and counsel to the Company has not rendered any legal opinion regarding any of the tax consequences discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below. This discussion also does not address U.S. state or local taxation.

Prospective investors are urged to consult their tax advisers to determine the U.S. federal, state, local and non-U.S. income and other tax consequences of acquiring, holding and disposing of the Shares, as well as the effect of tax laws of the jurisdictions of which they are citizens, residents or domiciliaries or in which they conduct business.

For purposes of the following discussion, a "U.S. Holder" is a beneficial owner of the Shares that is: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation) created or organised in or under the laws of the United States or any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust: (a) the administration over which is subject to primary supervision by a court within the United States and as to which one or more U.S. persons have the authority to control all substantial decisions; or (b) which has properly elected to be treated as a "United States person" for U.S. federal income tax purposes. A "Tax-Exempt Holder" is a U.S. Holder that is exempt from US federal income taxation under section 501(a) of the Code. A "Non-U.S. Holder" is a beneficial owner of the Shares that is not: (i) a U.S. Holder; or (ii) an entity treated as a partnership for U.S. federal income tax purposes.

If a partnership, including for this purpose any entity or arrangement treated as a partnership for U.S. federal income tax purposes, is a holder of the Shares, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of such partner and the activities of the partnership.

Prospective investors that are partnerships and partners in such partnerships are urged to consult their tax advisers to determine the U.S. federal income tax consequences of acquiring, holding and disposing of the Shares.

4.2 *The Company*

Taxation as a Corporation

The Company has consistently treated itself as a corporation for U.S. federal income tax purposes. Thus, except as described below, the income, gains, losses, deductions and expenses of the Company do not pass through to the Investors, and all distributions by the Company to the Investors are treated as dividends, returns of capital and/or gains.

United States Trade or Business: U.S. Withholding Taxes

The Company has previously conducted its operations in a manner that has permitted the Company to take the position that it is not engaged in the conduct of a U.S. trade or business for U.S. federal income tax purposes, although no assurances can be given that the Company's activities will not change or that the IRS will not challenge the position that the Company is not engaged in a U.S. trade or business. So long as the Company and its subsidiaries are not engaged in a U.S. trade or business, income and gain earned by the Company and its subsidiaries will not be subject to regular U.S. federal income taxation. If, however, contrary to expectations, the Company or one or more of its subsidiaries were treated as engaged in a U.S. trade or business, then the Company or the subsidiary generally would be subject to regular U.S. federal income taxation on any income or gain effectively connected with the U.S. trade or business (and would also be subject to a U.S. branch profits tax of up to 30 per cent.). In such event, the Company's ability to make distributions to its shareholders may be materially and adversely affected.

The Company or one or more of its subsidiaries may be subject to U.S. withholding tax at a rate of 30 per cent. on certain types of fixed or determinable annual or periodical income (such as rents, dividends, and interest on investments), derived by the Company from sources within the United States. This U.S. withholding tax is separate from the FATCA withholding tax (discussed below) which may apply to certain payments (including U.S. source income) received by the Company (or its subsidiaries), but the two withholding tax regimes are coordinated to mitigate the possibility of multiple levels of withholding tax on the same payments.

Passive Foreign Investment Company

Generally, a non-U.S. corporation, such as the Company, will be classified as a passive foreign investment company (a "PFIC") during a given year if either: (i) 75 per cent. or more of its gross income for the taxable year constitutes "passive income"; or (ii) 50 per cent. or more of the value of its assets (determined on the basis of a quarterly average) during such year produces or is held for the production of "passive income". For these purposes, "passive income" generally includes interest, dividends, certain rents and royalties and gain from the sale or exchange of property that produces such income. Based on the Company's income, assets and activities, the Directors believe that the Company has been, and anticipate that it will continue to be, classified as a PFIC for U.S. federal income tax purposes. The remainder of this discussion assumes that the Company is a PFIC.

For purposes of the PFIC rules, the Company generally will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which it owns, directly or indirectly, at least 25 per cent. (by value) of the stock. There are several exceptions and special rules that apply to this "look through" rule. In addition, the Company directly or indirectly holds equity interests in subsidiaries or other entities which are PFICs ("lower-tier PFICs"). The Directors of the Company believe, based on income, assets and activities, that the Company's subsidiaries (including CDOs), to the extent they are treated as corporations for U.S. federal income tax purposes, have been and will continue to be PFICs. Under attribution rules, U.S. Holders will be deemed to own their proportionate shares of lower-tier PFICs and will be subject to U.S. federal income tax according to the rules described below on (i) certain distributions by a lower-tier PFIC and (ii) a disposition of shares of a lower-tier PFIC, in each case as if the U.S. Holder held such shares directly, even though a U.S. Holder has not received the proceeds of those distributions or dispositions directly.

Controlled Foreign Corporation

Generally, a non-U.S. corporation, such as the Company, will be classified as a controlled foreign corporation (a "CFC") if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value of all classes of stock of the corporation, are held, directly, indirectly, or constructively, by "U.S. Shareholders". A U.S. Shareholder, for this purpose, is generally any U.S. Holder that possesses, directly, indirectly or constructively, 10 per cent. or more of the combined voting power of all classes of shares of the corporation. Depending on future changes in ownership of the Shares, it is possible that the Company may be treated as a CFC. If the Company is classified as both a PFIC and a CFC, the Company generally will not be treated as a PFIC with respect to those U.S. Holders that meet the definition of a U.S. Shareholder.

If the Company were classified as a CFC, a U.S. Shareholder of the Company generally would be required to include in gross income (as ordinary income) at the end of each taxable year of the Company an amount equal to the U.S. Shareholder's *pro rata* share of the Company's "subpart F income". Subpart F income generally includes dividends, interest, rents and royalties, gains from the sale of securities, and income from certain transactions with related parties. If the Company were classified as a CFC, it is likely that much if not substantially all of its income would constitute subpart F income.

4.3 ***U.S. Holders***

Passive Foreign Investment Company

Generally, if the Company is classified as a PFIC in any taxable year, a U.S. Holder will be subject to special tax rules on the receipt of any "excess distribution" in respect of the Shares and gain from the direct or indirect disposition of the Shares whether or not the Company ceases to be a PFIC in a subsequent tax year (unless the U.S. Holder makes a PFIC "purging" election). A U.S. Holder that is eligible to make a "QEF election" or a "mark-to-market election" (each as described below) with respect to the Shares may avoid the excess distribution regime by making such an election with respect to the Shares. An excess distribution generally is any distribution to the extent such distribution exceeds 125 per cent. of the average annual distributions with respect to the Shares received by a U.S. Holder during the preceding three taxable years or, if shorter, the period during which the U.S. Holder held the Shares. For purposes of the PFIC rules, a distribution includes any actual or constructive transfer of money or property by the Company with respect to the Shares, including a redemption of the Shares if such redemption is treated as a distribution for U.S. federal income tax purposes. A disposition includes any transaction or event that constitutes an actual or deemed transfer of the Shares, including a redemption of the Shares if such redemption is treated as an exchange for U.S. federal income tax purposes or, in certain circumstances, a pledge of the Shares as security for a loan.

Under the PFIC rules, a U.S. Holder is required to allocate any excess distribution received or gain recognised from disposition of the Shares ratably over the U.S. Holder's entire holding period for the Shares. The amount allocated to the taxable year in which the excess distribution is made or the gain is recognised will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest income tax rate in effect for that year, regardless of the rate otherwise applicable to the U.S. Holder. The U.S. Holder will also be liable for an additional tax equal to an interest charge on such tax liability attributable to income allocated to prior years. In computing such tax liability, amounts allocated to prior tax years may not be offset by any net operating losses of the U.S. Holder.

In addition, under the PFIC rules, a U.S. Holder will be required to file an annual return on IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) regarding distributions received in respect of, and gain recognised on the dispositions of, the Shares.

A U.S. Holder may, however, make an election to treat the Company as a "qualified electing fund" ("QEF") in order to avoid the application of the PFIC rules discussed above. In order for a QEF election to be timely and valid, the U.S. Holder must make such election on Form 8621 with its timely filed U.S. federal income tax return for the first year in the U.S. Holder's holding period of the Shares during which the Company qualified as a PFIC. If a U.S. Holder makes a timely and valid QEF election with respect to the Company, the U.S. Holder will be required, for each taxable year for which the Company is a PFIC, to include in income, regardless of whether a distribution was made, such holder's *pro rata* share of the Company's: (i) ordinary earnings as ordinary income; and (ii) net capital gains as long term capital gain, in each case computed under U.S. federal income tax principles. Under the QEF rules, a U.S. Holder will not be required to include any amount in income for any taxable year during which the Company does not have ordinary earnings or net capital gains.

The QEF rules may cause an electing U.S. Holder to recognise income in a taxable year in amounts significantly greater than the distributions received from the Company in such taxable year. In particular, due to the nature of the assets in which the Company invests, U.S. Holders that have made a QEF election may be required to recognise taxable income from certain of the Company's assets in advance of the Company's receipt of cash flow on or proceeds from disposition of such assets. This is possible because loans owned by the Company's subsidiaries may be purchased with substantial original issue discount or market discount. As a result, the Company may have significant ordinary income from such instruments, but the receipt of cash attributable to such earnings may be deferred, perhaps for a substantial period of time. As a consequence, U.S. Holders of Shares may owe tax on a significant amount of "phantom" income. In certain cases in which the Company does not distribute all of its earnings in a taxable year, a U.S. Holder may be permitted to elect to defer the payment of some or all of its taxes with respect to the Company's income subject to an interest charge on the deferred amount.

The QEF election is made on a shareholder-by-shareholder basis. Thus, any U.S. Holder of the Shares must make its own decision regarding whether to make a QEF election. A QEF election applies to all of the Shares held or subsequently acquired by an electing U.S. Holder and can be revoked only with the consent of the IRS.

The Company may directly or indirectly own the shares of lower-tier PFICs. In such event, a U.S. Holder wishing to treat one or more lower-tier PFICs as a QEF would be required to make a separate QEF election for each such lower-tier PFIC. The application of the PFIC rules to tiers of PFICs is complex. Prospective purchasers should consult their own tax advisers as to these rules.

It should be noted that certain classes of Investors (for example, consolidated groups and grantor trusts) are subject to special rules regarding the QEF election.

The Company intends to provide U.S. Holders with such information as is necessary to enable them to make a QEF election and to comply with the reporting requirements applicable to a QEF election with respect to the Company and, to the extent information is available, each of its subsidiaries which is classified as a corporation for U.S. federal income tax purposes and which is expected to qualify as a lower-tier PFIC.

Alternatively, to the extent the Shares are treated as "marketable stock" for purposes of the PFIC rules, a U.S. Holder may make an election to mark the Shares to market annually (a "mark-to-market election"). In order for a mark-to-market election to be timely and valid, the U.S. Holder must make such election on Form 8621 with its timely filed U.S. federal income tax return for the first year in the U.S. Holder's holding period of our Shares during which the Company qualified as a PFIC. If a U.S. Holder makes a timely and valid mark-to-market election, the U.S. Holder will be required for each taxable year that the Shares are held, and upon the disposition of the Shares, to recognise as ordinary income or ordinary loss (but only to the extent of the net amount of previously included income as a result of the mark-to-market election) an amount equal to the difference between the U.S. Holder's tax basis in the Shares and the fair market value of the Shares. Such amounts must be reported annually by the U.S. Holder on Form 8621. The U.S. Holder's tax basis in the Shares will be increased by any income recognised by the U.S. Holder as a result of the mark-to-market election and will be decreased by any losses allowable under the mark-to-market rules.

As with the QEF election, the mark-to-market election is made on a shareholder-by-shareholder basis. Thus, any U.S. Holder of the Shares must make its own decision regarding whether to make a mark-to-market election. In addition, a mark-to-market election is revocable (except to the extent that the Shares are no longer considered marketable stock) only with the consent of the IRS, and will continue to apply even if the Company is no longer classified as a PFIC.

The mark-to-market election is available only for "marketable stock," which is stock that is traded in greater than de minimis quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. A mark-to-market election with respect to the Shares would not apply to any equity interests in lower-tier PFICs the Company owns. Accordingly, a U.S. Holder that makes a mark-to-market election with respect to the Shares generally would continue to be subject to the PFIC rules with respect to its indirect interest in any lower-tier PFICs. The Company cannot provide any assurances that the Shares will be listed or traded on a qualified exchange or other market in other than de minimis quantities on at least 15 days during each calendar quarter.

Prospective investors are urged to consult their tax adviser about the PFIC rules, including the possibility and advisability of and the procedure and timing for making a QEF or mark-to-market election in connection with the Shares.

Controlled Foreign Corporation

If the Company were classified as a CFC, a U.S. Holder that is treated as a U.S. Shareholder of the Company for purposes of the CFC rules would generally not be taxable under the PFIC rules described above. Rather, at the end of each taxable year of the Company, such U.S. Holder would generally include in gross income (as ordinary income) an amount equal to the shareholder's *pro rata* share of the Company's subpart F income. As a result, to the extent subpart F income of the Company includes net capital gains, such gains will be treated as ordinary income of the U.S. Holder under the CFC rules, notwithstanding the fact that the character of such gains might otherwise be preserved under the PFIC rules if a QEF election were made.

Distributions on the Shares

The treatment of actual distributions of cash on the Shares will generally vary depending on whether a U.S. Holder has made a timely QEF or mark-to-market election as described above. If a timely QEF election has been made or if the U.S. Holder is treated as a U.S. Shareholder of the Company for the purposes of the CFC rules, distributions should be allocated first to amounts previously taxed pursuant to the QEF election or pursuant to the CFC rules, if applicable. Amounts so allocable would not be taxable again to U.S. Holders. Distributions in excess of such previously taxed amounts will be taxable to U.S. Holders as ordinary income upon receipt, to the extent of any remaining untaxed current and accumulated earnings and profits of the Company. Such distributions made to a non-corporate U.S. Holder will not be eligible for taxation at the reduced tax rates generally applicable to dividends paid by certain United States corporations and "qualified foreign corporations" (which are generally subject to a top U.S. federal income tax rate on dividends of 20 per cent., plus, as described below, applicable tax on net investment income) and such distributions generally will not be eligible for the dividends-received-deduction with respect to distributions made to corporate U.S. Holders. Distributions in excess of: (i) previously taxed amounts; and (ii) any remaining current and accumulated earnings and profits will be treated first as a non-taxable return of capital, which reduces the tax basis in the Shares to the extent thereof, and then as capital gain.

If a timely mark-to-market election has been made, distributions made by the Company to a U.S. Holder will be taxable as ordinary income to the extent of any current and accumulated earnings and profits of the Company. Such distributions made to a non-corporate U.S. Holder will not be eligible for taxation at reduced tax rates applicable to dividends payable by certain United States corporations and qualified foreign corporations (which are generally subject to a top U.S. federal income tax rate on dividends of 20 per cent. plus, as described below, applicable tax on net investment income) and such distributions generally will not be eligible for the dividends-received-deduction with respect to distributions made to corporate U.S. Holders. Any distributions in excess of the current and accumulated earnings and profits of the Company will be treated first as a non-taxable return of capital, which reduces the tax basis in the Shares to the extent thereof, and then as capital gain.

In the event that a U.S. Holder does not make a timely QEF or mark-to-market election, then except to the extent that distributions may be attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions made with respect to the Shares may constitute excess distributions, and may be subject to an additional tax reflecting an interest charge under the PFIC rules described above.

Sale or Other Disposition of the Shares

A U.S. Holder that has made a valid QEF or mark-to-market election will generally recognise gain or loss upon the sale or other disposition of the Shares equal to the difference between the amount realised and the holder's adjusted tax basis in the Shares. The tax basis of a U.S. Holder in the Shares will generally be the amount paid for such Shares, increased by amounts taxable to such holder by virtue of a QEF or mark-to-market election, and decreased by: (i) actual distributions from the Company that are deemed to consist of previously taxed amounts or are treated as a non-taxable reduction in the tax basis of the Shares; and (ii) any losses previously allowed under the mark-to-market rules. In the case of a U.S. Holder that has made a valid QEF election, any gain or loss recognised from a sale or other disposition of the Shares will be long term capital gain or loss if the U.S. Holder has held such Shares for more than one year at the time of the sale or disposition. In the case of a U.S. Holder that has made a valid mark-to-market election, any gain recognised will be ordinary income and any loss recognised will be ordinary loss to the extent of the net gains previously recognised under the mark-to-market election, and capital loss thereafter. The ability of U.S. Holders to offset capital losses against ordinary income, however, is limited.

If a U.S. Holder does not make a timely QEF election or mark-to-market election, any gain realised from the sale or other disposition of the Shares or any gain deemed to accrue prior to the time a QEF or mark-to-market election is made will generally be treated as an excess distribution and subject to an additional tax reflecting an interest charge under the PFIC rules described above.

If the Company were treated as a CFC and a U.S. Holder were treated as a U.S. Shareholder thereof at any time within the five year period ending on the date of disposition, then subject to a special limitation for individual U.S. Shareholders that have held the Shares for more than one year, any gain realised by such U.S. Holder upon disposition of the Shares would generally be treated as a dividend to the extent of the current and accumulated earnings and profits of the Company accumulated while such U.S. Shareholder owned the Shares. In this respect, earnings and profits generally would not include any amounts previously taxed to the U.S. Holder pursuant to the CFC rules.

4.4 ***Tax-Exempt Holders***

Unrelated Business Taxable Income

Tax-Exempt Holders that are generally exempt from U.S. federal income taxation may nevertheless be subject to "unrelated business income tax" on any "unrelated business taxable income" or income from debt-financed property (collectively "UBTI") derived by such Tax-Exempt Holder. An investment in the Shares should not generate UBTI for Tax-Exempt Holders that are pension plans, Keogh plans, individual retirement accounts, tax-exempt institutions and other tax-exempt entities, provided that such Tax-Exempt Holders do not incur "acquisition indebtedness" (as defined for U.S. federal income tax purposes) with respect to their investments in the Shares.

Controlled Foreign Corporation

If the Company were classified as a CFC and a Tax-Exempt Holder were treated as a U.S. Shareholder, the Tax-Exempt Holder's subpart F income from the Company generally would not be treated as UBTI (assuming such Tax-Exempt Holder itself did not incur "acquisition indebtedness" to acquire its Shares).

Passive Foreign Investment Company

As discussed above, the Directors believe that the Company has been, and anticipate that it will continue to be classified as a PFIC for U.S. federal income tax purposes. Treasury regulations provide, however, that Tax-Exempt Holders generally will not be subject to the potentially adverse effects of the PFIC rules discussed above. Moreover, unlike taxable U.S. Holders, a Tax-Exempt Holder may not make a QEF election with respect to the Company unless such Tax-Exempt Holder is taxable under the UBTI rules with respect to distributions received from the Company (which should occur only if a Tax-Exempt Holder itself incurred "acquisition indebtedness" to make its investment in the Shares).

4.5 ***Non-U.S. Holders***

Dividends paid to a Non-U.S. Holder in respect of its Shares generally will not be subject to U.S. federal income tax or withholding tax (subject to the FATCA discussion below) unless the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. In addition, a Non-U.S. Holder generally will not be subject to U.S. federal income tax or withholding tax (subject to the FATCA discussion below) on any gain attributable to a sale or other taxable disposition of the Shares unless such gain is effectively connected with its conduct of a trade or business in the United States or the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of sale or other disposition and certain other conditions are met.

Dividends and gains that are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States generally will be subject to regular U.S. federal income tax at the same U.S. federal income tax rates applicable to a comparable U.S. Holder and, in the case of a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes, may also be subject to an additional branch profits tax at up to a 30 per cent. rate.

4.6 ***Tax on Net Investment Income***

U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally are subject to a 3.8 per cent. tax on net investment income, including dividends and capital gains from the sale or other taxable disposition of the Shares, subject to certain limitations and exceptions. Under Treasury regulations, distributions from the Company generally are included in net investment income when they are received, even if attributable to earnings and profits that were required to be included in the income of a U.S. Holder as a result of its QEF election for regular

U.S. federal income tax purposes. Alternatively, the Treasury regulations allow a U.S. Holder to elect to treat the income inclusion under the QEF rules as net investment income. U.S. Holders should consult their own tax advisers regarding the effect, if any, of such tax on their ownership and disposition of the Shares and whether and/or how to make the election provided by the Treasury regulations.

4.7 ***Information Reporting and Backup Withholding***

U.S. Holders are generally subject to information reporting requirements with respect to dividends paid on the Shares and proceeds paid from the disposition of the Shares if the dividends or proceeds are paid within the United States or through certain U.S.-related financial intermediaries. Backup withholding at a current rate of 28 per cent. with respect to dividends and disposition proceeds paid within the United States or through certain U.S.-related financial intermediaries would generally apply unless the U.S. Holder provides a correct taxpayer identification number, certifies that it is not subject to backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. Certain persons are exempt from information reporting and backup withholding, including corporations and financial institutions and may be required to certify such exempt status. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund provided that the required information is timely furnished to the IRS. A Non-U.S. Holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status, under penalties of perjury, on a duly executed applicable IRS Form W-8 or by otherwise establishing an exemption.

A U.S. Holder that transfers cash to a non-U.S. corporation such as the Company will likely be required to report the transfer to the IRS on IRS Form 926 (Return by a U.S. Transferor of Property to a Foreign Corporation) if: (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10 per cent. of the total voting power or total value of such corporation; or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds $100,000. Certain U.S. Holders may also be required to file IRS Form 5471 (Information Return of U.S. Persons With Respect to Certain Foreign Corporations) to report transfers of cash or other property to the Company and information relating to the U.S. Holder and the Company. Substantial penalties (including criminal penalties) may be imposed upon a U.S. Holder that fails to comply. In addition, a U.S. Holder may be required to file a Treasury Form FinCEN Report 114 (Report of Foreign Bank and Financial Accounts) each year to report its interest in the Shares.

Certain specified individuals and, to the extent provided by future guidance, certain domestic entities, who, at any time during the taxable year, hold interests in specified foreign financial assets (including stock in a foreign corporation, such as the Company, that is not held in an account maintained by a financial institution) having an aggregate value in excess of applicable reporting thresholds (which depend on the individual's filing status and tax home, and begin at a low of more than $50,000 on the last day of the taxable year or more than $75,000 at any time during the taxable year) are required to attach a disclosure statement on IRS Form 8938 (Statement of Specified Foreign Financial Assets) to their U.S. federal income tax return. A specified person who reports the Shares on a IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) does not have to report the Shares on the IRS Form 8938 if the person identifies the IRS Form 8621 which includes the Shares on the IRS Form 8938. No IRS Form 8938 is required to be filed by a specified person who is not required to file a U.S. federal income tax return for the taxable year. Investors are urged to consult their own tax adviser regarding these reporting requirements.

4.8 ***FATCA***

Under sections 1471 of the Code through 1474 (the Foreign Account Tax Compliance Act, or "FATCA"), a person who makes a withholdable payment (as defined in section 1473 of the Code) to a foreign financial institution ("FFI") or a non-financial foreign entity ("NFFE") must withhold at a 30 per cent. rate unless the FFI or NFFE meets certain requirements or provides certain information to the person making the payment. Withholdable payments generally include fixed or determinable annual or periodical ("FDAP") payments (such as dividends) from U.S. sources and gross proceeds from the sale or other disposition of any property of a type which can produce U.S.-source interest or dividends (such as stock). FATCA withholding on U.S.-source FDAP payments commenced 1 July 2014, and FATCA withholding on payments of gross proceeds is generally scheduled to commence 1 January 2017.

The Company is treating itself as a reporting FI, or "GFI", under the US-Guernsey IGA. Under the IGA, a GFI that complies with the requirements of the IGA will not be subject to withholding under FATCA or required to withhold on payments to "recalcitrant" accountholders who do not provide the information required by FATCA. Compliance with the IGA generally requires a GFI to report certain information regarding U.S. persons who hold accounts directly or indirectly with the GFI, including the name, address, and U.S. taxpayer identification number of the U.S. person and information about the account number, account balance, and amounts paid or credited to the account. Guernsey tax authorities will automatically transmit such information to the IRS. The IGA will be implemented through Guernsey's domestic legislation, in accordance with regulations and guidance yet to be published. Accordingly, the full impact of the IGA on the Company and the Company's reporting responsibilities pursuant to the IGA is currently uncertain.

Prospective investors should consult their tax advisers regarding the effect of FATCA in their particular circumstances.

PART VIII:

ERISA, TRANSFER RESTRICTIONS, ELIGIBLE INVESTORS AND CERTIFICATES

1. ERISA Considerations

1.1 *General*

ERISA, and Section 4975 of the Code, impose certain restrictions on: (a) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA; (b) plans (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts and Keogh plans; (c) entities whose underlying assets include plan assets by reason of an investment by a plan described in (a) or (b) in such entities (each of (a), (b) and (c), a "Plan"); and (d) persons who have certain specified relationships to Plans ("Parties in Interest" under ERISA and "Disqualified Persons" under the Code). Moreover, based on the reasoning of the U.S. Supreme Court in *John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank*, 510 U.S. 86 (1993), an insurance company's general account may be deemed to include assets of the Plans investing in the general account (e.g., through the purchase of an annuity contract), and such insurance company might be treated as a Party in Interest or Disqualified Person with respect to a Plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

The U.S. Department of Labor has promulgated a regulation, 29 C.F.R. §2510.3-101 (as modified by Section 3(42) of ERISA), the "Plan Asset Regulation") describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets are deemed to include both the equity interest itself and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation by "Benefit Plan Investors" is not "significant".

The Shares constitute "equity interests" in the Company for purposes of the Plan Asset Regulation; the Shares are not expected to be "publicly offered securities" within the meaning of the Plan Asset Regulation; the Company will not be registered under the Investment Company Act; and it is not likely that the Company will qualify as an "operating company" for purposes of the Plan Asset Regulation. Therefore, if equity participation in the Company by Benefit Plan Investors (as defined below) is "significant" within the meaning of the Plan Asset Regulation, the assets of the Company could be deemed to be the assets of Plans investing in the Shares. If the assets of the Company were deemed to constitute the assets of an investing Plan, (i) transactions involving the assets of the Company could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, (ii) the assets of the Company could be subject to ERISA's reporting and disclosure requirements, and (iii) the fiduciary causing the Plan to make an investment in the Shares could be deemed to have delegated its responsibility to manage the assets of the Plan.

Under the Plan Asset Regulation, equity participation in an entity by Benefit Plan Investors is "significant" on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25 per cent. or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors (the "25 per cent. Threshold").

The term "Benefit Plan Investor" is defined to include any: (i) "employee benefit plan" (as defined in Section 3(3) of ERISA) subject to Title I of ERISA; (ii) "plan" (as defined in Section 4975(e)(1) of the Code) subject to Section 4975 of the Code, including without limitation individual retirement accounts and Keogh plans; or (iii) entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity, including without limitation, as applicable, an insurance company general account, insurance company separate account or collective investment fund. For purposes of making determinations under the 25 per cent. Threshold: (i) the value of any Shares held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person (each such person or affiliate, a "Controlling Person"), is disregarded which, in the case of the Company, will include the Manager and its affiliates; and (ii) only the proportion of an entity's equity investment in the Company that represents plan assets is taken into account.

1.2 ***Restrictions on Purchase***

The Company generally intends to prohibit investors that are subject to Title I of ERISA or Section 4975 of the Code from acquiring any Shares. Accordingly, without the consent of the Company, Benefit Plan Investors will not be permitted to acquire Shares, and each investor will be required to represent, or will be deemed to have represented, as applicable, that it is not a Benefit Plan Investor. Each purchaser of a Share admitted to settlement by means of the CREST UK system if any, except in certain cases approved by the Company, will be deemed to represent and warrant that it is not a Benefit Plan Investor. In addition, the Company's Articles of Incorporation restrict transfer of any Share to a Benefit Plan Investor. For a discussion of transfer restrictions with respect to the Shares, see "Transfer Restrictions" below.

1.3 ***Special Considerations Applicable to Insurance Company General Accounts***

Any purchaser that is an insurance company using the assets of an insurance company general account should note that pursuant to regulations issued pursuant to Section 401(c) of ERISA, assets of an insurance company general account will not be treated as "plan assets" for purposes of the fiduciary responsibility provisions of Title I of ERISA and the provisions of Section 4975 of the Code to the extent such assets relate to contracts issued to employee benefit plans on or before 31 December 1998 and the insurer satisfies various conditions. The plan asset status of insurance company separate accounts is unaffected by Section 401(c) of ERISA, and separate account assets are treated as the plan assets of any such plan invested in a separate account.

1.4 ***Acquisition of Shares by Plans Not Subject to Title I of ERISA or Section 4975 of the Code***

Governmental plans, non-U.S. plans and certain church plans are not subject to the fiduciary responsibility provisions of Title I of ERISA or the provisions of Section 4975 of the Code, but may be subject to U.S. federal, state or local laws or non-U.S. laws that are, to a material extent, similar to the foregoing provisions of ERISA or the Code ("Similar Law"). In addition, any such plan that is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code may be subject to the prohibited transaction rules set forth in Section 503 of the Code. Each fiduciary of a plan subject to any Similar Law should make its own determination as to whether an investment in the Shares would comply with all applicable requirements under such Similar Law. It should also be noted that governmental, non-U.S. and church plans and any other plans that are not subject to Title I of ERISA or Section 4975 of the Code are not included within the definition of "Benefit Plan Investor" under the Plan Asset Regulation.

2. Transfer Restrictions

The Shares have not been and will not be registered under the Securities Act or any U.S. state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred in the United States or to U.S. Persons unless the Shares are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available and in accordance with the restrictions described under "Eligible Investors" below.

Accordingly, the Shares offered hereby are being offered and sold only (A) in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act and (B) within the United States to Qualified Institutional Buyers in accordance with Rule 144A or Accredited Investors that in each case are also Qualified Purchasers or Knowledgeable Employees.

Each purchaser of Shares will be deemed to have represented and agreed as follows:

(a) The purchaser: (A) (i) is an Accredited Investor or a Qualified Institutional Buyer that in each case is also a Qualified Purchaser or a Knowledgeable Employee; (ii) is acquiring the Shares for its own account or for the account of an Accredited Investor or a Qualified Institutional Buyer that in each case is also a Qualified Purchaser or a Knowledgeable Employee; and (iii) is aware, and each beneficial owner of the Shares has been advised, that the sale of the Shares to it is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act; or (B) is not a U.S. Person and is purchasing the Shares for its own account or for the account of a buyer that meets such criteria in an offshore transaction pursuant to Regulation S.

(b) The purchaser understands that the Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Shares have not been and will not be registered under the Securities Act and that the Shares may not be offered or sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws. The purchaser understands that: (A) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer any of the Shares, such Shares may be offered, resold, pledged or otherwise transferred only: (i) in the United States to a person whom the seller reasonably believes is a Qualified Institutional Buyer meeting the requirements of Rule 144A or an Accredited Investor that in each case also is a Qualified Purchaser or a Knowledgeable Employee; or (ii) to a person that is not a U.S. Person for its own account or for the account of a buyer that meets such criteria in an Offshore Transaction pursuant to Regulation S under the Securities Act; and that (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Shares from it of the resale restrictions referred to in (A) above.

(c) The purchaser understands that (other than initial purchasers who are Qualified Institutional Buyers) U.S. Persons that do not purchase Shares in a *bona fide* trade on Euronext Amsterdam will be required to hold Shares in certificated form and that the Shares will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR, EXCEPT AS SET OUT IN THE COMPANY'S PROSPECTUS (THE "PROSPECTUS"), THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THIS LEGEND. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (X) IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT TO A TRANSFEREE WHO IS: (i) (A) AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF THE SECURITIES ACT; OR (B) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A OF THE SECURITIES ACT) AND IN EACH CASE ALSO A "QUALIFIED PURCHASER" OR A "KNOWLEDGEABLE EMPLOYEE" WITHIN THE MEANING OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"); OR (ii) NOT A "U.S. PERSON" (AS SUCH TERM IS DEFINED UNDER RULE 902 IN REGULATION S UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A BUYER THAT MEETS SUCH CRITERIA IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S AND (Y): (1) UPON DELIVERY OF ALL CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT THE COMPANY MAY REQUIRE; AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. FURTHER, WITHOUT THE CONSENT OF THE COMPANY, NO PURCHASE, SALE OR TRANSFER OF THIS SECURITY MAY BE MADE: (i) TO A "BENEFIT PLAN INVESTOR" WITHIN THE MEANING OF SECTION 3(42) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED; OR (ii) THAT WOULD REQUIRE THE COMPANY TO REGISTER AS AN INVESTMENT COMPANY UNDER THE 1940 ACT. EACH PURCHASER OR TRANSFEREE OF THIS SECURITY WILL BE REQUIRED TO REPRESENT OR WILL BE DEEMED TO HAVE

REPRESENTED THAT: (i) EXCEPT IN CERTAIN CASES APPROVED BY THE COMANY IT IS NOT A BENEFIT PLAN INVESTOR; AND (ii) IF IT IS A U.S. PERSON, THAT IT IS A "QUALIFIED PURCHASER" OR A "KNOWLEDGEABLE EMPLOYEE," AND WILL BE SUBJECT TO RESTRICTIONS AS PROVIDED IN THE COMPANY'S PROSPECTUS AND ARTICLES OF INCORPORATION.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE PROSPECTUS TO THE TRANSFEREE.

(d) The purchaser understands that, without the consent of the Company, no transfer of a Share will be effective, and the Company will not recognise any such transfer to a Benefit Plan Investor as more fully set forth in "ERISA Considerations" above.

(e) The purchaser acknowledges that the Company, the Sole Bookrunner and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Shares are no longer accurate, it shall promptly notify the Company and the Sole Bookrunner. If it is acquiring any Shares as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each such investor.

Each purchaser of the Shares in the United States or who is a U.S. person will be required to execute a U.S. Investor Representation Letter in the form provided by the Sole Bookrunner and deliver such letter to the Sole Bookrunner and the Company.

3. Eligible Investors

The Shares may only be offered: (i) to persons reasonably believed to be Accredited Investors or Qualified Institutional Buyers that in each case are also Qualified Purchasers or Knowledgeable Employees; or (ii) to persons that are not U.S. Persons in Offshore Transactions pursuant to Regulation S. Initial purchasers of the Shares will be required to make the representations and agreements set forth under "Transfer Restrictions" and "ERISA Considerations" herein. A Shareholder may only sell, transfer, assign, pledge, or otherwise dispose of its Shares within the United States to transferees that are Accredited Investors or Qualified Institutional Buyers, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and that are, in each case, also Qualified Purchasers or Knowledgeable Employees, or in Offshore Transactions to transferees that are not U.S. Persons pursuant to Regulation S. See "Transfer Restrictions" above.

4. Certificates

Save in respect of initial purchasers who are Qualified Institutional Buyers, each initial purchaser of Shares who is a U.S. Person and each U.S. Person who acquires Shares from another U.S. Person (other than pursuant to a *bona fide* market purchase on Euronext Amsterdam) is required to hold Shares in certificated form.

PART IX:

HISTORICAL FINANCIAL INFORMATION

The consolidated financial statements of the Company included in the Company's Annual Reports for each of the years ended 31 December 2012, 2013 and 2014, together with the independent auditor's reports thereon are incorporated by reference into this Prospectus.

The consolidated financial statements for the years ended 31 December 2012, 2013 and 2014 were prepared in accordance with IFRS.

The consolidated financial statements of the Company for the year ended 31 December 2012 have been audited by Ernst & Young LLP, independent auditors, of One More London Place, London SE1 2AF, as stated in their report thereon, included in the Company's Annual Reports and incorporated by reference herein. Ernst & Young LLP are registered to carry out audit work by the ICAEW.

The audit opinion to the members of the Company and its subsidiaries for the year ended 31 December 2012 is set out on page 8 of the Company's Annual Report 2012.

Ernst & Young LLP of One More London Place, London SE1 2AF resigned as auditors of the Company on 31 October 2013 and BDO LLP of 55 Baker Street, London W1U 7EU were appointed as auditors of the Company on 13 November 2013. BDO LLP are registered to carry out audit work by the ICAEW.

The consolidated financial statements of the Company for the years ended 31 December 2013 and 31 December 2014 have been audited by BDO LLP, independent auditors, of 55 Baker Street, London W1U 7EU, as stated in their reports thereon, included in the Company's Annual Reports and incorporated by reference herein.

The audit opinion to the members of the Company and its subsidiaries for the year ended 31 December 2013 is set out on page 12 of the Company's Annual Report 2013.

The audit opinion to the members of the Company and its subsidiaries for the year ended 31 December 2014 is set out on page 15 of the Company's Annual Report 2014.

See Part XII of this Prospectus for further details about information that has been incorporated by reference into this Prospectus.

PART X

UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION A – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following unaudited pro forma balance sheet has been prepared to illustrate the effect of: (i) the UCCMB Acquisition; and (ii) the Offer, as if these events had occurred on 31 December 2014. The unaudited pro forma balance sheet has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not reflect the Company's actual financial position or results. The unaudited pro forma balance sheet is based on the Company's audited historical financial statements as at 31 December 2014 and has been presented in accordance with the accounting policies of the Company.

The unaudited pro forma balance sheet has been prepared on the basis set out in the notes below and in accordance with the requirements of items 1 to 6 of Annex II to the Prospectus Rules.

	Balance sheet as at 31 December 2014 (note 1) €'000	Adjustments: UCCMB Acquisition (note 2) €'000	Adjustments: Net proceeds of the Offer (note 3) €'000	Pro forma balance sheet as at 31 December 2014 €'000
Assets				
Cash and cash equivalents	142,581	(250,000)	304,042	196,623
Investment properties held for sale	217,418	–	–	217,418
Assets in disposal groups classified as held for sale	283,060	–	–	283,060
Other assets	18,091	–	–	18,091
Available-for-sale securities	188	–	–	188
Fair value investments – listed shares	2,198	–	–	2,198
Loans and receivables (includes cash to be invested)	199,676	–	–	199,676
Derivative assets	8,291	–	–	8,291
Fair value investments	6,325	–	–	6,325
Real estate fund units	21,890	–	–	21,890
Investment property	603,026	–	–	603,026
Investment in joint ventures	15,483	242,250	–	257,733
Investment in associates	15,681	–	–	15,681
Intangible assets	15	–	–	15
Total assets	1,533,923	(7,750)	304,042	1,830,215
Equity and Liabilities				
Capital and reserves				
Issued capital, no par value, unlimited number of shares authorised	1,714,625	–	304,042	2,018,667
Accumulated loss	(1,525,145)	(7,750)	–	(1,532,895)
Net unrealised loss on available-for-sale securities and loans and receivables	(5,593)	–	–	(5,593)
Hedging reserve	588	–	–	588
Other reserves	21,888	–	–	21,888
Total shareholders' equity	206,363	(7,750)	304,042	502,655
Non-controlling interest	2,321	–	–	2,321
Total equity	208,684	(7,750)	304,042	504,976
Liabilities				
Trade and other payables	77,023	–	–	77,023
Liabilities directly associated with assets in disposal groups classified as held for sale	263,565			263,565
Current taxation payable	10,824	–	–	10,824
CDO bonds payable	194,248	–	–	194,248
Bank borrowings	757,916	–	–	757,916
Finance lease payable	17,085	–	–	17,085
Deferred taxation liability	4,578	–	–	4,578
Total liabilities	1,325,239	–	–	1,325,239
Total equity and liabilities	1,533,923	(7,750)	304,042	1,830,215

Notes:

(1) The consolidated balance sheet of the Company at 31 December 2014 has been extracted without material adjustment from the audited consolidated financial statements of the Company for the year ended 31 December 2014 which are incorporated by reference in Part XII of this document.

(2) On account of the UCCMB Acquisition being effected through Avio S.àr.l., a joint venture vehicle, the Company's indirect investment in UCCMB is recognised as an investment in a joint venture. The value of this investment will, on acquisition, be equal to the consideration paid by the Company to Avio S.àr.l., amounting to €250 million, as disclosed under the heading "Liquidity and Capital Resources" in Part III of this document, less the Company's share of the transaction costs incurred by the joint venture vehicle, Avio S.àr.l., amounting to approximately €7.8 million. These costs will be recognised in the income statement as an expense on acquisition as UCCMB will be considered a subsidiary of Avio S.àr.l.

(3) The net proceeds of the Offer is based upon 39,762,992 Offer Shares to be issued pursuant to the Offer at the Offer Price of €7.85 per share, less costs and expenses of the Offer of approximately €8.1 million, as described in Part V of this document.

(4) No account has been taken of the financial performance of the Group or of UCCMB since 31 December 2014, nor of any other event save as disclosed above.

SECTION B – REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Eurocastle Investment Limited
Regency Court
Glategny Esplanade
St. Peter Port
Guernsey GY1 1WW

27 April 2015

Dear Sirs

Eurocastle Investment Limited (the "Company")

Pro forma financial information

We report on the unaudited pro forma balance sheet (the "Pro Forma Financial Information") set out in section A of Part X of the prospectus dated 27 April 2015 (the "Prospectus") which has been prepared on the basis described, for illustrative purposes only, to provide information about how the UCCMB Acquisition and the proposed Offer might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 December 2014.

This report is required by item 7 of Annex II of the Commission Regulation (EC) No. 809/2004 (the "PD Regulation") and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro Forma Financial Information in accordance with Annex II of the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I of the PD Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

PART XI:

VALUATION REPORTS FOR DIRECT REAL ESTATE INVESTMENTS

Valuation Report Relating to the Belfry Portfolio

CBRE GmbH
WestendDuo
Bockenheimer Landstraße 24
60323 Frankfurt am Main

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Direct Dial +49 (0) 69-17 00 77-18
Direct Fax +49 (0) 69-17 00 77-73
stefan.gunkel@cbre.com
Our ref. SG
Your ref.

27 April 2015

Valuation Report

Estimate of Market Value in accordance with the definition and guidance as agreed by the Royal Institution of Chartered Surveyors.

The Direct Investment Portfolio:
Belfry Portfolio (27 Properties), Multiple Locations, Germany

Effective Dates of Appraisal

Valuation Date:	**31 December 2014**
Date of completion of this report:	**27 April 2015**

Clients:
The Directors
Eurocastle Investment Limited
Regency Court
Glategny Esplanade
St. Peter Port GY1 1 WW
Guernsey

Fortress Investment Group LLC
1345 Avenue of the Americas
47th Floor
New York, NY 10105

Prepared by

CBRE GmbH ("CBRE")
Bockenheimer Landstrasse 24
60323 Frankfurt am Main
Germany

CBRE is a limited company (Gesellschaft mit beschränkter Haftung) incorporated under laws of Germany with registered number 13347. CBRE was incorporated on 3 April 1973 and has its registered office at the address set out above. The telephone number of the registered office is +49 (0)69 170 077 0. CBRE is not regulated but employs RICS and HypZert qualified valuers in its valuation department.

Date of Issue
27 April 2015

Signed Copy No:

Ladies and Gentlemen,

VALUATION OF BELFRY PORTFOLIO (27 PROPERTIES, MULTIPLE LOCATIONS, GERMANY)

1. Instructions

In accordance with instructions received from Eurocastle Investment Limited (the "Company" or the "Principal") on 26 November 2013 and the amendment to this instruction dated 15 January 2015, we have made relevant enquiries in order to provide our opinion of Market Value for the investment Properties as described in the Schedule (the "Properties") as at 31 December 2014 (the "Valuation Date") of the freehold (*Eigentum*) and leasehold (*Erbbaurecht*) interests. We must point out that this comprises an update of the initial valuation carried out by CBRE in 2007 (date of valuation 30 September 2007) in the course of which all the Properties were inspected. The latest re-inspections for the purposes of this revaluation have been carried out by CBRE between the 1st and 3rd quarters 2013 (please find the actual inspection dates of the properties in the schedule attached to this report).

This Valuation Report has been prepared for the purpose of inclusion in the prospectus to be published by the Company (the "Prospectus") in connection with the admission of additional shares (Kapitalerhöhung) of the Company to listing and trading on NYSE Euronext Amsterdam ("Admission").

2. The Properties

The Properties we have valued are listed and briefly described in the Schedule attached to this Valuation Report (the "Schedule"). Each Property identified in the Schedule has been valued individually, and not as part of a portfolio.

The subject portfolio comprises 26 freehold equivalent (*Eigentum*) Properties and 1 leasehold equivalent (*Erbbaurecht*) Property.

3. Basis of Valuation

Our valuations have been carried out in accordance with The Royal Institution of Chartered Surveyors' (RICS) Valuation Professional Standards (January 2014), (the "Red Book") and in accordance with the relevant provisions of the current Prospectus Rules. They have been undertaken by External Valuers, as defined in the Red Book.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation(s) competently.

In accordance with the Financial Conduct Authority's current Prospectus Rules we have prepared our valuations in accordance with the Red Book on the basis of Market Value, which is defined in the Red Book, as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm´s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion."

4. Valuations

On the bases outlined in this Valuation Report, we are of the opinion that the Market Value of each individual freehold Property as at 31 December 2014, subject to and with the benefit of the various occupational leases or assumed occupational leases, as summarised in the Schedule, is as stated against that Property in the Schedule. Our valuations are exclusive of any VAT.

The aggregate of the said individual Market Values of the Properties as at 31 December 2014 is €52,420,000 (Fifty two million four hundred and twenty thousand Euro) made up as follows:

Schedule	Investment Properties	€52,420,000
Total		€52,420,000
Total	Net Rent Receivable p.a.	€4,584,772
Total	Estimated Net Rental Value p.a.	€4,949,291

At this point we do not expect any material changes for the portfolio during an appropriate marketing period of approx. 6 months, whether in the rental or in the investment market.

5. Transaction Costs

No allowances have been made for any expenses of realisation or for taxation which might arise in the event of a disposal of a Property. Our valuations are, however, net of acquisition costs.

6. Net Annual Rent Receivable

In the Schedule, we set out our estimates of the net annual rent currently receivable reflecting the sum of the contractually agreed rental payments receivable from the Properties as at 31 December 2014. In providing these estimates, we define "Net Annual Rent Receivable" as "the current income or income estimated by the valuer”:

(i) ignoring any special receipts or deductions arising from the Property;

(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the Property and allowances to maintain it in a condition to command its rent.

In accordance with German market conventions the Properties are not let on effective full repairing and insuring leases in accordance with UK market conventions and as such the Net Annual Rent receivable does not reflect any appropriate allowance for disbursements.

7. Estimated Net Annual Rent

The Schedule sets out our opinion of the current Estimated Net Annual Rent, which is our opinion of the best rent at which a letting of the Property would have been completed at the Valuation Date assuming:

(a) a willing landlord;

(b) that, prior to the Valuation Date, there was a reasonable period (having regard to the nature of the Property and the state of the market) for the proper marketing of the interest, for the agreement of the rent and other letting terms and for the completion of the letting;

(c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the Valuation Date;

(d) that no account was taken of any additional bid by a prospective tenant with a special interest;

(e) that the length of term and principal conditions assumed to apply to the letting and the other lease terms were not exceptionally onerous or beneficial for a letting of the type and class of Property; and

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(f) that both parties to the transaction acted knowledgeably, prudently and without compulsion.

In the Schedules, we have stated the current Estimated Net Annual Rent, ignoring the present rent passing and any contracted fixed rent increases. In all cases, we have considered the Properties in their current specification and assumed good repair and condition or have made such deductions in respect of necessary maintenance and refurbishment as assumed in the calculation.

8. Sources of Information

For the update valuation as at 31 December 2014 the Principal has provided us with a rent roll dated 30 September 2014.

The update valuation is also based on our latest inspection as well as on the data and information that was taken into account for the initial valuation (e.g. third party due diligence reports) and also reflects the updated data provided for previous regular revaluations. An explicit list of data provided for the initial valuation is included in the initial report dated 31 October 2007. We have assumed this information to be accurate and reliable and unless otherwise specifically stated within this report, this has not been checked or verified by CBRE.

We have based our assessment of market data and comparable transactions on our in-house research, on publications from market participants, as well as on the publications of other institutes.

All conclusions made by CBRE as regards the condition and the actual characteristics of the land and buildings have been based exclusively on our inspection of the subject properties and on the documents and information provided.

In the event of open questions arising, we have made reasonable assumptions appropriate to customary valuation practice in the jurisdiction where the relevant property is based.

We do not accept any responsibility or liability associated with inaccurate information which has been provided by any third party.

8.1 Documents and Information provided

CBRE has assumed that it was provided with all information and documents that were relevant to CBRE in carrying out this appraisal report. We have assumed that the information and documentation had unrestricted validity and relevance as at the date of valuation. We have not checked the relevant documents and information with respect to the above-mentioned issues.

8.2 Inspections

CBRE had access to the subject properties as members of the public in order to carry out the inspections. We have not carried out any building surveys. The properties have not been measured as part of CBRE's inspection nor have the services or other installations been tested. All of CBRE's conclusions resulting from the inspection are based purely on visual investigations without any assertion as to their completeness.

Investigations that might cause damage to the subject properties have not been carried out. Statements about parts of the structure or materials that are covered or otherwise inaccessible are based on the information or documents provided or on assumptions. In particular, structural surveys and technical investigations of any defects or damage of the properties, which may exist, have not been carried out.

8.3 Deleterious Material etc.

Since no information to the contrary has been brought to our attention, we have assumed that there are no building materials or structures and no characteristics of the site that could endanger or have a deleterious effect on either the fitness of the subject properties for their purpose or the health of their occupiers and users. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.

8.4 Site Conditions

We did not carry out investigations on site in order to determine the suitability of ground conditions and services, nor did we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuations were carried out on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of a property which may have redevelopment potential, we have assumed that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems. Furthermore, we have assumed in such circumstances that no unusual costs will be incurred in the demolition and removal of any existing structure on the property.

8.5 Environmental Contamination

Since no information to the contrary has been brought to our attention, we have assumed that the subject properties are not contaminated and that no contaminative or potentially contaminative use is, or has ever been, carried out at the properties. Since no information to the contrary has been brought to our attention, we are not aware of any environmental audit or other environmental investigations or soil surveys which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

As we had not been specifically instructed, we have not undertaken any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

Should it, however, be subsequently established that such contamination exists at the property or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

8.6 Legal Requirements / Consents and Authorisation for the Use of the Property

An investigation of the compliance of the property with legal requirements (including (permanent) planning consent, building permit, acceptance, restrictions, building, fire, health and safety regulations etc.) or with any existing private-law provisions or agreements relating to the existence and use of the site and building has not been carried out.

In preparing our valuations, we have assumed that all necessary consents and authorisations for the use of the property and the processes carried out at the property are in existence, will continue to subsist and are not subject to any onerous conditions.

8.7 Taxes, Contributions, Charges

Since no information to the contrary has been brought to our attention, we have assumed that all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation.

8.8 Insurance Policy

Since no information to the contrary has been brought to our attention, we have assumed that the subject property is covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

8.9 Town Planning and Road Proposals

Since no information to the contrary has been brought to our attention, we have generally assumed that the properties are not adversely affected by town planning or road proposals.

CBRE

8.10 Statements by Public Officials

In accordance with established legal practice, we have not regarded statements by public officials, particularly regarding factual information, as binding. We do not assume any liability for the application of any such statements or information in the subject appraisal report.

8.11 Assumptions regarding the Future

For the purpose of determining the market value of the subject property, we have assumed that the existing business will continue (as regards both manner and extent of usage of the subject property) for the remainder of the useful life determined for the buildings, or that comparable businesses would be available to take over the use of the subject property.

Where there is high voltage electricity supply apparatus within close proximity to the property, unless, otherwise stated, we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

8.12 Tenants

No investigations have been carried out concerning either the status of payments of any contractually agreed rent or ground rent at the date of valuation, or of the creditworthiness of any tenant(s). Since no information to the contrary has been brought to our attention, we have assumed that there are no outstanding rental payments and that there are no reservations concerning the creditworthiness of any of the tenants.

8.13 Pending Litigation, Legal Restrictions (Easements on Real Estate, Rent Regulation etc.)

Since no information to the contrary has been brought to our attention, we have assumed that the property is free from any pending litigation, that the ownership is unencumbered and that there are no other legal restrictions such as easements on real estate, rent regulations, restrictive covenants in leases or other outgoings which might adversely affect value.

8.14 Subsidies

Since no information to the contrary has been brought to our attention, we have assumed that there are no circumstances related to subsidies or grants that might influence the value of the property.

Important

Should any of the information or assumptions on which the valuation is based be subsequently found incorrect or incomplete, our calculations may need to be amended and the valuation figure may also be incorrect and should be re-evaluated. We therefore cannot accept any liability for the correctness of this assessment or for any loss or damage resulting there from.

9. General Assumptions

9.1 The Properties

Where appropriate, we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building. Landlord’s fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations. Tenant-specific process plant and machinery, tenants’ fixtures and specialist trade fittings have been excluded from our valuations.

9.2 Inspections

In accordance with our instructions, we have last re-inspected the subject properties between March and August 2013. As agreed and wherever possible the properties were inspected internally and externally, however only the publicly accessible areas. With regards to the building and internal structure of the subject properties, we have also made assumptions relying on information provided by the technical due diligence of the technical advisors for our initial valuation. In the event of these assumptions proving to be incorrect, we reserve the right to amend our valuation accordingly.

9.3 Repair and Condition

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the properties. We are unable, therefore, to give any assurance that the properties are free from defect.

In the absence of any information to the contrary, we have assumed that:

a. there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the properties;
b. the properties are free from rot, infestation, structural or latent defect;
c. no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the properties; and
d. the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the properties. Comments made in the Schedule do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

9.4 Environmental Matters

In undertaking our work, we have assumed that the property is not contaminated and that no contaminative or potentially contaminative uses have ever been carried out on it. Specifically we have assumed that:

a. the properties are not contaminated and not adversely affected by any existing or proposed environmental law; and
b. any processes which are carried out on the properties which are regulated by environmental legislation are properly licensed by the appropriate authorities.

We have therefore not undertaken, nor have we taken into account any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. We have not carried out any investigation into past or present uses of the property nor of any neighbouring land to establish whether there is any potential for contamination from these uses or sites adjacent to the subject properties and have therefore assumed that none exists.

We have otherwise considered the age and apparent general condition of the properties but comments made in the Schedule do not express an opinion about or advise us on the condition of parts not inspected and should not be taken as making an implied representation or statement about such parts.

9.5 Floor Areas

We have relied upon the schedules of area that were provided to us. In undertaking our work, we have assumed that these surface areas are correct. All measurements, areas and ages quoted in our report are approximate.

9.6 Title, Tenure, Planning and Lettings

With reference to the land register extracts supplied to us by the client, we have assumed that there are no entries, information or circumstances that could have an impact on market values (including any easements, restrictions, or similar restrictions and encumbrances). We reserve the right to amend our valuation should any such factors be found to exist.

Details of title/tenure under which the properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have conducted credit enquiries on the financial status of the main tenants. In undertaking our valuations we have reflected our general understanding of a typical purchaser's likely perceptions of the financial status of tenants from a market perspective.
Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

a. the properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
b. all buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;
c. the properties are not adversely affected by town planning or road proposals;
d. all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;
e. tenants will meet their obligations under their leases and where appropriate are responsible for insurance and payments of business rates;
f. there are no user restrictions or other restrictive covenants in leases, which would adversely affect value; and
g. all vacant accommodation is available to let and unencumbered.

9.7 Infrastructure and Services

It is assumed that all the sites are serviced within the meaning of paragraph 123 of the German statutory building code (Baugesetzbuch § 123) i.e. that they are connected to the road system, service mains (water, electricity, gas and district heat) and sewers (for both waste and surface water) and that refuse collection was provided.

9.8 Taxes, Insurance

In undertaking our valuation, we have assumed that:

a. all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation; and
b. the subject property is covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

9.9 VAT

No allowance has been made in our valuation for the possible effect on value of non-recoverable VAT (Mehrwertsteuer) on purchase as a result of one or more of the tenants not being liable to pay VAT in addition to rent.

9.10 Purchaser's Costs

The following purchaser's costs have been assumed with regards to the size of the subject properties:

Land transfer tax: Under German tax law, a transfer tax based on the purchase price has to be paid on property purchase. This is generally paid by the purchaser. The tax rate is different in each of the German federal states and applies in 2014 as follows:

Federal State	Land Transfer Tax Rate
Baden-Württemberg	**5.0%**
Bavaria	**3.5%**
Hesse	**6.0%**
Mecklenburg-Western Pomerania	**5.0%**
North Rhine-Westphalia	**5.0% (6.5% from January 2015)**
Rhineland-Palatinate	**5.0%**
Saxony	**3.5%**
Schleswig-Holstein	**6.5%**
Thuringia	**5.0%**
Saarland	**5.5% (6.5% from January 2015)**
Berlin	**6.0%**
Bremen	**5.0%**
Hamburg	**4.5%**
Lower Saxony	**5.0%**
Saxony-Anhalt	**5.0%**
Brandenburg	**5.0%**

Notary and legal fees: Due to the size of the properties we have made the assumption of generally 1% for notary and legal fees, which is in line with average costs for notarising a purchase contract (compulsory under German law), land registry costs and miscellaneous legal charges.

Agent's fees: In the German market it is common for the purchaser to be responsible for paying all or at least part of the agent's fees. We have adopted fees of 2% to 3% which, in our experience, is in line with market conditions.

10. Addressees / Reliance

In respect of the Offer, the Valuation Report with the valuation date 31 December 2014 and the Prospectus is addressed to the Directors of the Principal, the Principal and Fortress Investment Group LLC, as the Principal's duly appointed investment manager (the "Manager"). Beyond that no responsibility will be accepted to any third party for the whole or any part of the contents of the Valuation Report, save for any responsibility arising under PR 5.5.3R or any other applicable law or regulation. The Valuation Report is only to be used for the specific purpose set out herein.

11. Disclosure

A copy of the Valuation Report may be disclosed on a non-reliance basis to the Principal's legal advisors as well as its auditors, listing agents, underwriters, investment banks and their legal advisors (actually or prospectively). Furthermore, in the case of syndication, the Valuation Report may be provided to banks on a non-reliance basis. The Principal is obliged to inform CBRE in writing of the name and full address of each of such parties prior to the respective disclosure of the Valuation Report.

In addition CBRE agrees to the disclosure of the Valuation Report for the purpose of approving and publishing of the Prospectus, including where submitted to the UK Listing Authority in draft form.

12. Publication

CBRE agrees that the Valuation Report and any letters related thereto can be integrated into the Prospectus in an unchanged form. Unless otherwise stated in this instruction, neither the whole nor any part of the Valuation Report or letters related thereto nor any references thereto may be included in any published document, circular statement nor published in any way without our prior written approval of the form and context in which it will appear.

CBRE also hereby consents to the inclusion in the Prospectus of a declaration, as required by paragraph PR5.5.8R of the

Prospectus Rules and item 1.2 of Annex 1 to the Commission Regulation (EC) No. 809/2004 (as amended) as set out in Appendix 3 of the Prospectus Rules, that, having taken all reasonable care to ensure that such is the case, the information contained in those parts of the Prospectus for which we are responsible is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

13. Insurance and Liability

The liability of CBRE, of a legal representative or an agent is restricted to gross negligence and wilful intent.

The liability restriction referred to in the first paragraph shall not apply, if and as far as product liability claims are present, if the existence of a defect has been maliciously concealed, if a guarantee has been assumed and/or in case of a personal injury, death or damage to personal health.

The liability restriction referred to in the first paragraph shall not apply in cases of negligence, if and as far as the damage is covered by an insurance of CBRE. However, in this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.
The liability restriction referred to in the first paragraph shall not be applicable in cases of negligence, if essential Contractual obligations (so-called "cardinal duties", the satisfaction of which enables the proper execution of the Contract at all and on which the Client relies and may as a rule rely on its compliance) have been violated. However, the liability for essential Contractual obligations is limited to the reimbursement of the foreseeable, typically occurring damages. In this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

14. Assignation of Rights

The addressees of the agreement, based upon which this report has been prepared, shall not be entitled to assign their rights under the agreement – in total or in part – to any third party or parties, unless it was explicitly specified otherwise in the agreement.

15. Place of Performance and Jurisdiction

The agreement, on which the preparation of this report is based, is governed by and construed in accordance with the laws of the Federal Republic of Germany. In the event that there is any conflict between the English legal meaning and the German legal meaning of this Contract or any part hereof, the German legal meaning shall prevail. The place of performance and jurisdiction for disputes arising from this contractual relationship shall be Frankfurt am Main, Germany.

Yours faithfully

STEFAN GUNKEL
Ö.B.U.V. SV., CIS HYPZERT (F)
MANAGING DIRECTOR
HEAD OF VALUATION GERMANY

For and on behalf of
CBRE GmbH

ppa. TOBIAS JERMIS
MRICS, CIS HYPZERT (F)
DIRECTOR
TEAM LEADER OFFICE & LOGISTICS VALUATION

For and on behalf of
CBRE GmbH

CBRE

THE SCHEDULE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05000 Bahnhofstrasse, 95659 Arzberg Date of Inspection: 28 March 2013	Arzberg is a small town located in the administrative district of Oberfranken in Bavaria, approx. 35 km south of Hof and approx. 45 km east of Bayreuth. This town has roughly 5,400 inhabitants and is located in the district of Wunsiedel. The subject property is situated at the southern fringe of the municipality in a residential area; the river Röslau flows behind the property. The subject property can be easily accessed via the high street; limited visibility, however, due to the sloping tract of land. The subject property was constructed in 2004. It is a stand-alone building with a saddleback roof. There is a bakery at the front which has its own entrance. The exterior areas are partly landscaped, partly paved with asphalt and appear to be in a well-kept condition. The property appears to be in good condition with no obvious major defects. We understand that the property comprises the following: Plot size: 5,123 sq m Lettable area: 976 sq m 74 parking spaces	Freehold (Eigentum) The Property is let to: Netto Markendiscount — Penny food discounter (976 sq m) expiring 15 April 2019. Passing rent is €90,000.00 per annum. Indexed 10% hurdle/60%.	€90,000	€91,188	€960,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05005 Triptiser Str. 12a, 07955 Auma Date of Inspection: 10 April 2013	Auma-Weidatal is a small community of roughly 3,000 inhabitants and is located in the district of Greiz, approx. 30 km south of Gera and approx. 50 km west of Zwickau. The subject property is situated on a main through road, Triptiser Strasse (B2), between the northern and southern part of the town. The property was built between 1992 and 1994 and was refurbished in 2002. The property is an L-shaped, single-storey building comprising two building sections: a REWE supermarket, incorporating storage and staff rooms, a delivery area and a REWE beverage store with a separate entrance; the beverage store is set back. The building appears to be a reinforced concrete frame construction with light-weight concrete masonry infill and a white rendered façade (partly with corrugated metal elements); it has a pitched roof. The exterior areas are landscaped and paved with interlocking concrete pavers. There is sufficient parking in front of the building facing the road. On inspection all building parts appeared to be in good condition, having benefited from regular maintenance. Although not of the latest REWE design, the sales areas are modern and attractive; the exterior areas are well-kept. We understand that the property comprises the following: Plot size: 5,090 sq m Lettable area: 1,606 sq m 74 parking spaces	Freehold (Eigentum) The Property is let to: REWE — supermarket (1,209.42 sq m) expiring 31 December 2017. Passing rent is €123,360 per annum. Indexed 10% hurdle/50%. REWE — beverage market (396.85 sq m) expiring 31 December 2017. Passing rent is €30,840 per annum. Indexed 10% hurdle/50%.	€154,200	€163,953	€1,570,000

CBRE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05010 Tevesstrasse 2c, 78176 Blumberg Date of Inspection: 4 April 2013	Blumberg is a small town of approx. 10,100 inhabitants and is located in the administrative district of Schwarzwald-Baar-Kreis (around 206,500 inhabitants) roughly 75 km southeast of Freiburg and approx. 60 km northwest of Lake Constance. The B27 (main road for Donaueschingen-Singen) can be accessed within 1 km from Blumberg; the A81 (Stuttgart-Singen) is accessed within roughly 20 km. The subject property is situated in the commercial park "Lauffenmühle", between Hauptstrasse, Espenstrasse and Tevesstrasse, only 300 m from the town centre. This is a location which is easily accessible for motorists; it offers a competitive number of specialist retail stores providing food and non-food goods, such as drugs and textiles. The property, which was built between 1998 and 2002, consists of three separate single-storey buildings which are arranged next to each other: a Dänisches Bettenlager, a beverage store and a multi-tenant building with four retail units. All building sections appear to be steel constructions with pre-cast concrete elements and barrel roofs. The facades are partly rendered, partly covered with corrugated metal elements. The exterior areas are landscaped and partly paved with asphalt and interlocking concrete pavers. There is a large car park in front of the buildings facing the road. On inspection all building parts appeared to be in good condition. The sales areas appeared to be modern and attractive; the exterior areas are well-kept. We understand that the property comprises the following: Plot size: 9,500 sq m Lettable area: 2,293 sq m	Freehold (Eigentum) The Property is let to: Dänisches Bettenlager — (900.00 sq m) expiring 25 March 2019. Passing rent is €66,000 per annum. Indexed 10% hurdle/50%. Fristo Getränkemarkt — beverage market (400.00 sq m) expiring 31 October 2019. Passing rent is €43,021 per annum. Indexed 10% hurdle/60%. Thomas Schneider — (320.00 sq m) expiring 31 December 2015. Passing rent is €26,532 per annum. Indexed 10% hurdle/60%. Sport 2000 Weber — (313.00 sq m) expiring 27 April 2018. Passing rent is €21,220 per annum. Indexed 10% hurdle/100%. Optik Hörenz — (100.00 sq m) expiring 31 July 2016. Passing rent is €8,400 per annum. Indexed 10% hurdle/60%. Vacant units — 260.00 sq m.	€165,173	€190,668	€1,910,000

CBRE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	125 parking spaces				
Unit-ID: bel05015 Borriestrasse 132, 32257 Bünde Date of Inspection: 11 April 2013	Bünde is located in the administrative district (Regierungsbezirk) of Detmold, approx. 20 km north of Bielefeld in the state of North Rhine-Westphalia. Bünde is located approx. 1 km away from the A30 motorway and is comprised of 12 suburbs. The subject property is located in the northern suburb of Bünde on the edge of a dense residential development. The property is highly visible and easily accessible from the main road. The subject property, a Penny food discounter with an integrated bakery, was constructed in 2004. It is a stand-alone building with a clinker facade and a pitched roof with tiles. The interior of the subject property appears to be in good condition. The exterior areas (partly paved with asphalt with interlocking concrete pavers) are well maintained. The bakery is located in the entrance area of the discounter. We understand that the property comprises the following: Plot size: 4,010 sq m Lettable area: 976 sq m 70 parking spaces	Freehold (Eigentum) The Property is let to: Penny food discount — (931.00 sq m) expiring 22 July 2016. Passing rent is €120,658 per annum. Indexed 10% hurdle/60%. Bäckerei Schmidt GmbH — bakery - (45.00 sq m) expiring 31 July 2016. Passing rent is €13,114 per annum. Indexed 15% hurdle/60%.	€133,771	€123,600	€1,330,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05020 Nersinger Strasse 25, 89275 Elchingen Date of Inspection: 11 April 2013	Elchingen is a small town of approx. 9,200 inhabitants and is located in the district of Neu-Ulm, roughly 10 km northeast of Ulm. Elchingen is directly located at the intersection of the A8 (Stuttgart-Munich) and the A9 (Berlin-Munich) - two major national motorways. The subject property is situated in a small commercial area on the southern fringe of Elchingen. This is a location which is easily accessed by motorists. Other retailers and community facilities (sports ground) are in the neighbourhood. A residential area is within walking distance to the north, separated by railroad tracks. The property, which was built in 2003, comprises three joint building parts, each housing one retail unit on ground level. All three building sections appear to be reinforced concrete frame constructions with masonry infill, each with a pitched roof. The façades are rendered white and partly covered with corrugated metal elements. The exterior areas are landscaped and partly paved with interlocking concrete pavers. There is a large car park in front of the buildings facing the road. There is also a self-service car wash on the property. Solar panels are installed on the roofs. We understand that the property comprises the following: Plot size: 7,314 sq m Lettable area: 1,830 sq m 118 parking spaces	Freehold (Eigentum) The Property is let to: Subrenta Immobilienverwaltung — (828.00 sq m) expiring 30 September 2015. Passing rent is € 121,608 per annum. Indexed 10% hurdle/65%. Vacant units — 1,002.30 sq m.	€121,608	€201,512	€2,060,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05025 Riedstrasse 20, 89537 Giengen Date of Inspection: 11 April 2013	Giengen is a town of approx. 19,400 inhabitants and is located in the administrative district of Heidenheim, approx. 30 km north of Ulm and roughly 12 km southeast of Heidenheim. The A7 motorway (Ulm-Würzburg) can be accessed within 1 km. The subject property is situated in the commercial area "Gewerbegebiet Ried" to the east of Giengen. The location is easily accessed by motorists from the city centre of Giengen via Memminger Strasse. This is an established retailing and wholesale location with national retail chains and local businesses; it offers a competitive number of specialist retail stores, mainly from the food and textile industries as well as craft shops. Residential areas are within walking distance. The property, which was built in 1991, is a two to three-storey building. On the upper floors there is a large sports centre incorporating tennis courts, bowling halls, a gym, a sauna and spa areas; both units are accessed separately. The building is appears to be a reinforced concrete frame construction with infill elements (masonry or precast concrete elements); the building's façade is clad with corrugated metal elements. The building is covered with a flat roof, the rear, with a pitched roof. The building sections which we were able to inspect appeared to be in good condition consistent with the building's age. The sales areas are modern and attractive; the exterior areas are well maintained, being partly landscaped and partly paved with asphalt. There is a car park in front of the building facing the road. We understand that the property comprises the following:	Freehold (Eigentum) The Property is let to: Jürgen Enenkel — (3,600.00 sq m) expiring 31 August 2015. Passing rent is €90,000 per annum. Vacant units — 4,615.00 sq m.	€90,000	€377,460	€2,500,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Plot size: 9,198 sq m Lettable area: 8,215 sq m 114 parking spaces				
Unit-ID: bel05030 Lange Strasse 24, 04668 Grimma Date of Inspection: 11 April 2013	Grimma is a small town in the state of Saxony with approx. 18,700 inhabitants and is located in the district of Landkreis Leipzig (ca. 267,400 inhabitants), roughly 27 km southeast of Leipzig and approx. 75 km northwest of Dresden. Grimma is located approx. 2 km away from the A14 motorway. The subject property is located in the historic city centre of Grimma. In the direct surroundings there are mixed-use terraced developments. The assortment of historic properties in Grimma's town centre attracts tourists to Grimma. This is an area which was severely damaged by the 2002 flooding of the river Mulde, however great efforts have been made to remodel the area since then. As far as we could tell, the subject property appears to consist of seven building sections. The four oldest buildings, which were refurbished in 2002 are in good condition and are located directly on the pedestrian area in the Altstadt in Grimma. One of these buildings (surrounded by the three new buildings which were erected in 2002) provides access to the car park through a passageway. The older buildings have either 2 or 3 storeys, separate entrances, pitched roofs and rendered facades. The new building sections are solid constructions (probably masonry) with a white rendered façade (partly with corrugated metal elements) and a flat roof. We were unable to inspect the offices and surgeries on the first floor. The exterior areas are landscaped and partly paved with interlocking	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: ALDI food discount — (791.34 sq m) expiring 30 November 2016. Passing rent is € 62,000 per annum. Indexed 10% hurdle/50%. Debeka — (184.00 sq m) expiring 31 July 2017. Passing rent is €18,326 per annum. Indexed 100% p.a.. Sternenbäck GmbH – Retail - (70.00 sq m) expiring 22 May 2017. Passing rent is €14,654 per annum. Indexed 10% hurdle/70%.	€143,464	€243,743	€1,990,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	concrete pavers. The car park is bordered on all sides by the buildings. The sales areas are in good conditions; the exterior areas are generally well-kept. We understand that the property comprises the following: Plot size: 5,158 sq m Lettable area: 2,843 sq m 70 parking spaces				
Unit-ID: bel05035 Lichtensteiner Str. 38, 08118 Hartenstein Date of Inspection: 11 April 2013	Hartenstein is a small town located in the administrative district (Regierungsbezirk) of Landkreis Zwickau in the state of Saxony, approx. 75 km southeast of Leipzig and roughly 85 km southwest of Dresden. Hartenstein is located almost 3 km away from the A72 motorway. The subject property is located in the north of Hartenstein. The community is primarily rural in character. The property is highly visible and easily accessible from the main road. The subject property, a Netto food discounter, was constructed in 2003. It is a stand-alone building with a saddleback roof, which is used by the Netto supermarket chain. The building appears to be a reinforced concrete frame construction with masonry infill. The façades are rendered white and partly covered with corrugated metal elements. The exterior areas are landscaped and partly paved with interlocking concrete pavers. There is a car park is in front of the building facing the road. The exterior areas are partly landscaped and partly paved with asphalt and appear to be in a well-kept condition. The property appears to be in	Freehold (Eigentum) The Property is let to: Netto Marken Discount GmbH & Co OHG — supermarket (1,056.00 sq m) expiring 27 August 2018. Passing rent is €112,831 per annum. Indexed 10% hurdle/60%.	€112,831	€95,040	€1,070,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	good condition with no obvious major defects. The interior of the subject property appears to be in good condition. No major defects were identified during the inspection, which appears plausible since the building was recently erected. We understand that the property comprises the following: Plot size: 6,273 sq m Lettable area: 1,056 sq m 71 parking spaces				
Unit-ID: bel05040 Frankenstrasse 19, 95233 Helmbrechts Date of Inspection: 28 March 2013	The municipality of Helmbrechts is located in the Upper Franconian district of Hof in Bavaria on the A 9 junction, halfway between Hof (ca. 17 km) and Kulmbach (approx. 23 km). The Czech border is roughly 30 km away. The subject property is located on the eastern outskirts of the municipality at a roundabout which provides access to the inner city area, to the commercial district (Gewerbegebiet Süd) and to the A 9 motorway. Frankenstrasse leads towards the town centre. The property is situated in a mixed use zone with scattered businesses, but which otherwise is predominantly residential. The property is highly visible from the main road. The subject property, which was constructed in 2005, is a freestanding building with a pitched roof and is used by Netto, a discounter chain. Both the entrance area and the exterior areas (with sufficient parking) appear to be in good condition; the building does not show signs of any defects.	Freehold (Eigentum) The Property is let to: Netto Marken Discount GmbH & Co OHG — supermarket (1,121.00 sq m) expiring 28 July 2020. Passing rent is €131,830 per annum. Indexed 10% hurdle/70%.	€131,830	€121,068	€1,500,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the property comprises the following: Plot size: 6,790 sq m Lettable area: 1,121 sq m 76 parking spaces				
Unit-ID: bel05045 Engerstrasse 45-47, 32051 Herford Date of Inspection: 12 April 2013	Herford is a large county seat in the district of the same name in North Rhine-Westphalia. Approx. 63,800 inhabitants live in Herford, between the Wiehengebirge (a low mountain range), the Ravensberger Hügelland (mountain chains south of the Wiehengebirge) and the Teutoburg Forest. Osnabrück is located 46 km west of Herford and Bielefeld 15 km southwest. The subject property is located in the west of Herford, 800 m away from the B61, on a busy through road. It benefits from high visibility and very good accessibility. The subject property, which was constructed in 2003, is an L-shaped building with a clinker facade and has a pitched roof with roofing tiles. It houses Penny, the food discounter, a beverage store (Lösch-Depot) and a bakery (Hensel). The interior sales areas appear to be modern and in good condition. There is also a petrol station with an integrated shop which was constructed and is operated by ConocoPhillips (Jet). The subject property as well as the exterior areas appear to be well kept. The object offers a sufficient number of parking spaces. We understand that the property comprises the following: Plot size: 7,989 sq m Lettable area: 1,484 sq m	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Penny food discount — (929.00 sq m) expiring 13 November 2018. Passing rent is €117,054 per annum. Indexed 10% hurdle/60%. ConocoPhillips Germany — Jet petrol station – expiring 30 June 2015. Passing rent is €51,359 per annum. Indexed 10% hurdle/60%. Löschdepot GmbH & Co — (500.00 sq m) expiring 30 September 2015. Passing rent is €39,000 per annum. Indexed 15% hurdle/60%.	€219,204	€209,040	€2,220,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	108 parking spaces				
Unit-ID: bel05050 Fürther Strasse 6 + 7, 91315 Höchstadt an der Aisch Date of Inspection: 28 March 2013	The municipality of Höchstadt an der Aisch is located in the Middle Franconian district of Erlangen-Höchstadt in Bavaria near the A3 autobahn, approx. 18 km from Erlangen and 33 km from Nuremburg. The subject property is located in the southern outskirts of the municipality in a small commercial area near a petrol station, a car dealer and several supermarkets. Due to its location on a main road, the subject property benefits from good visibility. The subject property, which was constructed in 2002, consists of two interconnected buildings, each of which has a pitched roof; one building houses a Netto store, the other, a Takko store (textiles). The property can be accessed via Fürther Strasse as well as via a side street (Schlesierstrasse). The exterior areas appeared to be in a well-kept condition, however, the current parking facilities are inadequate for both retail units. We understand that the property comprises the following: Plot size: 5,718 sq m Lettable area: 1,727 sq m 80 parking spaces	Freehold (Eigentum) The Property is let to: Netto Marken Discount GmbH & Co OHG — Netto supermarket (1,027.00 sq m) expiring 7 August 2017. Passing rent is €116,462 per annum. Indexed 10% hurdle/60%. TAKKO Modemarkt GmbH & Co KG — textiles retail (699.52 sq m) expiring 7 August 2017. Passing rent is €82,655 per annum. Indexed 10% hurdle/65%.	€199,117	€188,429	€2,110,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05055 An der Hohensass 11a, 95030 Hof Date of Inspection: 28 March 2013	The city of Hof is located in the north Bavarian district of Upper Franconia. Kulmbach is approx. 41 km away and Bayreuth is roughly 49 km away. Hof is divided into 19 town districts, and has a population of about 46,300. Hof is ca. 9 km from the A9 motorway and 5 km from the A93 and the A72 motorways. The subject property is situation in the western outskirts of Hof in a commercial area that is 3 km from the Hof town centre. Neighbouring operations include an auto service center and construction companies. Visibility from Kulmbacher Strasse is restricted due to its location on a minor road and the sloping vehicle access. The subject property was constructed in 1994 and is a single building with a pitched roof, which houses a Takko store (textiles). The facade shows minor defects, particularly in the entrance area. Since there are apparently insufficient parking spaces at the front of the building, public parking along the street is also being used. Additionally, the limited access and entrance areas have not been well maintained. We understand that the property comprises the following: Plot size: 2.531 sq m Lettable area: 928 sq m 23 parking spaces	Freehold (Eigentum) The Property is let to: TAKKO Modemarkt GmbH & Co KG — textiles retail (928.19 sq m) expiring 28 February 2017. Passing rent is €84,000 per annum. Indexed 10% hurdle/80%.	€84,000	€83,537	€860,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05060 Kasseler Strasse 72, 34123 Kassel-Waldau Date of Inspection: 4 April 2013	The city district of Waldau has a population of approx. 6,400, is one of the 23 town districts of Kassel, and is located in the southeast of the city. The A7 and A49 motorways as well as the B83 federal road are 1 to 2 km away. The district of Kassel has roughly 237,000 residents. The district of Waldau comprises a large residential area, a large park and leisure area, and a large industrial park in the south. The subject property is situated at the edge of the residential area in Waldau, and borders an Industrial park to the south. Being directly on the main road, it is easily accessible and benefits from good visibility. The subject property, which was constructed in 2005, is a stand-alone building with a clinker facade and a tiled pitched roof. The windows and the entrance area are in good condition. On the whole, the building which houses Penny, the discounter, appears to be in a good condition - both from the interior and the exterior. The exterior areas (partly paved with asphalt, a car park with interlocking concrete pavers, as well as green strips) have been well maintained. There is a bus stop directly in front of the property (Gesamtschule Waldau). There is also a bakery (Ehmer) nearby, which provides access to the subject property via a separate entrance. The fast food stand (Ihr Imbiss) is located at the front of the building on the right. We understand that the property comprises the following: Plot size: 3,823 sq m Lettable area: 984 sq m 65 parking spaces	Freehold (Eigentum) The Property is let to: Penny Markt GmbH — discounter - (931.00 sq m) expiring 5 April 2017. Passing rent is €124,903 per annum. Indexed 10% hurdle/60%. Bäckerei Ehmer — bakery - (28.00 sq m) expiring 31 March 2017. Passing rent is €9,000 per annum. Indexed 10% hurdle/70%. Fikri Aydin — (25.00 sq m) expiring 30 April 2016. Passing rent is €6,426 per annum. Indexed 10% hurdle/70%.	€140,328	€133,206	€1,470,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05065 Philipp-Reis-Str. 13+15, 35321 Laubach Date of Inspection: 4 April 2013	Laubach is a small town of approx. 9,900 inhabitants and is located in the district of Giessen (ca 256,400 inhabitants) in the state of Hesse. Laubach is roughly 50 km north of Frankfurt am Main and approx. 150 km southeast of Cologne. Laubach is located about 10 km away from the A5 motorway (Frankfurt-Basel). The subject property is located in the west of Laubach within a commercial area. The property is well-situated in the commercial area, highly visible and easily accessible from the main road. The subject property, which was built in 2004, comprises two rectangular buildings: a REWE Supermarket and a K+K shoe market in a separate building next to it. Both buildings are solid constructions (probably masonry) with a white rendered façade (partly with corrugated metal elements) and a saddleback roof. The exterior areas are paved with interlocking concrete pavers. There is a large car park in front of the building facing the road. On inspection all building parts appeared to be in good condition consistent with the appearance of a building of the construction year 2004. The sales areas are modern and attractive; the exterior areas are well-kept. We understand that the property comprises the following: Plot size: 12,078 sq m Lettable area: 2,974 sq m 130 parking spaces	Freehold (Eigentum) The Property is let to: REWE - supermarket (1,985.26 sq m) expiring 27 May 2019. Passing rent is €270,163 per annum. Indexed 10% hurdle/65%. Takko Holding GmbH (433.01 sq m) expiring 30 November 2018. Passing rent is €42,960 per annum. Indexed 10% hurdle/65%. K + K Shoe Market (333.44 sq m) expiring 31 July 2018. Passing rent is €28,009 per annum. Indexed 10% hurdle/65%. Leox AG (222.23 sq m) expiring 31 August 2015. Passing rent is €22,522 per annum. Indexed 10% hurdle/60%.	€363,654	€341,020	€3,850,000

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05070 Ahornallee 21a, 02708 Löbau Date of Inspection: 21 August 2013	Löbau is a small town of approx. 15,900 inhabitants and is located in the district of Görlitz in the state of Saxony, roughly 65 km east of Dresden and approx. 160 km east of Leipzig. It is only a few kilometres away from the border crossing from Poland to the Czech Republic. The A4 motorway can be reached within ca. 10 km. The subject property is situated at the southern fringe of the municipality in a multi-family residential area and can be easily accessed on foot as well as by car. The subject property, which was constructed in 1999, is a freestanding building with a pitched roof and is used by Netto, a food discounter chain. Both the entrance area and the exterior areas (with sufficient parking) appear to be in good condition; the building does not show any signs of defects. We understand that the property comprises the following: Plot size: 3,979 sq m Lettable area: 1,037 sq m 55 parking spaces	Freehold (Eigentum) The Property is let to: Netto Marken Discount GmbH & Co OHG — supermarket (1,037.00 sq m) expiring 26 May 2017. Passing rent is €101,164 per annum. Indexed 10% hurdle/100%.	€101,164	€93,330	€870,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05075 Lohstrasse 2, 97638 Mellrichstadt Date of Inspection: 10 April 2013	Mellrichstadt is a municipality on the Rhön river in the Lower Franconian Main-Rhön region in Bavaria. Mellrichstadt, which is located approx 30 km north of Bad Kissingen and roughly 46 km east of Fulda, is divided into 6 districts. The A71 motorway can be reached via the B 19 from the north-east within about 15 km. The subject property is located on the northern fringe of the town in a mixed use zone. Apart from auto centres and several supernmarkets, Lohstrasse is gaining increasing significance as a residential development zone. The city centre of Mellrichstadt can be reached via Meininger Strasse, roughly 600 m away. Due to its location the subject property, a ribbon development along the main street (Hauptstrasse), is highly visible even from a distance. The subject property was constructed in 2005 and is a freestanding building with a pitched roof, which houses a Lidl store and a bakery. The bakery has seating and a separate entrance at the front of the building. The exterior areas with a large car park appear to be well-kept. We were unable to detect any major defects. We understand that the property comprises the following: Plot size: 6,022 sq m Lettable area: 1,347 sq m 90 parking spaces	Freehold (Eigentum) The Property is let to: Lidl Dienstleistungs GmbH & Co KG (1,250.00 sq m) expiring 28 February 2020. Passing rent is €153,000 per annum. Indexed 10% hurdle/65%. Backhaus Nahrstedt – bakery - (97.22 sq m) expiring 28 February 2015. Passing rent is €27,725 per annum. Indexed 10% hurdle/100%.	€180,725	€165,833	€1,970,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05080 Gerauer Strasse 54, 64546 Mörfelden-Walldorf Date of Inspection: 28 March 2013	The municipality of Mörfelden-Walldorf is located in the district of Gross-Gerau (approx. 254,900 inhabitants) on the Autobahn A 5 junction, halfway between Darmstadt (roughly 12 km) and Frankfurt am Main (roughly 18 km). The subject property is situated in a small commercial area on the southern fringe of Mörfelden-Walldorf. This is a location which is easily accessed by motorists; there are a number of other retailers in the neighourhood. The subject property, which was constructed in 2005, comprises two building sections, each with a separate entrance. The larger building section houses a Tegut supermarket store, the adjoining section a Penny food discounter. The property has a saddleback roof and appears to be in good condition with no obvious major defects. The exterior areas are paved with asphalt and appear to be in a well-maintained condition. We understand that the property comprises the following: Plot size: 10,366 sq m Lettable area: 2,904 sq m 160 parking spaces	Freehold (Eigentum) The Property is let to: Tegut Gutberlet Stiftung & Co — supermarket (1,753.82 sq m) expiring 31 August 2018. Passing rent is €252,550 per annum. Indexed 10% hurdle/60%. Penny food discount (1,150.00 sq m) expiring 21 August 2020. Passing rent is €168,360 per annum. Indexed 10% hurdle/60%.	€420,910	€418,150	€5,200,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05085 Hersfelder Strasse 20, 36272 Niederaula Date of Inspection: 4 April 2013	Niederaula is a small town with approx. 5,400 inhabitants and is located in the district of Hersfeld-Rotenburg (around 122,300 inhabitants), roughly 90 km north of Frankfurt am Main and roughly 56 km south of Kassel. The city lies along the A7 motorway. The subject property is located on the nothern fringe of Niederaula in a mixed use zone, which is predominantly low-density residential (single and multi-family homes). Hersfelder Strasse, the location of the subject property, is the main through road in the town. There is agricultural land nearby. The subject property was constructed in 2004 and comprises four building sections, each with a separate entrance. Lidl is the anchor tenant, with a Logo beverage store, a bakery, a butcher (Schäfer Fleischerei), as well as an NKD store (clothing discounter). All building sections are solid constructions (probably masonry) with a white rendered façade (partly with corrugated metal elements) and a pitched roof. The exterior areas are paved with interlocking concrete pavers. There is a large car park in front of the building facing the road. On inspection all building parts appeared to be in good condition consistent with the appearance of a building of the construction year 2004. The sales areas are modern and attractive; the exterior areas are well-kept. We understand that the property comprises the following: Plot size: 9,781 sq m Lettable area: 2,004 sq m 155 parking spaces	Freehold (Eigentum) The Property is let to: Lidl Dienstleistungs GmbH & Co KG (1,031.53 sq m) expiring 31 March 2018. Passing rent is €128,140 per annum. Indexed 10% hurdle/70%. Heurich GmbH (376.12 sq m) expiring 31 March 2016. Passing rent is € 36,123 per annum. Indexed 10% hurdle/60%. NKD Vertriebs GmbH (320.00 sq m) expiring 30 June 2017. Passing rent is € 22,365 per annum. Indexed 10% hurdle/60%. Schäfer (275.96 sq m) expiring 30 June 2016. Passing rent is € 31,491 per annum. Indexed 10% hurdle/70%. Vacancy- Other items - (1 unit)	€218,120	€198,027	€2,100,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05090 Hofer Strasse 68, 95145 Oberkotzau Date of Inspection: 28 March 2013	The municipality of Oberkotzau is located in the Upper Franconian district of Hof in Bavaria, approx. 5 km south of the county seat of Hof. Bayreuth is situated approx. 45 km southwest. Oberkotzau is on one of the major railway lines (Hof - Marktredtwitz - Nürnberg / Regensburg and Hof - Bamberg - Nürnberg) and is roughly 12 km away from the A9 and A72 motorways. The subject property, which is located at the northern fringe of the town directly on the main street (Hofer Strasse) in a mixed use zone with a petrol station, several auto centres and residential developments, is highly visible due its location on the main throughfare. The subject property, which was constructed in 2004, is a stand-alone building with a pitched roof. An annex, which formerly housed a bakery unit with a separate entrance, is now vacant and has been closed. The exterior areas including a surfaced car park and green strips; they appear to be in a well-kept condition. We were unable to detect any major defects to the building. We understand that the property comprises the following: Plot size: 4,868 sq m Lettable area: 981 sq m 72 parking spaces	Freehold (Eigentum) The Property is let to: Subrenta Immobilienverwaltung (931.35 sq m) expiring 31 August 2019. Passing rent is € 102,633 per annum. Indexed 10% hurdle/100%. Vacant units — 50 sq m	€102,633	€98,370	€1,120,000

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05095 Ringstrasse 113, 65479 Raunheim Date of Inspection: 28 March 2013	Raunheim is a small town of approx. 14,800 inhabitants and is located in the district of Gross-Gerau (ca 254,900 inhabitants), roughly 20 km south-west of Frankfurt am Main in the state Hesse. Raunheim is accessed via the B43 and surrounded by the A3, A60 and A67 motorways. Frankfurt International Airport is located about 10 km to the east. The subject property is situated along the Ringstrasse which is the main road through Raunheim. This is a location which is easily accessed by motorists and pedestrians from the surrounding residential area. The property consists of a one-storey building which comprises a supermarket (tegut). The property was erected in 2005 and is a reinforced concrete structure with light-weight concrete masonry. The sheet metal covering of the pitched roof is supported by a corrugated metal sandwich construction on a wooden structure. The annex in the rear is of light concrete masonry and has a flat roof made of reinforced concrete covered with plastic film. On inspection all building parts appeared to be in excellent condition consistent with the appearance of a relatively new building. The sales areas are modern and attractive; the exterior areas are well-kept. We understand that the property comprises the following: Plot size: 2,637 sq m Lettable area: 1,792 sq m 140 parking spaces	Freehold (Eigentum) The parking spaces are on municipal ground and are held leasehold (heritable building right) until 14 July 2017. Ground rent is €6,966 per annum. The Property is let to: Tegut Gutberlet Stiftung & Co — supermarket (1,791.86 sq m) expiring 30 June 2020. Passing rent is €261,257 per annum.	€261,257	€258,028	€3,120,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05100 Von-Heyden-Strasse 2, 93105 Regensburg-Tegernheim Date of Inspection: 10 April 2013	Tegernheim, a small town of approx 4,900 residents is located in the Upper Palatinate district of Regensburg (approx. 183,800 inhabitants) in Bavaria. Tegernheim is located roughly 5 km east of Regensburg on the Danube river. Regensburg, the 5th largest city in Bavaria, has a population of approx 135,500. The A3 motorway runs 3 km to the south; the A93 runs 6 km to the west and connects to Nuremberg and Passau. The subject property is situated on the south west periphery of Tegernheim, directly at a roundabout. There are primarily residential developments on the way to Regensburg; along Ortstrasse in the direction of the centre of Tegernheim there are residential as well as commercial developments. The property benefits from very good visibility. The subject property was constructed in 2002. It is a retail complex with a pitched roof and houses a Netto food discounter. A further unit was let to the drug store chain Schlecker but is vacant at present. Additionally, the building also houses a tanning studio, an ice cream shop, a children's bookstore and a computer store. There is an integrated bakery in front of the cash registers in the Netto store. There is a large car park in front of the property which, like the remaining exterior areas, is in a well maintained condition. We understand that the property comprises the following: Plot size: 16,889 sq m Lettable area: 1,771 sq m 100 parking spaces	Freehold (Eigentum) The Property is let to: Netto Marken Discount GmbH & Co OHG — supermarket (1,117.00 sq m) expiring 4 September 2017. Passing rent is €138,291 per annum. Indexed 10% hurdle/50%. Robert M. Müller (90.00 sq m) expiring 30 April 2017. Passing rent is €9,217 per annum. Joseph Galata (133.00 sq m) expiring 30 November 2017. Passing rent is €14,520 per annum. Vacant units — 431 sq m	€162,027	€179,580	€1,960,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05110 Lange-Feld-Str. 116, 30926 Seelze-Letter Date of Inspection: 11 April 2013	The town of Seelze is located in Lower Saxony, in the district of Hanover and borders on the state capital, Hanover. The A7 motorway runs approx. 5 km from the town; the B441 federal road also connects the town to the road network. The population of Seelze is roughly 33,000. The subject property is situated between the city districts of Seelze and Letter, directly on the Hauptstrasse (main road). It is easily accessible via the Hannoversche Strasse, an important east-to-west arterial road and benefits from good visibility in this location. The subject property, a Netto food discounter, was constructed in 2004. It is a freestanding building with a clinker facade and a pitched roof with tiles. The windows and entrance area show minor signs of defects. The interior areas appeared to be in good condition; the exterior areas (partly paved with asphalt, a car park with interlocking concrete pavers) appeared to be well maintained. We understand that the property comprises the following: Plot size: 5,220 sq m Lettable area: 970 sq m 68 parking spaces	Freehold (Eigentum) The Property is let to: Netto Marken Discount GmbH & Co OHG — supermarket (969.60 sq m) expiring 13 April 2016. Passing rent is €125,519 per annum. Indexed 10% hurdle/60%.	€125,519	€110,534	€1,160,000

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05115 Karlsbader Strasse 57, 09465 Sehma Date of Inspection: 11 April 2013	Sehmatal is a small community of approx. 7,000 inhabitants and is located in the district of Erzgebirgskreis in the state of Saxony, approx. 35 km south of Chemnitz and approx. 75 km southwest of Dresden. The B95 and B101 federal roads are located roughly 3 km away. The nearest motorway (A72 Chemnitz - Hof) can be reached within about 25 km to the north-west. The subject property is situated directly in the centre of the town district of Sehma, along the Karlsbader Strasse which is the main road running through Sehmatal. This is a location which is easily accessed both by motorists as well as pedestrians. The property consists of a one-storey building. It comprises a food discounter (Netto). There is a car park which can accommodate approximately 60 cars. The property was erected in 2001 and is a solid masonry structure. The roof is covered with concrete tiles on a wooden substructure. No major defects were identified during the on-site visit. The sales areas are modern and attractive; the exterior areas are well-kept. We understand that the property comprises the following: Plot size: 4,440 sq m Lettable area: 1,204 sq m 64 parking spaces	Freehold (Eigentum) The Property is let to: Netto Marken Discount GmbH & Co OHG — supermarket (1,204.00 sq m) expiring 30 October 2020. Passing rent is €114,074 per annum. Indexed 10% hurdle/60%.	€114,074	€111,972	€1,230,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05120 Kronacher Strasse 75, 96342 Stockheim Date of Inspection: 27 March 2013	Stockheim is a small town with a population of approx. 5,200 in the district of Kronach (circa 70,200 inhabitants), in the region of Upper Franconia in Bavaria. Kronach is approx. 6 km away, Kulmbach is approx. 23 km away and Bayreuth is 45 km to the south. The B85 federal road runs through Stockheim and the ICE (high speed rail) network stops in Stockheim along the Munich - Berlin line. The subject property is situated on the southern edge of Stockheim, directly on the main street, Kronachstrasse / B85, in a primarily rural area. There are isolated commercial properties and agricultural land in the area. The open development ensures that the subject property is visible from a great distance. The property, which was constructed in 2001, is a small retail warehouse centre comprising two connecting building sections. Each section has a separate entrance and a pitched roof. One unit houses a textile discounter (Kik) and a further was let to the drug store chain Schlecker but is vacant at present. At the entrance there is a takeaway counter. The current parking facilities are deemed to be appropriate for both retail units. On inspection the interior and exterior areas appeared to be in a good condition. We understand that the property comprises the following: Plot size: 2,000 sq m Lettable area: 778 sq m 40 parking spaces	Freehold (Eigentum) The Property is let to: KiK Supermarket — textile store (558.00 sq m) expiring 31 August 2017. Passing rent is €52,990 per annum. Indexed 10% hurdle/60%. Vacant unit – 220.00 sq m.	€52,990	€68,700	€610,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05125 Eitzer Föhre 5, 30900 Wedemark-Mellendorf Date of Inspection: 11 April 2013	Wedemark-Mellendorf is a small town to the north of Hanover in the state of Lower Saxony. The town authorities are located in central Mellendorf. Wedemark has a population of approx. 29,200 of which 6,400 live in Mellendorf. The subject property is situated at the edge of Wedemark. The junction to the A7 motorway is 3 km away. Due to its location at the intersection of Wedermarktstrasse, which leads to the town centre of Wedemarkt, the subject property enjoys good visibility and accessibility. The subject property was constructed in 2001 and comprises 2 retail units - a beverage store from the "famila" hypermarket and a pet food store. There is a backery located near the cashier area. The "famila" hypermarket (not included in subject property) is on the neighbouring property. The subject property is a solid structure with a flat roof and brick facade. The grounds are well maintained, and there are adequate parking spaces available. There is an S-Bahn (commuter rail) station roughly 100 m away, which, as a result of increased pedestrian flow, could contribute to the potential customer base. We understand that the property comprises the following: Plot size: 3,379 sqm Lettable area: 984 sqm 50 car parking spaces	Freehold (Eigentum) The Property is let to: Famila Warenhaus – beverage store (984.00 sq m) expiring 3 November 2019. Passing rent is €98,896 per annum. Indexed 10% hurdle/60%.	€98,896	€94,464	€1,020,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05130 Alfred-Nobel-Str. 12, 97080 Würzburg Date of Inspection: 27 March 2013	The city of Wurzburg has a population of approx. 133,800 and is the 6th largest city in Bavaria. It is located in the region of Lower Franconia, in the Main river valley, with the Main river running through the city. The nearest major cities are Frankfurt am Main, roughly 120 km to the northwest and Nuremburg, approx. 110 km to the southeast. The A3 and A7 motorways are accessible within a few kilometers. The subject property is situated at the northern edge of Wurzburg, directly on the B27 federal road, not far from the Main, in a commercial area. The subject property enjoys good visibility. Central Wurzburg is 5 km away. The subject property was built in 2001. It is a pre-cast concrete construction with a flat roof and houses a REWE supermarket. There is a small rental unit housing a tanning studio next to the entrance to the one side of the property. There is a bakery inside the supermarket at the entrance. The car park, which is shared by another supermarket, provides sufficient parking and is in a good condition as are the other exterior areas. We understand that the property comprises the following: Plot size: 7,107 sq m Lettable area: 2,496 sq m 100 parking spaces	Freehold (Eigentum) The Property is let to: REWE — supermarket (2,396.74 sq m) expiring 31 December 2026. Passing rent is €349,481 per annum. Indexed 10% hurdle/65%. Georg Busch (99.63 sq m) expiring 31 January 2016. Passing rent is €7,795 per annum. Indexed 10% hurdle/60%.	€357,276	€352,304	€4,530,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: bel05135 Heinrich-Wobst-Str. 2, 07937 Zeulenroda Date of Inspection: 10 April 2013	Zeulenroda is a town of approx. 16,100 inhabitants and is located in the administrative district of Greiz (around 107,500 inhabitants), approx. 30 km south of Gera and approx. 45 km north of Hof. The B94 main road (Schleiz-Greiz) runs through the town centre. The subject property is situated in a commercial area on the southern fringe of Zeulenroda-Langenwolschendorf; this location is highly visible and easily accessed by motorists via the main road, the B94. This is an established retail location specializing in furniture and home improvement goods, with a number of other retailers nearby. The property, which was originally built in 1993 and extended in 2002, is a single-storey Hagebaumarkt DIY store incorporating interior and exterior sales areas (garden centre), storage areas, staff rooms and a delivery area. The building appears to be a steel structure with sandwich elements; the building's façade is clad with corrugated metal elements in Hagebaumarkt's corporate colours. The building has a flat roof; parts of the garden centre have a wooden pitched roof; all roof coverings are corrugated metal. The building sections which we were able to inspect appeared to be in good condition consistent with the building's age. The sales areas are modern and attractive. The exterior areas are well maintained, being partly landscaped and partly paved with asphalt and interlocking concrete pavers. The car park is situated in front of the building along the road; during our inspection we noted an imbiss in the parking area (presumably a sub-tenant).	Freehold (Eigentum) The Property is let to: Hagebaumarkt – DIY store (5,631.77sq m) expiring 31 March 2018. Passing rent is €240,000 per annum.	€240,000	€236,534	€2,130,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the property comprises the following: Plot size: 14,498 sq m Lettable area: 5,632 sq m 132 parking spaces				
Total			€4,584,772	€4,949,291	€52,420,000

CBRE

Valuation Report Relating to the Drive Portfolio

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27 April 2015

Valuation Report

Estimate of Market Value in accordance with the definition and guidance as agreed by the Royal Institution of Chartered Surveyors

The Direct Investment Portfolio:
Drive Portfolio (125 Properties), Multiple Locations, Germany

Effective Dates of Appraisal

Valuation Date:	**31 December 2014**
Date of completion of this report:	**27 April 2015**

Clients:
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CBRE is a limited company (Gesellschaft mit beschränkter Haftung) incorporated under laws of Germany with registered number 13347. CBRE was incorporated on 3 April 1973 and has its registered office at the address set out above. The telephone number of the registered office is +49 (0)69 170 077 0. CBRE is not regulated but employs RICS and HypZert qualified valuers in its valuation department.

Date of Issue
27 April 2015

Signed Copy No:

Ladies and Gentlemen,

VALUATION OF DRIVE PORTFOLIO
(121 PROPERTIES, MULTIPLE LOCATIONS, GERMANY)

1. Instructions

In accordance with instructions received from Eurocastle Investment Limited (the "Company" or the "Principal") on 26 November 2013 and the amendment to this instruction dated 15 January 2015, we have made relevant enquiries in order to provide our opinion of Market Value for the investment Properties as described in the Schedule (the "Properties") as at 31 December 2014 (the "Valuation Date") of the freehold (*Eigentum*) and leasehold (*Erbbaurecht*) interests. We must point out that this comprises an update of a valuation carried out by CBRE in 2005 (date of valuation 8 November 2005) in the course of which all the Properties were inspected. The latest re-inspections for the purposes of this revaluation have been carried out by CBRE in the 1st and 2nd quarter 2014 (please find the actual inspection dates of the properties in the schedule attached to this report).

This Valuation Report has been prepared for the purpose of inclusion in the prospectus to be published by the Company (the "Prospectus") in connection with the admission of additional shares (Kapitalerhöhung) of the Company to listing and trading on NYSE Euronext Amsterdam ("Admission").

2. The Properties

The Properties we have valued are listed and briefly described in the Schedule attached to this Valuation Report (the "Schedule"). Each Property identified in the Schedule has been valued individually, and not as part of a portfolio.

The subject portfolio comprises 115 freehold equivalent (*Eigentum*) Properties and 6 leasehold equivalent (Erbbaurecht) Properties.

3. Basis of Valuation

Our valuations have been carried out in accordance with The Royal Institution of Chartered Surveyors' (RICS) Valuation Professional Standards (January 2014), (the "Red Book") and in accordance with the relevant provisions of the current Prospectus Rules. They have been undertaken by External Valuers, as defined in the Red Book.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation(s) competently.

In accordance with the Financial Conduct Authority's current Prospectus Rules we have prepared our valuations in accordance with the Red Book on the basis of Market Value, which is defined in the Red Book, as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm´s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion."

4. Valuations

On the bases outlined in this Valuation Report, we are of the opinion that the Market Value of each individual freehold Property as at 31 December 2014, subject to and with the benefit of the various occupational leases or assumed occupational leases, as summarised in the Schedule, is as stated against that Property in the Schedule. Our valuations are exclusive of any VAT.

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The aggregate of the said individual Market Values of the Properties as at 31 December 2014 is €417,764,000 (Four hundred seventeen million seven hundred sixty four thousand Euros) made up as follows:

Schedule	Investment Properties	€353,234,000
Total		€353,234,000
Total	Net Rent Receivable p.a.	€23,334,759
Total	Estimated Net Rental Value p.a.	€27,872,241

5. Transaction Costs

No allowances have been made for any expenses of realisation or for taxation which might arise in the event of a disposal of a Property. Our valuations are, however, net of acquisition costs.

6. Net Annual Rent Receivable

In the Schedule, we set out our estimates of the net annual rent currently receivable reflecting the sum of the contractually agreed rental payments receivable from the Properties as at 31 December 2014. In providing these estimates, we define "Net Annual Rent Receivable" as "the current income or income estimated by the valuer”:

(i) ignoring any special receipts or deductions arising from the Property;

(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the Property and allowances to maintain it in a condition to command its rent.

In accordance with German market conventions the Properties are not let on effective full repairing and insuring leases in accordance with UK market conventions and as such the Net Annual Rent receivable does not reflect any appropriate allowance for disbursements.

7. Estimated Net Annual Rent

The Schedule sets out our opinion of the current Estimated Net Annual Rent, which is our opinion of the best rent at which a letting of the Property would have been completed at the Valuation Date assuming:

(a) a willing landlord;

(b) that, prior to the Valuation Date, there was a reasonable period (having regard to the nature of the Property and the state of the market) for the proper marketing of the interest, for the agreement of the rent and other letting terms and for the completion of the letting;

(c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the Valuation Date;

(d) that no account was taken of any additional bid by a prospective tenant with a special interest;

(e) that the length of term and principal conditions assumed to apply to the letting and the other lease terms were not exceptionally onerous or beneficial for a letting of the type and class of Property; and

(f) that both parties to the transaction acted knowledgeably, prudently and without compulsion.

CBRE

In the Schedules, we have stated the current Estimated Net Annual Rent, ignoring the present rent passing and any contracted fixed rent increases. In all cases, we have considered the Properties in their current specification and assumed good repair and condition or have made such deductions in respect of necessary maintenance and refurbishment as assumed in the calculation.

8. Sources of Information

For the update valuation as at 31 December 2014 the Principal has provided us with a rent roll dated 30 September 2014.

The update valuation is also based on the data and information that was taken into account for the initial valuation (including third party due diligence reports) and also reflects the updated data provided for previous update valuations. An explicit list of data provided for the initial valuation is included in the report dated 5 December 2005 and the update valuation reports as at 31 December 2006, 2007, 2008, 2009, 2010, 2011, 2012, and 2013. We have assumed this information to be accurate and reliable and unless otherwise specifically stated within this report, this has not been checked or verified by CBRE.

Relevant data for the initial report was provided by, among others, the vendor of the portfolio, and by third party due diligence reports in respect of the specific legal, technical and environmental aspects of the portfolio. We have fully relied on the findings of the reports and have also included updated information that has been provided.

Apart from where updated information has been received, we have compiled this report under the assumption that there is no material change of the physical or the legal conditions of the portfolio, or with regard to the findings of the third party due diligence reports.

The initial valuation was based on a technical survey by THP. The survey was a primary component of the ongoing due diligence programme, and we have incorporated key findings and recommendations into our own valuation analysis and reports. These findings and conclusions include (where delivered and applicable):

- Ongoing maintenance estimates
- Tenants' improvements
- Deferred maintenance
- Building division / service separation & related costs.

For the update report 2006, we were provided with updated figures / budgets for 'deferred maintenance' anticipated for each property. We had taken the 'capital expenditure (CAPEX)' figures forecasted for the periods 'year 1', 'year 2-5' and 'year 6-12,' and have translated them into a reserve figure calculated in perpetuity which has been added to the original estimates for ongoing maintenance in our DCF calculation.

For the update valuation as at 31 December 2006, we have made market-based assumptions for future non-recoverable costs and capital expenditures which cover on-going maintenance and tenant improvement expenditures anticipated over the period covered by our DCF calculation.

Accordingly, the valuation reflects the physical, economical, legal and regulatory status of the portfolio on the basis of the information contained in these documents. Variations and amendments to these documents have been adopted as instructed specifically in writing by the Principal. CBRE accepts no liability for any errors or amendments which may have occurred after this date of which CBRE has not been expressly informed and instructed accordingly by the Principal. All conclusions made by CBRE regarding the condition and the actual characteristics of the land and buildings have been based exclusively on our inspection of the subject properties and on the documents and information provided.

8.1 Documents and Information provided

CBRE has assumed that it was provided with all information and documents that were relevant to CBRE in carrying out this update appraisal report. We have assumed that the information and documentation had unrestricted validity and relevance as at the date of valuation. We have not checked the relevant documents and information with respect to the above-mentioned issues.

8.2 Inspection

For the initial valuation CBRE had access to the subject properties in order to carry out the inspection. We have not carried out any building surveys. The properties have not been measured as part of CBRE's inspection nor have the services or other installations been tested. All of CBRE's conclusions resulting from the inspection are based purely on visual investigations without any assertion as to their completeness.

Investigations that might cause damage to the subject properties have not been carried out. Statements about parts of the structure or materials that are covered or otherwise inaccessible are based on the information or documents provided or on assumptions. In particular, structural surveys and technical investigations of any defects or damage of the properties, which may exist, have not been carried out.

According to our instruction letter, the assets will be inspected on site every 24 months. The latest re-inspections for the purposes of this revaluation have been carried out by CBRE in the 1st and 2nd quarter 2014. Where changes in the physical composition and legal characteristics of the properties have been communicated to us, we have assumed without verification that these are valid and correct. In cases where we have not been informed of any material changes, and no changes were observable from our most recent on-site inspection, we have assumed that the properties have not materially changed.

8.3 Deleterious Material etc.

Since no information to the contrary has been brought to our attention, we have assumed that there are no building materials or structures and no characteristics of the site that could endanger or have a deleterious effect on either the suitability of the subject properties for their purpose or the health of their occupiers and users.

Common examples of such materials include high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.

We have not been instructed to carry out a structural survey, to test service installations, to carry out site investigations or environmental surveys. Our valuation is based on the third party due diligence reports of THP (technical) and Wessling (environmental) as stated above. Since none of the pollutants require immediate action and potential risks in the long term perspective do not have a material impact on the overall value we have not reflected any such costs in our valuations.

8.4 Site Conditions

We did not carry out investigations on the site in order to determine the suitability of ground conditions and services, nor did we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuations were carried out on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of properties which may have redevelopment potential, we have assumed that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems. Furthermore, we have assumed in such circumstances that no unusual costs will be incurred due to the demolition and removal of any existing structure on the properties.

We have not been instructed to carry out a structural survey, to test service installations, to carry out site investigations or environmental surveys. Our valuation is based on the third party due diligence reports of THP (technical) and Wessling (environmental) as stated above. As no issues were identified in those reports, we have not reflected any costs related to this issue in our valuations.

8.5 Environmental Contamination

As we have not been specifically instructed to do so, we have not undertaken any investigation into the past or present uses of either the properties or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

In preparing our valuation we have relied on the information in the environmental due diligence report of Wessling. Since no pollutants requiring immediate action were identified, and potential risks in the long term perspective do not have a material impact on the overall value, we have not reflected any costs related to this issue in our valuations.

Should it, however, be subsequently established that such contamination exists at any of the properties or on any adjoining land or that any premises have been or are being put to contaminative use, this may be found to have a detrimental effect on the value reported.

8.6 Legal Requirements / Consents and Authorisation for the Use of the Property

For the compilation of the initial valuation report, we have relied on the final legal report prepared by Freshfields. Accordingly all material issues included in the findings and conclusions included in this report have been reflected in our report and valuation. An investigation of the compliance of the properties with legal requirements (including (permanent) planning consent, building permit, acceptance, restrictions, building, fire, health and safety regulations etc.) or with any existing private-law provisions or agreements relating to the existence and use of the site and building has not been carried out by CBRE.

In preparing our valuations, we have assumed that all necessary consents and authorisations for the use of the properties and the processes carried out at the properties are in existence, will continue to subsist and are not subject to any onerous conditions.

8.7 Taxes, Contributions, Charges

Since no information to the contrary has been brought to our attention, we have assumed that all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation.

8.8 Insurance Policy

Since no information to the contrary has been brought to our attention, we have assumed that the subject properties are covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

8.9 Town Planning and Road Proposals

We made only general enquiries of the local planning authorities and have relied on information provided to us in the legal due diligence report.

No formal searches were instigated. Except where stated to the contrary, there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the properties.

Since no information to the contrary has been brought to our attention, we have assumed that the properties are not adversely affected by town planning or road proposals.

8.10 Statements by Public Officials

In accordance with established legal practice, we have not regarded statements by public officials, particularly regarding factual information, as binding. We do not assume any liability for the application of any such statements or information in the subject appraisal report.

8.11 Assumptions regarding the Future

For the purpose of determining the market value of the subject properties, we have assumed that the existing business will continue (regarding both manner and extent of usage of the subject property) for the remainder of the useful life determined for the buildings, or that comparable businesses would be available to take over the use of the subject properties.

Where there is high voltage electricity supply apparatus within close proximity to the properties, unless, otherwise stated, we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

8.12 Tenants

No investigations have been carried out concerning either the status of payments of any contractually agreed rent or ground rent at the date of valuation, or of the creditworthiness of any tenant(s). Since no information to the contrary has been brought to our attention, we have assumed that there are no outstanding rental payments and that there are no reservations concerning the creditworthiness of any of the tenants.

8.13 Pending Litigation, Legal Restrictions (Easements on Real Estate, Rent Regulation etc.)

Since no information to the contrary has been brought to our attention, we have assumed that the properties are free from any pending litigation, that the ownership is unencumbered and that there are no other legal restrictions such as easements on real estate other than those referred to in the legal report provided by Freshfields, rent regulations, restrictive covenants in leases or other outgoings which might adversely affect value.

8.14 Subsidies

Since no information to the contrary has been brought to our attention, we have assumed that there are no circumstances related to subsidies or grants that might influence the value of the properties.

Important

Should any of the information or assumptions on which the valuation is based be subsequently found incorrect or incomplete, our calculations may need to be amended and the valuation figure may also be incorrect and should be re-evaluated. We therefore cannot accept any liability for the correctness of this assessment or for any loss or damage resulting there from.

9. General Assumptions

9.1 The Properties

Where appropriate, we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building. Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations. Tenant-specific process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

9.2 Surface Areas

We have not measured the properties but have relied upon the schedules of area that were provided to us within the tenancy lists and the technical due diligence assessment. In undertaking our work, we have assumed that these floor areas are correct.

9.3 Title, Tenure, Planning and Lettings

With reference to the land register excerpts supplied to us by the client, we have assumed that there are no entries, information or circumstances that could have an impact on market values (including any easements, restrictions, or similar restrictions and encumbrances). We reserve the right to amend our valuation should any such factors be found to exist.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of typical purchasers' likely perceptions of the financial status of tenants from a market perspective.

Specifically we have assumed that:

a. the title of the property is free from any onerous or hampering restrictions or conditions;

b. all buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;

c. the property is not adversely affected by town planning or road proposals;

d. all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

e. tenants will meet their obligations under their leases and where appropriate are responsible for insurance and payments of business rates.

f. there are no user restrictions or other restrictive covenants in leases which would adversely affect value; and

g. all vacant accommodation is available to be let, unencumbered.

9.4 Taxes, Insurance

In undertaking our valuation, we have assumed that:

a. all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation; and

b. the subject property is covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

9.5 Infrastructure and Services

It is assumed that all the sites are serviced within the meaning of paragraph 123 of the German statutory building code (§ 123 BauGB) i.e. that they are connected to the road system, service mains (water, electricity, gas and district heat) and sewers (for both waste and surface water) and that refuse collection is provided. In accordance with the service contracts detailed therein (including provision of district heat, broadband cabling, gas, water and electricity) we have indirectly concluded that services are available.

9.6 Purchaser’s Costs

The following purchaser’s costs have been assumed with regards to the dimension of the subject property.

Land transfer tax: Under German tax law, a transfer tax between 3.5% and 6.5% of the purchase price must be paid on property purchase. This is generally paid by the purchaser.

Notary and legal fees: We have reflected an allowance of 0.1% up to 1.25% for notarising a purchase contract (compulsory under German law), land registry costs and miscellaneous legal charges, depending on purchase volume.

Agent’s fees: In the German market it is common for the purchaser to be responsible for paying all or at least part of the agent’s fees. We have therefore adopted a level of 0.5% up to 3% which, in our experience, is in line with market conditions.

9.7 VAT

No allowance has been made in our valuation for the possible effect on value of non-recoverable VAT on purchase as a result of one or more of the tenants not being liable to pay VAT in addition to rent.

9.8 Hereditary Building Rights

According to the most recent information provided by the Principal for the update valuation as at 31 December 2014, 6 properties within the portfolio are partially or completely subject to ground leases. The following table provides more detailed information regarding these leaseholds:

Hereditary Building Rights				
ID	City / Town	Street	Expiry	Current Ground Rent EUR p.a.
dri23029	Hanover	Bödeker Strasse 102	2031	25,941
dri23030	Ingolstadt	Rathausplatz 3	2051	110,413
dri23033	Munich	Wolfratshauser Strasse 208	2021	51,908
dri23034	Neufahrn	Echingerstrasse 2	2030	35,073
dri23069	Bielefeld	Stresemannstrasse 4 (TE)	2047	288,118
dri23143	Emsdetten	Frauenstrasse 3	2050	19,161
Total				**530,613**

The ground leaseholds have been valued on the assumption that they would be renewed at market conditions after their actual expiry, and that there are no clauses or conditions in the “Erbbaurecht” contract that could be considered outside of the industry norms that would adversely affect the valuation, apart from the ground leasehold in Ingolstadt. This has been valued on the assumption that it would not be renewed after the actual expiry in December 2051, and that no compenstation will be paid to the leaseholder as agreed in the leasehold contract. The lessor has the right to purchase the property at any time after 2011, currently for an amount of 65% of the market value (this amount is reduced by 9% every 10 years, next adjustment in 2021).

10. Addressees / Reliance

In respect of the Offer, the Valuation Report with the valuation date 31 December 2014 and the Prospectus is addressed to the Directors of the Principal, the Principal and Fortress Investment Group LLC, as the Principal's duly appointed investment manager (the "Manager"). Beyond that no responsibility will be accepted to any third party for the whole or any part of the contents of the Valuation Report, save for any responsibility arising under PR 5.5.3R or any other applicable law or regulation. The Valuation Report is only to be used for the specific purpose set out herein.

11. Disclosure

A copy of the Valuation Report may be disclosed on a non-reliance basis to the Principal's legal advisors as well as its auditors, listing agents, underwriters, investment banks and their legal advisors (actually or prospectively). Furthermore, in the case of syndication, the Valuation Report may be provided to banks on a non-reliance basis. The Principal is obliged to inform CBRE in writing of the name and full address of each of such parties prior to the respective disclosure of the Valuation Report.

In addition CBRE agrees to the disclosure of the Valuation Report for the purpose of approving and publishing of the Prospectus, including where submitted to the UK Listing Authority in draft form.

12. Publication

CBRE agrees that the Valuation Report and any letters related thereto can be integrated into the Prospectus in an unchanged form. Unless otherwise stated in this instruction, neither the whole nor any part of the Valuation Report or letters related thereto nor any references thereto may be included in any published document, circular statement nor published in any way without our prior written approval of the form and context in which it will appear.

CBRE also hereby consents to the inclusion in the Prospectus of a declaration, as required by paragraph PR5.5.8R of the Prospectus Rules and item 1.2 of Annex 1 to the Commission Regulation (EC) No. 809/2004 (as amended) as set out in Appendix 3 of the Prospectus Rules, that, having taken all reasonable care to ensure that such is the case, the information contained in those parts of the Prospectus for which we are responsible is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

13. Insurance and Liability

The liability of CBRE, of a legal representative or an agent is restricted to gross negligence and wilful intent.

The liability restriction referred to in the first paragraph shall not apply, if and as far as product liability claims are present, if the existence of a defect has been maliciously concealed, if a guarantee has been assumed and/or in case of a personal injury, death or damage to personal health.

The liability restriction referred to in the first paragraph shall not apply in cases of negligence, if and as far as the damage is covered by an insurance of CBRE. However, in this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

The liability restriction referred to in the first paragraph shall not be applicable in cases of negligence, if essential Contractual obligations (so-called "cardinal duties", the satisfaction of which enables the proper execution of the Contract at all and on which the Client relies and may as a rule rely on its compliance) have been violated. However, the liability for essential Contractual obligations is limited to the reimbursement of the foreseeable, typically occurring damages. In this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

CBRE

14. Assignation of Rights

The addressees of the agreement, based upon which this report has been prepared, shall not be entitled to assign their rights under the agreement – in total or in part – to any third party or parties, unless it was explicitly specified otherwise in the agreement.

15. Place of Performance and Jurisdiction

The agreement, on which the preparation of this report is based, is governed by and construed in accordance with the laws of the Federal Republic of Germany. In the event that there is any conflict between the English legal meaning and the German legal meaning of this Contract or any part hereof, the German legal meaning shall prevail. The place of performance and jurisdiction for disputes arising from this contractual relationship shall be Frankfurt am Main, Germany.

Yours faithfully

STEFAN GUNKEL
Ö.B.U.V. SV., CIS HYPZERT (F)
MANAGING DIRECTOR
HEAD OF VALUATION GERMANY

For and on behalf of
CBRE GmbH

ppa. TOBIAS JERMIS
MRICS, CIS HYPZERT (F)
DIRECTOR
TEAM LEADER OFFICE & LOGISTICS VALUATION

For and on behalf of
CBRE GmbH

THE SCHEDULE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23002 Burgstr./Schlosskirchstr. 03046 Cottbus	The property is located ca. 50 m from the pedestrianised area in Cottbus town centre. There is a public car-park 50 m away, the surrounding buildings are either new or refurbished. Distance to the nearest motorway is around 5 km.	Freehold (Eigentum)	€88,901	€217,269	€2,000,000
Date of Inspection: 2 April 2014	The property is a 3-storey office building with 2 attic floors, a corner building between Burgstr. and Schlosskirchstr. The facade is clad with sandstone and white render, there is an underground parking facility. Quality of the entrance areas is good-very good. We understand that the Property is comprised of: Plot size: 826 sq m Lettable area: 3,008 sq m 11 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Allianz Versicherung - office - (811.13 sq m) expiring 31 October 2016. Passing rent is €45,668 per annum. Indexed 100% CPI p.a. Hagedorn GmbH - office - (232.36 sq m) expiring 31 October 2016 at a passing rent of €16,424 per annum. Indexed 100% CPI p.a.			
ID: dri23017 Schlossstrasse 26 13507 Berlin	The subject property is located in the district of Reinickendorf in the subdistrict Tegel. The property is in the centre of the district “Alt-Tegel” on the street Schlossstrasse directly on the junction to the main road Berliner Strasse. The Berliner Strasse is a retail location within the district. It is situated close to the pedestrian zone, at the northern end of the street. The location of the property is good. The Oracle HQ is located on the other side of the street. Excellent road and public transport connections.	Freehold (Eigentum)	€146,992	€238,721	€3,180,000
Date of Inspection: 19 February 2014	The subject property is a mixed-use building with 6 floors and a basement, which comprises of retail in the ground floor, office from the 1st to 4th floor and residential space in the 5th floor. The structure of the building is masonry with plastered concrete walls. The facade in the front of the building has metal elements. There is graffiti on the facade and some of the metal panels are slackly. The apartments had a damage of water, and as a result the roof was newly waterproofed. There was also water damage in the vault room and in the hallway on the 5th floor. However, the subject property is in good condition. It	The Property is let to multiple tenants. The main tenants are however: Dres. Schwarzenholz - other area - (301.86 sq m) expiring 30 September 2018. Passing rent is €57,089 per annum. Indexed 100% CPI p.a. Osteopathie und Naturheilkunde			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	is in a well-visible corner location. However, the lack of on-site parking spaces is a disadvantage in this area. We understand that the Property is comprised of: Plot size: 418 sq m Lettable area: 1,907 sq m No car parking spaces	Alexander Gluch - office - (220.18 sq m) expiring 31 December 2018 at a passing rent of €23,779 per annum. Indexed 100% CPI p.a. Dr. Granzow - other area - (130.26 sq m) expiring 31 October 2023 at a passing rent of €15,631 per annum. Indexed 100% CPI p.a.			
ID: dri23026 Mühlenstrasse 6 32756 Detmold Date of Inspection: 14 February 2014	The property is situated on a side street in the town centre of Detmold, around 100 m from the pedestrianised area. Distance to the nearest motorway is 20 km. The property is a 2-storey residential building with one indoor parking space. It adjoins the property Paulinenstr. 45 forming an inner yard with surface parking spaces. We understand that the Property is comprised of: Plot size: 155 sq m Lettable area: 114 sq m 1 car parking space	Freehold (Eigentum) The Property is let to: Residential - (113.73 sq m) unlimited lease. Passing rent is €7,560 per annum. Indexed 100% CPI p.a.	€7,560	€7,424	€95,000
ID: dri23029 Bödeker Str. 102 30161 Hanover Date of Inspection: 18 March 2014	The subject property is situated in a sub-centre of Hanover-List (approx. 2 km from the city centre), an area with predominantly refurbished buildings in art nouveau style and in good condition. There is an underground railway station within around 50 m. Bödecker Str. is a 2-lane road which is fairly well frequented. The surroundings are characterised by smaller retail facilities of good quality. The property is a 5-storey building with a fitted-out attic (residential), a retail/office unit on ground floor level and several day clinics and residential units in the upper floors. The building, which has a red-brownish rendered facade to the upper floors and a sandstone facade at ground floor level, is in	Leasehold Ground Lease (Expiry) 2031 The Property is let to multiple tenants. The main tenants are however: LP Coffee - office/bank hall/other -	€67,976	€84,134	€750,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	good condition. We understand that the Property is comprised of: Plot size: n/a Lettable area: 1,052 sq m No car parking spaces	(390.00 sq m) expiring 31 March 2025 at a passing rent of €34,650 per annum. Indexed 100% CPI p.a. Dr. Schaller - other area - (109.00 sq m) expiring 30 June 2021. Passing rent is €11,858 per annum. Rent reduction in March 2015 to €978.82 per month. Indexed 100% CPI p.a.			
ID: dri23030 Rathausplatz 3 85049 Ingolstadt Date of Inspection: 20 March 2014	Edge of town centre/pedestrianised zone; very good amenities and transport connections; high visibility. Town centre retail/office property with rendered facade and metal windows; structure appears neglected. Fenestration provides for good layout grid. We understand that the Property is comprised of: Plot size: n/a Lettable area: 1,904 sq m No car parking spaces	Leasehold Ground Lease (Expiry) 2051 The Property is let to multiple tenants. The main tenants are however: Commerzbank AG - bank hall/office/storage - (802.00 sq m) expiring 31 December 2020. Passing rent is €106,394 per annum. Indexed 100% CPI p.a. Danuvius Klinik - office/storage - (325.36 sq m) expiring 30 September 2020. Passing rent is €45,165 per annum. Indexed 100% CPI p.a. Dr. Wegmann - office - (445.33 sq m) expiring 31 July 2016 at a passing rent of	€203,269	€189,899	€630,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
		€39,570 per annum. Indexed 5% hurdle/100%.			
ID: dri23033 Wolfratshauser Strasse 208 81479 Munich Date of Inspection: 24 February 2014	Wolfratshauser Strasse is the main road to the south-west of Munich. The property is situated in the centre of this part of Munich near an S-Bahn (commuter railway) station and other transport connections. The location is one of the most sought-after residential areas in Munich. 2-storey-property with rendered facade and metal roof; in good condition; attractive building with good visibility and appearance. We understand that the Property is comprised of: Plot size: n/a Lettable area: 332 sq m 3 car parking spaces	Leasehold Ground Lease (Expiry) 2021 The Property is let to: Commerzbank AG - bank hall/office/storage - (332.00 sq m) expiring 30 June 2020. Passing rent is €59,329 per annum. Indexed 100% CPI p.a.	€59,329	€48,708	€0
ID: dri23034 Echingerstrasse 2 85375 Neufahrn Date of Inspection: 25 February 2014	In the centre of Neufahrn which is a location on the main route between Munich and airport. Situated on the main crossroads in Neufahrn: good visibility; reasonable amenities and transport facilities. The property is a 2-storey, old corner building.	Leasehold Ground Lease (Expiry) 2030 The Property is let to: K1 Spielotheken GmbH - retail - (124.10 sq m) expiring 30 June 2016. Passing rent is €14,179 per annum. Indexed 100% CPI p.a. Vacancy - 386.03 sq m	€14,179	€33,900	€0

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: n/a Lettable area: 510 sq m 9 car parking spaces				
ID: dri23035 Berliner Str. 74 14712 Rathenow	The property is located in the town centre of Rathenow next to a small shopping mall ("City Center") on an urban main road. Distance to the nearest motorway is 30 km.	Freehold (Eigentum)	€0	€88,467	€720,000
Date of Inspection: 20 February 2014	The property is a red-brick, 3-storey, refurbished, old corner building.	The Property is currently completely vacant.			
	We understand that the Property is comprised of: Plot size: 582 sq m Lettable area: 1,276 sq m 7 car parking spaces				
ID: dri23038 Hauptstrasse 63 78647 Trossingen	The property is located in the main street of Trossingen, which is subject to very heavy traffic. There are many small retailers and restaurants in the neighbourhood. The vacancy rate appears to be very low.	Part-ownership 2,200/10,000	€22,089	€21,528	€280,000
Date of Inspection: 28 March 2014	The property is an apartment building; the ground floor is used by the bank. The property is in reasonable condition, the facade at the entrance area is clad. There are about 25 parking spaces at the rear yard of the property.	The Property is let to: Commerzbank AG - bank hall - (186.00 sq m) expiring 31 December 2020. Passing rent is €22,089 per annum. Indexed 100% CPI p.a.			
	We understand that the Property is comprised of: Plot size: 426 sq m Lettable area: 186 sq m				

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	8 car parking spaces				
ID: dri23060 Weserstrasse 43-49 60329 Frankfurt/Main	The subject property is located in the Frankfurt submarket "Bahnhofsviertel", on a street parallel to Taunusanlage and connecting to Mainzer Landstrasse. The amenities and transport facilities are good. The underground station Taunusanlage is an approx. 5 minutes walk away. The main railway station, with all important train connections, is also only 5 minutes away. The "Alte Oper" is approx. 700 m away.	Freehold (Eigentum)	€45,200	€1,233,622	€12,120,000
Date of Inspection: 12 February 2014	The 6-storey office building was constructed in 1990. The property has an acceptable standard of fit-out including a reception area with a gallery stretching over two floors, raised floors, natural stone facade, full air conditioning, a floor-to-ceiling height of 2.75 m, exterior sun blinds, suspended ceilings with integrated lights, and partially wood panelling in the corridors. In addition, the property has a very good parking space ratio. We understand that the Property is comprised of: Plot size: 2,440 sq m Lettable area: 6,025 sq m 101 car parking spaces	The car parking spaces of the property are let to multiple tenants. The lettable area of the property is vacant. Various tenants - parking internal - (27 units). Passing rent is €32,400 per annum.			
ID: dri23067 Bahnhofstrasse 20 73430 Aalen	The property is located near the main station of Aalen. The main bus station directly adjoins to one side. The area is dominated by small retailers, restaurants and other banks.	Freehold (Eigentum) Listed building: Yes	€166,722	€131,634	€2,430,000
Date of Inspection: 20 March 2014	The property has three floors and is in good condition. The building is painted white and appears to have been renovated in the last few years. We understand that the Property is comprised of:	The Property is let to: Commerzbank AG - bank hall/office/storage - (1,318.00 sq m) expiring 31 December 2020. Passing rent is €166,722 per annum. Indexed 100% CPI p.a.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Plot size: n/a Lettable area: 1,318 sq m 12 car parking spaces				
ID: dri23068 Bismarckstr. 9 56470 Bad Marienberg	The property is located in a secondary shopping street just east of the main pedestrian zone. The post office is located directly opposite. Public transport facilities are in the immediate vicinity.	Part-ownership: 548/1,000	€94,723	€68,790	€1,000,000
Date of Inspection: 11 February 2014	This 3 storey (at the back 4 storey shingle facade) terraced flat-roofed 1970s building, with a stone slab facade, has a banking hall on the ground floor and retail units in the upper floors (Chinese restaurant and a gaming establishment). Parking is provided behind the building (see ID 23097) with a separate entrance to the building. The facade needs some repainting. The windows are probably original. We understand that the Property is comprised of: Plot size: n/a Lettable area: 823 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (623.00 sq m) expiring 31 December 2020. Passing rent is €94,723 per annum. Indexed 100% CPI p.a. Vacancy- 200 sq m			
ID: dri23069 Stresemannstrasse 4 33602 Bielefeld	The subject property is located at the end of a prime retail pedestrianised area of Bielefeld. With its double frontage and corner location the building is highly visible. Opposite, on Stresemannstrasse, is the "City-Passage" with tenants such as Saturn, Kaufhof and Deichmann, whereas opposite on Bahnhofstrasse is a Karstadt department store. Along Herforderstrasse are Deutsche Bank and the Sparkasse. At the corner of Stresemannstrasse and Herforderstrasse is a public car park accessible via Herforderstrasse. Other public transport facilities are located along Herforderstrasse (bus station). The main railway station is approx. 500 m away.	Leasehold Ground Lease (Expiry) 2047	€2,856	€888,858	€6,500,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Date of Inspection: 14 February 2014	The 4-storey flat-roofed property, with a stone slab facade (to the front) and prefabricated metal panelling facade (at the back) has glass elements integrated and was constructed in 1970. It was completely refurbished and altered in 1988. The subject property has 2 inner courtyards and an atrium above the banking hall providing additional daylight to the inner office units. The basement floor provides storage space, technical equipment and the bank vault. There are 4 staircases and 4 lifts in the building. The banking hall, 1st and partially 2nd and 3rd floors have full air conditioning with humidification. The office space is of good standard with suspended ceilings (floor-to-ceiling height of approx. 2.75 m), raised floors and exterior sun blinds. It is currently being planned to re-let the banking hall to retail tenants combined with an alteration of the areas and increased initial TIs. We understand that the Property is comprised of: Plot size: 3,810 sq m Lettable area: 8,973 sq m No car parking spaces	The Property is let to: Deutsche Funkturm - antenna - expiring 30 July 2014. Passing rent is €2,856 per annum. Indexed 100% CPI p.a. Vacancy - 8,973 sq m			
ID: dri23072 Lange Strasse 39-40 27749 Delmenhorst	The property is situated in the pedestrianised area of Delmenhorst, opposite a Karstadt department store. Distance to the nearest motorway is 3 km.	Freehold (Eigentum)	€6,228	€111,894	€1,120,000
Date of Inspection: 12 March 2014	The property is a completely reconstructed 2-3-storey building (rear part appears new). There are shop windows at the rear of the building as well as parking spaces (inside and surface). We understand that the Property is comprised of: Plot size: 769 sq m Lettable area: 1,377 sq m 8 car parking spaces	The Property is let to: Residential - (173.00 sq m) unlimited lease. Passing rent is €6,228 per annum. Indexed 100% CPI p.a. Vacancy - 1,203.69 sq m			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23075 Schmiedgasse 23 87600 Kaufbeuren	Situated in the town centre pedestrian zone; shopping area; good amenities and transport facilities.	Part-ownership: 239/1,000	€106,997	€88,103	€1,320,000
Date of Inspection: 25 February 2014	Rendered facade; property appears to be in a slightly neglected condition; reletting likely to be easy due to location.	The Property is let to: Commerzbank AG - bank hall/office/storage - (642.00 sq m) expiring 31 December 2020. Passing rent is €87,405 per annum. Indexed 100% CPI p.a. Pianofactum Musikhaus - retail/storage - (256.45 sq m) expiring 31 January 2016 at a passing rent of €19,592 per annum. Indexed 100% CPI p.a.			
	We understand that the Property is comprised of: Plot size: n/a Lettable area: 898 sq m 9 car parking spaces				
ID: dri23076 Bergische Landstrasse 17 51375 Leverkusen	The property is located in a secondary retail area with only local shopping facilities in the vicinity. Public transport stops directly in front of the building.	Part-ownership: 230/1,000	€51,260	€48,672	€720,000
Date of Inspection: 4 April 2014	The 5-storey 1980s terraced building, with a brick facade, has a banking hall on the ground floor, offices above and residential units in the upper floors. The parking spaces behind the building are accessed via a drive through at the left of the building. The property is generally in a good state of repair, the only visible disrepair is to the balustrade on the 1st floor. We understand that the Property is comprised of: Plot size: n/a	The Property is let to: Commerzbank AG - bank hall - (338.00 sq m) expiring 31 December 2020. Passing rent is €51,260 per annum. Indexed 100% CPI p.a.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 338 sq m No car parking spaces				
ID: dri23079 Leineweberstr. 12-20 45468 Mülheim/Ruhr	The property is located just south of the city centre of Mülheim/Ruhr, on a major thoroughfare. The department stores of “Kaufhof” and “Woolworth” are located opposite the subject property. Public transport facilities are in the direct vicinity.	Freehold (Eigentum)	€106,439	€257,078	€2,930,000
Date of Inspection: 3 April 2014	The modern 6-storey building, with a tilted copper roof and a prefabricated stone slab facade accommodates a banking hall on the ground floor and office units above. There are two separate entrances, with the access to the basement garage being next to the “Sparkasse” building in the side street. There is a basement garage in the rear part of the building. The building is in a good state of repair.	The Property is let to: Aldi Einkauf GmbH & Co. oHG - office - (1,214.77 sq m) expiring 31 December 2017. Passing rent is €76,139 per annum. 547.09 sq m of office space currently rent free until 2016. Rent reduction for office space to €8.00 per sq m and for internal parking spaces to €55.00 per sq m in January 2015. Indexed 100% CPI p.a. Kanzlei Niehoff, Bolz, Kupka - office - (375.00 sq m) expiring 31 December 2017 at a passing rent of €30,300 per annum. Indexed 100% CPI p.a. Vacancy - storage/bank hall - 1,325.65 sq m			
	We understand that the Property is comprised of: Plot size: 1,470 sq m Lettable area: 2,915 sq m 20 car parking spaces				
ID: dri23082 Am Hallenbad 3 35260 Stadtallendorf	The property is located in the pedestrianised zone of Stadtallendorf and is accessible from both sides, i.e. from “Am Hallenbad” and “Teichwiesenstr”. The “Gemeindezentrum” (municipal offices) is located opposite the subject property. Public transport facilities are in the direct vicinity.	Part-ownership: 298/773	€0	€25,536	€250,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Date of Inspection: 10 February 2014	The 4-storey 1980s building, with an aluminium and shingled facade, had been occupied by a bank branch on the ground floor and offices above (e.g. Allianz). The first floor is accessible via an external staircase. On-site car parking is provided in front of the building. The property is in a good state of repair. We understand that the Property is comprised of: Plot size: n/a Lettable area: 266 sq m No car parking spaces	The Property is vacant.			
ID: dri23085 Rheinstrasse 76185 Karlsruhe	The property is located on an arterial road in Karlsruhe. The usage of the area is mixed, but dominated by residential buildings, with the ground floors occupied by small retailers and restaurants.	Part-ownership: 133.6/1,000	€52,322	€40,938	€580,000
Date of Inspection: 28 March 2014	The property has five storeys. The ground floor and the first floor are used by the bank. The upper floors are used as condominiums. The building is clad in green plastic. The condition of the property is reasonable. We understand that the Property is comprised of: Plot size: n/a Lettable area: 297 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (297.00 sq m) - expiring 31 December 2020. Passing rent is €52,322 per annum. Rent reduction to €3,800.49 per month in January 2016. Indexed 100% CPI p.a.			
ID: dri23087 Sonnenstrasse 2 72458 Albstadt	The property is located in the town centre of Albstadt. The buildings in the neighbourhood are mostly older than the subject property, with their ground floors mainly used as retail or restaurant accommodation.	Part-ownership: 5,325/10,000	€19,196	€69,045	€720,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Date of Inspection: 28 March 2014	The property is a mixed-use building, with its ground floor used as retail space. The property is in good condition. The upper floors are used as office space. We understand that the Property is comprised of: Plot size: n/a Lettable area: 922 sq m 3 car parking spaces	The Property is let to: Mobile Center GmbH - retail/storage - (250.75 sq m) expiring 31 March 2022. Passing rent is €19,196 per annum. Rent free from March to August in 2015 and 2017. Indexed 100% CPI p.a. Vacancy - 671 sq m			
ID: dri23089 Bahnhofstrasse 21 56626 Andernach	The subject property is located on the one-way shopping street of Andernach. The “Volksbank” building is its direct neighbour. Public transport facilities are in the direct vicinity.	Part-ownership: 544.15/1,000	€0	€45,240	€390,000
Date of Inspection: 11 February 2014	The 2-storey terraced building, with a rendered façade, has been refurbished and accommodates a banking hall on the ground floor and office space above. There are no parking spaces on site. The property is in a good state of repair. We understand that the Property is comprised of: Plot size: n/a Lettable area: 650 sq m No car parking spaces	The property is vacant.			
ID: dri23090 Martin-Luther-Platz 18 91522 Ansbach	The property is located in the pedestrianised area of Ansbach, next to an old church. The area is dominated by small retailers and restaurants.	Part-ownership: 372/1,000	€18,299	€31,374	€360,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Date of Inspection: 20 March 2014	The property is an attractive building in good condition. It has four storeys; the facade is painted beige.	The Property is let to: kammback-dein-friseur - retail/storage - (155.50 sq m) expiring 30 April 2020. Passing rent is €18,299 per annum. Indexed 100% CPI p.a. Vacancy- 162 sq m			
	We understand that the Property is comprised of: Plot size: n/a Lettable area: 473 sq m No car parking spaces				
ID: dri23094 Grabenstrasse 9 71522 Backnang	The property is located on the fringe of the pedestrian area of Backnang. The area is highly frequented, because of the attached multi-storey car park. Four other banks are located in the direct neighbourhood.	Part-ownership: 24,948/100,000	€37,527	€30,450	€400,000
Date of Inspection: 27 March 2014	The property has partly 3 and partly 4 storeys. A multi-storey car park is attached. The condition of the building is reasonable.	The Property is let to: Commerzbank AG - bank hall/office/storage - (332.00 sq m) expiring 31 December 2016. Passing rent is €37,527 per annum. Indexed 100% CPI p.a.			
	We understand that the Property is comprised of: Plot size: n/a Lettable area: 332 sq m No car parking spaces				
ID: dri23096 Salinenstrasse 32	The subject property is located close to the town centre on a thoroughfare. Retail units and restaurants as well as office buildings are predominant. Public transport stops are located directly in front of the building.	Freehold (Eigentum)	€77,507	€86,676	€1,060,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
55543 Bad Kreuznach					
Date of Inspection: 11 February 2014	The 4-storey building (only 2 storeys at the rear) with a stone slab facade (partly rendered) accommodates the banking hall on the ground floor and office space above (2nd and 3rd floor vacant). Car parking spaces are located behind the building.	The Property is let to: Commerzbank AG - Bank hall/Office/Storage - (981.00 sq m) expiring 31 December 2020. Passing rent is €77,507 per annum. Indexed 100% CPI p.a. Vacancy - 306 sq m			
	We understand that the Property is comprised of: Plot size: 477 sq m Lettable area: 1,287 sq m 8 car parking spaces				
ID: dri23097 (Parking Lot) 56470 Bad Marienberg	Presumed to be the car park behind the property (ID 23068), as there is a separate entrance to the building. The car park is accessible from Langenbacherstrasse.	Freehold (Eigentum)	€2,049	€2,016	€24,000
Date of Inspection: 11 February 2014	Various car parks behind buildings in Bismarckstr. Not clearly identified which car park is part of the property.	The Property is let to: Commerzbank AG - parking external - (14) expiring 31 December 2020. Passing rent is €2,049 per annum. Indexed 100% CPI p.a.			
	We understand that the Property is comprised of: Plot size: 148 sq m 14 car parking spaces				
ID: dri23099 Salzburger Strasse 3	The property is located on Salzburger Strasse, a pedestrianised shopping street. Salzburger Strasse is the extension of Ludwigstrasse, the main pedestrian shopping street in Bad Reichenhall. There are no vacancies nearby. National	Part-ownership: 285/1,000	€82,343	€73,470	€1,130,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
83435 Bad Reichenhall	retailers, including Douglas, Müller Drogerie and Nordsee are located on Ludwigstrasse. Salzburger Strasse is dominated by local retailers. The subject property is located just a few metres from the Kurgarten and about 50 m from the Kurhaus. Opposite the property is a cinema (Park-Kino), while a Steigenberger Hotel is about 70 m away. Bad Reichenhall's regional railway station is about 350 m away.				
Date of Inspection: 25 February 2014	The property is a 4-storey mixed-use building with rendered façade. It is in good condition. The ground floor is occupied by Commerzbank, the upper floors are used as doctors surgeries and/or residential apartments.	The Property is let to: Commerzbank AG - bank hall/office/storage - (445.00 sq m) expiring 31 December 2020. Passing rent is €82,343 per annum. Indexed 100% CPI p.a.			
	We understand that the Property is comprised of: Plot size: 770 sq m Lettable area: 445 sq m No car parking spaces				
ID: dri23100 Frankfurter Strasse 113 61118 Bad Vilbel	The property is located in the town centre, on the main shopping street of Bad Vilbel. There are public transport stops in front of the building.	Part-ownership: 338/1,000	€48,108	€50,628	€770,000
Date of Inspection: 21 February 2014	The 4-storey terraced modern building, with a rendered facade, has a banking hall on the ground floor and residential units above. There is no evident vacancy. Parking is provided on site behind the building via a driveway on the left-hand side of the building.	The Property is let to multiple tenants. The main tenant is however: Sparda Bank - bank hall/storage - (452.00 sq m) expiring 31 January 2022. Passing rent is €46,008 per annum. Indexed 100% CPI p.a.			
	We understand that the Property is comprised of: Plot size: 477 sq m Lettable area: 452 sq m				

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	12 car parking spaces				
ID: dri23103 Hauptstrasse 35-37 59269 Beckum-Neubeckum	The property is located in the town centre of Neubeckum in a mixed commercial/residential area. Distance to the nearest motorway is 3 km.	Part-ownership: 59/100	€0	€18,642	€160,000
Date of Inspection: 13 February 2014	The property is a 3-storey mixed residential/commercial asset with a rendered facade. The condition of the property, as well as the entrance area, is medium. We understand that the Property is comprised of: Plot size: n/a Lettable area: 316 sq m No car parking spaces	The property is vacant.			
ID: dri23104 Nordstrasse 51 59269 Beckum	The property is situated at the edge of the pedestrianised area, on a main road junction close to the main station.	Freehold (Eigentum)	€65,752	€59,364	€700,000
Date of Inspection: 13 February 2014	Distance to the nearest motorway is around 5 km.	The Property is let to: Commerzbank AG - bank hall/office/storage - (978.00 sq m) expiring 31 December 2016. Passing rent is €65,752 per annum. Indexed 100% CPI p.a.			
	The property is a refurbished, old corner building, with 2 storeys plus attic floor, in good condition. We understand that the Property is comprised of: Plot size: 422 sq m Lettable area: 978 sq m No car parking spaces				

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23106 Siebenmorgen 38 51427 Bergisch Gladbach	The subject property is located facing the marketplace in the local shopping area of the "Refrath" suburb of Bergisch Gladbach. Public transport facilities are in the direct vicinity.	Part-ownership: 161/1,000	€53,327	€37,608	€580,000
Date of Inspection: 6 March 2014	The 4-storey (at the rear only 1-storey) 1980s corner building, with a rendered facade, has a banking hall on the ground floor and office/residential units above. No evident vacancy. Parking is provided next to the building. The facade needs some refurbishment as there is slight damage and the paint/plaster is peeling off in some sections. We understand that the Property is comprised of: Plot size: n/a Lettable area: 211 sq m 6 car parking spaces	The Property is let to: Commerzbank AG - bank hall/storage - (211.00 sq m) expiring 31 December 2020. Passing rent is €53,327 per annum. Indexed 100% CPI p.a.			
ID: dri23107 Bahnhofstrasse 46 57518 Betzdorf	The subject property is located in the pedestrian zone of the main shopping street in Betzdorf. Next door are various local offices (district court, registry office). There are sufficient parking spaces behind the subject property. The bus station is approx. 250 m away.	Part-ownership: 417/1,000	€70,321	€49,716	€740,000
Date of Inspection: 11 February 2014	This modern 4-storey (at the rear only 2-storey) building with a stone slab facade accommodates a banking hall on the ground floor and predominantly offices (plus 1 residential unit) in the upper floors. There appears to be one vacant unit. Parking facilities are provided behind the building. We understand that the Property is comprised of: Plot size: n/a Lettable area: 479 sq m 6 car parking spaces	The Property is let to: Commerzbank AG - bank hall/office - (479.00 sq m) expiring 31 December 2020. Passing rent is €70,321 per annum. Indexed 100% CPI p.a.			

Property	Description, Age and Tenure	Terms of Existing Tenancies		Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23109 Stuttgarter Strasse 60 74321 Bietigheim	The property is located on an arterial road with busy traffic. The neighbourhood is a commercial area. Two other banks are located in the direct neighbourhood.	Part-ownership	11,664/100,000	€27,774	€25,704	€320,000
Date of Inspection: 27 March 2014	The property has five floors, only the ground floor is in retail use. The upper floors are condominiums and doctors' surgeries. The retail units are occupied by a gambling establishment and other retailers. We understand that the Property is comprised of: Plot size: n/a Lettable area: 204 sq m 6 car parking spaces	The Property is let to: Pre Tec Invest GmbH - other area/storage - (204.00 sq m) expiring 31 January 2019. Passing rent is €27,774 per annum. Indexed 100% CPI p.a.				
ID: dri23118 Landrat-Christians-Str. 98 28779 Bremen	The subject property is located in the northern district of Blumental, around 20 km from Bremen city centre. The surrounding buildings are smaller residential or mixed retail/residential facilities, most of which are rather old, the distance to the suburban centre is approx. 500 metres. Close to the property is an industrial plant of the Bremer Woll-Kämmer AG.	Freehold (Eigentum)		€10,033	€35,236	€310,000
Date of Inspection: 12 March 2014	The property is a 2-storey mixed-use building, with fitted-out attic, and a rendered facade. There are two parking spaces next to the building. In addition to the bank space on ground floor level, there is a day clinic and residential units. The building is in good condition. We understand that the Property is comprised of: Plot size: 696 sq m Lettable area: 719 sq m 2 car parking spaces	The Property is let to: BRIGG - office - (182.64 sq m) expiring 31 January 2017. Passing rent is €10,033 per annum. Indexed 100% CPI p.a. Vacancy- 536.04 sq m				

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23126 Paulinenstr. 45 32756 Detmold	The property is situated in the town centre of Detmold, around 100 m from the pedestrianised area, on a 4-lane main road. Distance to the motorway is 20 km.	Freehold (Eigentum)	€15,209	€128,313	€1,120,000
Date of Inspection: 14 February 2014	The property is a 4-storey commercial building with a concrete facade. There are retail units on ground floor level and office accommodation in the upper floors. At the rear of the building are several parking spaces in an inner yard.	The Property is let to multiple tenants. The main tenant is however: Reise- und Lotto-Shop Uwe Klinge - retail/storage - (86.50 sq m) expiring 31 July 2019 at a passing rent of €10,930 per annum. Indexed 100% CPI p.a.			
	We understand that the Property is comprised of: Plot size: 1,136 sq m Lettable area: 1,944 sq m 18 car parking spaces				
ID: dri23129 Brackeler Hellweg 136 44309 Dortmund	The property is located on a shopping street in the Dortmund district of "Brakel". Brackeler Hellweg is a busy arterial road. The property has good access: the bus stop "Brakeler Kirche" on line 403 is directly opposite. The immediate surroundings are dominated by shops for day-to-day shopping requirements such as a Rewe supermarket and a DM Drugstore. However Brakel is an area dominated by social housing.	Part-ownership: 151.26/1,000	€31,199	€30,858	€380,000
Date of Inspection: 2 April 2014	The building is a 4-storey flat-roof construction, with a tiled façade. The ground floor is occupied by a bank, a drugstore and a cafe while the remaining floors are residential.	The Property is let to: Commerzbank AG - bank hall/storage - (267.00 sq m) expiring 31 December 2020. Passing rent is €31,199 per annum. Indexed 100% CPI p.a.			
	We understand that the Property is comprised of: Plot size: n/a				

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 267 sq m No car parking spaces				
ID: dri23130 Kaiserstr. 61 44135 Dortmund	The property is located on a main road in a residential area of Dortmund's "Mitte" district. The property is currently let to a Café. The surroundings include shops for the day-to-day shopping needs of the residents, the post office is next door, while the Sparkasse and a drugstore are located opposite the building. The second retail unit in the property is let to a pharmacy while the office floors are let to lawyers.	Part-ownership: 178.816/1,000	€37,841	€38,250	€460,000
Date of Inspection: 2 April 2014	The building is a 6-storey flat-roofed construction with a tiled façade. The ground floor has retail units, while the remaining floors are used as offices as well as residential units. We understand that the Property is comprised of: Plot size: n/a Lettable area: 341 sq m 4 car parking spaces	The Property is let to: Mariellis Langehenke - retail/storage - (341.00 sq m) expiring 31 January 2019. Passing rent is €37,841 per annum. Indexed 100% CPI p.a.			
ID: dri23131 Kampstrasse 47 44137 Dortmund	The subject property is located in the city centre of Dortmund just off the main pedestrianised shopping street. The main frontage is along Kampstrasse, a main thoroughfare in the city centre. The main railway station is in the immediate vicinity, about 500 m behind the subject property. Other public transport stops such as trams and buses are directly in front of the building on Kampstrasse. As part of a large complex with West LB, the building is highly visible. Other large companies, such as Deutsche Telekom, Sparkasse, RWE and Continental, occupy buildings in the immediate area.	Freehold (Eigentum)	€1,459,528	€1,303,896	€13,660,000
Date of Inspection: 2 April 2014	The terraced, flat-roofed 7-storey building, with a prefabricated aluminium slab facade and darkened aluminium windows, was constructed in 1977. It is part of a complex with the adjacent West LB building. The complex has a shopping	The Property is let to: Commerzbank AG - bank hall/storage - (13,098.00 sq m) expiring 31 December			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	arcade on the ground floor, leading from Kampstrasse to Katharinenstrasse (pedestrianised zone). The subject property has one main entrance on Kampstrasse and 2 staircases with a total of 5 lifts. The banking hall and the 8 retail units on the ground floor are currently occupied by Commerzbank (retail units used as offices). The upper floors mainly accommodate office units with a canteen in the 6th floor (operated by Eurest). Technical equipment for the building is located on the roof and in the basement. The property is in a reasonable state of repair, although the facade needs some cleaning. We understand that the Property is comprised of: Plot size: 4,339 sq m Lettable area: 13,098 sq m 246 car parking spaces	2015. Passing rent is €1,459,528 per annum. Indexed 100% CPI p.a.			
ID: dri23132 Königstr. 13 47051 Duisburg	The property is located on Königstrasse, the major pedestrianised shopping street of Duisburg. The subject property is located roughly in the middle of the pedestrian street, directly on König-Heinrich-Platz (also an underground station). König-Heinrich-Platz is a square with a fountain and an art sculpture and therefore high visibility. It functions as a meeting point for locals and tourists. There are typical German retailers on Königstrasse, with a Galeria Kaufhoff just across the square. The buildings next to the subject property are occupied by Deutsche Bank, and the Sparkasse.	Freehold (Eigentum)	€521,173	€1,032,061	€12,540,000
Date of Inspection: 3 April 2014	The building is an 8-storey concrete construction with a metal-clad facade. The ground floor is used by retailers and a bank branch and the upper floors are used as offices with one residential unit. We understand that the Property is comprised of: Plot size: 2,151 sq m Lettable area: 6,894 sq m 84 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Commerzbank AG - office - (1,327.00 sq m) expiring 31 December 2015. Passing rent is €118,776 per annum. Indexed 100% CPI p.a. Gerinnungszentrum Rhein Ruhr - other area/residential - (1,145.92 sq m) expiring 30 November 2025. Passing rent is			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
		€145,695 per annum. Indexed 100% CPI p.a. Corio Deutschland - office - (519.28 sq m) expiring 31 October 2015 at a passing rent of €73,919 per annum. Indexed 100% CPI p.a. TJX Deutschland - office/bank hall/retail - (2,434.90 sq m) future lease beginning 1 August 2015 and expiring 31 July 2025 at a passing rent of €499,054 per annum. Rent free for August 2015. Indexed 100% CPI p.a.			
ID: dri23133 Bismarckstr. 2 52351 Düren Date of Inspection: 7 March 2014	In its corner location on Bismarckstr./Schützenstr, the building is highly visible. The building has two separate entrances as well as two separate accesses (entry/exit) for the car park. Public transport stops are in the direct vicinity (bus 100 m). The 4-storey historic corner building, with a brick facade, has a banking hall on the ground floor. The 1st, 2nd and the attic level are vacant. The property is in a good state of repair. Sufficient parking spaces are located at the rear of the building. We understand that the Property is comprised of: Plot size: 2,222 sq m Lettable area: 2,216 sq m 30 car parking spaces	Freehold (Eigentum) The Property is let to: Commerzbank AG - bank hall/office/storage - (1,331.45 sq m) expiring 31 December 2020. Passing rent is €106,562 per annum. Indexed 100% CPI p.a. Vacancy - 884.89 sq m	€106,562	€180,049	€2,030,000
ID: dri23134 Zollhausstrasse 34 52353 Düren	The subject property is located on a local shopping street in a suburb of Düren. The Düren municipal offices adjoin on one side. The car park at the rear of the building is accessible via a driveway through on the left hand side of the building, where also the entrance for the residential units is. Public transport	Part-ownership: 29.648/100	€16,607	€15,823	€190,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	stops are in the direct vicinity (bus 10 m).				
Date of Inspection: 7 March 2014	The 1970s/80s 3-storey flat-roofed building, with a brick facade, is mostly vacant. A former banking hall on the ground floor is vacant, while at least part of the 1st and 2nd floors appears to be occupied by residents. Parking is provided in the courtyard behind the building. The windows are original. We understand that the Property is comprised of: Plot size: n/a Lettable area: 260 sq m 5 car parking spaces	The Property is let to: Dr. Wulff - other area/storage - (260.00 sq m) expiring 31 December 2025. Passing rent is €16,607 per annum. Indexed 100% CPI p.a.			
ID: dri23142 Altendorfer Strasse 7 37574 Einbeck	The property is situated in the town centre of Einbeck, less than 100 m from the pedestrianised area on an urban main road. There are predominantly mixed-use buildings in the vicinity.	Freehold (Eigentum)	€0	€27,954	€250,000
Date of Inspection: 19 March 2014	The property is a 3-storey office building, with a rendered facade. The condition of the main entrance area is fairly good. We understand that the Property is comprised of: Plot size: n/a Lettable area: 399 sq m 3 car parking spaces	The property is vacant.			
ID: dri23143 Frauenstrasse 3 48282 Emsdetten	The property is located directly on the marketplace in the town centre of Emsdetten. All local shopping amenities are to be found in the direct vicinity. Public transport facilities are within easy reach of the subject property.	Leasehold Ground Lease (Expiry) 2050	€50,577	€45,546	€320,000
Date of Inspection: 13 February 2014	This 3-storey building with a brick facade and prefabricated metal slab elements has a banking hall on the ground floor and office/doctors surgeries in the floors above. One residential and one office unit are vacant. No on-site parking is provided but there are sufficient public parking spaces in the	The Property is let to multiple tenants. The main tenants are however: Commerzbank AG - bank hall/storage - (421.00 sq m) expiring 31 December			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	vicinity. The facade needs some cleaning. We understand that the Property is comprised of: Plot size: n/a Lettable area: 751 sq m No car parking spaces	2020. Passing rent is €39,378 per annum. Indexed 100% CPI p.a. Seeger - other area - (157.00 sq m) expiring 31 January 2018 at a passing rent of €11,173 per annum. Indexed 100% CPI p.a.			
ID: dri23144 Herrigerstr. 1 50374 Erftstadt	The property is located in the town centre, next to the market place. Public transport facilities are in the immediate vicinity. A separate entrance for the residential units is located on the right hand side of the building, the entrance to the banking hall is in the middle of the building.	Freehold (Eigentum)	€44,079	€33,517	€430,000
Date of Inspection: 7 March 2014	The 3-storey historic building with a pitched roof and a rendered facade has a banking hall on the ground floor and is assumed to have office space on the first floor and residential units above. The facade and the windows need some cleaning and perhaps repainting. We understand that the Property is comprised of: Plot size: n/a Lettable area: 490 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (406.00 sq m) expiring 31 December 2020. Passing rent is €38,559 per annum. Indexed 100% CPI p.a. Residential - (84.12 sq m) with an unlimited lease term. Passing rent is €5,520 per annum. No indexation.			
ID: dri23146 Grabenstr. 73 52249 Eschweiler	The property is located on the main shopping street of Eschweiler, opposite a small marketplace. Directly across from the subject property is a "dm Markt" drugstore and at the end of Grabenstr. is a "P&C" department store. Public transport is within easy reach.	Freehold (Eigentum)	€60,608	€47,292	€640,000
Date of Inspection: 7 March 2014	The 4-storey terraced, historic building with a stone slab facade accommodates a banking hall on the ground floor and office units and apartments above. It appears that property no. 75 is above the ground floor of no. 73 (i.e. banking hall). The property is in a good state of repair. There are no parking spaces provided on site.	The Property is let to: Commerzbank AG - bank hall/office/storage - (338.00 sq m) expiring 31 December 2020. Passing rent is €57,589 per annum. Indexed 100% CPI p.a.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 685 sq m Lettable area: 410 sq m No car parking spaces	Residential - (72.00 sq m) with an unlimited lease term. Passing rent is €3,019 per annum. No indexation.			
ID: dri23149 Kupferdreherstr. 161 45257 Essen	The property is located on a main road in a residential/industrial area of Essen. The city centre is approx. 8 km north of the subject property. The residential quality can be described as reasonable to poor and is mainly dominated by social housing.	Freehold (Eigentum)	€42,168	€33,640	€480,000
Date of Inspection: 3 April 2014	The building is a 3-storey brick construction with a pitched roof. The appearance is typical of this type of property. The ground floor is used as a retail banking unit, the top floors are used as offices and residential flats. We understand that the Property is comprised of: Plot size: 685 sq m Lettable area: 407 sq m 2 car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (305.00 sq m) expiring 31 December 2020. Passing rent is €36,646 per annum. Indexed 100% CPI p.a. Residential - (101.77 sq m) with an unlimited lease term. Passing rent is €5,522 per annum. No indexation.			
ID: dri23150 Lindenallee 4 45127 Essen	The property is located in the main city-centre retail area of Essen. The location is dominated by pedestrian shopping streets and large office complexes. The buildings in close proximity are occupied by well established German retailers such as Galeria Kaufhof and Hallhuber. The central railway station "Hauptbahnhof" can be reached via a large square and is approximately 150m away. While the area closer to the Hauptbahnhof is dominated by retailers the other side is dominated by office buildings, predominately banks such as, Deutsche Bank, SEB and the Sparkasse.	Freehold (Eigentum)	€429,139	€1,022,738	€10,920,000
Date of Inspection: 3 April 2014	The building is a 2 to 11 storey concrete construction with a tiled facade. The ground floor has formerly been used as a retail banking unit but will mainly be separated into two independent retail/gastronomy units while the remaining	The Property is let to: BURGERISTA Operation GmbH - (565.90 sq m) expiring 31 July 2030.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	floors are used as office space. We understand that the Property is comprised of: Plot size: 1,324 sq m Lettable area: 6,978 sq m 25 car parking spaces	Passing rent is €224,096 per annum. Contract begins in June 2015. Indexed 100% CPI p.a. Ginyuu GmbH - retail/storage - (1,049.87 sq m) expiring 31 May 2030. Passing rent is €205,042 per annum. Contract begins in August 2015. Indexed 100% CPI p.a.			
ID: dri23154 Friedrich-Ebert-Str. 7 67227 Frankenthal	The subject property is located opposite the "Finanzamt" (tax office) in a quiet side street with mainly residential apartments in the neighbourhood. It is situated back-to-back with the property "Westl. Ring" close to the town centre. Public transport facilities are approx. 500 m away.	Freehold (Eigentum)	€18,409	€23,307	€330,000
Date of Inspection: 14 March 2014	This 3-storey historic building, with a brick façade, accommodates three residential units. The property is in a good state of repair. Behind the building is a parking deck, which is shared with the neighbouring property Westl. Ring. We understand that the Property is comprised of: Plot size: 726 sq m Lettable area: 406 sq m 14 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Residential - (145.50 sq m) unlimited lease at a passing rent of €5,890 per annum. No Indexation. Residential - (114.90 sq m) unlimited lease at a passing rent of €5,328 per annum. No Indexation. Residential - (145.75 sq m) unlimited lease at a passing rent of €5,473 per annum. No Indexation.			
ID: dri23155 Mühlstr. 11-13 67227 Frankenthal	The property is located in a secondary street close to the main shopping street. The railway station is approx. 800 m away.	Part-ownership: 225.31/1,000	€0	€13,338	€110,000
Date of Inspection: 14 March 2014	The vacant small retail unit on the ground floor of the 4-storey building is in part ownership with various office/residential units above. The space is very dark and narrow and therefore probably difficult to let. The facade needs	The property is vacant.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	refurbishment. No parking spaces available. We understand that the Property is comprised of: Plot size: n/a Lettable area: 171 sq m No car parking spaces				
ID: dri23156 Westl.-Ringstr. 27 /F.-Ebert-Str. 7 67227 Frankenthal Date of Inspection: 14 March 2014	The complex is located in a secondary retail street with some small shops and restaurants - although mainly residential. It is situated back-to-back with the property "Friedrich Ebert Str. 7" close to the town centre. Public transport facilities are approx. 500 m away. The 3-storey complex comprises a new (stone slab facade) and an old building part (rendered facade). The banking hall is on the ground floor with office space above (also occupied by third party tenants). There is some vacancy. The properties are in a good state of repair. Behind the building is a parking deck, which is shared with the neighbouring property Friedrich Ebert Str. 7. We understand that the Property is comprised of: Plot size: 1,360 sq m Lettable area: 2,131 sq m 19 car parking spaces	Freehold (Eigentum) The Property is let to: Commerzbank AG - bank hall/storage - (1,008.00 sq m) expiring 31 December 2020. Passing rent is €103,466 per annum. Indexed 100% CPI p.a. Sauerzapf - office - (275.00 sq m) expiring 31 May 2015 at a passing rent of €27,070 per annum. Indexed 100% CPI p.a. ITSCare GdR - office - (409.02 sq m) expiring 30 April 2018 at a passing rent of €35,764 per annum. Indexed 100% CPI p.a. Vacancy- 330.44 sq m	€166,299	€164,744	€2,030,000
ID: dri23166 Friedrich-Ebert-Str. 19	The subject property directly adjoins the local railway station, with Hypovereinsbank and Sparkasse as neighbours. It is accessible from both	Freehold (Eigentum)	€35,656	€31,297	€450,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
67269 Grünstadt	Friedrich Ebert Strasse and Bahnhofstrasse. Sufficient public car parking is available.				
Date of Inspection: 14 March 2014	The modern, 2-storey building, with a rendered facade, accommodates the banking hall on the ground floor and office space (let to an insurance company) above. The facade needs cleaning, but generally the property is in a good state of repair. We understand that the Property is comprised of: Plot size: 270 Lettable area: 439 sq m 3 car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (388.00 sq m) expiring 31 December 2020. Passing rent is €31,835 per annum. Indexed 100% CPI pa. Seitz - office - (51.01 sq m) expiring 31 July 2015 at a passing rent of €3,821 per annum. Indexed 100% CPI pa.			
ID: dri23189 Heinrichstr. 8 44623 Herne	The property is located in a side street just off the main shopping street, with predominantly office and residential uses. The car park is accessible from Schäferstrasse.	Freehold (Eigentum)	€68,279	€80,139	€890,000
Date of Inspection: 2 April 2014	The 4-storey 1970s/80s terraced building, with a stone slab facade, accommodates a banking hall on the ground floor with a separate exit to the car park towards Schäferstrasse. The office space above appears to be partly vacant. The property is in a good state of repair. We understand that the Property is comprised of: Plot size: 1,121 sq m Lettable area: 1,411 sq m 17 car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (1,009.00 sq m) expiring 31 December 2020. Passing rent is €68,279 per annum. Indexed 100% CPI p.a. Vacancy - 402.00 sq m			

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23191 Poststrasse 2 95028 Hof	The property is located in Hof, which is in the northern part of Bavaria, close to the border with Saxony. The situation can be described as a town centre location with access to the pedestrianised area. There are several motorways around Hof: the A9 in the west, A72 in the north and A33 in the east.	Freehold (Eigentum)	€43,819	€78,901	€800,000
Date of Inspection: 17 February 2014	The property is a 5-storey office building, with a retail unit on the ground floor. The facade is rendered and has some red-painted elements. There are smaller buildings attached to both sides of the building. We understand that the Property is comprised of: Plot size: 340 sq m Lettable area: 1,234 sq m No car parking spaces	The Property is let to: Schuh- und Sporthaus Pfersdorf GmbH - retail/storage - (335.66 sq m) expiring 31 January 2022 at a passing rent of €32,867 per annum. No Indexation. Immobilien Freistaat Bayern - office - (202.81 sq m) expiring 31 March 2017 at a rent of €10,952 per annum. Indexed 100% CPI p.a. Vacancy- 696 sq m			
ID: dri23195 Eisenbahnstr. 5 67655 Kaiserslautern	The property is located in the city centre, close to the pedestrian zone. There are three entrances on the ground floor. Public transport facilities as well as public parking spaces are in the direct vicinity.	Freehold (Eigentum)	€97,910	€84,912	€1,150,000
Date of Inspection: 14 March 2014	The 3-storey 1950s/60s building, with a stone slab facade, comprises a banking hall on the ground floor and office space above. The facade and windows need some cleaning/refurbishment. No on-site parking. We understand that the Property is comprised of: Plot size: 443 sq m Lettable area: 1,211 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (939.00 sq m) expiring 31 December 2020. Passing rent is €78,326 per annum. Indexed 100% CPI p.a. BFB e.V. Landstuhl - office - (272.00 sq m) expiring 31 December 2014. Passing rent is €19,584 per annum. No indexation.			
ID: dri23198	The property is located in a road that is an extension of Sophienblatt, near to several major retailers, including Woolworth and Intersport. The main railway	Freehold (Eigentum)	€234,058	€335,512	€4,710,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Andreas-Gayk-Str. 15 24103 Kiel	station is within 5 minutes walk. Citybank, Norisbank and NordwestLotto are near to the building as is the new town hall. The nearest motorway access is about 2.5 km away.				
Date of Inspection: 17 March 2014	The property is a 5-storey building, with banking facilities in the basement. The upper floors are used as offices. We understand that the Property is comprised of: Plot size: 1,754 sq m Lettable area: 3,589 sq m 32 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Landesgesellschaft Schleswig-Holstein mbh - office/bank hall - (1,173.59 sq m) expiring 31 December 2023 at a rent of €152,022 per annum. No current rent due to rent free period. Indexed 100% CPI p.a. Verbraucherzentrale Schleswig-Holstein - retail/office - (715.52 sq m) 165.74 sq m expiring 31 December 2015 and 549.78 sq m expiring 31 July 2016 at a passing rent of €55,823 per annum. Indexed 100% CPI p.a.			
ID: dri23199 Clemensstrasse 32 56068 Koblenz	The tower is located in the city centre of Koblenz, opposite the marketplace ("Zentralplatz"). Next to the subject property is a newly-developed shopping centre, with office space in the top levels. The property is accessible via Clemensstr. and Görgenstr. Public transport stops are located directly in front of the property.	Freehold (Eigentum)	€373,389	€408,319	€5,280,000
Date of Inspection: 11 February 2014	This 8-storey 1970s high-rise building, with a prefabricated metal slab facade, has the banking hall on the ground floor and office space above. Along Görgenstr. about a third of the facade is covered by ventilation slots. The windows and the facade are in their original state. We understand that the Property is comprised of: Plot size: 1,402 sq m Lettable area: 5,014 sq m 46 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Commerzbank AG - bank hall/office/storage - (3,100.97 sq m) expiring 31 December 2020. Passing rent is €279,411 per annum. Indexed 100% CPI p.a. Müller, Nöthen und Partner - office - (817.01 sq m) expiring 30 September 2016 at a passing rent of €78,346 per annum.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
		Indexed 100% CPI p.a.			
ID: dri23200 Brüderstr. 3 50667 Cologne	The property is located opposite the Cologne Schauspielhaus theatre and close to the Opera. Although the location is only about 200 metres from an underground station and a very good retail location, the situation is only of secondary quality due to relatively low visibility and the low footfall.	Part-ownership: 388.334/1,000	€0	€33,912	€390,000
Date of Inspection: 6 March 2014	5-storey building, with stone tile façade. The ground floor can be let as retail space, the top floors are primarily residential use. We understand that the Property is comprised of: Plot size: n/a Lettable area: 297 sq m No car parking spaces	The Property is vacant.			
ID: dri23201 Enggasse 3a/b, Tunisstr. 27 50668 Cologne	The property is located in an established office area, in the city centre of Cologne. With the Hauptbahnhof (central station) just a few minutes walk away, the area benefits from good amenities and transport facilities in its central location. The neighbouring buildings are mainly occupied by banks such as Sal Oppenheim, Deutsche Bank and Commerzbank. The building is located on an intersection and therefore has good visibility.	Freehold (Eigentum)	€517,428	€851,157	€10,450,000
Date of Inspection: 6 March 2014	7-storey office building with tiled stone facade. We understand that the Property is comprised of: Plot size: 1,469 sq m Lettable area: 5,687 sq m 9 car parking spaces	The Property is let to multiple tenants. The main tenants are however: GESIS Leibniz-Institut für Sozialwissenschaften - office/storage/other area - (2,874.37 sq m) expiring 31 October 2021. Passing rent is €407,541 per annum. Infomotion GmbH- office - (510.88 sq m) expiring 31 March 2020. Passing rent is €102,687 per annum. Contract begins in April 2015. Indexed 100% CPI p.a.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23203 Kalker Hauptstr. 193-195 51103 Cologne	The property is located on a highly frequented and busy local high street, with high footfall, in the "Kalk" district of Cologne. The high street has some attractive new developments such as the "Cologne Arkaden" and all other typical high street chains. The retail unit next to the subject property is occupied by Edeka.	Part-ownership: 342.923/1,000	€83,879	€71,040	€1,060,000
Date of Inspection: 6 March 2014	6-storey building with metal-clad facade. The ground floor is used as retail and office space while the upper floors are primarily residential. The property has a small number of private parking spaces at the rear of the building. The retail part of the building is very deep and a conversion from its current use to retail would find it difficult to make efficient use of this less than ideal layout (for example storage at the rear, or office use). We understand that the Property is comprised of: Plot size: n/a Lettable area: 440 sq m 5 car parking spaces	The Property is let to: Commerzbank AG - bank hall - (440.00 sq m) expiring 31 December 2020. Passing rent is €83,879 per annum. Indexed 100% CPI p.a.			
ID: dri23209 Am Marktplatz 26 47829 Krefeld	The subject property is located directly in the city centre of Krefeld, on the marketplace and opposite the Town Hall. Due to its corner location the property is highly visible. Public transport facilities are in the direct vicinity.	Part-ownership: 4,053/10,000	€49,795	€39,582	€600,000
Date of Inspection: 3 April 2014	The 4-storey restored historic corner building has a banking hall on the ground floor and office/residential space above. One residential unit is vacant. There are separate entrances for the banking hall and the office/residential units above. No on-site parking. The property is in an average state of repair. We understand that the Property is comprised of: Plot size: n/a Lettable area: 321 sq m	The Property is let to: Commerzbank AG - bank hall/storage - (321.00 sq m) expiring 31 December 2020. Passing rent is €49,795 per annum. Indexed 100% CPI p.a.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	No car parking spaces				
ID: dri23210 Ostwall 101-107 47798 Krefeld	The subject property is located on the "Ostwall", a major thoroughfare through Krefeld, leading towards the main railway station. Along Ostwall there are predominately terraced buildings with smaller retail units on the ground floor and office/residential units above. The main shopping area is located to the west of "Ostwall". Public transport stops are in the immediate area (tram and bus).	Freehold (Eigentum)	€0	€321,336	€3,150,000
Date of Inspection: 4 April 2014	The 5-storey historic building, with a rendered facade, has a banking hall on the ground floor (with many small, atypical arch windows, which make the retail unit relatively dark) and offices above. The basement garage is accessible via Dreikönigenstrasse. The windows show signs of aging and the facade needs some cleaning. We understand that the Property is comprised of: Plot size: 2,137 Lettable area: 4,042 sq m 46 car parking spaces	The Property is vacant.			
ID: dri23211 Kressenstein 18 95326 Kulmbach	The property is located in Kulmbach, a town in the northern part of Bavaria close to the border with Thuringia.	Part-ownership: 261.942/1,000	€67,473	€57,762	€780,000
Date of Inspection: 17 February 2014	The property is a 5-storey office and retail building. It has a slatted facade. The retail units and a Commerzbank branch are on the ground floor. We understand that the Property is comprised of: Plot size: n/a Lettable area: 713 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (713.00 sq m) expiring 31 December 2020. Passing rent is €67,473 per annum. Indexed 100% CPI p.a.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23213 Hauptstr. 91 70771 Leinfelden	The property is located on the main street of Leinfelden-Echterdingen. There is very heavy traffic. The buildings in the neighbourhood have a similar usage, their ground floors are occupied by retailers and restaurants and there are apartments on the upper floors.	Part-ownership: 168.0/1,000	€39,433	€27,432	€410,000
Date of Inspection: 27 March 2014	The property has five storeys. The area used by the bank is located on the ground floor. The condition of the building is reasonable. There are some defects in the render. There are 4 parking spaces in the parking garage, three parking spaces in front of the property are reserved for bank clients. We understand that the Property is comprised of: Plot size: n/a Lettable area: 305 sq m 4 car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (305.00 sq m) expiring 31 December 2020. Passing rent is €39,433 per annum. Indexed 100% CPI p.a.			
ID: dri23214 Kölner Str. 45 51379 Leverkusen	The subject property is located in the district centre of Opladen, a suburb of Leverkusen. The adjoining building is the Stadtsparkasse. Public transport facilities are in easy reach.	Part-ownership: 21.825/100	€67,077	€55,440	€840,000
Date of Inspection: 4 April 2014	The 6 storey, 1960s terraced building, with a banking hall on the ground floor and residential units above, has 12 balconies facing the high street. There is no visible on-site parking. The property has relatively new windows, the facade needs cleaning. We understand that the Property is comprised of: Plot size: n/a Lettable area: 390 sq m 4 car parking spaces	The Property is let to: Commerzbank AG - bank hall/storage - (390.00 sq m) expiring 31 December 2020. Passing rent is €67,077 per annum. Indexed 100% CPI p.a.			
ID: dri23221 Mainzer Strasse 3	Mainzer Strasse is a secondary retail location in Mainz-Kastel, with some small retail units (barber, etc.), but predominantly residential. Public transport	Part-ownership: 331.948/1,000	€0	€11,208	€110,000

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
55252 Mainz-Kastel	stops are in the direct vicinity.				
Date of Inspection: 11 March 2014	The 3-storey 1970s corner building, with a rendered facade, has a retail unit on the ground floor (former banking hall) and offices above. The facade and the windows need refurbishment. The entrance to the other units is in the courtyard. We understand that the Property is comprised of: Plot size: n/a Lettable area: 161 sq m No car parking spaces	The Property is vacant.			
ID: dri23225 Bahnhofstr. 1-3 95615 Marktredwitz	The property is located in the centre of Marktredwitz, a small town in the northern part of Bavaria, on the A33 motorway and about 40 km east of Bayreuth. The border with the Czech Republic is 15 km to the east.	Part-ownership: 588.39/1,000	€22,874	€23,112	€270,000
Date of Inspection: 17 February 2014	The property is a partly 2 and partly 3-storey detached building. There is tax counsellor's office on the ground floor. The upper floors are office space. We understand that the Property is comprised of: Plot size: n/a Lettable area: 387 sq m 7 car parking spaces	The Property is let to: Barth Steuerberatungsgesellschaft - bank hall/storage - (387.00 sq m) expiring 30 September 2022. Passing rent is €22,874 per annum. Indexed 100% CPI p.a.			
ID: dri23230 Hans-Böckler-Platz 2 45468 Mühlheim/Ruhr	The location of Hans-Böckler-Platz has the "Forum" shopping centre, high-rise residential buildings, office complexes (e.g. "Postbank") and part of a small shopping street.	Part-ownership: 190/1000	€21,979	€21,336	€260,000
Date of Inspection: 3 April 2014	The subject property comprises a retail and a storage unit within the building of the shopping centre "Forum" and can be accessed via a separate walkway. The storage and sanitary areas in the basement can be accessed via an interior staircase through the retail areas on the ground floor. The property is fitted-out with suspended ceilings, a carpeted floor and double-glazed windows in metal	The Property is let to: Alpha Copycenter - retail/storage - (363.00 sq m) expiring 31 March 2022. Passing rent is €21,979 per annum.			

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	frames We understand that the Property is comprised of: Plot size: n/a Lettable area: 363 sq m No car parking spaces	Indexed 100% CPI			
ID: dri23231 Duisburger Str. 282 45478 Mülheim/Ruhr Date of Inspection: 3 April 2014	The property is highly visible due to its corner location on Duisburger Str./Lutherstr. In Lutherstr. there are predominantly residential units, whereas Duisburgerstr. is a main thoroughfare leading westwards out of Mülheim. Public transport stops are located in the immediate area (bus 100 m). The 5-storey 1980s building, with a rendered facade, has a former banking hall on the ground floor which is occupied by a pharmacy and offices/doctors' surgeries above. The windows are original, the facade needs some cleaning. Car parking spaces are provided behind the building, off Lutherstrasse. We understand that the Property is comprised of: Plot size: n/a Lettable area: 272 sq m 6 car parking spaces	Part-ownership: 2,288/10,000 The Property is let to: Max & Moritz Apotheke - retail/office/storage - (272.00 sq m) expiring 31 March 2022. Passing rent is €25,344 per annum. Indexed 100% CPI p.a.	€25,344	€25,560	€300,000
ID: dri23232 Boschetsrieder Strasse 81-83 81379 Munich Date of Inspection: 24 February 2014	Boschetsrieder Strasse is the main road through the Munich district of Sendling; with mixed uses: retail, office and residential; the subject property is situated slightly outside of the main business location of this district. 5-storey building with rendered facade; retail on ground floor, office and residential on upper floors; part-ownership. We understand that the Property is comprised of: Plot size: n/a Lettable area: 626 sq m	Part-ownership: 2,587/10,000 The Property is let to: Commerzbank AG - bank hall/office/storage - (626.16 sq m) expiring 31 December 2019. Passing rent is €74,173 per annum. Indexed 100% CPI	€74,173	€74,985	€1,200,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	3 car parking spaces	p.a.			
ID: dri23243 Goethestr. 1 90409 Nuremberg	Situated a few hundred metres north of the city centre of Nuremberg in a residential neighbourhood; inside the town centre ring; fairly poor class residential area.	Part-ownership: 18.67/1,000	€13,008	€13,110	€140,000
Date of Inspection: 21 March 2014	7-storey apartment building with retail units on ground floor; part-ownership; rendered facade. We understand that the Property is comprised of: Plot size: n/a Lettable area: 135 sq m No car parking spaces	The Property is let to: Sonja Beate Drexler und Karin Delang - office/storage - (135.00 sq m) expiring 30 November 2016. Passing rent is €13,008 per annum. Indexed 100% CPI p.a.			
ID: dri23246 Gutenbergstr. 3 46045 Oberhausen	The subject property is located on the marketplace in the city centre of Oberhausen, where public parking facilities are provided.	Freehold (Eigentum)	€0	€63,777	€620,000
Date of Inspection: 3 April 2014	4-storey terraced building accommodates a banking hall on the ground floor and office space above. No on site parking provided. It appears that no major maintenance works are necessary. We understand that the Property is comprised of: Plot size: 397 sq m Lettable area: 834 sq m No car parking spaces	The Property is vacant.			
ID: dri23251 Möserstr. 7 49074 Osnabrück	The subject property is located in the heart of the city centre of Osnabrück, just off the main pedestrianised high street. A Kaufhof department store, a C&A and a Sports arena are located next to the property. Opposite, on Möserstrasse, the Sparkasse is erecting a large office complex, part of which is supposed to be let out to third party tenants. "Kamp Passage" located behind Möserstrasse	Freehold (Eigentum)	€119,578	€468,387	€5,370,000

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	was also constructed recently and is in direct competition with the "Deutsch Passage" (visible vacancy) opposite the subject property. "Öwer der Hase" is a one-way U-shaped street with a turning area towards the pedestrian zone near the subject property. Public transport can be reached easily from the property				
Date of Inspection: 13 February 2014	The 5-storey flat-roofed U-shaped property, with a natural stone facade and coated aluminium windows, was constructed in 1996 on a reinforced concrete frame. The ground floor accommodates the banking hall and two retail units (shoe shop and furniture). There are 4 entrances (two of which are for the banking hall), 2 staircases and 2 lifts. The first floor comprises mainly conference rooms, the floors above are offices. The complete building is fully air conditioned. It has suspended ceilings (floor-to-ceiling height of approx. 2.75 -3.00 m), raised floors and exterior sun blinds. We understand that the Property is comprised of: Plot size: 1,592 sq m Lettable area: 4,866 sq m 27 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Allianz Versicherung AG - office - (775.49 sq m) expiring 30 June 2021. Passing rent is €68,668 per annum. Indexed 100% CPI p.a. Dr. Maus Gerhard - office - (391.67 sq m) expiring 31 May 2016. Passing rent is €31,950 per annum. Indexed 10% hurdle/100%.			
ID: dri23262 Grabenstrasse 9 65428 Rüsselsheim	The subject property is located in the town centre of Rüsselsheim, directly on "Europaplatz". Public parking and transport facilities are in the direct vicinity.	Part-ownership: 312/1,000	€0	€78,480	€800,000
Date of Inspection: 11 March 2014	Typical 1970s 4-storey flat-roofed office building, with a banking hall/retail unit on the ground floor and offices above. The prefabricated metal slab facade and the windows need some cleaning. We understand that the Property is comprised of: Plot size: n/a Lettable area: 717 sq m No car parking spaces	The Property is vacant.			
ID: dri23265	The property is located in the district of Salzgitter-Bad, close to the main	Freehold (Eigentum)	€0	€27,540	€240,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Schützenplatz 3 38259 Salzgitter	central station in the pedestrianised area. Distance to the nearest motorway is 10 km.				
Date of Inspection: 19 March 2014	The property is a 3-storey mixed commercial/residential building. The rear of the building, which is rendered, borders an inner yard which is not in a good condition. We understand that the Property is comprised of: Plot size: 374 sq m Lettable area: 479 sq m No car parking spaces	The Property is vacant.			
ID: dri23266 Obertorstrasse 44-46 36381 Schlüchtern	The subject property is located at the end of the high street, next to the Sparkasse building. Residential properties are adjacent to the rear of the subject property. Public transport facilities are within easy reach.	Part-ownership: 1,664/10,000	€51,394	€38,196	€480,000
Date of Inspection: 10 February 2014	The 7-storey 1960s/70s high-rise building, with a rendered facade, has a banking hall on the ground floor and residential units above. The entrance to the residential units is behind the building, where the car park is also located. The property is in a good state of repair (e.g. new windows). We understand that the Property is comprised of: Plot size: n/a Lettable area: 427 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/storage - (427.00 sq m) expiring 31 December 2020. Passing rent is €51,394 per annum. Indexed 100% CPI p.a.			
ID: dri23268 Ludwigstr. 23 95100 Selb	The property is located in the town centre of Selb. Selb is a small town in the northern part of Bavaria. The town of Bayreuth is 50 km to the southwest and the border with the Czech Republic is 5 km to the east.	Freehold (Eigentum)	€0	€25,716	€240,000
Date of Inspection:	The property is an historic 2-storey building. The building is connected to	The Property is vacant.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
17 February 2014	others in this row. We understand that the Property is comprised of: Plot size: 420 sq m Lettable area: 290 sq m 6 car parking spaces				
ID: dri23270 Bahnhofstr. 1 71063 Sindelfingen Date of Inspection: 27 March 2014	The property is located near the town centre of Sindelfingen. The other buildings in the area are smaller but in similar condition. There is a bank in the same building. The area is a bank counter hall/retail unit in a building with five floors. The property is in reasonable condition. The entrance area appears dark because of the construction of the building. We understand that the Property is comprised of: Plot size: n/a Lettable area: 435 sq m 2 car parking spaces	Part-ownership: 205/1,000 The Property is vacant.	€0	€37,758	€410,000
ID: dri23271 Kölner Str. 115-117 42651 Solingen Date of Inspection: 4 April 2014	The subject property is located just outside the main pedestrian zone in the city centre of Solingen. Along Kölner Str. are smaller retail units with office/residential units above. "Karstadt" and "C&A" department stores are located further up the street near the marketplace/bus station. The 5-storey (at the rear only 1.5-storey) building with a stone slab facade has a banking hall on the ground floor and office units in the upper floors. Parking is provided behind the building. We understand that the Property is comprised of: Plot size: 1,344 sq m	Freehold (Eigentum) The Property is let to: Residential - (78.79 sq m) unlimited lease. Passing rent is €5,137 per annum. No Indexation. Vacancy - 1,576.02 sq m	€5,137	€122,382	€1,150,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 1,655 sq m 14 car parking spaces				
ID: dri23272 Marktstr. 2 31655 Stadthagen	The property is located off the main shopping street in Stadthagen, close to the central bus station. There is a small park next to the building and public parking nearby. Distance to the nearest motorway is 15 km.	Freehold (Eigentum)	€68,736	€62,728	€750,000
Date of Inspection: 18 March 2014	The property is a detached red-brick office building with a flat roof and aluminium windows. Condition of entrance areas is medium. We understand that the Property is comprised of: Plot size: n/a Lettable area: 844 sq m 15 car parking spaces	The Property is let to: Commerzbank AG - bank hall/storage/office - (623.00 sq m) expiring 31 December 2020. Passing rent is €63,336 per annum. Indexed 100% CPI p.a. Stadt Stadthagen - parking (internal) - (12 units) expiring 30 July 2015. Passing rent is €5,400 per annum. No Indexation. Vacancy- 221.49 sq m			
ID: dri23276 Solitudestrasse 218 70499 Stuttgart	Located in Weilimdorf, a suburb of Stuttgart; easy access to motorway A81 and close to Zuffenhausen; high purchasing power area; bus stop 100 m.	Part-ownership: 3,699/10,000	€12,353	€16,236	€180,000
Date of Inspection: 27 March 2014	3-storey property with stone-clad facade; retail units on ground floor; offices on upper floors. We understand that the Property is comprised of: Plot size: n/a Lettable area: 218 sq m 3 car parking spaces	The Property is let to multiple tenants. The main tenant is however: Aura Hausgeräte GmbH - retail - (218.00 sq m) expiring 31 December 2015. Passing rent is €12,353 per annum. Indexed 100% CPI p.a.			
ID: dri23284	The property is located on the western edge of the city. Dotzheimer Strasse is	Part-ownership: 3,447/100,000	€17,529	€16,968	€180,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Dotzheimer Strasse 176 65197 Wiesbaden	one of the main streets leading to the district of Wiesbaden-Dotzheim.				
Date of Inspection: 11 March 2014	Retail unit in an apartment complex including some office units. The property has been improved in the last year and is now in a good to medium condition. We understand that the Property is comprised of: Plot size: n/a Lettable area: 248 sq m 5 car parking spaces	The Property is let to: EVIM Gemeinnützige B. - bank hall/storage - (248.00 sq m) expiring 30 April 2015. Passing rent is €17,529 per annum. No Indexation.			
ID: dri23285 Moritzstrasse 27 65185 Wiesbaden	Property is located on the southern fringe of the city centre. The area is dominated by residential and smaller retail properties.	Part-ownership: 24,560/100,000	€43,866	€38,532	€430,000
Date of Inspection: 11 March 2014	Retail unit (bank) in a 6-storey building, fair general condition. We understand that the Property is comprised of: Plot size: n/a Lettable area: 354 sq m 4 car parking spaces	The Property is let to: Commerzbank AG - bank hall/storage - (354.00 sq m) expiring 31 December 2014. Passing rent is €43,866 per annum. Indexed 100% CPI p.a.			
ID: dri23295 Lindenallee 3a 99310 Arnstadt	The property is located around 2 km north of Arnstadt town centre in a neighbourhood of similar buildings, some of which are also used by banks (Raiffeisen, Sparkasse, etc.). Distance to the nearest motorway is 3 km.	Freehold (Eigentum)	€18,435	€59,954	€490,000
Date of Inspection: 18 February 2014	The property is a 2-storey older office building with fitted-out attic and a white rendered facade. There is parking at the rear and an escalator for wheelchairs at the rear entrance. We understand that the Property is comprised of: Plot size: 1,006 sq m Lettable area: 817 sq m	The Property is let to: Steuerberater Boseck - office - (296.93 sq m) expiring 28 February 2016. Passing rent is €18,435 per annum. Indexed 100% CPI p.a. Vacancy- 520.00 sq m			

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	4 car parking spaces				
ID: dri23296 Bahnhofstrasse 5-7 08280 Aue	The property is located in the centre of Aue, just a few metres from the pedestrianised zone on a two-lane road. Distance to the nearest motorway is 15 km.	Freehold (Eigentum)	€104,618	€127,796	€1,260,000
Date of Inspection: 25 March 2014	The property is a 4-storey art nouveaux building with a sandstone facade. There is a retail unit on ground floor level and office space in the upper floors. We understand that the Property is comprised of: Plot size: 868 sq m Lettable area: 2,355 sq m 6 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Commerzbank AG - bank hall/office/storage - (853.00 sq m) expiring 31 December 2020. Passing rent is €92,224 per annum. Indexed 100% CPI p.a. Knoll - office - (195.64 sq m) expiring 31 May 2016. Passing rent is €12,095 per annum. Indexed 100% CPI p.a.			
ID: dri23299 Dr.Wilhelm-Külz-Str. 4-6 04552 Borna	The property is located in the centre of Borna, just off the main shopping area. The surroundings are characterised by similar mixed-use buildings, distance to the nearest motorway is 30 km.	Part-ownership: 507/1,000	€31,940	€31,415	€330,000
Date of Inspection: 25 March 2014	The property consists of two refurbished 3-storey buildings with rendered facades and fitted-out attics. There are retail units on the ground floor level and a parking deck at the rear of the buildings (ramp at building No. 6), plus additional parking at the rear of the building (access between Nos. 4 & 6). We understand that the Property is comprised of: Plot size: n/a Lettable area: 573 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (573.00 sq m) expiring 31 December 2020. Passing rent is €31,940 per annum. Indexed 100% CPI p.a.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23302 Breite Str. 32 / Rainergasse 2 04509 Delitzsch	The property is located in the pedestrianised area, next to what appears to be an old watchtower on the town walls. The surrounding properties are similar in size and character to the subject property. There are few unrefurbished buildings left in the town. Distance to the nearest motorway is 12 km.	Freehold (Eigentum)	€63,060	€60,829	€700,000
Date of Inspection: 25 March 2014	The 3-storey building has a historic facade with brick on the ground floor and render on the upper 2-storeys. On the ground floor there are three retail units; there are office units on the upper floors. The building is connected to "Kornmarkt 4-6" and there is also a passage leading to this building. We understand that the Property is comprised of: Plot size: 613 sq m Lettable area: 887 sq m 8 car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (698.00 sq m) expiring 31 December 2020. Passing rent is €63,060 per annum. Indexed 100% CPI p.a. Vacancy- 188.72 sq m			
ID: dri23303 Antoinettenstr. 33 06844 Dessau	The property is located around 300 m west of Dessau town centre on a 4-lane urban main road. There are a cinema and large apartment buildings opposite. Distance to the nearest motorway is 6 km.	Freehold (Eigentum)	€22,001	€114,721	€890,000
Date of Inspection: 24 March 2014	The property is part of a large office building with a red-brick/glazed façade. There are retail facilities on ground floor level and office space in the upper floors. The rear of the building (not part of property) accommodates a Steigenberger Hotel. We understand that the Property is comprised of: Plot size: 809 sq m Lettable area: 2,553 sq m 6 car parking spaces	The Property is let to: Allianz Beratungs- und Vertriebs- AG - office - (529.82 sq m) expiring 31 December 2017. Passing rent is €22,001 per annum. Indexed 100% CPI p.a.. Vacancy- 2,023.52 sq m			
ID: dri23308 Röberstr. 11	The property is located around 200 m from the town centre of Eilenburg, in a neighbourhood with apparently higher-class mixed-use buildings and some other commercial properties (kindergarten opposite, school nearby). Distance	Freehold (Eigentum)	€49,665	€32,220	€450,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
04838 Eilenburg	to the nearest motorway is around 15 km.				
Date of Inspection: 25 March 2014	The property is a 2-storey white-rendered detached office building with a tiled roof. There is parking next to the building. We understand that the Property is comprised of: Plot size: 2,241 sq m Lettable area: 593 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (593.00 sq m) expiring 31 December 2020. Passing rent is €49,665 per annum. Indexed 100% CPI p.a.			
ID: dri23309 Am Markt 37 06295 Eisleben	The property is located close to Eisleben town centre on an urban main road. The surrounding buildings are similar to the subject property but most are in slightly worse condition. The distance to the nearest motorway is around 20 km.	Freehold (Eigentum)	€75,255	€87,862	€850,000
Date of Inspection: 24 March 2014	The property is a 3-storey refurbished old building with fitted-out attic. We understand that the Property is comprised of: Plot size: 2,852 sq m Lettable area: 1,345 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (878.41 sq m) expiring 31 December 2020. Passing rent is €75,255 per annum. Indexed 100% CPI p.a. Vacancy- 466.49 sq m			
ID: dri23310 Badener Tor-Str. 13 76275 Ettlingen	The property is located in the pedestrianised zone of Ettlingen. The pedestrian zone in the area is dominated by small retailers.	Part-ownership: 400/1,000	€0	€39,420	€460,000
Date of Inspection: 28 March 2014	The property has three floors and is in reasonable condition. The facade is rendered and painted pink. We understand that the Property is comprised of: Plot size: n/a Lettable area: 322 sq m	The Property is vacant.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	No car parking spaces				
ID: dri23311 Augustusburger Str. 36 09557 Flöha	The property is located on a main road around 1 km south of the town centre. The surroundings are characterised by similar mixed-use buildings. Two buildings away there is another bank (Sparkasse).	Freehold (Eigentum)	€53,542	€57,516	€580,000
Date of Inspection: 26 March 2014	The property has two sections: a rendered/red-brick 3-storey old building with fitted-out attic and a new single-storey building adjoining. The property is part of a pair of semi-detached buildings but is in slightly better condition than the adjoining property. We understand that the Property is comprised of: Plot size: 1,230 sq m Lettable area: 929 sq m 10 car parking spaces	The Property is let to multiple tenants. The main tenant is however: Commerzbank AG - bank hall - (397.00 sq m) expiring 31 December 2020. Passing rent is €47,696 per annum. Indexed 100% CPI p.a.			
ID: dri23316 Petersstrasse 27 09599 Freiberg	The property is located at the beginning of the pedestrianised area in the town centre of Freiberg. The surrounding buildings are similar to the subject property.	Part-ownership: 3,957/10,000	€0	€46,968	€440,000
Date of Inspection: 26 March 2014	The property is a 4-storey old building with a rendered façade. It has retail units on ground floor level and residential accommodation on the upper floors. We understand that the Property is comprised of: Plot size: 641 sq m Lettable area: 675 sq m 5 car parking spaces	The Property is vacant.			
ID: dri23317	The property is situated in the town centre, on the fringe of the main shopping	Freehold (Eigentum)	€29,487	€37,167	€320,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Eisenbahnstr. 126 15517 Fürstenwalde	street. The railway station is approx. 2 min. away. In general the area is dominated by residential buildings.				
Date of Inspection: 20 February 2014	The property is a 2-storey office and residential building. The ground floor is occupied by Commerzbank and used as a retail banking unit. We understand that the Property is comprised of: Plot size: 641 sq m Lettable area: 633 sq m 6 car parking spaces	The Property is let to multiple tenants. The main tenant is however: Commerzbank AG - bank hall/office/storage - (327.63 sq m) expiring 31 December 2020. Passing rent is €29,476 per annum. Indexed 100% CPI p.a.			
ID: dri23318 Marktstrasse 6 39638 Gardelegen	The property is located on the outskirts of the town centre, in a mixed commercial/residential area. There are public parking spaces on the street.	Freehold (Eigentum)	€6,795	€19,244	€130,000
Date of Inspection: 18 March 2014	The property is a nicely refurbished art-nouveaux building with a white rendered facade and metal windows. We understand that the Property is comprised of: Plot size: 523 sq m Lettable area: 543 sq m No car parking spaces	The Property is let to: Residential - (76.71 sq m) unlimited lease. Passing rent is €3,470 per annum. No Indexation. Residential - (74.87 sq m) unlimited lease. Passing rent is €3,325 per annum. No Indexation. Vacancy - 391.72 sq m			
ID: dri23320 Jakobstrasse 43 02826 Görlitz	The property is located on the central market place (Postplatz) in the historic town centre of Görlitz, which is characterised by similar buildings (including the old post office). There are some public parking spaces, multiple tram lines cross the Postplatz. The distance to the nearest motorway is 10 km.	Freehold (Eigentum)	€0	€64,385	€510,000
Date of Inspection: 1 April 2014	The property is a nicely refurbished neoclassical building with 4 floors and two entrances, both of which are in good condition. We understand that the Property is comprised of: Plot size: 297 sq m	The Property is vacant.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 1,062 sq m No car parking spaces				
ID: dri23321 Am Fischmarkt 13 / Hoher Weg 11 38820 Halberstadt	The property is located in the town centre of Halberstadt. The town is located in Saxony-Anhalt about 60 km southeast of Brunswick and 50 km southwest of Magdeburg. The surrounding area is dominated by retail occupiers and there is a marketplace in front of the building. The town of Halberstadt has an attractive town centre which attracts a lot of tourists.	Freehold (Eigentum)	€77,278	€147,089	€1,230,000
Date of Inspection: 19 March 2014	The 5- to 6-storey building has a rendered facade and is in a very good condition. Asset nos. dri23321, dri23411, dri23412, dri23413, dri23414 and dri23415 are connected and form an "L" shaped building complex. There is another retail building connected at Fischmarkt, the tenants there are H&M and a drugstore. At the rear of the building there is an underground garage. The building has residential and office units on the upper floors and retail units on the ground floor. We understand that the Property is comprised of: Plot size: 360 sq m Lettable area: 1,858 sq m 79 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Commerzbank AG - bank hall/office/storage - (725.31 sq m) expiring 31 December 2017. Passing rent is €60,886 per annum. Indexed 100% CPI p.a. Dr. Klu - office - (222.20 sq m) expiring 30 June 2018. Passing rent is €13,332 per annum. Indexed 100% CPI p.a.			
ID: dri23324 Berliner Str. 25 16761 Hennigsdorf	The property is located in a suburb of Berlin on an urban main road. The surrounding buildings are predominantly of mixed-use, there are large apartment blocks opposite. Distance to the nearest motorway is 4 km.	Part-ownership: 491.37/1,000	€35,615	€44,383	€480,000
Date of Inspection: 19 February 2014	The property is a 2-storey yellow-rendered building with a fitted out attic. The quality of the commercial entrances is good, the entrance to the residential area is only fair. We understand that the Property is comprised of: Plot size: n/a Lettable area: 563 sq m	The Property is let to: Commerzbank AG - bank hall/storage - (370.85 sq m) expiring 31 December 2020. Passing rent is €35,615 per annum. Indexed 100% CPI p.a. Vacancy- 192.57 sq m			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	12 car parking spaces				
ID: dri23327 Kirschgartenstr. 10-12 65719 Hofheim	The property is in a prominent location in the town centre of Hofheim. To the left of the rear of the building is a large marketplace with smaller retail units and restaurants. Public transport is directly available in the marketplace.	Part-ownership: 18,947/100,000	€69,570	€57,294	€880,000
Date of Inspection: 11 March 2014	The 3-storey modern town centre office building with a rendered facade accommodates the Commerzbank banking hall on the ground floor and office space in the floors above. There is also a Greek restaurant on the ground floor, at the front right hand corner of the building. The entry to the office accommodation is at the rear of the building, in the courtyard, where car parking spaces are available. We understand that the Property is comprised of: Plot size: n/a Lettable area: 383 sq m 1 car parking spaces	The Property is let to: Commerzbank AG - bank hall/office - (383.00 sq m) expiring 31 December 2020. Passing rent is €69,570 per annum. Indexed 100% CPI p.a.			
ID: dri23328 Friedrichstrasse 42 a 02977 Hoyerswerda	The property is located in the historic part of the town centre of Hoyerswerda. The surroundings are characterised by similar and less elaborately refurbished old buildings, most of which are at least partly commercial. Distance to the nearest motorway is 30 km.	Freehold (Eigentum)	€68,829	€55,596	€650,000
Date of Inspection: 1 April 2014	The property is a 3-storey white rendered neoclassical office building with a fitted-out attic floor. There is parking and an additional entrance at the rear. We understand that the Property is comprised of: Plot size: 987 sq m Lettable area: 1,016 sq m 16 car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (874.00 sq m) expiring 31 December 2020. Passing rent is €68,829 per annum. Indexed 100% CPI p.a. Vacancy- 142.00 sq m			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23333 August-Bebel-Str. 7 02708 Löbau	The property is located around 150 m north of Löbau town centre, on a 2-lane street, along which some public parking spaces are provided. The surroundings are characterised by similar buildings and a large old building probably housing public offices or a school. Distance to the nearest motorway is 15 km.	Freehold (Eigentum)	€65,148	€45,084	€570,000
Date of Inspection: 1 April 2014	The property is a 2-storey white-rendered detached building, with a tiled roof. There is parking at the rear. We understand that the Property is comprised of: Plot size: 1,790 sq m Lettable area: 867 sq m 8 car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (867.00 sq m) expiring 31 December 2020. Passing rent is €65,148 per annum. Indexed 100% CPI p.a.			
ID: dri23345 Karl-Liebknecht-Str. 4 06862 Rosslau	The property is located in the town centre of Rosslau, opposite a supermarket. The surrounding buildings are similar in style to the subject property.	Freehold (Eigentum)	€33,759	€34,319	€270,000
Date of Inspection: 24 March 2014	The property is a refurbished old building with three storeys and a fitted-out attic. There is a pathway to the rear yard, which provides parking spaces. We understand that the Property is comprised of: Plot size: 678 sq m Lettable area: 688 sq m No car parking spaces	The Property is let to: Commerzbank AG - bank hall/office/storage - (383.12 sq m) expiring 31 December 2015. Passing rent is €33,759 per annum. Indexed 100% CPI p.a. Vacancy - 305.21 sq m			
ID: dri23348 Mittelstr. 14 04626 Schmölln	The property is located in the town centre of Schmölln, on the edge of the pedestrianised area. Next to the property is a vacant plot of land and a rundown building; opposite are railway tracks. The surrounding buildings are predominantly smaller mixed-use properties. Across Mittelstr. there is a new mixed-use building with a pharmacy on ground floor level.	Freehold (Eigentum)	€0	€31,821	€160,000
Date of Inspection: 25 March 2014	The property is a 3-storey art nouveau building with a sandstone and white rendered facade. The building is completely vacant.	The Property is vacant.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 320 sq m Lettable area: 720 sq m No car parking spaces				
ID: dri23350 Gustav-König-Str. 20 96515 Sonneberg	The property is located in Sonneberg, which is a small town in the south of Thuringia. Erfurt is about 75 km to the north. The motorway A9 is about 40 km to the east and the A71 is some 52 km to the northwest.	Part-ownership: 289.74/1,000	€0	€32,484	€200,000
Date of Inspection: 18 February 2014	The property comprises a 4-storey building with parking spaces in the rear yard. It is a corner building. On the ground floor there is a vacant bank counter hall, a hairdresser and an insurance company office. The upper floors are residential and doctors' surgeries. We understand that the Property is comprised of: Plot size: 744 sq m Lettable area: 601 sq m No car parking spaces	The Property is vacant.			
ID: dri23356 Bautzener Str. 54 02943 Weisswasser	The property is located in the town centre of Weisswasser in a mixed-use neighbourhood. The surrounding properties are similar in size and character to the subject property or are of slightly poorer quality. The distance to the nearest motorway is 30 km.	Freehold (Eigentum)	€55,427	€89,955	€740,000
Date of Inspection: 1 April 2014	The property is a 3-storey neo-classical mixed-use corner building with a red-brick/rendered facade. There is a pathway to the rear yard, from which lead the entrances to the residential units and a car park. There are retail units on ground floor level. We understand that the Property is comprised of: Plot size: 787 sq m Lettable area: 1,609 sq m	The Property is let to multiple tenants. The main tenants are however: Bartholomäus - office - (181.47 sq m) expiring 31 October 2016. Passing rent is €9,485 per annum. Indexed 100% CPI p.a. STBU - office - (92.53 sq m) expiring 31 December 2015. Passing rent is €8,379 per			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	5 car parking spaces	annum. Indexed 5% hurdle/100%. Schubert - retail - (66.18 sq m) expiring 31 December 2014. Passing rent is €6,950 per annum. Indexed 5% hurdle/100%.			
ID: dri23357 Am Markt 1 16792 Zehdenick	The property is located on the marketplace, opposite the church. There are similar, although mainly smaller buildings in the surroundings. Distance to the nearest motorway is 30 km.	Freehold (Eigentum)	€40,613	€51,436	€530,000
Date of Inspection: 20 February 2014	The property is a listed, 2-storey mixed-use corner building with fitted-out attic. The side building is slightly lower than the main section. There is a driveway to an inner yard. We understand that the Property is comprised of: Plot size: 544 sq m Lettable area: 661 sq m 3 car parking spaces	The Property is let to multiple tenants. The main tenant is however: Commerzbank AG - bank hall/storage - (416.83 sq m) expiring 31 December 2020. Passing rent is €36,916 per annum. Indexed 100% CPI p.a.			
ID: dri23358 Neumarkt 7 09405 Zschopau	The property is located in the town centre of Zschopau on a marketplace. The surrounding buildings are similar in character to the subject property, there are public parking spaces in the market place. Distance to the nearest motorway is 15 km.	Freehold (Eigentum)	€24,894	€32,742	€310,000
Date of Inspection: 26 March 2014	The property is a 3-storey rendered old building with a fitted-out attic. There is a retail unit on ground floor level and office space in the upper floors. We understand that the Property is comprised of: Plot size: 250 sq m Lettable area: 546 sq m No car parking spaces	The Property is let to: Commerzbank AG - office/bank hall/storage/other area - (323.65 sq m) expiring 31 December 2020. Passing rent is €24,894 per annum. Indexed 100% CPI p.a. Vacancy - 222.61 sq m			
ID: dri23359	The property is located in the town centre of Zwickau on the edge of the main	Freehold (Eigentum)	€335,709	€323,272	€3,410,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Dr.-Friedrichs-Ring 23 08056 Zwickau	pedestrianised area. The surroundings are characterised by similar mixed-use old buildings. There are some public parking spaces in the area. Distance to the nearest motorway is 6 km.				
Date of Inspection: 25 March 2014	The property is a 4-storey old building with a rendered facade. There are retail units on ground floor level and office space in the upper floors. We understand that the Property is comprised of: Plot size: 2,538 sq m Lettable area: 3,437 sq m 28 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Commerzbank AG - office/bank hall/storage - (1,665.00 sq m) expiring 31 December 2016. Passing rent is €220,455 per annum. Indexed 100% CPI p.a. Allianz Deutschland AG - office/storage - (699.43 sq m) expiring 30 April 2018. Passing rent is €48,137 per annum. Indexed 100% CPI p.a. E. Walter Marx Nachfolger - retail/storage - (160.00 sq m) expiring 31 December 2015. Passing rent is €19,930 per annum. Indexed 10%/ hurdle 100%.			
ID: dri23360 Berliner Str. 1 03238 Finsterwalde	The building is in the main shopping area of Finsterwalde on a rather busy local access road. Most of the surrounding properties are refurbished old buildings, with commercial occupation on the main street and residential in the side streets. Distance to the nearest motorway is 15 km.	Freehold (Eigentum)	€87,047	€181,380	€1,100,000
Date of Inspection: 2 April 2014	The property is a fairly new, red-brownish rendered corner building on 4 floors. There are several entrances, all in good condition, as well as an underground parking facility and a car park at the rear of the building. We understand that the Property is comprised of: Plot size: 1,280 sq m Lettable area: 3,129 sq m 22 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Deutsche Rentenversicherung Brandenburg - office/storage - (143.20 sq m) expiring 31 March 2016. Passing rent is €17,721 per annum. Indexed 100% CPI p.a.. mobilcom-debitel - retail - (145.97 sq m) expiring 31 December 2015. Passing rent			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
		is €12,000 per annum. Indexed 100% CPI p.a. Wirtschafts- und Die - office - (142.18 sq m) unlimited lease . Passing rent is €10,308 per annum. No Indexation.			
ID: dri23364 Neustadt 15-15 a 02763 Zittau	The property is located in the town centre of Zittau, on a large square. The surroundings are characterised by old but refurbished medium-sized commercial buildings. Distance to the nearest motorway is 40 km.	Freehold (Eigentum)	€115,873	€171,205	€1,450,000
Date of Inspection: 1 April 2014	The property is a 3-storey mixed-use building with a sandstone clad/rendered facade and a fitted-out attic. The property is in a medium to poor condition. There are two entrances at the side of the building in an alley. To the left of the building is an underground car park. We understand that the Property is comprised of: Plot size: 1,540 sq m Lettable area: 2,991 sq m 19 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Commerzbank AG - storage/bank hall - (880.00 sq m) expiring 31 December 2020. Passing rent is €50,899 per annum. Indexed 100% CPI p.a. Markus Hänisch AWD - office/retail - (291.65 sq m) expiring 30 November 2016. Passing rent is €19,779 per annum. Indexed 100% CPI p.a. Matthias Vogel DVAG - office - (352.71 sq m) expiring 31 July 2016. Passing rent is €16,920 per annum. Indexed 100% CPI p.a.			
ID: dri23367 Lauengraben 18 02625 Bautzen	The property is located in the town of Bautzen, which is about 65 km east of Dresden. The border with the Czech Republic is 15 km to the south and the border with Poland is some 50 km to the east. The building is located on a main street. On the other side of the street there is a very large shopping centre.	Freehold (Eigentum)	€56,746	€63,665	€640,000
Date of Inspection: 31 March 2014	The 3-storey building has a historic facade with brickwork on the ground floor and render on the upper 2 storeys. On the ground floor there are three retail	The Property is let to: Dresdner Druck - office/retail/storage -			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	units and there are office units on the upper floors. The building is connected to "Kornmarkt 4-6" and there is also a passage leading to this building. We understand that the Property is comprised of: Plot size: 609 sq m Lettable area: 952 sq m 3 car parking spaces	(588.92 sq m) expiring 31 December 2015. Passing rent is €27,085 per annum. Indexed 100% CPI p.a. Debeka Krankenversicherungsverein - office/retail - (198.95 sq m) expiring 31 May 2016. Passing rent is €19,737 per annum. No Indexation. Residential - (164.46 sq m) unlimited leases. Passing rent is €9,925 per annum. No Indexation.			
ID: dri23370 Taunusanlage 9 60329 Frankfurt/Main	The subject property is located in the traditional Frankfurt submarket "Bankenviertel" (banking district). In the direct vicinity is the "Skyper" building and the refurbished high-rise T11. The city centre with the "Alte Oper" is some 300 m away. The amenities and transport facilities are very good. The underground station "Taunusanlage" is only 50 m away.	Freehold (Eigentum)	€6,392	€1,756,220	€25,230,000
Date of Inspection: 12 February 2014	The 6-storey office building has a reasonable standard of fit-out, such as a floor-to-ceiling height of 2.50 m and window sill cable ducts. The ground floor and the fifth floor are air conditioned. The main characteristic of the building is the inner courtyard with the open square corridors above, making the office space bright and generous. The property is connected to the adjacent building Marienstrasse 2 and is therefore not separately lettable. A staircase connects the property Taunusanlage 9 with Marienstrasse 2, where a second entrance is located. We understand that the Property is comprised of: Plot size: 2,043 sq m Lettable area: 6,347 sq m 24 car parking spaces	The Property is let to: Telefonica O2 Germany - antenna - (1 unit) expiring 24 July 2018. Passing rent is €5,432 per annum. Indexed 100% CPI p.a. Kai Krohn - parking internal - (1 unit) unlimited lease. Passing rent is €960 per annum. Indexed 100% CPI p.a. Vacancy - 6,346.67 sq m			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23372 Marienstr.2 60329 Frankfurt/Main	The subject property is located in the traditional Frankfurt submarket "Bankenviertel" (banking district). In the direct vicinity is the "Skyper" building and the refurbished high-rise T11. The city centre with the "Alte Oper" is some 300 m away. The amenities and transport facilities are very good. The underground station "Taunusanlage" is only 50 m away.	Freehold (Eigentum)	€0	€832,732	€11,770,000
Date of Inspection: 12 February 2014	This part of the complex was constructed in 1988 and has a higher standard of fit-out than Taunusanlage. This includes raised floors, air conditioning, a floor-to-ceiling height of 2.75 - 3 m, and natural stone facade. Open plan offices of up to 400 sq m are possible. The 6-storey building complex has various differences in floor levels due to the different construction dates and floor-to-ceiling heights of the two buildings. The entrance on Marienstr. 2 is officially part of the site of Taunusanlage 9, therefore the two buildings are not separately lettable. The technical facilities are also not separable. The access to the basement garage is from Marienstrasse. We understand that the Property is comprised of: Plot size: 753 sq m Lettable area: 2,876 sq m No car parking spaces	The Property is vacant.			
ID: dri23378 An der Rheinschanze 1 67059 Ludwigshafen	The property is located in Ludwigshafen, which is located between Frankfurt and Stuttgart. It is a city-centre location with very good access to the pedestrian zone. A railway station is approx. 50 m away.	Freehold (Eigentum)	€426,286	€430,448	€4,850,000
Date of Inspection: 21 February 2014	The 5-storey building is located at a corner location. The property was built in 1961. The fit out is not to a high standard. The floors could be divided up into three separate sections. The floor-to-ceiling height is 2.50 m. In 1986 a round extension building was added to the existing building. The fit out of the extension building is slightly better. Parking facilities are located in front of the building. We understand that the Property is comprised of: Plot size: 3,230 sq m	The Property is let to: BASF IT Services GmbH - office/storage - (4,686.83 sq m) expiring 30 April 2015. Passing rent is €401,572 per annum. Indexed 100% CPI p.a. Büchner - office - (272.38 sq m) expiring 31 December 2018. Passing rent is €24,714 per annum. Indexed 100% CPI			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 5,508 sq m 55 car parking spaces	p.a. Vacancy- 548.56 sq m			
ID: dri23406 Theodor-Heuss-Allee 44 60486 Frankfurt/Main	The "Estrella" (Broker Office Centre) is located in the submarket of City West. The local public transport network connection is good. The local railway stations (S-Bahn) 'Frankfurt West' and 'Messe' (serviced by the lines S3, S4, S5 and S6) are located within 2-3 minutes walk of the property. The main railway station is within only one to two stops. There are also tram and bus routes.	Freehold (Eigentum)	€12,124,167	€8,224,483	€128,360,000
Date of Inspection: 10 March 2014	The property is a trading centre. Three floors are designed as open plan offices. The building is terraced in the upper floors. An inner courtyard provides additional daylight for the top three floors. The offices and conference rooms are located along the facade. The partition walls in the corridors are mostly glazed. The fit-out is of an exceptionally high standard: raised floors (35 cm), a floor-to-ceiling height of 5 m in the trading rooms, full air conditioning, escalators, exterior sun blinds etc. The ground floor accommodates conference rooms, the mail distribution centre, offices for the building control system and a canteen. We understand that the Property is comprised of: Plot size: 6,727 sq m Lettable area: 33,246 sq m 170 car parking spaces	The Property is let to multiple tenants. The main tenant is however: Commerzbank AG - office/storage/other area - (33,246.21 sq m) expiring 31 December 2016. Passing rent is €12,106,485 per annum. Indexed 100% CPI p.a.			
ID: dri23410 Jeversche Strasse 4 - 6 39261 Zerbst	The property is located around 1 km south of Zerbst town centre, on a 2-lane road. Buildings in the vicinity are predominantly refurbished older buildings, most are commercial, some are mixed residential/commercial. Distance to the nearest motorway is around 15 km.	Freehold (Eigentum)	€0	€0	€5,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Date of Inspection: 24 March 2014	The property consists of 2 buildings: The first (Nos. 6 and 6a) is a 4-storey rendered building with fitted-out attic, retail units on the ground floor and residential units on the upper floors. A pathway leads to parking spaces at the rear of this building, the condition of which is fairly good. The second building appears to be an office or mixed-use building on 3-storeys, this unit is in poor condition. The property is valued as land deducted by demolition costs. We understand that the Property is comprised of: Plot size: 503 sq m	The Property is vacant.			
ID: dri23411 I: Fischmarkt 12, 12a,b 38820 Halberstadt	The property is located in the town centre of Halberstadt. The town is located in Saxony-Anhalt about 60 km southeast of Brunswick and 50 km southwest of Magdeburg. The surrounding area is dominated by retail usage and there is a marketplace in front of the building. The town of Halberstadt has an attractive town centre, which attracts many tourists.	Freehold (Eigentum)	€142,659	€159,356	€1,570,000
Date of Inspection: 19 March 2014	The 5 to 6-storey building has a rendered facade and is in a very good condition. Asset nos. dri23321, dri23411, dri23412, dri23413, dri23414 and dri23415 are connected and form an "L" shaped building complex. There is another retail building connected at Fischmarkt, the tenants there are H&M and a drugstore. At the rear of the building there is an underground garage. The building has residential and office units on the upper floors and retail units on the ground floor. We understand that the Property is comprised of: Plot size: 652 sq m Lettable area: 1,577 sq m 23 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Parfümerie "Flair" - retail - (346.83 sq m) expiring 31 December 2020. Passing rent is €51,301 per annum. Rent free from January to June 2015. Indexed 5% hurdle/100%. Blokker GmbH - retail - (374.93 sq m) expiring 31 December 2016. Passing rent is €40,492 per annum. Indexed 100% CPI p.a.. IKK gesund plus - office/storage - (251.05 sq m) expiring 31 October 2015. Passing rent is €15,649 per annum. No indexation.			

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
ID: dri23412 III: Hoher Weg 11a,b 38820 Halberstadt	The property is located in the town centre of Halberstadt. The town is located in Saxony-Anhalt about 60 km southeast of Brunswick and 50 km southwest of Magdeburg. The surrounding area is dominated by retail usage and there is a marketplace in front of the building. The town of Halberstadt has an attractive town centre, which attracts many tourists.	Freehold (Eigentum)	€107,854	€126,037	€1,160,000
Date of Inspection: 19 March 2014	The 5 to 6-storey building has a rendered facade and is in a very good condition. Asset nos. dri23321, dri23411, dri23412, dri23413, dri23414 and dri23415 are connected and form an "L" shaped building complex. There is another retail building connected at Fischmarkt, the tenants there are H&M and a drugstore. At the rear of the building there is an underground garage. The building has residential and office units on the upper floors and retail units on the ground floor. We understand that the Property is comprised of: Plot size: 298 sq m Lettable area: 1,423 sq m 18 car parking spaces	The Property is let to multiple tenants. The main tenants are however: Seelhorst - retail - (205.59 sq m) expiring 31 December 2016. Passing rent is €65,891 per annum. Indexed 5% hurdle/100%. Oskar Kämmer Schule - office/storage - (781.73 sq m) expiring 31 December 2014. Passing rent is €41,543 per annum. Indexed 5% hurdle/100%.			
ID: dri23413 IV: Hoher Weg 12, 12a-d 38820 Halberstadt	The property is located in the town centre of Halberstadt. The town is located in Saxony-Anhalt about 60 km southeast of Brunswick and 50 km southwest of Magdeburg. The surrounding area is dominated by retail usage and there is a marketplace in front of the building. The town of Halberstadt has an attractive town centre, which attracts many tourists.	Freehold (Eigentum)	€147,411	€175,756	€1,830,000
Date of Inspection: 19 March 2014	The 5 to 6-storey building has a rendered facade and is in a very good condition. Asset nos. dri23321, dri23411, dri23412, dri23413, dri23414 and dri23415 are connected and form an "L" shaped building complex. There is another retail building connected at Fischmarkt, the tenants there are H&M and a drugstore. At the rear of the building there is an underground garage. The building has residential and office units on the upper floors and retail units on the ground floor. We understand that the Property is comprised of: Plot size: 460 sq m	The Property is let to multiple tenants. The main tenants are however: AWZ Aus- und Weiterbildung - office/storage - (824.45 sq m) expiring 31 December 2018. Passing rent is €53,808 per annum. Indexed 5% hurdle/100%. Targobank AG & Co. K - retail - (162.08 sq m) expiring 30 June 2017. Passing rent is €30,010 per annum. Indexed 100% CPI			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 2,140 sq m 29 car parking spaces	p.a. Postbank Finanzberatungs AG - office - (198.71 sq m) expiring 30 September 2017. Passing rent is €12,383 per annum. Indexed 100% CPI p.a.			
ID: dri23414/dri23425 V: Hoher Weg 13, 13a-e 38820 Halberstadt	The property is located in the town centre of Halberstadt. The town is located in Saxony-Anhalt about 60 km southeast of Brunswick and 50 km southwest of Magdeburg. The surrounding area is dominated by retail usage and there is a marketplace in front of the building. The town of Halberstadt has an attractive town centre, which attracts many tourists.	Freehold (Eigentum)	€129,874	€159,419	€1,790,000
Date of Inspection: 19 March 2014	Part A of the property comprises a 5 to 6-storey building with a rendered facade and is in very good condition. Asset nos. dri23321, dri23411, dri23412, dri23413, dri23414 and dri23415 are connected and form an "L" shaped building complex. There is another retail building connected at Fischmarkt, the tenants there are H&M and a drugstore. At the rear of the building there is an underground garage. The building has residential and office units on the upper floors and retail units on the ground floor. Part B of the property is comprised of an open-air car park. We understand that Part A of Property is comprised of: Plot size: 1,094 sq m Lettable area: 1,861 sq m 91 car parking spaces We understand that Part B of the Property is comprised of: Plot size: 650 sq m 66 car parking spaces	The Property is let to multiple tenants. The main tenant is however: Ostharzer Volksbank - retail - (184.41 sq m) unlimited lease. Passing rent is €25,520 per annum. Indexed 100% CPI p.a.			
ID: dri23415	The property is located in the town centre of Halberstadt. The town is located in Saxony-Anhalt about 60 km southeast of Brunswick and 50 km southwest of	Freehold (Eigentum)	€146,773	€199,026	€2,050,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
VI: Hoher Weg 14, 14a-d 38820 Halberstadt	Magdeburg. The surrounding area is dominated by retail usage and there is a marketplace in front of the building. The town of Halberstadt has an attractive town centre, which attracts many tourists.				
Date of Inspection: 19 March 2014	The 5 to 6-storey building has a rendered facade and is in a very good condition. Asset nos. dri23321, dri23411, dri23412, dri23413, dri23414 and dri23415 are connected and form an "L" shaped building complex. There is another retail building connected at Fischmarkt, the tenants there are H&M and a drugstore. At the rear of the building there is an underground garage. The building has residential and office units on the upper floors and retail units on the ground floor. We understand that the Property is comprised of: Plot size: 1,052 sq m Lettable area: 2,907 sq m 59 car parking spaces	The Property is let to multiple tenants. The main tenants are however: IKK gesund plus - office - (383.80 sq m) expiring 31 October 2015. Passing rent is €32,096 per annum. No indexation. Köpke - retail - (267.06 sq m) expiring 30 April 2016. Passing rent is €13,748 per annum. No indexation. Kluge - retail - (195.71 sq m) expiring 14 May 2016. Passing rent is €11,377 per annum. No indexation.			
ID: dri23417 Ölmühlweg 65-67 61462 Königstein/Ts.	Königstein is to the north of Frankfurt, 20 minutes from Frankfurt's city centre. The Rhine-Main Airport is reachable within 25 minutes. KTC offers a good view of the ruins of the town's medieval castle in an area surrounded by woods and a natural environment.	Freehold (Eigentum)	€1,673,191	€1,443,120	€20,320,000
Date of Inspection: 21 February 2014	KTC has functioned as Commerzbank (and formerly Dresdner Bank) Group's communications and training centre since 1971. The facilities were specially designed to meet this requirement. The complex includes six buildings with differing dates of construction. The most recent building dates from 1993. KTC has about 36 seminar rooms (accommodating various group sizes up to 300 people) and 211 guest rooms. The buildings are in very good condition and have a very high standard of fit-out. The complex includes the following leisure facilities: tennis court, bowling, boules, fitness facilities, swimming pool, sauna, steam bath, solarium, putting green, shooting billiards, table tennis, etc. We understand that the Property is comprised of:	The Property is let to: Commerzbank AG - other - (15,000 sq m) expiring 31 December 2016. Passing rent is €1,669,936 per annum. Rent reduction to €125,250.00 per month beginning in January 2015. Indexed 100% CPI p.a. T-Mobile Deutschland - antenna - with a passing rent of €1,560 per annum expiring 31 December 2016. Indexed 100% CPI p.a. Vodafone D2 GmbH - antenna - with a passing rent of €1,695 per annum expiring			

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Plot size: 45,750 sq m Lettable area: 15,000 sq m No car parking spaces	31 December 2016. Indexed 100% CPI p.a. man			

Valuation Report Relating to the Mars Fixed II Portfolio

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Our ref. SG
Your ref.

27 April 2015

Valuation Report

Estimate of Market Value in accordance with the definition and guidance as agreed by the Royal Institution of Chartered Surveyors

The Direct Investment Portfolio:
Mars Fixed II Portfolio (1 Property), Darmstadt, Germany

Effective Dates of Appraisal

Valuation Date:	**31 December 2014**
Date of completion of this report:	**27 April 2015**

Clients:
The Directors
Eurocastle Investment Limited
Regency Court
Glategny Esplanade
St. Peter Port GY1 1 WW
Guernsey

Fortress Investment Group LLC
1345 Avenue of the Americas
47th Floor
New York, NY 10105

Prepared by

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Bockenheimer Landstrasse 24
60323 Frankfurt am Main
Germany

CBRE is a limited company (Gesellschaft mit beschränkter Haftung) incorporated under laws of Germany with registered number 13347. CBRE was incorporated on 3 April 1973 and has its registered office at the address set out above. The telephone number of the registered office is +49 (0)69 170 077 0. CBRE is not regulated but employs RICS and HypZert qualified valuers in its valuation department.

Date of Issue
27 April 2015

Signed Copy No:

Ladies and Gentlemen,

VALUATION OF MARS FIXED II PORTFOLIO (1 PROPERTY, DARMSTADT, GERMANY)

1. Instructions

In accordance with instructions received from Eurocastle Investment Limited (the "Company" or the "Principal") on 26 November 2013 and the amendment to this instruction dated 15 January 2015, we have made relevant enquiries in order to provide our opinion of Market Value for the investment Property as described in the Schedule (the "Property") as at 31 December 2014 (the "Valuation Date") of the freehold (*Eigentum*) interests. We must point out that this comprises an update of a valuation carried out by CBRE Germany in 2006 (date of valuation 1 December 2006) in the course of which the Property was inspected. The latest re-inspection for the purposes of this revaluation has been carried out by CBRE in the 1st quarter 2013 (please find the actual inspection date of the property in the schedule attached to this report).

This Valuation Report has been prepared for the purpose of inclusion in the prospectus to be published by the Company (the "Prospectus") in connection with the admission of additional shares (Kapitalerhöhung) of the Company to listing and trading on NYSE by Euronext Amsterdam ("Admission").

2. The Property

The Property we have valued is listed and briefly described in the Schedule attached to this Valuation Report (the "Schedule"). The Property identified in the Schedule has been valued individually.

The subject portfolio comprises 1 freehold equivalent (*Eigentum*) Property.

3. Basis of Valuation

Our valuation has been carried out in accordance with The Royal Institution of Chartered Surveyors' (RICS) Valuation Professional Standards (January 2014), (the "Red Book") and in accordance with the relevant provisions of the current Prospectus Rules. They have been undertaken by External Valuers, as defined in the Red Book.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation competently.

In accordance with the Financial Conduct Authority's current Prospectus Rules we have prepared our valuation in accordance with the Red Book on the basis of Market Value, which is defined in the Red Book, as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm´s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion."

4. Valuation

On the bases outlined in this Valuation Report, we are of the opinion that the Market Value of the individual freehold Property as at 31 December 2014, subject to and with the benefit of the various occupational leases or assumed occupational leases, as summarised in the Schedule, is as stated against that Property in the Schedule. Our valuation is exclusive of any VAT.

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The Market Value of the Property as at 31 December 2014 is €59,500,000 (Fifty nine million five hundred thousand Euros) made up as follows:

Schedule	Investment Property	€59,500,000
Total		€59,500,000
Total	Net Rent Receivable p.a.	€3,447,987
Total	Estimated Net Rental Value p.a.	€5,017,367

5. Transaction Costs

No allowances have been made for any expenses of realisation or for taxation which might arise in the event of a disposal of a Property. Our valuations are, however, net of acquisition costs.

6. Net Annual Rent Receivable

In the Schedule, we set out our estimates of the net annual rent currently receivable reflecting the sum of the contractually agreed rental payments receivable from the Property as at 31 December 2014. In providing these estimates, we define "Net Annual Rent Receivable" as "the current income or income estimated by the valuer":

(i) ignoring any special receipts or deductions arising from the Property;

(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the Property and allowances to maintain it in a condition to command its rent.

In accordance with German market conventions the Property is not let on effective full repairing and insuring leases in accordance with UK market conventions and as such the Net Annual Rent receivable does not reflect any appropriate allowance for disbursements.

7. Estimated Net Annual Rent

The Schedule sets out our opinion of the current Estimated Net Annual Rent, which is our opinion of the best rent at which a letting of the Property would have been completed at the Valuation Date assuming:

(a) a willing landlord;

(b) that, prior to the Valuation Date, there was a reasonable period (having regard to the nature of the Property and the state of the market) for the proper marketing of the interest, for the agreement of the rent and other letting terms and for the completion of the letting;

(c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the Valuation Date;

(d) that no account was taken of any additional bid by a prospective tenant with a special interest;

(e) that the length of term and principal conditions assumed to apply to the letting and the other lease terms were not exceptionally onerous or beneficial for a letting of the type and class of Property; and

(f) that both parties to the transaction acted knowledgeably, prudently and without compulsion.

CBRE

In the Schedules, we have stated the current Estimated Net Annual Rent, ignoring the present rent passing and any contracted fixed rent increases. In all cases, we have considered the Property in its current specification and assumed good repair and condition or have made such deductions in respect of necessary maintenance and refurbishment as assumed in the calculation.

8. Sources of Information

For the update valuation as at 31 December 2014 the Principal has provided us with a rent roll dated 30 September 2014.

Accordingly the valuation reflects the physical, economical, legal and regulatory status of the portfolio on the basis of the information contained in these documents. Variations and amendments to these documents have been adopted as instructed specifically in writing by the Principal. CBRE accepts no liability for any errors or amendments which may have occurred after this date of which CBRE has not been expressly informed and instructed accordingly by the Principal. All conclusions made by CBRE regarding the condition and the actual characteristics of the land and buildings have been based exclusively on our inspection of the subject property and on the documents and information provided.

8.1 Documents and Information provided

CBRE has assumed that it was provided with all information and documents that were relevant to CBRE in carrying out this update appraisal report. We have assumed that the information and documentation had unrestricted validity and relevance as at the date of valuation. We have not checked the relevant documents and information with respect to the above-mentioned issues.

8.2 Inspection

For the initial valuation CBRE had access to the subject property in order to carry out the inspection. We have not carried out any building surveys. The property has not been measured as part of CBRE’s inspection nor have the services or other installations been tested. All of CBRE’s conclusions resulting from the inspection are based purely on visual investigations without any assertion as to their completeness.

Investigations that might cause damage to the subject property have not been carried out. Statements about parts of the structure or materials that are covered or otherwise inaccessible are based on the information or documents provided or on assumptions. In particular, structural surveys and technical investigations of any defects or damage of the property, which may exist, have not been carried out.

According to our instruction letter, the asset will be inspected on site every 24 months. The property was inspected in February 2013. Where changes in the physical composition and legal characteristics of the property have been communicated to us, we have assumed without verification that these are valid and correct. In cases where we have not been informed of any material changes, and no changes were observable from our most recent on-site inspection, we have assumed that the property has not materially changed.

8.3 Deleterious Material etc.

We have relied on the findings of the technical and environmental due diligence report carried out by THP for the property in the course of the initial report. We have assumed that there are no further building materials or structures and no characteristics of the site that could endanger or have a deleterious effect on either the fitness of the subject property for its purpose or the health of its occupiers and users.

Common examples of such materials include high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.

We have not been instructed to carry out a structural survey, to test service installations, to carry out site investigations or environmental surveys. Our valuation is based on the third party due diligence reports as stated above. Since none of the pollutants require immediate action and potential risks in the long term perspective do not have a material impact on the overall value, we have not reflected any such costs in our valuations.

8.4 Site Conditions

We have relied on the findings of the technical and environmental due diligence report carried out by THP for the property in the course of the initial report. We did not carry out investigations on site in order to determine the suitability of ground conditions and services, nor did we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuation was carried out on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

8.5 Environmental Contamination

We have relied on the findings of the technical and environmental due diligence report carried out by THP for the property in the course of the initial report. We have assumed that there are no further issues concerning the subject property regarding contamination and that no contaminative or potentially contaminative use is, or has ever been, carried out at the property.
As we had not been specifically instructed to do so, we have not undertaken any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.
Should it, however, be subsequently established that such contamination exists at the property or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

8.6 Legal Requirements / Consents and Authorisation for the Use of the Property

For the compilation of the initial valuation report, we have relied on the final legal report prepared by Freshfields. Accordingly all material issues included in the findings and conclusions included in this report have been reflected in our report and valuation. An investigation of the compliance of the property with legal requirements (including (permanent) planning consent, building permit, acceptance, restrictions, building, fire, health and safety regulations etc.) or with any existing private-law provisions or agreements relating to the existence and use of the site and building has not been carried out by CBRE.

In preparing our valuation, we have assumed that all necessary consents and authorisations for the use of the property and the processes carried out at the property are in existence, will continue to subsist and are not subject to any onerous conditions.

8.7 Taxes, Contributions, Charges

Since no information to the contrary has been brought to our attention, we have assumed that all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation.

8.8 Insurance Policy

Since no information to the contrary has been brought to our attention, we have assumed that the subject property is covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

8.9 Town Planning and Road Proposals

We made only general enquiries of the local planning authorities and have relied on information provided to us in the legal due diligence report.

No formal searches were instigated. Except where stated to the contrary, there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the property.
Since no information to the contrary has been brought to our attention, we have assumed that the property is not adversely affected by town planning or road proposals.

8.10 Statements by Public Officials

In accordance with established legal practice, we have not regarded statements by public officials, particularly regarding factual information, as binding. We do not assume any liability for the application of any such statements or information in the subject appraisal report.

8.11 Assumptions regarding the Future

For the purpose of determining the market value of the subject property, we have assumed that the existing business will

continue (as regards both manner and extent of usage of the subject property) for the remainder of the useful life determined for the buildings, or that comparable businesses would be available to take over the use of the subject property.
Where there is high voltage electricity supply apparatus within close proximity to the property, unless, otherwise stated, we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

8.12 Tenants

No investigations have been carried out concerning either the status of payments of any contractually agreed rent or ground rent at the date of valuation, or of the creditworthiness of any tenants. Since no information to the contrary has been brought to our attention, we have assumed that there are no outstanding rental payments and that there are no reservations concerning the creditworthiness of any of the tenants.

8.13 Pending Litigation, Legal Restrictions (Easements on Real Estate, Rent Regulation etc.)

Since no information to the contrary has been brought to our attention, we have assumed that the property is free from any pending litigation, that the ownership is unencumbered and that there are no other legal restrictions such as easements on real estate other than those referred to in the respective valuation, rent regulations, restrictive covenants in leases or other outgoings which might adversely affect value.

8.14 Subsidies

Since no information to the contrary has been brought to our attention, we have assumed that there are no circumstances related to subsidies or grants that might influence the value of the property.

Important

Should any of the information or assumptions on which the valuation is based be subsequently found incorrect or incomplete, our calculations may need to be amended and the valuation figure may also be incorrect and should be re-evaluated. We therefore cannot accept any liability for the correctness of this assessment or for any loss or damage resulting there from.

9. General Assumptions

9.1 The Property

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuation. Tenant-specific process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuation.

9.2 Surface Areas

We have not measured the property but have relied upon the schedules of area that were provided to us within the tenancy lists and the technical due diligence assessment. In undertaking our work, we have assumed that these floor areas are correct.

9.3 Title, Tenure, Planning and Lettings

With reference to the land register extracts supplied to us by the client, we have assumed that there are no entries, information or circumstances that could have an impact on market values (including any easements, restrictions, or similar restrictions and encumbrances). We reserve the right to amend our valuation should any such factors be found to exist.
We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of typical purchasers' likely perceptions of the financial status of tenants from a market perspective.

Specifically we have assumed that:

a. the title of the property is free from any onerous or hampering restrictions or conditions;

b. all buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;

CBRE

c. the property is not adversely affected by town planning or road proposals;

d. all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

e. tenants will meet their obligations under their leases and where appropriate are responsible for insurance and payments of business rates.

f. there are no user restrictions or other restrictive covenants in leases which would adversely affect value; and

g. all vacant accommodation is available to let, unencumbered.

9.4 Taxes, Insurance

In undertaking our valuation, we have assumed that:

a. all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation; and

b. the subject property is covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

9.5 Infrastructure and Services

It is assumed that all the sites are serviced within the meaning of paragraph 123 of the German statutory building code (§ 123 BauGB) i.e. that they are connected to the road system, service mains (water, electricity, gas and district heat) and sewers (for both waste and surface water) and that refuse collection was provided.

9.6 Purchaser's Costs

The following purchaser's costs have been assumed with regards to the dimension of the subject property.

Land transfer tax: Under German tax law, transfer tax is between 3.5% and 6.5% (in Hesse, 6.0%) of the purchase. This is generally paid by the purchaser.

Notary and legal fees: We have reflected allowances of 0.2% for notarising a purchase contract (compulsory under German law), land registry costs and miscellaneous legal charges, depending on purchase volume.

Agent's fees: In the German market it is common for the purchaser to be responsible for paying all or at least part of the agent's fees. We have therefore adopted a fee of 1% which, in our experience, is in line with market conditions.

9.7 VAT

No allowance has been made in our valuation for the possible effect on value of non-recoverable VAT on purchase as a result of one or more of the tenants not being liable to pay VAT in addition to rent.

10. Addressees / Reliance

In respect of the Offer, the Valuation Report with the valuation date 31 December 2014 and the Prospectus is addressed to the Directors of the Principal, the Principal and Fortress Investment Group LLC, as the Principal's duly appointed investment manager (the "Manager"). Beyond that no responsibility will be accepted to any third party for the whole or any part of the contents of the Valuation Report, save for any responsibility arising under PR 5.5.3R or any other applicable law or regulation. The Valuation Report is only to be used for the specific purpose set out herein.

11. Disclosure

A copy of the Valuation Report may be disclosed on a non-reliance basis to the Principal's legal advisors as well as its auditors, listing agents, underwriters, investment banks and their legal advisors (actually or prospectively). Furthermore, in the case of syndication, the Valuation Report may be provided to banks on a non-reliance basis. The Principal is obliged to inform CBRE in writing of the name and full address of each of such parties prior to the respective disclosure of the Valuation Report.

In addition CBRE agrees to the disclosure of the Valuation Report for the purpose of approving and publishing of the Prospectus, including where submitted to the UK Listing Authority in draft form.

12. Publication

CBRE agrees that the Valuation Report and any letters related thereto can be integrated into the Prospectus in an unchanged form. Unless otherwise stated in this instruction, neither the whole nor any part of the Valuation Report or letters related thereto nor any references thereto may be included in any published document, circular statement nor published in any way without our prior written approval of the form and context in which it will appear.

CBRE also hereby consents to the inclusion in the Prospectus of a declaration, as required by paragraph PR5.5.8R of the Prospectus Rules and item 1.2 of Annex 1 to the Commission Regulation (EC) No. 809/2004 (as amended) as set out in Appendix 3 of the Prospectus Rules, that, having taken all reasonable care to ensure that such is the case, the information contained in those parts of the Prospectus for which we are responsible is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

13. Insurance and Liability

The liability of CBRE, of a legal representative or an agent is restricted to gross negligence and wilful intent.

The liability restriction referred to in the first paragraph shall not apply, if and as far as product liability claims are present, if the existence of a defect has been maliciously concealed, if a guarantee has been assumed and/or in case of a personal injury, death or damage to personal health.

The liability restriction referred to in the first paragraph shall not apply in cases of negligence, if and as far as the damage is covered by an insurance of CBRE. However, in this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

The liability restriction referred to in the first paragraph shall not be applicable in cases of negligence, if essential Contractual obligations (so-called “cardinal duties”, the satisfaction of which enables the proper execution of the Contract at all and on which the Client relies and may as a rule rely on its compliance) have been violated. However, the liability for essential Contractual obligations is limited to the reimbursement of the foreseeable, typically occurring damages. In this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

14. Assignation of Rights

The addressees of the agreement, based upon which this report has been prepared, shall not be entitled to assign their rights under the agreement – in total or in part – to any third party or parties, unless it was explicitly specified otherwise in the agreement.

15. Place of Performance and Jurisdiction

The agreement, on which the preparation of this report is based, is governed by and construed in accordance with the laws of the Federal Republic of Germany. In the event that there is any conflict between the English legal meaning and the German legal meaning of this Contract or any part hereof, the German legal meaning shall prevail. The place of performance and jurisdiction for disputes arising from this contractual relationship shall be Frankfurt am Main, Germany.

CBRE

Yours faithfully

STEFAN GUNKEL
Ö.B.U.V. SV., CIS HYPZERT (F)
MANAGING DIRECTOR
HEAD OF VALUATION GERMANY

For and on behalf of
CBRE GmbH

ppa. TOBIAS JERMIS
MRICS, CIS HYPZERT (F)
DIRECTOR
TEAM LEADER OFFICE & LOGISTICS VALUATION

For and on behalf of
CBRE GmbH

CBRE

THE SCHEDULE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: mhb06540 Luisenstr. 12/12a/12c, 20; Schuchard-str. 5, 13; Ernst-Ludwig-Str. 3, 5; 64283 Darmstadt Date of Inspection: 20 February 2013	The subject property 'Carree' is located in the city centre of Darmstadt. The 'Carree' which is perfectly embedded in the pedestrian zone, forms the core of Darmstadt´s inner city. The main inner city shopping streets (Luisenstrasse, Schuchardstrasse and Ernst-Ludwig-Strasse) are connected via the inner courtyard of the 'Carree'. The city centre is a mixed use area with several offices, retail stores, two department stores (Kaufhof and Karstadt) and a shopping centre (Luisencenter). Various major fashion companies, such as Zara and H & M in Luisencenter, have their fashion stores in Luisenstrasse / Schuchardstrasse. The A672 and A5/67 motorways are 3 km and 4 km away, respectively. Moreover, Frankfurt International Airport is within 28 km. A bus and a tram station are located some 200 m away from the 'Carree'; the main train station is just 1.5 km away. The site of this block structure covers an area of approximately 8,255 sq m. The building is highly visible and accessible from Luisenplatz. Darmstadt's inner city car parking system provides over 4,000 parking spaces in one large underground parking garage, which is located underneath the city centre. The Carree, the Luisencenter and Karstadt offer direct access to this underground parking garage. The building complex is divided into three segments. Segment A comprises the buildings housing the food court, which will be converted into two retail/gastronomy units, and the hall for music events and theatre performances. Segment A was erected in 1880 and refurbished in 1996. It comprises two equally elongated components with two separate entrances. The building has an attractive design and appearance which is also reflected in the high standard of the entrances in the inner courtyard. On the other side there are entrances to Schuchardstrasse. Segments B and C are mainly office and retail. They were erected in 1970 and 1960, respectively. The ground floor comprises one large book store and one large	Freehold (Eigentum) and rented open area The Property is let to multiple tenants. The main tenants are however: Douglas Holding AG – retail/storage - (1,445.65 sq m) expiring 31 January 2018. Passing rent is €626,163 per annum. Indexed 7.5% hurdle/100%. Heinrich Hugendubel – retail/storage (1,982.96 sq m), thereof 1,347.80 sq m expiring 31 March 2015 and 635.16 sq m expiring 31 March 2020. Passing rent is €535,983 per annum. Rent increase for 635.16 sq m of retail space to €15,243.84 per month in February 2015. No indexation. Q-Park GmbH & Co. KG – parking internal - (325 units) expiring 16 April 2017. Passing rent is €363,734 p.a. Indexation 100% CPI p.a.	€3,447,987	€5,017,367	€59,500,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	retail store. In the upper floors there are mainly fitted out offices. The building complex provides approx. 325 parking spaces in the basement. Another major characteristic of the building complex is the inner courtyard, which is completely paved. In terms of security there is a closed circuit television system in place. The inner courtyard connects Luisenstrasse, Schuchardstrasse and Ernst-Ludwig-Strasse. The connecting passages between Luisenstrasse and Ernst-Ludwig-Strasse provide several retail stores and a continuous pedestrian flow. The saddleback roofed buildings have 12 elevators and two escalators. We understand that the Property is comprised of: Plot size: 8,255 sq m Lettable area: 20,825 sq m 325 car parking spaces				

CBRE

Valuation Report Relating to the Mars FL Portfolio

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Our ref. SG
Your ref.

27 April 2015

Valuation Report

Estimate of Market Value in accordance with the definition and guidance as agreed by the Royal Institution of Chartered Surveyors

The Direct Investment Portfolio:
Mars FL Portfolio (2 Properties), Hallbergmoos and Sulzbach, Germany

Effective Dates of Appraisal

Valuation Date:	**31 December 2014**
Date of completion of this report:	**27 April 2015**

Clients:
The Directors
Eurocastle Investment Limited
Regency Court
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Prepared by

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Germany

CBRE is a limited company (Gesellschaft mit beschränkter Haftung) incorporated under laws of Germany with registered number 13347. CBRE was incorporated on 3 April 1973 and has its registered office at the address set out above. The telephone number of the registered office is +49 (0)69 170 077 0. CBRE is not regulated but employs RICS and HypZert qualified valuers in its valuation department.

Date of Issue
27 April 2015

Signed Copy No:

Ladies and Gentlemen,

VALUATION OF MARS FL PORTFOLIO (2 PROPERTIES, HALLBERGMOOS AND SULZBACH, GERMANY)

1. Instructions

In accordance with instructions received from Eurocastle Investment Limited (the "Company" or the "Principal") on 26 November 2013 and the amendment to this instruction dated 15 January 2015, we have made relevant enquiries in order to provide our opinion of Market Value for the investment Properties as described in the Schedule (the "Properties") as at 31 December 2014 (the "Valuation Date") of the freehold (*Eigentum*) interests. We must point out that this comprises an update of a valuation carried out by CBRE Germany in 2006 (date of valuation 1 December 2006) in the course of which all the Properties were inspected. The latest re-inspections for the purposes of this revaluation have been carried out by CBRE in the 1st quarter 2013 (please find the actual inspection dates of the properties in the schedule attached to this report).

This Valuation Report has been prepared for the purpose of inclusion in the prospectus to be published by the Company (the "Prospectus") in connection with the admission of additional shares (Kapitalerhöhung) of the Company to listing and trading on NYSE Euronext Amsterdam ("Admission").

2. The Properties

The Properties we have valued are listed and briefly described in the Schedule attached to this Valuation Report (the "Schedule"). Each Property identified in the Schedule has been valued individually, and not as part of a portfolio.

The subject portfolio comprises 2 freehold equivalent (*Eigentum*) Properties.

3. Basis of Valuation

Our valuations have been carried out in accordance with The Royal Institution of Chartered Surveyors' (RICS) Valuation Professional Standards (January 2014), (the "Red Book") and in accordance with the relevant provisions of the current Prospectus Rules. They have been undertaken by External Valuers, as defined in the Red Book.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation(s) competently.

In accordance with the Financial Conduct Authority's current Prospectus Rules we have prepared our valuations in accordance with the Red Book on the basis of Market Value, which is defined in the Red Book, as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm´s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.”

4. Valuations

On the bases outlined in this Valuation Report, we are of the opinion that the Market Value of each individual freehold Property as at 31 December 2014, subject to and with the benefit of the various occupational leases or assumed occupational leases, as summarised in the Schedule, is as stated against that Property in the Schedule. Our valuations are exclusive of any VAT.

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The aggregate of the said individual Market Values of the Properties as at 31 December 2014 is €51,600,000 (Fifty one million six hundred thousand Euros) made up as follows:

Schedule	Investment Properties	€51,600,000
Total		€51,600,000
Total	Net Rent Receivable p.a.	€4,074,965
Total	Estimated Net Rental Value p.a.	€6,076,905

5. Transaction Costs

No allowances have been made for any expenses of realisation or for taxation which might arise in the event of a disposal of a Property. Our valuations are, however, net of acquisition costs.

6. Net Annual Rent Receivable

In the Schedule, we set out our estimates of the net annual rent currently receivable reflecting the sum of the contractually agreed rental payments receivable from the Properties as at 31 December 2014. In providing these estimates, we define "Net Annual Rent Receivable" as "the current income or income estimated by the valuer":

(i) ignoring any special receipts or deductions arising from the Property;

(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the Property and allowances to maintain it in a condition to command its rent.

In accordance with German market conventions the Properties are not let on effective full repairing and insuring leases in accordance with UK market conventions and as such the Net Annual Rent receivable does not reflect any appropriate allowance for disbursements.

7. Estimated Net Annual Rent

The Schedule sets out our opinion of the current Estimated Net Annual Rent, which is our opinion of the best rent at which a letting of the Property would have been completed at the Valuation Date assuming:

(a) a willing landlord;

(b) that, prior to the Valuation Date, there was a reasonable period (having regard to the nature of the Property and the state of the market) for the proper marketing of the interest, for the agreement of the rent and other letting terms and for the completion of the letting;

(c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the Valuation Date;

(d) that no account was taken of any additional bid by a prospective tenant with a special interest;

(e) that the length of term and principal conditions assumed to apply to the letting and the other lease terms were not exceptionally onerous or beneficial for a letting of the type and class of Property; and

CBRE

(f) that both parties to the transaction acted knowledgeably, prudently and without compulsion.

In the Schedules, we have stated the current Estimated Net Annual Rent, ignoring the present rent passing and any contracted fixed rent increases. In all cases, we have considered the Properties in their current specification and assumed good repair and condition or have made such deductions in respect of necessary maintenance and refurbishment as assumed in the calculation.

8. Sources of Information

For the update valuation as at 31 December 2014 the Principal has provided us with a rent roll dated 30 September 2014.

Accordingly the valuation reflects the physical, economical, legal and regulatory status of the portfolio on the basis of the information contained in these documents. Variations and amendments to these documents have been adopted as instructed specifically in writing by the Principal. CBRE accepts no liability for any errors or amendments which may have occurred after this date of which CBRE has not been expressly informed and instructed accordingly by the Principal. All conclusions made by CBRE regarding the condition and the actual characteristics of the land and buildings have been based exclusively on our inspection of the subject properties and on the documents and information provided.

8.1 Documents and Information provided

CBRE has assumed that it was provided with all information and documents that were relevant to CBRE in carrying out this update appraisal report. We have assumed that the information and documentation had unrestricted validity and relevance as at the date of valuation. We have not checked the relevant documents and information with respect to the above-mentioned issues.

8.2 Inspection

For the initial valuation CBRE had access to the subject properties in order to carry out the inspection. We have not carried out any building surveys. The properties have not been measured as part of CBRE's inspection nor have the services or other installations been tested. All of CBRE's conclusions resulting from the inspection are based purely on visual investigations without any assertion as to their completeness.

Investigations that might cause damage to the subject properties have not been carried out. Statements about parts of the structure or materials that are covered or otherwise inaccessible are based on the information or documents provided or on assumptions. In particular, structural surveys and technical investigations of any defects or damage of the properties, which may exist, have not been carried out.

According to our instruction letter, the assets will be inspected on site every 24 months. The properties were inspected in the 1st quarter 2013. Where changes in the physical composition and legal characteristics of the properties have been communicated to us, we have assumed without verification that these are valid and correct. In cases where we have not been informed of any material changes, and no changes were observable from our most recent on-site inspection, we have assumed that the properties have not materially changed.

8.3 Deleterious Material etc.

We have relied on the findings of the technical and environmental due diligence report carried out by THP for the individual properties in the course of the initial report. We have assumed that there are no further building materials or structures and no characteristics of the site that could endanger or have a deleterious effect on either the fitness of the subject properties for their purpose or the health of their occupiers and users.

Common examples of such materials include high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.

CBRE

We have not been instructed to carry out a structural survey, to test service installations, to carry out site investigations or environmental surveys. Our valuation is based on the third party due diligence reports as stated above. Since none of the pollutants require immediate action and potential risks in the long term perspective do not have a material impact on the overall value, we have not reflected any such costs in our valuations.

8.4 Site Conditions

We have relied on the findings of the technical and environmental due diligence report carried out by THP for the individual properties in the course of the initial report. We did not carry out investigations on site in order to determine the suitability of ground conditions and services, nor did we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuations were carried out on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

8.5 Environmental Contamination

We have relied on the findings of the technical and environmental due diligence report carried out by THP for the individual properties in the course of the initial report. We have assumed that there are no further issues concerning the subject properties regarding contamination and that no contaminative or potentially contaminative use is, or has ever been, carried out at the properties.

As we had not been specifically instructed to do so, we have not undertaken any investigation into the past or present uses of either the properties or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

Should it, however, be subsequently established that such contamination exists at the properties or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

8.6 Legal Requirements / Consents and Authorisation for the Use of the Property

For the compilation of the initial valuation report, we have relied on the final legal report prepared by Freshfields. Accordingly all material issues included in the findings and conclusions included in this report have been reflected in our report and valuation. An investigation of the compliance of the properties with legal requirements (including (permanent) planning consent, building permit, acceptance, restrictions, building, fire, health and safety regulations etc.) or with any existing private-law provisions or agreements relating to the existence and use of the site and building has not been carried out by CBRE.

In preparing our valuations, we have assumed that all necessary consents and authorisations for the use of the properties and the processes carried out at the properties are in existence, will continue to subsist and are not subject to any onerous conditions.

8.7 Taxes, Contributions, Charges

Since no information to the contrary has been brought to our attention, we have assumed that all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation.

8.8 Insurance Policy

Since no information to the contrary has been brought to our attention, we have assumed that the subject properties are covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

8.9 Town Planning and Road Proposals

We made only general enquiries of the local planning authorities and have relied on information provided to us in the legal due diligence report.
No formal searches were instigated. Except where stated to the contrary, there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the properties.

Since no information to the contrary has been brought to our attention, we have assumed that the properties are not adversely affected by town planning or road proposals.

8.10 Statements by Public Officials

In accordance with established legal practice, we have not regarded statements by public officials, particularly regarding factual information, as binding. We do not assume any liability for the application of any such statements or information in the subject appraisal report.

8.11 Assumptions regarding the Future

For the purpose of determining the market value of the subject properties, we have assumed that the existing business will continue (as regards both manner and extent of usage of the subject property) for the remainder of the useful life determined for the buildings, or that comparable businesses would be available to take over the use of the subject properties.
Where there is high voltage electricity supply apparatus within close proximity to the properties, unless, otherwise stated, we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

8.12 Tenants

No investigations have been carried out concerning either the status of payments of any contractually agreed rent or ground rent at the date of valuation, or of the creditworthiness of any tenants. Since no information to the contrary has been brought to our attention, we have assumed that there are no outstanding rental payments and that there are no reservations concerning the creditworthiness of any of the tenants.

8.13 Pending Litigation, Legal Restrictions (Easements on Real Estate, Rent Regulation etc.)

Since no information to the contrary has been brought to our attention, we have assumed that the properties are free from any pending litigation, that the ownership is unencumbered and that there are no other legal restrictions such as easements on real estate other than those referred to in the respective valuation, rent regulations, restrictive covenants in leases or other outgoings which might adversely affect value.

8.14 Subsidies

Since no information to the contrary has been brought to our attention, we have assumed that there are no circumstances related to subsidies or grants that might influence the value of the properties.

Important
Should any of the information or assumptions on which the valuation is based be subsequently found incorrect or incomplete, our calculations may need to be amended and the valuation figure may also be incorrect and should be re-evaluated. We therefore cannot accept any liability for the correctness of this assessment or for any loss or damage resulting there from.

9. General Assumptions

9.1 The Properties

CBRE

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations. Tenant-specific process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

9.2 Surface Areas

We have not measured the properties but have relied upon the schedules of area that were provided to us within the tenancy lists and the technical due diligence assessment. In undertaking our work, we have assumed that these floor areas are correct.

9.3 Title, Tenure, Planning and Lettings

With reference to the land register extracts supplied to us by the client, we have assumed that there are no entries, information or circumstances that could have an impact on market values (including any easements, restrictions, or similar restrictions and encumbrances). We reserve the right to amend our valuation should any such factors be found to exist.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of typical purchasers' likely perceptions of the financial status of tenants from a market perspective. Specifically we have assumed that:

a. the title of the property is free from any onerous or hampering restrictions or conditions;

b. all buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;

c. the property is not adversely affected by town planning or road proposals;

d. all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

e. tenants will meet their obligations under their leases and where appropriate are responsible for insurance and payments of business rates.

f. there are no user restrictions or other restrictive covenants in leases which would adversely affect value; and

g. all vacant accommodation is available to let, unencumbered.

9.4 Taxes, Insurance

In undertaking our valuation, we have assumed that:

a. all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation; and

b. the subject property is covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

9.5 Infrastructure and Services

It is assumed that all the sites are serviced within the meaning of paragraph 123 of the German statutory building code (§ 123 BauGB) i.e. that they are connected to the road system, service mains (water, electricity, gas and district heat) and sewers (for both waste and surface water) and that refuse collection was provided.

9.6 Purchaser's Costs

The following purchaser's costs have been assumed with regards to the dimension of the subject property.

Land transfer tax: Under German tax law, a transfer tax based on the purchase price has to be paid on property purchase. This is generally paid by the purchaser. The tax rate is different in each of the German federal states and applies in 2014 as follows:

Federal State	Land Transfer Tax Rate
Baden-Württemberg	**5.0%**
Bavaria	**3.5%**
Hesse	**6.0%**
Mecklenburg-Western Pomerania	**5.0%**
North Rhine-Westphalia	**5.0% (6.5% from January 2015)**
Rhineland-Palatinate	**5.0%**
Saxony	**3.5%**
Schleswig-Holstein	**6.5%**
Thuringia	**5.0%**
Saarland	**5.5% (6.5% from January 2015)**
Berlin	**6.0%**
Bremen	**5.0%**
Hamburg	**4.5%**
Lower Saxony	**5.0%**
Saxony-Anhalt	**5.0%**
Brandenburg	**5.0%**

Notary and legal fees: We have reflected an allowance of 0.25% up to 0.5% for notarising a purchase contract (compulsory under German law), land registry costs and miscellaneous legal charges, depending on purchase volume.

Agent's fees: In the German market it is common for the purchaser to be responsible for paying all or at least part of the agent's fees. We have therefore adopted a range of 1.0% up to 2.0%.

9.7 VAT

No allowance has been made in our valuation for the possible effect on value of non-recoverable VAT on purchase as a result of one or more of the tenants not being liable to pay VAT in addition to rent.

10. Addressees / Reliance

In respect of the Offer, the Valuation Report with the valuation date 31 December 2014 and the Prospectus is addressed to the Directors of the Principal, the Principal and Fortress Investment Group LLC, as the Principal's duly appointed investment manager (the "Manager"). Beyond that no responsibility will be accepted to any third party for the whole or any part of the contents of the Valuation Report, save for any responsibility arising under PR 5.5.3R or any other applicable law or regulation. The Valuation Report is only to be used for the specific purpose set out herein.

11. Disclosure

A copy of the Valuation Report may be disclosed on a non-reliance basis to the Principal's legal advisors as well as its auditors, listing agents, underwriters, investment banks and their legal advisors (actually or prospectively). Furthermore, in the case of syndication, the Valuation Report may be provided to banks on a non-reliance basis. The Principal is obliged to inform CBRE in writing of the name and full address of each of such parties prior to the respective disclosure of the Valuation Report.

In addition CBRE agrees to the disclosure of the Valuation Report for the purpose of approving and publishing of the Prospectus, including where submitted to the UK Listing Authority in draft form.

12. Publication

CBRE

CBRE agrees that the Valuation Report and any letters related thereto can be integrated into the Prospectus in an unchanged form. Unless otherwise stated in this instruction, neither the whole nor any part of the Valuation Report or letters related thereto nor any references thereto may be included in any published document, circular statement nor published in any way without our prior written approval of the form and context in which it will appear.

CBRE also hereby consents to the inclusion in the Prospectus of a declaration, as required by paragraph PR5.5.8R of the Prospectus Rules and item 1.2 of Annex 1 to the Commission Regulation (EC) No. 809/2004 (as amended) as set out in Appendix 3 of the Prospectus Rules, that, having taken all reasonable care to ensure that such is the case, the information contained in those parts of the Prospectus for which we are responsible is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

13. Insurance and Liability

The liability of CBRE, of a legal representative or an agent is restricted to gross negligence and wilful intent.

The liability restriction referred to in the first paragraph shall not apply, if and as far as product liability claims are present, if the existence of a defect has been maliciously concealed, if a guarantee has been assumed and/or in case of a personal injury, death or damage to personal health.

The liability restriction referred to in the first paragraph shall not apply in cases of negligence, if and as far as the damage is covered by an insurance of CBRE. However, in this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

The liability restriction referred to in the first paragraph shall not be applicable in cases of negligence, if essential Contractual obligations (so-called "cardinal duties", the satisfaction of which enables the proper execution of the Contract at all and on which the Client relies and may as a rule rely on its compliance) have been violated. However, the liability for essential Contractual obligations is limited to the reimbursement of the foreseeable, typically occurring damages. In this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

14. Assignation of Rights

The addressees of the agreement, based upon which this report has been prepared, shall not be entitled to assign their rights under the agreement – in total or in part – to any third party or parties, unless it was explicitly specified otherwise in the agreement.

15. Place of Performance and Jurisdiction

The agreement, on which the preparation of this report is based, is governed by and construed in accordance with the laws of the Federal Republic of Germany. In the event that there is any conflict between the English legal meaning and the German legal meaning of this Contract or any part hereof, the German legal meaning shall prevail. The place of performance and jurisdiction for disputes arising from this contractual relationship shall be Frankfurt am Main, Germany.

CBRE

Yours faithfully

STEFAN GUNKEL
Ö.B.U.V. SV., CIS HYPZERT (F)
MANAGING DIRECTOR
HEAD OF VALUATION GERMANY

For and on behalf of
CBRE GmbH

ppa. TOBIAS JERMIS
MRICS, CIS HYPZERT (F)
DIRECTOR
TEAM LEADER OFFICE & LOGISTICS VALUATION

For and on behalf of
CBRE GmbH

THE SCHEDULE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents Receivable 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12.2014
ID:mfl06635 Am Söldnermoos 6,8,10,12, 85399 Hallberg-moos 19 February 2013	The subject property is located in the business park of Hallbergmoos. This business park is situated north-east of Munich and next to Franz-Josef-Strauss Airport. The office areas of Hallbergmoos almost border the airport. The inner city of Munich is some 35 km away; access to the A92 motorway is within a 2 minute drive. The buildings are highly visible from both streets. The main entrances and the access to the underground car parks are situated at the front; access is also available from the campus and the inner areas of the sites. Erected in 1994, the office campus consists of 11 single properties. The two larger ones (1+5) contain five floors divisible into four rental units per floor, whereas all other properties contain four floors divisible into three rental units per floor. The properties 1+5 are of modern and impressive architecture, they are easily recognisable. Each office can be designed according to the tenant's preferences due to the flexible partition wall system, allowing for a minimum size of some 250 sq m. Other major characteristics of the buildings are: • Axis dimension of 1.40 m, room depth of 5.90 m • Floor to ceiling height of 2.75 m in the offices, up to 3 m on the ground floor • Tinted glass windows and internal sun blinds • Ceilings with integrated cooling system • Raised floors, cable conduits • Flexible partition wall system We understand that the Property is comprised of: Plot size: 41,046 sq m	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Eurojet Turbo GmbH - office/storage - (2,584.42 sq m) expiring 30 November 2017. Passing rent is €224,987 per annum. Indexed 100% CPI p.a. Merial GmbH - office/storage - (2,935.00 sq m) expiring 28 February 2016. Passing rent is €320,092 p.a. Partly no indexation / 5 pts. or 10 pts. hurdle/100% and 100% CPI p.a.. Stark Verlagsgesellschaft mbH - office - (3,217.37 sq m) expiring 30 April 2016. Passing rent is €296,048 p.a. Indexed 100% CPI p.a.. Netma - office/storage – (9,306.00 sq m) beginning 1 December 2014 and expiring 30 November 2024. The office and storage space is currently rent free until August 2015. Contractual rent is €884,184 p.a. Indexed 100% CPI p.a.	€1,647,978	€3,668,961	€26,680,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents Receivable 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12.2014
	Lettable area: 40,272 sq m 992 car parking spaces				
ID:mfl06760 Otto-Volger-Strasse 1,1a, 65843 Sulzbach Date of Inspection: 20 February 2013	Sulzbach is a mid-sized town in the Taunus region, ca. 15 km west of Frankfurt am Main. Located in a major business park in Sulzbach, the property benefits from its proximity to the A66 motorway which is only 1.5 km away. It also provides access to the A5 and the A3. There is a bus station some 800 m away which provides connections to the local railway station. The building itself is situated at the edge of the business park. The square flat site covers an area of approximately 25,000 sq m. The buildings are visible from Otto-Vogler-Strasse as well as from Am Limes Park, they are accessible from various entrances on Otto-Vogler-Strasse. The complex comprises 3 buildings which were erected in 1990 and 1992. The 4-storey flat roofed buildings offer 2 and 3 glass lifts, respectively. The design of the complex can be described as modern and functional with aluminium-framed windows. The white facade of the building is plastered. All floors accommodate offices with high quality fit-out. All offices can be designed according to the tenant's preferences due to the flexible wall systems. The entrance areas are equipped with natural stone floors, glass and stainless steel. Other major characteristics of the building are: • Floor to ceiling height between 3 m and 3.20 m • Cable conduits • Fire alarm system We understand that the Property is comprised of: Plot size: 25,000 sq m Lettable area: 22,522 sq m	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: LG Electronics Deutschland GmbH - office/storage - (2,762.86 sq m) expiring 31 March 2019. Passing rent is €318,611 p.a. 404.72 sq m of office and storage space is currently rent free until October 2015. Indexed 100% CPI p.a. AVEVA GmbH - office - (1,440.00 sq m) expiring 31 May 2021. Passing rent is €215,917 p.a. Indexed 10 pts. hurdle/ 100%. CABB GmbH - office/storage - (1,238.91 sq m) expiring 14 April 2017. Passing rent is €184,278 p.a. Rental increase to €17,640.73 per month in February 2015 for the leased office space. Indexed 5% hurdle/100%. Mirka Schleifmittel - office/storage - (878.52 sq m) expiring 30 April 2018. Passing rent is €138,046 p.a. Indexed 100% CPI p.a.	€2,426,986	€2,407,944	€24,920,000

CBRE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents Receivable 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12.2014
	443 car parking spaces				

CBRE

Valuation Report Relating to the Truss Portfolio

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Our ref. SG
Your ref.

27 April 2015

Valuation Report

Estimate of Market Value in accordance with the definition and guidance as agreed by the Royal Institution of Chartered Surveyors

The Direct Investment Portfolio:
Truss Portfolio (41 Properties), Multiple Locations, Germany

Effective Dates of Appraisal

Valuation Date:	**31 December 2014**
Date of completion of this report:	**27 April 2015**

Clients:
The Directors
Eurocastle Investment Limited
Regency Court
Glategny Esplanade
St. Peter Port GY1 1 WW
Guernsey

Fortress Investment Group LLC
1345 Avenue of the Americas
47th Floor
New York, NY 10105

Prepared by

CBRE GmbH ("CBRE")
Bockenheimer Landstrasse 24
60323 Frankfurt am Main
Germany

CBRE is a limited company (Gesellschaft mit beschränkter Haftung) incorporated under laws of Germany with registered number 13347. CBRE was incorporated on 3 April 1973 and has its registered office at the address set out above. The telephone number of the registered office is +49 (0)69 170 077 0. CBRE is not regulated but employs RICS and HypZert qualified valuers in its valuation department.

Date of Issue
27 April 2015

Signed Copy No:

Ladies and Gentlemen,

VALUATION OF TRUSS PORTFOLIO (41 PROPERTIES, MULTIPLE LOCATIONS, GERMANY)

1. Instructions

In accordance with instructions received from Eurocastle Investment Limited (the "Company" or the "Principal") on 26 November 2013 and the amendment to this instruction dated 15 January 2015, we have made relevant enquiries in order to provide our opinion of Market Value for the investment Properties as described in the Schedule (the "Properties") as at 31 December 2014 (the "Valuation Date") of the freehold (*Eigentum*) and leasehold (*Erbbaurecht*) interests. We must point out that this comprises an update of a valuation carried out by CBRE in 2006 (date of valuation 1 December 2006) in the course of which all the Properties were inspected. The latest re-inspections for the purposes of this revaluation have been carried out by CBRE between the 1st and 3rd quarter 2013 (please find the actual inspection dates of the properties in the schedule attached to this report).

This Valuation Report has been prepared for the purpose of inclusion in the prospectus to be published by the Company (the "Prospectus") in connection with the admission of additional shares (Kapitalerhöhung) of the Company to listing and trading on NYSE Euronext Amsterdam ("Admission").

2. The Properties

The Properties we have valued are listed and briefly described in the Schedule attached to this Valuation Report (the "Schedule"). Each Property identified in the Schedule has been valued individually, and not as part of a portfolio.

The subject portfolio comprises 37 freehold equivalent (*Eigentum*) Properties and 4 leasehold equivalent (Erbbaurecht) Properties.

3. Basis of Valuation

Our valuations have been carried out in accordance with The Royal Institution of Chartered Surveyors' (RICS) Valuation Professional Standards (January 2014), (the "Red Book") and in accordance with the relevant provisions of the current Prospectus Rules. They have been undertaken by External Valuers, as defined in the Red Book.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation(s) competently.

In accordance with the Financial Conduct Authority's current Prospectus Rules we have prepared our valuations in accordance with the Red Book on the basis of Market Value, which is defined in the Red Book, as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm´s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion."

4. Valuations

On the bases outlined in this Valuation Report, we are of the opinion that the Market Value of each individual freehold Property as at 31 December 2014, subject to and with the benefit of the various occupational leases or assumed occupational leases, as summarised in the Schedule, is as stated against that Property in the Schedule. Our valuations are exclusive of any VAT.

CBRE

The aggregate of the said individual Market Values of the Properties as at 31 December 2014 is €87,900,000 (Eighty seven million nine hundred thousand Euros) made up as follows:

Schedule	Investment Properties	€87,900,000
Total		€87,900,000
Total	Net Rent Receivable p.a.	€7,771,987
Total	Estimated Net Rental Value p.a.	€7,917,778

5. Transaction Costs

No allowances have been made for any expenses of realisation or for taxation which might arise in the event of a disposal of a Property. Our valuations are, however, net of acquisition costs.

6. Net Annual Rent Receivable

In the Schedule, we set out our estimates of the net annual rent currently receivable reflecting the sum of the contractually agreed rental payments receivable from the Properties as at 31 December 2014. In providing these estimates, we define "Net Annual Rent Receivable" as "the current income or income estimated by the valuer”:

(i) ignoring any special receipts or deductions arising from the Property;

(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the Property and allowances to maintain it in a condition to command its rent.

In accordance with German market conventions the Properties are not let on effective full repairing and insuring leases in accordance with UK market conventions and as such the Net Annual Rent receivable does not reflect any appropriate allowance for disbursements.

7. Estimated Net Annual Rent

The Schedule sets out our opinion of the current Estimated Net Annual Rent, which is our opinion of the best rent at which a letting of the Property would have been completed at the Valuation Date assuming:

(a) a willing landlord;

(b) that, prior to the Valuation Date, there was a reasonable period (having regard to the nature of the Property and the state of the market) for the proper marketing of the interest, for the agreement of the rent and other letting terms and for the completion of the letting;

(c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the Valuation Date;

(d) that no account was taken of any additional bid by a prospective tenant with a special interest;

(e) that the length of term and principal conditions assumed to apply to the letting and the other lease terms were not exceptionally onerous or beneficial for a letting of the type and class of Property; and

(f) that both parties to the transaction acted knowledgeably, prudently and without compulsion.

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In the Schedules, we have stated the current Estimated Net Annual Rent, ignoring the present rent passing and any contracted fixed rent increases. In all cases, we have considered the Properties in their current specification and assumed good repair and condition or have made such deductions in respect of necessary maintenance and refurbishment as assumed in the calculation.

8. Sources of Information

For the update valuation as at 31 December 2014 the Principal has provided us with a rent roll dated 30 September 2014.

The update valuation is also based on our latest inspection as well as on the data and information that was taken into account for the initial valuation (e.g. third party due diligence reports) and is also reflecting the updated data provided for previous regular revaluations. An explicit list of data provided for the initial valuation is included in the initial valuation report dated 16 May 2006. We have assumed this information to be accurate and reliable and unless otherwise specifically stated within this report, this has not been checked or verified by CBRE.

We have based our assessment of market data and comparable transactions on our in-house research, on publications from market participants, as well as on the publications of other institutes.

All conclusions made by CBRE as regards the condition and the actual characteristics of the land and buildings have been based exclusively on our inspection of the subject property and on the documents and information provided.

In the event of open questions arising, we have made reasonable assumptions appropriate to customary valuation practice in the jurisdiction where the relevant property is based.

We do not accept any responsibility or liability associated with inaccurate information which has been provided by any third party.

8.1 Documents and Information provided

CBRE has assumed that it was provided with all information and documents that were relevant to CBRE in carrying out this appraisal report. We have assumed that the information and documentation had unrestricted validity and relevance as at the date of valuation. We have not checked the relevant documents and information with respect to the above-mentioned issues.

8.2 Inspections

CBRE had access to the subject properties as members of the public in order to carry out the inspections. We have not carried out any building surveys. The properties have not been measured as part of CBRE's inspection nor have the services or other installations been tested. All of CBRE's conclusions resulting from the inspection are based purely on visual investigations without any assertion as to their completeness.

Investigations that might cause damage to the subject properties have not been carried out. Statements about parts of the structure or materials that are covered or otherwise inaccessible are based on the information or documents provided or on assumptions. In particular, structural surveys and technical investigations of any defects or damage of the properties, which may exist, have not been carried out.

8.3 Deleterious Material etc.

Since no information to the contrary has been brought to our attention, we have assumed that there are no building materials or structures and no characteristics of the site that could endanger or have a deleterious effect on either the fitness of the subject properties for their purpose or the health of their occupiers and users. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.

8.4 Site Conditions

We did not carry out investigations on site in order to determine the suitability of ground conditions and services, nor did we

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undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuations were carried out on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of a property which may have redevelopment potential, we have assumed that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems. Furthermore, we have assumed in such circumstances that no unusual costs will be incurring in the demolition and removal of any existing structure on the property.

8.5 Environmental Contamination

Since no information to the contrary has been brought to our attention, we have assumed that the subject properties are not contaminated and that no contaminative or potentially contaminative use is, or has ever been, carried out at the properties. Since no information to the contrary has been brought to our attention, we are not aware of any environmental audit or other environmental investigations or soil surveys which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

As we had not been specifically instructed, we have not undertaken any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

Should it, however, be subsequently established that such contamination exists at the property or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

8.6 Legal Requirements / Consents and Authorisation for the Use of the Property

An investigation of the compliance of the property with legal requirements (including (permanent) planning consent, building permit, acceptance, restrictions, building, fire, health and safety regulations etc.) or with any existing private-law provisions or agreements relating to the existence and use of the site and building has not been carried out.

In preparing our valuations, we have assumed that all necessary consents and authorisations for the use of the property and the processes carried out at the property are in existence, will continue to subsist and are not subject to any onerous conditions.

8.7 Taxes, Contributions, Charges

Since no information to the contrary has been brought to our attention, we have assumed that all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation.

8.8 Insurance Policy

Since no information to the contrary has been brought to our attention, we have assumed that the subject property is covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

8.9 Town Planning and Road Proposals

Since no information to the contrary has been brought to our attention, we have generally assumed that the properties are not adversely affected by town planning or road proposals.

8.10 Statements by Public Officials

In accordance with established legal practice, we have not regarded statements by public officials, particularly regarding factual information, as binding. We do not assume any liability for the application of any such statements or information in the subject appraisal report.

8.11 Assumptions regarding the Future

For the purpose of determining the market value of the subject property, we have assumed that the existing business will continue (as regards both manner and extent of usage of the subject property) for the remainder of the useful life determined for

the buildings, or that comparable businesses would be available to take over the use of the subject property.
Where there is high voltage electricity supply apparatus within close proximity to the property, unless, otherwise stated, we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

8.12 Tenants

No investigations have been carried out concerning either the status of payments of any contractually agreed rent or ground rent at the date of valuation, or of the creditworthiness of any tenant(s). Since no information to the contrary has been brought to our attention, we have assumed that there are no outstanding rental payments and that there are no reservations concerning the creditworthiness of any of the tenants.

8.13 Pending Litigation, Legal Restrictions (Easements on Real Estate, Rent Regulation etc.)

Since no information to the contrary has been brought to our attention, we have assumed that the property is free from any pending litigation, that the ownership is unencumbered and that there are no other legal restrictions such as easements on real estate, rent regulations, restrictive covenants in leases or other outgoings which might adversely affect value.

8.14 Subsidies

Since no information to the contrary has been brought to our attention, we have assumed that there are no circumstances related to subsidies or grants that might influence the value of the property.

Important

Should any of the information or assumptions on which the valuation is based be subsequently found incorrect or incomplete, our calculations may need to be amended and the valuation figure may also be incorrect and should be re-evaluated. We therefore cannot accept any liability for the correctness of this assessment or for any loss or damage resulting there from.

9. General Assumptions

9.1 The Properties

Where appropriate, we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building. Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations. Tenant-specific process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

9.2 Inspections

In accordance with our instructions, we have last re-inspected the subject properties between March and August 2013. As agreed and wherever possible the properties were inspected internally and externally, however only the publicly accessible areas. With regards to the building and internal structure of the subject properties, we have also made assumptions relying on information provided by the technical due diligence of the technical advisors for our initial valuation. In the event of these assumptions proving to be incorrect, we reserve the right to amend our valuation accordingly.

9.3 Repair and Condition

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the properties. We are unable, therefore, to give any assurance that the properties are free from defect.

In the absence of any information to the contrary, we have assumed that:

a. there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the properties;

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b. the properties are free from rot, infestation, structural or latent defect;

c. no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the properties; and

d. the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

9.4 Environmental Matters

In undertaking our work, we have assumed that the property is not contaminated and that no contaminative or potentially contaminative uses have ever been carried out on it. Specifically we have assumed that:

a. the properties are not contaminated and not adversely affected by any existing or proposed environmental law; and

b. any processes which are carried out on the properties which are regulated by environmental legislation are properly licensed by the appropriate authorities.

We have therefore not undertaken, nor have we taken into account any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. We have not carried out any investigation into past or present uses of the property nor of any neighbouring land to establish whether there is any potential for contamination from these uses or sites adjacent to the subject properties and have therefore assumed that none exists.

We have otherwise considered the age and apparent general condition of the properties but comments made in the property details do not express an opinion about or advise us on the condition of parts not inspected and should not be taken as making an implied representation or statement about such parts.

9.5 Floor Areas

We have relied upon the schedules of area that were provided to us. In undertaking our work, we have assumed that these surface areas are correct. All measurements, areas and ages quoted in our report are approximate.

9.6 Title, Tenure, Planning and Lettings

With reference to the land register extracts supplied to us by the client, we have assumed that there are no entries, information or circumstances that could have an impact on market values (including any easements, restrictions, or similar restrictions and encumbrances). We reserve the right to amend our valuation should any such factors be found to exist.

Details of title/tenure under which the properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have conducted credit enquiries on the financial status of the main tenants. In undertaking our valuations we have reflected our general understanding of a typical purchaser's likely perceptions of the financial status of tenants from a market perspective.

Unless stated otherwise within this report and in the absence of any information to the contrary, we have assumed that:

a. the properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;

b. all buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;

c. the properties are not adversely affected by town planning or road proposals;

d. all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

e. tenants will meet their obligations under their leases and where appropriate are responsible for insurance and payments of business rates;

f. there are no user restrictions or other restrictive covenants in leases, which would adversely affect value; and

g. all vacant accommodation is available to let and unencumbered.

9.7 Infrastructure and Services

It is assumed that all the sites are serviced within the meaning of paragraph 123 of the German statutory building code (Baugesetzbuch § 123) i.e. that they are connected to the road system, service mains (water, electricity, gas and district heat) and sewers (for both waste and surface water) and that refuse collection was provided.

9.8 Taxes, Insurance

In undertaking our valuation, we have assumed that:

a. all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation; and

b. the subject property is covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

9.9 VAT

No allowance has been made in our valuation for the possible effect on value of non-recoverable VAT (Mehrwertsteuer) on purchase as a result of one or more of the tenants not being liable to pay VAT in addition to rent.

9.10 Purchaser's Costs

The following purchaser's costs have been assumed with regards to the size of the subject properties:

Land transfer tax: Under German tax law, a transfer tax based on the purchase price has to be paid on property purchase. This is generally paid by the purchaser. The tax rate is different in each of the German federal states and applies in 2014 as follows:

Federal State	Land Transfer Tax Rate
Baden-Württemberg	**5.0%**
Bavaria	**3.5%**
Hesse	**6.0%**
Mecklenburg-Western Pomerania	**5.0%**
North Rhine-Westphalia	**5.0% (since 1 January 2015, 6.5%)**
Rhineland-Palatinate	**5.0%**

Federal State	Land Transfer Tax Rate
Saxony	**3.5%**
Schleswig-Holstein	**6.5%**
Thuringia	**5.0%**
Saarland	**3.5% (since 1 January 2015, 6.5%)**
Berlin	**6.0%**
Bremen	**5.0%**
Hamburg	**4.5%**
Lower Saxony	**5.0%**
Saxony-Anhalt	**5.0%**
Brandenburg	**5.0%**

Notary and legal fees: Due to the size of the properties we have made the assumption of generally 1% for notary and legal fees, which is in line with average costs for notarising a purchase contract (compulsory under German law), land registry costs and miscellaneous legal charges.

Agent's fees: In the German market it is common for the purchaser to be responsible for paying all or at least part of the agent's fees. We have adopted fees of generally 2% to 2.5% which, in our experience, is in line with market conditions.

10. Addressees / Reliance

In respect of the Offer, the Valuation Report with the valuation date 31 December 2014 and the Prospectus is addressed to the Directors of the Principal, the Principal and Fortress Investment Group LLC, as the Principal's duly appointed investment manager (the "Manager"). Beyond that no responsibility will be accepted to any third party for the whole or any part of the contents of the Valuation Report, save for any responsibility arising under PR 5.5.3R or any other applicable law or regulation. The Valuation Report is only to be used for the specific purpose set out herein.

11. Disclosure

A copy of the Valuation Report may be disclosed on a non-reliance basis to the Principal's legal advisors as well as its auditors, listing agents, underwriters, investment banks and their legal advisors (actually or prospectively). Furthermore, in the case of syndication, the Valuation Report may be provided to banks on a non-reliance basis. The Principal is obliged to inform CBRE in writing of the name and full address of each of such parties prior to the respective disclosure of the Valuation Report.

In addition CBRE agrees to the disclosure of the Valuation Report for the purpose of approving and publishing of the Prospectus, including where submitted to the UK Listing Authority in draft form.

12. Publication

CBRE agrees that the Valuation Report and any letters related thereto can be integrated into the Prospectus in an unchanged form. Unless otherwise stated in this instruction, neither the whole nor any part of the Valuation Report or letters related thereto nor any references thereto may be included in any published document, circular statement nor published in any way without our prior written approval of the form and context in which it will appear.

CBRE also hereby consents to the inclusion in the Prospectus of a declaration, as required by paragraph PR5.5.8R of the Prospectus Rules and item 1.2 of Annex 1 to the Commission Regulation (EC) No. 809/2004 (as amended) as set out in Appendix 3 of the Prospectus Rules, that, having taken all reasonable care to ensure that such is the case, the information contained in those parts of the Prospectus for which we are responsible is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

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13. Insurance and Liability

The liability of CBRE, of a legal representative or an agent is restricted to gross negligence and wilful intent.

The liability restriction referred to in the first paragraph shall not apply, if and as far as product liability claims are present, if the existence of a defect has been maliciously concealed, if a guarantee has been assumed and/or in case of a personal injury, death or damage to personal health.

The liability restriction referred to in the first paragraph shall not apply in cases of negligence, if and as far as the damage is covered by an insurance of CBRE. However, in this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

The liability restriction referred to in the first paragraph shall not be applicable in cases of negligence, if essential Contractual obligations (so-called "cardinal duties", the satisfaction of which enables the proper execution of the Contract at all and on which the Client relies and may as a rule rely on its compliance) have been violated. However, the liability for essential Contractual obligations is limited to the reimbursement of the foreseeable, typically occurring damages. In this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

14. Assignation of Rights

The addressees of the agreement, based upon which this report has been prepared, shall not be entitled to assign their rights under the agreement – in total or in part – to any third party or parties, unless it was explicitly specified otherwise in the agreement.

15. Place of Performance and Jurisdiction

The agreement, on which the preparation of this report is based, is governed by and construed in accordance with the laws of the Federal Republic of Germany. In the event that there is any conflict between the English legal meaning and the German legal meaning of this Contract or any part hereof, the German legal meaning shall prevail. The place of performance and jurisdiction for disputes arising from this contractual relationship shall be Frankfurt am Main, Germany.

Yours faithfully

STEFAN GUNKEL
Ö.B.U.V. SV., CIS HYPZERT (F)
MANAGING DIRECTOR
HEAD OF VALUATION GERMANY

For and on behalf of
CBRE GmbH

ppa. TOBIAS JERMIS
MRICS, CIS HYPZERT (F)
DIRECTOR
TEAM LEADER OFFICE & LOGISTICS VALUATION

For and on behalf of
CBRE GmbH

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THE SCHEDULE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: tru05300 Grünberger Str. 82 36304 Alsfeld Date of Inspection: 4 April 2013	The town of Alsfeld has approximately 16,400 inhabitants (2011) and is located in Hesse, roughly 102 km to the north east of Frankfurt and 448 km to the south west of Berlin, within 2 km of junction 5 of the A5 motorway. The subject property is a small multi-let retail warehouse centre, built in 2006. It is an L-shaped reinforced concrete frame construction with brick facades which are rendered and painted. The building has a pitched and tiled roof. Each of the rental units has a separate entrance, storage, staff rooms and sales areas with their own specifications. There is ample car parking provided in front of the building facing the road. We understand that the Property comprises the following: Plot size: 6,085 sq m Lettable area: 1,573 sq m 100 car parking spaces	Freehold (Eigentum) The Property is let to: REWE Deutscher Supermarkt KGaA — supermarket (1,042.96 sq m) expiring 22 May 2021. Passing rent is €139,776 per annum. Indexed 0% hurdle/30%. KiK Textilien und Non-Food GmbH — discount fashion retailer (530.40 sq m) expiring 22 May 2016. Passing rent is €57,960 per annum. Indexed 10% hurdle/60%.	€197,736	€191,772	€2,370,000
Unit-ID: tru05305 Sieboldstrasse 1 97688 Bad Kissingen Date of Inspection: 27 March 2013	Bad Kissingen is a well-known spa town located approximately 150 km east of Frankfurt and 63 km south of Fulda in Hesse. The population of Bad Kissingen is roughly 20,800. The property is located towards the northern fringe of the town, on a new commercial estate being developed on the site of former US barracks. The site is prominently situated towards the entrance to this new development area. The property is a retail warehouse centre with six retail units, built in 2005. It is a	Freehold (Eigentum) The Property is let to: Dänisches Bettenlager — furniture retailer (865.00 sq m) expiring 31 October 2015. Passing rent is €72,660 per annum. Indexed 10% hurdle/70%. Fressnapf — pet food (600.00 sq m) expiring 20 November 2015. Passing rent is €50,400 per annum. Indexed 10%	€315,518	€308,716	€3,400,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	single-storey, re-inforced concrete frame structure with concrete panel walls under a mainly flat roof. The building occupied by a beverage store has a shallow pitched roof. Windows appear to be metal-framed, with one unit having rear security grills, presumably at the tenant's request. The internal specifications of the sales areas vary among the tenants. The building is set at a right-angle to the main road Kasernenstrasse. It also faces Sieboldstrasse, a short no-through road with no natural traffic flow. While the unit nearest the main road (Dänisches Bettenlager) has good visibility, units further away are less prominent. Customer access is from Sieboldstrasse, while separate a delivery access is provided to the rear, from Columbiastrasse. There is a bus stop in the latter street, close to the property. We understand that the Property comprises the following: Plot size: 10,153 sq m Lettable area: 3,376 sq m 175 car parking spaces	hurdle/60%. K+K Shoe Market GmbH — (444.89 sq m) for expiring 9 November 2015. Passing rent is €44,880 per annum. Indexed 10% hurdle/60%. KIK — textile discounter (525.00 sq m) expiring 13 November 2015. Passing rent is €59,787 per annum. Indexed 10% hurdle/50%. Tedi — retailer (425.00 sq m) expiring 13 November 2015. Passing rent is €43,299 per annum. Indexed 10% hurdle/50%. Logo/Heurich — retailer (515.39 sq m) expiring 30 November 2018. Passing rent is €44,492 per annum. Indexed 10% hurdle//60%.			
Unit-ID: tru05310 Up De Heuchte 3-5 49196 Bad Laer Date of Inspection: 12 April 2013	Bad Laer, with a population of approx. 9,100, is located in the German state of North Rhine-Westphalia. Bad Laer is located roughly 25 km to the south of city Osnabrück. The subject property is located at the Up De Heuchte/Grüner Weg in a non-pedestrian zone at the southeast side of Bad Laer. The surrounding area is characterised by agricultural land, retail and housing uses. It is easily accessible by car. Access by public transport is moderate. The subject property consists of two separate buildings, one let to Lidl and the other	Freehold (Eigentum) The Property is let to: Lidl Dienstleistungs GmbH — discounter (1,078.05 sq m) expiring 30 November 2016. Passing rent is €130.102 per annum. Indexed 10% hurdle/60%. Willi Oberhülsmann — beverage store (706.95 sq m) expiring 31 December	€162,218	€173,037	€1,840,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	to Willy's, a beverage store, including a further unit which was let to the drug store chain Schlecker but is vacant at present. Both are concrete constructions, have a ground floor as well as an upper floor and a pitched roof with tiles. The facades are of brick/plaster work and steel panels. The public areas (ground floor) can be accessed through sliding and manual doors. The loading area for the Lidl store is located at the rear of the subject property (along the no-through road Up De Heuchte). Sprinklers/smoke detectors are not available on the inspected ground floor. An external car park for around 158 cars is available. A common parking area is located in front of both buildings. We understand that the Property is comprised of the following: Site Area: 12,930 sq m Lettable Area: 2,010 sq m 158 car parking spaces	2020. Passing rent is €32,116 per annum. Indexed 10% hurdle/60%.			
Unit-ID: tru05315 Detmolder Str. 222 33175 Bad Lippspringe Date of Inspection: 12 April 2013	Bad Lippspringe, with a population of approximately 15,200 is located roughly 12 km from Paderborn, 20 km from Detmold and about 40 km from Bielefeld in North Rhine-Westphalia. The subject property is located on Detmolder Strasse (at the corner with Am Beispring road) in a non pedestrian zone on the northeast side of Bad Lippspringe. The surrounding area is principally characterised by residential and retail uses. The subject property is a concrete frame construction, distributed over a ground floor and one upper floor under pitched	Freehold (Eigentum) The Property is let to: REWE Dt. Supermarkt KG a.A. — supermarket (1,313.36 sq m) expiring 30 June 2020. Passing rent is €138,000 per annum. Indexed 10% hurdle/60%. KiK Textilien und Non-Food GmbH — clothes retailer (493.35 sq m) expiring 28 February 2020. Passing rent	€185,064	€186,244	€2,240,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	tiled roof. The facades are of brick. There is a lean-to above the entrance. The publicly accessible floor (ground floor) can be accessed by sliding doors. The loading area is located at the front (Penny supermarket) and side (Kik textile discounter) of the subject property. Sprinklers/smoke detectors are not available on the inspected floor. The upper floor was not publicly accessible during our inspection. It appears to be occupied and we assume it has an ancillary function. The subject property appears to be in an average condition concerning the building's age. We understand that the Property comprises the following: Plot size: 3,800 sq m Lettable area: 1,807 sq m 120 car parking spaces	is €47,064 per annum. Indexed 10% hurdle/60%.			
Unit-ID: tru05320 Schwarzer Weg 44 21357 Bardowick Date of Inspection: 27 March 2013	Bardowick is located approximately 25 km south-east of Hamburg in the state of Schleswig-Holstein. Bardowick has a population of approx. 6,400 inhabitants. The subject property is located at the Hamburgerlandstrasse/Schwartzerweg in a fringe of Bardowick. The surrounding area is characterised mainly by residential uses. Accessibility by car and by public transport is good. The subject property is occupied supermarket built in 2005. It is a REWE supermarket format with relatively large sales areas and ample parking facilities. The	Freehold (Eigentum) The Property is let to: REWE, NL Norderstedt — (1,996.26 sq m) expiring 31 December 2025. Rent agreed € 243,863 per annum. Indexed 10% hurdle/65%.	€243,863	€239,551	€3,170,000

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	building appears to be a reinforced concrete frame construction with masonry infill, is distributed over a ground floor and one upper floor under a pitched tiled roof. The facades are of brick and steel panels painted in the REWE corporate colours. The building includes sales areas, staff rooms, storage space, a beverage store with a separate entrance and a bakery in the entrance area of the supermarket. We understand that the Property comprises the following: Site Area: 8,000 sq m Lettable Area: 1,996 sq m 135 car parking spaces				
Unit-ID: tru05325 Ilmer Weg 2a 21357 Bardowick Date of Inspection: 27 March 2013	Bardowick is located approximately 25 km south-east of Hamburg in the state of Schleswig-Holstein. Bardowick has a population of approx. 6,400 inhabitants. The subject property is located at the Hamburgerlandstrasse/Schwartzerweg in a fringe of Bardowick. The surrounding area is characterised mainly by residential uses. Accessibility by car and by public transport is good. The subject property comprises a rectangular stand alone supermarket, built around 2004. The building is a steel frame construction, is distrbuted over a ground floor and one upper floor and has a pitched tiled roof. The facades are of brick and steel panels. Sliding doors lead to the publicly-accessible floors (ground floor). The loading area with a dock loader is located at the eastern side of the subject property.	Ground Lease (Erbbaurecht) Annual ground lease is € 10,000 until 1 April 2029. The Property is let to: Penny — supermarket (987 sq m) expiring 12 September 2016. Rent agreed € 113,100 per annum. Indexed 10% hurdle/60%.	€113,110	€112,518	€1,090,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Sprinklers / smoke detectors are not available on all inspected floors. We understand that the Property comprises the following: Site Area: 2,811 sq m Lettable Area: 987 sq m 80 car parking spaces				
Unit-ID: tru05330 Neusalzaer Strasse. 39a / Zeppelinstrasse 02625 Bautzen Date of Inspection: 21 August 2013	Bautzen, located in Saxony, is a small town approximately 65 km east of Dresden. The district of Bautzen has a population of around 321,500 inhabitants. The property is situated on the B96 towards the southern fringe of the town. The property is a single-storey and is presumably a re-inforced concrete frame construction with rendered and painted walls. It has some profiled metal elements and a pitched and concrete roof with pantiles. Windows and doors are metal-framed with external blinds. The property has tiled floors, dry-lined walls and suspended ceilings with striplighting. There is a ventilation system and smoke alarms are installed. Part of the property by the entrance is occupied by a bakery, presumed to be a subtenant. We understand that the Property is comprised of the following: Site Area: 5,214 sq m Lettable Area: 1,277 sq m 85 car parking spaces	Freehold (Eigentum) The Property is let to: Lidl Dienstleistungs GmbH & Co KG — supermarket (1,276.83 sq m) expiring 31 October 2016. Passing rent is €137,898 per annum. Indexed 10% hurdle/60%.	€137,898	€122,576	€1,390,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: tru05335 Maria-Hilf-Str. 3-5 92334 Berching Date of Inspection: 10 April 2013	Berching is a small town with approx. 8,500 inhabitants belonging to the district of Neumarkt (roughly 127,300 inhabitants). Berching is located about 118 km north of Munich and 58 km south east of Nuremberg. It is situated 21 km south east of junction 56 of the A9 motorway which links Munich with Nuremberg. Constructed in 2004, the shopping centre property comprises two single-storey stand-alone buildings arranged in an L-shape and a paved car park, on an approximately rectangular plot. The property is a reinforced concrete frame construction with plastered and painted breeze block infill facades and pitched tiled roofs. One of the buildings (A) is occupied by REWE, a butcher's and a pharmacy, whilst the other building (B) is occupied by KiK. The REWE unit benefits from a raised, canopied unloading dock accessed via a service road to the side of the property. Internally, the units appear to be fitted-out to individual tenant specification requirements. We were not able to inspect all of the units internally and nor were we able to access non-public areas. However, the REWE supermarket is characterised by suspended tile ceilings with hanging fluorescent strip lighting, tiled floors and an air cooling system. The KIK store and the vacant retail area are fitted out to a similar specification, though benefiting from superior ceiling-mounted air-conditioning systems. We understand that the Property comprises	Freehold (Eigentum) The Property is let to: REWE Zentral AG, NL Eching — supermarket (1,700 sq m) expiring 29 September 2019. Passing rent is €191,068 per annum. Indexed 10% hurdle/60%. Metzgerei Lindl — butcher (83 sq m) expiring 30 September 2019. Passing rent is €17,166 per annum. Indexed 10 Pts. hurdle/100%. Michael Popp — pharmacy (161 sq m) expiring 30 September 2019. Passing rent is €17,166 per annum. Indexed 10 Pts. hurdle/100%.	€225,401	€278,323	€3,220,000

CBRE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	the following: Plot size: 9,000 sq m Lettable area: 2,755 sq m 120 car parking spaces				
Unit-ID: tru05340 Treseburger Str. 29 13129 Berlin Date of Inspection: 22 August 2013	The property is located in Berlin-Blankenburg in the Eastern part of Berlin, 12 km north of the centre and towards the edge of the built-up area of the city. Blankenburg has a population of 6,536 (Dec. 2011). The property is situated among several other commercial/light industrial premises on the corner of Karower Damm and Treseburger Strasse; Treseburger Strasse itself is a narrow cobbled road leading to a low-density residential area. While this residential zone appears a quiet, well-maintained family district, the area immediately around the property is of rather poor appearance. The property consists of two single-storey buildings, a new (2005) supermarket and an older concrete shed building, recently refurbished and used as a beverage retail warehouse. The supermarket building is set back from the main road, Karower Damm. It apears to be a reinforced concrete frame construction with brick and profiled metal walls; it has a pitched and concrete pantiled roof. The double-glazed windows have metal frames and, to the rear, security grills. The property has tiled walls, plain painted walls, and suspended ceilings with striplights and an air-handling system. The delivery bay has a separate access from Treseburger Strasse. The very small bakery/café is located by	Freehold (Eigentum) The Property is let to: Netto Marken-Discount AG & Co. KG — (926.56 sq m) 7 April 2020. Passing rent is €144,000 per annum. Indexed 10% hurdle/60%. Backshop Feurich — bakery (30.77 sq m) expiring 30 April 2021. Passing rent is €12,250 per annum. Indexed 100% CPI. Markgrafen-Getränke Vertieb GmbH — beverages store (449.39 sq m) expiring 31 March 2015 at a passing rent of €46,732 per annum. Indexed 10% hurdle/60%.	€202,982	€191,356	€2,460,000

CBRE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	the exit of the supermarket and is hardly visible from the car park. The beverage retailer is of a basic fit-out with rendered and painted walls; it does not have a very attractive appearance. It is this unit which is located on the busier Karower Damm. We understand that the Property is comprised of: Plot size: 5,265 sq m Lettable area: 1,407 sq m 88 car parking spaces				
Unit-ID: tru05345 Bahnhofstrasse 35 92690 Pressath Date of Inspection: 28 March 2013	Pressath is a small rural Bavarian town with almost 4,400 inhabitants located approx. 90 km to the north east of Nuremberg and 40 km to the south east of Bayreuth. Pressath is situated on the B299 roughly 20 km to the north west of junction 23 of the A93 motorway and 40 km to the east of junction 44 of the A9 motorway. The property is located on a main thoroughfare leading from Pressath to Weiden and is well visible in this direction. From the opposite direction (to Pressath from Weiden), visibility is somewhat limited due to a bend in the street. Constructed in 1985 and subsequently extended in 1995, the property is arranged over a single storey. The property is a reinforced concrete frame structure, with facades in prefabricated reinforced concrete panels. The property has a pitched metal-sheet roof. Internally, the REWE supermarket has tiled floors and suspended tiled ceilings with hanging fluorescent strip lights.	Freehold (Eigentum) The Property is let to: REWE Zentral AG Hungen — supermarket (total of 2,231.09 sq m), expiring 30 September 2016. Total passing rent is €187,889 per annum. Indexed 10% hurdle/60%. Bäckerei Brunner GmbH & Co.KG — bakery (61.61 sq m) expiring 1 January 2018. Passing rent is €13,063 per annum. Indexed 10% hurdle/50%. Hausner & Peugler Fleisch- u. Wurst — butchery (87.76 sq m) expiring 30 December 2016. Passing rent is €12,899 per annum. Indexed 10% hurdle/50%.	€213,851	€202,087	€2,200,000

CBRE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property comprises the following: Plot size: 2,440 sq m Lettable area: 2,380 sq m. 138 car parking spaces				
Unit-ID: tru05350 Müggelseedamm 151-155 12587 Berlin Date of Inspection: 22 August 2013	The property, a supermarket, is located in the Friedrichshagen district on the eastern fringe of Berlin, approx. 20 km from the centre. This is a pleasant, medium-density residential district in an attractive location on the northern banks of Lake Müggelsee. Friedrichshagen has a population of 17,500. The property is on a busy road in the original centre of Friedrichshagen, which has a full range of retail and service facilities. The property is a single-storey construction, presumed to be re-inforced concrete framed, with brick walls, profiled metal gables and a pitched roof with tiles. Windows are metal-framed and double-glazed. The property has tiled walls, plain painted walls and suspended ceilings with strip-lights and an air-handling system. The small baker's unit is located in the entrance area of the supermarket. It also has its own separate entrance due to different trading hours. We understand that the Property is comprised of the following: Site Area: 3,946 sq m Lettable Area: 896 sq m 57 car parking spaces	Freehold (Eigentum) The Property is let to: Netto — supermarket (858.00 sq m) expiring 1 October 2019. Passing rent is €142,800 per annum. Indexed 10% hurdle/60%. Steineckes Heidebrot Backstube GmbH & Co KG — bakery (37.50 sq m) for 5 years expiring 31 October 2014. Passing rent is €13,200 per annum. Indexed 10Pts. hurdle/100%.	€156,000	€150,246	€1,980,000
Unit-ID: tru05355	Bremen is one of three city states in Ger-	Freehold (Eigentum)	€30,424	€123,156	€1,100,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Alte Heerstrasse 4 28259 Bremen Huchting Date of Inspection: 27 March 2013	many and has a population of almost 547,300. The property is located on the north side of Huchting in a non pedestrian zone. The surrounding area is characterised by residential and retail uses. Accessibility by car is good. Access to public transport is moderate. The subject property is a concrete frame construction distributed over a ground floor and a upper floor and has a flat roof. The facades are of plastered brickwork. All units on the first floor, accessible by a staircase, have manual doors, whereas all publicly-accessible floors at ground floor level have automatic sliding doors. The loading area for the supermarket is located to the side of the property. The upper floor was not accessible at the time of our inspection. We understand that the Property comprises the following: Plot size: 4,213 sq m Lettable area: 1,464 sq m 87 car parking spaces	The Property is let to: Jochen Rubel — office tenant (120.00 sq m) expiring 31 December 2030. Passing rent is €16,528 per annum. Indexed 10% hurdle/100%. Li Chang Yang — restaurant (220 sq m) expiring 31 December 2015. Passing rent is €13,895 per annum. Indexed 5% hurdle/100%.			
Unit-ID: tru05360 Heinrich-Böll-Strasse 42-44 63486 Bruchköbel-Niederissigheim Date of Inspection: 10 April 2013	Bruchköbel-Niederissigheim, with a population of approximately 20,600, is a rural town located roughly 22 km to the north east of Frankfurt am Main in the Vogelsberg region; about 30 minutes drive from the city centre via the A66 motorway. The property is located to the north of Bruchköbel, in the urban area of Niederissigheim, and is accessed from the L3195 which is the main road through Bruchköbel. The area is predominantly residential with the exception of the Eid-	Freehold (Eigentum) The Property is let to: Tegut Gutberlet Stiftung & Co — supermarket (1,383.59 sq m) expiring 30 November 2018. Passing rent is €116,371 per annum. Indexed 10% hurdle/65%.	€154,171	€158,698	€1,820,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	mann sausage factory opposite the subject property. Constructed in 1998, the property comprises two single storey detached single bay retail warehouse style buildings, arranged in an L shape with concrete steps between the residential estates at the rear. Both buildings are timber framed and benefit from profile sheeting clad roofs and elevations. Skylights provide some natural lighting and entrances are fully glazed. The tenants have fitted the buildings out to their own requirements. They are both of a good standard with suspended ceilings incorporating air-cooling systems and a combination of pendant strip fluorescent and spot lighting. There is a hot-air blower just inside the entrance of the Tegut supermarket. A small partitioned office is located at the front on the west side in the Tegut building next to a raised docking area for goods deliveries. The property is bordered to the north and west by new residential developments, to the east by Wilhelm-Busch-Strasse and to the south by trees. We understand that the Property comprises the following: Plot size: 6,093 sq m Lettable area: 1,857 99 car parking spaces	Heurich GmbH — (473.16 sq m) expiring 30 November 2019. Passing rent is €37,800 per annum. Indexed 10% hurdle/66%.			
Unit-ID: tru05365 Binger Strasse 1 55257 Budenheim	Budenheim is a small commuter town in the Federal state of Rhineland-Palatinate with a population of approximately 8,500. Budenheim is located within the district of	Leasehold (heritable building right) for 35 years expiring 2 May 2039. Ground rent is €48,000 per annum.	€176,400	€165,600	€1,490,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Date of Inspection: 28 March 2013	Mainz-Bingen. Road infrastructure is excellent with the A66 motorway providing rapid access to Frankfurt, which is only a 45 minutes drive away. The A63 and A60/E42 motorways are also a 5 minute drive to the south of Budenheim providing easy access to the south towards Mannheim and north west to Koblenz, respectively. The subject property is located on the eastern edge of the town at the junction of the L423 (Bingerstrasse) which leads to Mainz and Kirchstrasse.The area is predominantly residential. Constructed in 2004, the property comprises a single storey retail warehouse style building. There may be a lower basement and mezzanine storage areas, however we were unable to gain access to the full property during our inspection. The property is a concrete frame construction with painted facades incorporating a glazed porch entrance with a double pitched tiled roof. The delivery area is to the side down a ramped entrance with a steel roller shutter door. Vehicle access to the property is off Bingerstrasse, however, there is also a separate pedestrian access off Haupstrasse which leads to the rear of the supermarket. The premises are fitted-out to the tenant's requirements including a cheese and meat counter to the rear of the store and a patisserie counter just inside the front entrance. There is also a small garden section located outside to the left of the entrance. The standard is good with a tiled floor and a suspended ceiling incorporating recessed fluorescent lighting and an air cooling system. There is a hot-air blower just inside the main entrance. The property is bordered to the north and west by residential	The Property is let to: REWE Deutscher Supermarkt Kommanditges. — REWE supermarket (1,150.00 sq m) expiring 30 June 2019. Passing rent is €176,400 per annum. Indexed 20% CPI.			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	developments, to the east by Kirchstrasse and to the south by Bingerstrasse. We understand the Property comprises the following: Plot size: 4,910 sq m Lettable area: 1,150 sq m 85 car parking spaces				
Unit-ID: tru05370 Ostlandstr. 2a 29319 Hambühren Date of Inspection: 11 April 2013	Hambühren, with a population of almost 10,200, is located about 9 km from the city centre of Celle and 42 km from the old town centre of Hanover in Lower Saxony. The subject property is located on Ostlandstrasse (at the corner with the Breslauer Strasse) in a non pedestrian zone.The surrounding area is principally characterized by residential and retail uses. Access by car is good. The subject property is a steel frame construction, has a ground floor with a lettable area of approximately 1,400 sq m and a pitched tiled roof. The elevations are of bricks with steel panels on top. The ground floor is accessible through sliding doors. Beside the entrance there is another smaller rental unit (designated for a bakery/food store) which is separatly accessible from the outside. The loading platform for Lidl supermarket is located to the rear of the property (adjacent to the existing residential area and the vacant land). We understand that the Property comprises the following: Plot size: 5,026 sq m Lettable area: 1,388 sq m 120 car parking spaces	Freehold (Eigentum) The Property is let to: Lidl Dienstleistungs GmbH & Co KG — (1,342.70 sq m) expiring 31 October 2019. Passing rent is €161,962 per annum. Indexed 10% hurdle/70%.	€161,962	€151,492	€1,850,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: tru05375 Heidestr. 100, 100a 06842 Dessau Date of Inspection: 23 August 2013	The town of Dessau-Rosslau is located in Saxony-Anhalt and has around 86,900 inhabitants. The city is located approximately 130 km to the south west of Berlin and 45 km to the north of Leipzig. Dessau is close to the A9 motorway and has excellent transport links. Access to public transport is moderate. The property consists of two single-storey buildings, constructed in 2002: a discount store and a garage. They are both rectangular in shape as is the site. They appear to be reinforced concrete frame constructions with brick and profiled metal walls and a concrete pantiled roof. The double-glazed windows have metal frames and security grills at the rear. The property has tiled walls, plain, painted walls and suspended ceilings with strip-lights and a ventilation system. We were not able to inspect the garage building and therefore cannot comment on it. We understand that the Property comprises the following: Plot size: 9,189 sq m Lettable area: 1,261 sq m 140 car parking spaces	Freehold (Eigentum) The Property is let to: Netto — supermarket (936.10 sq m) expiring 17 October 2015. Passing rent is €110,872 per annum. Indexed 10% hurdle/60%. Pit Stop Autoservice GmbH — garage (325.00 sq m) expiring 30 September 2022. Passing rent is €43,438 per annum. Indexed 10% hurdle/70%.	€154,309	€138,149	€1,520,000
Unit-ID: tru05380 Forster Strasse 77 03159 Döbern	Döbern, in the federal state of Brandenburg, is a small rural town approximately 28 km south-east of Cottbus. It has roughly 3,600 inhabitants. The property is located on the main road through the town, close to the centre.	Freehold (Eigentum) The Property is let to: Michael Schels & Sohn GmbH & Co	€111,461	€93,330	€1,030,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Date of Inspection: 22 August 2013	The property is a mainly single-storey construction with a smaller first floor of non-retail accommodation to the front. Walls are rendered and painted; the roof is pitched and tiled. Windows and doors are metal-framed; rear windows have security grills. The property has tiled floors, plain painted walls, suspended ceilings with striplighting and some spotlighting, and perimeter ventilation units. There are storage and food preparation areas which appear to have tiled walls. We were unable to inspect the first floor accommodation. Part of the property by the entrance is occupied by a bakery, presumed to be a sub-tenant. We understand that the Property comprises the following: Site Area: 4,530 sq m Lettable Area: 1,037 sq m 60 car parking spaces	KG — Netto supermarket (1,037.00 sq m) expiring 1 November 2017. Passing rent is €111,461 per annum. Indexed 10% hurdle/60%.			
Unit-ID: tru05385 An der Lohwiese 2a, 4 97500 Ebelsbach Date of Inspection: 27 March 2013	Ebelsbach is a small rural town with almost 3,800 inhabitants, located approximately 80 km to the north of Nuremberg on Bavaria. The property is situated on a mixed retail and commercial park on the edge of the town just off the B26 and is visible from this main road. The property is bounded by An der Lohwiese and Setzgraben Strasse. Other nearby uses includes a Norma food discounter, a REWE supermarket and residential uses. Constructed in 2004, the shopping centre property comprises two stand-alone buildings arranged in an L-shape and a surface car park, on a rectangular site. One of the buildings is occupied by a Netto super-	Freehold (Eigentum) The Property is let to: Netto — supermarket (987.00 sq m) expiring 30 November 2016. Passing rent is €105,600 per annum. Indexed 10% hurdle/50%. TEDI GmbH & Co. KG — retailer (549.34 sq m) expiring 30 June 2020. Passing rent is €32,400 per annum. Indexed 10% hurdle/80%.	€191,769	€245,366	€2,700,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	market unit. It consists of a reinforced concrete frame building with brick walls and profiled metal gables under a pitched and tiled roof. The subject property is accessed via two sets of inner and outer automatic doors for customers. Windows are metal framed and double-glazed. The other building is multi-let. Both buildings are similar in construction, one apparently being a reinforced concrete framed structure with vertically perforated bricks and the other, and a re-inforced concrete framed structure with a flat roof for the hall. We understand that the Property comprises the following: Plot size: 8,718 sq m Lettable area: 2,620 sq m 120 car parking spaces	Büro & Design Georg Greb — shop (230.00 sq m) expiring 30 June 2015. Passing rent is €22,593 per annum. Indexed 5% hurdle/100%.			
Unit-ID: tru05390 Oberes Tor 7, 9 91320 Ebermann-stadt Date of Inspection: 28 March 2013	Ebermannstadt is a small rural town of almost 6,800 inhabitants located approximately 50 km to the north of Nuremberg and 105 km to the east of Würzburg. It belongs to the district of Forchheim (roughly 113,000 inhabitants). The town is situated on the B470 roughly 14 km to the north east of junction 8 of the A73 motorway. Apparently constructed in 2004, the property comprises two stand-alone buildings arranged in an L-shape and a surface car park, on a rectangular site. The two buildings are joined by a canopy over a passageway between them. One of the buildings (A) has a single-storey and backs onto Ramstertal Strasse. This building is occu-	Leasehold (heritable building right) from 9 August 2002 until 31 December 2062. Ground rent is €27,850.44 per annum. The Property is let to: REWE Zentral AG, NL Hungen — beverage market (602.12 sq m) expiring 31 January 2020. Passing rent is €64,566 per annum. Indexed 23% CPI. KiK Textilien und Non-Food GmbH — clothes retailer (449.63 sq m) expiring 30 June 2019. Passing rent is	€181,000	€194,329	€1,850,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	pied by REWE Getränkemarkt (beverage store) and KIK. The REWE Getränkemarkt unit benefits from a raised and canopied unloading platform. The other building (B) has two-storeys and backs onto Breitenbacher Strasse (B470). This building is occupied at ground level by a hairdresser's, a tanning studio with a further unit which was let to the drug store chain Schlecker but is vacant at present. The first floor is occupied by a training company and an insurance office. A vacant office/retail unit at second floor level is currently being marketed. Both buildings are similar in construction apparently consisting of reinforced concrete frames with either plastered or painted breeze block infill facades or corrugated metal facades; the corrugated roofs are slightly pitched. We understand that the Property comprises the following: Plot size: 6,632 sq m Lettable area: 2,041 sq m 62 car parking spaces	€46,941 per annum. Indexed 10% hurdle/100%. Act. 3 GmbH — (594.24 sq m) expiring 31 December 2019. Passing rent is €52,055 per annum Indexed 20% hurdle/100%. Reinhold Keller (Tropic Sun) — tanning studio (83.52 sq m) expiring 31 March 2015. Passing rent is €10,237 per annum. Indexed 10% hurdle/75%. DOMOS Ltd. — (100.86 sq m) for 10 years expiring 15 December 2015 at €7,200 per annum. Indexed 10% hurdle/50%.			
Unit-ID: tru05395 Steiner Strasse 25 75239 Eisingen Date of Inspection: 4 April 2013	Eisingen is a small rural town with a population of approximately 4,500, located roughly 7.5 km north of Pforzheim in the state of Baden Württemberg. Road connections are good. The subject property is located on Steiner Strasse, the main road through the centre of the town. The immediate vicinity is predominantly residential with a petrol station opposite the main vehicle entrance. The property comprises a single storey	Freehold (Eigentum) The Property is let to: EDEKA Handels GmbH Südwest — SPAR supermarket (1,353.00 sq m) expiring 30 November 2018. Passing rent is €164,781 per annum. Indexed 10% hurdle/60%.	€164,781	€154,242	€1,920,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	supermarket currently occupied by Edeka. Constructed in 2003, the property is a concrete frame construction with rendered facades and a parapet roof. A separate delivery entrance is located at the west elevation, with a steel roller shutter door. A blockwork paved car park provides 70 parking spaces. The property is accessed directly off Steiner Strasse; however, it is set back from the road and not visible on approach. Pedestrian access is also possible from the path that runs to the south of the property, linking Bohrrainstrasse and Wesenstrasse, two residential roads. The property is fitted out to the tenant's specification. This incorporates a suspended ceiling supporting an air-cooling system, ceiling-mounted strip fluorescent lighting, a sprinkler system and CCTV. The floor covering is tiled. The building has a bakery and an integrated beverage store. We understand that the Property comprises the following: Plot size: 4,251 sq m Lettable area: 1,353 sq m 70 car parking spaces				
Unit-ID: tru05400 Wiebeke Kruse Strasse 5 – 7 25348 Glückstadt Date of Inspection: 27 April 2013	The town of Glückstadt, with a population of approximately 11,500, is is located in Schleswig-Holstein, roughly 65 km from Hamburg. The subject property is located in a non pedestrian zone on the outskirts of Glückstadt. The surrounding area is characterised mainly by residential uses. Accessibility by car is good.	Freehold (Eigentum) The Property is let to: Albrecht BGB Gesellschaft — Aldi supermarket (998.00 sq m) expiring 31 Mai 2017. Passing rent is €122,438 per annum. Indexed 10% hurdle/50%.	€122,438	€163,141	€1,560,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	The subject property has a ground floor, an upper floor and a pitched roof with tiles. The facades are of brick and steel panels. Sliding and manual doors lead to the publicly-accessible floor (ground floor). The loading area is located at the north side of the subject property. Sprinklers/smoke detectors are not available on the floors we inspected. We understand that the Property comprises the following: Plot size: 5,612 sq m Lettable area: 1,480 sq m 84 car parking spaces				
Unit-ID: tru05405 Rosa-Luxemburg-Strasse 68 a-b 06773 Gräfenhainichen Date of Inspection: 23 August 2013	Gräfenhainichen is a small town in the federal state of Saxony-Anhalt, approximately 25 km south of Wittenberg, 60 km north of Leipzig and 140 km south-west of Berlin. The town has a population of roughly 13,301. The property is situated on one of the main routes into the town, about 1 km from the centre. It is located on a corner site propery at the corner of Parkstrasse, which provides access to the neighbouring discounter Netto and leads to a residential area and small church. The property, which was built in 2005, consists of two separate single-storey buildings. One is a retail warehouse is occupied by a beverage store while the second larger building is occupied by a Penny supermarket and bakery. Both buildings are apparently concrete frame constructions with brick curtain walls and concrete pitched pantiled roofs. The gable walls have metal cladding. There is ample park-	Freehold (Eigentum) The Property is let to: Penny-Markt — supermarket (930.00 sq m) expiring 28 November 2018. Passing rent is €97,200.00 per annum. Indexed 10% hurdle/60%. WVG Getränkefachgrosshandel GmbH — beverage store (414.00 sq m) expiring 28 December 2015. Passing rent €33,780 per annum. Indexed 10% hurdle/65%. Feine Fleisch- und Wurstwaren — butcher (35.00 sq m) expiring 30 November 2018. Passing rent ist €9,030. Indexed 10% hurdle/65%.	€140,010	€127,488	€1,430,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	ing at the front of the building facing the road. We understand that the Property comprises the following: Plot size: 8,265 sq m Lettable area: 1,379 sq m 112 car parking spaces				
Unit-ID: tru05410 Meldorfer-Str. 149, 165 25746 Heide Date of Inspection: 26 March 2013	The town of Heide, with a population of almost 20,900, is located in the state of Schelswig-Holstein. It is located approximately 105 km to the north west of Hamburg. The property is located to the south of Heide, roughly 2 km from the city centre. The subject property is located on the Meldorferstrasse in a non pedestrian zone on the southern edge of Heide. The surrounding area is characterised by residential use and car showrooms. The U149 provides direct access to the E 23 motorway junction 3 "Heide". Public transport connections are good. The subject property comprises two standalone buildings which accommodate a supermarket, a shoe store and fashion store. The buildings were constructed in 2000 and are similar. The buildings have a ground floor and one upper floor; the pitched roof has tiles. The facades are of brick and steel panels. Automatic doors lead to the publicly-accessible floor (ground floor). The building accommodating the Lidl supermarket is equipped with a loading area including a dock loader at the north side of the building. Sprinklers/smoke detectors are not available on the inspected floors.	Freehold (Eigentum) The Property is let to: Lidl GmbH & Co KG — supermarket (1,100.00 sq m) expiring 31 December 2015. Passing rent is €159,558 per annum. Indexed 10% hurdle/60%. TAKKO Modemarkt GmbH & Co KG — textiles retail (655.20 sq m) expiring 30 November 2015. Passing rent is €74,378 per annum. Indexed 10% hurdle/65%. K+K Shoe Market GmbH — (443.03 sq m) expiring 31 December 2014. Passing rent is €46,800 per annum. Indexed 10% hurdle/70%.	€280,736	€261,151	€2,860,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property comprises the following: Plot size: 9,593 sq m Lettable area: 2,198 sq m 177 car parking spaces				
Unit-ID: tru05415 Zum Brook 3 24143 Kiel Date of Inspection: 26 March 2013	The city of Kiel, with a population of approx. 239,500, is located Schleswig-Holstein. The property is located at the south east side of the city centre of Kiel in a non pedestrian zone in the suburb Gaarden Ost. The surrounding area is characterised by residential use. A small office building is located opposite the property. Accessibility by car is moderate and public transport conections are good. The subject property is located close to the harbour with ferry services to Sweden, Norway and Denmark. The subject property, constructed in 1997, is a stand-alone building. The building is a concrete construction; it has a ground floor and 2 upper floors with a pitched roof of corrugated steel panels. The facades are of concrete plastering. A staircase leads to the publicly-accessible floors (ground floor and upper floors). The loading area is located at the front of the subject property. Sprinklers/smoke detectors are not available. We understand that the Property comprises the following: Plot size: 2,265 sq m Lettable area: 1,489 sq m 37 car parking spaces	Freehold (Eigentum) The Property is let to: Vollbrecht + Pohl KG — supermarket (764.21 sq m) expiring 18 May 2018. Passing rent is €51,000 per annum. Indexed 10% hurdle/65%. Ralf Knobloch — dancing school (678.68 sq m) expiring 31 August 2015. Passing rent is €33,939 per annum. Indexed 10% hurdle/100%. Mehmet Yilmaz — retail (45.71 sq m) expiring 31 December 2015. Passing rent is €5.535 per annum. No indexation.	€90,474	€93,085	€930,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: tru05420 Otto-Hahn-Str. 18 68623 Lampertheim Date of Inspection: 28 March 2013	Lampertheim is a predominantly residential satellite to industrial Mannheim, with almost 31,300 inhabitants located approximately 71 km to the south of Frankfurt, 153 km to the north west of Stuttgart and 130 km to the north east of Saarbrucken. The property is situated on Otto Hahn Strasse, near the B44 which joins junction 24 of the A6 motorway roughly 7.5 km away. Otto Hahn Strasse is a mixed commercial/ industrial estate on the outskirts of Lampertheim. A number of chain retailers have settled in this location, forming a competitive retail warehouse centre, with a good product mix. The property comprises a single storey retail unit, with separate entrances for the REWE and REWE Getränkemarkt (beverage store) and ample parking facilities. The retail unit appears to be a reinforced concrete frame construction, with plastered and painted elevations and a slightly pitched corrugated metal roof. The supermarket benefits from a raised loading platform to its side. Both the supermarket and beverage market are fitted out to a similar standard: tiled floors, suspended tiled ceilings, pendant fluorescent strip lighting and a ventilation system. The foodstore benefits from specialist delicatessen and bakery counters. Starting 1 January 2014 the area occupied by Rewe will be let to Futterhaus and Knüller Markt GmbH. We understand that the Property comprises the following: Plot size: 6,841 sq m Lettable area: 2,104 sq m	Freehold (Eigentum) The Property is let to: Knüller Markt GmbH — supermarket (1,584.70 sq m) expiring 30 September 2015. Passing rent is €90,000 per annum. Indexed 100% CPI p.a. Futterhaus GmbH — (519.12 sq m) expiring 30 September 2015. Passing rent is €39,600 per annum. Indexed 100% CPI p.a.	€135,600	€157,869	€1,660,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	121 car parking spaces				
Unit-ID: tru05425 Leopoldstrasse 26 32657 Lemgo Date of Inspection: 12 April 2013	Lemgo is a historic town with approximately 41,400 inhabitants located roughly 115 km to the north east of Dortmund, 88 km to the north west of Kassel and 69 km to the south west of Hanover. The Property is situated on Leopoldstrasse, just off the B238, approximately 10 km from junction 28 of the A2 motorway. The Property occupies much of an island plot bounded by Leopoldstrasse to the west, Piderit-strasse to the north and Schützenwete to the south. The subject property is a food discounter with bakery, completed in 2006. The building is apparently a one-level reinforced steel frame construction with brick elevations and has a flat roof. Other than brick, parts of the facade are rendered and painted. The bakery is situated in the entrance area of the discounter. There is sufficient car parking provided in front of the building. We understand that the Property comprises the following: Plot size: 4,223 sq m Lettable area: 1,082 sq m 76 car parking spaces.	Part Freehold (Eigentum) and Part Leasehold under following agreement: Schützengesellschaft Lemgo von 1575 e.V. — Ground Rent for 15 years expiring 31 December 2020. Rent agreed €6,534.00 per annum. The Property is let to: Netto — supermarket (1,017.00 sq m) expiring 19 April 2021. Passing rent is €140,400 per annum. Indexed 10% hurdle/60%. Schäfer's Brot & Kuchen Spezialitäten GmbH — bakery (65.00 sq m) expiring 19 April 2016. Passing rent is €16,800 per annum. Indexed 10% hurdle/70%.	€157,200	€153,744	€1,890,000
Unit-ID: tru05430 Marktplatz 4 57299 Burbach Date of Inspection: 4 April 2013	Burbach is a rural town with almost 14,400 inhabitants located in North Rhine Westphalia, approximately 32 km to the southeast of Siegen, 95 km to the southeast of Bonn, 73 km to the northeast of Koblenz and 158 km to the southeast of Düsseldorf. The Property is situated on Marktplatz within 50 m of Naussauische	Freehold (Eigentum) The Property is let to: REWE — supermarket (2,684 sq m) expiring 31 March 2026. Passing rent is €319,959 per annum. Indexed 10% hurdle/60%.	€396,765	€390,662	€4,850,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Strasse, the commercial town centre of Burbach. Other commercial occupiers in the vicinity of the subject Property include Tedi, a driving school, a bank, a pharmacy and a bar. The Property benefits from an excellent parking prossibilities combined with a town centre location and a immediate residential catchment area. Constructed in 2003, the property comprises a two storey building, the upper floor of which is excluded from our valuation, being held by the municipality under a heritable building right. Retail uses are located at ground floor level, and a gym and roof top parking (heritable building right) are located at first floor level. The property is of reinforced concrete frame construction with rendered façades under a pitched, tiled roof. The units appear to be fitted-out to a similar standard, characterised by suspended tile ceilings with hanging fluorescent strip lighting, tiled floors and a vantilation sysrtem. We were not able to access non-public areas of the property. The parking lot is floodlit with canopied trolley-parks. We understand that the Property comprises the following: Plot size: 4,223 sq m Lettable area: 3,437 sq m 76 car parking spaces.	dm drogeriemarkt — drug store (753 sq m) expiring 31 December 2025. Passing rent is €76,806 per annum. Indexed 100% CPI p.a.			
Unit-ID: tru05435 Auf der Höh 2 95339 Neuenmarkt-Wirsberg	Neuenmarkt is a small town of approx. 3,000 inhabitants located approx. 251 km to the north of Munich and 103 km to the north east of Nuremberg. The property is situated in an edge of town location at the	Freehold (Eigentum) The Property is let to: Norma GmbH & Co KG — discounter	€138,120	€135,000	€1,460,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Date of Inspection: 27 March 2013	junction of Wirsberger Strasse and Aus der Höh. Wirsberger Strasse is a main road which links Neuenmarkt with the B303. The immediate surroundings of the property are predominantly rural and agricultural. However, there is an Edeka E-Aktiv Markt and a small grocery on the adjacent plots. The subject property, completed in late 2005, is a small retail warehouse centre comprising a Norma food discounter and a Markgrafen beverage store, each accessed separately. It is apparently a reinforced concrete frame construction with infill walls (supposedly masonry). The facade is painted and partly cladded with metal elements in corporate colours. The sales areas are decorated to the individidual specifications of the respective tenant. This is a recent construction with apparently no visible defects. We understand that the Property comprises the following: Plot size: 6,546 sq m Lettable area: 1,525 sq m 90 car parking spaces.	(1,050.00 sq m) expiring 9 April 2016. Passing rent is €103,320 per annum. Indexed 10% hurdle/65%. Markgrafen Getränke GmbH — beverage store (475.00 sq m, including ca. 75 sq m of storage space) expiring 9 April 2016. Passing rent is €34,800 per annum. Indexed 10% hurdle/65%.			
Unit-ID: tru05440 Am Ostbahnhof 5 01904 Neukirch/Lausitz Date of Inspection: 21 August 2013	Neukirch/Lausitz, in the federal state of Saxony, is a small rural town approx. 48 km east of Dresden and 15 km southwest of Bautzen. Neukirch/Lausitz has a population of around 5,200 inhabitants. The property is situated towards the southeast fringe of the town on a corner site on the B98, the main road through Neukirch and close to a railway station. The property is single-storey and of pre-	Freehold (Eigentum) The Property is let to: Lidl Dienstleistungs GmbH & Co KG — supermarket (1,322.05 sq m) expiring 2 February 2017. Passing rent is €137,495 per annum. Indexed 10% hurdle/60%.	€137,495	€126,917	€1,380,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	sumed re-inforced concrete frame construction with rendered and painted walls, with some profiled metal, beneath a pitched and tiled roof. Internally, the store is fitted-out to the usual Lidl specification, with tiled floors, dry-lined walls and suspended ceilings with striplighting. It also has a ventilation system and smoke alarms. Part of the property by the entrance is occupied by a bakery, presumed to be a subtenant. We understand that the Property is comprised of the following: Site Area: 5,624 sq m Lettable Area: 1,322 sq m 99 car parking spaces				
Unit-ID: tru05445 Mühlweg 4 97720 Nüdlingen Date of Inspection: 27 March 2013	Nüdlingen is a small rural town with almost 4,200 inhabitants located approximately 155 km to the east of Frankfurt and 64 km to the north east of Würzburg. Nüdlingen is situated on the B287 roughly 20 km to the north east of junction 97 of the A7 motorway. The property, a single-let supermarket, is located on the Mühlweg commercial/industrial zone, situated on the edge of the town in close proximity to, though not visible from, highway 287. Constructed in 1999, the property comprises a single-storey wooden frame construction with part plastered and painted breeze block infill, part insulated plastic sheet elevations, and a slightly pitched insulated plastic sheet roof. The property is	Freehold (Eigentum) The Property is let to: Tegut Gutberlet Stiftung & Co — supermarket (814.29 sq m) expiring 31 May 2019. Passing rent is €89,304 per annum. Indexed 10% hurdle/65%.	€89,304	€87,943	€1,050,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	situated on a rectangular site. The building is situated to the rear of the plot as view from Mühlweg. The building benefits from a raised and canopied unloading platform its side. The building's wooden frame is exposed. It has suspended fluorescent strip lights and also benefits from some natural light through skylights in the roof. Floors are tiled and there are ceiling mounted air-conditioning units. We understand that the Property comprises the following: Plot size: 4,768 sq m Lettable area: 814 sq m 51 car parking spaces				
Unit-ID: tru05450 Oelder Tor 49 59302 Oelde-Stromberg Date of Inspection: 12 April 2013	Stromberg (Oelde) is located in North Rhine Westphalia and has a population of approx. 29,276. The subject property is located at the Oelder Tor in a non-pedestrian zone at the border of Stromberg town. The surrounding area is predominantly residential. Accessibility by car is good. Public transport connections are also good: a bus stop is located just in front of the subject property. The subject property comprises a small retail warehouse centre arranged in a rectangular shape and recently constructed in 2006. The building is apparently a reinforced concrete frame construction. It has a ground floor, one upper floor under a pitched tiled roof. The facades are of brick and steel panels. The tenants are an Aldi food discounter, a beverage store and a bakery, each with a separate entrance to	Freehold (Eigentum) The Property is let to: Aldi Immobilienverwaltung GmbH & Co KG — Aldi supermarket (1,030.58 sq m) expiring 12 March 2016. Passing rent is €92,752 per annum. Indexed 10% hurdle/50%. Heinrich GmbH & Co. KG — beverage store (631.43 sq m) expiring 12 March 2016. Passing rent is €37,886 per annum. Indexed 10% hurdle/70%. Bäckerei Grosserode GmbH — bakery (58.61 sq m) expiring 9 March 2016. Passing rent is €18,000 per annum. Indexed 10% hurdle/70%.	€148,638	€148,221	€1,480,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	their respective sales areas. Sliding doors lead to the publicly-accessible floors (ground floor). There is a loading area with a dock loader on one side of the subject property. Ample parking is provided in front of the building facing the road. The upper floor is not accessible to the public and we were therefore unable to inspect it. We understand that the Property comprises the following: Plot size: 8,590 sq m Lettable area: 1,721 sq m 140 car parking spaces				
Unit-ID: tru05455 Kaiserslauterer Strasse 11 67806 Rockenhausen Date of Inspection: 26 March 2013	Rockenhausen is a small town with a population of approx. 5,300, located in Rhineland-Palatinate in the west of Germany. It belongs to the district of Donnersbergkreis (around 75,900 inhabitants). The district of Donnersberg has an unemployment rate of 5.3% and a purchasing power index of 98.4 (2011). The town lies roughly 31 km north of Kaiserslautern, the nearest large town, 47 km west of Worms and 69 km north west of Mannheim, the nearest city. Communications are good with the A63 motorway located about 12 km to the south east of Rockenhausen providing rapid access to Mainz and Frankfurt to the north and Kaiserslautern to the south. The B48 bypasses the town and provides easy access within a 30 minute drive north to Bad Kreuznach 29 km. The subject property, completed by November 2005, is a small retail warehouse centre with two rental units. This comprises a single-storey building, probably with a mezzanine storage level under the pitched	Freehold (Eigentum) The Property is let to: REWE & Co oHG ZweigNL Wiesloch — Penny food discount (1,018.35 sq m) expiring 13 November 2020. Rent agreed €143,520 per annum. Indexed 10% hurdle/65%. KIK Textilien und Non-food GmbH — clothes retailer (600.00 sq m) expiring 13 November 2015. Rent agreed €64,080 per annum. Indexed 10% hurdle/67%.	€207,600	€187,002	€2,370,000

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	roof. The building is of a concrete frame construction.The facade is partly with plastic profile sheeting, partly rendered. The rental units are fitted with the tenants' corporate fit-out specifications. The car park is being landscaped and will be landscaped with blockwork paving to provide approximately 100 spaces. We understand that the Property comprises the following: Plot size: 6,500 sq m Lettable area: 1,618 sq m 100 car parking spaces				
Unit-ID: tru05460 Hans Redlefsen Strasse 2, 4, 6, 8 24986 Satrup Date of Inspection: 26 March 2013	The town of Satrup, with a population of approximately 3,700, is located in Schleswig-Holstein. It is located about 75 km south east of Flensburg and belongs to the district of Schleswig-Flensburg. The property is located in the city centre of Satrup in a non-pedestrian zone. The surrounding area is characterised by residential, retail and hotel uses. Road accessibility is good, while public transport connections are moderate. The subject property, built in 2001, is comprised of two buildings. The first is a stand-alone building which accommodates supermarkets and a fashion store. The building has a ground floor, an upper floor set and a pitched roof with tiles. The facades are of brick and steel panels. Sliding and manual door lead to the publicly-accessible floors (ground floor) .The building has a loading area including a dock loader at the rear side of the subject property. Smoke detectors are available on all inspected floors.	Freehold (Eigentum) The Property is let to: Edeka Handelsgesellschaft Nord — (1,723.28 sq m) expiring 31 March 2029. Passing rent is €151,840 per annum. Indexed 10% hurdle/60%. Albrecht BGB Gesellschaft — Aldi supermarket (873.78 sq m) expiring 17 July 2016. Passing rent is €93,533 per annum. Indexed 10% hurdle/60%. Kloppenburg GmbH & Co. KG — (776.37 sq m) expiring 31 July 2016. Passing rent is €81,162 per annum. Indexed 10% hurdle/60%. Angeler Autohuus — (156.97 sq m) expiring 30 April 2017. Passing rent is	€366,888	€377,017	€4,130,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	The second building is a stand-alone structure with several small retail shops on the ground floor and a flat roof. The building has a concrete frame with facades of concrete plastering. The ground floor is accessed through manual doors. We understand that the Property comprises the following: Plot size: 13,469 sq m Lettable area: 3,815 sq m 158 car parking spaces	€11,481 per annum. Indexed 10% hurdle/60%. Katja Gamst — (151.44) expiring 29 February 2020. Passing rent is €14,538 per annum. Indexed 10% hurdle/60%. Markus Beskidt — (132.92 sq m) expiring 31 July 2015. Passing rent is €14,335 per annum. Indexed 10% hurdle/60%.			
Unit-ID: tru05465 Neufelder Weg 1 27619 Schiffdorf-Spaden Date of Inspection: 27 March 2013	Schiffdorf-Spaden is located in Lower Saxony and is part of the town of Schiffdorf with approx. 17,000 inhabitants. The property is located at the east of Bremerhaven and around 60 km from Bremen. The surrounding area is characterised by retail warehouses. The U47 provides direct access to the E27 motoreway (Bremen-Cuxhaven) junction 6 “Bremerhaven, Spaden” around 2 km away from subject property. Public transport connections are good. The subject property is part of a large retail warehouse centre, which was constructed in 1981 and renovated in 2002. The building is a concrete construction with a ground floor, two upper floors and a flat roof. The facades are corrugated steel panels. All public areas (ground floor and upper floors) can be accessed by staircase or lift. The loading area with three loading docks is located at the rear of the subject property. Sprinklers/smoke detectors are	Freehold (Eigentum) The Property is let to: Optimal GmbH — (9,764.67 sq m) expiring 31 May 2017. Passing rent is €463,057 per annum. Indexed 5%/80%.	€480,448	€570,759	€5,400,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	available on all floors which were inspected. We understand that the Property comprises the following: Plot size: 10,935 sq m Lettable area: 9,765 sq m 52 car parking spaces				
Unit-ID: tru05470 Tükeslih 2 24887 Silberstedt Date of Inspection: 26 March 2013	Silberstedt, with a population of approximately 2,200, is located in the state of Schleswig-Holstein. Silberstedt is located roughly 41 km to the south of Flensburg. The property is located on the east side of the town. The subject property is located at the Tükeslih/Hauptstrasse (N201) in a non pedestrian zone at the east edge of the town. The surrounding area is characterised by some retail uses and a windmill energy complex. The N201 provides direct access to the E 7 motorway; junction 5 "Schuby" around 7 km from the subject property. Public transport connnections are poor. The subject property, built in 2003, comprises a stand-alone supermarket and is rectangular in shape. The building has a ground floor, one upper floor and a pitched roof with tiles. The facades are of brick and steel panels. All public areas (ground floor) can be accessed through sliding doors. The loading area with a dock loader is located at the rear side of the subject property. Sprinklers/smoke detectors are not available on all inspected floors. External parking is available for about 170 cars.	Freehold (Eigentum) The Property is let to: Edeka Handelsgesellschaft Nord — supermarket (1,509.14 sq m) expiring 25 September 2018. Passing rent is €183,258 per annum. Indexed 10% hurdle/65%.	€183,258	€162,987	€1,920,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property comprises the following: Plot size: 7,158 sq m Lettable area: 1,509 sq m 145 car parking spaces				
Unit-ID: tru05475 Vogelherd 1 72479 Strassberg-Winterlingen Date of Inspection: 4 April 2013	Strassberg and Winterlingen are small adjacent villages located in Baden-Württemberg, with a population of approx. 2,600 and 6,500 respectively. Strassberg is situated in a valley, with Winterlingen situated on the plateau above. Road connections are good. The property comprises a single storey supermarket, currently occupied by Netto. Constructed in 2000, the building is of a concrete frame construction with rendered elevations under a pitched tiled roof. Part of the elevations is clad with plastic profile sheeting. There is a separate delivery entrance with a steel roller shutter door at the west elevation next to the main vehicle entrance. A blockwork paved and landscaped car park provides approximately 90 parking spaces, accessed both from Ebinger-strasse and the side road to the west. Internally, the property is fitted out to the tenant's specification including a bakery area just inside the front entrance and bottle recycling to the rear. Suspended ceilings support ceiling-mounted, strip fluorescent lighting and an air-cooling system. Floors are tiled. A CCTV system is also installed on the sales floor. We understand that the Property comprises the following: Plot size: 6,400 sq m	Freehold (Eigentum) The Property is let to: Netto Marken Discount GmbH & Co OHG — Netto supermarket (1,117.00 sq m) expiring 31 July 2015. Passing rent is €115,457 per annum. Indexed 10% hurdle/60%.	€115,457	€107,232	€1,150,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 1,117 sq m 82 car parking spaces				
Unit-ID: tru05480 Von-Stolzenberg-Strasse 10 29664 Walsrode Date of Inspection: 27 March 2013	The town of Walsrode, with a population of almost 24,000, is located in the state of Lower Saxony. It is located approximately 55 km to the northwest of Hannover, 65 km southeast of Bremen and 85 km south of Hamburg. It belongs to the district Heidekreis. The property is situated around 800 metres to the southwest of the town centre. The subject property is located in a non pedestrian zone on the Von Stolzenberg Strasse. The surrounding area is mainly characterised by residential and retail uses. The subject property is a concrete frame construction, with a ground floor, one upper floor and a flat roof. The facades are of brick and steel panels. All public areas (ground floor) can be accessed through sliding and manual doors. The loading area is located at the rear of the property. Sprinklers/smoke detectors are not available on the ground floor. The upper floor of the existing part of the complex at the rear was not publicly accessible during our inspection. It appeared to be occupied and we assume it has an ancillary function. It has a lift with a load capacity for 10 persons or 1,500 kg. We understand that the Property comprises the following: Plot size: 7,115 sq m Lettable area: 2,153 sq m 155 car parking spaces	Freehold (Eigentum) The Property is let to: REWE KG aA Norderstedt — (1,403.03 sq m) expiring 6 February 2017. Passing rent is €131,532 per annum. Indexed 10% hurdle/60%. Rossmann GmbH — (750.44 sq m) expiring 28 October 2019. Passing rent is €91,924 per annum. Indexed 10% hurdle/60%.	€226,456	€202,818	€2,300,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: tru05485 Heinrich-Heine-Strasse 27a 03622 Waltershausen Date of Inspection: 10 April 2014	The town of Waltershausen is located in the state of Thuringia and has around 10,700 inhabitants. It is located approximately 230 km to the north east of Frankfurt and 40 km to the west of Erfurt. The city is close to the A4 motorway. The property is a small shopping centre situated in a residential area characterized by apartment buildings. It is located on the edge of Waltershausen, to the south of the city centre, bounded by roads on all sides. Direct supermarket competition was observed close to the property, including an Aldi, another REWE and a Tegut supermarket.Road accessibility is good. Public transport connections are moderate. The shopping centre property is an L-shaped building with a ground and first floor on a rectangular site. It is understood to have been constructed in 2001. The premises comprise eight units. The building presumably has reinforced concrete frames with plastered and painted breeze block infill facades. The roof is flat with what appears to be an asphalt covering. The units appear to be fitted-out to individual tenant specification requirements. The food supermarket and beverage store are fitted-out in the corporate style of the occupier REWE, including tiled floors and suspended ceilings with ribbed aluminum paneling. Lighting is provided by suspended strip fluorescent lights. The site can be accessed through an entrance from Heinrich-Heine Strasse. We understand that the Property comprises the following: Plot size: 6,300 sq m	Freehold (Eigentum) The Property is let to: REWE Zentral AG, NL Hungen — supermarket (1,039.84 sq m) expiring 31 January 2016. Passing rent is €131,882 per annum. Indexed 10% hurdle/65%. REWE Zentral AG, NL Hungen — beverage market (331.97 sq m) expiring 31 January 2016. Passing rent is €30,447 per annum. Indexed 10% hurdle/95%. Winfried Dazert — pharmacy (125.38 sq m) expiring 31 December 2016. Passing rent is €16,642 per annum. Indexed 10% hurdle/100%. Matthias Hermann — physiotherapy I (126.61 sq m) 31 December 2016. Passing rent is €12,429 per annum. Indexed 10% hurdle/100%. Matthias Hermann — physiotherapy II (120 sq m) expiring 15 September 2016. Passing rent is €8,835 per annum. Indexed 10% hurdle/100%. Doreen Pilz — hair dresser (82.15 sq m) expiring 31 December 2016. Passing rent is €9,120 per annum. Indexed 10% hurdle/100%. Dr. Alexander u. Dr. Beate König — surgery (128.51 sq m) expiring 31 December 2016. Passing rent is €13,861 per annum. Indexed 10% hurdle/100%.	€223,216	€216,384	€2,260,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 2,161 sq m 90 car parking spaces				
Unit-ID: tru05490 Leipziger Strasse 83 – 89 06776 Wolfen Date of Inspection: 23 August 2013	Wolfen (approx. 45,200 inhabitants) is located in Saxony-Anhalt and belongs to the town of Bitterfeld. Wolfen, situated approximately 140 km to the south west of Berlin and 30 km to the north of Leipzig, is close to the A9 motorway which provides it with excellent communication links. The Property is located in a mixed commercial and residential area. However no direct competition was observed close to the Property of reference. The property consists of three independent single-storey buildings and was built in 2003. The main building, a retail warehouse, of reinforced concrete structure, is occupied by a Lidl discount supermarket. Another one, leased to a bakery and a butcher's, is brick built and with a tiled roof. The third property is a fashion store with the same type of construction as the latter. The main building is fitted-out in the corporate style of the occupier Lidl. This includes tiled floors, dry-lined walls and suspended ceilings with striplighting. It has a ventilation system and smoke alarms. Loading facilities are located at the back of the store. The property benefits from ample customer parking all around the property which is lit and includes covered trolley parks We understand that the Property comprises the following: Plot size: 7,398 sq m	Freehold (Eigentum) The Property is let to: Lidl Vertriebs GmbH & Co KG — supermarket (1,241.32 sq m) expiring 14 December 2016. Passing rent is €144,073 per annum. Indexed 10% hurdle/60%. Reinsdorfer GmbH — butcher (98.30 sq m) 31 December 2018. Passing rent is €15,380 per annum. Indexed 5% hurdle/80%. KiK Supermarket — textile store (441.29 sq m) expiring 11 November 2018. Passing rent is €43,109 per annum. Indexed 10% hurdle/60%.	€202,562	€213,271	€2,240,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 2,069 sq m 100 car parking spaces				
Unit-ID: tru05495 Biedrichstrasse 3, 5, 7, 9 61200 Wölfersheim Date of Inspection: 4 April 2013	Wölfersheim is a small town with a population of roughly 9,800, located approximately 11 km north east of Bad Nauheim. There are good road links in the area. The B455 runs straight through Wölfersheim linking the A45/E41 motorway to the A5/E451 motorway 19 km south west of the town. The A45/E41 motorway is within a 5 minute drive of Wölfersheim. The A5/E451 motorway provides rapid access to Frankfurt city centre roughly 44 km to the south west (a 45 minute drive away). Constructed in 2000/2001, the property comprises two detached buildings: one single storey (Tegut) and one which has a mezzanine level (Penny and office). Both buildings appear to be timber frame constructions. The Tegut building is clad with plastic sheeting and has a circular pitched roof with some roof glazing providing natural light. The tenant has fitted out the premises to its specifications incorporating a tiled floor and exposed timber rafters supporting pendant strip fluorescent lighting. The Penny building has pebble-dashed rendered facade and a pitched tiled roof. The supermarket has been fitted out to the tenant's requirements with a small café area just inside the entrance. The standard is good with suspended ceilings supporting an air-cooling system and pendant strip fluorescent lighting.	Freehold (Eigentum) The Property is let to: Tegut Gutberlet Stiftung & Co — supermarket (1,903.11 sq m) expiring 30 April 2015. Passing rent is €247,725 per annum. Indexed 10% hurdle/60%. REWE & Co oHG ZweigNL Wiesloch — Penny supermarket (1,058.66 sq m) expiring 31 December 2021. Passing rent is €102,156. Indexed 10% hurdle/60%.	€349,881	€343,579	€3,940,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	At the rear of the Penny building there is an entrance to what we understand is an office unit at mezzanine level. We were unable to access this area on our inspection and therefore cannot comment on the internal fit-out We understand the Property comprises the following: Plot size: 10,104 sq m Lettable area: 3,061 sq m 150 car parking spaces				
Unit-ID: tru 05500 Heinrich Heine Strasse 86 07937 Zeulenroda Date of Inspection: 10 April 2013	Zeulenroda is an East German town of almost 16,100 inhabitants located approximately 276 km to the south west of Berlin, 344 km to the east of Frankfurt and 87 km to the south west of Chemnitz. The property is situated on Heinrich-Heine-Strasse, just off the B94, about 17 km from junction 28 of the A9 motorway, on the boundary between a residential neighbourhood and mixed commercial zone (office and industrial uses). The property itself is known as “Zeulenroda Einkaufspark”. The property comprises a single building subdivided into three units, each with separate access. The Penny Markt, bakery and grocery share one access. The property appears to be a concrete frame construction with facades clad in profile sheeting and with a pitched tiled roof. There is a raised loading platform to the side of the property with access to the Penny Markt storage area. Each unit is fitted out to a similar standard with tiled floors and suspended tile ceilings. In the Penny store there are pendant fluorescent strip lights.	Freehold (Eigentum) The Property is let to: REWE & Co. oHG, NL Rüsseina, Standort Hof — Penny supermarket (800.00 sq m) expiring 31 December 2015. Passing rent is €54,000 per annum. Indexed 10% hurdle/60%. Das Wurzbacher Backhaus — bakery (43.52 sq m) expiring 31 December 2014. Passing rent is €9,872 per annum. Indexed 10% hurdle/60%. Fleischerei Ulrich Löffler — butcher (130.00 sq m) expiring 31 December 2015. Passing rent is €18,000 per annum. Indexed 10% hurdle/100%. Getränke Grüner KG — beverage market (279.08 sq m) expiring 31 De-	€99,522	€110,722	€1,000,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rents 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	The other units have recessed fluorescent strip lights in the suspended ceiling. Each unit is equipped with ventilation systems. We understand that the Property comprises the following: Plot size: 5,012 sq m Lettable area: 1,253 sq m 76 car parking spaces	cember 2015. Passing rent is €17,650 per annum. Indexed 10% hurdle/100%.			

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Valuation Report Relating to the Wave Portfolio

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Your ref.

27 April 2015

Valuation Report

Estimate of Market Value in accordance with the definition and guidance as agreed by the Royal Institution of Chartered Surveyors

The Direct Investment Portfolio:
Wave Portfolio (44 Properties), Multiple Locations, Germany

Effective Dates of Appraisal

Valuation Date:	**31 December 2014**
Date of completion of this report:	**27 April 2015**

Clients:
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Eurocastle Investment Limited
Regency Court
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Prepared by

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CBRE is a limited company (Gesellschaft mit beschränkter Haftung) incorporated under laws of Germany with registered number 13347. CBRE was incorporated on 3 April 1973 and has its registered office at the address set out above. The telephone number of the registered office is +49 (0)69 170 077 0. CBRE is not regulated but employs RICS and HypZert qualified valuers in its valuation department.

Date of Issue
27 April 2015

Signed Copy No:

Ladies and Gentlemen,

VALUATION OF WAVE PORTFOLIO
(44 PROPERTIES, MULTIPLE LOCATIONS, GERMANY)

1. Instructions

In accordance with instructions received from Eurocastle Investment Limited (the "Company" or the "Principal") on 26 November 2013 and the amendment to this instruction dated 15 January 2015, we have made relevant enquiries in order to provide our opinion of Market Value for the investment Properties as described in the Schedule (the "Properties") as at 31 December 2014 (the "Valuation Date") of the freehold (*Eigentum*) and leasehold (*Erbbaurecht*) interests. We must point out that this comprises an update of the initial valuation carried out by CBRE in 2007 (date of valuation 31 March 2007) in the course of which all the Properties were inspected. The latest re-inspections for the purposes of this revaluation have been carried out by CBRE in the 3rd quarter 2013 (please find the actual inspection dates of the properties in the schedule attached to this report).

This Valuation Report has been prepared for the purpose of inclusion in the prospectus to be published by the Company (the "Prospectus") in connection with the admission of additional shares (Kapitalerhöhung) of the Company to listing and trading on NYSE Euronext Amsterdam and to trading on Euronext Amsterdam's market for listed securities ("Admission").

2. The Properties

The Properties we have valued are listed and briefly described in the Schedule attached to this Valuation Report (the "Schedule"). Each Property identified in the Schedule has been valued individually, and not as part of a portfolio.

The subject portfolio comprises 42 freehold (*Eigentum*) Properties and 2 leasehold equivalent (Erbbaurecht) Properties.

3. Basis of Valuation

Our valuations have been carried out in accordance with The Royal Institution of Chartered Surveyors' (RICS) Valuation Professional Standards (January 2014), (the "Red Book") and in accordance with the relevant provisions of the current Prospectus Rules. They have been undertaken by External Valuers, as defined in the Red Book.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation(s) competently.

In accordance with the Financial Conduct Authority's current Prospectus Rules we have prepared our valuations in accordance with the Red Book on the basis of Market Value, which is defined in the Red Book, as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm´s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.”

4. Valuations

On the bases outlined in this Valuation Report, we are of the opinion that the Market Value of each individual freehold/leasehold Property as at 31 December 2014, subject to and with the benefit of the various occupational leases or

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assumed occupational leases, as summarised in the Schedule, is as stated against that Property in the Schedule. Our valuations are exclusive of any VAT.

The aggregate of the said individual Market Values of the Properties as at 31 December 2014 is €110,145,000 (One hundred ten million one hundred forty five thousand Euros) made up as follows:

Schedule	Investment Properties	€110,145,000
Total		€110,145,000
Total	Net Rent Receivable p.a.	€8,945,816
Total	Estimated Net Rental Value p.a.	€8,855,274

5. Transaction Costs

No allowances have been made for any expenses of realisation or for taxation which might arise in the event of a disposal of a Property. Our valuations are, however, net of acquisition costs.

6. Net Annual Rent Receivable

In the Schedule, we set out our estimates of the net annual rent currently receivable reflecting the sum of the contractually agreed rental payments receivable from the Properties as at 31 December 2014. In providing these estimates, we define "Net Annual Rent Receivable" as "the current income or income estimated by the valuer":

(i) ignoring any special receipts or deductions arising from the Property;

(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the Property and allowances to maintain it in a condition to command its rent.

In accordance with German market conventions the Properties are not let on effective full repairing and insuring leases in accordance with UK market conventions and as such the Net Annual Rent receivable does not reflect any appropriate allowance for disbursements.

7. Estimated Net Annual Rent

The Schedule sets out our opinion of the current Estimated Net Annual Rent, which is our opinion of the best rent at which a letting of the Property would have been completed at the Valuation Date assuming:

(a) a willing landlord;

(b) that, prior to the Valuation Date, there was a reasonable period (having regard to the nature of the Property and the state of the market) for the proper marketing of the interest, for the agreement of the rent and other letting terms and for the completion of the letting;

(c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the Valuation Date;

(d) that no account was taken of any additional bid by a prospective tenant with a special interest;

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(e) that the length of term and principal conditions assumed to apply to the letting and the other lease terms were not exceptionally onerous or beneficial for a letting of the type and class of Property; and

(f) that both parties to the transaction acted knowledgeably, prudently and without compulsion.

In the Schedules, we have stated the current Estimated Net Annual Rent, ignoring the present rent passing and any contracted fixed rent increases. In all cases, we have considered the Properties in their current specification and assumed good repair and condition or have made such deductions in respect of necessary maintenance and refurbishment as assumed in the calculation.

8. Sources of Information

For the update valuation as at 31 December 2014 the Principal has provided us with a rent roll dated 30 September 2014. The update valuation is also based on the data and information that was taken into account for the initial valuation (e.g. third party due diligence reports) and also reflects the updated data provided for previous regular revaluations. An explicit list of data provided for the initial valuation is included in the report dated 29 June 2007. We have assumed this information to be accurate and reliable and unless otherwise specifically stated within this report, this has not been checked or verified by CBRE.

Relevant data for the initial report was provided by the vendor of the portfolio and third party due diligence reports in respect of the specific legal, technical and environmental aspects of the portfolio (legal provided by Freshfields, technical by Drees & Sommer and environmental by Drees & Sommer). We have fully relied on the findings of the reports and have also included updated information that was provided. Apart from the updated information, we have compiled this report under the assumption that there is no material change of the physical and the legal conditions of the portfolio as well with regard to the findings of the third party due diligence reports.

The initial valuation was based on a technical survey by Drees & Sommer. The survey was a primary component of the ongoing due diligence programme which comprised the technical element of the process and the incorporation of key findings and recommendations within our own analyses and related reports and valuations. In this specific regard, budget figures supplied by the appointed technical adviser, Dress & Sommer, have been reflected within our own analyses and related calculations. These comprise specifically (where delivered and applicable):

- Ongoing maintenance estimates
- Projected capital expenditure (CAPEX)
- Tenants' improvements
- Deferred maintenance
- Building division / service separation & related costs.

For the update report as at 31 December 2014, we have been provided with updated figures for the position 'deferred maintenance' as well as for Capital Expenditures associated with leases that are already in place, and we have made market-based assumptions for future non-recoverable costs and capital expenditures which cover on-going maintenance and Tenant Improvements expenditures anticipated over the period covered by our DCF calculation.

Accordingly, the valuation reflects the physical, economical, legal and regulatory status of the portfolio on the basis of the information contained in these documents. Variations and amendments to these documents have been adopted as instructed specifically in writing by the Principal. CBRE accepts no liability for any errors or amendments which may have occurred after this date of which CBRE has not been expressly informed and instructed accordingly by the Principal. All conclusions made by CBRE regarding the condition and the actual characteristics of the land and buildings have been based exclusively on our inspection of the subject properties and on the documents and information provided.

In the event of open questions arising, we have made reasonable assumptions appropriate to customary valuation practice in the jurisdiction where the relevant property is based.

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We do not accept any responsibility or liability associated with inaccurate information which has been provided by any third party.

8.1 Documents and Information provided

CBRE has assumed that it was provided with all information and documents that were relevant to CBRE in carrying out this update appraisal report. We have assumed that the information and documentation had unrestricted validity and relevance as at the date of valuation. We have not checked the relevant documents and information with respect to the above-mentioned issues.

8.2 Inspection

The latest re-inspections for the purposes of this revaluation have been carried out by CBRE in the 3rd quarter 2013. We have not carried out any building surveys. The properties have not been measured nor have the services or other installations been tested.

No invasive investigations have been carried out. Statements about parts of the structure or materials that are covered or otherwise inaccessible are based on the information or documents provided or on assumptions as stated for the initial report.

In the event that any of the information contained in the above mentioned documents, obtained from the above mentioned sources should indeed prove to be incorrect, the accuracy of our valuations could be affected. In such event we reserve the right to amend the valuations accordingly.

8.3 Deleterious Material etc.

We have not been specifically instructed to carry out a structural survey, to test service installations, to carry out site investigations or environmental surveys. Our valuation is based on the third party due diligence reports of Drees & Sommer (technical and environmental) as stated above. No pollutants present on the sites require immediate action and as potential risks in the long term perspective do not have a material impact on the overall value, we have not reflected any of those costs in our valuations.

8.4 Environmental Contamination

In preparing our valuation we have relied on the information in the environmental due diligence report of Drees & Sommer. None of the pollutants require immediate action and as potential risks in the long term perspective do not have a material impact on the overall value, we have not reflected any of those costs in our valuations.

Should it, however, be subsequently established that such contamination exists at any of the properties or on any adjoining land or that any premises have been or are being put to contaminative use, this may be found to have a detrimental effect on the value reported.

8.5 Legal Requirements / Consents and Authorization for the Use of the Property

For the compilation of the initial report, we have reflected the findings of the final legal report prepared by Freshfields. Accordingly all material issues have been reflected in our report and valuation. An investigation of the compliance of the properties with legal requirements (including (permanent) planning consent, building permit, acceptance, restrictions, building, fire, health and safety regulations etc.) or with any existing private-law provisions or agreements relating to the existence and use of the site and building has not been carried out by CBRE.

In preparing our valuations, we have assumed that all necessary consents and authorisations for the use of the properties and the processes carried out at the properties are in existence, will continue to subsist and are not subject to any onerous conditions. For detailed information please refer to the valuations.

8.6 Taxes, Contributions, Charges

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Since no information to the contrary has been brought to our attention, we have assumed that all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation.

8.7 Insurance Policy

Since no information to the contrary has been brought to our attention, we have assumed that the subject properties are covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

8.8 Town Planning and Road Proposals

We made only general enquiries of the local planning authorities and have relied on information provided to us in the legal due diligence report of Freshfields.
No formal searches were carried out. Except where stated to the contrary, it is assumed that there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the properties.

We further rely on the information that there are no outstanding obligations or liabilities arising out of the provisions regulating these issues.

Since no information to the contrary has been brought to our attention, we have assumed that the properties are not adversely affected by town planning or road proposals.

8.9 Statements by Public Officials

In accordance with established legal practice, we have not regarded statements by public officials, particularly regarding factual information, as binding. We do not assume any liability for the application of any such statements or information in the subject appraisal report.

8.10 Assumptions regarding the Future

For the purpose of determining the market value of the subject properties, we have assumed that the existing business will continue (as regards both manner and extent of usage of the subject property) for the remainder of the useful life determined for the buildings, or that comparable businesses would be available to take over the use of the subject properties.

Where there is high voltage electricity supply apparatus within close proximity to the properties, unless, otherwise stated, we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

8.11 Tenants

No investigations have been carried out concerning either the status of payments of any contractually agreed rent or ground rent at the date of valuation, or of the creditworthiness of any tenant(s). Since no information to the contrary has been brought to our attention, we have assumed that there are no outstanding rental payments and that there are no reservations concerning the creditworthiness of any of the tenants.

8.12 Pending Litigation, Legal Restrictions (Easements on Real Estate, Rent Regulation etc.)

Since no information to the contrary has been brought to our attention, we have assumed that the properties are free from any pending litigation, that the ownership is unencumbered and that there are no other legal restrictions such as easements on real estate other than those referred to in the legal report provided by Freshfields, rent regulations, restrictive covenants in leases or other outgoings which might adversely affect value.

8.13 Subsidies

Since no information to the contrary has been brought to our attention, we have assumed that there are no circumstances related to subsidies or grants that might influence the value of the properties.

Important

Should any of the information or assumptions on which the valuation is based be subsequently found incorrect or incomplete, our calculations may need to be amended and the valuation figure may also be incorrect and should be re-evaluated. We therefore cannot accept any liability for the correctness of this assessment or for any loss or damage resulting there from.

9. General Assumptions

9.1 The Properties

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations. Tenant-specific process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

9.2 Surface Areas

We have not measured the properties but have relied upon the schedules of area that were provided to us within the tenancy lists and the technical due diligence assessment. In undertaking our work, we have assumed that these floor areas are correct.

9.3 Title, Tenure, Planning and Lettings

We were informed of the current ownership situation (Section I of the land register) by the representatives of the owner. We were not provided with current land register extracts, however we were provided with a vendor legal due diligence report by Freshfields, carried out in 2004, which deals with the land register situation of the properties. We have assumed that this information is correct and complete. We have assumed that, unless mentioned explicitly in our report, there are no entries, information or circumstances that could have an impact on market values (including any easements, restrictions, or similar restrictions and encumbrances). We reserve the right to amend our valuation should any such factors be found to exist.

The legal ownership situation in respect of those properties held on Erbbaurecht tenure (the German equivalent of a ground lease) has also been reflected in our report and valuations. Ground leases have been valued on the basis that they would continue at market conditions after their actual expiry, unless other provisions are already in place.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of typical purchasers' likely perceptions of the financial status of tenants from a market perspective.
Specifically we have assumed that:

a. the title of the property is free from any onerous or hampering restrictions or conditions;
b. all buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;
c. the property is not adversely affected by town planning or road proposals;
d. all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;
e. tenants will meet their obligations under their leases and where appropriate are responsible for insurance and payments of business rates.
f. there are no user restrictions or other restrictive covenants in leases which would adversely affect value; and
g. all vacant accommodation is available to let, unencumbered.

9.4 Taxes, Insurance

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In undertaking our valuation, we have assumed that:

a. all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation; and
b. the subject property is covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

9.5 Infrastructure and Services

It is assumed that all the sites are serviced within the meaning of paragraph 123 of the German statutory building code (§ 123 BauGB) i.e. that they are connected to the road system, service mains (water, electricity, gas and district heat) and sewers (for both waste and surface water) and that refuse collection was provided.

9.6 Purchaser's Costs

The following purchaser's costs have been assumed with regards to the dimension of the subject property.

Land transfer tax: Under German tax law, transfer tax of 3.5% - 6.5% (set by the individual Federal States) of the purchase price must be paid on property purchase. This is generally paid by the purchaser.

Notary and legal fees: We have reflected an allowance of 0.5% for notarising a purchase contract (compulsory under German law), land registry costs and miscellaneous legal charges.

Agent's fees: In the German market it is common for the purchaser to be responsible for paying all or at least part of the agent's fees. We have therefore adopted a level of 1% - 2%.

9.7 VAT

No allowance has been made in our valuation for the possible effect on value of non-recoverable VAT on purchase as a result of one or more of the tenants not being liable to pay VAT in addition to rent.

9.8 Special Purchaser Value

Unless otherwise stated, our valuations do not reflect any element of marriage value or special purchaser value which could possibly be realised by a merger of interests or by a sale to an owner or occupier of an adjoining property, other than in so far as this would be reflected in offers made in the open market by prospective purchasers apart from the purchaser with a special interest.

9.9 Cost of Realisation

No explicit allowance is made in our valuations for the costs of realisation or any tax liability. No allowance has been made for any mortgage or similar financial encumbrance on the property.

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9.10 Hereditary Building Rights

2 properties within the portfolio are subject to ground leases. The following table provides more detailed information regarding these leaseholds:

Hereditary Building Rights				
ID	City / Town	Street	Expiry	Current Ground Rent EUR p.a.
lwa00106	Gronau	Schulstrasse 8	2071	22,157
lwa00902	Bergisch-Gladbach	Hauptstrasse 177	2027	15,146
Total				37,302

With regard to ground leases, the yearly ground rent payments have been discounted as a negative cash-flow element. The ground leaseholds have been valued on the assumption that they would be renewed at market conditions after their actual expiry, and that there are no clauses or conditions in the "Erbbaurecht" contract that could be considered outside of the industry norms that would adversely affect the valuation. This assumption is realistic subject to certain conditions, which are discussed at individual asset level below.

Erbbaurecht (ground leasehold) is an entirely conventional form of tenure in Germany. It frequently involves little or no limitation or disadvantage for either the ground landlord (freeholder) or the ground lessee. Nevertheless, compared with freeholds, we have increased the discount rate and exit cap rate by 0.25% in all cases, in order to take into account possible problems that may occur in the future and to reflect the terminable nature of the ground leasehold interests. An exception to this is the property in Bergisch-Gladbach (see below).

Gronau is held entirely on a ground leasehold basis. At an assumed market return on the value of the land (German valuation methods differentiate between the rental income from the land and from the buildings) and a specified compensation payment at the end of the ground lease term in the amount of the building's market value, there is no difference in the result of the valuation between the assumption of a renewal of the lease at market conditions or termination of the leasing arrangement. We are of the opinion that the current ground rent for the property in Gronau is at market level. The ground lease contract allows for a compensation payment of the Market Value of the buildings. We have therefore assumed that the ground lease would be renewed. It is important to note, however, that the ground lease runs until 2071 and therefore the choice of assumptions has a negligible effect on the NPV.

Bergisch-Gladbach is held entirely on a ground leasehold basis. The ground lease contract runs to 2027. We are of the opinion that the current ground rent is at market level. However, the stipulated compensation payment for the building on termination of the ground lease is only 2/3 of market value. Nevertheless, we have assumed that the ground lease would be renewed at market conditions on expiry, as there is very little effect on NPV. However, in order to take this risk into account, we have increased the discount rate by 0.5% instead of 0.25% (see above).

9.11 Tenancies and Deutsche Bank Portfolio Lease

In 2004 Fortress Investment Group purchased 109 assets from Deutsche Bank (the original Wave portfolio). Since then 65 of the properties have been sold, resulting in a remaining portfolio (the subject portfolio) comprising only 44 assets.

The Landlord and Deutsche Bank representatives of the assets remaining in the "Flex Portfolio Lease Agreement" have

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negotiated an extension to the lease agreement, eliminating the optional hand-back clauses available to Deutsche Bank. The amended terms of the Portfolio Lease Agreement for the remaining assets are as follows:

- Asset swa01807 is now leased on a fixed 10 year term through to 31 December 2019.

- 2 Assets (Iwa01113 and Iwa01314) are now leased on a 10 year term through to 31 December 2019 with a break option for the tenant after 5 years (31 December 2014) which both have been exercised.

Through to 31 December 2014, Deutsche Bank has only exercised the break options for the assets lwa01113 (Karlsruhe) and lwa01314 (Ravensburg) mentioned above. The areas occupied now by Deutsche Bank total 51,390 sq m spread over 38 properties.

10. Addressees / Reliance

In respect of the Offer, the Valuation Report with the valuation date 31 December 2014 and the Prospectus is addressed to the Directors of the Principal, the Principal and Fortress Investment Group LLC, as the Principal's duly appointed investment manager (the "Manager"). Beyond that no responsibility will be accepted to any third party for the whole or any part of the contents of the Valuation Report, save for any responsibility arising under PR 5.5.3R or any other applicable law or regulation. The Valuation Report is only to be used for the specific purpose set out herein.

11. Disclosure

A copy of the Valuation Report may be disclosed on a non-reliance basis to the Principal's legal advisors as well as its auditors, listing agents, underwriters, investment banks and their legal advisors (actually or prospectively). Furthermore, in the case of syndication, the Valuation Report may be provided to banks on a non-reliance basis. The Principal is obliged to inform CBRE in writing of the name and full address of each of such parties prior to the respective disclosure of the Valuation Report.

In addition CBRE agrees to the disclosure of the Valuation Report for the purpose of approving and publishing of the Prospectus, including where submitted to the UK Listing Authority in draft form.

12. Publication

CBRE agrees that the Valuation Report and any letters related thereto can be integrated into the Prospectus in an unchanged form. Unless otherwise stated in this instruction, neither the whole nor any part of the Valuation Report or letters related thereto nor any references thereto may be included in any published document, circular statement nor published in any way without our prior written approval of the form and context in which it will appear.

CBRE also hereby consents to the inclusion in the Prospectus of a declaration, as required by paragraph PR5.5.8R of the Prospectus Rules and item 1.2 of Annex 1 to the Commission Regulation (EC) No. 809/2004 (as amended) as set out in Appendix 3 of the Prospectus Rules, that, having taken all reasonable care to ensure that such is the case, the information contained in those parts of the Prospectus for which we are responsible is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

13. Insurance and Liability

The liability of CBRE, of a legal representative or an agent is restricted to gross negligence and wilful intent.

The liability restriction referred to in the first paragraph shall not apply, if and as far as product liability claims are present, if

CBRE

the existence of a defect has been maliciously concealed, if a guarantee has been assumed and/or in case of a personal injury, death or damage to personal health.

The liability restriction referred to in the first paragraph shall not apply in cases of negligence, if and as far as the damage is covered by an insurance of CBRE. However, in this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

The liability restriction referred to in the first paragraph shall not be applicable in cases of negligence, if essential Contractual obligations (so-called "cardinal duties", the satisfaction of which enables the proper execution of the Contract at all and on which the Client relies and may as a rule rely on its compliance) have been violated. However, the liability for essential Contractual obligations is limited to the reimbursement of the foreseeable, typically occurring damages. In this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

14. Assignation of Rights

The addressees of the agreement, based upon which this report has been prepared, shall not be entitled to assign their rights under the agreement – in total or in part – to any third party or parties, unless it was explicitly specified otherwise in the agreement.

15. Place of Performance and Jurisdiction

The agreement, on which the preparation of this report is based, is governed by and construed in accordance with the laws of the Federal Republic of Germany. In the event that there is any conflict between the English legal meaning and the German legal meaning of this Contract or any part hereof, the German legal meaning shall prevail. The place of performance and jurisdiction for disputes arising from this contractual relationship shall be Frankfurt am Main, Germany.

CBRE

Yours faithfully

STEFAN GUNKEL
Ö.B.U.V. SV., CIS HYPZERT (F)
MANAGING DIRECTOR
HEAD OF VALUATION GERMANY

For and on behalf of
CBRE GmbH

ppa. **TOBIAS JERMIS**
MRICS, CIS HYPZERT (F)
DIRECTOR
TEAM LEADER OFFICE & LOGISTICS VALUATION

For and on behalf of
CBRE GmbH

CBRE

THE SCHEDULE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa00106 Schulstr. 8 48599 Gronau Date of Inspection: 15 August 2013	-Region: Western edge of North Rhine-Westphalia; rural -Quality: Rural area immediately adjoining the Netherlands (Enschede approx. 10 km away). -Infrastructure: Junction on the A31 towards Recklinghausen (approx. 45 minute drive); regional rail network. -Surrounding: Town centre zone -Position: Directly on the central marketplace -Connection: Access by car only fair, public transport good. -Visibility: Good. -Use: Office building with bank hall -Year of construction: 1974 -Construction: Framed construction with concrete panels, partly masonry -Concept: 2-storey office building, basement, structurally part of a large apartment block; structural division would be possible -State of repair: good; comprehensive renovation of the first floor has been carried out -Functionality: satisfactory to good -Exterior: None: site completely developed We understand that the Property is comprised of: Plot size: 317 sq m Lettable area: 1,180 sq m 3 car parking spaces	Ground Lease (Erbbaurecht) Annual ground rent is €22,157, until 31 December 2071. The Property is let to multiple tenants. The main tenant is however: Deutsche Bank AG – bank hall/storage (657.08 sq m) expiring 31 December 2024. Passing rent is €83,594 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/ 100%.	€83,594	€103,508	€850,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa00109 Woldemei 17 / Königsau 7 59555 Lippstadt Date of Inspection: 27 August 2013	-Region: Situated between the Münsterland and the Sauerland, member of the Hanseatic league, the largest town in the District (administrative area) of Soest -Infrastructure: A 2 Cologne-Hanover-Berlin to the north and A 44 Dortmund-Kassel to the south. InterRegio rail connects to the ICE stations in Dortmund (60 min.), Hamm (30 min.) and Kassel (1 hour 45 min), 20 km to the international airport Paderborn/Lippst -Surrounding: In the immediate area there are a large number of doctors surgeries and chemists, some service providers and 3 amusement arcades -Position: Detached building on an arterial road to the town centre -Connection: Access by car good, by public transport fairly good -Visibility: Easily visible "solitaire" building -Use: Office building with bank accommodation -Year of construction: 1985 -Construction: Reinforced concrete structure, facade with stone slabs and lavish window design -Concept: Connected structure with two/three full storeys, plus basement and underground car park. Access to the offices is mainly via the rear entrance, adjacent to the access to the underground car park. -State of repair: Apparent maintenance backlog, some areas requiring major maintenance/refurbishment expenditures -Functionality: Apparently fairly good, individual access to the accommodation possible; some office areas are inefficiently laid out -Exterior: Access to the underground car park, surface parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – bank hall/storage (1,152.77 sq m) expiring 31 December 2019. Passing rent is €139,058 per annum. Indexed 5% hurdle/ 100%. MDK Westfalen-Lippe – office (717.00 sq m) expiring 30 June 2015. Passing rent is €75,644. Indexed 5% hurdle/100%. Lippejagd Brinkmann – office/storage (225.46 sq m) expiring 31 March 2015. Passing rent is €10,091 per annum. Indexed 10% hurdle/ 60%.	€226,765	€264,535	€2,610,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 1,687 sq m Lettable area: 3,379 sq m 26 car parking spaces				
Unit-ID: lwa00110 Domstrasse 2 32423 Minden Date of Inspection: 27 August 2013	-Region: Administrative and business centre of the District (administrative district) of Minden-Lübbecke -Quality: Major employers are the producing industry, trade and commerce and the public sector. -Infrastructure: Adjoins the edge of the pedestrianised zone, opposite a theatre and tourist office, other banks in the vicinity -Surrounding: 15 km to the 3-lane motorway A2 and 15 km to the A30; ICE railway station and inland waterway junction, Hanover airport approx. 40 km -Position: On the edge of the shopping zone -Connection: Good access by road and by public transport -Visibility: Good -Use: Office and retail building with bank hall -Year of construction: 1984 -Construction: Reinforced concrete structure with pitched roof, façade glazed with hanging stone slabs -Concept: 2 connected buildings with two full storeys, one section has no GF – FF is supported on pillars. Basement and underground car park -State of repair: Apparently well maintained -Functionality: Modern office building with an appropriate proportion of office and bank accommodation and parking spaces -Exterior: Courtyard, parking spaces and small landscaped areas	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – bank hall/office/storage (992.90 sq m) expiring 31 December 2019. Passing rent is €103,255 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/ 100%. Minden Marketing GmbH – office (161 sq m) expiring 31 December 2015. Passing rent is €17,021 per annum. Indexed 5% hurdle/100%. Deutsche Angestellte – office (844.02 sq m) expiring 31 March 2016. Passing rent is €60,274 per annum. Indexed 5% hurdle/100%.	€195,139	€206,399	€2,150,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 3,188 sq m Lettable area: 3,273 sq m 26 car parking spaces				
Unit-ID: lwa00114 Bahnhofstr. 1-3 33102 Paderborn Date of Inspection: 27 August 2013	-Region: University and cathedral city, second-largest city in Ostwestfalen-Lippe. -Quality: Artisan firms, medium-sized companies, retailers, international firms, activities in the IT sector and the increase in "FuE" (research and development) workplaces -Infrastructure: Paderborn is on the A 33, which links the A 2 (Ruhr region -Hanover) with the A 44 (Dortmund-Kassel). From Paderborn/Lippstadt airport (approx. 15 km from Paderborn city centre) there are direct scheduled and charter flights -Surrounding: Offices, small-scale retail -Position: Near an intersection (multi-lane roads) close to the city centre (approx. 500 m to the east) and to the central station (to the west) -Connection: Access by car good, by public transport fairly good -Visibility: Easily visible "solitaire" building -Use: Office and bank accommodation -Year of Construction: 1987 -Construction: Reinforced concrete structure, pitched roof, stone facade -Concept: Four-storey building, above the GF is a non-accessible landscaped inner "courtyard", the accommodation is constructed as a quadrangle -State of repair: Apparently well maintained -Functionality: Partly poor layout of the office space -Exterior: Paved access to the underground car park,	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (1,264.11 sq m) expiring 31 December 2019. Passing rent is €162,027 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Persona Service AG & Co. KG – office (279.00 sq m) expiring 31 December 2018. Passing rent is €32,120 per annum. Indexed 5% hurdle/100%. Integrations- und Beratungsstelle – office (372.10 sq m) expiring 31 December 2019. Passing rent is €2 per annum. Indexed 60% CPI p.a.	€262,515	€277,126	€2,930,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	"courtyard" on FF landscaped We understand that the Property is comprised of: Plot size: 1,181 sq m Lettable area: 3,555 sq m 54 car parking spaces				
Unit-ID: lwa00311 Ostwall 131-135 47798 Krefeld Date of Inspection: 15 August 2013	-Region: North Rhine-Westphalia -Quality: Industry is still the city's strongest economic base. The chemicals, mechanical engineering, the textile and clothing trade and steel and vehicle building sectors are outstanding in the industrial area. -Infrastructure: Krefeld has connections to the A 57 and A 44 motorway. It is about 30 min from Düsseldorf airport and 20 minutes from Mönchengladbach airport. -Surrounding: Balanced proportions of offices, retail and city-centre residential; typical of city centre. -Position: Good position as Ostwall is the main road to the city centre; traditional location for many retail businesses; within sight of the pedestrianized zone. -Connection: Ostwall is the major arterial road; public transport (bus) available. -Visibility: Very good, at the head of a square -Use: Office building with bank hall -Year of Construction: Originally from the turn of the 20th century, extensively refurbished in 1969 and in the last 10-20 years -Construction: Masonry structure -Concept: Two-storey building (plus mezzanine floor and partly fitted-out attic storey) with offices and surgeries with underground car park. U-shaped building as part of a square, in 3 sections. -State of repair: Very good -Functionality: Good, despite various types of building	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (3,662.69 sq m) expiring 31 December 2024. Passing rent is €487,327 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Dr. Waldhausen – surgery (735.50 sq m) expiring 29 February 2016. Passing rent is €62,173 per annum. Indexed 10% hurdle/60%. Dr. med. Adrian Floh – surgery/storage (291.14 sq m) expiring 31 March 2017. Passing rent is €35,397 per annum. Indexed 2% hurdle/60%.	€643,587	€549,638	€7,770,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	with the old structure and new annex. -Exterior: Site almost completely developed, no landscaping, only a small paved courtyard in the new section for car parking spaces. We understand that the Property is comprised of: Plot size: 2,313 sq m Lettable area: 6,246 sq m 41 car parking spaces				
Unit-ID: lwa00418 Bahnhofstr. 5/7 59065 Hamm Date of Inspection: 27 August 2013	-Region: North Rhine-Westphalia -Quality: Northeast of Dortmund; still in the Dortmund radius of activity -Infrastructure: Connection to the A1 and A2 via dual-carriageway federal roads (approx. 10-20 km to the motorway); regional railways and IC stop -Surrounding: City centre; pedestrianized zone; immediate neighbours: Karstadt, Saturn-Hansa, kd Drogerie, Hotel Mercure, restaurants and small commercial and office units -Position: Western pedestrianized zone -Connection: Good access by road and by public transport -Visibility: Satisfactory -Use: Office building with bank hall -Year of Construction: 1983 -Construction: Reinforced concrete structure with flat roof, façade with natural stone panels -Concept: 4-storey office building with basement -State of repair: Poor condition -Functionality: Office building with a reasonable proportion of office and bank accommodation -Exterior: Courtyard (rear part of the property)	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (937.75 sq m) expiring 31 December 2019. Passing rent is €145,856 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Persona Service – office (270.96 sq m) expiring 30 June 2018. Passing rent is €18,859 per annum. Indexed 10% hurdle/100%.	€165,128	€164,764	€1,840,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 1,145 sq m Lettable area: 1,980 sq m 24 car parking spaces				
Unit-ID: lwa00420 Paul-Reusch-Strasse 43 46045 Oberhausen Date of Inspection: 15 August 2013	-Region: Rhine-Ruhr region -Quality: Oberhausen is an important business location in the Rhine-Ruhr region, conurbation, traditional industrial and production location -Infrastructure: Very good connections to the motorway network (A 43, A 44, A430), Essen-Mülheim regional airport, IC station -Surrounding: Side street leading to the pedestrianised zone; direct neighbours Volksbank and a multi-storey car park; the neighbourhood adjoining the older building is a complex of city-centre office buildings -Position: Adjoining the pedestrianized zone to the northwest -Connection: Good access by road and by public transport -Visibility: Only the older building is particularly well visible -Use: Mixed commercial and residential building -Year of Construction: 1914; refurbished in the 1960s/70s. -Construction: New building: Reinforced concrete structure with anodised façade panels; Old building: Masonry structure with sandstone facade -Concept: Building in two sections at the end of a residential terrace on an arterial road to the town centre; own underground car park -State of repair: Appears to be visually and technically	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (2,327.73 sq m) expiring 31 December 2022. Passing rent is €281,037 per annum. Indexed 5% hurdle/100%.	€281,037	€233,877	€3,190,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	good -Functionality: Reasonable proportions of office and bank accommodation and parking spaces -Exterior: None, site fully developed, terraced format We understand that the Property is comprised of: Plot size: 1,046 sq m Lettable area: 2,440 sq m 8 car parking spaces				
Unit-ID: lwa00421 Königswall 24 45657 Recklinghausen Date of Inspection: 15 August 2013	-Region: Northern Rhine-Ruhr region -Quality: One of several areas in the Rhine-Ruhr region, traditional processing industry, conurbation, high population -Infrastructure: Motorways A43, A2, A42 etc. , ICE station, regional airport in the Rhine-Ruhr region -Surrounding: Extremely busy arterial road, terraced format, almost exclusively office and retail properties -Position: Outer area of the city centre, situated approx. 500 m from the city centre -Connection: Access by car is good, by public transport fairly good -Visibility: Relatively good -Use: Office building with bank hall -Year of Construction: 1899 -Construction: Masonry structure -Concept: Terraced property on the city ring -State of repair: Good condition, recently refurbished -Functionality: Expensively refurbished office building with reasonable proportions of office and bank accommodation but few parking spaces -Exterior: Not a complete development of the parcels of the property	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (1,160.08 sq m) expiring 31 December 2019. Passing rent is €108,862 per annum. Indexed 5% hurdle/100%. Hartmann und Gigerl – office/storage (281.16 sq m) expiring 31 December 2016. Passing rent is €19,230 per annum. Indexed 10 pts. hurdle/100%.	€128,092	€108,831	€1,370,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 865 sq m Lettable area: 1,478 sq m 4 car parking spaces				
Unit-ID: lwa00509 Langstrasse 60 63450 Hanau Date of Inspection: 5 August 2013	-Region: Eastern Rhine-Main region, Frankfurt/Main approx. 20 km to the west, Hanau is the administrative centre of the Main-Kinzig district -Quality: In the economically strong Rhine-Main region but in the weaker eastern area -Infrastructure: Connection to several motorways (A66, A45 and A3) within 10km, ICE station, Rhine-Main airport approx. 25 km away -Surrounding: City centre, pedestrianized zone -Position: Central intersection -Connection: Fairly good access by road, good access by public transport -Visibility: Good because of size and architecture -Use: Mixed office and retail building -Year of Construction: 1990 -Construction: Reinforced concrete structure partly with flat roof and partly pitched roof, brick façade with glazed elements -Concept: 2 connected buildings, main building with 4 storeys, secondary complex with 3 storeys, basement -State of repair: Appears to be in good condition -Functionality: Modern office building with an appropriate proportion of office and bank accommodation and parking spaces -Exterior: City-centre, site almost completely developed We understand that the Property is comprised of: Plot size: 991 sq m	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (925.28 sq m) expiring 31 December 2019. Passing rent is €169,258 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. ZERO Franchise GmbH – retail/storage (155.00 sq m) expiring 31 December 2016. Passing rent is €73,016 per annum. Indexed 5% hurdle/100%. Ed. Züblin AG – office (548.33 sq m) expiring 31 December 2015. Passing rent is €42,770 per annum. No indexation.	€354,966	€331,046	€4,360,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 2,669 sq m 10 car parking spaces				
Unit-ID: lwa00513 Mainzer Strasse 2 65428 Rüsselsheim Date of Inspection: 5 August 2013	-Region: Rhine-Main region, Frankfurt approx. 20 km to the northeast, Mainz approx. 10 km to the west, Darmstadt approx. 20 km to the southeast -Quality: Rüsselsheim is a centre in the Rhine-Main region, relatively central in the conurbation with concentration on the car industry -Infrastructure: Connections to the A60 (Bingen-Mainz-Rüsselsheim), A67 (Frankfurt/airport-Darmstadt-Mannheim), regional railway station, nearest international airport Frankfurt Rhine-Main -Surrounding: Central location with entrance from the pedestrianized area, retailers and smaller office in the immediate surroundings -Position: city centre location -Connection: Good access by road and by public transport -Visibility: Easily visible building -Use: Office building with bank hall -Year of Construction: 1951 -Construction: Solid masonry construction with half-hipped roof, rendered facade -Concept: 1 building with 3 storeys + roof storey, basement -State of repair: Apparently well maintained -Functionality: Office building with a reasonable proportion of office and bank accommodation and parking spaces -Exterior: none	Part Ownership (2/3 co-ownership share) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (590.57 sq m) expiring 31 December 2019. Passing rent is €71,037 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. TWBI Südwest GmbH – office/storage (182.94 sq m) expiring 31 July 2016. Passing rent is €14,983 per annum. Indexed 10% hurdle/100%.	€86,020	€83,285	€1,020,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 340 sq m Lettable area: 1,047 sq m 7 car parking spaces				
Unit-ID: lwa00514 Marktplatz 1-2 65428 Rüsselsheim Date of Inspection: 5 August 2013	-Region: Rhine-Main region, Frankfurt approx. 20 km to the northeast, Mainz approx. 10 km to the west, Darmstadt approx. 20 km to the southeast -Quality: Rüsselsheim is a centre in the Rhine-Main region, relatively central in the conurbation with concentration on the car industry -Infrastructure: Connections to the A60 (Bingen-Mainz-Rüsselsheim), A67 (Frankfurt/airport-Darmstadt-Mannheim), regional railway station, nearest international airport Frankfurt Rhine-Main -Surrounding: Central location with entrance from the pedestrianized area, retailers and smaller offices in the immediate surroundings -Position: city centre location -Connection: Good access by road and by public transport -Visibility: Easily visible "solitaire" building -Use: Office and bank accommodation -Year of Construction: 1950 -Construction: Reinforced concrete structure with flat roof, façade a mixture of render and sandstone -Concept: Building with 3 storeys + roof storey, basement -State of repair: Apparently well maintained -Functionality: Office building with reasonable proportion of office and bank accommodation and parking spaces -Exterior: Surface parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – bank hall/storage (108.74 sq m) expiring 31 December 2019. Passing rent is €13,144 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. TWBI Südwest GmbH – office (72.83 sq m) expiring 31 July 2016. Passing rent is €6,118 per annum. Indexed 10% hurdle/100%.	€19,262	€22,759	€260,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 315 sq m Lettable area: 311 sq m 3 car parking spaces				
Unit-ID: swa00610 Hauptstrasse 9 77652 Offenburg Date of Inspection: 8 August 2013	-Region: Situated in western Baden-Wuerttemberg between Freiburg (approx. 70 km to the south) and Karlsruhe (approx. 70 km to the north) on the edge of the central Black Forest, close to Strasbourg in France -Quality: Not a conurbation, despite the location not particularly a tourist area, we consider that Offenburg has a somewhat weaker economy in Baden-Wuerttemberg -Infrastructure: Connection to the A5 (Freiburg-Basel) in approx. 10 km, town station, nearest international airport is Stuttgart -Surrounding: Residential, retail and office use -Position: Town centre location near the station (approx. 200 m) -Connection: Fairly good access by road, good access by public transport -Visibility: Limited due to terraced format -Use: Mixed office and retail building -Year of Construction: 1957 -Construction: Reinforced concrete structure with pitched roof and brick facade -Concept: Building with 4 full storeys and fitted-out roof storey, plus 1-2 storey annexe extending to the rear of the property -State of repair: Fair condition; vacant areas require some refurbishment -Functionality: The property has adequate functionality for the needs of existing and potential tenants	Freehold (Eigentum) The Property is let to the following tenant: Stiftung Lernen+Fördern – office/storage (285.23 sq m) expiring 31 May 2015. Passing rent is €22,326 per annum. No indexation.	€22,326	€143,158	€1,270,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	-Exterior: Courtyard limited through the addition of the annex - grounds appear neglected and not well kept We understand that the Property is comprised of: Plot size: 1,200 sq m Lettable area: 2,067 sq m 14 car parking spaces				
Unit-ID: lwa00712 Harburger Rathauss. 44/ Bremer S. 10 21073 Hamburg Date of Inspection: 20 August 2013	-Region: Hamburg (Harburg) -Quality: Important economic location for transport and distribution, media, production sector -Infrastructure: International airport, many motorways, very good rail connections, Hamburg port -Surrounding: Mixture of office, retail and city-centre residential -Position: On the edge of the pedestrianized zone -Connection: Good -Visibility: Good -Use: Office building with bank hall -Year of Construction: 1924, completely and comprehensively refurbished -Construction: Partly concrete, partly masonry -Concept: 3-storey detached building with 4 separate entrances -State of repair: Apparently very well maintained -Functionality: Floors can easily be let separately -Exterior: Extensive landscaping and 29 surface parking spaces in the courtyard (4 staircases) We understand that the Property is comprised of: Plot size: 2,386 sq m Lettable area: 2,788 sq m 29 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (1,833.23 sq m) expiring 31 December 2024. Passing rent is €263,463 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Medicur – office/storage/residential (329.60 sq m) expiring 31 March 2019. Passing rent is €33,246 per annum. Indexed 5% hurdle/100%. Residential (264.31 sq m) unlimited leases. Passing rent is €18,351 per annum. No indexation.	€318,185	€283,276	€4,600,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa00806 Zindelstrasse 3-5 37073 Goettingen Date of Inspection: 26 August 2013	-Region: Lower Saxony -Quality: The university city of Goettingen is an important location for research and further education institutions -Infrastructure: National airport Kassel-Calden approx. 60 km. Direct connection to the A7, good IC and ICE connections -Surrounding: Surroundings (pedestrianized zone) characterised by retailing (chain stores and traditional retailers), office uses and public institutions -Position: Secondary (1B) location in the pedestrianized zone, opposite a church (Sankt Johannis) and the town hall -Visibility: Easily visible "solitaire" building -Use: Office building with bank hall -Year of Construction: 1971 -Construction: Steel frame structure with concrete slabs, partly masonry -Concept: 4-storey, square office building with basement -State of repair: Apparently fairly good condition -Functionality: Open "office landscape" on the GF and FF (counter and adviser areas) that are connected (large opening in the floor between the GF and FF). Other accommodation on the various floors easily divisible due to various entrances and staircases -Exterior: City-centre office building in the pedestrianized zone, completely developed, immediately in the access to the main station of the city of Göttingen We understand that the Property is comprised of: Plot size: 1,270 sq m Lettable area: 3,482 sq m 15 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (2,004.19 sq m) expiring 31 December 2019. Passing rent is €300,121 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Deutsche Paracelsus – office (301.34 sq m) expiring 30 April 2020. Passing rent is €28,821 per annum. Indexed 5% hurdle/100%. Dr. Amke Finger – office/storage (212.98 sq m) expiring 31 December 2023. Passing rent is €25,018 per annum. Indexed 5% hurdle/100%.	€432,158	€337,040	€4,710,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa00809 Am Markt 2-3 31785 Hameln Date of Inspection: 27 August 2013	-Region: The Hameln region is a development area under the "Joint Agreement for the Improvement of Regional Economic Structures" and headquarters of the district (administrative area) of Hameln-Pyrmont and the Kreishandwerkerschaft (craftsmen's guild). -Quality: Mid-order centre with weak economy -Infrastructure: Hameln is the intersection of the federal roads B 1, B 83 and B 217. The star-shaped network of federal roads centred on the town is further expanded by state and District (county) roads. -Surrounding: Town centre location in the pedestrianized zone -Position: Corner building, with good footfall -Connection: Fairly good access by road, good public transport connections -Visibility: Subject is in line with the surrounding development -Use: Mixed office and residential building with bank hall -Year of Construction: 1957, 1960 and 1976 -Construction: Reinforced concrete structure, curtain wall facade with stone slab elements -Concept: 3 connected buildings built at different dates, 2 or 3 storeys, various access cores -State of repair: Apparently fairly well maintained -Functionality: Partly very limited, e.g. due to shared sanitary facilities in the corridor areas; office space on the upper floor that is accessible only through the bank accommodation -Exterior: Well-maintained small courtyard with landscaping near the rear entrance We understand that the Property is comprised of: Plot size: 894 sq m	Freehold (Eigentum) The Property is let to the following tenants: Deutsche Bank AG – office/bank hall/storage (841.87 sq m) expiring 31 December 2024. Passing rent is €106,338 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. First Reisebüro – office/retail/storage (341.83 sq m) expiring 31 March 2018. Passing rent is €85,894 per annum. Indexed 5% hurdle/ 100%. Internationale Schule des Goldenen Rosenkreuzes Lectorium Rosicrucianum e.V. – office (242,53 sq m) expiring 31 August 2017. Passing rent is €13,293 per annum. Indexed 10% hurdle/ 100%.	€205,526	€215,780	€3,080,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 2,752 sq m no car parking spaces				
Unit-ID: lwa00814 Angoulemeplatz 1 31134 Hildesheim Date of Inspection: 26 August 2013	-Region: Lower Saxony -Quality: Recognised location for transport and distribution; university city -Infrastructure: Good motorway connections -Surrounding: Pedestrianized zone; small-scale retailers and offices, city-centre residential -Position: Location on the edge of the pedestrianized zone, approx. 200 m from the station -Connection: Good (road, pedestrian, public transport) -Visibility: Good -Use: Mixed office and residential building with bank hall -Year of Construction: 1922, thoroughly refurbished in the 1950s/60s -Construction: Masonry, concrete -Concept: Detached, 3-storey property, several entrances -State of repair: Apparently fairly good, although parts of the bank accommodation well renovated -Functionality: Flexibility allowed by 3 separate entrances and staircases -Exterior: Small amounts of landscaping We understand that the Property is comprised of: Plot size: 1,932 sq m Lettable area: 2,701 sq m 13 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (1,511.28 sq m) expiring 31 December 2024. Passing rent is €160,250 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Schneider – office/storage (278.41 sq m) expiring 31 December 2016. Passing rent is €12,774 per annum. Indexed 5% hurdle/100%. Power Personalservice – office/storage (104.15 sq m) expiring 31 December 2015. Passing rent is €7,032 per annum. Indexed 2% hurdle/60%.	€180,055	€194,756	€2,450,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa00815 Bardowicker Strasse 6 21335 Lüneburg Date of Inspection: 22 August 2013	-Region: Mid-order centre near to the city of Hamburg. -Quality: The location is increasingly becoming established as a centre for education and knowledge, as a total of approx. 10,000 students are now registered at the university of Lüneburg and the technical university of Nord-Ost-Niedersachsen. -Infrastructure: Long-distance connections: the motorway A 250 and the Hamburg-Hanover main line. Several north-south and east-west federal roads intersect here. Lüneburg has an inland harbour on the Elbe-Seite canal -Surrounding: The subject property is in the Lüneburg town centre, tourist-oriented retail, a large number of international chains -Position: Centrally situated, on the edge of the pedestrianized zone -Connection: Access by car good, by public transport fairly good -Visibility: Easily visible, not least due to the special design of the facade -Use: Office and bank accommodation -Year of Construction: 1976 -Construction: Masonry -Concept: 3-storey building with basement, lavish architectural façade, some interior walls of the offices have original facades -State of repair: Apparently fairly good to good condition -Functionality: Separate access to the office space possible -Exterior: None We understand that the Property is comprised of: Plot size: 633 sq m Lettable area: 1,175 sq m no car parking spaces	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (862.61 sq m) expiring 31 December 2024. Passing rent is €127,794 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Verlag & Freie Medien - Anja Van Bocxlaer – office (119.49 sq m) expiring 30 September 2018. Passing rent is €10,754 per annum. Indexed 10% hurdle/100%.	€138,548	€127,436	€1,880,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: swa00817 Schützenplatz 18 38259 Salzgitter Date of Inspection: 26 August 2013	-Region: Lower Saxony -Quality: Recognised location for transport and distribution; university city -Infrastructure: Good motorway connections -Surrounding: Central location, pedestrianized zone although on the fringe -Position: Location on the edge of the pedestrianized zone -Connection: Average, large public car park behind the subject property -Visibility: Good -Use: Office building -Year of Construction: 1954 -Construction: Concrete frame with concrete panels, partly masonry -Concept: 3-storey building (GF, 1st F, 2nd F) plus roof storey, with 2 entrances -State of repair: Apparently satisfactory: parts of the office accommodation are very out-of-date -Functionality: Very easily divisible into small units between approx. 45 and 80 sq m -Exterior: none We understand that the Property is comprised of: Plot size: 478 sq m Lettable area: 1,400 sq m no car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (754.29 sq m) expiring 31 December 2024. Passing rent is €63,679 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Yogastudio Santosha GdR – office (145.96 sq m) expiring 31 October 2015. Passing rent is €5,308 per annum. Indexed 10% hurdle/60%. Residential (122.74 sq m) – unlimited leases. Passing rent is €6,212 per annum. No indexation.	€75,200	€86,760	€1,010,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa00902 Hauptstr. 177 51465 Bergisch – Gladbach Date of Inspection: 14 August 2013	-Region: North Rhine-Westphalia -Quality: The Ruhr region is traditionally characterised by the iron and steel industry, strong economic region both in processing industry and the services sector. Mainly small and medium-sized firms, but also a high rate of establishment of international firms -Infrastructure: The Ruhr region has an excellent motorway network, connections to IC / ICE trains and international airports within 1-2 hours travel time (e. g. Cologne-Bonn, Düsseldorf) -Surrounding: Central pedestrianized zone, main occupiers are retail, also retail chains and larger specialist stores -Position: Central position in the pedestrianized zone, directly adjoining “Grüne Arkadenstrasse” -Visibility: Very good -Use: Mixed office and retail building -Year of Construction: Mid-1960s -Construction: Frame structure with concrete panels, masonry -Concept: 3-storey office and retail building with residential units on the 2nd floor -State of repair: Apparently well maintained -Functionality: Easily divisible into individual units -Exterior: No landscaped areas We understand that the Property is comprised of: Plot size: 342 sq m Lettable area:845 sq m no car parking spaces	Ground lease (Erbbaurecht) The ground rent is €15,146 per annum until 31 December 2027. The Property is let to: Deutsche Bank AG – office/bank hall/storage (539.51 sq m) expiring 31 December 2019. Passing rent is €67,677 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Residential (91.98 sq m) unlimited lease. Passing rent is €3,780 per annum. No indexation.	€71,456	€74,484	€700,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01004 Ludwigstrasse 8-10 55246 Mainz Date of Inspection: 5 August 2013	-Region: Located in the Rhine Main area; Frankfurt is approx. 35 km to the north-east; Wiesbaden approx. 5 km to the north, Darmstadt approx. 35 km to the south-east -Quality: Mainz is one of the economic centres of the Rhine Main area; forms the western border of the region, university town -Infrastructure: Access to the A60 (Bingen-Mainz-Rüsselsheim) and A63 (Mainz-Kaiserslautern) motorways; ICE railway station; nearest international airport is in Frankfurt -Surrounding: Central location with several banks, office buildings and pedestrian zone in immediate neighbourhood -Position: Town centre -Connection: Good access by car and public transport -Visibility: Well visible block development; corner building -Use: Office with bank accommodation -Year of Construction: 1953 -Construction: Reinforced concrete frame with a flat roof; facade with stone slabs; rendered at rear -Concept: Building with 4 upper floors, basement and 2-storey extension/ pavilion -State of repair: Apparently in good condition -Functionality: Modern office building with an appropriate proportion of office and bank accommodation -Exterior: Courtyard with parking spaces We understand that the Property is comprised of: Plot size: 1,576 sq m Lettable area: 4,806 sq m 5 car parking spaces	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (4,781.75 sq m) expiring 31 December 2019. Passing rent is €652,156 per annum. Indexed 5% hurdle/100%.	€652,156	€506,810	€8,220,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01005 Weissliliengasse 14 55116 Mainz Date of Inspection: 5 August 2013	-Region: Rhine Main area; Frankfurt is approx. 35 km to the north-east; Wiesbaden approx. 5 km to the north, Darmstadt approx. 35 km to the south-east -Quality: Mainz is one of the economic centres of the Rhine Main area; forms the western border of the region, university town -Infrastructure: A60 (Bingen-Mainz-Rüsselsheim), A63 (Mainz-Kaiserslautern) motorways; ICE railway station; nearest international airport is in Frankfurt -Surrounding: Central location with several banks, office buildings and pedestrian zone in immediate neighbourhood -Position: Town centre -Connection: Good access by car and public transport -Visibility: Well visible block development, corner building -Use: Office building -Year of Construction: 1989 -Construction: Reinforced concrete frame with a hipped roof; facade with stone slabs -Concept: Building with 4 upper floors and basement, (no areas on the ground floor) -State of repair: Apparently in good condition -Functionality: Modern office building -Exterior: None We understand that the Property is comprised of: Plot size: 762 sq m Lettable area: 1,959 sq m no car parking spaces	Freehold (Eigentum) The Property is vacant.	€0	€172,122	€1,700,000

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01113 Rheinstr. 44 76185 Karlsruhe Date of Inspection: 12 August 2013	-Region: In the Rhine-Neckar region; Mannheim lies approx. 50 km to the north, Stuttgart approx. 70 km to the south-east -Quality: Karlsruhe is one of the economic centres of the Rhine-Neckar region; retail represented by pharmaceutical companies, food retailers, car manufacturers, machine engineering and IT -Infrastructure: Connections to the A5 (Basel-Karlsruhe-Frankfurt), A65 (Karlsruhe-Landau) and A8 (Karlsruhe-Stuttgart-München) motorways; ICE railway station; nearest airport is in Söllingen (Baden airport); international airports in Frankfurt and Stuttgart -Surrounding: At the edge of the inner city area in a side street to a main access road (Rheinstrasse); relatively busy location with banks, retailers, facilities for daily needs and housing in the immediate neighbourhood -Position: At the edge of the inner city, approx. 200 m from the centre -Connection: Access by car and public transport is good to very good -Visibility: Easily visible corner building -Use: Office building with bank hall -Year of Construction: 1993 -Construction: Solid masonry structure with pitched roof, rendered facade with hanging stone slabs in the ground floor area -Concept: L-shaped building with 4 storeys, basement; ground floor (as annexe) is more spacious than the other floors; partial area of ground floor used as garage -State of repair: Apparently in good to very good condition -Functionality: Modern office building with a small banking area and parking spaces -Exterior: Small landscaped areas behind annexe on	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (476.96 sq m) expiring 31 December 2014. Passing rent is €68,131 per annum. Indexed 5% hurdle/100%. Susanne Weiler –office (371.06 sq m) expiring 30 September 2015. Passing rent is €30,537 per annum. Indexed 10% hurdle/60%. Dietrich Schäfer – office/storage (395.76 sq m) expiring 23 February 2016. Passing rent is €31,497 per annum. Indexed 10% hurdle/60%.	€162,198	€130,435	€1,640,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	ground floor We understand that the Property is comprised of: Plot size: 653 sq m Lettable area: 1,539 sq m 11 car parking spaces				
Unit-ID: lwa01120 Friedrichstr. 30 67433 Neustadt a.d.W Date of Inspection: 12 August 2013	-Region: In the Palatinate /Rhine-Neckar region; Karlsruhe approx. 40 km to the south-east, Mannheim/Ludwigshafen approx. 30 km to the north-east, Kaiserslautern approx. 25 km to the north-west -Quality: Medium sized town in the Palatinate, branches of industry are mainly service sector, tourism and agriculture; not a conurbation but close to the Rhine-Neckar triangle; location of the district government -Infrastructure: Connections to A65 (Karlsruhe-Landau-Neustadt-Ludwigshafen) motorway; IC station; nearest international airport is in Frankfurt -Surrounding: Central location with residential, office and commercial use in immediate neighbourhood -Position: Furthest edge of the inner city, approx. 150 m from the centre -Connection: Average access by car and public transport -Visibility: Easily visible corner "solitaire" site -Use: Office building with bank hall -Year of Construction: 1990 -Construction: Reinforced concrete construction with flat roof; facade with hanging stone slabs -Concept: L-shaped building with 4 upper floors, basement -State of repair: Apparently in average to good condition -Functionality: Office building with a reasonable mix of office and banking accommodation, as well as parking	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (885.60 sq m) expiring 31 December 2019. Passing rent is €134,922 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Zero Kooperations GmbH – office (624.00 sq m) expiring 31 December 2015 (30 April 2015 for 2 parking spaces with a passing rent of €840 p.a. in total). Passing rent is €60,627 per annum. Indexed 10% hurdle/60%. Dr. Stephan Michel – office/storage (241.00 sq m) expiring 31 March 2017. Passing rent is €33,792 per annum. Indexed 5% hurdle/100%.	€300,754	€250,137	€3,180,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	spaces -Exterior: Courtyard with parking spaces and small landscaped areas We understand that the Property is comprised of: Plot size: 2,063 sq m Lettable area: 2,833 sq m 31 car parking spaces				
Unit-ID: lwa01121 Westl.-Karl-Friedrich-Str.76 75172 Pforzheim Date of Inspection: 12 August 2013	-Region: Northern Black Forest region, Karlsruhe is approx. 25 km to the north-west, Stuttgart approx. 35 km to the south-east -Quality: Pforzheim is one of the economic centres of the northern Black Forest between Karlsruhe and Stuttgart, not a conurbation; traditional industries are German jewellery and watchmaking industry -Infrastructure: Connections to the A8 (Karlsruhe-Stuttgart-München) motorway, IC station, nearest international airport is in Stuttgart -Surrounding: Central location with several banks in the immediate neighbourhood -Position: Central location -Connection: Good access by car and public transport -Visibility: Well visible object, corner site, terraced development -Use: Office, bank hall and residential -Year of Construction: 1951 -Construction: Reinforced concrete construction with flat roof; facade with hanging stone slabs -Concept: 1 building with 4 upper floors, basement -State of repair: Apparently in good condition -Functionality: Office building with a reasonable mix of office and banking accommodation; residential	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage/residential (1,246.03 sq m) expiring 31 December 2019. Passing rent is €122,105 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Residential (150.00 sq m) unlimited leases. Passing rent is €11,017 per annum. No indexation.	€133,722	€213,771	€2,410,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	accommodation on the 4th floor, as well as parking spaces -Exterior: Courtyard areas / entrance and car garages We understand that the Property is comprised of: Plot size: 1,130 sq m Lettable area: 2,952 sq m 8 car parking spaces				
Unit-ID: lwa01301 Schubartstr. 13 73430 Aalen Date of Inspection: 13 August 2013	-Region: Eastern region of Baden-Wuerttemberg, Ulm is approx. 80 km to the south, Stuttgart is approx. 100 km to the west -Quality: Aalen lies in eastern Baden-Wuerttemberg and is regarded as the economic centre of eastern Wurttemberg, it is not a conurbation and is in our opinion rather weak economically -Infrastructure: Connection to A7 (Würzburg-Ulm) motorway approx. 10 km away; main train station; nearest international airport is in Stuttgart -Surrounding: Quiet and green location with several banks in the immediate neighbourhood -Position: At outer edge of inner city approx. 500 m from town centre -Connection: Good access by car, average access by public transport -Visibility: Easily visible "solitaire" building -Use: Office and retail building with bank hall -Year of Construction: 1983 -Construction: Reinforced concrete frame with a flat roof, facade of plaster and sandstone -Concept: 2 connected buildings each with 4 floors, basement -State of repair: Good condition	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (1,490.73 sq m) expiring 31 December 2019. Passing rent is €160,106 per annum. Indexed 5% hurdle/100%. Kiesel & Partner Gbr – office/storage (1,250.00 sq m) expiring 30 September 2015. Passing rent is €105,036 per annum. Indexed 10% hurdle/60%.	€265,142	€227,841	€3,150,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	-Functionality: Modern building with reasonable mix of office and retail accommodation, parking spaces -Exterior: Courtyard, parking spaces and small landscaped areas We understand that the Property is comprised of: Plot size: 1,683 sq m Lettable area: 2,741 sq m 34 car parking spaces				
Unit-ID: lwa01302 Marktstr. 30 72458 Albstadt Date of Inspection: 9 August 2013	-Region: Located in Baden-Wuerttemberg at the foot of the Swabia Alps; Stuttgart approx. 100 km to the north and Freiburg approx. 100 km to the south -Quality: Remains a tourist area in view of proximity to the Swabia Alps; in general, an economically strong region, not a conurbation, no major cities in the immediate surroundings -Infrastructure: Connection to the A81 (Stuttgart-Freiburg) motorway approx. 30 km away; main train station; nearest international airport in Stuttgart -Surrounding: Inner city, pedestrian zone -Position: Inner city junction -Connection: Average access by car and public transport -Visibility: Good due to location at a junction and to size -Use: Mixed office and commercial building -Year of Construction: 1986 -Construction: Reinforced concrete frame with a hipped roof, rendered facade -Concept: Building with two wings, 3 full storeys and fitted-out attic storey, basement -State of repair: Apparently in good condition -Functionality: Modern property, appears to be disproportionately large for the location	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (1,715.09 sq m) thereof 1,551.88 sq m expiring 31 December 2019 and 163.21 sq m expiring 31 July 2018. Passing rent is €202,246 per annum. Indexed 5% hurdle/100%. Deutsche Angestellten Akademie – office (500.00 sq m) expiring 31 August 2015. Passing rent is €37,695 per annum. Indexed 5% hurdle/100%. persona service Verwaltungs AG & Co. KG – office (296.25 sq m) expiring 28 February 2021. Passing rent is €21,201 per annum. Indexed 100% CPI p.a.	€262,183	€223,497	€2,880,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	-Exterior: Courtyard, parking spaces and small landscaped areas We understand that the Property is comprised of: Plot size: 1,167 sq m Lettable area: 3,303 sq m 37 car parking spaces				
Unit-ID: lwa01304 Milchstr. 2 / Strohstr. 9 73728 Esslingen Date of Inspection: 13 August 2013	-Region: Located in Baden-Wuerttemberg, Esslingen borders Stuttgart to the east -Quality: Economically strong region, however Esslingen falls short of Stuttgart -Infrastructure: Connection to the A8 (Stuttgart-Ulm) motorway approx. 10 km away, train station, nearest international airport is in Stuttgart -Surrounding: Residential, office or retail use close to the town centre -Position: Approx. 300 m from the pedestrian zone, quiet but public location with scattered retail or catering use -Connection: Average access by car and public transport -Visibility: Average since properties in the surroundings are at close quarters -Use: Office building with bank hall and retail -Year of Construction: Old building constructed in 1600, new building constructed in mid-1970s -Construction: Old building is a timbered house with a pitched roof; new building is a reinforced concrete skeleton construction with a flat roof; rendered facade with stone elements -Concept: 2 interconnected buildings; old building has 2 full storeys and 2 attic storeys; the new building has 3 full storeys but with significant differences in finish -State of repair: Old building in a good, new building in an average condition	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (1,696.89 sq m) expiring 31 December 2019. Passing rent is €225,634 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Internal parking spaces (3 units) unlimited leases. Passing rent is €1477 per annum. For 1 unit no indexation, for 2 units 5% hurdle/60%.	€227,119	€253,269	€3,630,000

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Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	-Functionality: Conception difference between old and new buildings, new building appears disproportionate in size and not practical, old building offers an attractive mix of accommodation -Exterior: Courtyard, parking spaces and small landscaped areas We understand that the Property is comprised of: Plot size: 1,625 sq m Lettable area: 2,961 sq m 29 car parking spaces				
Unit-ID: lwa01310 Moltkestr. 6-8 74072 Heilbronn Date of Inspection: 13 August 2013	-Region: Located in Baden-Wuerttemberg in the Rhine/Neckar region, approx. 50 km to the north of Stuttgart and approx. 70 km to the west of Mannheim -Quality: Heilbronn is a conurbation with more than 200,000 inhabitants; average location within the economically strong area of Baden-Wurttemberg -Infrastructure: Direct connection to the A6 (Nurnberg-Mannheim) and A81 (Würzburg-Singen) motorways; ICE railway station; nearest international airport is in Stuttgart -Surrounding: Numerous banks, office buildings and residential buildings in the location, park area, tram stop directly in front of the property -Position: Approx. 1 km from town centre, quiet, green location -Connection: Good access by car and public transport -Visibility: Easily visible "solitaire" property -Use: Office building with a bank hall -Year of Construction: Old building in 1954 / new building in 1980s -Construction: New building: reinforced concrete frame with a flat roof, facade a mix of metal and glazed	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (1,906.44 sq m) expiring 31 December 2019. Passing rent is €253,301 per annum. Indexed 5% hurdle/100%. DIS AG – office (518.00 sq m) expiring 30 November 2015. Passing rent is €43,460 per annum. Indexed 10% hurdle/60%. Dr. Broll Schmitt Kaufmann & Partner – office/storage (380.59 sq m) erxpiring 31 August 2018. Passing rent is €28,776 per annum. Indexed 10% hurdle/60%.	€325,538	€280,752	€3,850,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	elements; old building: solid masonry construction with a hipped roof and rendered facade -Concept: 2 connected buildings; old building has 3 full storeys and a fitted-out attic; new building has 3 full storeys, basement -State of repair: Good condition -Functionality: Property appears to be disproportionately large for the location, limited functionality due to differences between old and new buildings -Exterior: Courtyard, parking spaces and small landscaped areas We understand that the Property is comprised of: Plot size: 2,245 sq m Lettable area: 3,357 sq m 22 car parking spaces				
Unit-ID: lwa01314 Gartenstr. 33 88212 Ravensburg Date of Inspection: 9 August 2013	-Region: Located in southern Baden-Wuerttemberg; Lake Constance (Bodensee) is 20 km to the south, Ulm, approx. 80 km to the north -Quality: Recognised as a tourist area through proximity to Lake Constance (Bodensee) and the Allgäu region; southern Baden-Wuerttemberg is economically strong, but not a conurbation, no major cities in the surrounding area -Infrastructure: Connection to the A96 (Lindau-Memmingen) motorway is approx. 25 km away, main train station, nearest international airport is in Munich (approx. 200 km to the east) -Surrounding: Mixed residential, office and retail -Position: Located on the main access road leading into the centre of Ravensburg -Connection: Good access by car, average access by public transport	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/storage (298.02 sq m) expiring 31 December 2014. Passing rent is €35,810 per annum. Indexed 5% hurdle/100%. Real-Time Systems – office (310.31 sq m) expiring 31 December 2015. Passing rent is €30,603 per annum. Indexed 100% CPI p.a. Brisma GbR– office/storage (261.00 sq m) expiring 30 November 2018. Passing rent is €24,306 per annum, thereof €19,532 indexed 60% CPI p.a. and €4,774 indexed 100% CPI p.a.	€105,362	€187,419	€1,930,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	-Visibility: Easily visible "solitaire" object -Use: Mixed office and commercial building -Year of Construction: 1994 -Construction: Reinforced concrete frame, partly with a lean-to roof, partly with a flat roof; rendered facade with natural stone and glazed elements -Concept: 2 identical building segments with 4 storeys, connected by a middle section, basement -State of repair: Apparently in good condition -Functionality: Modern building but appears to be disproportionately large for the location, generous number of parking spaces -Exterior: External parking spaces and small landscaped areas We understand that the Property is comprised of: Plot size: 1,882 sq m Lettable area: 2,196 sq m 36 car parking spaces				

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01317 Ledergasse 8 73525 Schwäbisch Gmünd Date of Inspection: 13 August 2013	-Region: Located in Ost-Wuerrtemberg; Ulm is approx. 80 km to the south, Stuttgart is approx. 60 km to the west -Quality: Not a conurbation. In our assessment Schwäbisch-Gmünd is relatively weak economically -Infrastructure: Connection to A7 (Würzburg-Ulm) motorway is approx. 25 km away, main train station, nearest international airport is in Stuttgart -Surrounding: Residential, office and retail uses in central location -Position: Close to town centre, approx. 250 m from the pedestrian zone, at the rear of the main access road leading to the town centre at a busy public parking area -Connection: Good access by car, average access by public transport -Visibility: Limited visibility due to position -Use: Mixed office and commercial building -Year of Construction: 1971 -Construction: Reinforced concrete frame with a flat roof; rendered facade with natural stone -Concept: Building with 4 full storeys, basement -State of repair: Apparently in an average to good condition -Functionality: Rather outdated building with rental units which are proportionate in size for the location, reasonable mix of office and retail accommodation and a generous number of parking spaces -Exterior: Courtyard, parking spaces and small landscaped areas We understand that the Property is comprised of: Plot size: 1,237sq m Lettable area: 2,173 sq m 24 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (1,097.91 sq m) expiring 31 December 2019. Passing rent is €139,955 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Persona Service AG – office (350.00 sq m) expiring 30 June 2016. Passing rent is €29,888 per annum. Indexed 10% hurdle/60%. Dieter Pedal/ Bonnfinanz – office (247.44 sq m) expiring 31 May 2015. Passing rent is €15,001 per annum. Indexed 2% hurdle/60%.	€197,494	€185,997	€2,090,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01325 Bahnhofstr. 44 78532 Tuttlingen Date of Inspection: 8 August 2013	-Region: Located in southern Baden-Wuerttemberg between Freiburg (approx. 70 km to the east) and the Black Forest area at the edge of the Swabia Alb; Stuttgart is approx. 200 km to the north -Quality: Not a conurbation; despite location does not attract much tourism. In our assessment Tuttlingen is relatively weak, economically -Infrastructure: Connection to A81 (Singen-Stuttgart) motorway is approx. 25 km away, main train station, nearest international airports are in Stuttgart and Basel -Surrounding: Main access road through Tuttlingen with residences, offices and retailers -Position: Located at the junction of the main street and approx. 400 m from the town centre -Connection: Average access by car, good access by public transport -Visibility: Easily visible as it is located at a road junction -Use: Office building with bank hall -Year of Construction: 1990 -Construction: Reinforced concrete frame with a flat roof; rendered facade with natural stone -Concept: Building has 4 full storeys and a stepped storey, basement -State of repair: Apparently in a good condition -Functionality: Modern building with a reasonable mix of office and retail accommodation and parking spaces -Exterior: Inner city location, site is almost completely developed We understand that the Property is comprised of: Plot size: 636 sq m Lettable area: 1,309 sq m 10 car parking spaces	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (1,030.20 sq m) expiring 31 December 2019. Passing rent is €121,039 per annum. Indexed 5% hurdle/100%. RA Schrade & Partner – office (275.48 sq m) expiring 31 October 2018. Passing rent is €25,766 per annum. Indexed 100% CPI p.a.	€146,805	€123,369	€1,750,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01406 Hindenburgstr. 21-25 51643 Gummersbach Date of Inspection: 16 August 2013	-Region: Located in the "Bergisches Land" in North Rhine-Westphalia -Quality: Gummersbach is a significant location in the predominantly rural area of Bergisches Land (North Rhine-Westphalia); traditionally characterized by manufacturing industries and various production locations -Infrastructure: Connection to A4 (Cologne) and A45 (Hagen, Dortmund) motorways; regional railway service -Surrounding: Approx. 5 minutes from Gummersbach train station -Position: Southern end of the pedestrian zone -Connection: Good access by car and public transport -Visibility: Eye catching as object has 5 storeys -Use: Mixed office and commercial building -Year of Construction: 1983 -Construction: Reinforced concrete frame; rendered facade with natural stone slabs -Concept: 5-storey office building with access to underground car park at the rear of the property, at the edge of the pedestrian zone -State of repair: In fair condition; some outstanding works to be completed -Functionality: Good office fit-out -Exterior: Access to underground car park We understand that the Property is comprised of: Plot size: 1,210 sq m Lettable area: 2,976 sq m 32 car parking spaces	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (1,751.89 sq m) expiring 31 December 2019. Passing rent is €250,780 per annum. Indexed 5% hurdle/100%. Notar Ute Weyland – office (433.30 sq m) expiring 29 February 2016. Passing rent is €42,207 per annum. Indexed 2% hurdle/60%. R & M Reichle & De-Massari GmbH – office (747.41 sq m) expiring 31 August 2020. Passing rent is €49,909 per annum, thereof €34,497 indexed 2% hurdle/60% and €15,415 indexed 10% hurdle/60%.	€342,895	€259,316	€3,330,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01407 Am Widey 58095 Hagen Date of Inspection: 16 August 2013	-Region: Hagen is an "Oberzentrum" (higher order centre) in the Ennepe-Ruhr district -Quality: Traditional production location with a large catchment area; direct proximity to Dortmund (approx. 10-15 minute drive); Unna is approx. 10-15 km away -Infrastructure: 10.7 km to the A 1 (Hansalinie) HA-Nord motorway; 14.8 km to the A 45 (Sauerlandlinie) motorway junction; 7.2 km to the A 46 (HA-Brilon) Hohenlimburg, Hohenlimburg-Ost -Surrounding: Quiet area close to the river with various office users close by as well as nursery schools, direct connection to the main arterial road in Hagen -Position: Approx. 300 m to the new shopping area in Hagens, the "Volme-Galerie" on Friedrich-Ebert-Platz; theatre as well as other specialist shops and large retailers at the same distance from the property -Connection: Good access by car -Visibility: Not immediately visible due to the access road -Use: Car park -Year of Construction: Unknown -Construction: Paved/asphalted -Concept: n/a -State of repair: n/a -Functionality: n/a -Exterior: n/a We understand that the Property is comprised of: Plot size: 1,740 sq m Lettable area: 0 sq m 15 car parking spaces	Freehold (Eigentum) The Property is let to: ID Services/TEMA – parking internal (7 units) expiring 30 April 2019. Passing rent is €0 per annum.	€0	€5,400	€55,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01408 Bahnhofstr. 1-3 58095 Hagen Date of Inspection: 16 August 2013	-Region:Hagen is an "Oberzentrum" (higher order centre) in the Ennepe-Ruhr district -Quality: Traditional production location with a large catchment area; direct proximity to Dortmund (approx. 10-15 minutes drive); Unna is approx. 10-15 km away -Infrastructure: 10.7 km to the A 1 (Hansalinie) HA-Nord motorway; 14.8 km to the A 45 (Sauerlandlinie) motorway junction; 7.2 km to the A 46 (HA-Brilon) Hohenlimburg, Hohenlimburg-Ost -Surrounding: Central, in the traditional pedestrian zone of Hagen, approx. 10 minutes by foot to the main train station -Position: Located on the edge of the pedestrian area, opposite the train station -Connection: Very good access by car and by public transport -Visibility: Easily visible "solitaire" property -Use: Office building with bank hall -Year of Construction: 1992 -Construction: Reinforced concrete construction with a flat roof; curtain wall facade with natural stone slabs (granite) -Concept: 6 storey "solitaire" object with a curved side (main entrance area); offices on all floors, cafeteria area on the 6th floor has been refurbished; 2 additional retail units were constructed on the ground floor; underground car park -State of repair: Apparently in a very good condition -Functionality: Modern building with a reasonable mix of office and banking accommodation, as well as parking spaces; the respective areas can be subdivided; several units on the floors -Exterior: Small landscaped areas, large entrance area to bank hall, access to underground car park	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (3,079.04 sq m) expiring 31 December 2014. Passing rent is €445,109 per annum. Indexed 5% hurdle/100%. ID Services/TEMA – office/storage (945.13 sq m) expiring 30 April 2019. Passing rent is €85,811 per annum. Indexed 2% hurdle/60%. Berufsmode Saeger – retail (94.00 sq m) expiring 31 July 2015. Passing rent is €10,716 per annum. Indexed 10% hurdle/60%.	€583,707	€507,769	€6,320,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 2,231 sq m Lettable area: 5,643 sq m 48 car parking spaces				

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01419 Rathausstrasse 14 42349 Wuppertal Date of Inspection: 14 August 2013	-Region: Located in the "Bergisches Land" in North Rhine-Westphalia; Wuppertal, Solingen and Remscheid are "Oberzentren" (higher order centres), where Wuppertal is a large city; Essen lies approx. 25 km to the north-west and Düsseldorf approx. 28 km to the west -Quality: Wuppertal is the economic centre of the Begischen Land and is a conurbation between the Rhine, Ruhr and Wupper rivers; good road connections -Infrastructure: Connected to the A1 (Cologne-Dortmund-Bremen) and A46 (Düsseldorf-Wuppertal) motorways; ICE train station; nearest international airport is in Düsseldorf -Surrounding: Central location in the suburb of Wuppertal-Cronenberg with several banks, supermarkets and residential buildings in the immediate neighbourhood -Position: In the centre of Cronenberg -Connection: Good access by car; average to poor access by public transport -Visibility: Easily visible "solitaire" property -Use: Office building with bank hall -Year of Construction: 1882 -Construction: Partly solid masonry construction, partly reinforced concrete construction with a saddleback roof, partly flat roof; rendered facade partly with slate cladding -Concept: 3 connected buildings, with 2-3 floors, basement -State of repair: Apparently in an average to good condition -Functionality: Residential building with annexes, one with bank and office accommodation, as well as parking spaces in the courtyard -Exterior: Courtyard, parking spaces and garden areas in the rear of the property	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (561.54 sq m) expiring 31 December 2024. Passing rent is €72,370 per annum. Indexed 5% hurdle/100%. Residential (147.00 sq m) unlimited lease. Passing rent is €8,400 per annum. No indexation. Residential (107.14 sq m) unlimited lease. Passing rent is €3,129 per annum. No Indexation.	€83,899	€67,304	€1,030,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 1,568 sq m Lettable area: 899 sq m 20 car parking spaces				
Unit-ID: lwa01506 Spremberger Str. 18 3046 Cottbus Date of Inspection: 7 August 2013	-Region: Brandenburg -Quality: Location for technical companies and scientific research -Infrastructure: The Cottbus-Drewitz airport can be reached in 30 minutes, Berlin airport in 60-90 minutes; good road connections to the motorway network e.g. A15, A13, B97, B169, B115 and B97; public transport is available -Surrounding: Inner city location at the beginning of the pedestrian zone -Position: To the south-west of the town centre -Connection: Poor access by car, easily accessible on foot -Visibility: Very good visibility; easily recognisable since it is the first building on the pedestrian zone -Use: Office building with bank hall -Year of Construction: 1870 -Construction: Solid masonry construction -Concept: 4-storey office building with 2 entrance areas -State of repair: Appears to be in a good condition -Functionality: Upper floors can be divided up into two office areas with separate entrance areas and individual sanitary areas; the 2nd floor can be accessed by lift in the bank hall -Exterior: None We understand that the Property is comprised of: Plot size: 426 sq m Lettable area: 1,366 sq m	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – office/bank hall/storage (871.01 sq m) expiring 31 December 2019. Passing rent is €69,691 per annum. Indexed 5% hurdle/100%.	€69,691	€83,479	€830,000

Property	**Description, Age and Tenure**	**Terms of Existing Tenancies**	**Net Annual Rent 31/12/2014**	**Estimated Net Annual Rent 31/12/2014**	**Market Value 31/12/2014**
Unit-ID: swa01511 Markt 21 18273 Güstrow Date of Inspection: 21 August 2013	-Region: Mecklenburg-Western Pomerania; 60 km away from Schwerin, approx. 200 km away from Hamburg and Berlin -Quality: Economically weak location; good road connections to Scandinavia and Eastern Europe -Infrastructure: Connection to A 19 (Berlin - Rostock) and A 20 (Hamburg- Stettin) motorways; train station; nearest national airport is in Rostock -Surrounding: Central location in Güstrow's inner city; not a retail location; office occupiers and local administrative authority are located opposite the object -Position: In inner city area -Connection: Average access by car and by public transport -Visibility: Easily visible due to eye-catching facade -Use: Mixed commercial and residential building -Year of Construction: Constructed in 1890, completely refurbished in 1997 -Construction: Solid masonry construction -Concept: 3-storey building; courtyard with 10 parking spaces -State of repair: Fair condition, some damage to roof and facade visible -Functionality: Commercial and residential building with separate accesses to the residential and office areas -Exterior: Courtyard, parking spaces and small green areas We understand that the Property is comprised of: Plot size: 1,537 sq m Lettable area: 1,418 sq m 10 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – office/bank hall/storage (424.57 sq m) expiring 31 December 2024. Passing rent is €52,771 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Bohle&Bohle Sozietät – office (374.26 sq m) expiring 30. April 2017. Passing rent is €20,690. No Indexation. Gieding – office (117.12 sq m) expiring 31 July 2015. Passing rent is €7,147 per annum. Indexed 10% hurdle/ 60%.	€96,442	€94,290	€1,050,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: swa01513 Domplatz 11/Westendorf 37a 28820 Halberstadt Date of Inspection: 26 August 2013	-Region: Saxony-Anhalt -Quality: Traditionally location for manufacturing industries -Infrastructure: Motorway connections are not adequate -Surrounding: Predominantly residential (in the old courtyards); high office and retail vacancy; retailers (bakery, café) opposite object -Position: West of the town centre (approx. 10 minutes on foot) -Connection: Extremely quiet suburb -Visibility: Easily visible due to the architectural style -Use: Office, doctor's surgery -Year of Construction: approx. 1900; completely refurbished at the beginning of the 1990s -Construction: Reinforced steel skeleton construction with pre-cast concrete slabs -Concept: 3-storey building -State of repair: Recently refurbished old building, appears to be in a very good condition -Functionality: Flexibility of upper floors is limited -Exterior: Few green areas We understand that the Property is comprised of: Plot size: 1,570 sq m Lettable area: 1,722 sq m 15 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Dr. Weber – office/storage (343.58 sq m) expiring 31. July 2016. Passing rent is €18,177. Indexed 2% hurdle/ 60%. Kreissparkasse – parking (7 units) expiring 31 August 2015. Passing rent is €1,481 per annum. No indexation.	€20,336	€58,607	€430,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: lwa01531 Am Markt 16/17 Mecklenb. 3 23966 Wismar Date of Inspection: 21 August 2013	-Region: Hanseatic League town of Wismar; to the west of Rostock in Mecklenburg-Western Pomerania -Quality: Traditional location for shipbuilding and machine engineering, wood processing, scientific research and service industry. A modern technology, commercial and research centre has been constructed at the timber harbour of Wismar. -Infrastructure: Connection to harbour area available; motorway is only a few kilometres away -Surrounding: Central location in Wismar's inner city, located directly at the Market with adequate parking; predominantly catering businesses and traditional retailers in direct surroundings -Position: In the centre of a building complex at the Market -Connection: Good access by car and by public transport -Visibility: Object fits in well with the surrounding developments -Use: Mixed commercial and residential building -Year of Construction: Constructed in 1890, completely refurbished in 1997 -Construction: Solid masonry construction -Concept: 3-storey building; courtyard with 10 parking spaces -State of repair: Fair condition, some damage to roof and facade visible -Functionality: Commercial and residential building with separate accesses to the residential and office areas -Exterior: Courtyard, parking spaces and small green areas We understand that the Property is comprised of:	Freehold (Eigentum) The Property is let to: Deutsche Bank AG – bank hall/office/storage (479.46 sq m) expiring 31 December 2019. Passing rent is €57,234 per annum. Indexed 5% hurdle/100%. Car parking (2 units) with unlimited leases. Passing rent is €600 per annum. No indeaxation.	€57,834	€70,959	€700,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Plot size: 754 sq m Lettable area: 1,001 sq m 6 car parking spaces				
Unit-ID: swa01807 Falkeplatz 2 09111 Chemnitz Date of Inspection: 6 August 2013	-Region: Saxony -Quality: Well-known location for innovative services and scientific research; companies with offices in Chemnitz include Siemens, IBM & VW -Infrastructure: 40 km to the nearest airport, connections to the motorway network and railway network, good connections to public transport -Surrounding: Object is located at a major intersection; the inner city area starts at the rear of the intersection -Position: To the north-east of the inner city -Connection: Good connections by car and tram, problematic for pedestrians since it is located at a road junction -Visibility: Very good -Use: Office building with bank hall -Year of Construction: 1926 -Construction: Solid masonry construction -Concept: 5-storey building, full basement -State of repair: Ground floor - 4th floor are apparently in a good condition; the basement is in a very poor condition due to past flooding -Functionality: 3 staircases (separate service cores) -Exterior: The parking spaces in the courtyard are only accessible via a barrier We understand that the Property is comprised of: Plot size: 3,033 sq m	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Deutsche Bank AG – bank hall/office/storage (2,646.28 sq m) expiring 31 December 2019. Passing rent is €282,968 per annum. Indexed 5% hurdle/ 100%. Voith Engineering Services GmbH – office/storage (2,871.85 sq m) thereof 1,882.98 expiring 30 April 2016 and 988.87 sq m expiring 30 September 2018. Passing rent is €147,914. Indexed 5% hurdle/ 60%. Persona-service AG – office (356.39 sq m) expiring 11 May 2016. Passing rent is €29,125 per annum. Indexed 5% hurdle/ 60%. Persona-service AG – office (127.71 sq m) expiring 31 July 2018. Passing rent is €4,936 per annum. Indexed 5% hurdle/ 60%.	€479,252	€429,194	€4,640,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 6,224 sq m 32 car parking spaces				
Unit-ID: swa01810 Grosse Bruhl 2 07607 Eisenberg Date of Inspection: 6 August 2013	-Region: Eisenberg has been an administrative district since 1952. After the local government restructuring of 1994, it then became an administrative seat comprising three local government districts of the Saale-Holzland-District -Quality: Economically weak location the eastern German states -Infrastructure: A9 motorway and close to A4; no long distance railway services (e.g. ICE trains) -Surrounding: Residential buildings, retailers -Position: At the start of the pedestrian zone -Connection: Good access by car, average by public transport -Visibility: Easily visible "solitaire" object -Use: Office building with bank hall -Year of Construction: 1883 -Construction: Solid masonry construction -Concept: Corner house, 2-storey, full basement; one service core, the basement and upper floors can only be accessed through the bank hall -State of repair: Dampness in the cellar -Functionality: Functionality limited due to problematic access to the upper storeys and basement -Exterior: No We understand that the Property is comprised of: Plot size: 240 sq m Lettable area: 570 sq m No car parking spaces	Freehold (Eigentum) The Property is let to one tenant: Deutsche Bank AG – storage/office/storage (569.51 sq m) expiring 31 December 2017. Passing rent is €50,646 per annum. Indexed 5% hurdle/ 100%.	€50,646	€35,073	€410,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: swa01811 Bahnhofstrasse 7b 99084 Erfurt Date of Inspection: 6 August 2013	-Region: Erfurt is the state capital and the largest city in Thuringia -Quality: Primarily small and medium-sized companies in the traditional industries. Additionally it offers a mix of machine engineering, electro technology, telecommunications, food industry, construction industry, landscaping, retail trade, craft trades and commerce -Infrastructure: Point of intersection for the A 4 motorway and the B 4 and B 7 federal roads; connection to the ICE railway network and to the international airport -Surrounding: Approx. 300 m from the beginning of the pedestrian zone, in the immediate vicinity of the main train station -Position: Freestanding corner property at a tram /motorway junction; adjoining a church -Connection: Good connections to public transport; average to good access by car -Visibility: Easily visible "solitaire" object -Use: Office building with bank hall -Year of Construction: 1922 -Construction: Three full storeys, solid masonry construction, tiled roof with dormers, rendered facade -Concept: Three-storey building with full basement; inner courtyard area in 1st floor, accessed through the office corridors -State of repair: Apparently in a good condition -Functionality: Limited access to the attic storey, otherwise good functionality -Exterior: Courtyard and parking spaces in a good condition We understand that the Property is comprised of: Plot size: 2,677 sq m	Freehold (Eigentum) The Property is let to multiple tenants. The main tenant is however: Deutsche Bank – bank hall/office/storage (2,248.77 sq m) expiring 31 December 2019. Passing rent is €237,039 per annum. Rent reduction of 5% from January 2015. Indexed 5% hurdle/100%. Car parking (6 units) with unlimited leases. Passing Rent is €1,512 per annum. No indexation.	€238,551	€376,019	€3,850,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	Lettable area: 5,096 sq m 14 car parking spaces				
Unit-ID: swa01815 Berliner Str. 62 / Friedrichsstr 02826 Gorlitz Date of Inspection: 7 August 2013	-Region: Located in Saxony (south-east Germany) which borders Poland and the Czech Republic -Quality: The industrial sector plays a significant role in Görlitz; strong tourist industry -Infrastructure: There is a small local airport; motorways / federal roads include A4, B6, B115, B99, E40: good level of public transport available -Surrounding: Pedestrian zone -Position: To the south-east of the town centre -Connection: Average access: difficult by car, easy to reach on foot -Visibility: Very good -Use: Mixed commercial and residential building -Year of Construction: 1922 -Construction: Solid masonry construction -Concept: 5-storey building with two separate service cores -State of repair: Apparently in a good condition -Functionality: Good flexibility, separate service cores for the apartments -Exterior: None We understand that the Property is comprised of: Plot size: 1,225 sq m Lettablearea: 3,699 sq m no car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: NKD Vertriebs GmbH – retail (570.00 sq m) expiring 30 April 2015. Passing rent is €54,000 per annum. No Indexation Freistaat Sachsen – office (575,49 sq m) unlimited lease. Passing rent is €30,332 per annum. No Indexation. WBS Training AG – office (642.52 sq m) expiring 31 August 2015. Passing rent is €37,703 per annum. Indexed 10% hurdle/ 60%.	€176,620	€204,645	€1,750,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID:lwa04008 Müllerstrasse 55A 13349 Berlin-Wedding Date of Inspection: 7 August 2013	-Region: Berlin (capital of Germany) -Quality: Public authorities, seat of government and logistics and service location -Infrastructure: Famous International airport, very good train and motorways connections (A10, A115, A2, A9, A111, A24, A11, A12); close to the border of Poland -Surrounding: Inner city location with a good level of retail, office and residential occupiers -Position: In Wedding -Connection: Good public transport connections -Visibility: Average -Use: Mixed commercial and residential building -Year of Construction: Late 1960s -Construction: Skeleton construction with concrete slabs -Concept: 5-storey building with basement; retail occupier (Video World) on the ground floor -State of repair: Appears to be in an average state of repair -Functionality: Office accommodation on the 1st floor only; ground floor is traditionally retail, upper floors are residential -Exterior: Few green areas, only in the courtyard area We understand that the Property is comprised of: Plot size: 1,429 sq m Lettable area: 1,308 sq m 21 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: Video World – retail/storage (337.15 sq m) expiring 31 August 2015. Passing rent is €36,660 per annum. No Indexation. Rechtsanwaltskanzlei, Walter Lothar – office (75.00 sq m) expiring 28 February 2015. Passing rent is €5,892 per annum. Indexed 2% hurdle/60%. Residential (592.29 sq m) with unlimited leases. Passing rent is €32,117 per annum. No Indexation.	€77,910	€99,342	€1,270,000

Valuation Report Relating to the Zama Portfolio

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Your ref.

27 April 2015

Valuation Report

Estimate of Market Value in accordance with the definition and guidance as agreed by the Royal Institution of Chartered Surveyors

The Direct Investment Portfolio:
Zama Portfolio (6 Properties), Multiple Locations, Germany

Effective Dates of Appraisal

Valuation Date:	**31 December 2014**
Date of completion of this report:	**27 April 2015**

Clients:
The Directors
Eurocastle Investment Limited
Regency Court
Glategny Esplanade
St. Peter Port GY1 1 WW
Guernsey

Fortress Investment Group LLC
1345 Avenue of the Americas
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Prepared by

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Germany

CBRE is a limited company (Gesellschaft mit beschränkter Haftung) incorporated under laws of Germany with registered number 13347. CBRE was incorporated on 3 April 1973 and has its registered office at the address set out above. The telephone number of the registered office is +49 (0)69 170 077 0. CBRE is not regulated but employs RICS and HypZert qualified valuers in its valuation department.

Date of Issue
27 April 2015

Signed Copy No:

Ladies and Gentlemen,

VALUATION OF ZAMA PORTFOLIO (6 PROPERTIES, MULTIPLE LOCATIONS, GERMANY)

1. Instructions

In accordance with instructions received from Eurocastle Investment Limited (the "Company" or the "Principal") on 26 November 2013 and the amendment to this instruction dated 15 January 2015, we have made relevant enquiries in order to provide our opinion of Market Value for the investment Properties as described in the Schedule (the "Properties") as at 31 December 2014 (the "Valuation Date") of the freehold (*Eigentum*). We must point out that this comprises an update of a valuation carried out by CBRE in 2006 (date of valuation 14 December 2006) in the course of which all the Properties were inspected. The latest re-inspections for the purposes of this revaluation have been carried out by CBRE in the 1st quarter 2013 (please find the actual inspection dates of the properties in the schedule attached to this report).

This Valuation Report has been prepared for the purpose of inclusion in the prospectus to be published by the Company (the "Prospectus") in connection with the admission of additional shares (Kapitalerhöhung) of the Company to listing and trading on NYSE Euronext Amsterdam ("Admission").

2. The Properties

The Properties we have valued are listed and briefly described in the Schedule attached to this Valuation Report (the "Schedule"). Each Property identified in the Schedule has been valued individually, and not as part of a portfolio.

The subject portfolio comprises 6 freehold equivalent (*Eigentum*) Properties.

3. Basis of Valuation

Our valuations have been carried out in accordance with The Royal Institution of Chartered Surveyors' (RICS) Valuation Professional Standards (January 2014), (the "Red Book") and in accordance with the relevant provisions of the current Prospectus Rules. They have been undertaken by External Valuers, as defined in the Red Book.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation(s) competently.

In accordance with the Financial Conduct Authority's current Prospectus Rules we have prepared our valuations in accordance with the Red Book on the basis of Market Value, which is defined in the Red Book, as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion."

4. Valuations

On the bases outlined in this Valuation Report, we are of the opinion that the Market Value of each individual freehold Property as at 31 December 2014, subject to and with the benefit of the various occupational leases or assumed occupational leases, as summarised in the Schedule, is as stated against that Property in the Schedule. Our valuations are exclusive of any VAT.

CBRE

The aggregate of the said individual Market Values of the Properties as at 31 December 2014 is €28,700,000 (Twenty eight million seven hundred thousand Euro) made up as follows:

Schedule	Investment Properties	€28,700,000
Total		€28,700,000
Total	Net Rent Receivable p.a.	€2,660,900
Total	Estimated Net Rental Value p.a.	€2,048,178

5. Transaction Costs

No allowances have been made for any expenses of realisation or for taxation which might arise in the event of a disposal of a Property. Our valuations are, however, net of acquisition costs.

6. Net Annual Rent Receivable

In the Schedule, we set out our estimates of the net annual rent currently receivable reflecting the sum of the contractually agreed rental payments receivable from the Properties as at 31 December 2014. In providing these estimates, we define "Net Annual Rent Receivable" as "the current income or income estimated by the valuer”:

(i) ignoring any special receipts or deductions arising from the Property;

(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the Property and allowances to maintain it in a condition to command its rent.

In accordance with German market conventions the Properties are not let on effective full repairing and insuring leases in accordance with UK market conventions and as such the Net Annual Rent receivable does not reflect any appropriate allowance for disbursements.

7. Estimated Net Annual Rent

The Schedule sets out our opinion of the current Estimated Net Annual Rent, which is our opinion of the best rent at which a letting of the Property would have been completed at the Valuation Date assuming:

(a) a willing landlord;

(b) that, prior to the Valuation Date, there was a reasonable period (having regard to the nature of the Property and the state of the market) for the proper marketing of the interest, for the agreement of the rent and other letting terms and for the completion of the letting;

(c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the Valuation Date;

(d) that no account was taken of any additional bid by a prospective tenant with a special interest;

(e) that the length of term and principal conditions assumed to apply to the letting and the other lease terms were not exceptionally onerous or beneficial for a letting of the type and class of Property; and

(f) that both parties to the transaction acted knowledgeably, prudently and without compulsion.

CBRE

In the Schedules, we have stated the current Estimated Net Annual Rent, ignoring the present rent passing and any contracted fixed rent increases. In all cases, we have considered the Properties in their current specification and assumed good repair and condition or have made such deductions in respect of necessary maintenance and refurbishment as assumed in the calculation.

8. Sources of Information

For the update valuation as at 31 December 2014 the Principal has provided us with a rent roll dated 30 September 2014.

The update valuation is also based on the data and information that was taken into account for the initial valuation (including third party due diligence reports) and also reflects the updated data provided for previous update valuations. An explicit list of data provided for the initial valuation is included in the report dated 14 December 2006 and the update valuation report as at 31 December 2007. We have assumed this information to be accurate and reliable and unless otherwise specifically stated within this report, this has not been checked or verified by CBRE.

Relevant data for the initial report was provided by, among others, the vendor of the portfolio, and by third party due diligence reports in respect of the specific legal, technical and environmental aspects of the portfolio. We have fully relied on the findings of the reports and have also included updated information that has been provided.

Apart from where updated information has been received, we have compiled this report under the assumption that there is no material change of the physical or the legal conditions of the portfolio, or with regard to the findings of the third party due diligence reports.

In order to carry out the initial valuation of the portfolio, we have reviewed the Reviewed and Updated Preliminary Due Diligence Report by Hengeler & Müller, dated 5 September 2006 (hereinafter referred to as the "Preliminary Due Diligence Report") and the Facility and Environmental Due Diligence Assessment by URS, dated 25 August 2006 (hereinafter referred to as the "F & E Due Diligence") and reflected the relevant information from both due diligence reports, including those findings regarding immediate repair requirements and the general assessments of the properties, in our Valuation and Report. For the update valuation as at 31 December 2010, we were provided with updated forecasts from the Principal regarding Deferred Maintenance, and we have adopted those forecasts in our valuation. Further, we have made market-based assumptions for future CAPEX which cover on-going maintenance and Tenant Improvements expenditures anticipated over the period covered by our DCF calculation.

With regard to the contractual rental situation of the properties, we have calculated all values on the basis of the information provided by the principal in the tenancy schedules, which has been crosschecked with copies of lease contracts provided to CBRE, the unsigned draft lease contract with the main tenant HUK-Coburg and area calculation schedules provided. The details are stated in the relevant sections of this report.

In carrying out our update valuation, the following additional sources were used:

a. Local and regional authorities, for statistical information;

b. Market data from local agents, research institutions (BulwienGesa AG) and other publicly accessible sources;

c. RICS Valuation – Professional Standards, January 2014 ("Red Book"); published by the Royal Institution of Chartered Surveyors;

d. BauGB (Baugesetzbuch - German statutory valuation directives); and

e. CBRE research including inter alia:

- discussions with local agents
- discussions with the regional authority for statistical information
- our internal database – including inter alia past valuations.

CBRE

All conclusions made by CBRE regarding the condition and the actual characteristics of the land and buildings have been based exclusively on our inspection of the subject properties and on the documents and information provided by the principal, Hengeler & Müller and URS.

8.1 Documents and Information provided

CBRE has assumed that it was provided with all information and documents that were relevant to CBRE in carrying out this update appraisal report. We have assumed that the information and documentation had unrestricted validity and relevance as at the date of valuation. We have not checked the relevant documents and information with respect to the above-mentioned issues.

8.2 Inspection

For the initial valuation CBRE had access to the subject properties in order to carry out the inspection. We have not carried out any building surveys. The properties have not been measured as part of CBRE's inspection nor have the services or other installations been tested. All of CBRE's conclusions resulting from the inspection are based purely on visual investigations without any assertion as to their completeness.

Investigations that might cause damage to the subject properties have not been carried out. Statements about parts of the structure or materials that are covered or otherwise inaccessible are based on the information or documents provided or on assumptions. In particular, structural surveys and technical investigations of any defects or damage of the properties, which may exist, have not been carried out.

According to our instruction letter, the assets will be inspected on site every 24 months. The properties have been inspected in the course of the 1st quarter 2013. Where changes in the physical composition and legal characteristics of the properties have been communicated to us, we have assumed without verification that these are valid and correct. In cases where we have not been informed of any material changes, and no changes were observable from our most recent on-site inspection, we have assumed that the properties have not materially changed.

8.3 Deleterious Material etc.

Since no information to the contrary has been brought to our attention, we have assumed that there are no building materials or structures and no characteristics of the site that could endanger or have a deleterious effect on either the fitness of the subject properties for their purpose or the health of their occupiers and users. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.

8.4 Site Conditions

We did not carry out investigations on the site in order to determine the suitability of ground conditions and services, nor did we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuations were carried out on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of properties which may have redevelopment potential, we have assumed that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems. Furthermore, we have assumed in such circumstances that no unusual costs will be incurred due to the demolition and removal of any existing structure on the properties.

We have not been instructed to carry out a structural survey, to test service installations, to carry out site investigations or environmental surveys. Our valuation is based on the findings of the F & E Due Diligence as stated above, and as no issues were identified therein, we have not reflected any costs related to this issue in our valuations.

8.5 Environmental Contamination

Since no information to the contrary has been brought to our attention, we have assumed that the subject property is not contaminated and that no contaminative or potentially contaminative use is, or has ever been, carried out at the property.

Since no information to the contrary has been brought to our attention, we are not aware of any environmental audit or other environmental investigations or soil surveys which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

As we have not been instructed to do so, we have not undertaken any investigation into the past or present uses of either the properties or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

Should it, however, be subsequently established that such contamination exists at any of the properties or on any adjoining land or that any premises have been or are being put to contaminative use, this may be found to have a detrimental effect on the value reported.

8.6 Legal Requirements/Consents and Authorisation for the Use of the Property

For the compilation of the initial valuation report, we have relied on the legal due diligence report prepared by Hengeler & Müller. Accordingly all material issues included in the findings and conclusions included in this report have been reflected in our report and valuation. An investigation of the compliance of the properties with legal requirements (including (permanent) planning consent, building permit, acceptance, restrictions, building, fire, health and safety regulations etc.) or with any existing private-law provisions or agreements relating to the existence and use of the site and building has not been carried out by CBRE.

In preparing our valuations, we have assumed that all necessary consents and authorisations for the use of the properties and the processes carried out at the properties are in existence, will continue to subsist and are not subject to any onerous conditions.

8.7 Taxes, Contributions, Charges

Since no information to the contrary has been brought to our attention, we have assumed that all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation.

8.8 Insurance Policy

We have been provided with, as part of the initial valuation, a schedule indicating the sum insured for each of the subject properties and assume that the properties are covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered. Since no information to the contrary has been brought to our attention, we have assumed that the information provided is correct and the relevant policies are still valid or have been replaced with policies that are valid at the date of valuation.

8.9 Town Planning and Road Proposals

We made only general enquiries of the local planning authorities and have relied on information provided to us in the legal due diligence report.

No formal searches were instigated. Except where stated to the contrary, there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the properties.
Since no information to the contrary has been brought to our attention, we have assumed that the properties are not adversely affected by town planning or road proposals.

8.10 Statements by Public Officials

In accordance with established legal practice, we have not regarded statements by public officials, particularly regarding factual information, as binding. We do not assume any liability for the application of any such statements or information in the subject appraisal report.

8.11 Assumptions regarding the Future

For the purpose of determining the market value of the subject property, we have assumed that the existing business will continue (as regards both manner and extent of usage of the subject property) for the remainder of the useful life determined for the buildings, or that comparable businesses would be available to take over the use of the subject properties.

CBRE

Where there is high voltage electricity supply apparatus within close proximity to the property, unless, otherwise stated, we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

8.12 Tenants

Other than for the main tenant, as previously stated, no investigations have been carried out concerning either the status of payments of any contractually agreed rent at the date of valuation, or of the creditworthiness of any tenant(s). Since no information to the contrary has been brought to our attention, we have assumed that there are no outstanding rental payments and that there are no reservations concerning the creditworthiness of any of the tenants.

According to the information provided in the Preliminary Due Diligence Report, some of the tenancy agreements do not comply with the legal requirement for written form. It is also stated that the tenancy agreements include clauses entitling either party to demand that these defects be remedied. In accordance with the findings of the Preliminary Report, we have assumed that all potential risks associated with the legal requirement for written form had been rectified at the date of valuation.

8.13 Employment Matters related to janitors' flats

According to the information provided in the Preliminary Due Diligence Report, the residential accommodation in the properties in Duisburg, Hanover and Coblence has been let as janitor's flats (Hausmeisterwohnungen). Hengeler & Müller are of the opinion that there is a risk that the rights and obligations under the employment contracts may be transferred to the purchaser with the acquisition of the properties. We have been provided by the principal with the information that the vendor will ensure that no liabilities in this respect are transferred to the purchaser.
In our valuation we have therefore assumed that no related costs would be payable by the purchaser.

8.14 Pending Litigation, Legal Restrictions (Easements on Real Estate, Rent Regulation etc.)

Since no information to the contrary has been brought to our attention, we have assumed that the properties are free from any pending litigation, that the ownership is unencumbered and that there are no other legal restrictions such as easements on real estate other than those referred to our valuation assumptions, rent regulations, restrictive covenants in leases or other outgoings which might adversely affect value.

8.15 Subsidies

According to information in the Preliminary Due Diligence Report, the property in Hanover is subject to a subsidy. We have assumed that there will be no future costs related to this subsidy. With regard to the other properties, the Preliminary Due Diligence Report states that there are no circumstances related to subsidies or grants that might influence the value of the properties.

Important
Should any of the information or assumptions on which the valuation is based be subsequently found incorrect or incomplete, our calculations may need to be amended and the valuation figure may also be incorrect and should be re-evaluated. We therefore cannot accept any liability for the correctness of this assessment or for any loss or damage resulting there from.

9. General Assumptions

9.1 The Properties

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included in our valuations. Tenant-specific process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

9.2 Floor Areas

We have not measured the properties, but have relied on the schedules of the area that were provided to us as part of the

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tenancy lists. In undertaking our work, we have assumed that these floor areas are correct. For the initial valuation we have also cross-checked the areas in the tenancy schedule with additional calculations provided by HUK-COBURG.

The differences in areas determined by analysing these documents were between –10.9% and +1.0%. The 10.9% variance resulted from an adjustment to the leased area occupied by HUK-COBURG, and has been confirmed as such by the Principal. Aside from this specific example, we consider that the area discrepancies to be minimal and within the expected range, which in general do not present any problems. However, in order to provide a definitive legal opinion, we recommend that an appropriate specialist should be consulted.

9.3 Title, Tenure, Planning and Lettings

With reference to the land register excerpts supplied to us, and the information in the Preliminary Due Diligence Report, we are of the opinion that, in particular, any easements, restrictions, or encumbrances that exist do not have a significant effect on market values. Please refer to the respective paragraphs in the Schedule. We reserve the right to amend our valuation should this assumption subsequently prove to be incorrect.

We have conducted credit enquiries on the financial status of the main tenant HUK-COBURG only. We have, however, reflected our general understanding of typical purchasers' likely perceptions of the financial status of tenants from a market perspective.

In accordance with the statements in the Preliminary Due Diligence Report, we are of the opinion that:

a. the title of the properties is free from any onerous or hampering restrictions or conditions;
b. all buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning approvals or existing use rights for their current use;
c. the properties are not adversely affected by town planning or road proposals;
d. all buildings comply with all relevant statutory and local authority requirements including building, fire and health and safety regulations;
e. tenants will meet their obligations under their lease contracts, and where appropriate are responsible for insurance and payments of business rates;
f. there are no user restrictions or other restrictive covenants in leases which would adversely affect value; and
g. all vacant accommodation is available to let and unencumbered.

9.4 Taxes, Insurance

In undertaking our valuation, we have assumed that:

a. all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation; and
b. the subject properties are covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

9.5 Infrastructure and Services

It is assumed that all the sites are serviced within the meaning of Section 123 of the German statutory building code (Baugesetzbuch) i.e. that they are connected to the road system, service mains (water, electricity, gas and district heat if available) and sewers (for both waste and surface water) and that refuse collection is provided.

9.6 Purchaser's Costs

The following purchaser's costs have been assumed with regards to the dimension of the subject portfolio.

CBRE

Land transfer tax: Under German tax law, transfer tax of 3.5% - 6.5% (set by the individual Federal States) of the purchase price must be paid on property purchase. This is generally paid by the purchaser.

Notary and legal fees: The allowance of 1% is in line with average costs for notarising a purchase contract (compulsory under German law), land registry costs and miscellaneous legal charges for a portfolio of a comparable size.

Agent's fees: In the German market it is common for the purchaser to be responsible for paying all or at least part of the agent's fees. For the purpose of this valuation, we have adopted 1.8% to 2.5% of market value.

9.7 VAT

No allowance has been made in our valuation for the possible effect on value of non-recoverable VAT ("Mehrwertsteuer") on purchase as a result of one or more of the tenants not being liable to pay VAT in addition to rent.

10. Addressees / Reliance

In respect of the Offer, the Valuation Report with the valuation date 31 December 2014 and the Prospectus is addressed to the Directors of the Principal, the Principal and Fortress Investment Group LLC, as the Principal's duly appointed investment manager (the "Manager"). Beyond that no responsibility will be accepted to any third party for the whole or any part of the contents of the Valuation Report, save for any responsibility arising under PR 5.5.3R or any other applicable law or regulation. The Valuation Report is only to be used for the specific purpose set out herein.

11. Disclosure

A copy of the Valuation Report may be disclosed on a non-reliance basis to the Principal's legal advisors as well as its auditors, listing agents, underwriters, investment banks and their legal advisors (actually or prospectively). Furthermore, in the case of syndication, the Valuation Report may be provided to banks on a non-reliance basis. The Principal is obliged to inform CBRE in writing of the name and full address of each of such parties prior to the respective disclosure of the Valuation Report.

In addition CBRE agrees to the disclosure of the Valuation Report for the purpose of approving and publishing of the Prospectus, including where submitted to the UK Listing Authority in draft form.

12. Publication

CBRE agrees that the Valuation Report and any letters related thereto can be integrated into the Prospectus in an unchanged form. Unless otherwise stated in this instruction, neither the whole nor any part of the Valuation Report or letters related thereto nor any references thereto may be included in any published document, circular statement nor published in any way without our prior written approval of the form and context in which it will appear.

CBRE also hereby consents to the inclusion in the Prospectus of a declaration, as required by paragraph PR5.5.8R of the Prospectus Rules and item 1.2 of Annex 1 to the Commission Regulation (EC) No. 809/2004 (as amended) as set out in Appendix 3 of the Prospectus Rules, that, having taken all reasonable care to ensure that such is the case, the information contained in those parts of the Prospectus for which we are responsible is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

13. Insurance and Liability

The liability of CBRE, of a legal representative or an agent is restricted to gross negligence and wilful intent.

The liability restriction referred to in the first paragraph shall not apply, if and as far as product liability claims are present, if the existence of a defect has been maliciously concealed, if a guarantee has been assumed and/or in case of a personal injury, death or damage to personal health.

The liability restriction referred to in the first paragraph shall not apply in cases of negligence, if and as far as the damage is covered by an insurance of CBRE. However, in this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

The liability restriction referred to in the first paragraph shall not be applicable in cases of negligence, if essential Contractual obligations (so-called "cardinal duties", the satisfaction of which enables the proper execution of the Contract at all and on which the Client relies and may as a rule rely on its compliance) have been violated. However, the liability for essential Contractual obligations is limited to the reimbursement of the foreseeable, typically occurring damages. In this case, the liability of CBRE shall not exceed 25% of the value of the property per claim; the maximum amount of such liability is limited to €50,000,000.

14. Assignation of Rights

The addressees of the agreement, based upon which this report has been prepared, shall not be entitled to assign their rights under the agreement – in total or in part – to any third party or parties, unless it was explicitly specified otherwise in the agreement.

15. Place of Performance and Jurisdiction

The agreement, on which the preparation of this report is based, is governed by and construed in accordance with the laws of the Federal Republic of Germany. In the event that there is any conflict between the English legal meaning and the German legal meaning of this Contract or any part hereof, the German legal meaning shall prevail. The place of performance and jurisdiction for disputes arising from this contractual relationship shall be Frankfurt am Main, Germany.

Yours faithfully

STEFAN GUNKEL
Ö.B.U.V. SV., CIS HYPZERT (F)
MANAGING DIRECTOR
HEAD OF VALUATION GERMANY

For and on behalf of
CBRE GmbH

***ppa.* TOBIAS JERMIS**
MRICS, CIS HYPZERT (F)
DIRECTOR
TEAM LEADER OFFICE & LOGISTICS VALUATION

For and on behalf of
CBRE GmbH

CBRE

THE SCHEDULE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: zam06200 Lange Laube 20, 30159 Hanover Date of Inspection 26 February 2013	The complex is located in Hanover in the inner city area on the road Lange Laube, which provides direct access to the A37/A2 motorways to Berlin or Osnabrück. The inner city pedestrian zone is located 300 m away from the object on Lange Laube and the main railway station, providing ICE (high-speed train) connections, is about 800 m away. The nearby surroundings are comprised of a mix of residential, retail and office accommodation. Additionally, there are several restaurants nearby. The campus of the University of Hanover is located in the north-west. The pedestrian zone is accessed via the Goseriede/Münzstrasse ring roads in the east. The subject property is a building complex comprising a 2 to 5- storey new building, erected in the late 1980s, and a 4-storey older building, erected in approximately the 1950s. The property has 4,588 sq m of lettable area.The property has a rendered façade. The windows are double glazed in aluminium frames. All the offices are fitted with exterior aluminium-framed sun-blinds. The windows on the ground floor and mezzanine area are fitted with vertical interior sunshades. The hotel in the old part of the subject property was recently refurbished. The site has 105 underground parking spaces. The parking garage is equipped with ventilation as well as a sprinkler system. The entire building complex has aluminium-framed windows with exterior sun-blinds. The building's main entrance is equipped with aluminium-framed doors with glass panels as well as a revolving door in the same materials. The office areas are carpeted, the sanitary facilities are tiled and the staircases are finished in natural stone. There is one lift in each of the staircases.	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: HUK-Coburg– office/storage (3,359.44 sq m) expiring 28 February 2017. Passing rent is €600,596 per annum. Indexation 100% CPI p.a. Bundesanstalt für Immobilien – office/storage (717.22 sq m) expiring 31 December 2014. Passing rent is €91,740 per annum. Indexation 10% hurdle/100%. Wiegand Hotel KG – Hotel (420.00 sq m) expiring 31 March 2023. Passing rent is €42,632 per annum. Indexation 100% CPI p.a.	€765,483	€479,629	€7,540,000

CBRE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
	We understand that the Property is comprised of: Plot size: 2,862 sq m Lettable area: 4,588 sq m 105 car parking spaces				

CBRE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: zam06210 Friedrich-Wilhelm-Strasse 18, 47051 Duisburg Date of Inspection 22 February 2013	The property is situated in the city centre of Duisburg, directly adjacent to the pedestrian zone. Friedrich-Wilhelm-Strasse is characterized by a mixed usage development of office and residential accommodation, as well as numerous retail and restaurant businesses on the ground floors. Approximately 200 m east of the property there is a park (Immanuel-Kant-Park). Friedrich-Wilhelm-Strasse is one of the major access roads to the city centre. Duisburg's main railway station is ca. 600 m southeast of the property. The A40 motorway (Venlo-Duisburg-Essen) is ca. 1 km northwest of the property, the A59 motorway (Duisburg-Dinslaken) ca. 800 m southeast. The subject property is an office building, which was constructed in 1987. It has a total lettable area of approx. 4,121 sq m, 42 underground and 14 external parking spaces. The building is roughly U-shaped. The property has three facades fronting Friedrich-Wilhlem-Strasse, Wallstrasse and Böningerstrasse, respectively. The structure is a reinforced concrete frame structure with a façade partly of red brick and partly of cladding. The windows have anodised aluminium frames with double-glazing. It has a pitched roof and a yard with car parking spaces. Towards Bröningerstrasse there is a section of the building that has only three storeys; the remainder of the building is on 4 storeys. There are two entrances and two staircases which provide access to the building, one at the corner of Friedrich-Wilhelm-Strasse/Wallstrasse and one at the rear of the building in Bröningerstrasse. The building is suitable for a division into several rental units. We understand that the Property is comprised of: Plot size: 2,050 sq m Lettable area: 4,121 sq m 56 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: HUK-Coburg – office/storage (1,914.67 sq m) expiring 28 February 2017. Passing rent is €259,827 per annum. Indexed 100% CPI p.a. Hargreaves Raw Materials – office/residential/storage (478.60 sq m) expiring 31 May 2017. Passing rent is €61,438 per annum. Indexed 100% CPI p.a. RA Klocke – office/storage (461.00 sq m) expiring 31 August 2015. Passing rent is €47,118 per annum. Indexed 100% CPI p.a.	€487,788	€419,116	€5,760,000

CBRE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: zam06215 Semerteichstrasse 45, Lensingstrasse, 44141 Dortmund Date of Inspection 22 February 2013	The subject property is situated in Dortmund, in the office sub-market of Westfalendamm/Büro Boulevard B1. This area is located in the southeast of the city centre along the B1 which is a busy road connecting the west and east of Dortmund and providing access to the city centre in the north via the B54. Access to the A44 motorway (Dortmund-Kassel) is approximately 7 km away, to the A1 motorway (via A44 Cologne-Dortmund-Bremen) approximately 7.5 km to the east and to the A45 motorway (Dortmund-Giessen) approximately 7.8 km to the west. The inner city lies 2.5 km away. The development along the Semerteichstrasse is characterized in the south and north by office buildings and, further to the south, by multi-storey apartment blocks. Opposite the subject property there are allotment gardens and, to the rear of the property, (freestanding) residential blocks. Along the B1 (federal road) there are further office blocks: a petrol station and car dealerships are located at the junction of Semerteichstrasse. The subject property in Semerteichstrasse consists of a reinforced concrete frame structure with an aluminium curtain wall. It has double-glazed windows with aluminium frames and exterior sun blinds. The main section of the property has 6 upper floors. The basement and the ground floor each have a clear height of ca. 3 m, the remaining upper floors, between 2.2 - 2.3 m. Room depths of the upper floors are between 4 and 4.5 m. Due to their depth and layout the basement and ground floor are exceptionally well-suited to serve as open-plan offices. The building is suitable for a division into several rental units. We understand that the Property is comprised of: Plot size: 2,183 sq m Lettable area: 3,115 sq m 66 car parking spaces	Freehold (Eigentum) The Property is let to: HUK-Coburg – office/storage (2,837.65 sq m) expiring 28 February 2017. Passing rent is €361,753 per annum. Indexed 100% CPI p.a.	€361,753	€304,821	€3,580,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID zam06220 Franz-Weis-Strasse 10, 56073 Coblence Date of Inspection 21 February 2013	The subject property is located in a commercial area, which borders the city centre to the west (500 m awayor 10 minutes on foot). There are several cardealerships in the neighbourhood, a car rental service, retail warehouses, office blocks, as well as numerous businesses inc1uding Römhildt Bodenbeläge (floor coverings), Biedermann Haustechnikunternehmen (house automation services), some of which have storage buildings. In the immediate vicinity and to the northwest there is a predominantly multi-storey residential development of average quality. The city centre with its pedestrian zone and "Löhr-Center" shopping centre lies to the east. The commercial park is separated from a residential area by railway tracks to the south and in the west there is a similar residential development. The subject property has good road access to and from the city centre. The B9 Moselring and city centre are easily reached via the central roundabout at Saarplatz about 200 m away. There is also direct motorway access to the A8 motorway in about 5.5 km, as well as access to the A61 motorway via the "Koblenz" motorway junction. The subject property comprises a 2-storey and a 3-storey section, both erected in 1969. The property has a lettable area of 2,182 sq m. It is a reinforced concrete frame construction. An exterior car park has 22 parking spaces. The building is suitable for a division into several rental units, the main roof was replaced recently. We understand that the Property is comprised of: Plot size: n.a. Lettable area: 2,182 sq m 22 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: HUK-Coburg – office/storage (1,771.26 sq m) expiring 28 February 2017. Passing rent is €196,191 per annum. Indexed 100% CPI p.a. F.I.T. Fahrzeug Ingenieur – office (280.00 sq m) expiring 31 October 2018. Passing Rent is €17,880 per annum. Indexed 5% hurdle/100%.	€214,071	€165,121	€2,010,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: zam06230 Friedrich-Ebert-Strasse 21, 34117 Kassel Date of Inspection 26 February 2013	The complex is located in Kassel, on the city boundary, west of the inner city, on the 4-lane Friedrich-Ebert-Strasse, which provides direct access to the A49, A44 and A7 motorways to the Ruhr area and to Frankfurt (about 4 km away). The inner city area and the main railway station, providing ICE (high-speed train) connections, are located 300-400 m away from the property. The nearby surroundings are comprised of a mix of residential, retail and office accommodation. The area is characterised by residential accommodation on Karthäuser Strasse towards the south, with mixed uses to the west and east of the property along Friedrich-Ebert-Strasse. Office accommodation is prevalent to the north, in the area of the main railway station. The main shopping street (Obere Königsstrasse) and the pedestrian zone connect to the city centre, ca. 400 m east of the property. The four-storey office building, with a roof storey and two basement garage levels, is a perimeter block development in a corner position on Friedrich-Ebert, Karthäuser- und Jordanstrasse. The complex is U-shaped, the lettable area is 3,927 sq m. The two basement levels house a total of 67 parking spaces and the technical installations. The access to the parking levels is from Jordanstrasse. The building is a reinforced concrete construction with a façade clad in natural stone. The deep-set windows partly have sloping breast walls and exterior sun blinds. They are double-glazed in thermal-break aluminium frames. The inner courtyard formed from the first floor upwards has a steel and glass pyramid roof. The building is suitable for a division into several rental units. We understand that the Property is comprised of: Plot size: 1,382 sq m Lettable area: 3,927 sq m 67 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: HUK-Coburg – office/storage (1,813.99 sq m) expiring 28 February 2017. Passing rent is €297,764 per annum. Indexed 100% CPI p.a. Signet GmbH – office (1,020.00 sq m) expiring 31 December 2018. Passing rent is €72,720 per annum. Indexed 100% CPI p.a. Kasseler Verkehrs- u – office/storage (325.00 sq m) expiring 31 August 2015. Passing rent is €30,003 per annum. Indexed 5% hurdle/100%	€433,896	€341,235	€4,730,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 31/12/2014	Estimated Net Annual Rent 31/12/2014	Market Value 31/12/2014
Unit-ID: zam06235 Pfarrer-Byns-Strasse 1, 53121 Bonn Date of Inspection 21 February 2013	The property is situated in Bonn, in the district of Endenich. Endenich has ca. 12,000 inhabitants. Endenich is located close to the A 565 motorway, which can be reached 900 m south of the subject property via the B56 (Hermann-Wandersleb-Ring/Provinzialstrasse). Endenich's centre is situated ca. 500 m east of the subject property. Pfarrer-Byns-Strasse can be accessed via the Hermann-Wandersleb-Ring (ring road). An office and administration building, occupied by "Ideal-Standard", a manufacturer of sanitary fittings, is located opposite the subject property. Bordering the property to the south is a beverage cash-and-carry store, as well as several apartment blocks. There is a further residential development (an apartment block) in the immediate neighbourhood, as well as several retail warehouses, a petrol station, numerous commercial businesses and some scattered office buildings. On the opposite side of the street on the northern side of Hermann-Wandersleb-Ring there is a nature reserve with open fields. A large office complex is located ca. 300 m south at the junction of Hermann-Wandersleb-Ring / Rochusstrasse / Provinizialstrasse. Bonn's main railway station is ca. 2.2 km away to the east and in close proximity to the inner city of Bonn. The subject property is an office building, constructed in 1976, with 3,400 sq m of lettable space. It is a reinforced steel-frame structure with a façade of anodised aluminium panels and a band of double-glazed windows with aluminium frames. It also has exterior sun-blinds. The building's T-shaped layout, with its four-storey front building, connects to a three-storey building at the back of the site and to an underground car park. We understand that the Property is comprised of: Plot size: 3,254 sq m Lettable area: 3,400 sq m 69 car parking spaces	Freehold (Eigentum) The Property is let to multiple tenants. The main tenants are however: HUK-Coburg – office/storage (2,030.53 sq m) expiring 28 February 2022. Passing rent is €255,555 per annum. Indexed 100% CPI p.a. Bonn International C – office/storage (908.00 sq m) expiring 30 June 2017. Passing rent is €88,350 per annum. Indexed 100% CPI p.a. RAe Neukirchen – office/storage (461.44 sq m) expiring 31 October 2020. Passing rent is €49,336 per annum. Indexed 100% CPI p.a.	€397,909	€338,255	€5,080,000

PART XII:

DOCUMENTATION INCORPORATED BY REFERENCE

The Company's Annual Reports (containing the audited consolidated financial statements) for each of the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 are available for inspection in accordance with paragraph 11 of Part VI of this document and contain information which is relevant to the Offer Shares. These documents are also available on the Company's website at http://www.eurocastleinv.com.

No part of the Company's Annual Reports for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 is incorporated by reference herein except as expressly stated below. Those parts of the documents which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors or the relevant information is found elsewhere in this Prospectus.

The table below sets out the various sections of such documents which are incorporated by reference into this document.

Document	Section	Page numbers in such document
Annual Report 2012	Independent Auditors' Report to the Members of Eurocastle Investment Limited and its Subsidiaries	8
	Consolidated Income Statement	9
	Consolidated Statement of Comprehensive Income	10
	Consolidated Balance Sheet	11
	Consolidated Cash Flow Statement	12
	Consolidated Statement of Changes in Equity	13
	Notes to the Consolidated Financial Statements	14-56
Annual Report 2013	Independent Auditors' Report to the Members of Eurocastle Investment Limited and its Subsidiaries	13
	Consolidated Income Statement	14
	Consolidated Statement of Comprehensive Income	15
	Consolidated Balance Sheet	16
	Consolidated Cash Flow Statement	17
	Consolidated Statement of Changes in Equity	18
	Notes to the Consolidated Financial Statements	19-63
Annual Report 2014	Independent Auditors' Report to the Members of Eurocastle Investment Limited and its Subsidiaries	15
	Consolidated Income Statement	17
	Consolidated Statement of Comprehensive Income	18
	Consolidated Balance Sheet	19
	Consolidated Cash Flow Statement	20
	Consolidated Statement of Changes in Equity	21
	Notes to the Consolidated Financial Statements	22-66

PART XIII:

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

25 per cent. Threshold	Ownership by Benefit Plan Investors, in the aggregate, of 25 per cent. or more of the value of any class of capital or equity interest in the Company (calculated by excluding the value of any capital or other equity interest held by any Controlling Person)
2013 Offer	The offer of 15,000,000 new Shares at an offer price of €7.25 per Share which was completed on 30 May 2013
ABS	Asset backed securities
Accredited Investor	Accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act
Adjusted Net Assets	The Company's net asset value determined in accordance with IFRS and excluding the Company's non-controlling interest in certain of its Italian loan pools, the net asset value of the Mars Floating and Bridge Portfolios, and adjusting for the revaluation of the Superstella, Tennenberg and Turret Portfolios to their agreed sales price
Administration Agreement	The administration agreement between the Company and IAG dated 1 July 2009
Administrator or IAG	International Administration Group (Guernsey) Limited
Admission	Admission of the Offer Shares to listing and trading on Euronext Amsterdam, as the context so requires
AIFMD	Alternative Investment Fund Managers Directive (2011/61/EU)
Articles or **Articles of Incorporation**	The articles of incorporation of the Company in force from time to time
BaFin	The Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*)
Bank of Italy	The Italian Central Bank (*Banca d'Italia*)
Belfry Portfolio	The portfolio of properties the Company has acquired as referred to on pages 146-183 of the valuation report of CBRE contained in Part XI of this Prospectus
Benefit Plan Investor	(i) an employee benefit plan (as defined by Section 3(3) of ERISA)subject to Title I of ERISA; (ii) a plan (as defined in Section 4975(e)(1) of the Code) subject to Section 4975 of the Code (including but not limited to individual retirement accounts and Keogh plans); or (iii) an entity whose underlying assets include the assets of any plan described in clause (i) or (ii) by reason of the plan's investment in such entity (including but not limited to, as applicable, an insurance company general account, insurance company separate account or collective investment fund)
Board of Directors or **Directors** or **Board**	The board of directors of the Company

Bridge Portfolio	The portfolio of properties the Company has disposed of as referred to on page 75 in Part III of this Prospectus
CBRE	CBRE GmbH
CDO	A collateralised debt obligation which is a debt obligation issued in multiple classes secured by an underlying portfolio of investments
CDO IV Portfolio Management Agreement	The management and advisory agreement between Eurocastle CDO IV and the Manager dated 14 July 2005
CFC	Controlled foreign corporation
CFTC	The Commodity Futures Trading Commission
CISA	The Swiss Federal Act of 23 June 2006 on Collective Investment Schemes
CMBS	Commercial mortgage backed securities, being interests in or obligations secured by a commercial mortgage loan or a pool of commercial mortgage loans
CRS	The Common Reporting Standard developed by the Organisation for Economic Co-operation and Development in February 2014
Code	The U.S. Internal Revenue Code of 1986, as amended
Company	Eurocastle Investment Limited
Companies (Guernsey) Law	The Companies (Guernsey) Law, 2008 (as amended)
Controlling Person	Any person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person
Conversion	The mandatory conversion on 12 April 2013 of around €99,750,000 in aggregate principal amount of convertible securities issued by the Company into Shares at a conversion price of €0.05 per Share
CREST Regulations	The Uncertificated Securities (Guernsey) Regulations, 2009 (as amended from time to time)
CREST UK	The CREST system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK
DFSA	The Dubai Financial Services Authority
Default Shares	The Shares in respect of which a default has occurred as described in Part VI of this Prospectus
Default Shareholder	A Shareholder who fails to provide certain information regarding the interests of other persons in the Shares held by such Shareholder as referred to in Part VI of this Prospectus
Directive	EU Savings Directive (2003/48/EC)
Directors	The directors of the Company from time to time
Disclosure Rules	The Disclosure Rules made by the Financial Conduct Authority under section 73A of the Financial Markets and Services Act 2000
Drive Junior	The Group's junior financing facility for the Drive Portfolio
Drive Portfolio	The portfolio of commercial properties the Company has acquired as referred to on pages 184-256 of the valuation report by CBRE contained in Part XI of this Prospectus

Drive Senior	The Group's senior financing facility for the Drive Portfolio
DTC	The Depository Trust Company
Duncannon	Duncannon CRE CDO I plc
ECB	The European Central Bank
ERISA	U.S. Employee Retirement Income Security Act of 1974, as amended
Euro or **€**	The currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992)
Eurocastle CDO IV	Eurocastle CDO IV plc
Eurocastle Funding	Eurocastle Funding Limited
Euroclear Netherlands	Centraal Instituut voor Giraal Effectenverkeer B.V.
Euroclear UK	Euroclear UK & Ireland Limited
Euronext Amsterdam	Euronext Amsterdam N.V.
Euronext Rules	The rules that apply to companies whose shares have been admitted to listing on Euronext Amsterdam
Exchange Act	U.S. Securities Exchange Act of 1934, as amended
FATCA	Foreign Account Tax Compliance Act
FDAP	Fixed or determinable annual or periodical
FFI	Foreign Financial Institution
FIEL	The Financial Instruments and Exchange Law of Japan, as amended
Financial Conduct Authority or **FCA**	The Financial Conduct Authority acting in its capacity as the competent listing authority for the purposes of Part VI of the Financial Services and Markets Act 2000, as amended
Fitch	Fitch France S.A.S., Fitch Deutschland GmbH, Fitch Italia S.p.A., Fitch Polska S.A., Fitch Ratings España S.A.U., Fitch Ratings Limited or Fitch Ratings CIS Limited
Fortress	Fortress Investment Group LLC, a limited liability company incorporated in Delaware (with registered number 4246703) under the Delaware Limited Liability Company Act
Fortress Funds	Fortress Investment Fund III L.P., Fortress Investment Fund III (Fund B) L.P., Fortress Investment Fund III (Fund C) L.P., Fortress Investment Fund III (Fund D) L.P., Fortress Investment Fund III (Fund E) L.P., Fortress Investment Fund III (Coinvestment Fund A) L.P., Fortress Investment Fund III (Coinvestment Fund B) L.P., Fortress Investment Fund III (Coinvestment Fund C) L.P. and Fortress Investment Fund III (Coinvestment Fund D) L.P.
FSMA	Financial Services and Markets Act 2000
Funding Management Agreement	The management agreement between the Company, the Manager and Eurocastle Funding dated 23 June 2004
Group	The Company and its SPVs and subsidiaries from time to time
Guernsey	Island of Guernsey
ICR	Interest cover ratio

IFRS	International Financial Reporting Standards
IRS	U.S. Internal Revenue Service
Investment Advisers Act	U.S. Investment Advisers Act of 1940, as amended
Investment Company Act	U.S. Investment Company Act of 1940, as amended
ITA	Income Tax Act 2007
ICAEW	Institute of Chartered Accountants of England and Wales
Knowledgeable Employee	Knowledgeable employee as defined in Rule 3c-5(a)(4) under the Investment Company Act
KPIs	Key performance indicators
Legacy Assets or **Legacy Investments**	The Group's investments in German commercial real estate and European real estate related debt described in Part II
Listing Agent	ABN AMRO Bank N.V.
London Stock Exchange	London Stock Exchange plc
Management Agreement	The amended and restated management and advisory agreement between the Company and the Manager dated 7 April 2015
Management Fee	The fee payable to the Manager pursuant to the Management Agreement
Manager	FIG LLC, a limited liability company incorporated in Delaware (with registered number 2854297) under the Delaware Limited Liability Company Act
Manager's Options	The options granted to the Manager by the Company as set out in "Manager's Fees and Incentive Compensation – Manager's Options" Part IV of this Prospectus
Mars Floating Portfolio	The portfolio of multi-tenanted office properties the Company has acquired as referred to on pages 268-281 of the valuation report by CBRE contained in Part XI of this Prospectus
Mars Fixed I Portfolio	The portfolio of multi-tenanted properties acquired in 2007 and sold over 2011 and 2012
Mars Fixed II Portfolio	The portfolio of one multi-tenanted property the Company has acquired as referred to on pages 257-267 of the valuation report by CBRE contained in Part XI of this Prospectus
Memorandum	The memorandum of incorporation of the Company in force from time to time
Moody's	Moody's Investors Service Cyprus Ltd, Moody's France S.A.S., Moody's Deutschland GmbH, Moody's Italia S.r.l., Moody's Investors Service España S.A or Moody's Investors Service Ltd
MSA	The master services agreement to be entered into between UCCMB and UniCredit
Multilateral Agreement	The multilateral competent authority agreement that activates the automatic exchange of FATCA-like information signed on 29 October 2014 by 51 jurisdictions
NAV	Net Asset Value
New Investments	Investments acquired by the Group on or after 1 April 2013
Newcastle	Newcastle Investment Corp.

NFFE	Non-financial foreign entity
Normalised FFO	A non-IFRS measure used by the Company to measure the performance of its business and described on page 51 of this Prospectus
NPLs	Non-performing loans
Offer	The global offer of Offer Shares on the terms and subject to the conditions described in this Prospectus
Offer Price	The price at which each Offer Share is to be issued in connection with the Offer, being €7.85
Offer Shares	The 39,762,992 Shares to be issued and offered pursuant to the Offer
Offshore Transaction	Offshore transaction as defined in Rule 902(h) under the Securities Act
Option Agreements	The agreements pursuant to which the Options are granted
Options	Options granted over Shares of the Company
Ordinance	The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989
Paying Agent	ABN AMRO Bank N.V.
Paying Agent Agreement	Paying agent agreement between the Company and the Paying Agent dated 14 December 2005
PFIC	Passive foreign investment company
Plan	Eurocastle Non-Qualified Share Option Plan
Plan Asset Regulation	Regulation 29 C.F.R. §2510.3-101, as modified by Section 3(42) of ERISA
Prospectus	This prospectus dated 27 April 2015
Prospectus Directive	Directive 2003/71 of the European Parliament and of the Council of 4 November 2003, as amended
Prospectus Rules	The Prospectus Rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000
QEF	Qualified Electing Fund
Qualified Institutional Buyer	Qualified institutional buyer as defined in Rule 144A(a)(i) under the Securities Act
Qualified Purchaser	Qualified purchaser as defined in Section 2(a)(51) of the Investment Company Act
Registrar	Anson Registrars Limited
Registrar Agreement	Registrar Agreement between the Company and Anson Registrars Limited dated 24 June 2004
Regulation S	Regulation S under the Securities Act
RSA	The New Hampshire Revised Statutes Annotated
Relevant Member State	Each member state of the EEA which has implemented the Prospectus Directive (2003/71/EC)
Relevant Portfolio Financings	The Group's financing facilities which are non-recourse to the Company and which have either recently passed their maturity dates or are due to reach maturity within the next 12 months
Rule 144A	Rule 144A under the Securities Act

Securities Act	U.S. Securities Act of 1933, as amended
Shareholders	Holders of Shares
Shares	Ordinary shares of no par value in the capital of the Company
Similar Law	U.S. federal, state or local laws or non-U.S. laws that are, to a material extent, similar to Title I of ERISA or the provisions of Section 4975 of the Code
Sole Bookrunner	Credit Suisse Securities (Europe) Limited
Special Purpose Vehicles or **SPVs**	Special purpose vehicles established by the Company to hold investments and/or issue debt securities in the form of CDOs
S&P	Standard & Poor's Credit Market Services France S.A.S., Standard & Poor's Credit Market Services Italy S.r.l. or Standard & Poor's Credit Market Services Europe Limited
Superstella Portfolio	The portfolio of retail properties the Company has disposed of as referred to on page 63 in Part II of this Prospectus
Takeover Panel	The UK Panel on Takeovers and Mergers
Tannenberg Portfolio	The portfolio of retail properties the Company has disposed of as referred to on page 63 in Part II of this Prospectus
Target Investments	Investments which meet the investment objectives and guidelines set out in this Prospectus
Tax-Exempt Holder	A U.S. Holder that is exempt from US federal income taxation under section 501(a) of the Code
TIOPA	Taxation (International) and Other Provisions Act 2010
Torre	Torre SGR S.p.A.
Truss Portfolio	The portfolio of properties the Company has acquired as referred to on pages 282-330 of the valuation report by CBRE contained in Part XI of this Prospectus
Trustee	ABN AMRO Bank N.V. London Branch
Turret Portfolios	The portfolio of properties the Company has disposed of as referred to on page 63 in Part II of this Prospectus
UBTI	Unrelated Business Taxable Income
UCCMB	UniCredit Credit Management Bank S.p.A.
UCCMB Acquisition	The proposed acquisition of UCCMB by Avio S.à r.l., a Luxembourg company which is indirectly held by the Company and other affiliates of Fortress
UCCMI	UniCredit Credit Management Immobiliare S.p.A.
UCITS	Undertaking for Collective Investment in Transferable Securities
UniCredit	UniCredit S.p.A.
UK Transfer Agent	Anson Administration (UK) Limited
UK Transfer Agent Agreement	UK transfer agent agreement between the Company, Anson Registrars Limited and Anson Administration (UK) Limited dated 20 November 2006

Underwriting Agreement	The underwriting agreement and various ancillary agreements dated the date of this Prospectus and entered into between the Company, the Directors and the Sole Bookrunner as described in Part VI: "Additional Information – 8.11 Underwriting Agreement"
United States or **U.S.**	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
US-Guernsey IGA	The intergovernmental agreement signed between the Chief Minister of Guernsey and the United States on 13 December 2013
U.S. Holder	A beneficial owner of the Shares that is: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation) created or organised in or under the laws of the United States or any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust: (a) the administration over which is subject to primary supervision by a court within the United States and as to which one or more U.S. persons have the authority to control all substantial decisions; or (b) which has properly elected to be treated as a "United States person" for U.S. federal income tax purposes
U.S. Person	U.S. person as defined in Rule 902(k) under the Securities Act
Wave Portfolio	The portfolio of properties purchased on sale and leaseback by the Company from Deutsche Bank in December 2004 referred to on pages 331-388 of the valuation report by CBRE contained in Part XI of this Prospectus
Zama Portfolio	The portfolio of office properties the Company has acquired as referred to on pages 389-405 of the valuation report by CBRE contained in Part XI of this Prospectus

DIRECTORS, MANAGER AND ADVISERS

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Keith Dorrian
Randal A. Nardone
Jason Sherwill
Peter Smith
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whose address is the registered office of the Company

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Linkway Financial Printers
Typeset & Printed in London (UK) 16471