



INVESTMENT MANAGEMENT

The investment management arm of HB Reavis Group enters its 7th year of successful operation. The business, operated by Luxembourg based subsidiary HB Reavis Investment Management S.a r.l., currently manages assets worth more than €345m and equity of almost €138m from around 200 high net worths and institutional investors in two sub-funds.

In the flagship fund, HB Reavis CE REIF follows a core/core+ strategy by investing equity on behalf of high-net-worth individuals and institutional investors into standing, close to or fully-let, income generating commercial properties: the AUM has grown by 7% in 2017.

While the fund's portfolio has been virtually fully let; the fund has delivered a solid 6.5% total return (net after fees), which was fully distributed in cash to its investors. It is to be noted that the performance was slightly hit by appreciation of the Czech crown, which gave rise to tax liabilities stemming from the Euro funding of our Czech asset.

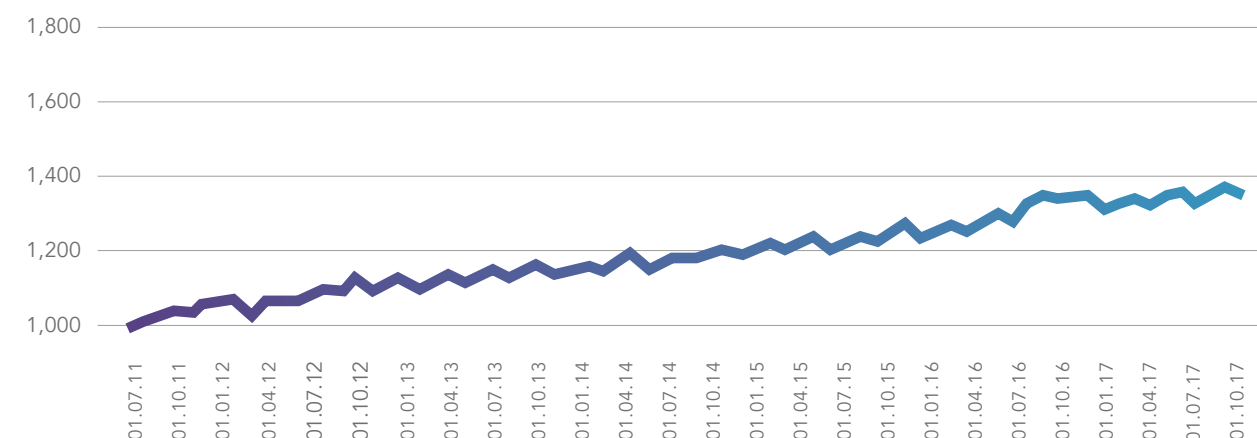
We keep exploring the possibilities to grow the investment management business. As part of this initiative, we have also completed the conversion of the fund into a retail fund in Luxembourg, making it more available to private investors within its core Central European markets.

We will also keep looking for new acquisition targets to complement the fund's portfolio within the Central European region, notably in Poland and Czechia, which should help us extend our distribution network in these countries.

While considering new acquisition targets, we'll be mindful of the new trends arising within the commercial property markets; focusing our efforts to capitalise on collaborations with HB Reavis Group and its focus on developing properties that better serve their clients' needs through flexible space solutions, smart buildings and tenant flexibilities.

We believe that active asset management, provided by experienced professionals from HB Reavis Group, will help us keep the portfolio close to fully let and add value to the investors.

HB Reavis CE REIF – Fund performance



Note: The fund's net asset value is calculated monthly and published on the Finesti Luxembourg financial page (finesti.lu) and on Bloomberg under ticker HBREAVS:LX. The Fund is listed on the Luxembourg Stock Exchange.

Portfolio summary

Asset	Type	Valuation as of 12/2017 (€m)	Running yield as of 12/2017	WART 12/2017 (years)	Occupancy as of 12/2017
City Bussines Center Bratislava	Office	98.4	6.8%	3.3	96.0%
Union, Bratislava	Office	4.0	7.8%	–	100.0%
Aupark Hradec Kralove	Retail	89.6	6.0%	4.3	87.0%
Total		192.0	6.4%	3.4	91.6%