

Company Registration No. 2076511

CBRE Global Investment Partners Limited

Annual Report and Audited Financial Statements

31 December 2016



CBRE Global Investment Partners Limited

Report and financial statements 2016

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CBRE Global Investment Partners Limited

Officers and professional advisers

Directors

A Baker (resigned 31 January 2017)

A Bignell

I Gleeson

J J Plummer

G Roantree

A van Riel

Secretary

CBRE Global Investors (UK) Ltd

Registered office

Third Floor

One New Change

London

EC4M 9AF

Bankers

Bank of America N.A

2 King Edward Street

London

EC1A 1HQ

Auditors

KPMG LLP

Chartered Accountants

15 Canada Square

Canary Wharf

London

E14 5GL

CBRE Global Investment Partners Limited

Strategic Report and Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Results and dividends

The profit for the year amounted to £2,854,939 (2015: £1,201,820). Dividend payments totalling £nil (2015: £nil) were paid during the year.

Business review

CBRE Global Investment Partners Limited, ("the Company"), which is incorporated in England and Wales, and which is a wholly owned subsidiary of CBRE Global Investors Europe Holdings Limited, acts as an investment manager, undertaking portfolio management on behalf of a number of clients and management of collective investment schemes. The Company is regulated by the Financial Conduct Authority.

The Company's revenue of £25.7m (2015: £13.7m) is principally derived from the CBRE Global Investors Global Investment Partners business.

The value of the Company's assets under management in relation to the Global Investment Partners business increased from £7.6bn at 31 December 2015 to £9.6bn at 31 December 2016. This is expected to increase further during 2017 as a result of successfully raising capital for both separate account mandates and collective investment schemes during the year.

A Medium Term Plan for the Company is prepared each year and progress against that plan is monitored by the board.

Risk Management

The main risks and uncertainties facing the Company are as follows:

Strategic risks

These are principally the risk of the business declining due to external factors (for example a sustained fall in markets). We seek to manage these risks by being willing to change or adapt our products to meet market needs, constantly developing our research capability, monitoring tax and regulatory changes to assess their likely implications and controlling costs effectively.

We regularly review investment performance and encourage a culture of open debate on investment strategy.

Operational risks

The main risks we seek to control are operational risks. The principal operational risks are in unit pricing and administration. We aim to operate controls to ensure that the residual risk is minimised and consistent with providing high levels of service. The Company holds professional indemnity insurance to mitigate the residual risk of loss from such errors. Controls in place within the business to mitigate the risks arising from operational failures are set out in the ISAE3402 Reports on Internal Controls.

The operations of the Company and third party providers are subject to reviews by its Operational Risk Committee. The Company is also subject to regular review by the CBRE Internal Audit function.

Policies and procedures combined with staff appraisals and training are used to ensure that the Company retains highly trained staff to reduce operational and business risks.

CBRE Global Investment Partners Limited

Strategic Report and Directors' report (*continued*)

Liquidity risks

The Company maintains a healthy cash position and has sufficient resources to meet its current obligations. We seek to manage liquidity risk by ensuring that invoices are raised and collected in a timely manner.

Declines in property values would impact on fee income. Nevertheless the business is not exposed to unnecessary costs and this will be vigorously and regularly reviewed by the Company.

The possible financial impact of these risks has been assessed in detail in the Company's Internal Capital Adequacy Assessment which is reviewed and updated on an annual basis. The Company ensures that it always holds sufficient capital resources to cover the risks that it faces.

Going Concern

The directors have concluded that the Company has adequate financial resources to continue in operation for the foreseeable future and have therefore adopted the going concern basis in preparing the financial statements.

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' interests in shares of the Company

The directors had no interests in the shares of the company from 1 January 2016 to the date of this report.

By order of the board



Gill Roantree
Director

26 April 2017

Company Registration No. 2076511

CBRE Global Investment Partners Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBRE GLOBAL INVESTMENT PARTNERS LIMITED

We have audited the financial statements of CBRE Global Investment Partners Limited for the year ended 31 December 2016 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

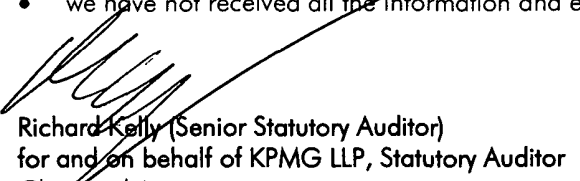
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements. Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Richard Kelly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
26 April 2017

CBRE Global Investment Partners Limited

Statement of profit and loss and other comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	25,681,933	13,705,402
Administrative charges	4	<u>(18,912,726)</u>	<u>(13,239,112)</u>
Operating profit	5	6,769,207	466,290
Other (expense) / income	6	(3,208,033)	1,016,628
Interest receivable and similar income		<u>14,231</u>	<u>18,369</u>
Profit on ordinary activities before taxation		3,575,405	1,501,287
Tax on profit on ordinary activities	7	<u>(720,466)</u>	<u>(299,467)</u>
Retained profit for the year		<u>2,854,939</u>	<u>1,201,820</u>

All recognised gains and losses in the current and preceding financial years are reflected in the profit and loss account and are derived from continuing activities. Accordingly, no statement of total recognised gains and losses is presented.

The notes on pages 9 to 15 form part of these financial statements

CBRE Global Investment Partners Limited

Statement of financial position 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	8	4	4
Intangible asset	9	321,451	-
Tangible assets	10	<u>177,267</u>	<u>120,983</u>
		498,722	120,987
Current assets			
Debtors	11	16,411,312	12,240,882
Cash at bank and in hand		<u>9,934,836</u>	<u>7,196,436</u>
		26,346,148	19,437,318
Creditors: amounts falling due within one year	12	<u>(13,146,232)</u>	<u>(8,714,606)</u>
Net current assets		<u>13,199,916</u>	<u>10,722,712</u>
Net assets		<u>13,698,638</u>	<u>10,843,699</u>
Capital and reserves			
Called up share capital	13	150,000	150,000
Profit and loss account		<u>13,548,638</u>	<u>10,693,699</u>
Shareholders' funds		<u>13,698,638</u>	<u>10,843,699</u>

These financial statements were approved by the Board of Directors on 26 April 2017.

Signed on behalf of the Board of Directors



Gill Roantree

Director

The notes on pages 9 to 15 form part of these financial statements

CBRE Global Investment Partners Limited

Statement of changes in equity for the year ended 31 December 2016

	Issued Capital £	Retained Earnings £	Total Equity £
At 1 January 2016	150,000	10,693,699	10,843,699
Profit for the year	-	2,854,939	2,854,939
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<u>150,000</u>	<u>13,548,638</u>	<u>13,698,638</u>

	Issued Capital £	Retained Earnings £	Total Equity £
At 1 January 2015	150,000	9,491,879	9,641,879
Profit for the year	-	1,201,820	1,201,820
	<hr/>	<hr/>	<hr/>
At 31 December 2015	<u>150,000</u>	<u>10,693,699</u>	<u>10,843,699</u>

The notes on pages 9 to 15 form part of these financial statements

CBRE Global Investment Partners Limited

Year ended 31 December 2016

Notes to the Financial Statements

1. Basis of preparation

The financial statements are prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102, *the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*.

2. Accounting policies

The principal accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

Cash flow statement

The Company has taken advantage of the exemption conferred in FRS 102 and has not presented a cash flow statement because its ultimate parent company has prepared consolidated accounts which include the results of the company and which are publicly available.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover comprises commissions, fees and related income for property investment management services exclusive of VAT. Fee income is recognised on an accruals basis. The Company's turnover is generated wholly in the United Kingdom.

Administrative expenses

Expenses are recognised on an accruals basis.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

CBRE Global Investment Partners Limited
Year ended 31 December 2016
Notes to the Financial Statements

2. Accounting policies (continued)

Cash and cash equivalents

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Trade and other receivables

Short term debtors are measured at transaction price, less any impairment.

Trade and other payables

Short term creditors are measured at transaction price, less any impairment.

Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful lives of the assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Acquisition of investment mandates – 10 years

3. Turnover

	2016 £	2015 £
Management fees	21,213,347	13,465,760
Incentive fees	981,332	93,823
Transaction fees	2,848,878	100,348
Other fees	638,376	45,471
	<u>25,681,933</u>	<u>13,705,402</u>

4. Administrative charges

	2016 £	2015 £
Recharges from group companies	16,951,102	11,325,523
Professional fees	722,761	655,308
Other costs	1,238,863	1,258,281
	<u>18,912,726</u>	<u>13,239,112</u>

5. Operating profit

The company employs no staff (2015 – nil) and no director received remuneration for services to the company (2015 – £nil). An affiliated company, CBRE Global Investors Ltd, carries out all the administration on behalf of the company and, therefore, it makes a charge for these services. In previous years, no audit fees were charged as the cost was incurred by CBRE Global Investors Ltd. In 2016, however, audit fees of £9,000 have been accrued.

CBRE Global Investment Partners Limited
Year ended 31 December 2016
Notes to the Financial Statements

6. Other expense / (income)

Other expense of £3,208,033 (2015 income of £1,016,628) represents charges from / to other group companies under a group wide transfer pricing policy. This was implemented from the start of 2015.

7. Tax on profit on ordinary activities

	2016 £	2015 £
Current Tax		
UK Corporation Tax at 20.00% (2015: 20.25%) based on adjusted profit for the period	714,179	304,728
Adjustment in respect of previous periods	<u>13,355</u>	<u>(5,065)</u>
Total Current Tax	727,534	299,663
Deferred Tax		
Origination and Reversal of temporary differences	4,125	4,697
Adjustment in respect of previous periods	(10,781)	(4,372)
Effect of rate change	<u>(412)</u>	<u>(521)</u>
Total deferred tax	(7,068)	(196)
Tax on profit on ordinary activities	<u><u>720,466</u></u>	<u><u>299,467</u></u>

The total tax assessed for the period is higher (2015: lower) than the standard rate of corporation tax in UK of 20.00% (2015: 20.25%) applied to profit before tax. The differences are explained below:

	2016 £	2015 £
Total tax reconciliation		
Profit on ordinary activities before tax	3,575,405	1,501,287
Tax on profit on ordinary activities at standard UK corporation tax rate 20.00% (2015: 20.25%)	715,081	303,959
Effects of:		
Expenses not deductible for tax purposes	3,223	5,466
Adjustments in respect of prior periods	2,574	(9,437)
Effect of rate change	<u>(412)</u>	<u>(521)</u>
Total tax charge	<u><u>720,466</u></u>	<u><u>299,467</u></u>

CBRE Global Investment Partners Limited
Year ended 31 December 2016
Notes to the Financial Statements

7. Tax on profit on ordinary activities (continued)

Deferred Tax	2016 £	2015 £
At 1 January	196	-
Charge to the profit and loss for the year	(4,125)	(4,697)
Adjustments in respect of prior periods	10,781	4,372
Effect of rate change	412	521
At 31 December	<u>7,264</u>	<u>196</u>

The amounts provided for deferred taxation are in relation to temporary differences between accumulated depreciation and capital allowances.

A reduction in the UK corporation tax rate from 20% to 19% and subsequently to 17% was substantively enacted in September 2016 and will take effect from 1 April 2017 and 1 April 2020 respectively. The deferred tax asset has been calculated based on the rate of 18% substantively enacted at the balance sheet date.

8. Investments

	2016 £	2015 £
Cost at 1 January	4	4
Additions	<u>-</u>	<u>-</u>
At 31 December	<u>4</u>	<u>4</u>

The Company holds 4 shares of £1, being 100% of the share capital of CBRE GLP Feeder General Partner Limited, CBRE GLP China Logistics Feeder GP Limited, CBRE GMM ASGA GP LTD and CBRE GIP London GP Ltd which are all companies incorporated in England and Wales, acting as General Partners.

As permitted by Section 400, 1(a) of the Companies Act 2006, the Company, being itself a wholly owned subsidiary of another UK company, is not required to prepare group financial statements. The directors are of the opinion that the value of the Company's investments in its subsidiaries is not less than book value.

9. Intangible assets

	2016 £	2015 £
Cost at 1 January	-	-
Additions	338,370	-
Amortisation charged in the year	<u>(16,919)</u>	<u>-</u>
At 31 December	<u>321,451</u>	<u>-</u>

Intangible assets represent an amount paid during the year to a third party in order to acquire the rights to manage an external discretionary investment mandate.

CBRE Global Investment Partners Limited
Year ended 31 December 2016
Notes to the Financial Statements

10. Tangible fixed assets

	Leasehold Improvements £	Computer equipment £	Total £
Cost			
At 1 January 2016	124,578	-	124,578
Additions	22,154	48,129	70,283
At 31 December 2016	<u>146,732</u>	<u>48,129</u>	<u>194,861</u>
Depreciation			
At 1 January 2016	3,595	-	3,595
Charge for the year	9,350	4,649	13,999
At 31 December 2016	<u>12,945</u>	<u>4,649</u>	<u>17,594</u>
Net book value			
At 31 December 2016	<u>133,787</u>	<u>43,480</u>	<u>177,267</u>
At 31 December 2015	<u>120,983</u>	<u>-</u>	<u>120,983</u>

11. Debtors

	2016 £	2015 £
Trade debtors	5,648,647	3,136,119
Sundry debtors and prepayments	3,452,999	1,848,366
Accrued income	7,302,205	5,222,459
Amounts owed by group undertakings	<u>7,461</u>	<u>2,033,938</u>
	<u>16,411,312</u>	<u>12,240,882</u>

All trade and other receivables fall due for payment within one year.

12. Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals	3,810,011	2,996,898
Corporation tax	706,915	304,533
VAT payable	519,472	415,202
Amounts owed to group undertakings	<u>8,109,834</u>	<u>4,997,973</u>
	<u>13,146,232</u>	<u>8,714,606</u>

All trade and other payables fall due within one year.

CBRE Global Investment Partners Limited
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13. Share capital

	2016 £	2015 £
Called up, allotted and fully paid 150,000 ordinary shares of £1 each	150,000	150,000

14. Financial risk management

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. This is most significant in relation to the financial institutions where the Company holds bank accounts and cash on deposit. This risk is mitigated by the Company's policy of only dealing with creditworthy counterparties, specifically institutions with high credit ratings assigned by international credit rating agencies.

Liquidity risk

The Company manages liquidity risk by maintaining a healthy cash position through continuously monitoring forecast and actual cash flows, and ensuring that invoices are raised and cash collected against these in a timely manner. The Company maintains sufficient resources to meet its cash obligations without relying on any form of borrowing facility. The nature and status of the clients of the Company means it does not have any difficulty with recoverability of trade receivables. The Company also has policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Market risk

The Company manages UK real estate investments on behalf of third-party clients and the majority of the Company's income is calculated on the net asset value of those investments. As such, the Company's income will fluctuate in accordance with UK real estate valuations.

Foreign currency risk

The Company enters into transactions denominated in US dollars and euros and holds bank accounts in those currencies. Foreign currency assets and liabilities are monitored closely and, where appropriate, the Company converts these amounts into sterling to minimise its exposure to foreign currency risk.

Interest rate risk

The Company does not have any borrowing facilities and therefore its only exposure is to negative movements in deposit rates. However, interest rates are at less than 1% and the Company is not significantly exposed.

15. Related party transactions

The Company is exempt from having to disclose transactions with other members of the group, under the provisions of FRS 102, on the basis that the Company is a wholly owned subsidiary of CBRE Group Inc., whose consolidated financial statements are publicly available.

The Company has entered into no other related party transactions in either the current or preceding year.

CBRE Global Investment Partners Limited
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Notes to the Financial Statements

16. Ultimate parent company

CBRE Global Investors Europe Holdings Ltd, a company incorporated in England and Wales, is the immediate parent company.

The ultimate parent and ultimate controlling party is CBRE Group Inc., a company incorporated in the United States of America. This is the largest and smallest company for which consolidated accounts are prepared.

The consolidated group financial statements of CBRE Group Inc. are available from CBRE Limited, St Martins Court, 10 Paternoster Row, London, EC4M 7HP.

CBRE Global Investment Partners Limited

Appendix: Unaudited Pillar 3 disclosure as at 31 December 2016

1. Scope

This document provides the Pillar 3 disclosures for CBRE Global Investment Partners Limited, FCA firm Reference Number 159366.

The Capital Adequacy Directive (CAD) consists of three "Pillars". Pillar 1 sets out the minimum capital requirements that regulated entities are required to meet. Pillar 2, requires an assessment as to whether additional capital is required to capture risks not covered in Pillar 1.

Pillar 3 is a set of disclosure requirements which enable market participants to assess information on an entity's risk and management objectives and policies. This is in accordance with Chapter 11 of the Prudential Source book for Banks, Building Societies and Investment Firms (BIPRU).

2. Frequency of Disclosure

CBRE Global Investment Partners Limited intends to make its Pillar 3 disclosures at least annually. The Directors will consider the need to publish disclosures more frequently if required.

3. The Firm

CBRE Global Investment Partners Limited is a subsidiary of CBRE Limited and its immediate parent is CBRE Global Investors Europe Holdings Limited.

It acts as an AIFM with respect to a number of AIFs; undertakes discretionary and non-discretionary investment management functions and advisory services in regulated investments on behalf of a number of clients; and acts as investment manager for limited partnerships. The company neither holds client money nor holds client assets. The Company acts exclusively for professional clients and does not deal with retail clients.

4. Risk Management

- The Executive Committee of CBRE Global Investment Partners Limited meets monthly to discuss business strategy, as well as any business issues which may need review and actions. The Board of CBRE Global Investment Partners Limited approves the risk management policies and formally agrees the ICAAP.
- The Company has a low-medium risk appetite. Given the nature of its business, as a largely discretionary manager of indirect property investments and indirect property funds, the amount of risk applicable to CBRE Global Investment Partners Limited is higher than if it was operating non-discretionary mandates. In addition, consideration is given to the CBRE Global Investors brand and the impact of any negative market perception that may arise from activities of other parts of the CBRE Group.
- The amount of risk that the Company is prepared to accept is reduced and mitigated by the various controls that are in place.
- There is a Compliance monitoring programme in place and the compliance officer responsible holds a CF10 designation and is also the Money Laundering Reporting Officer ("MLRO") holding a CF11 designation.
- CBRE Global Investment Partners Limited is subject to periodic inspections by CBRE Global Internal Audit.
- In the 2016 calendar year, the Global Investment Partners business incorporating the activities of CBRE Global Investment Partners Limited subscribed to an ISAE 3402 Type 2 report issued by an external accountancy firm. This is an assurance report in relation to the controls governing GIP's internal processes. In 2017, CBRE Global Investment Partners Limited will move to a dual ISAE 3402 and AAF 01/06 report to be issued by KPMG LLP.
- The Firm's process includes:
 - Quarterly meeting of the Operational Risk Committee;
 - Quarterly board meeting to assess the risks to the business, and at least on an annual basis ;

CBRE Global Investment Partners Limited

Appendix: Unaudited Pillar 3 disclosure as at 31 December 2016

- The Company's Individual Capital Adequacy Assessment Process (ICAAP) is formally reviewed and subject to sign-off by the Company's directors;
- Compliance team monitoring;
- *Internal auditors' monitoring and review.*

5. Cash flow risk

The risk that total cash outflows exceed total cash inflows, resulting in liquidity problems for the Company could be a result of operational losses, as discussed below.

A more likely cause of cash flow difficulties is timing differences between cash outflows and inflows, however the Company's cash inflows exceed its cash outflows on a quarterly basis and therefore there is always sufficient cash in the company to fund its activities. The Company has no external debt and there is no reliance on funding from other companies in the group.

Furthermore, cash flow risk is managed by preparation and review of 12 month rolling cash flow forecasts. Accounts receivable are managed closely and the Company rarely has any debt older than 90 days.

Parent company dividend policy also has an impact on cash flow. The parent company will make dividend requests based on their analysis of the Company's cash flow forecasting, so there should be no conflict between the Company's cashflow and dividend requests from the parent.

The Company has a liquidity policy in place, which is reviewed annually and approved by the Board.

6. Expenses exceeding income (net losses)

A significant change in asset values would have a material impact on turnover as would the loss of key mandates. Both of these scenarios are discussed in further detail below.

The Company does not directly incur costs or hold employment contracts. Instead, costs are recharged from another group company, to reflect the services, including staff effort, provided by that company to CBRE Global Investment Partners Limited.

7. Pricing Error / Negligence

A significant pricing error in any given quarter that led to compensation that would render the business insolvent is unlikely. The majority of management fee income is calculated on quarter end Net Asset Value ("NAV") which is updated on a quarterly basis and review procedures are in place before any invoices are sent.

8. Market Downturn

The majority of mandates and funds managed by CBRE Global Investment Partners Limited are charged fees on the NAV of the assets under management. A significant decline in the market would have an immediate detrimental impact on the fees generated and a prolonged market downturn may result in clients exiting property as an investment.

CBRE Global Investment Partners Limited clients and funds are increasingly invested globally rather than in one specific geographical market which helps reduce specific market downturn risk. A number of mandates also have a fixed fee element for a period of time at the outset of the mandate.

A significant fall in property asset values in funds which are geared with third-party debt could appreciably reduce fee income. This is provided for in our ICAAP.

CBRE Global Investment Partners Limited

Appendix: Unaudited Pillar 3 disclosure as at 31 December 2016

9. Loss of Clients

As the Company has a large client base the exposure to anyone client is reduced. Whilst the risk of losing clients is considered low it is possible that clients will be lost. This is provided for in our ICAAP.

10. Loss of Key Personnel

CBRE Global Investment Partners Limited in the UK utilises the services of experienced investment professionals and CBRE Global Investors is the largest property asset manager in the world. Whilst the loss of a key portfolio manager would be detrimental to the business it is unlikely to be fatal. The Company also mitigates key person risk by ensuring that there is appropriate succession planning in place and that all teams are of a reasonable size to ensure that there is continuity of cover. If a key portfolio manager did leave the Company, and this caused a loss of key client, there would be a negative impact on the Company's revenue.

11. Irrecoverable Bad Debt

There is a risk that the company does not collect all of its debts, which when provided against, results in costs exceeding revenues. This is mitigated in two ways. Firstly, the parent company places ageing of debt under great scrutiny, therefore there is a robust review procedure in place to identify any potentially risky items early on, and to ensure that they are resolved in a timely manner. Secondly, there are discretionary management provisions within the management agreements to the extent that invoices can be settled by monies held and managed by the asset manager (under the terms of the management agreement). There should be very few occasions where material invoiced amounts are not collected timely and certainly within 3 months.

12. Capital Resources

The Company is a limited company and its capital arrangements are established in its Articles of Association. The Company's capital position as at 31 December 2016 for regulatory purposes is as follows:

Capital item	GBP'000
Tier 1 capital less innovative tier 1 capital	10,844
Total of tier 2, innovative tier 1 and tier 3 capital	-
Deductions from tier 1 and tier 2 capital	-
Total capital resources, net of deductions	10,844

The FCA capital resources requirement of CBRE Global Investment Partners Limited is £2,749,000 being the Fixed Overhead Requirement as at 31 December 2016, whilst CBRE Global Investment Partners Limited's capital resources at that date amount to £10,844,000 as shown above.

CBRE Global Investment Partners Limited

Appendix: Unaudited Pillar 3 disclosure as at 31 December 2016

13. Remuneration Code disclosure:

CBRE Global Investment Partners Limited's remuneration policy is designed to support business strategy, values and long-term interests of the Company, and it contains measures that prevent conflicts of interest. In addition to best market practices, it takes into account the following key principles:

The Company's remuneration policy takes into account its specific activities and risk profile as well as various local and/or regional rules and regulations applicable to it. Whereas the Company:

is a relatively small and non-complex investment firm, which only provides the following regulated services: receiving and submitting orders, arranging for the safeguarding and administration of assets, holding and controlling client money, executing orders, investment advice and portfolio management; is not subject to client credit risk, market risk and only limited operational risk;

has an appropriate risk culture; and
will only act for professional investors;

The Company has neutralised the following Sections from Annex II of the AIFMD Regulations: Remuneration Policy: Sections (m) and (n). Neutralisation of these Sections is permitted on the basis of the ESMA Guidelines 29-30, taken from the ESMA guidelines on sound remuneration policies under AIFMD.

The remuneration policy has been designed so as to take into account the Group's remuneration policies where required, as long as they are aligned with local regulations. It sets principles for their application at the level of the Company.

The remuneration policy of the Company is designed so as not to encourage the taking of excessive risk. In that context, it integrates – in its performance management system – risk criteria specific to the activities and business lines concerned.

The remuneration policy applies to "identified staff" in respect of the Company and therefore covers (i) members of the Management Board, (ii) employees in control functions and (iii) any other employees who have a material impact on the risk profile of the Company ("Risk takers"). The remuneration policy of the Company is defined, approved, implemented and monitored by the following bodies: Remuneration Committee members, Global Head of Human Resources, Compliance Officer and the Control Function, which are - in connection with the remuneration policy - considered the internal supervisor of the Company. The role of each function is further detailed in the remuneration policy.

The Company has a total remuneration approach to compensation acknowledging the importance of well-balanced but different remuneration packages derived from business and local market needs, as well as the importance of compensation being consistent with and promoting sound and effective risk management, not encouraging excessive risk-taking or counteracting the Company's long-term interests.

The remuneration policy defines the purpose of each remuneration component, eligibility and overall performance criteria as well as a description on governance, application and follow-up. The remuneration components detailed in the policy are:

Fixed remuneration (including fixed supplements);

Variable performance-based remuneration;

Pension schemes;

Employee Co-Investments in Investment Products

Employee Carried Interest in Investment Products

Stock Awards

Other Benefits.

The remuneration packages in the Company are in general determined based on local market conditions which take into consideration the individual employee's job, responsibilities and skills. The Job Architecture Framework forms the basis for the assessment of an employee's job including level, job family and career step.

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Appendix: Unaudited Pillar 3 disclosure as at 31 December 2016

At the Company's sole discretion, each Employee may be granted a variable remuneration under the form of a yearly bonus based on (i) the individual performance evaluated during his/her annual appraisal, and (ii) the annual financial results of the Company. The variable remuneration is paid or vests only if it is sustainable according to the financial situation of the Company as a whole, and justified according to the performance of the Group, Company and the individual concerned.

In respect of identified staff, the measurement of performance used to calculate the variable remuneration components or pools of variable remuneration components includes an adjustment for any current and future risks and takes into account the cost of any capital required on the basis of the capital requirements applicable to the Company. The allocation of the variable remuneration components within the Company shall also take into account all types of current and future risks.

CBRE Global Investment Partners Limited has the right to hold back (by way of applying a malus) unpaid or unvested variable remuneration and to claw back paid/vested variable remuneration from any current (or ex-) Identified Staff in circumstances outlined in the remuneration policy.

Guaranteed variable pay is granted only in exceptional cases.

In case of early termination of a contract or departure of the Employee prior to the variable remuneration payment date, no payments will be due to the Employee. Only in exceptional cases an early termination clause has been agreed for a limited number of executives. Any payments related to the early termination of a contract of an Employee reflect performance achieved over time and are designed in a way that they do not reward failure.

All relevant policies, instructions and guidelines are accessible to all staff members via intranet.

The Aggregate quantitative information on remuneration for the year ending 31 December 2016.

	Total Remuneration
CBRE Global Investment Partners Limited	GBP 9,892,737

Aggregate remuneration refers to remuneration for CBRE Global Investment Partners global business and includes base salary, bonuses, employer pension contributions and car allowances. CBRE Global Investment Partners Limited has no employees. Select Identified Code staff in the table below receive no remuneration from CBRE Global Investment Partners.

Aggregate quantitative information on remuneration by senior management and members of staff whose actions have a material impact on the risk profile of the Company.

	Senior management	Other members of staff	Totals
Remuneration	GBP 3,455,460	GBP 222,940	GBP 3,678,400.
Number of staff	20	3	23