Acquisition of 3 Portfolios and Rights Issue

CROMWELL EUROPEAN REIT

31 October 2018

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Contents

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SECTION 1

Overall Transaction

Overall Transaction

Acquisition of 3 portfolios with 23 properties to be funded by Rights Issue and Debt Financing

1. New Properties

- 16 predominantly office properties in the Netherlands, Finland and Poland
- Purchase Price: € 312.5 million
- Net Initial Yield(1): 6.2%
- Subject to Unitholders' approval

2. French Properties

- 4 logistics properties and 1 DIY home improvement centre
- Purchase Price: € 34.4 million
- Net Initial Yield(1): 8.5%

3. Italian Properties

- 2 office properties
- Purchase Price: € 37.5 million
- Net Initial Yield(1): 7.4%

Total Purchase Price: € 384.4 million

Financing	▪ € 224.1 million from Rights Issue ▪ Remaining from Debt Financing

Rights Issue	▪ 38 Rights Units for every 100 Units held
	▪ € 0.373 for each Rights Unit
	  ▪ 31.6% discount to closing price of € 0.545 on 30 October 2018
	  ▪ 25.0% discount to theoretical ex-rights price ("**TERP**") of € 0.498
	▪ Undertaking for Cromwell Singapore Holdings Pte Ltd and its related corporations to subscribe 35.31%
	▪ Tang Gordon @ Tang Yigang, Celine Tang @ Chen Huaidan and Hillsboro Capital, Ltd. to sub-underwrite 245,420,360 Rights Units(2)
	▪ Underwritten by UBS, DBS, Morgan Stanley and Daiwa

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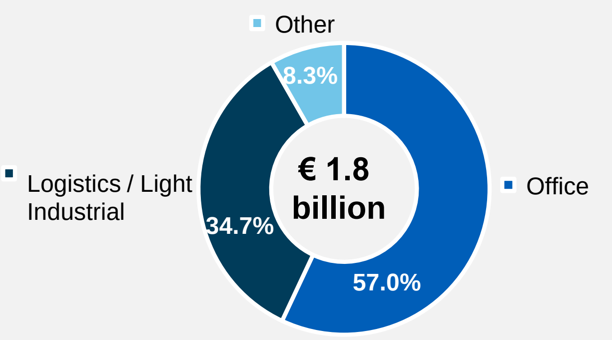
Notes:
(1) Net Initial Yield means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price
(2) This is made up of the GTCT Base Sub-Underwriting Units of 82,908,770 Rights Units; GTCT Additional Sub-Underwriting Units of 24,329,000 Rights Units; Hillsboro Base Sub-Underwriting Units of 69,091,590 Rights Units; and Hillsboro Additional Sub-Underwriting Units of 69,091,000 Rights Units. GTCT refers to Tang Gordon @ Tang Yigang and Celine Tang @ Chen Huaidan

Overall Transaction

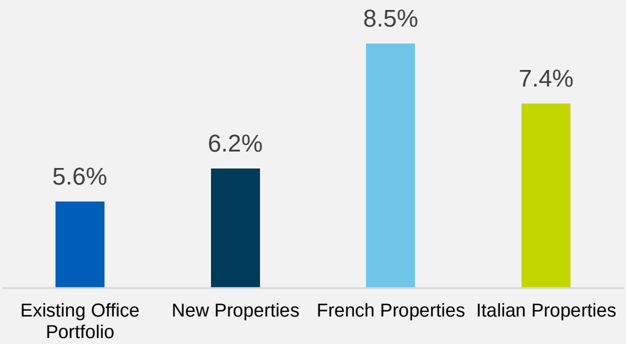
DPU Yield Accretive Acquisition with Growth Potential

Higher Office Exposure

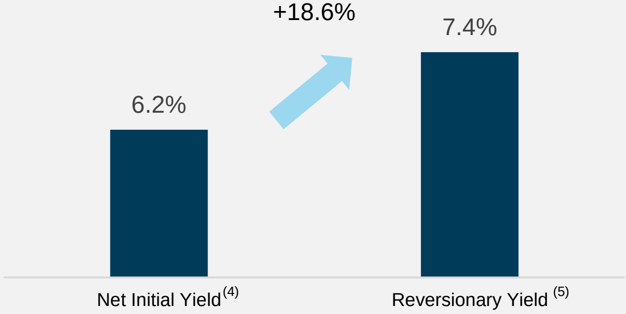
Breakdown of Valuation[(1)(2)(3)] by Asset Class



Attractive Net Initial Yield[(4)]

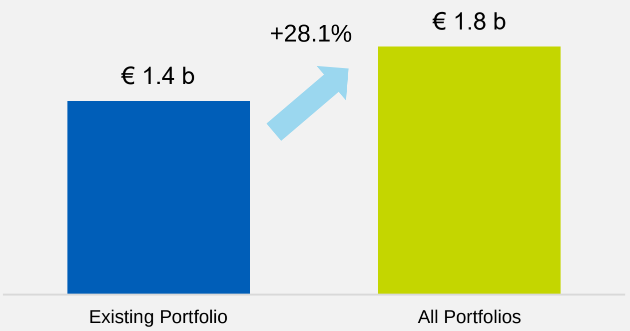


New Properties Offer Potential Upside



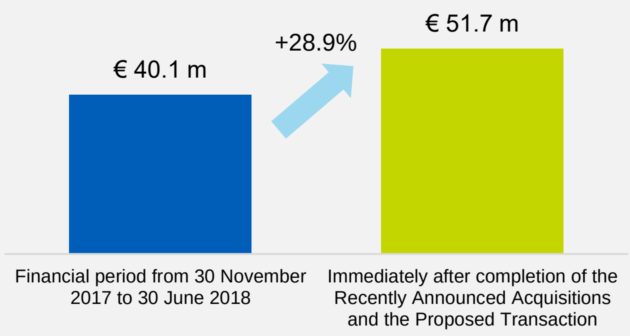
Larger Asset Size

Portfolio Valuation[(1)(2)(3)]



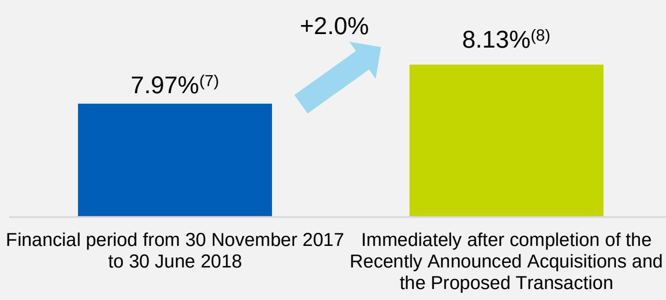
Higher Distributable Income

FP2018[(6)]



Higher DPU Yield

FP2018[(6)]



Notes:

(1) Based on the valuation of the Existing Portfolio (except 13 Via Jervis, Ivrea, Italy ("Ivrea")) as of 31 March 2018 and the valuation of Ivrea on 1 April 2018

(2) Based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018

(3) Based on the independent valuations conducted by Colliers as at 30 September 2018 for the Italian Properties and as at 19 October 2018 for the French Properties

(4) Net Initial Yield means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price

(5) Reversionary Yield means the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses, divided by the Property Purchase Price

(6) The pro forma financial effects for the financial period from 30 November 2017 (being the date of listing of CEREIT) to 30 June 2018 ("FP2018") on the information presented above are strictly for illustrative purposes only

(7) Based on the closing price of € 0.545 per Unit on 30 October 2018

(8) Assumes that € 170.8 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Proposed Transaction, and € 53.3 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Recently Announced Acquisitions. DPU Yield is computed based on annualised pro forma distributable income divided by the sum of CEREIT's market capitalisation at the close of 30 October 2018 and the gross proceeds of the Rights Issue assumed to be attributable to each respective transaction.

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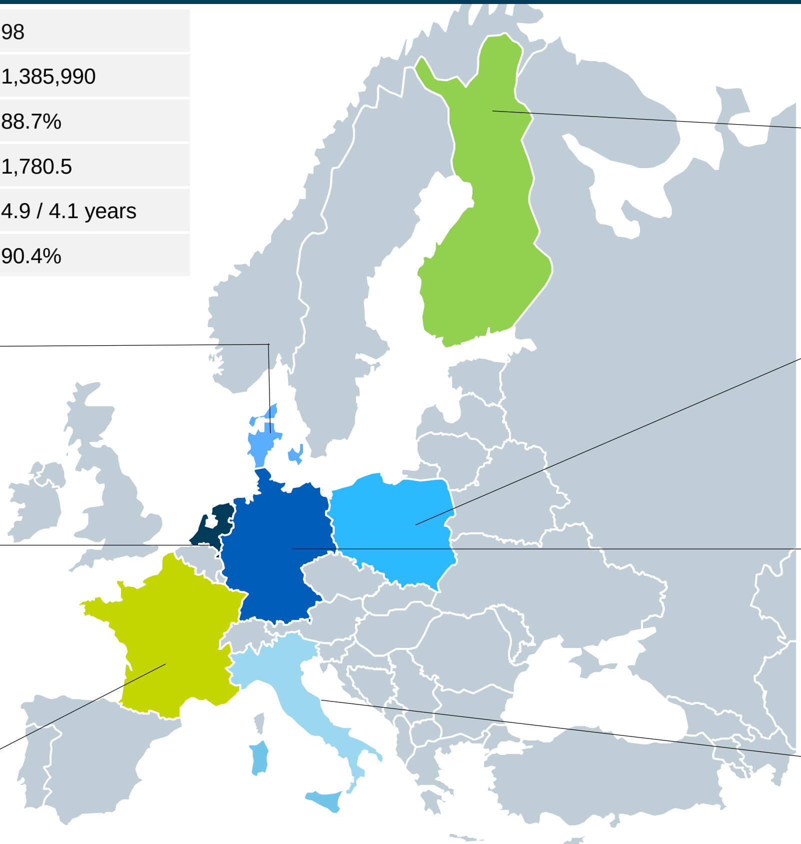
CEREIT Post Acquisitions

Unique opportunity to invest in scale and diversification across Europe

Properties	98
Lettable Floor Area (sq m)	1,385,990
Occupancy Rate(1)(2) (by Lettable Floor Area)	88.7%
Valuation(3) (€ million)	1,780.5
WALE(4) / WALB(4)	4.9 / 4.1 years
% Freehold(5)	90.4%



Denmark	
Properties	13
Lettable Floor Area (sq m)	151,490
Valuation (€ million)	81.4
% of Portfolio (by Valuation)	4.6%

The Netherlands	
Properties	17
Lettable Floor Area (sq m)	260,205
Valuation (€ million)	596.5
% of Portfolio (by Valuation)	33.5%

France	
Properties	26
Lettable Floor Area (sq m)	375,527
Valuation (€ million)	350.4
% of Portfolio (by Valuation)	19.7%

New Countries

Finland	
Properties	11
Lettable Floor Area (sq m)	61,972
Valuation (€ million)	116.8
% of Portfolio (by Valuation)	6.5%

Poland	
Properties	3
Lettable Floor Area (sq m)	34,362
Valuation (€ million)	72.1
% of Portfolio (by Valuation)	4.0%

Germany	
Properties	11
Lettable Floor Area (sq m)	166,458
Valuation (€ million)	107.8
% of Portfolio (by Valuation)	6.1%

Italy	
Properties	17
Lettable Floor Area (sq m)	335,977
Valuation (€ million)	455.4
% of Portfolio (by Valuation)	25.6%

Notes:
(1) Occupancy rate as at 30 June 2018 for Existing Portfolio; 31 August 2018 for New Properties excluding Willemsplein 2; and 1 September 2018 for Willemsplein 2
(2) Assumes Milano Piazza Affari is 100% leased in view of the rental guarantee
(3) Valuation as at 31 March 2018 for Existing Portfolio except Ivrea; 1 April 2018 for Ivrea; 27 September 2018 for New Properties; 30 September 2018 for Italian Properties; and 19 October 2018 for French Properties
(4) WALE as at 30 June 2018 for Existing Portfolio; 31 August 2018 for New Properties, French Properties, and Italian Properties
(5) % Freehold and continuing / perpetual leasehold by value

SECTION 2

Proposed Acquisition

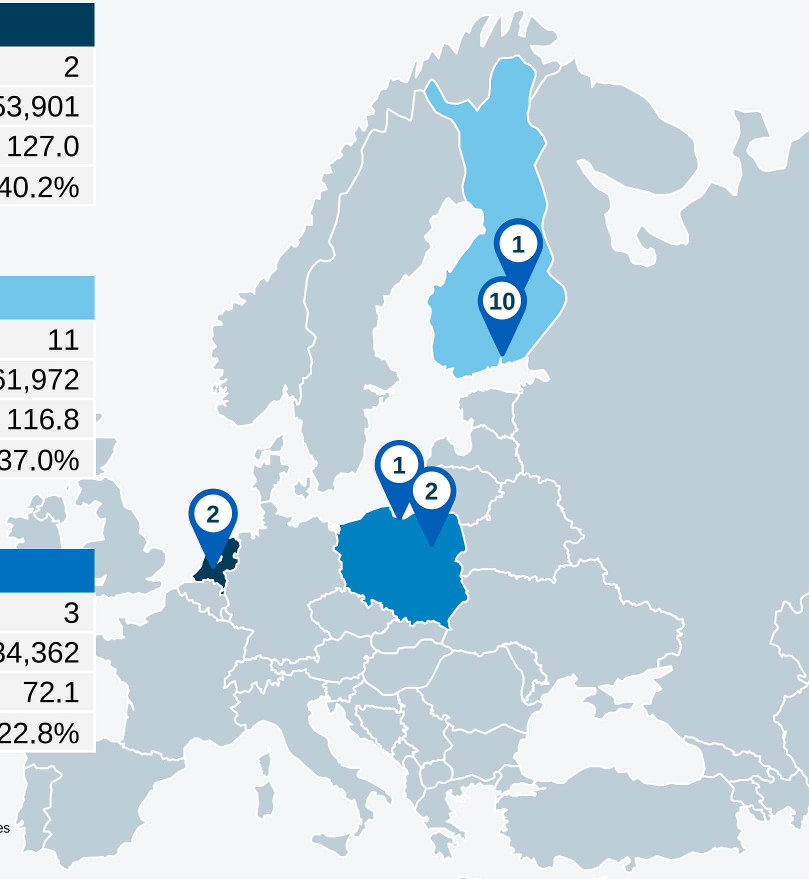
Overview of the Proposed Acquisition

Predominantly based in dynamic gateway cities like Utrecht, Helsinki and Warsaw

The Netherlands	
Properties	2
Lettable Floor Area (sq m)	53,901
Valuation[(1)] (€ million)	127.0
% of Portfolio (by Valuation)	40.2%

Finland	
Properties	11
Lettable Floor Area (sq m)	61,972
Valuation[(1)] (€ million)	116.8
% of Portfolio (by Valuation)	37.0%

Poland	
Properties	3
Lettable Floor Area (sq m)	34,362
Valuation[(1)] (€ million)	72.1
% of Portfolio (by Valuation)	22.8%



16 Predominantly Office
Properties

€ 315.9 million
Valuation[(1)]

6.2%
Net Initial Yield[(2)]

7.4%
Reversionary Yield[(3)]

Freehold or freehold-equivalent

4.7 years
WALE[(4)]

84.5%
Occupancy Rate[(5)]

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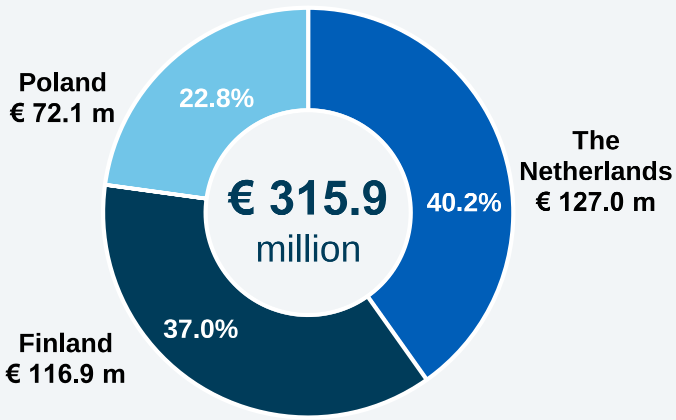
Notes:
(1) Based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018
(2) Net Initial Yield means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price
(3) Reversionary Yield means the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses, divided by the Property Purchase Price
(4) WALE refers to the weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 August 2018. With respect to the property Willemsplein 2, the WALE is as at 1 September 2018
(5) Occupancy rate as at 31 August 2018; For Arkonska Business Park in Gdansk, Poland, while the occupancy rate as at 31 August 2018 is only 46.7%, the committed occupancy rate is 69.1%. With respect to the property Willemsplein 2, the occupancy rate is as at 1 September 2018

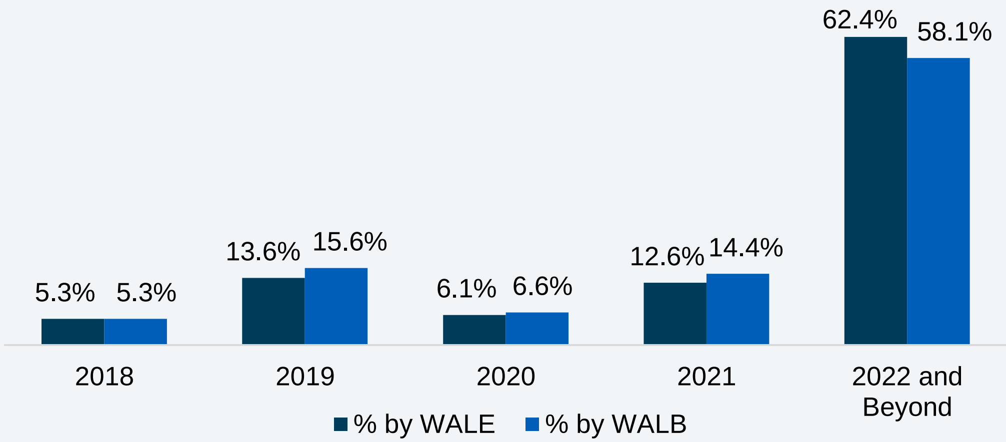
Overview of the Proposed Acquisition

High quality portfolio in 3 countries with diverse tenants and long lease expiry profile

Breakdown of Valuation[1] by Country



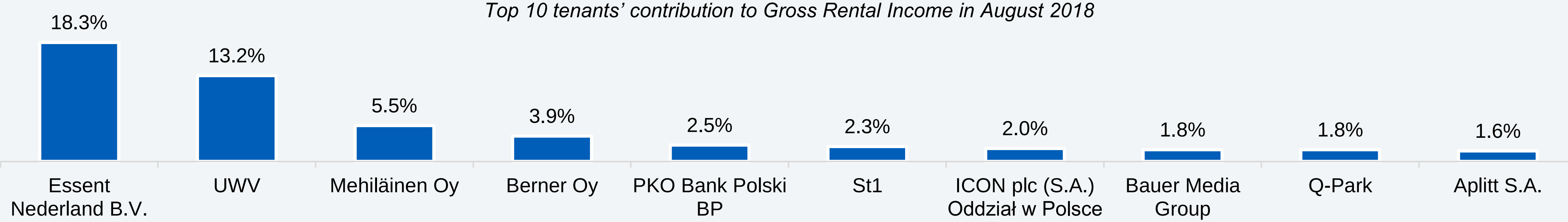
Long Lease Expiry Profile[2]



Top 10 Tenants contribute 52.9% of Gross Rental Income[3]

The New Properties

Top 10 tenants' contribution to Gross Rental Income in August 2018



Notes:
(1) Based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018
(2) The percentages refer to the percentages of the gross rental income (excluding gross turnover rent) in August 2018
(3) Based on gross rental income for the month of August 2018 and excludes gross turnover rent (save for Q-Park)
(4) WALE refers to the weighted average lease expiry
(5) WALB refers to weighted average lease break years

Overview of the Proposed Acquisition[1]

The Netherlands (40.2%)

Utrecht (16.1%)

Moeder Teresalaan 100-200

Den Bosch (24.1%)

Willemsplein 2-4

Poland (22.8%)

Warsaw (16.9%)

Riverside

Grojecka 5

Gdansk (5.9%)

Arkonska Business Park

Finland (37.0%)

Helsinki Metropolitan Area (34.6%)

Plaza Vivace

Plaza Allegro

Plaza Forte

Pakkalan Kartanonkoski 3

Pakkalan Kartanonkoski 12

Grandinkulma

Liiketalo Myyrinraitti

Purotie 1

Mäkitorpantie 3

Opus 1

Kuopio (2.4%)

Kuopion Kauppakeskus

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Notes:
(1) The percentages on this slide represent the proportion of the valuation of the properties in each major city to the total valuation of the Proposed Acquisition, and the valuation is based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018

Rationale for the Proposed Acquisition

1. Consistent with the Manager's Investment Strategy
2. Opportunity to Invest in Attractive European Office Markets of the Netherlands, Finland and Poland
3. High Quality Portfolio Comprising Well-located and Predominantly Freehold Properties
4. Portfolio Positioned for Long-Term Sustainable Growth
5. Increased Resilience from Size and Diversification of CEREIT's Enlarged Portfolio
6. Acquisition of New Properties at Attractive Yields
7. Leveraging the Sponsor's Integrated European Asset Management Platform

1. Consistent with the Manager's Investment Strategy

Proposed Acquisition is well aligned with investment strategy and key objectives

- High Quality freehold and perpetual leasehold office assets
- Enhanced geographical diversification
- Enhanced tenant diversification
- 84.5%(1) occupied by quality tenants with a WALE of 4.7 years
- Majority of leases have Consumer Price Index-linked indexation
- Rental upside as Reversionary Yield(2) (based on market rents) is significantly higher than Net Initial Yield(3)
- Exposure to attractive office markets, Finland and Poland, two of Europe's fastest growing economies

Objectives

- Delivering regular and stable distributions
- Long-term DPU growth
- Long-term NAV growth
- Maintaining an appropriate capital structure

Notes:
(1) Occupancy rate as at 31 August 2018; For Arkonska Business Park in Gdansk, Poland, while the occupancy rate as at 31 August 2018 is only 46.7%, the committed occupancy rate is 69.1%. With respect to the property Willemsplein 2, the occupancy rate is as at 1 September 2018
(2) Reversionary Yield means the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses, divided by the Property Purchase Price
(3) Net Initial Yield means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price

2. Opportunity to Invest in Attractive European Office Markets of the Netherlands, Finland and Poland

The Netherlands, Finland and Poland have outperformed Eurozone economic growth and have attractive office sector dynamics

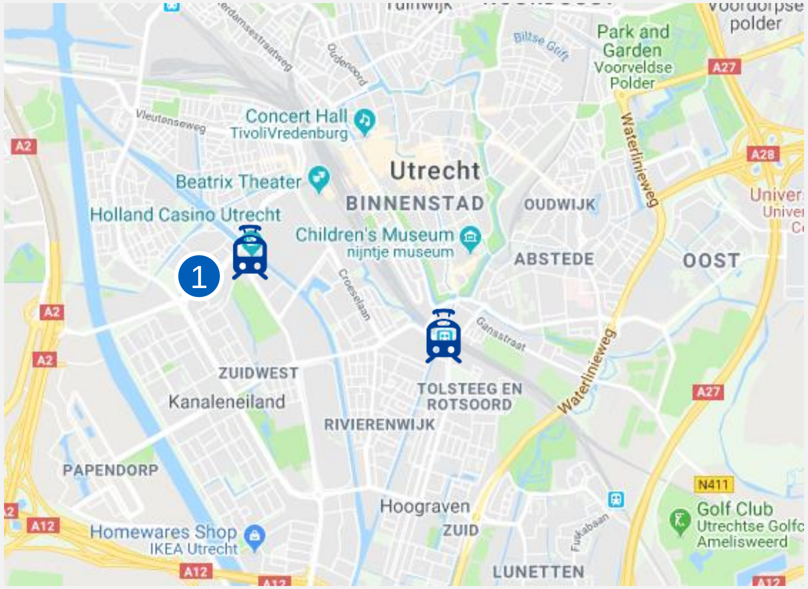
	Strong Economic Growth	Attractive Office Sector Dynamics
The Netherlands	▪ GDP grew by 3% in 2017 ▪ Economic growth outpaced Eurozone's growth from 2014-2017 ▪ Continued growth to be driven by solid domestic conditions and a tight labour market and supporting wage growth	▪ Utrecht's prime rent increased 12% in 1H2018 ▪ Good quality, well-located assets are increasingly demanded by occupiers, leading to potential for positive rental growth in supply starved locations
Finland	▪ GDP grew by 2.8% in 2017 ▪ Economic growth outpaced Eurozone's growth since 2016 ▪ Continued growth to be driven by strong domestic demand, job growth, and rising consumer confidence	▪ Helsinki Metropolitan Area's office sector has performed well in 2018 ▪ Upward pressure on rents in high quality, well-located buildings offering efficiency and connectivity
Poland	▪ GDP grew by 4.6% in 2017, which outperformed Eurozone's growth of 2.5% ▪ Continued growth to be driven by domestic demand, supported by a very healthy labour market with low unemployment, and rising industrial activity	▪ Warsaw remains hub of office activity ▪ Rents are expected to show upward momentum over next 12-18 months due to limited new space, strong demand and decreasing vacancy

3. High Quality Portfolio Comprising Well-located and Predominantly Freehold Properties

The Netherlands: 2 properties are strategically located with excellent connectivity

Utrecht

- Located in the city centre of Utrecht
- Two tram stops from Utrecht Central Station
- 2-minute drive from the main A2 motorway
- High level of office-related jobs in Utrecht



's-Hertogenbosch (Den Bosch)

- Located in the Paleiskwartier central business district of Den Bosch
- 10-minute walk from the central train station
- Den Bosch is one of the main office districts outside of the Randstad conurbation

Notes:

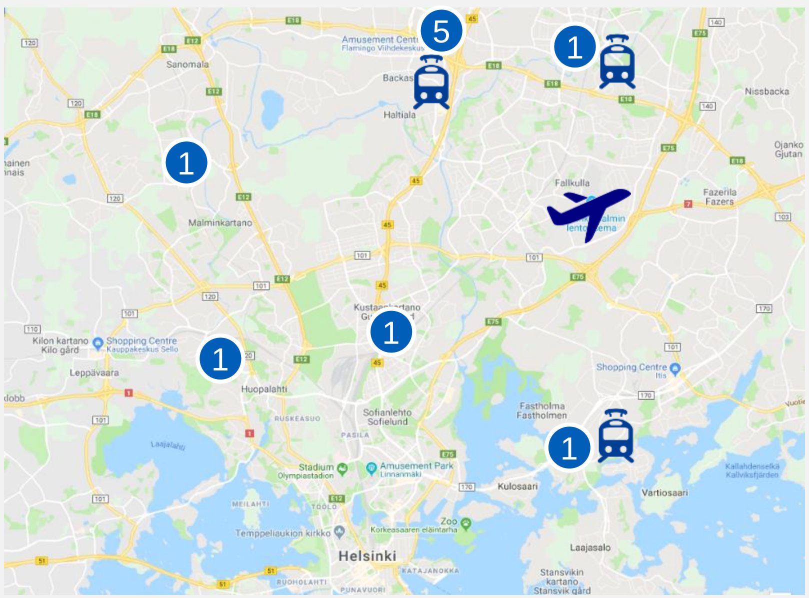
1 Number of properties

3. High Quality Portfolio Comprising Well-located and Predominantly Freehold Properties

Finland: 11 properties are strategically located with excellent connectivity

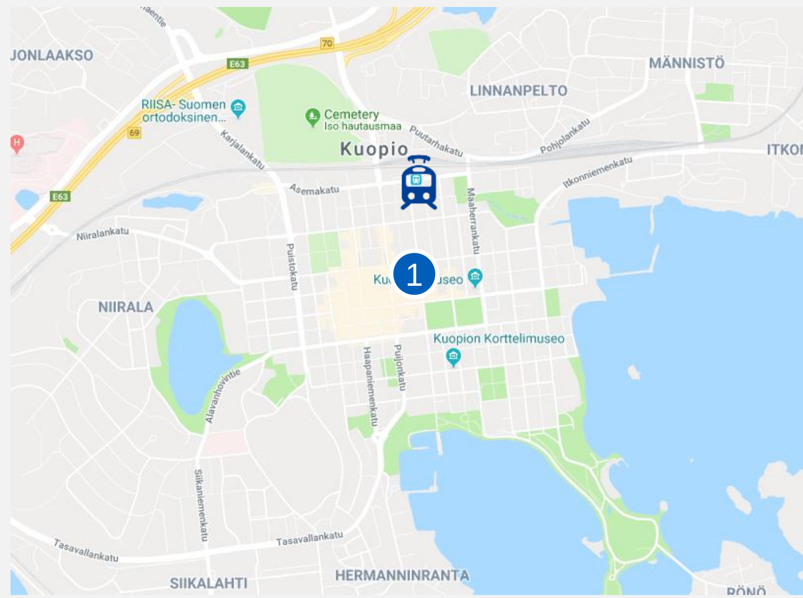
Helsinki Metropolitan Area

- Connected to Helsinki Airport, the largest airport in Finland, catering to c.83% of the domestic and almost all of the international air traffic
- Connected to the Ring Road III, the most important road network in the Helsinki Metropolitan Area
- Close to urban city centre train stations



Kuopio

- Kuopio is a rapidly growing regional hub and university city located in eastern Finland approximately 400 kilometres from Helsinki
- Benefits from an exceptionally good micro location, one block away from the main market square in the city centre of Kuopio



Notes:

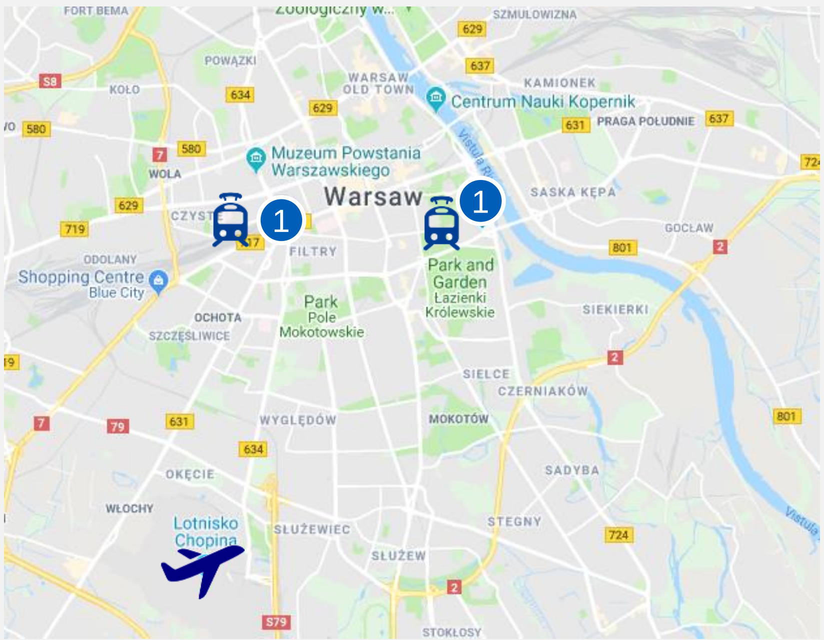
1 Number of properties

3. High Quality Portfolio Comprising Well-located and Predominantly Freehold Properties

Poland: 3 properties are strategically located with excellent connectivity

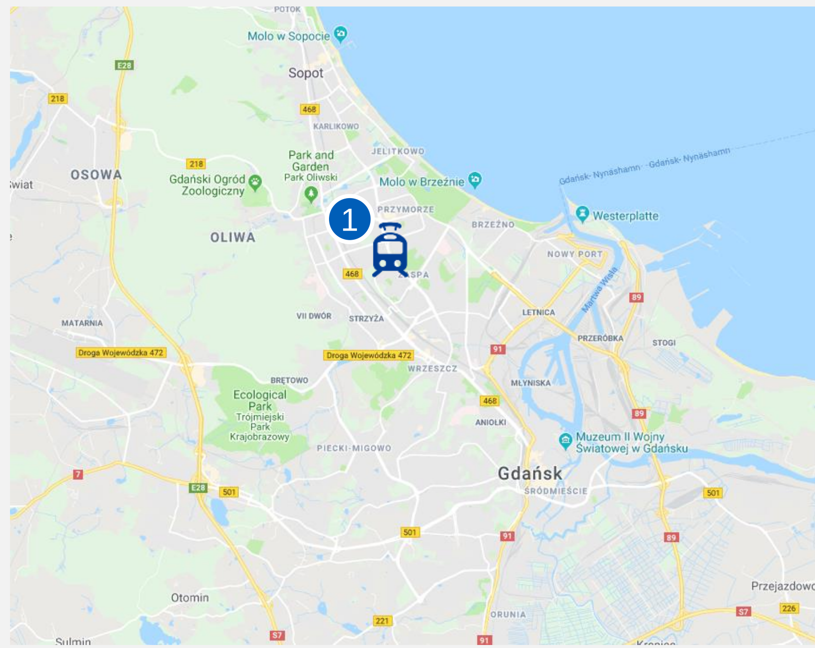
Warsaw

- Located by:
  - The communication hub of Trasa Łazienkowska & Wisłostrada highway
  - The communication hub of city centre south west
- Connected to Central Railway Station & Chopin Airport



Gdansk

- Gdansk is in one of the biggest urban areas in Poland
- Connected to Gdansk Lech Walesa Airport (an international airport) and Amber Highway
- Well connected to public transport such as the tram, bus and the city metro train



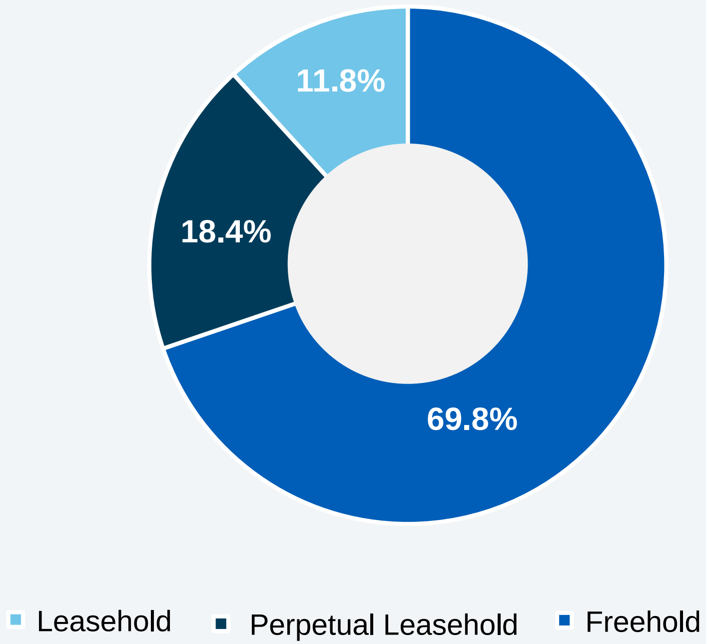
Notes:

1 Number of properties

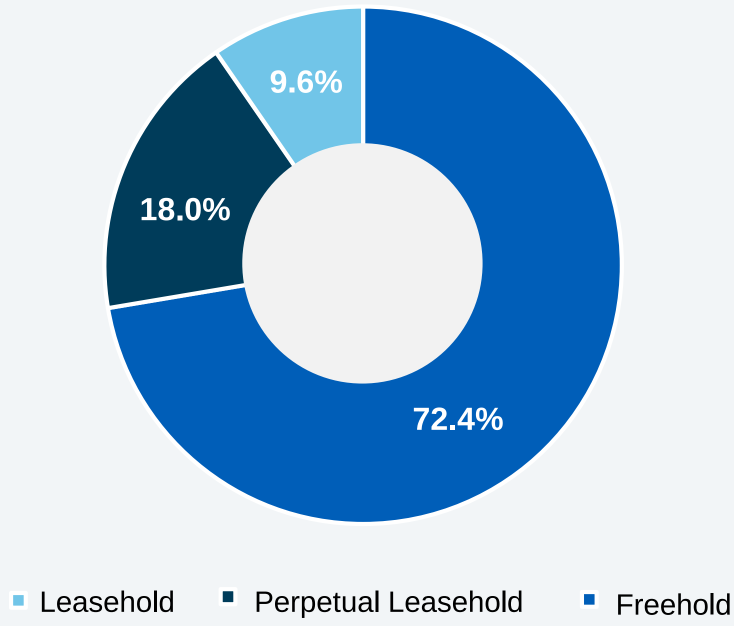
3. High Quality Portfolio Comprising Well-located and Predominantly Freehold Properties

Increased proportion of freehold assets as all 16 properties are sited on freehold or freehold-equivalent land

Existing Portfolio
Breakdown of Valuation(1) by Land Lease Tenure



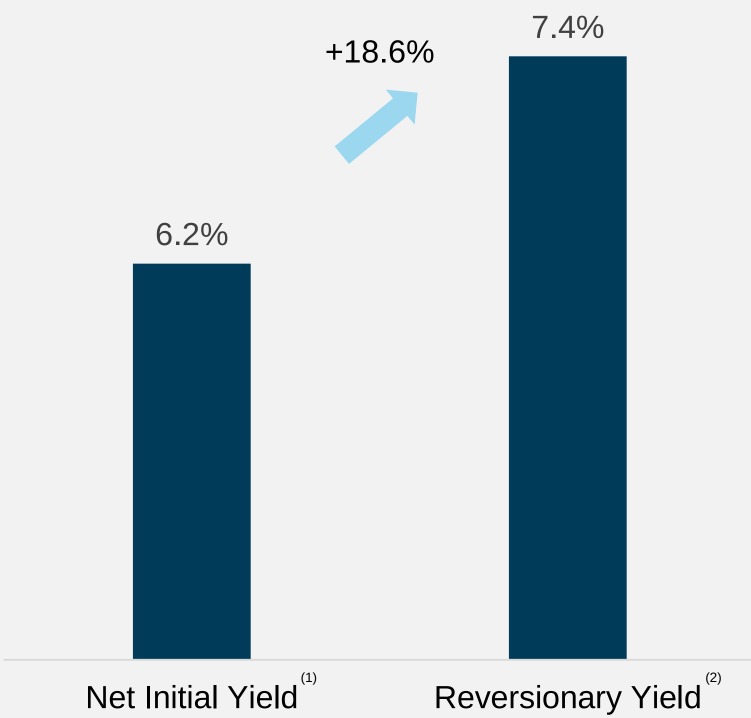
Enlarged Portfolio
Breakdown of Valuation(1)(2) by Land Lease Tenure



Notes:
(1) Based on the valuation of the Existing Portfolio (except Ivrea) as of 31 March 2018 and the valuation of Ivrea on 1 April 2018
(2) Based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018

4. Portfolio Positioned for Long-Term Sustainable Growth

Potential upside from rental reversions



Growth upside from vacancy reduction

- Occupancy rate of 84.5% provides headroom for growth from vacancy reduction given strong demand for space

Steady and predictable rental growth

- Majority of leases have rental increases indexed to Consumer Price Indices
- All leases are denominated in € currency

Acquired at discount to independent valuations

- Property Purchase Price is at ~1.1% discount to average of the two independent valuations

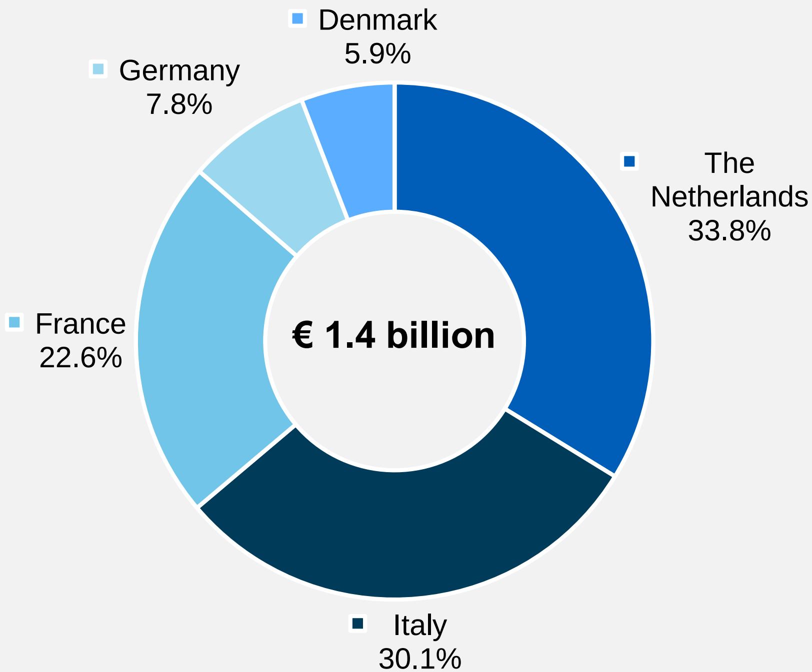
Notes:
(1) Net Initial Yield means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price
(2) Reversionary Yield means the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses, divided by the Property Purchase Price

5. Increased Resilience from Size and Diversification of CEREIT's Enlarged Portfolio

Enhanced diversification as footprint expands from 5 countries to 7 countries

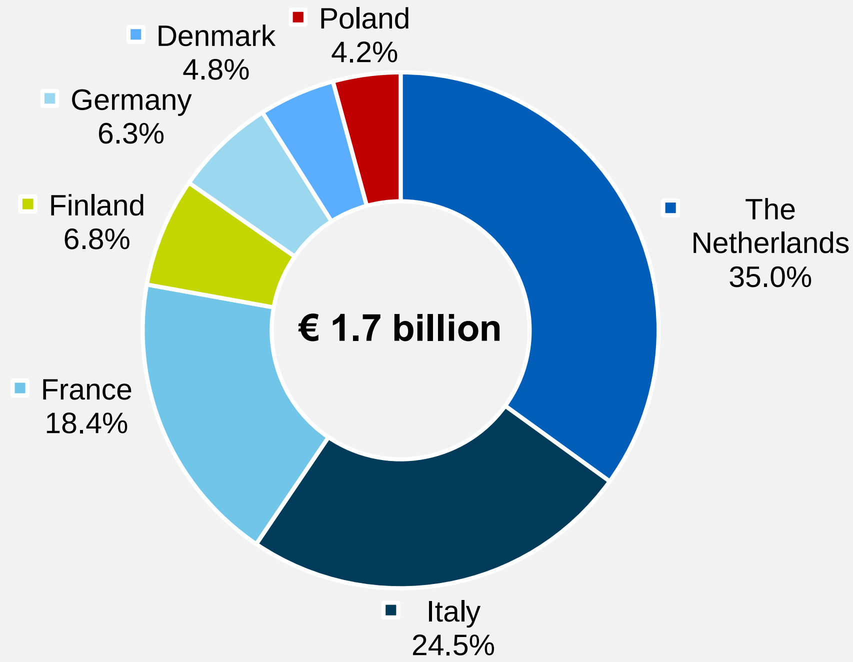
Existing Portfolio

Breakdown of Valuation(1) by Country



Enlarged Portfolio

Breakdown of Valuation(1)(2) by Country



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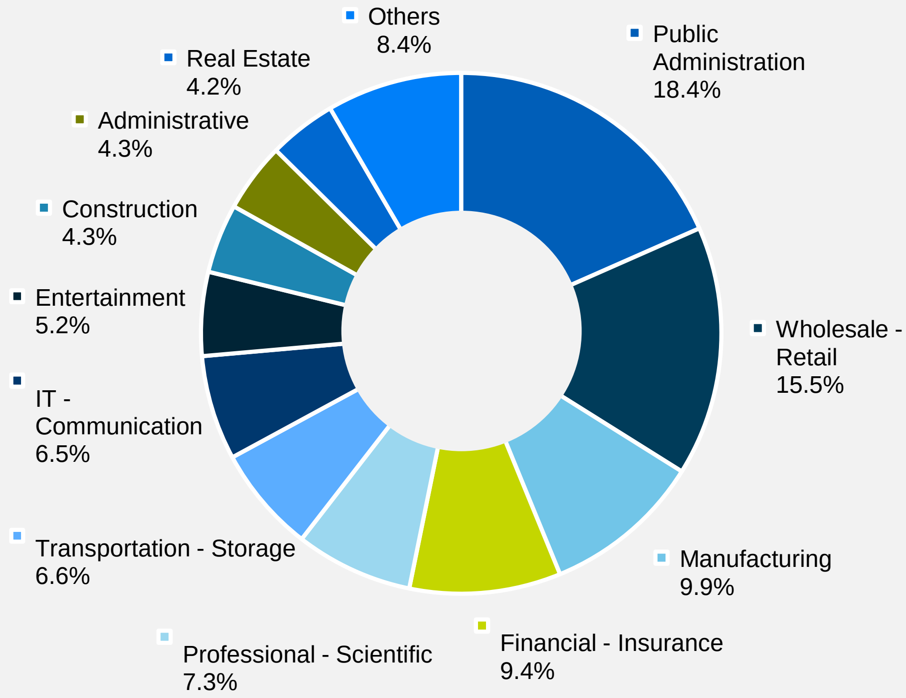
Notes:
(1) Based on the valuation of the Existing Portfolio (except Ivrea) as at 31 March 2018 and the valuation of Ivrea as at 1 April 2018
(2) Based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018

5. Increased Resilience from Size and Diversification of CEREIT's Enlarged Portfolio

CEREIT continues to increase trade sector diversification

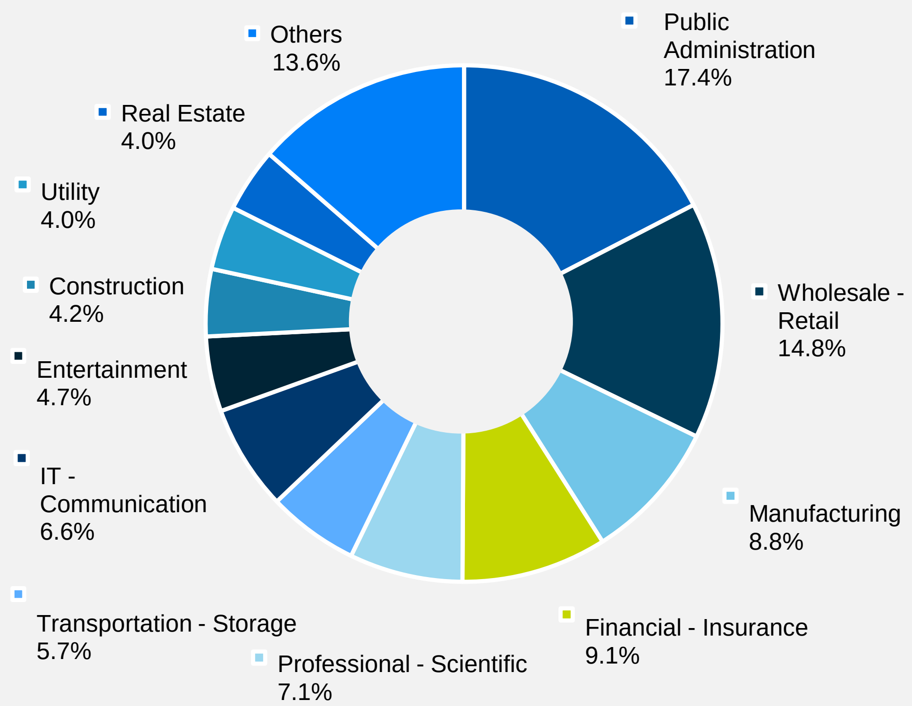
Existing Portfolio

Breakdown of Gross Rental Income(1) by Trade Sector



Enlarged Portfolio

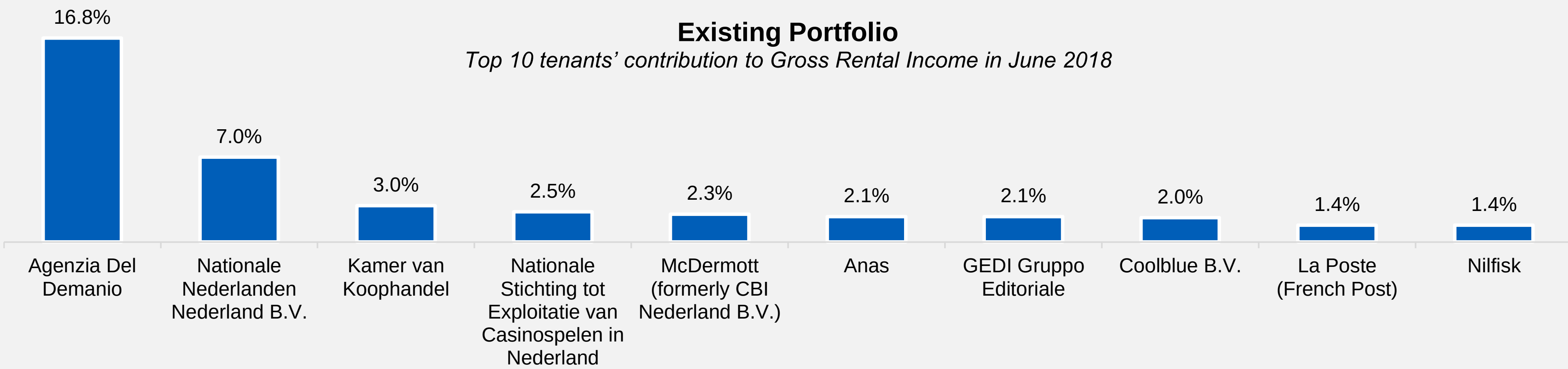
Breakdown of Gross Rental Income(1) by Trade Sector

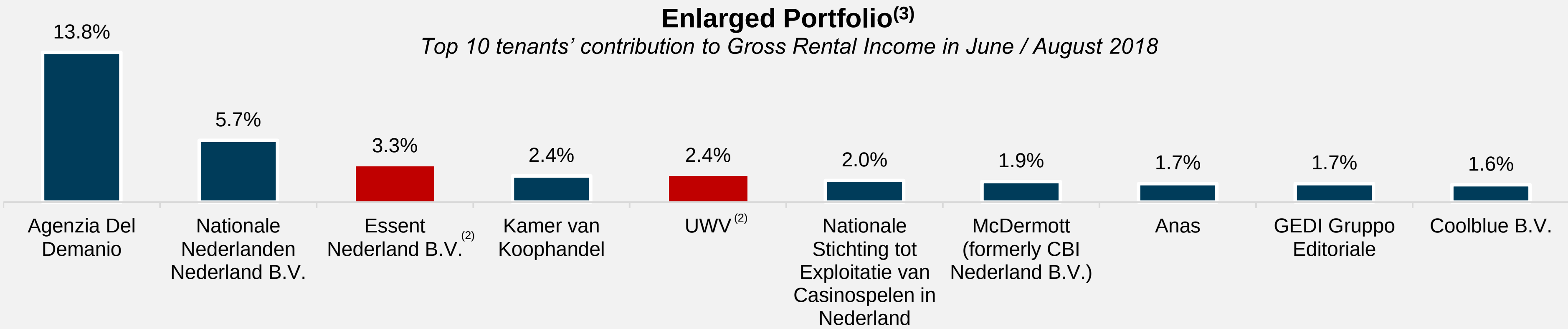


Notes:
(1) Based on gross rental income in June 2018 and excludes gross turnover rent

5. Increased Resilience from Size and Diversification of CEREIT's Enlarged Portfolio

Lower concentration risk as top 10 tenants' contribution[(1)] drops from 40.5% to 36.6%





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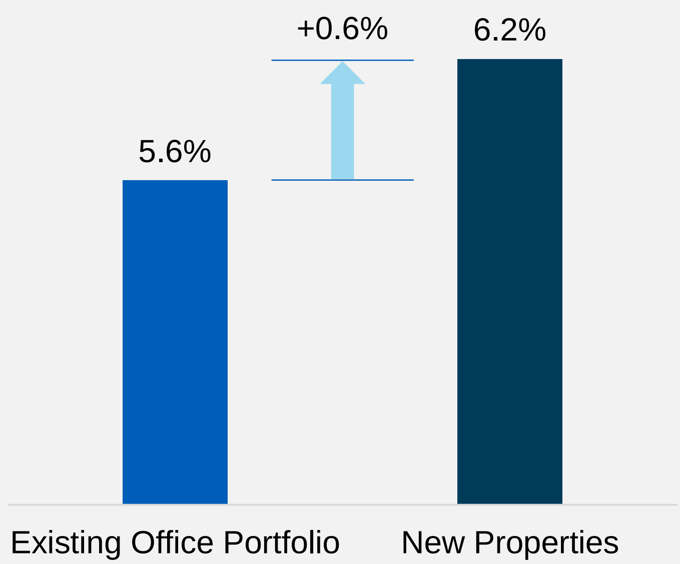
Notes:
(1) Contribution refers to each tenant's Gross Rental Income as a percentage of the respective portfolio's Gross Rental Income
(2) New tenants
(3) New tenant data as at August 2018, Existing Portfolio data as at June 2018

6. Acquisition of New Properties at Attractive Yields

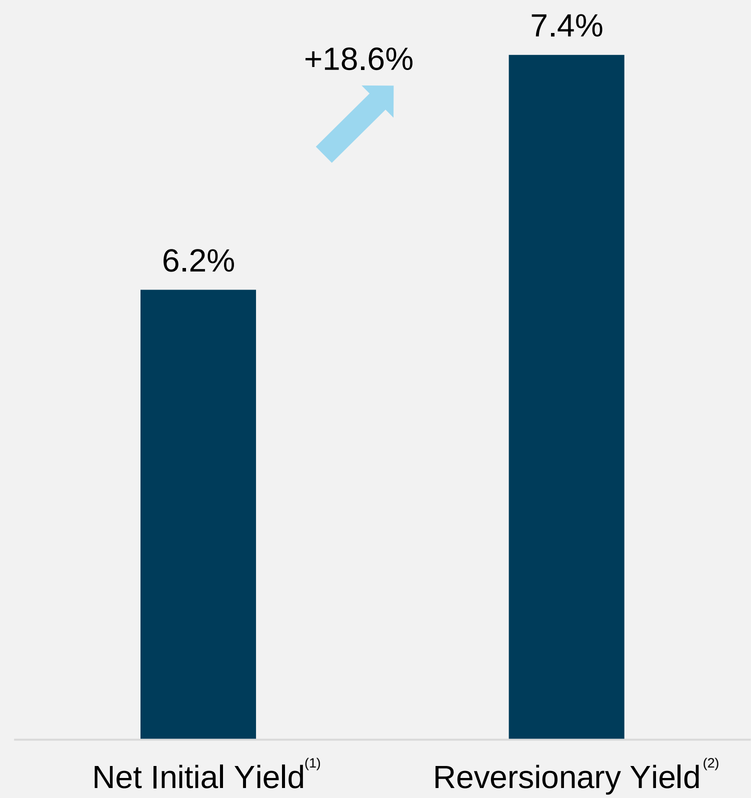
Attractive Net Initial Yield[1]

Attractive Net Initial Yield[1] of 6.2% compared to Net Initial Yield of 5.6% for existing office portfolio



Proposed Acquisition's Reversionary Yield[2]

Proposed Acquisition's Reversionary Yield[2] is 18.6% higher than Net Initial Yield[1]

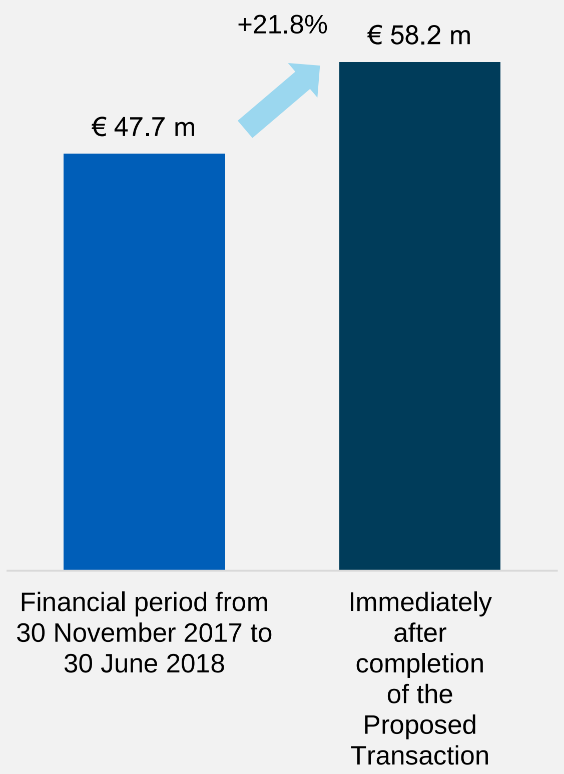


Notes:
(1) Net Initial Yield means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price
(2) Reversionary Yield means the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses, divided by the Property Purchase Price

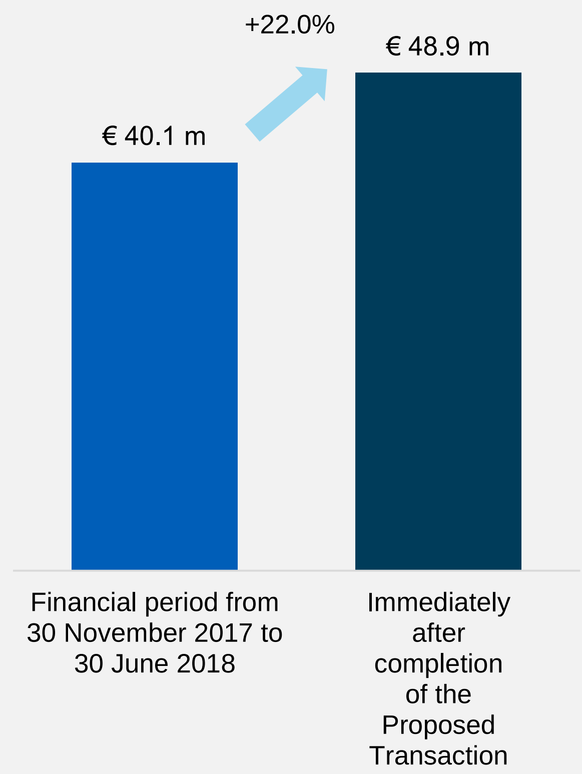
6. Acquisition of New Properties at Attractive Yields

Increased distributable income and DPU yield to the unitholders

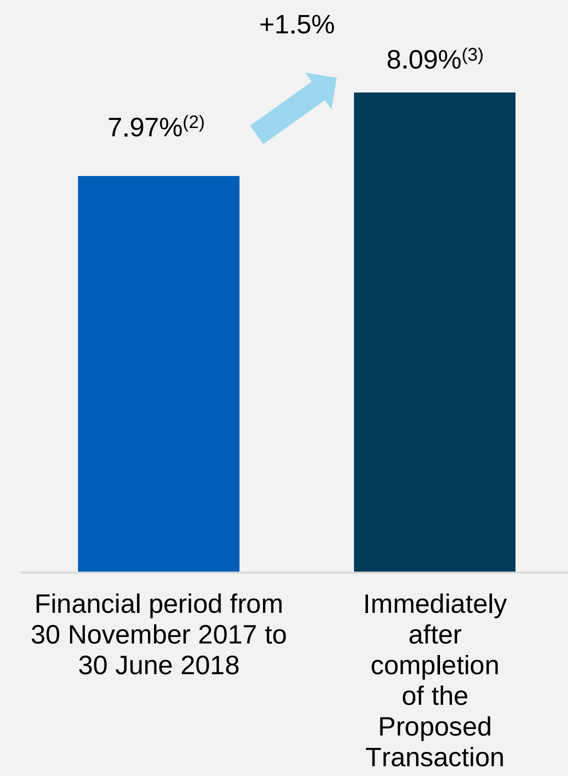
Net Property Income
FP2018(1)



Distributable Income
FP2018(1)



Annualised DPU Yield
FP2018(1)



Notes:
(1) The pro forma financial effects of the Proposed Transaction for the financial period from 30 November 2017 (being the date of listing of CEREIT) to 30 June 2018 ("**FP2018**") on the information presented above are strictly for illustrative purposes only
(2) Based on the closing price of € 0.545 per Unit on 30 October 2018
(3) Assumes that € 170.8 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Proposed Transaction, and € 53.3 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Recently Announced Acquisitions. DPU Yield is computed based on annualised pro forma distributable income divided by the sum of CEREIT's market capitalisation at the close of 30 October 2018 and the gross proceeds of the Rights Issue assumed to be attributable to each respective transaction.

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7. Leveraging the Sponsor's Integrated European Asset Management Platform of 200 staff and 20 regional offices

Sponsor's Integrated European Asset Management Platform Locations

- On the ground asset management team across the Netherlands, Finland, and Poland
- Well-positioned to actively manage the assets to drive improved operating and financial performance
- Strong track record of enhancing value through asset enhancement initiatives ("**AEIs**")

Legend:
- Sponsor's 17 regional offices, excluding those in the Netherlands, Finland and Poland
- Sponsor's 3 regional offices in the Netherlands, Finland and Poland

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SECTION 3

French Acquisition and Italian Acquisition

Overview of the French Acquisition and Italian Acquisition

Deepening Presence in Key Western European Markets

	French Properties	Italian Properties
No. of Properties	4 logistics properties and 1 DIY big box retail property	2 office properties
Land Tenure	Predominantly freehold properties located in strategic logistics locations	Freehold properties master-leased to government-linked entities
LFA (sq m)	42,568	27,211
Purchase Price	€ 34.4 million	€ 37.5 million
Independent Valuation by Colliers	€ 36.7 million	€ 37.5 million
Net Initial Yield	8.5%	7.4%
Occupancy Rate (%)	100.0	100.0
WALE	2.5 years	5.0 years
Key Tenants	Atac; Bricoman; DHL; GRDF; Inteva Products	Agenzia del Demanio

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Notes:
(1) With respect to Aulnay-sous-Bois, whilst the relevant French Vendor is bound to sell the asset on the terms set forth in the Binding Offer should CEREIT so elect upon satisfactory completion of additional due diligence, CEREIT is not committed to acquire said asset unless it effectively exercises its option prior and enters into a preliminary agreement prior to 31 December 2018

Acquisition of French Properties

Gennevilliers

46-48 boulevard Dequevauvilliers

Villeneuve-lès-Béziers

Rue Charles Nicolle

Sully-sur-Loire

105 Route d'Orléans

Aulnay-sous-Bois[1]

54 Avenue de Savigny

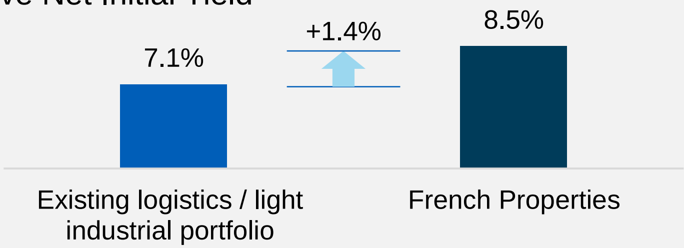
Parcay-Meslay

ZI du Papillon

Key Benefits

✓ Enlarged Portfolio with Increased Exposure to Greater Paris
- Increases CEREIT's exposure to attractive Greater Paris logistics market
- Well located along strategic French logistics corridor (e.g. key roads including the A86, A9, A10)
- Exposure to global retail and auto sector supply chains

✓ Attractive Net Initial Yield



- Acquired off market at 6.3% discount to valuation

✓ Asset Enhancement Potential
- Provides asset enhancement opportunities, with a number of assets having development or expansion potential, in line with CEREIT's strategy
- A metro station for new Paris Line 16 is planned by 2024 on part of the Aulnay-sous-Bois site
- 2 leases under tacit rolling agreement are expected to convert to long term leases at completion

Notes:
(1) With respect to Aulnay-sous-Bois, whilst the relevant French Vendor is bound to sell the asset on the terms set forth in the Binding Offer should CEREIT so elect upon satisfactory completion of additional due diligence, CEREIT is not committed to acquire said asset unless it effectively exercises its option prior and enters into a preliminary agreement prior to 31 December 2018

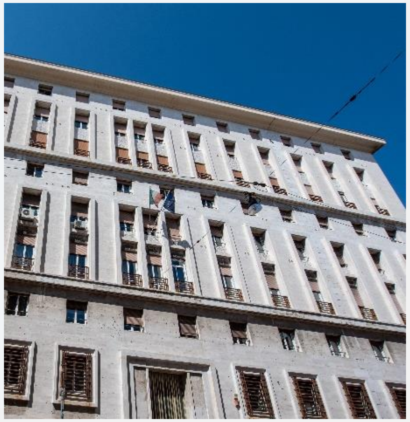
Acquisition of Italian Properties

Bari

Corso Lungomare Trieste N.23

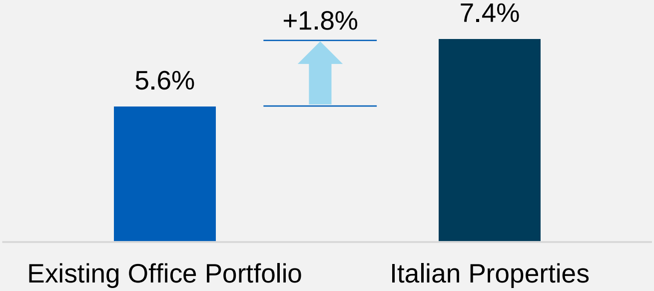
Genova

Via Camillo Finocchiaro Aprile N.1



Key Benefits

- ✓ Enlarged Portfolio with Additional Cash Flow Visibility and Stability
  - Master leased to Agenzia del Demanio, the Italian government agency in charge of 45,000 real estate assets owned and/or occupied by Italian administrations
  - WALE of 5.0 years further enhances stability of CEREIT portfolio's cash flows
  - Purchase Price reflects an average capital value of € 1,378 per sq m and net rental income of € 102 per sq m per annum
- ✓ Attractive Net Initial Yield



  - Acquired off market based on terms similar to recent Ivrea acquisition
  - Annual rent escalations pegged to 75% of Consumer Price Index
  - Both Genova and Bari are significant shipping and seaside tourist cities in Italy

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SECTION 4

Benefits of the Overall Transaction

Overall Transaction

Acquisition of 3 portfolios with 23 properties to be funded by Rights Issue and Debt Financing

1. New Properties

- 16 predominantly office properties in the Netherlands, Finland and Poland
- Purchase Price: € 312.5 million
- Net Initial Yield(1): 6.2%
- Subject to Unitholders' approval

2. French Properties

- 4 logistics properties and 1 DIY home improvement centre
- Purchase Price: € 34.4 million
- Net Initial Yield(1): 8.5%

3. Italian Properties

- 2 office properties
- Purchase Price: € 37.5 million
- Net Initial Yield(1): 7.4%

Total Purchase Price: € 384.4 million

Financing	▪ € 224.1 million from Rights Issue ▪ Remaining from Debt Financing

Rights Issue	▪ 38 Rights Units for every 100 Units held
	▪ € 0.373 for each Rights Unit
	    ▪ 31.6% discount to closing price of € 0.545 on 30 October 2018
	    ▪ 25.0% discount to theoretical ex-rights price ("**TERP**") of € 0.498
	▪ Undertaking for Cromwell Singapore Holdings Pte Ltd and its related corporations to subscribe 35.31%
	▪ Tang Gordon @ Tang Yigang, Celine Tang @ Chen Huaidan and Hillsboro Capital, Ltd. to sub-underwrite 245,420,360 Rights Units(2)
	▪ Underwritten by UBS, DBS, Morgan Stanley and Daiwa

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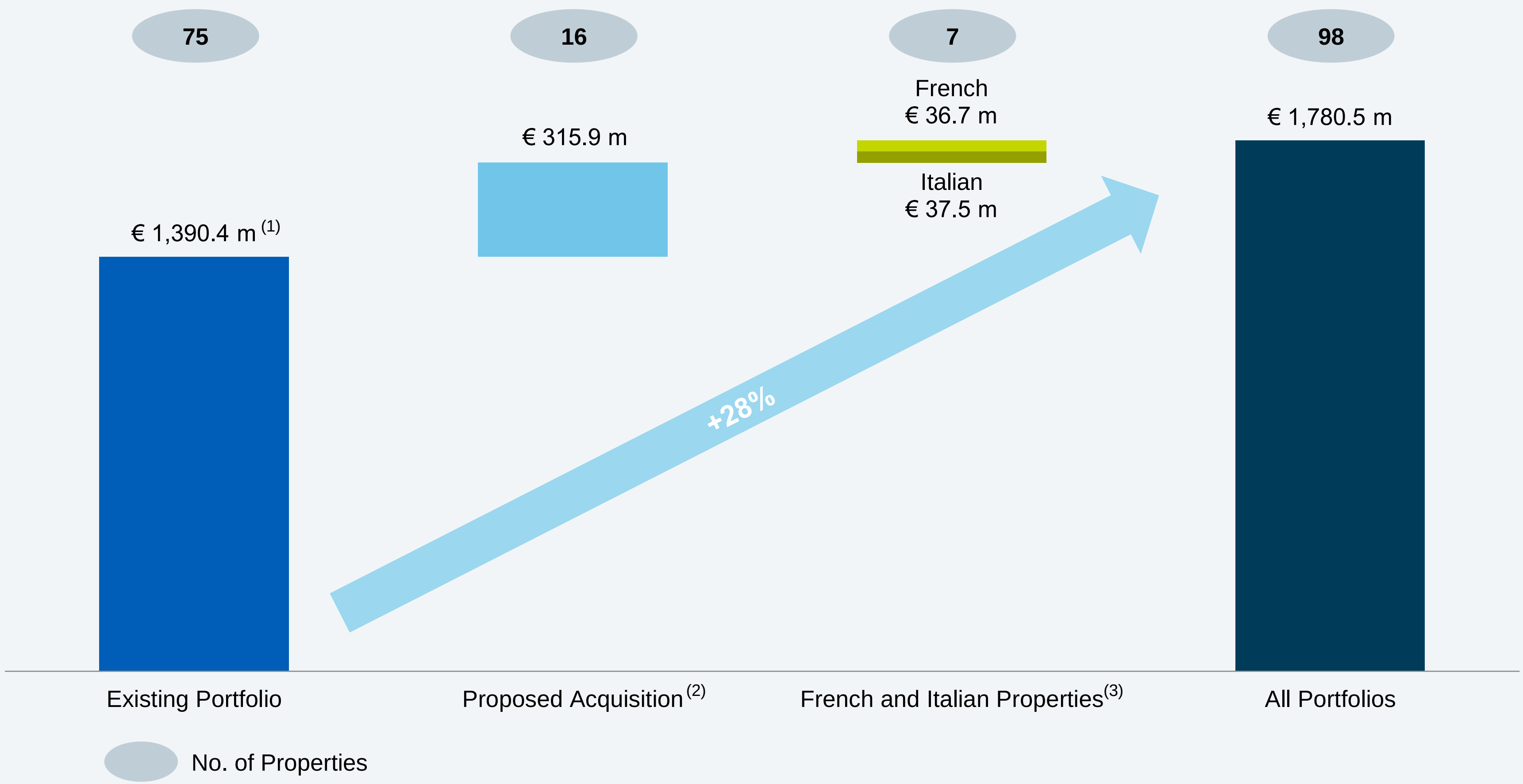
Notes:
(1) Net Initial Yield means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price
(2) This is made up of the GTCT Base Sub-Underwriting Units of 82,908,770 Rights Units; GTCT Additional Sub-Underwriting Units of 24,329,000 Rights Units; Hillsboro Base Sub-Underwriting Units of 69,091,590 Rights Units; and Hillsboro Additional Sub-Underwriting Units of 69,091,000 Rights Units. GTCT refers to Tang Gordon @ Tang Yigang and Celine Tang @ Chen Huaidan

Acquisitions are Consistent with CEREIT's Investment Strategy (1/3)

Enhanced Size, Scale and Deepening Presence in CEREIT's Key Markets

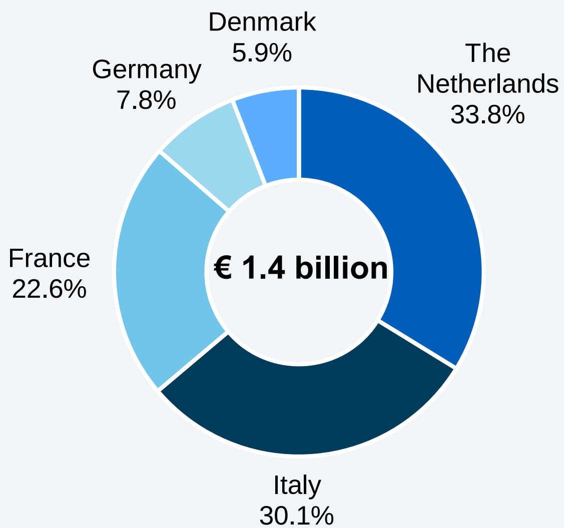


Notes:
(1) Based on the valuation of the Existing Portfolio (except Ivrea) as of 31 March 2018 and the valuation of Ivrea on 1 April 2018
(2) Based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018
(3) Based on the independent valuations conducted by Colliers as at 30 September 2018 for the Italian Properties and 19 October 2018 for the French Properties

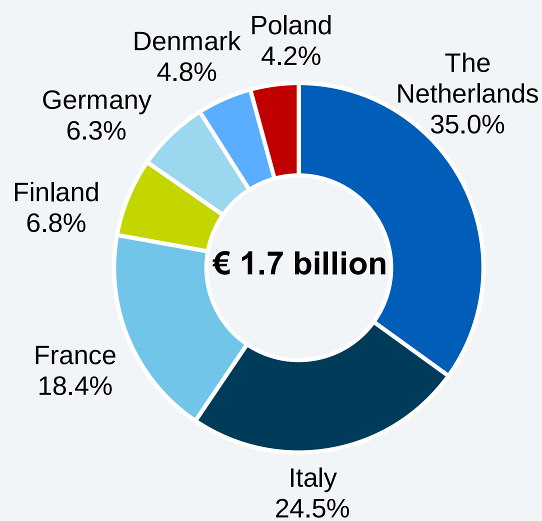
Acquisitions are Consistent with CEREIT's Investment Strategy (2/3)

Increased Diversification across 7 Countries

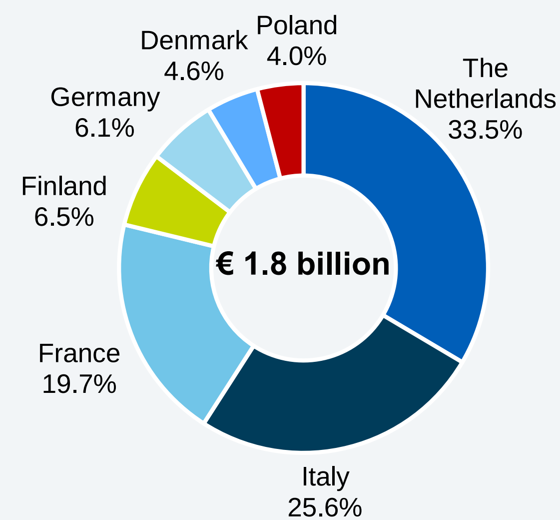
Existing Portfolio
Breakdown of Valuation[(1)(2)] by Country



Including Proposed Acquisition
Breakdown of Valuation[(1)(2)] by Country



All Portfolios
Breakdown of Valuation[(1)(2)(3)] by Country



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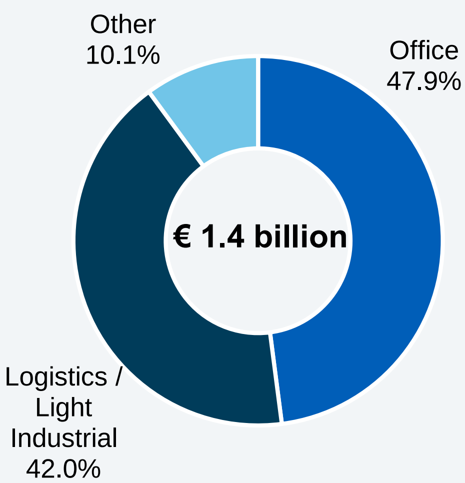
Notes:
(1) Based on the valuation of the Existing Portfolio (except Ivrea) as of 31 March 2018 and the valuation of Ivrea on 1 April 2018
(2) Based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018
(3) Based on the independent valuations conducted by Colliers as at 30 September 2018 for the Italian Properties and 19 October 2018 for the French Properties

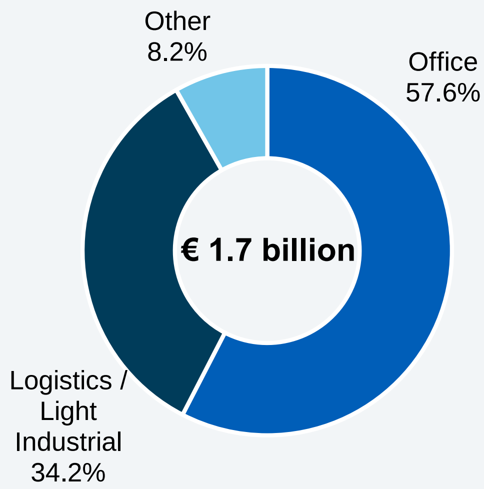
Acquisitions are Consistent with CEREIT's Investment Strategy (3/3)

Balanced Asset Class Exposure with Weighting Towards Attractive Office Sector Dynamics

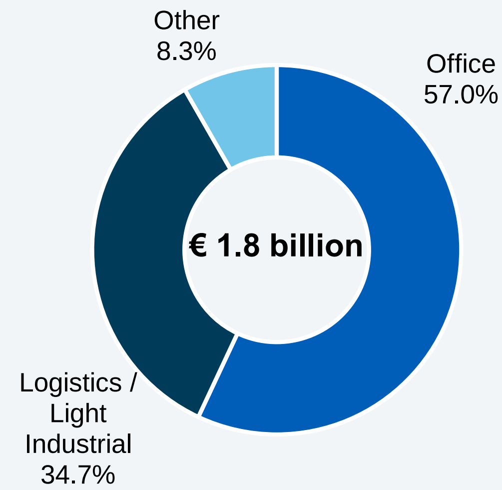
Existing Portfolio
Breakdown of Valuation by Asset Class(1)



Including Proposed Acquisition
Breakdown of Valuation(1)(2) by Asset Class



All Portfolios
Breakdown of Valuation(1)(2)(3) by Asset Class



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Notes:
(1) Based on the valuation of the Existing Portfolio (except Ivrea) as of 31 March 2018 and the valuation of Ivrea on 1 April 2018
(2) Based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018
(3) Based on the independent valuations conducted by Colliers as at 30 September 2018 for the Italian Properties and 19 October 2018 for the French Properties

SECTION 5

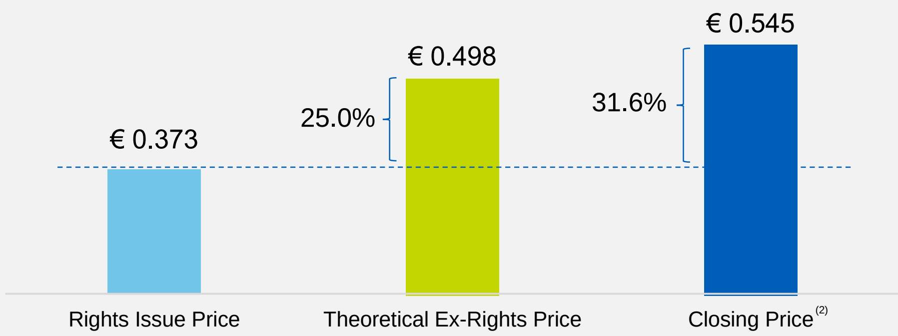
Rights Issue and Pro Forma Financial Effects

Details of the Rights Issue

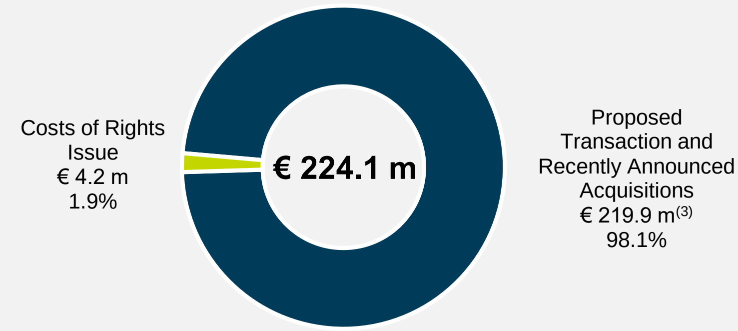
Underwritten and renounceable Rights Issue to raise gross proceeds of approximately € 224.1 million

- € 0.373 for each Rights Unit
- 38 Rights Units for every 100 Units held
- Irrevocable undertaking for Cromwell Singapore Holdings Pte Ltd and its related corporations to subscribe for their entitlement of 35.31%
- Sub-Underwriting by Tang Gordon @ Tang Yigang, Celine Tang @ Chen Huaidan and Hillsboro Capital, Ltd. to subscribe for an additional 93,420,000 Rights Units(1)
- Rights Issue underwritten by the Joint Global Co-ordinators and Bookrunners

Attractive Rights Issue Price

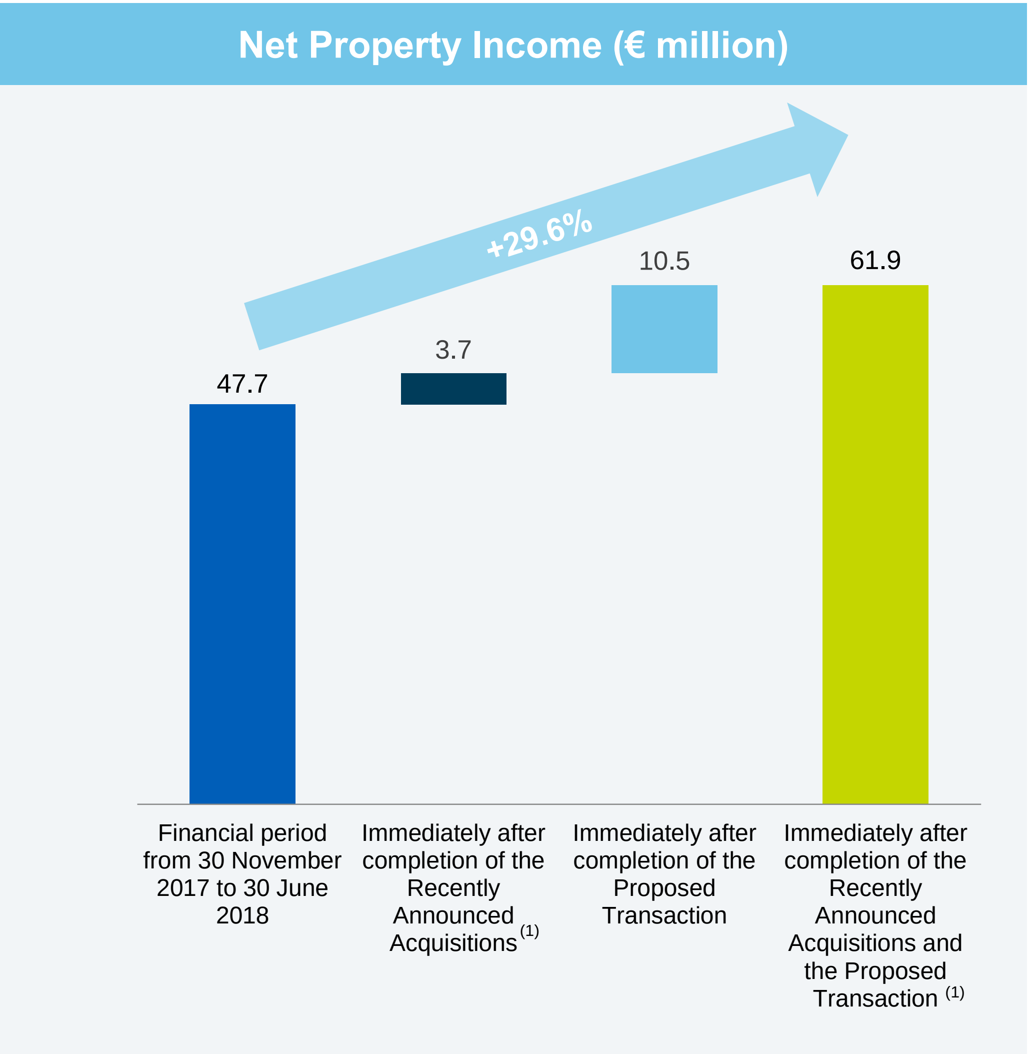


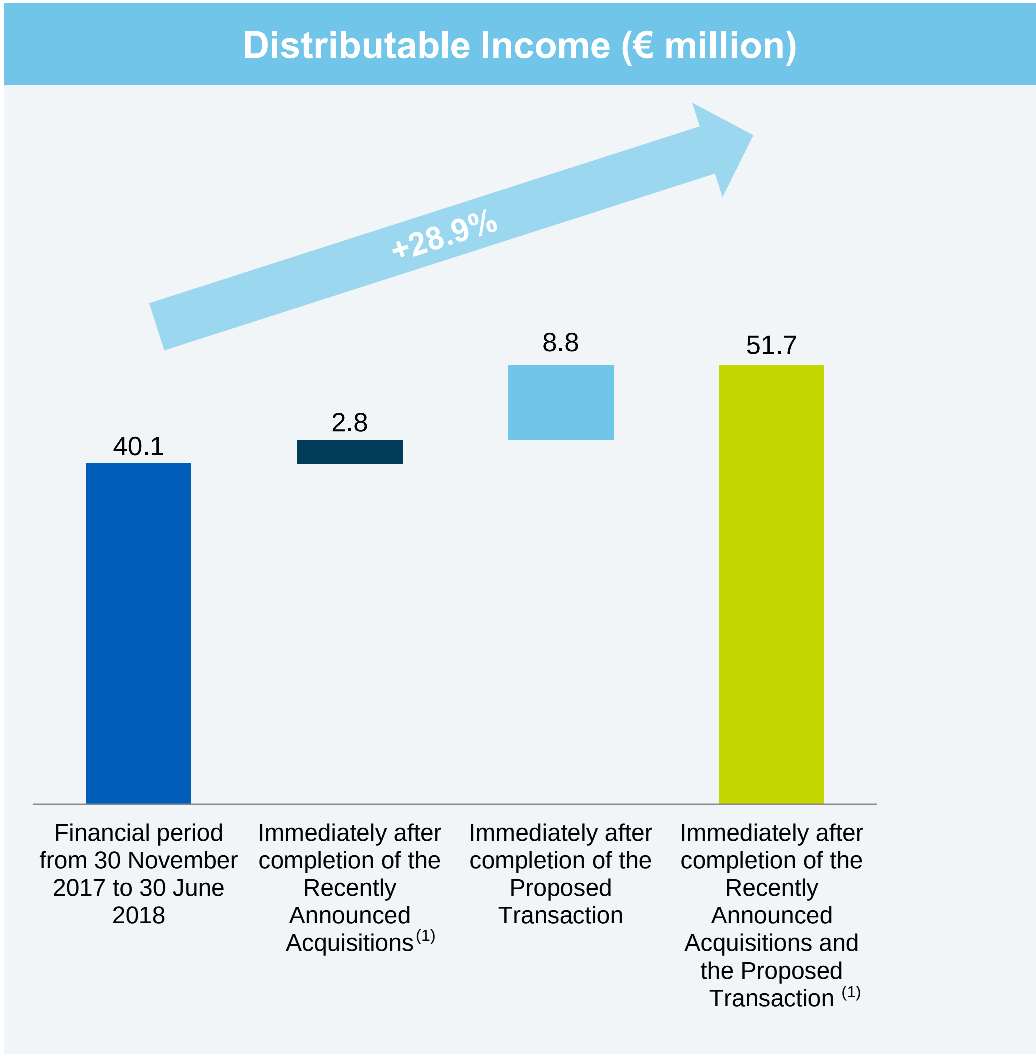
Use of Proceeds



Notes:
(1) This excludes the GTCT Base Sub-Underwriting Units of 82,908,770 Rights Units and Hillsboro Base Sub-Underwriting Units of 69,091,590 Rights Units. GTCT refers to Tang Gordon @ Tang Yigang and Celine Tang @ Chen Huaidan
(2) Based on the closing price of € 0.545 per Unit on the SGX-ST on 30 October 2018, being the last trading day of the Units prior to the announcement of the proposed Rights Issue
(3) The proceeds set aside to fund the acquisition may be used to repay bridging loans taken up to fund such acquisition

Pro Forma Financial Effects





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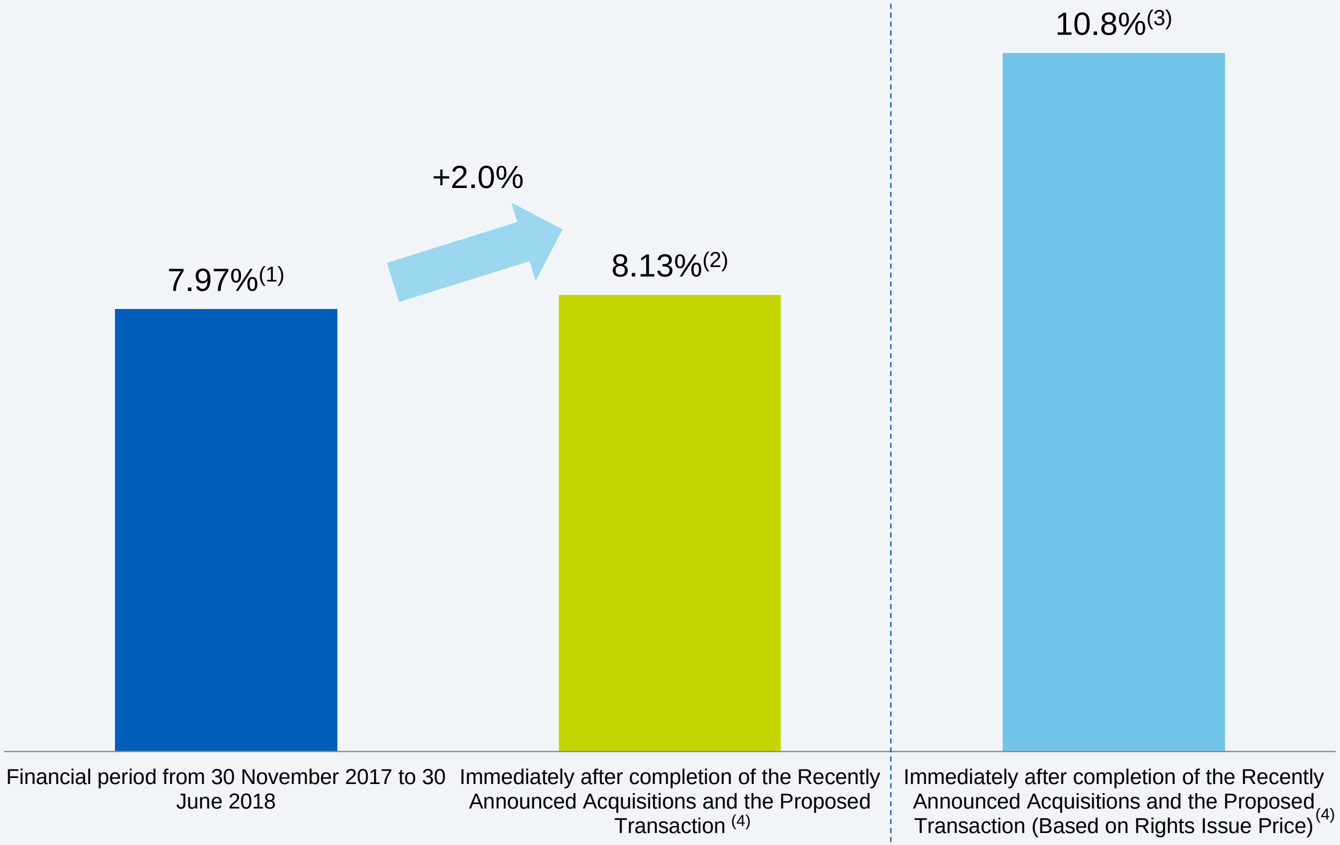
Notes:
(1) Includes the property located at 13 Via Jervis, Ivrea, Italy that was acquired on 27 June 2018

High Annualised DPU Yield

Annualised DPU Yield



Notes:

(1) Based on the closing price of € 0.545 per Unit on 30 October 2018

(2) Assumes that € 170.8 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Proposed Transaction, and € 53.3 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Recently Announced Acquisitions. DPU Yield is computed based on annualised pro forma distributable income divided by the sum of CEREIT's market capitalisation at the close of 30 October 2018 and the gross proceeds of the Rights Issue assumed to be attributable to each respective transaction.

(3) Based on the Rights Issue Price of € 0.373 per Unit

(4) Includes the property located at 13 Via Jervis, Ivrea, Italy that was acquired on 27 June 2018

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SECTION 6

EGM Resolutions

Resolutions

The Manager seeks Unitholders' Approval for the following Ordinary Resolutions:

- ✓ **Resolution 1: The Proposed Acquisition**
- ✓ **Resolution 2: The Proposed Rights Issue**
- ✓ **Resolution 3: The Proposed GTCT Sub-Underwriting**
- ✓ **Resolution 4: The Proposed Hillsboro Sub-Underwriting**

Key Dates

Event	Details
Last date and time for lodgement of Proxy Forms	Monday, 12 November 2018 at 10.00 a.m.
Date and time of Extraordinary General Meeting	Thursday, 15 November 2018 at 10.00 a.m.
Place of Extraordinary General Meeting	PARKROYAL on Pickering
Target date for completion of the Proposed Acquisition	End December 2018

APPENDIX A

The Proposed Acquisition at a Glance

Overview of the Proposed Acquisition

No.	Property	Land Tenure	LFA (sq m)(1)	Valuation by C&W (€ m)(2)	Valuation by Colliers (€ m)(2)	Purchase Price (€ m)	WALE (years)(3)	Occupancy Rate (%)(4)
The Netherlands								
1	Moeder Teresalaan 100-200, Utrecht	Leasehold plot acquired in perpetuity	21,922	50.1	51.5	50.7	6.3	86.1
2	Willemsplein 2, 's-Hertogenbosch(5)	Freehold	31,979	74.7	77.6	76.9	7.1	91.9
Finland								
3	Plaza 2 Park (Plaza Vivace), Helsinki Metropolitan Area	Freehold	5,661	14.1	12.9	13.2	2.2	88.3
4	Plaza 2 Park (Plaza Allegro), Helsinki Metropolitan Area	Freehold	4,620	11.4	10.8	11.2	1.8	91.7
5	Plaza Forte, Helsinki Metropolitan Area	Freehold	6,054	13.8	12.9	12.6	2.0	86.9
6	Grandinkulma, Helsinki Metropolitan Area	Freehold	6,189	12.5	12.8	12.5	3.5	98.4
7	Liiketalo Myyrinraitti, Helsinki Metropolitan Area	Freehold	7,515	12.2(6)	12.0(6)	12.0	4.9	94.1
8	Pakkalan Kartanonkoski 3, Helsinki Metropolitan Area	Freehold	7,796	9.2	10.6	9.7	3.2	77.2
9	Pakkalan Kartanonkoski 12, Helsinki Metropolitan Area	Freehold	3,425	6.7	6.4	6.1	1.6	100.0
10	Purotie 1, Helsinki	Freehold	4,692	6.5	7.5	7.1	2.7	97.2
11	Mäkitorpantie 3, Helsinki	Freehold	4,367	7.6	7.8	7.6	3.4	85.6
12	Opus 1, Helsinki	Freehold	6,821	15.4	15.7	13.5	7.2	77.1
13	Kuopion Kauppakeskus, Kuopio	Freehold	4,832	7.7	7.2	7.6	5.9	98.5
Poland								
14	Riverside, Warsaw	Freehold	12,478	31.9	30.5	31.3	4.6	72.9
15	Grojecka 5, Warsaw	Freehold	10,718	22.4	22.0	22.3	3.1	83.4
16	Arkonska Business Park, Gdansk	Freehold	11,166	18.4	19.0	18.2	3.4	46.7(7)
	Total / Average		**150,232**	**314.6**	**317.1**	**312.5**	**4.7**	**84.5**

Notes:
(1) LFA as at 27 September 2018
(2) Valuation as at 27 September 2018
(3) WALE refers to the weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 August 2018
(4) Occupancy rate as at 31 August 2018
(5) With respect to the property Willemsplein 2, the WALE and occupancy rate is as at 1 September 2018
(6) CEREIT will own 100% of the underlying land relating to Liiketalo Myyrinraitti and, through its ownership of 94% of the shares of Liiketalo Myyrinraitti Oy, own most of the building in accordance with the articles of association of Liiketalo Myyrinraitti Oy, and the valuations as at 27 September 2018 are based on such ownership interest
(7) While the occupancy rate as at 31 August 2018 is only 46.7%, the committed occupancy rate is 69.1%

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Overview of the Proposed Acquisition (The Netherlands)

	Moeder Teresalaan	Willemsplein 2
Key Information	In close proximity to the CBD and the Utrecht Central Station	Located in the Paleiskwartier CBD of Den Bosch, a key office district outside of the Randstad conurbation
Title	Leasehold (Bought-off in perpetuity)	Freehold
Address	Moeder Teresalaan 100-200, Utrecht	Willemsplein 2, 's-Hertogenbosch
LFA (sq m)	21,922	31,979
Type (% of LFA)	Office: 100.0%	Office: 98.3% Warehouse: 1.3% Retail: 0.4%
WALE (years)	6.3	7.1
Occupancy Rate (%)	86.1	91.9
Independent Valuation by Colliers (€ m)[(1)]	51.5	77.6
Independent Valuation by C&W (€ m)[(1)]	50.1	74.7
Property Purchase Price (€ m)	50.7	76.9
Number of Tenants	1	6
Trade Sector of Largest Tenant	Public administration and defence; compulsory social security	Electricity, gas, steam and air conditioning supply

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Notes:
(1) As at 27 September 2018

Overview of the Proposed Acquisition (Finland)

   

	Plaza Vivace	Plaza Allegro	Plaza Forte	Pakkalan Kartanonkoski 3
Key Information	Business Park developments in Helsinki Metropolitan Area; in close proximity to Helsinki Airport			
Title	Freehold	Freehold	Freehold	Freehold
Address	Äyritie 8c, Vantaa	Äyritie 8b, Vantaa	Äyritie 12c, Vantaa	Pakkalankuja 6, Vantaa
LFA (sq m)	5,661	4,620	6,054	7,796
Type (% of LFA)	Office: 83.1% Warehouse: 6.2% Other: 10.7%	Office: 96.6% Warehouse: 1.4% Other: 2.0%	Office: 94.6% Warehouse: 1.8% Retail: 3.5%	Office: 85.4% Warehouse: 7.2% Retail: 7.3%
WALE (years)	2.2	1.8	2.0	3.2
Occupancy Rate (%)	88.3	91.7	86.9	77.2
Independent Valuation by Colliers (€ m)(1)	12.9	10.8	12.9	10.6
Independent Valuation by C&W (€ m)(1)	14.1	11.4	13.8	9.2
Property Purchase Price (€ m)	13.2	11.2	12.6	9.7
Number of Tenants	13	18	28	20
Trade Sector of Largest Tenant	Manufacturing	Construction	Other service activities	Wholesale and retail trade

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Notes:
(1) As at 27 September 2018

Overview of the Proposed Acquisition (Finland)



	Pakkalan Kartanonkoski 12	Grandinkulma	Liiketalo Myyrinraitti
Key Information	Business Park development in close proximity to Helsinki Airport and Jumbo Shopping Centre	Located in the main commercial hub and regional centre of Vantaa	Adjacent to a large shopping centre and close to the main railway station
Title	Freehold	Freehold	Freehold
Address	Pakkalankuja 7, Vantaa (Helsinki Metropolitan Area)	Kielotie 7, Vantaa (Helsinki Metropolitan Area)	Myyrmäenraitti 2, Vantaa (Helsinki Metropolitan Area)
LFA (sq m)	3,425	6,189	7,515
Type (% of LFA)	Office: 95.8% Retail: 4.2%	Office: 75.4% Warehouse: 2.5% Retail: 15.1% Other: 7.1%	Office: 59.6% Warehouse: 9.1% Retail: 20.8% Other: 10.5%
WALE (years)	1.6	3.5	4.9
Occupancy Rate (%)	100.0	98.4	94.1
Independent Valuation by Colliers (€ m)(1)	6.4	12.8	12.0
Independent Valuation by C&W (€ m)(1)	6.7	12.5	12.2
Property Purchase Price (€ m)	6.1	12.5	12.0
Number of Tenants	9	14	8
Trade Sector of Largest Tenant	Other service activities	Healthcare and social work activities	Healthcare and social work activities

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Notes:
(1) As at 27 September 2018

Overview of the Proposed Acquisition (Finland)




	Kuopion Kauppakeskus	Opus 1	Mäkitorpantie 3	Purotie 1
Key Information	Close to the main market square in the city centre of Kuopio	Located next to the main road and near a Metro train station	Close to the Käpylä train station and Helsinki CBD	Located in a key office location with access to two train stations
Title	Freehold	Freehold	Freehold	Freehold
Address	Kauppakatu 39, Kuopio	Hitsaajankatu 24, Helsinki	Mäkitorpantie 3, Helsinki	Purotie 1, Helsinki
LFA (sq m)	4,832	6,821	4,367	4,692
Type (% of LFA)	Office: 57.0% Warehouse: 4.9% Retail: 35.5% Other: 2.7%	Office: 95.6% Warehouse: 3.3% Other: 1.0%	Office: 44.8% Warehouse: 5.8% Retail: 37.2% Other: 12.2%	Office: 78.9% Warehouse: 4.5% Retail: 12.3% Other: 4.3%
WALE (years)	5.9	7.2	3.4	2.7
Occupancy Rate (%)	98.5	77.1	85.6	97.2
Independent Valuation by Colliers (€ m)[(1)]	7.2	15.7	7.8	7.5
Independent Valuation by C&W (€ m)[(1)]	7.7	15.4	7.6	6.5
Property Purchase Price (€ m)	7.6	13.5	7.6	7.1
Number of Tenants	11	5	11	11
Trade Sector of Largest Tenant	Healthcare and social work activities	Wholesale and retail trade; repair of motor vehicles and motorcycles	Wholesale and retail trade; repair of motor vehicles and motorcycles	Electricity, gas, steam and air conditioning supply

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Notes:
(1) As at 27 September 2018

Overview of the Proposed Acquisition (Poland)

	Riverside	Grojecka 5	Arkonska Business Park
Key Information	Close to the Warsaw city centre and at the crossroads of two important highways	Close to the CBD and on a key street connecting the motorway	Close to Gdansk International Fair Co. and University of Gdansk
Title	Freehold	Freehold	Freehold
Address	Fabryczna 5, Warsaw, Poland	Grójecka 5, Warsaw, Poland	Ulica Arkonska 6, Gdansk, Poland
LFA (sq m)	12,478	10,718	11,166
Type (% of LFA)	Office: 98.5% Warehouse: 0.2% Retail: 1.2% Other: 0.1%	Office: 98.0% Warehouse: 1.1% Retail: 0.9% Other: 0.1%	Office: 99.7% Warehouse: 0.3% Other: 0.1%
WALE (years)	4.6	3.1	3.4
Occupancy Rate (%)	72.9	83.4	46.7[2]
Independent Valuation by Colliers (€ m)[1]	30.5	22.0	19.0
Independent Valuation by C&W (€ m)[1]	31.9	22.4	18.4
Property Purchase Price (€ m)	31.3	22.3	18.2
Number of Tenants	16	16	9
Trade Sector of Largest Tenant	Information and communication	Financial and insurance activities	Financial and insurance activities

Notes:
(1) As at 27 September 2018
(2) While the occupancy rate as at 31 August 2018 is only 46.7%, the committed occupancy rate is 69.1%.

APPENDIX B

French Acquisition and Italian Acquisition at a Glance

Overview of the French Properties




	Gennevilliers	Sully-sur-Loire	Parcay Meslay	Villeneuve-lès-Béziers	Aulnay-sous-Bois
Key Information	Large scale logistic asset located in Paris Region	Large scale logistic asset located in French Region	Large scale logistic asset located in French Region	Large scale logistic asset located in French Region	DIY Home Improvement big box retail asset located in Paris region
Title	27 year Leasehold	Freehold	Freehold	Freehold	Freehold
Address	46-48 boulevard Dequevauvilliers	105 Route d'Orléans	ZI du Papillon	Rue Charles Nicolle	54 Avenue de Savigny
LFA (sq m)	7,409	15,500	5,610	8,944	5,105
Type (% of LFA)	Warehouse: 86% Office: 14%	Warehouse: 100%	Warehouse: 93% Office: 7%	Warehouse: 89% Office: 11%	Retail: 96% Office: 4%
WALE (years)	2.5	8.3	3.1	0.1	0.3
Occupancy Rate (%)	100.0	100.0	100.0	100.0	100.0
Independent Valuation by Colliers (€ m)(1)	7.1	5.5	5.9	10.4	7.8
Property Purchase Price (€ m)	6.8	5.4	5.5	10.5	6.1
Number of Tenants	1	1	1	1	1
Largest Tenants	GRDF	Inteva Products	Atac	DHL Services Logistiques	Bricoman

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Notes:
(1) As at 30 September 2018

Overview of the Italian Properties

	Bari	Genova
Key Information	Located close to the city centre, fully leased to Agenzia del Demanio (Italian government)	Located in the city centre, fully lease to Agenzia delle Entrate under a master lease to Agenzia del Demanio
Title	Freehold	Freehold
Address	Corso Lungomare Trieste N.23, Bari	Via Camillo Finocchiaro Aprile N.1, Genova
LFA (sq m)	11,674	15,537
Type (% of LFA)	Office (100%)	Office (100%)
WALE (years)	4.3 (as at September 2018)	5.3 (as at September 2018)
Occupancy Rate (%)	100.0	100.0
Independent Valuation by Colliers (€ m)(1)	12.3	25.2
Property Purchase Price (€ m)	12.3	25.2
Number of Tenants	1	1
Largest Tenants	Agenzia del Demanio	Agenzia delle Entrate / Agenzia del Demanio

Notes:
(1) As at 30 September 2018

APPENDIX C

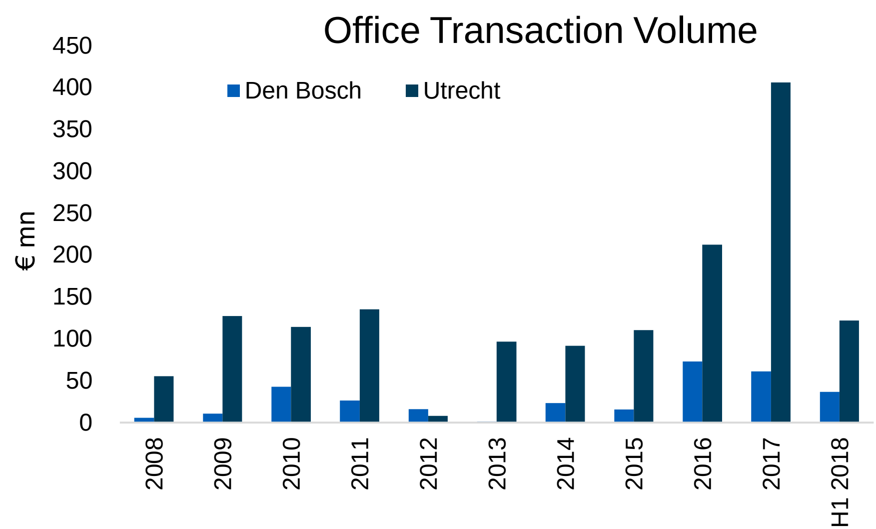
European Market Overview

The Netherlands – Office Market Outlook

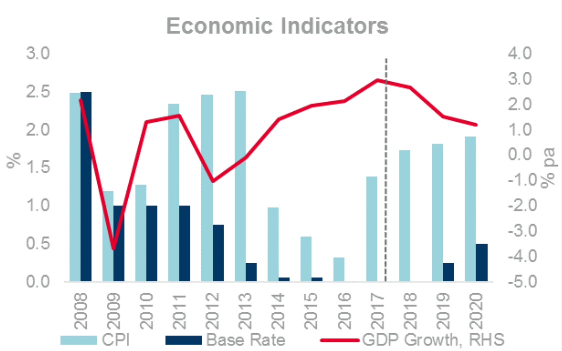
Real Estate Market

- Office demand is increasingly focused on locations in the major cities and metropolitan areas such as the South Axis in Amsterdam and the Central Station area in Utrecht, offering multimodal accessibility and a healthy mix of living, working, shopping and recreation. Due to the clustering of demand at hotspots, available properties at these prime locations have become scarce, rents are following an upward trend and incentives are evaporating.
- In the Netherlands, the nationwide office vacancy rate is 12.1% which includes some structural vacancy that is being worked through as some buildings are withdrawn from the market and redeveloped with a different use (e.g. hotels or residential). For good quality, well-located assets which are increasingly demanded by occupiers, the vacancy rate is much lower. This rate continues to fall, leading to a scaling back in incentive packages and the potential for positive rental growth in supply starved locations.
- The breadth of occupiers across the Dutch market brings with it an envied depth to the occupational sector. Business services and finance are the most active sectors, but the technology, media, and telecommunication ("TMT") sector is currently one of the fastest growing.
- Dutch office buildings are currently attracting a great deal of attention from both domestic as well as foreign investors. Amsterdam is the primary focus for foreign investors, many are broadening their focus to cities such as The Hague, Rotterdam, Utrecht and Eindhoven in the search for stock and where prime yields in main CBD locations are over 75bps higher than in Amsterdam.

Investment Volume (€ mn)



Economy



- Consumption growth slowed in Q2 2018 after a very strong Q1, but a tight labour market and wage growth should help support healthy growth rates in H2 2018.
- Supportive fiscal policies (cuts to income and corporation tax) plus greater spending on education, defence and social security should boost growth making the Dutch budget pro-cyclical following many years of post-crisis austerity.
- Domestic demand is expected to be the main driver of growth over the medium term. Conditions remain favourable for consumers with low unemployment, wage growth and modest inflation.

Outlook

- Take-up in the Netherlands is expected to grow the coming years to a maximum annual rate of 1.5 million sqm over the next five years, which is 15% more than the current take-up.
- Initially the focus of occupiers will be on the major cities with locations that are easily accessible by public transport. But this focus can be disturbed due to the fact that the availability of high quality office space is scarce and will get scarcer in the coming years as demand outstrips supply, which may lead take-up to spread to other locations in the coming years. The scarcity will have an impact on rents for offices that are available in these hotspots which are set to rise in these locations.
- In Utrecht, the development of new office space at prime locations, especially near the Central Station, in combination with the low vacancy rate and demand from occupiers will support higher prime rental levels.
- Prime rents in Den Bosch are expected to increase as well. Although some developments will be added to the stock in the Paleiskwartier area, the vacancy will stay at a low level since this area is supported by strong occupier demand which will place upward pressure on rents.
- In the Netherlands we expect that the prime yields (Amsterdam) will stabilise, but for the yields in other key cities, such as Utrecht, there is still space for a further compression.

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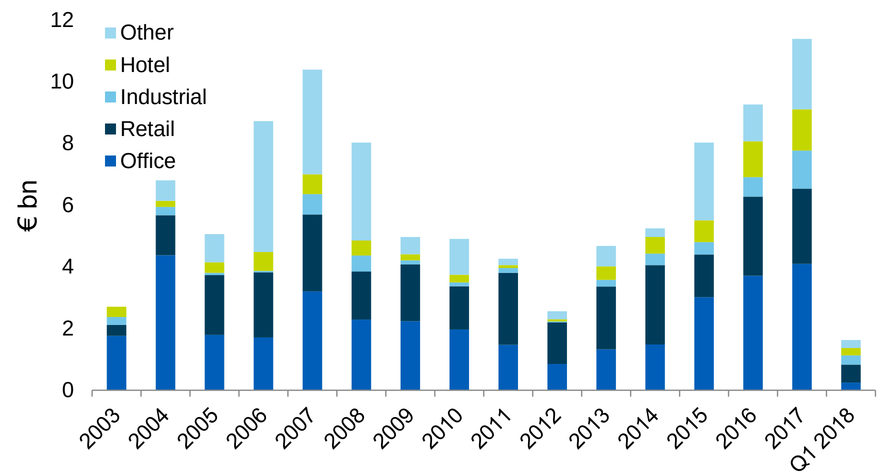
Sources: Cushman & Wakefield, Independent Market Research Report, September 2018

Italy – Office Market Outlook

Real Estate Market

- The first six months of 2018 has seen €1.17 billion flow into the Italian office sector. Milan remains the most liquid market with investors, both domestic and international, targeting the city. This is reflected in the 64% of 2Q office deals that took place in the city. Rome is attracting more interest but lags Milan, accounting for 26% of 2Q trading volumes.
- International investors are key to market activity and linked to 60% of capital invested with French, US and Korean investors particularly active in 2Q. However, while deals are clearly closing the average lot size has shrunk from a reported €74 million in 2017 to €40 million in 2018.
- Occupier activity, which was markedly up in both Milan and Rome in 2Q, is helping to erode availability. Take-up in Milan in 2Q was 125,000 sqm with the semi centre submarket the most active while in Rome recorded 64,000 sqm of take-up with a clear focus on the Centre and EUR submarkets.
- While vacancy is at 11.2% in Milan, the amount of Grade A is low where vacancy is reportedly sub 4%. The situation is similar in Rome where overall vacancy is 12.5% with a proportion structural. For now, the tight supply of quality space is supporting the rental levels of €585/sqm/year in Milan and €440/sqm/year in Rome for prime space.
- Political instability seems not to have deterred investors for the time being but a heightened level of caution is notable. More positively while the banking sector need to be continuously assessed, and bank balance sheets are weighed down by €160 billion of bad debt, it is at its lowest level in 4 yrs.

Investment Volume (€ bn)



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP	1.3%	1.3%	↘
Industrial Production	2.1%	1.4%	↘
Consumer Prices, average	1.3%	1.7%	→
Population (000s)	60,544	60,520	↘
Population	-0.4%	-0.4%	↘
Unemployment Rate	10.8%	10.5%	→

Annual % change unless specified

- Three months after the elections, Lega and Five Star have formed a government - it remains to be seen how much of the coalition deal the new government will be able to implement and this is dampening growth prospects.
- Concerns remain around whether Italy has the fiscal capacity to honour all the spending pledges.
- The economy expanded by 0.3% in Q1 buoyed by positive new from the labour market but, job creation will ease back in the coming quarters as any recovery in the economy will be slow and uneven.

Outlook

- Despite recent growth in rental levels, reasonably strong demand levels and low amounts of Grade A space, there is limited room for further positive rental uplifts as the occupiers are using the perceived fragility of the government and weakened business sentiment to negotiate lower rent level and/or incentive packages.
- Developers need to heed the future market environment so as not to overload the market with surplus stock. Milan, for example, with a development pipeline of over 300,000 sqm due to complete between now and the end of 2020, could easily see vacancy rise if construction continues apace and pre-lets are not secured.
- Geographically, Milan will retain its position as the most popular market for both leasing and investment activity offering a diversity of tenants and a level of security that is not available in any other Italian city. Rome will continue to hold a solid second place. Activity in second-tier markets will need be assessed asset by asset and income streams will be king because the time needed to lease up any voids is expected to lengthen. However, opportunities exist from a value-add perspective for those investors willing to move up the risk curve.
- Prime yields have come under pressure but are expected to stabilise during the second half of the year at the current levels of 3.60% in Milan 3.60% and 4.00% in Rome for prime product.

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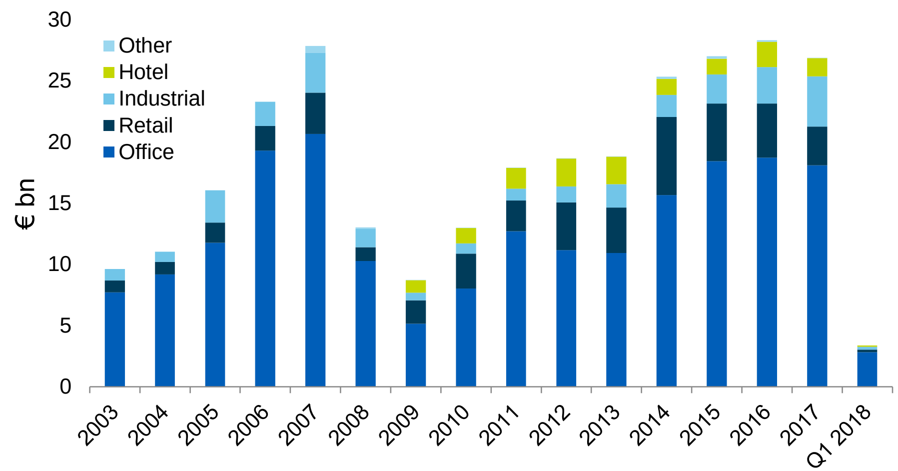
Sources:
Oxford Economics – Country Economic Forecast Italy 13 July 2018
JLL – Pulse Italy 2Q 2018 Capital Markets
JLL – City Profile 2Q 2018 Milan & City Profile 2Q 2018 Rome

France – Logistics/Industrial Market Outlook

Real Estate Market

- 2017 broke records – occupier activity reached 4.1 million sqm across France – a level not seen before. Fundamentals are strong but Q1 2018 saw a notable slow down due to a fall in large-scale deals despite a number being signed including LAPEYRE taking a 75,000 sqm warehouse construction project in Mer near Orléans and ITM (Intermarché) signing for 55,000 sqm in Neuilliac.
- Specialised retailers and online pure players drove the market of XXL deals (+50,000 sqm), which accounted for 30% of all deals in 2017. Improved productivity and cost reductions have increased the appeal of XXL developments for mass-market retailers and other occupiers – key XXL deals in 2017 included 180,000 sqm for Conforama (Tournan-en-Brie) and 140,000 sqm for Amazon (Brétigny-sur-Orge) in the Greater Paris region.
- Trading volumes reached €225 million in Q1 2018. Pressure is still high for core assets with newcomers intensifying the competition. Strong investment demand is facing very limited opportunities for core and core+ assets - a new benchmark yield is expected in the Ile-de-France region but several regional markets are already at historic lows.
- The sheer volume of capital targeting core is outweighing available product, compressing prime yields to historic lows, evidenced by the continued compression (25 bps) of prime distribution yields to 4.50% over 2Q 2018. Solus and park yields were stable in 2Q at 5.75% but have also been on a downward trajectory over the last twelve months.

Investment Volume (€ bn)



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP	1.7%	1.6%	→
Industrial Production	0.9%	1.4%	→
Consumer Prices, average	1.9%	1.6%	→
Population (000s)	67,399	67,664	→
Population	0.4%	0.4%	→
Unemployment Rate	8.5%	8.0%	↘

Annual % change unless specified

- GDP slowed to 0.2% in Q1 in part reflecting seasonal factors such as the cold weather.
- Business sentiment and industrial production have been dented by the impact of US tariffs on steel and aluminium, and the potential for a wider trade war with the US.
- Solid employment - 300,000 new jobs created in 2017 - saw unemployment drop in Q1. Employers are beginning to report skill shortages as a factor limiting output.
- Labour market improvements have not yet led to upward pressure on wages – wage growth of 1.7% y/y.

Overview

- In-house logistics of large food retailers continue to play a leading role, confirming the trend seen in recent years. The share of large turn-key schemes has increased the take-up level of new property and explains the rise in take-up outside the four main logistics hubs of the North-South logistics backbone.
- With the national vacancy rate around 5.7%, there is strained supply in certain markets. There is also restricted land supply in the Greater Paris region partly linked to major infrastructure projects such as the Grand Paris project and the 2024 Olympics. All this has led to some rental increases in the more sought-after logistics zones, and have also contributed to maintaining rents in secondary locations. Incentives are slowly being withdrawn – particularly for quality space.
- The continued rise of e-commerce is supporting the strong development potential for urban logistics (2,000 sqm – 5,000 sqm) located around main consumers hubs. With inadequate supply, tenants are often forced to target second-hand obsolescent units. The segment is however, attracting new players given the land's potential value in the medium to long-term and the strategic suburban location of these sites.
- Logistics supply (re) configuration has increased as retailer competition intensifies and beyond redefining their range of services retailers must continue to embrace an omni-channel approach. Standard warehouses are adapting to serve ever more demanding consumers and adapting to automated processes for example.

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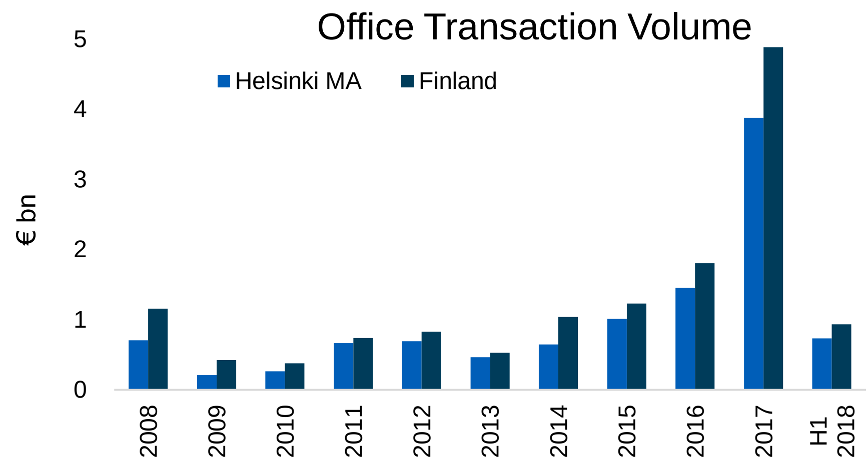
Sources:
Oxford Economics – Country Economic Forecast France 19 June 2018
Knight Frank – France Logistics Report 1H 2018
CBRE – France Logistics, Q1 2018

Finland – Office Market Outlook

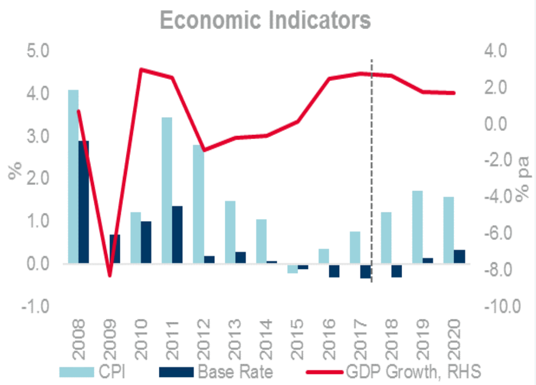
Real Estate Market

- Demand for office premises in the Helsinki CBD is strong and traditional occupiers such as financial, legal and consultancy companies is still common. However, some finance HQ's have moved to the outskirts of the CBD while other types of occupiers in the CBD have started to emerge, such as tech companies.
- Due to high demand and lower vacancy rates, Helsinki CBD rents have been increasing, while other office submarkets have remained stable over the last few years. However, rental growth was evident between H2 2017 and H1 2018 in multiple key office areas due to increased occupier demand, such as Helsinki's CBD, Keilaniemi, and Aviapolis. The overall vacancy remained stable in the HMA in Q2 2018 however, the demand for modern buildings with excellent transport/infrastructure connections has increased.
- The share of the international investors has been increasing rather steadily since 2009. In the HMA office market overseas buyers represented over 80% (€3.2 billion) of transaction in 2017 with new players entering the market, among them were international real estate funds, life insurance companies, and pension funds, such as AEW and CIC.
- Nordic properties have become a popular target for many Asian real estate investors, and other international funds targeting Finnish real estate are expected. In H1 2018 multiple historic deals have been struck, such as the sale of the iconic Bookstore property and the sale of the KPMG HQ in Helsinki. Over €800 million of office transactions have closed in the first half of 2018, which is higher than the €500 million in the same period 2017.

Investment Volume (€ bn)



Economy



- Finland's economy is growing strongly as solid international demand and improving competitiveness help to support exports. GDP growth for 2018 as a whole is expected at 2.7%, similar to last year's performance of 2.8%, which was the strongest since 2010 when the economy expanded by 3.0%.
- Private consumption is expected to positively contribute to GDP performance supported by employment growth and rising income.
- Unemployment is above the EU average, but trending down. It has already reached the lowest level in more than 5 years - attributed to government reforms called 'The Competitiveness Pact'.

Outlook

- The positive economic outlook and increasing private spending suggests rising demand for office space in the future. As most rental agreements are bound to inflation, the rental development of old contracts is expected to increase by around 1% in 2018 and 1.5% in 2019.
- The trend of finding efficient office premises (greater workspace density) is expected to continue going forward. A few years ago the move to efficient premises was mainly driven by cost savings. However, more recently occupiers are not only looking for cost savings, indeed the premises may be more expensive (on a €/sqm basis), but efficient space. The majority of occupiers are looking for open layout or multifunctional offices (premises for silent work, lounges for informal meetings, etc.), which support the efficiency of the premises.
- The strong Finnish economy together with the low interest rates support the market and encourage real estate investments, especially as the low interest environment offers few other investment alternatives.
- In terms of capital growth, the forecast for year-end 2018 is still positive (14.1% increase) supported by a combination of yield compression evidenced in the first half of the year and rental growth. However, in 2019 the capital growth is forecasted to remain stable and turn negative in 2020 as yields rise.

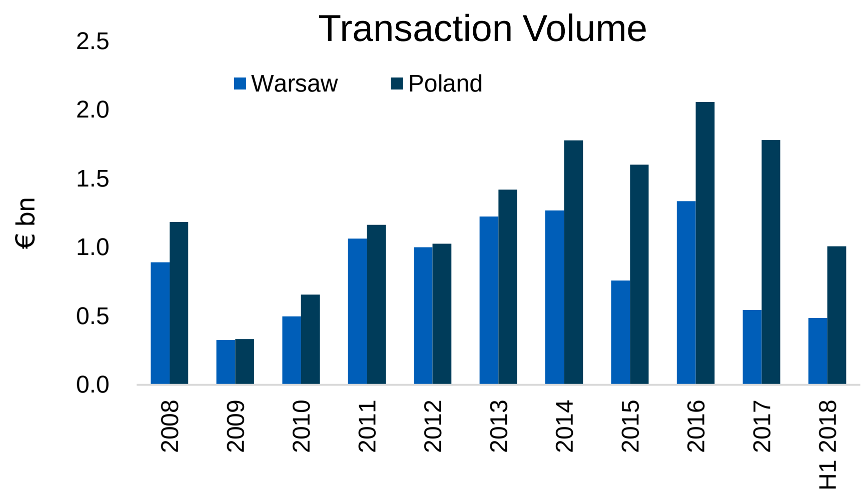
Sources: Cushman & Wakefield, Independent Market Research Report, September 2018

Poland – Office Market Outlook

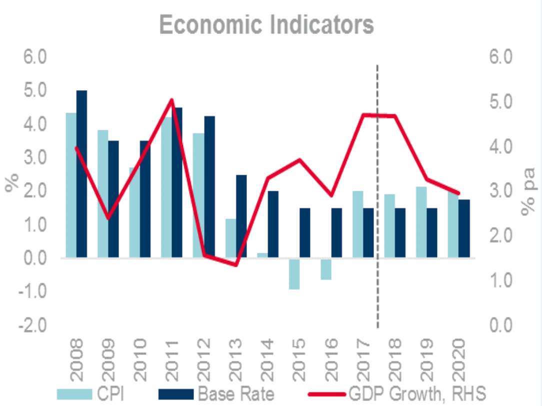
Real Estate Market

- In Poland, Warsaw remains the hub of office activity, although the regional office markets are gathering momentum. With limited new space expected to be delivered, strong demand evident and decreasing vacancy across key cities, rents are expected to show upward momentum over the next 12-18 months.
- Due to the relatively low volume of new office completions over the last 18 months and the limited amount scheduled for delivery in H2 2018 and in 2019 (206,000 sqm), the Warsaw office market is experiencing a short-term supply shortage. most of Warsaw's new office completions in 2020 will secure a pre-let, which should minimise the impact of a peak in new supply and moderate any increase in the vacancy rate.
- In 2017 approximately 62% of the total office volume (or €840 million) involved offices outside Warsaw and 32% (or €432 million) involved older, secondary buildings. Therefore, the liquidity of regional offices may be judged as good in the context of the Polish market but demand for older assets less so, although even here the volume was up 20% on the previous year's €361 million.
- The low availability of prime product combined with healthy demand from international investors has resulted in the compression of yields for prime offices to below 5.00% in Warsaw and approximately 6.00% in the main regional cities. Non-prime products are expected to achieve 7%+ yields or even 8%+ especially for short WAULT (below 5 years) and high vacancy.

Investment Volume (€ bn)



Economy



- The economy expanded by 4.6% in 2017, making it the strongest year since 2011 and well above the Eurozone average of 2.5%.
- Domestic demand is forecast to be the main driver of GDP growth over the medium term with net exports acting as a drag on growth. The outlook is underpinned by strong consumption growth of 4.4% in 2018 before a slight reduction in growth to 3% in 2019, as higher oil prices erode consumer purchasing power.
- The labour market remains very healthy with low unemployment, while inflation remains moderate at a time when EU structural fund spending has increased.

Outlook

- Poland's positive economic outlook coupled with further expansion of business service sector, notably Business Process Offshoring and Shared Service Centres, should support strong leasing activity in Warsaw of more than 750,000 sqm in 2018 and above average take-up (600,000 sqm p.a. over 2008-2017) in both 2019 and 2020.
- Following the 2009 slowdown caused by the GFC gross take-up recorded in Tricity started to increase and over the last three years (2015 – 2017) the annual volume of deals has exceeded 90,000 sqm. However, in H1 2018 total leasing activity was just 26,000 sqm due to the lack of available office space on the market. Nevertheless, given the number of schemes due to complete in remaining part of 2018, the total leasing activity should exceed 60,000 sqm by year end.
- In the near term some upward pressure on prime rents is expected as a result of limited new supply and strong demand. Robust demand for office space is supporting rising capital values particularly in Central Warsaw that is benefitting from both positive rental growth and yield compression. Yields are under pressure across the board given the weight of capital looking to invest in the Polish office sector.

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Sources:
Cushman & Wakefield, Independent Market Research Report, September 2018