YOUR SINGLE-SOURCE SOLUTION

OUTSOURCE TO CBRE'S INVESTMENT ACCOUNTING & REPORTING SOLUTIONS

CBRE

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WHY OUTSOURCE YOUR REAL ESTATE ACCOUNTING & REPORTING SERVICES TO CBRE?

INCREASE FLEXIBILITY AND SCALABILITY

Expand or contract without focusing capital on human infrastructure

- Scale our teams up and down based on your portfolio life cycles
- Seamlessly transition properties in and out of your portfolio
- Execute your investment strategy without staffing constraints

ACCESS INDUSTRY-LEADING TECHNOLOGY SOLUTIONS

Leverage CBRE's significant technology investment to complement your system's strategy without impacting your bottom line

- Incorporate the latest innovations to improve asset operations and performance insights
- Gain global and local expertise in real estate accounting systems with dedicated regional support
- Create robust platforms through proficiency in system integrations and software conversions

ELEVATE INVESTOR CONFIDENCE

Our secure control environment safeguards your assets while you benefit from the accuracy of a independent third-party provider

- Accuracy delivered through mature, industry-tested Policies and Procedures
- SOC1 quality framework validated by independent audit assurance
- Flexible compliance environments to complement your internal controls

REACH YOUR TARGET OPERATING MODEL

Obtain bottom-line savings by minimizing internal audit, IT, and HR support

- Optimize asset profitability by leveraging CBRE's scale, network and relationships
- Drive efficient resource usage through workflow and data management solutions
- Leverage our operations in low-cost and low-tax labor markets

BENEFIT FROM A FULLY-INTEGRATED REAL ESTATE PLATFORM

Incorporate a fully-integrated platform that offers property to fund level services

- Receive a consistent set of services and deliverables no matter where you raise or deploy capital globally
- Trust in a provider that is 100% dedicated to real estate
- Use CBRE's unique end-to-end technology platform with global standards, templates and custom reporting to optimize your operating model and grow your business

FOCUS ON YOUR CORE BUSINESS

Spend more time on your investment strategies by outsourcing to CBRE's proactive and forward-thinking industry experts

- Partner with the world leader in commercial real estate services
- CBRE recruits and retains the accounting industry's top talent
- Build efficiency and consistency within your current platform through our robust operating model and consulting experience

CBRE'S INVESTMENT ACCOUNTING & REPORTING SOLUTIONS

PROPERTY ACCOUNTING

39 COUNTRIES

3,300+ CLIENTS

17,000+ PROPERTIES

1,800+ EMPLOYEES

- Financial Reporting
- Portfolio Consolidations
- Cash Management
- Accounts Payable
- Accounts Receivable
- General Ledger
- Budget and Forecasting
- CapEx Management
- Lease Administration Accounting

FUND ACCOUNTING & ADMINISTRATION

19 COUNTRIES

160+ PRODUCTS

$131B ASSETS UNDER ADMINISTRATION

450+ EMPLOYEES

- Fund Accounting
- SPV/Entity Accounting
- Design & Construction Accounting
- Performance Measurement
- Company Secretarial
- Transfer Agency
- Treasury Services
- Tax Compliance
- Compliance and Regulatory Support
- Data Management Support
- Loan Management/Covenant
- Asset Finance

OUR EXPERIENCE & CAPABILITIES

GLOBAL ACCOUNTING & FINANCIAL REPORTING

Vertically-integrated property and fund level services delivered by real estate accounting experts

- Global expertise managing complex products (open-end, closed-end and separate accounts) in the Americas, EMEA and APAC
- Monthly, quarterly and annual financial reports that are personalized to your needs
- Recording and analysis of general ledger property and fund level transactions

INVESTOR REPORTING & PERFORMANCE MEASUREMENT

Standardized reporting formats and personalized reporting solutions with the dissemination of investor reports and coordination of investor communications

- Established performance metrics platform with adherence to Global Investment Performance Standards (GIPS), including third-party verification
- Flexible performance and investor reporting, including value-add analytics for improved investment decision-making
- Controls executed within a documented compliance environment
- Experience with multiple accounting standards, including U.S. GAAP, IFRS and local country GAAP

TRANSFER AGENCY

Institutional investor services that range from capital call and distribution management to investor register maintenance and compliance support with KYC/AML programs

- Track investor commitments and maintain investor contact and bank account information
- Calculate capital call amounts and units/shares subscribed, including issuing notices in partnership with you
- Calculate distribution amounts and units/shares redeemed quarterly, including issuing notices in partnership with you
- Effect subscription, redemption and/or transfer of units/shares with proper documentation and track shares held by each investor

ACCOUNTS PAYABLE & ACCOUNTS RECEIVABLE

Automated transactional processing solutions to ensure timely and accurate payment, invoice, vendor and tenant processing

- Automated collection and accurate, timely application of tenant receipts
- Workflow enabled AR and AP processing to ensure documented approvals and special handling
- Electronic payment processing
- Vendor administration and 1099 processing

CASH MANAGEMENT

Expedited account establishment, reduced service charges and maximized credit opportunities through core banking processes, in addition to fraud protection and strategic consultation on your treasury initiatives

- Maximize savings and optimize your operations with our strategic master banking relationships
- Bank Account Management – opening, updating and closing of bank accounts
- Online administration and movement of electronic funds
- Fraud management services with support of anti-money laundering programs

COMPLIANCE

Dedicated oversight of your investment entities to ensure regulatory compliance, minimize risk and reduce your audit costs with Service Organization Control reports that are audited by a Big-4 firm

- Supports your Sarbanes Oxley (SOX) reporting requirements
- Standardized global control objectives with Policies & Procedures that ensure a consistent and industry-leading accounting product
- Dedicated team that routinely monitors Policies & Procedures and collaborates with your auditors for mutual success
- Regulatory compliance, including documentation for licensing applications and the preparation of regulatory filings

REIT COMPLIANCE

REIT accounting and administration services, including the on-boarding of new acquisitions, maintenance of accounting transactions, compliance with REIT regulations and tax professional support

- Quarterly and annual REIT report preparation for REIT testing
- Coordination with third-party tax firms to ensure REIT compliance
- Quarterly asset and income testing, leveraging CBRE's internal REIT qualifications checklist

FINANCIAL SYSTEMS

Skillful configuration and deployment of CBRE's industry-leading technology platform for accounting, automation, treasury and analytics solutions with additional expertise in software selection, data conversions and system integration

- Experience in all major real estate systems, including Yardi, MRI and regional solutions, with the unique capability to work in our platform or yours
- Transactional processing including Procure to Pay (P2P), Payscan, COLLECTplus, Angus, PayMode and Avid Xchange
- Smart data management services for timely and reliable data

TRANSITION MANAGEMENT

Dedicated and experienced professionals that lead the strategic development of customized project plans for streamlined, efficient and timely transitions

- Effective on-boarding of people, platform and processes with an additional project management team to lead large and strategic transitions
- Experience with assessing operating models to identify solutions and improve business processes

DIVERSE GLOBAL TALENT

A global community of best-in-class talent with diverse thought, varied backgrounds and broad subject matter expertise, delivering innovative and effective service and technology solutions

- Established global presence and experience: Americas (30+ years), EMEA (20+ years), APAC (10+ years)
- Robust recruitment programs aimed at attracting and engaging top talent
- Extensive platform of training and continuing education programs to promote the highest standards of service in the industry

REAL ESTATE INVESTMENT FUNCTIONS

CBRE supports real estate owners and institutional investment managers by providing the below services (in green), allowing you to focus on your investment strategies that drive superior returns.

LEGEND:

CLIENT FUNCTIONS	FUND LEVEL SERVICES	PROPERTY LEVEL SERVICES

FUND INCEPTION

FUNDRAISING	FUND SET-UP
Strategy & Investment Case	Fund Structuring
Product Marketing	Investor Set-up
LP Prospecting	AML/KYC
LP Due Diligence	Subscription Processing

PORTFOLIO MANAGEMENT

INVESTMENT ACTIVITY	PORTFOLIO MONITORING
Deal Sourcing	Deal Pipeline Monitoring
Transaction Execution (Buy)	Performance Forecasting
Transaction Execution (Sell)	Portfolio Data Collection
Investment Underwriting	Portfolio Analysis
Hold-Sell Analysis	Portfolio Reporting

ASSET MANAGEMENT

PROPERTY MANAGEMENT/ACCOUNTING

Lease Administration	Property Management
Tenant Invoicing	D&C Accounting
Budget & Forecasting	Capital Improvements
Property Accounting & Reporting	

ASSET MANAGEMENT	SUPPORT
Tenancy & Revenue Enhancement	Third-Party Data Aggregation
Cost Control	Asset Performance Metrics
Cash Planning & Forecasting	External Valuation Coordination
CapEx (ROI)	In-Country Asset Finance
External Valuations	
Risk Management	

FINANCIAL MANAGEMENT

FINANCIAL ACCOUNTING

- Financial Consolidation
- Multi-Currency Operations
- Fee Calculations
- Capital Account Allocations
- Capital Calls & Distributions
- Transfer Agency/Share Registers
- Audit Liaison & Controls
- Management Company Accounting

TREASURY

- Cash & Liquidity Management
- Cash Planning & Forecasting
- Banking Relationships
- Financial Risk Management

COMPANY SECRETARIAL

- Corporate Documentation
- Entity Set-Up & Liquidation

TAX

- Tax Books & Records
- Tax Estimates & Filings
- Tax & REIT Compliance

FUND REPORTING

FINANCIAL REPORTING

- Financial Statements
- Fund Performance Metrics
- Industry Data Submissions
- Regulatory Reports
- Fees & Expense Reports
- Other Financial Reports

LP & PORTFOLIO REPORTING

- Performance Benchmarking
- Fund Performance Metrics
- LP Capital Statements
- LP Performance Metrics

INVESTOR INTERFACE

INVESTOR SERVICING

- Investor Communications
- Investor Reporting

REPORT DISSEMINATION

- Extranet Portal
- Input into Client Systems
- Other Integrated Services

CASE STUDIES:
OUR SUCCESS STORIES

The following case studies illustrate how CBRE forms successful partnerships to deliver exceptional outcomes for our clients that have diverse servicing needs and operating models.

PROPERTY ACCOUNTING.....11
Scalable accounting model to accommodate significant transaction volume (acquisition and disposition)

PROPERTY ACCOUNTING.....12
Public REIT acquiring portfolio to double in size

PROPERTY MANAGEMENT & ACCOUNTING.....13
Public REIT takeover, requiring set-up of accounting team, functions and policies and procedures

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Newly launched, closed-end U.S. development fund

FUND ACCOUNTING.....15
Open-ended fund with investments across 10 European countries

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Client shrinking footprint and reducing global infrastructure to focus on core business

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Client seeking reduced risk and better scalability to position for future growth

PROPERTY ACCOUNTING ONLY CASE STUDY

42.8M SF

424 PROPERTIES

45 ACCOUNTING PROFESSIONALS

CHALLENGE

Client A approached CBRE desiring a strategic accounting services partnership with a model that was scalable to their portfolio, consolidating their IT structure and maintaining accurate, reliable financial reporting so the client could better focus on high value investment acquisition and disposition activities. They wanted a global real estate partner with reach and impact beyond accounting functions.

CBRE SOLUTION

- Executed robust recruiting, training and on-boarding program during the transition period while leveraging existing CBRE talent for new business
- Dedicated IT professionals focused on data conversions, testing and customized report creation
- Enhanced deep relationship with client across multiple regions and business lines

VALUE DELIVERED

By relying on CBRE, the client was able to focus on portfolio acquisitions and dispositions, executing over 350 transactions in the two years since the commencement of the partnership.

We made a decision to outsource our property level accounting to CBRE to take advantage of their scalability and platform... we have been able to take full advantage of both. The transitions have gone very well, we have seamlessly transitioned in and out of over 70 million sq.ft. The CBRE team is hard-working and acted as true partners with us on these transitions.

SENIOR VICE PRESIDENT

PROPERTY ACCOUNTING ONLY CASE STUDY

8.2M SF

26 PROPERTIES

15 ACCOUNTING PROFESSIONALS

CHALLENGE

Client B, a publicly traded REIT, acquired 8.2 million sq. ft. in 2015, doubling their existing portfolio size. The client sought a partner to provide accounting services, while they focused on acquisition duties and re-badging the property management team during a very short transition and property close time-frame.

CBRE SOLUTION

- Created a delineation of duties and policy and procedure manual to provide user-friendly guidance on responsibilities, policies and audit controls
- Established a strong communication strategy and training plan to ensure the client's property management team was operational and compliant
- Held ongoing WebEx open forum calls with the property management team followed by summary emails.

VALUE DELIVERED

The client's property management team conveyed positive feedback during and subsequent to the transition, acknowledging CBRE's deep expertise with both accounting and property management functions. This move allowed property management personnel to focus on key relationships with tenants and building operations.

"We engaged CBRE for accounting and reporting services in connection with our $3.5 billion acquisition. The services CBRE provides afford us flexibility and scalability as we continue to grow our business, and we look forward to continuing our relationship."

CHIEF EXECUTIVE OFFICER, PRESIDENT AND CHAIRMAN

PROPERTY MANAGEMENT & ACCOUNTING CASE STUDY

41M SF

146 PROPERTIES

46 ACCOUNTING PROFESSIONALS

CHALLENGE

The client, a publicly traded REIT, partnered with CBRE to provide real estate management and accounting services for their portfolio during the investor-approved hostile takeover of prior management. The client did not have an established accounting team nor policies and procedures.

CBRE SOLUTION

- Implemented controls which supplemented CBRE's standard SOC 1 help to satisfy client's Sarbanes Oxley requirements
- Documented policies, processes and controls and ensured property management and accounting teams fully understood their importance by providing ongoing training and holding monthly WebEx calls
- Attended Audit Committee meetings with newly formed Board of Directors to ensure Board and Investor comfort

VALUE DELIVERED

The client was able to focus on stabilization and strategy while relying upon CBRE to provide timely, quality accounting and financial reporting, including unqualified audit opinions within four months of commencement.

FUND ACCOUNTING CASE STUDY

FUND OVERVIEW

- The fund is structured as closed end U.S. development fund.
- 2 properties in the fund as of Q2 2017.

SCOPE OF SERVICE

- Fund Accounting and Consolidation
- Strong interaction with development team who handles the job cost of the properties
- Preparation of quarterly and annual financial statements
- Maintain capital balance reports for all investors (notices and NAV statements were retained by client, but we mirror transactions by investor in Yardi and ensure we are in sync.)
- Interact and provide supporting schedules to auditors for the annual audit
- Cash management and payments of all fund transactions (including capital calls)
- Inter-company loan administration including interest calculation
- REIT testing and compliance

RELATIONSHIP

Length of Relationship & Current Stage in Contract

Fund Accounting – Started March 2017. This is a newly launched fund that commenced operations December 22, 2015. We captured all activity on our general ledger since commencement of operations.

EMPLOYEE COUNT

Two people are performing services for the fund. The level of service equates to 3/4 full time equivalents (i.e. employees work on multiple products). This will increase as more land/properties are purchased.

VALUE DELIVERED

We account for all transactions and ensure proper adherence to U.S. Fair Value GAAP accounting. Have provided expertise on joint venture accounting and introduced them to capitalization of interest on joint venture investments. Ensured adherence to joint venture documents, outlining discrepancy that client was able to resolve. All fund accounting and administration fees are passed down to the Fund, which is a win for the Investment Manager.

FUND ACCOUNTING CASE STUDY

FUND OVERVIEW

- The fund is structured as an open-ended SICAV SIF under Luxembourg law and is subject to CSSF oversight. Fund is within the scope of AIFMD
- 31 properties in the fund as of Q3 2016, of which 5 are in the UK. The fund has investments across 10 European countries.

SCOPE OF SERVICE

- Fund Consolidation
- Support in preparation of quarterly report to investors
- Regulatory Reporting (AIF reporting CSSF)
- SPV Accounting
- Financial coordination of all service suppliers including managing timelines and deliverables
- Preparation of quarterly and annual reporting templates
- Support in bespoke reporting (performance, investor questions).
- Cash management and payments including invoice handling for all Luxembourg and Netherlands domiciled entities.
- Quarterly review of local GAAP to IFRS bridges as prepared by the local SPV accounting service providers for all countries with exception of UK
- Inter-company loan administration including interest calculation
- Transaction support in the countries (including SPA review, review of acquisition balance sheets/ liaising with local service suppliers).

RELATIONSHIP

Length of Relationship & Current Stage in Contract

- Fund Accounting – 1.5 years
- Property Accounting – 6 years

EMPLOYEE COUNT

12 people are performing services for the fund, located in Germany, France, Czech Republic, Hungary, Luxembourg, Netherlands and Italy. The level of service results in 6 full-time equivalents (i.e. employees work on multiple products).

VALUE DELIVERED

Consistency across multiple service providers, data upload from third-party systems to the fund's Yardi platform and shorter reporting timeline. We work closely with the formal Central Administrator in Luxembourg (BBH), responsible for validation of the open ended funds NAV quarterly. This service delivery structure provides the client with comfort and the ability to have information readily available.

FUND ACCOUNTING LIFT-OUT CASE STUDY

$30B ASSETS UNDER MANAGEMENT

700 PROPERTIES

14 COUNTRIES

170 RE-BADGED IN GLOBAL LIFT-OUT

CHALLENGE

The client wanted to shrink their footprint to become more nimble and increase focus on core investment management activities rather than manage a large, complex global infrastructure handling accounting, reporting and administration.

CBRE SOLUTION

- Extreme focus on HR, Works Councils and related communication to minimize impact to people and generate excitement
- Completed detailed requirements mapping and validation of the client's objectives
- Developed global implementation plan, including eight work streams (Legal & Contract, Process & IT, Migration Logistics, HR, Finance, Facilities, Service Delivery and Communications) to deal with global and local in-country complexity
- Formed joint steering committee, senior leadership committee and robust ongoing program management plan for implementation, including joint review of all major deliverables and communications related to implementation

VALUE DELIVERED

- Global implementation on a single date, with no disruption to financial statement generation or investor reporting
- The client now has a smaller infrastructure focusing on core business, including lower costs
- CBRE retained over 95% of personnel through the re-badge with 5% of legacy client leadership team members and staff earning promotions since the go-live date in July 2015

"The thought of a lift-out/transition to CBRE was tense at first. However, once the process began CBRE did a phenomenal job making me feel like I was part of the team from day one. It's been the greatest move for my career and I really enjoyed the opportunity to be client facing; including working on new client pursuits and serving new third-party clients."

FUND CONTROLLER AND RE-BADGED CLIENT EMPLOYEE

FUND ACCOUNTING LIFT-OUT CASE STUDY

$8B ASSETS UNDER MANAGEMENT

2 COUNTRIES

1,000+ YARDI USERS SUPPORTED

17 RE-BADGED IN GLOBAL LIFT-OUT

CHALLENGE

The client was seeking scalability to manage the ups and downs of their real estate funds and to create a model they could leverage for future growth. The client's model typically involved outsourced fund accounting, but their private real estate business had used an internal model.

CBRE SOLUTION

- Provided a team of real estate and fund accounting experts that could support their business
- Leveraged in-depth Yardi knowledge and experience to create a Yardi support outsourcing model
- Offered an integrated property through fund accounting and investor reporting service offering
- Developed a bespoke solution for the continued use of the clients existing Yardi platform and accounting policies and procedures, while operating as an extension of the client's in-house real estate business

VALUE DELIVERED

- Eliminated headcount and risk associated with in-house personnel
- Provided a scalable accounting team, with the re-badged staff continuing to support the client on a day-to-day basis and ability to support other clients as capacity allows for it
- Opportunity to merge existing internal processes under CBRE's SOC 1 environment

"[We] conducted due diligence on several well-known fund administrators. Our conclusion was that they were good fund accounting shops trying to do real estate; but CBRE was a real estate expert offering fund accounting solutions. The decision was easy."

RE-BADGED MANAGING DIRECTOR

CBRE

INVESTMENT ACCOUNTING & REPORTING SOLUTIONS

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