

TEASER

ABSOLUTE RETURN RESIDENTIAL REAL ESTATE OPPORTUNITIES

RIVA GERMAN ABSOLUTE RETURN FUND

RIVA Asset Management is an active portfolio manager of residential real estate in key German cities. The firm's philosophy is to deliver consistent and attractive risk-adjusted returns through both increasing and decreasing real estate investment cycles. RIVA focuses on preservation and growth of capital. The firm has delivered consistent returns to its investors through its commitment and focus.

The executive team has a combined 60 years experience in German real estate having acquired and sold over €400m and managed over €1bn of residential and commercial real estate across Germany.

RIVA BELIEVES THAT:

- ▶ Investing in German residential with a particular emphasis on Berlin, over the next 10 years will deliver very attractive returns of between 10-12% IRR with a very low risk, particularly when benchmarked with other major European cities.
- ▶ The acquisition of hard assets below replacement cost in Berlin and across other cities of Europe's strongest economy, together with active asset management and condominium conversion provides a unique risk/return proposition.

The firm's competitive advantage stems principally from:

- ▶ Local presence in Berlin and Germany since 2001 and an extensive network of proprietary relationships.
- ▶ Team's depth of experience throughout all phases of this particular strategy: apart from the standard sourcing, acquisition, financing and asset management, its in-house team has significant direct experience of increasing rental performance in residential properties across leading German cities and successfully carrying out condominium conversions and sales, particularly in Berlin.

TEAMS RESIDENTIAL PORTFOLIO EXPERIENCE IN GERMANY



*unaudited. E&Y

FUND DETAILS: Luxembourg SIF-SICAV
(CSSF regulation awaited)

INCEPTION: 2014

MINIMUM INVESTMENT: €1m

TARGET RETURN (NET): 10-12%

MANAGEMENT FEE: 2% on equity

AQUISITION & DISPOSAL FEE: 1.5% > €10m
0.5% - 1%

PERFORMANCE FEE: 20% (7% hurdle,
50% catch-up)

RIVA TRACK RECORD*:

IRR (NET) 10,03%

MULTIPLE 1.85x

**60
YEARS
TEAM
EXPERIENCE**



BOARD:

EMANUELE BONI, CHAIRMAN

Experience includes:

- ▶ Partner of Valore Funds and Jargonant Partners, between 2001-2014, focused on German & European Real Estate
- ▶ Solicitor at Simmons&Simmons (London)
- ▶ Degree in economics from Bocconi and law from Oxford universities
- ▶ Founder/Investor in numerous businesses
- ▶ Columnist for Handelsblatt Global on Real Estate Investing



ARNAUD VAN DER WYCK, VICE CHAIRMAN

Experience includes:

- ▶ Corporate finance and equity capital markets at UBS London
- ▶ Financial Sponsors at Capital Alliance Partners
- ▶ Global business development at MWM multi-family office and Accelerates IT Ventures
- ▶ Masters of Business at Erasmus University, Rotterdam



HUBERTUS MAFFEI, INVESTMENT & PORTFOLIO MANAGEMENT

Experience includes:

- ▶ Real Estate Investment & Asset Management at Babcock & Brown in Germany and Private Equity Partnership in London
- ▶ Finance at Nasdaq & accounting at KPMG
- ▶ BA & Master at Cass University, London



KEY REASONS TO INVEST

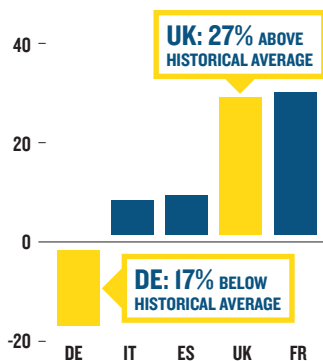
There are both macro and micro economic indicators at play in Germany (and Berlin in particular) that support an attractive investment environment for this opportunity. Germany is the 4th largest economy in the world and the largest European economy with a very positive and stable economic outlook.

The three key reasons to invest in German residential real estate are:

- 1) AFFORDABLE HOUSING** - Housing is more affordable in Germany than elsewhere in the European Community. Prices are still well below historical average.
- 2) STEADY PRICE INCREASE** - Strong potential for price growth in the German property market contrary to elsewhere in the EU due to low absolute value.
- 3) HOUSING SUPPLY SHORTAGE** - Number of completed apartments per German citizen is 43% below EU average creating a supply/demand imbalance.

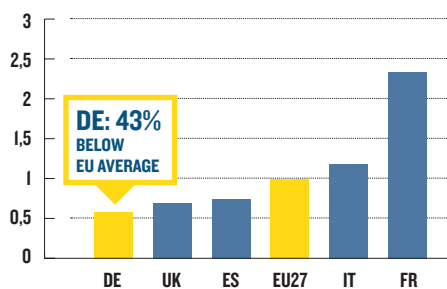
PURCHASE (AFFORDABILITY)

Ratio: Housing Price / Income per Capita
Deviation from historical average - 2013



HOUSING DEVELOPMENT INTENSITY

Index of the number of completed apartments per 1000 citizens 2012 · EU27=1



Source:
- National Statistical Offices/Euromonitor International, calculated by Deloitte
- International Monetary Fund (IMF)_Global Housing Watch

The three key reasons to invest in Berlin are:

- 1) POPULATION GROWTH** - Berlin has experienced 10 years of consistent positive immigration and the trend is expected to continue.
- 2) INCREASE IN HOME OWNERSHIP RATE** - Home ownership in Germany has historically been amongst the lowest in Europe and the Berlin home ownership rate is one of the lowest in Germany. This historical preference is being reversed.
- 3) SHORTAGE OF AVAILABLE APARTMENTS** - Significant shortage of available apartments and continued scarcity expected due to low construction rate and population growth.

INVESTMENT PHILOSOPHY AND STRATEGY

RIVA acquires residential buildings in the city centre of key German cities with a particular focus on Berlin. RIVA identifies and acquires assets below replacement cost and applies an active asset management strategy which includes implementation of condominium conversion process, refurbishment, asset improvement, redevelopment, increase the rental performance, sale to retail investors & owner occupiers and converts office to residential and in limited cases opportunistic new development. This strategy enables RIVA to deliver value-add returns with core plus risk.

RIVA is ultimately generating value for investors by acquiring buildings at wholesale prices (below replacement value) and selling apartments at retail prices.

RIVA ASSET MANAGEMENT SARL

Mr Emanuele Boni – Chairman

boni@rivaam.com

Tel: 00352 2088 0121

Mobile: +44 777 5656 870

Luxembourg Office

16, Avenue Pasteur, Luxembourg 2310

CAPITAL PROVIDER
RELATIONSHIPS:



FUND SERVICE
PROVIDERS:



INVESTMENT CASE STUDY



INVESTMENT CASE STUDY

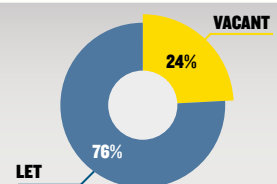
The Building features: built in 1909, located in an upcoming area of South Berlin ("Kreuzkölln"), comprises 43 residential units for a total of 3.070 sqm.

The Strategy: partial refurbishment of units and common areas, empty flats in order to sell at higher prices, refinancing specific for condominium conversion, re-sale of 43 individual units to private investors and owner occupiers.

SALE STRATEGY

UNIT PRICE
LET → 24-27 multiplier
VACANT → 2.500 – 2.700 €/m²

STATE OF UNITS



BÜRKNER STR. 2-3 Berlin – Neukölln/Kreuzberg

INVESTMENT DATE 01.014

INVESTMENT TYPE Residential

EXIT DATE 2014

MANAGEMENT FEE: 2% < €75m equity

PURCHASE PRICE € 4.321.500 (€1.407/sqm)
INVESTED (CAPEX INCL.) € 4.921.500 (€1.602/sqm)

CAPEX € 600.000 (€195/sqm)

EXIT PRICE € 6.756.001
(€ 2.201/sqm)

ROE (AFTER TAX) 50,30%

EQUITY MULTIPLE 1.50x