

## **Disclaimers**

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Union's Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the "**AIFMD**") as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

### ***Netherlands***

The units of LaSalle LOGIPORT REIT ("**LLR**" or the "**AIF**") are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the "**Wft**"). In accordance with this provision, LaSalle REIT Advisors K.K. ("**LRA**", the "**Asset Manager**" or the "**AIFM**") has submitted a notification with the Netherlands Authority for the Financial Markets. The units of LLR will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Wft, and as a consequence neither the AIFM nor the AIF is subject to the license requirement pursuant to the Wft. Consequently, neither the AIFM nor the AIF is subject to supervision of the Dutch Central Bank (*De Nederlandsche Bank*, "**DNB**") or the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**") and this Article 23 AIFMD prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the European Directive 2003/71/EC as amended and implemented in Netherlands law. The AIFM is solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

### ***United Kingdom***

Units of LLR are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, LRA has submitted a notification of intention to market an alternative investment fund to the Financial Conduct Authority (the "**FCA**") in the United Kingdom.

For the purposes of the United Kingdom's Financial Services and Markets Act 2000 ("**FSMA**"), LLR is an unregulated collective investment scheme which has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in LLR may be made to persons in the United Kingdom only if the communication falls within one or more of the categories of exempt financial promotions under the Financial Services and Markets Act (“**Financial Promotion**”) Order 2005 (the "**Order**"), such as financial promotions communicated to:

- (1) persons who are investment professionals, as defined in article 19 of the Order;
- (2) persons who are high net worth companies, unincorporated associations, or other entities listed in article 49 of the Order; or
- (3) such persons to whom this document may otherwise lawfully be communicated,

or if the communication is made to persons to whom such an invitation or inducement may otherwise lawfully be communicated. The distribution of this document to any person in the United Kingdom in circumstances not falling within one of the above categories is not permitted and may contravene FSMA. No person falling outside those categories should treat this document as constituting a promotion to him, or act on it for any purposes whatever.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) no offer of units of LLR may be made to the public in that Relevant Member State except in circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of units shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, or a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of units to the public" in relation to any units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the units to be offered so as to enable an investor to decide to purchase or subscribe the units, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Article 23 (1)(a)	
Objectives of the AIF	<p>LLR intends to build a high-quality portfolio with a focus on prime, high-functionality specification logistics facilities, which are located in areas well suited to logistics operations and have a gross floor areas of approximately 16,500 m<sup>2</sup> or more. LLR aims to acquire and operate a portfolio comprised of logistics facilities located in the Tokyo and Osaka areas.</p> <p>Through the support of LaSalle Investment Management Japan K.K. (the “<b>Sponsor</b>”), LaSalle Investment Management Inc. and its subsidiaries (collectively the “<b>LaSalle Group</b>”), a global and fully integrated real estate investment manager, LLR plans to leverage the LaSalle Group's global investment perspective as well as its extensive experience of investing in and developing logistics facilities in Japan. LLR aims to achieve steady growth in its cash flow and asset value over the long term.</p>
Investment strategy	<p>LLR plans to pursue its investment objective of building a high-quality portfolio with a focus on prime logistics facilities located in the Tokyo and Osaka areas through a combination of external and internal growth strategies. More specifically, LLR seeks to achieve continued external growth through diverse acquisition channels including those provided by the LaSalle Group as well as to maintain and improve the quality of portfolio by leveraging the LaSalle Group's expertise.</p>
Types of assets the AIF may invest in	<p>Real estate, trust beneficiary interests in real estate and other real estate related assets, real estate securities, specified assets such as deposits and securities and other assets.</p>
Techniques it may employ and all associated risks	<p>See above for a discussion regarding the techniques LLR plans to employ in its business.</p> <p>The principal property and business risks with respect to investment in LLR are as follows:</p> <ul style="list-style-type: none"> <li>• LLR has a limited operating history.</li> <li>• The Asset Manager has limited experience in operating a J-REIT.</li> <li>• LLR's financial forecasts and other targets are necessarily speculative and subject to uncertainties.</li> <li>• Any adverse conditions in the Japanese economy could adversely affect LLR.</li> <li>• LLR's strategy of investing in logistics facilities may entail risks uncommon to other J-REITs that invest in a broader range of real estate or real estate-related assets.</li> <li>• LLR may not be able to acquire properties to execute its growth and investment strategy in a manner that is accretive to earnings, and the scope of the pipeline support provided by the Sponsor is limited to the provision of information at the Sponsor's discretion.</li> <li>• Illiquidity in the real estate market may limit LLR's ability to grow or adjust its portfolio.</li> <li>• The past experience of the LaSalle Group in the Japanese real estate market is not an indicator or guarantee of LLR's future results.</li> <li>• LLR's reliance on the Sponsor and other LaSalle Group companies could have a</li> </ul>

material adverse effect on its business.

- There are potential conflicts of interest between LLR and certain LaSalle Group companies, including the Asset Manager, Sponsor funds and other Jones Lang LaSalle (“JLL”) group companies.
- LLR faces significant competition in seeking tenants and it may be difficult to find replacement tenants.
- LLR's properties may cater to a single tenant, making it difficult to find replacement tenants.
- Increases in prevailing market interest rates, including as a result of the Bank of Japan's additional monetary easing, could increase LLR's interest expenses and may result in a decline in the market price of its units.
- LLR's portfolio contains several large properties comprising a large proportion of the portfolio by acquisition price, which could have an adverse effect on its business, financial condition and results of operation.
- LLR may suffer large losses if any of its properties incurs damage from a natural or man-made disaster or in the event of an accident or disaster stemming from faulty installation or age-related deterioration.
  - Damage to any one or more of the properties in LLR’s portfolio, due to natural disaster, such as a flood, earthquake, or tsunami, or due to a man-made disaster, such as a fire or accident, could adversely affect LLR’s business, and financial conditions, and result in a decline in operating results. For example, Japan is earthquake-prone and has historically experienced numerous large earthquakes that have resulted in extensive property damage, such as the Great East Japan Earthquake in 2011, which resulted in a tsunami and leakage of radioactive material at the Fukushima nuclear power plants. Furthermore, tenants or the infrastructure and access to LLR properties may be adversely affected by any natural disaster, causing tenants to leave properties or seek lower rents.
  - In addition, LLR may be required to compensate its tenants or third parties in the event of an accident or disaster at any of its properties stemming from any faulty installation or age-related deterioration, such as an elevator accident or water leakage, that results in injury, death or other damage to tenants or third parties.
  - To the extent reasonably available, LLR intends to carry casualty insurance covering all of its properties for many types of casualty losses with policy specification and insured limits that LLR believes are adequate and appropriate under the current circumstances. In particular, LLR will consider obtaining earthquake insurance coverage for those properties with a PML due to an

earthquake, exceeding 15%, which currently does not apply to any of the properties within the existing portfolio of assets under management.

- Any property defect may adversely affect LLR's financial condition and results of operation.
- LLR's portfolio contains certain properties located on reclaimed land, which is subject to unique risks, including land liquefaction.
- The properties in LLR's portfolio are concentrated in the Tokyo area, and it may have additional property concentration in the Osaka area in the future.
- LLR may decide to acquire its own units on the market but there can be no assurance that LLR will successfully acquire such units to the extent planned or at all or be able to cancel or dispose of any such units in a manner beneficial to LLR.
- Any inability to obtain financing for future acquisitions could adversely affect the growth of LLR's portfolio.
- Liquidity and other limitations on LLR's activities under debt financing arrangements may adversely affect the business, financial condition, and results of operation.
- LLR's policy to make distributions to unitholders in excess of retained earnings is subject to a number of uncertainties.
- LLR may invest in properties that are under development or those with low occupancy, and such investments may subject LLR to various risks.
- Acquisition of land in which third parties hold leasehold interests and own the buildings on the land may subject LLR to various risks.
- A high LTV ratio may increase exposure to changes in interest rates and have a material adverse effect on results of operations.
- LLR may suffer impairment losses relating to its properties.
- Decreases in tenant leaseholder deposits and/or security deposits may increase LLR's funding costs.
- LLR's lack of control over operating costs may adversely affect its business.
- LLR may lose rental revenues in the event of lease terminations, decreased lease renewals, or the default of a tenant as a result of financial difficulty or insolvency, and is exposed to the risk of careless or imprudent management of properties by tenants.
- Master lease agreements expose LLR to certain risks.
- The cost of complying with regulations applicable to LLR's properties could adversely affect the results of its operations.
- LLR relies on expert appraisals and engineering, environmental and seismic reports, which are subject to significant uncertainties.
- LLR relies on industry and market data that are subject to significant uncertainties.
- LLR's buildings may violate earthquake resistance or other building codes, and any such buildings may collapse in even minor earthquakes or may be required to be

strengthened or demolished by LLR at significant expense.

- The environmental assessments of properties made prior to ownership may not uncover all environmental liabilities, and Japanese laws subject property owners to strict environmental liabilities.
- LLR may incur additional costs due to preferential purchase rights, rights of first refusal or other similar rights held by lessees or tenants.
- Entering into forward commitment contracts or contracts to purchase properties under development may expose LLR to contractual penalties and market risks.
- LLR may be exposed to regulatory and financial risks related to climate change.
- LLR's success depends on the performance of service providers to which LLR is required to assign various key functions.
- LLR's performance depends on the efforts of key personnel of the Asset Manager.
- Unitholders have limited control over changes in LLR's investment policies.
- J-REITs and their asset managers are subject to tight supervision by the regulatory authorities.
- LLR's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify itself from certain taxation benefits and significantly reduce cash distributions to its unitholders.
- If the Japanese tax authorities disagree with the interpretations of the Japanese tax laws and regulations LLR used for prior periods, LLR may be forced to pay additional taxes for those periods.
- LLR may not be able to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs.
- Changes in Japanese tax laws may significantly increase the LLR's tax burden.
- LLR expects to be treated as a "passive foreign investment company" for U.S. federal income tax purposes.
- Unitholders may be subject to U.S. Foreign Account Tax Compliance Act ("FATCA") withholding tax.

The principal legal and regulatory risks with respect to investment in LLR are as follows:

- LLR's ownership rights in some properties may be declared invalid or limited.
- LLR may lose its rights in a property LLR intended to acquire if the purchase of the property is characterized as a secured financing.
- LLR's leasehold or subleasehold rights may be terminated or may not be asserted against a third party in some cases.
- Some of LLR's properties may be held in the form of a property or trust co-ownership interest, and LLR's rights relating to such properties may be affected by the intentions of other co-owners.
- LLR may hold interests in some properties through preferred shares of Japanese special

	<p>purpose companies (<i>tokutei mokuteki kaisha</i>) in the future, and illiquidity in the market for such shares may limit LLR's ability to sell its interest, and the rights relating to the properties held by such special purposes companies may be limited.</p> <ul style="list-style-type: none"> <li>• LLR may hold interests in some properties through Japanese anonymous association (<i>tokumei kumiai</i>) agreements. LLR may have difficulty selling such interests due to limited market liquidity for such interests, and LLR's rights relating to such properties may be limited.</li> <li>• LLR owns all of its properties through trust beneficiary interests and may suffer losses as a trust beneficiary.</li> <li>• There are important differences regarding the rights of unitholders in a J-REIT compared to those of shareholders in a corporation.</li> <li>• The AIFMD may negatively affect LLR's ability to market its units within the European Economic Area ("<b>EEA</b>") and increase compliance costs associated with the marketing of LLR's units in the EEA.</li> <li>• LLR's units may be deemed to constitute "plan assets" from a United States Employee Retirement Income Security Act ("<b>ERISA</b>") perspective, which may lead to the rescission of certain transactions, tax or fiduciary liability and it being held in violation of ERISA requirements.</li> </ul>
<p>Any applicable investment restrictions</p>	<p>LLR is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the "<b>ITA</b>"), the Financial Instruments and Exchange Act (the "<b>FIEA</b>") as well as its articles of incorporation.</p> <p>LLR must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights (<i>chijō-ken</i>) (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary interests for securities or real estate, leaseholds of real estate or surface rights.</p> <p>Furthermore, a listed J-REIT must invest substantially all of its assets in real estate, real estate-related assets, and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but are not limited to, anonymous association (<i>tokumei kumiai</i>) interests for investment in real estate. A J-REIT that lists its units on the Tokyo Stock Exchange must also comply with the Investment Trusts Association, Japan rules, which require the J-REIT to invest more than 50% of its assets in real estate and asset backed securities investing primarily in real estate, which include, but are not limited to, real estate, leaseholds of real estate, surface rights or trust beneficiary interests for real estate, surface rights or leaseholds of land. Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances.</p>

	The basic investment policy of LLR is set out in LLR's articles of incorporation. Moreover, the Asset Manager has established investment guidelines to provide a more detailed framework based on this basic policy.
Circumstances in which the AIF may use leverage	LLR may take out loans or issue long-term or short-term corporate bonds for the purpose of investing in properties, conducting repairs, paying cash distributions, repaying obligations (including repayment of tenant leasehold or security deposits, and obligations related to loans or long-term or short-term corporate bonds) and other activities.
The types and sources of leverage permitted and associated risks	LLR currently has outstanding loans or corporate bonds, all of which are unsecured and not subject to guarantees. LLR may violate restrictive covenants contained in the loan agreements LLR executes, such as the maintenance of debt service coverage or loan-to-value ratios, which may entitle the lenders to require LLR to collateralize the properties or demand that the entire outstanding balance be paid. LLR may also become subject to additional restrictive covenants in connection with any future indebtedness that may restrict the operations and limit the ability to make cash distributions to unitholders, to dispose of the properties or to acquire additional properties. Further, in the event of an increase in interest rates, to the extent that LLR has any debt with unhedged floating rates of interest or LLR incurs new debt, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit the capacity for short- and long-term borrowings, which would in turn limit the ability to acquire properties, and could cause the market price of the units to decline.
Any restrictions on leverage	The maximum amount of each loan and corporate bond issuance will be one trillion yen, and the aggregate amount of all such debt will not exceed one trillion yen.
Any restrictions on collateral and asset reuse arrangements	No applicable arrangements.
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	LLR will seek to keep its LTV ratio at a conservative level and have set a non-binding upper limit of 60% in principle in order to facilitate stable financial conditions, and LLR intends to maintain an LTV ratio at or below approximately 50% under ordinary circumstances. LLR may, however, temporarily exceed such levels as a result of new investments, changes in asset valuation or other events.
<b>Article 23(1) (b)</b>	
Procedure by which the AIF may change its investment strategy / investment policy	Amendment of the articles of incorporation. Amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at a general unitholders meeting. Unitholders should note, however, that under the ITA and LLR's articles of incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where contrary proposals are also being submitted. Additionally, the guidelines of the AIFM, which provide more detailed policies within LLR's



	overall investment strategy, can be modified without such formal amendment of the articles of incorporation.
<b>Article 23(1) (c)</b>	
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	<p>LLR has entered into the following asset management agreement, sponsor support agreement and trademark license memorandum with the Asset Manager and the Sponsor, each of which is governed by Japanese law:</p> <ul style="list-style-type: none"> <li>• Asset Management Agreement dated March 29, 2019 between LLR and LaSalle REIT Advisors K.K.;</li> <li>• Sponsor Support Agreement dated December 21, 2015 between LaSalle REIT Advisors K.K. and LaSalle Investment Management Inc;</li> <li>• Trademark License Memorandum dated November 27, 2015 between LLR and LaSalle Investment Management Inc;</li> <li>• Business Operations Support Agreement dated January 1, 2019 between LaSalle REIT Advisors K.K. and LaSalle Investment Management Inc;</li> </ul>
<b>Article 23(1) (d)</b>	
The identity of the AIFM, AIF's depository, auditor and any other service providers and a description of their duties and the investors' rights thereto	<ul style="list-style-type: none"> <li>• AIFM (Asset Manager): LaSalle REIT Advisors K.K.</li> <li>• Auditor: PricewaterhouseCoopers Aarata LLC</li> <li>• Custodian, Transfer Agent, General Administrator, Special Account Manager and General Administrator for Investment Corporation Bonds: Sumitomo Mitsui Trust Bank, Limited</li> <li>• General Administrator for Investment Corporation Bonds: MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd.</li> </ul> <p>Service providers owe contractual obligations under their respective agreements with the AIF or AIFM, as the case may be. In addition, the FIEA provides that the Asset Manager owes the AIF a fiduciary duty and must conduct its activities as the asset manager in good faith.</p> <p>The FIEA also prohibits the Asset Manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the Asset Manager that are contrary to or violate the AIF's interests.</p> <p>Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.</p>

<b>Article 23(1) (e)</b>	
Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)	Not applicable.
<b>Article 23(1) (f)</b>	
Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	<p>Not applicable.</p> <p>There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities.</p>
<b>Article 23(1) (g)</b>	
Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing	<p>LLR makes investment decisions based on the valuation of properties, upon consideration of the property appraisal value.</p> <p>LLR shall evaluate assets in accordance with its article of incorporation. The methods and standards that LLR uses for the evaluation of assets shall be based on ITA and other regulations stipulated by ITA as well as Japanese GAAP. J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price valuation.</p>

hard-to-value assets	
<b>Article 23(1) (h)</b>	
Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors	<p>The AIFM stipulates basic provisions of risk management in its risk management rules.</p> <p>Additionally, the AIF uses various financing methods, including investment corporation bonds and long-term or short-term loans, to finance acquisitions and repayment obligations. LLR controls related risk by seeking to maintain its LTV ratio under a certain percentage, diversifying repayment deadlines, and retaining a certain amount of highly liquid cash and deposits.</p> <p>For floating rate borrowings exposed to the risk of interest rate fluctuations, LLR closely monitors the movement of interest rates, and intends to increase the proportion of its obligations subject to fixed rate loans and similar instruments.</p> <p>Risks related to deposits are managed through the use of liquid deposits.</p> <p>As LLR is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.</p>
<b>Article 23(1) (i)</b>	
Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors	<p><u>Compensation</u>: The articles of incorporation provide that LLR may pay its executive officer up to 800 thousand yen per month and each of its supervisory officers up to 800 thousand yen per month. The board of officers is responsible for determining a reasonable compensation amount for the executive officer and each of the supervisory officers.</p> <p><u>Asset Manager</u>:</p> <ul style="list-style-type: none"> <li>• Asset Management Fee: LLR will pay the Asset Manager an asset management fee as follows: <ul style="list-style-type: none"> <li>○ Type 1 Asset Management Fee: Asset-based fee</li> </ul> <p>This type 1 asset management fee of up to 0.22% per year of LLR's total assets (as stated in balance sheet at the end of the immediately preceding fiscal period approved by LLR's board of directors in accord with the ITA; provided, however, that in the case the quarter period for which the type 1 management fee is paid is a latter half of a fiscal period, the sale price of the assets acquired during the first half of such fiscal period (the sale price as stated in the purchase and sales agreement in case of acquisition by sales; the appraisal</p> </li> </ul>

price of the asset acquired in case of acquisition by asset exchange; the amount of investment as stated in the investment agreement in case of acquisition by capital investment; or the amount of the assets recorded as assets (not including the ancillary expenses) in accordance with the Accounting Standard for Business Combination in case of acquisition by merger; provided, however, that the consumption tax and local consumption tax shall be excluded) shall be added, and the book value of the assets (as stated in the balance sheet as of the end of the immediately preceding fiscal period) disposed during the first half of such fiscal period (in case that the assets are not listed in the balance sheet as of the end of the immediately preceding fiscal period, the acquisition price) shall be subtracted) is payable by us within three month of the end of each quarter period.

- Type 2 Asset Management Fee: Operating income-based fee

LLR pays to the Asset Manager a type 2 management fee for each fiscal period of up to 5.8% of the amount calculated by adding the depreciation, the deferred assets amortization and the disposition and appraisal loss (excluding those recognized as extraordinary loss) to, and subtracting the disposition and appraisal gain (excluding those recognized as extraordinary gain) from such period's ordinary income before deducting (i) the type 2 and 3 management fee and (ii) non-deductible consumption tax etc. The type 2 management fee is payable by LLR within three months of the end of the fiscal period.

- Type 3 Asset Management Fee: EPU-based fee

LLR pays to the Asset Manager a type 3 management fee for each fiscal period of up to 0.026% of the total amount of the type 1 and 2 management fee multiplied by the EPU after adjustment. The EPU after adjustment is calculated by dividing the current net income of the fiscal period before deducting (i) the type 2 and 3 management fee and (ii) non-deductible consumption tax etc. by the number of LLR's issued and outstanding units as of the end of the fiscal period.

- Type 4 Asset Management Fee: Acquisition/Disposition Fee

LLR pays to the Asset Manager a fee for each acquisition/disposition of an asset-related property of up to 1.0% of the sale price (the sale price as stated in the purchase and sales agreement in case of acquisition/disposition by sales; the appraisal price of the asset LLR acquired/disposed in case of acquisition/disposition by asset exchange; or the amount of investment as stated in the investment agreement in case of acquisition/disposition by capital investment; provided, however, that the consumer tax and local consumption tax and the expense for the acquisition/disposition shall be excluded). The type 4 management fee is payable by LLR by the end of the second month following the month of each acquisition/disposition.

- **Type 5 Asset Management Fee: Merger Fee**

LLR pays to the Asset Manager a type 5 management fee, for services related to each of LLR's consolidation-type/absorption-type merger (not limited to absorption-type mergers where LLR survives such merger, but including mergers where LLR extinguishes pursuant to the merger) including investigation and evaluation of the assets of the counter party, of up to 1.0% of the aggregated appraisal amount, as of the effective date of the merger, of a party's assets to be transferred to an established or surviving entity pursuant to the merger. The type 5 management fee is payable by LLR within three months of the effective date of merger.

Custodian:

- **Custodian Fee:** LLR will pay the Custodian a fee per operational period calculated as follows:

the amount of total assets as of the last day of the month immediately preceding the relevant calendar month recorded on the trial balance sheet  $\times 0.03\% \div 12$  (any amount less than ¥100,000 shall be deemed to be ¥100,000)

General Administrators:

- **General Administrators Fee:** LLR will pay the General Administrators a fee per operational period calculated as follows:

the amount of total assets as of the last day of the month immediately preceding the relevant calendar month recorded on the trial balance sheet  $\times 0.09\% \div 12$  (any amount less than ¥100,000 shall be deemed to be ¥100,000)

Transfer Agent:

- **Transfer Agent Fee (Standard Fee):**

Standard fees are for services such as administration of the unitholders' register, confirmation of unitholders in certain days, compilation of statistical data and arrangement of data of unitholder disqualified. The monthly amount for such standard fee is equal to the total amount calculated in the manner below, provided that the minimum monthly amount is set at ¥210,000.

Number of Unitholders	Fees per Unitholder
first 5,000 unitholders	86 yen
over 5,000 to 10,000	73 yen

	<table border="1"> <tr> <td>over 10,000 to 30,000</td> <td>63 yen</td> </tr> <tr> <td>over 30,000 to 50,000</td> <td>54 yen</td> </tr> <tr> <td>over 50,000 to 100,000</td> <td>47 yen</td> </tr> <tr> <td>over 100,000</td> <td>40 yen</td> </tr> </table> <ul style="list-style-type: none"> <li>• Other fees: LLR pays the transfer agent other fees for various other services, including in connection with the issuance of dividends.</li> </ul> <p><u>Auditor:</u></p> <ul style="list-style-type: none"> <li>• Auditor Fee: LLR may pay the independent auditor up to 20 million yen per fiscal period. The board of officers is responsible for determining the actual compensation amount.</li> </ul> <p>The AIF may also incur other miscellaneous fees in connection with the issuance of units, investment corporation bonds and the operation, acquisition or disposition of properties.</p>	over 10,000 to 30,000	63 yen	over 30,000 to 50,000	54 yen	over 50,000 to 100,000	47 yen	over 100,000	40 yen
over 10,000 to 30,000	63 yen								
over 30,000 to 50,000	54 yen								
over 50,000 to 100,000	47 yen								
over 100,000	40 yen								
<b>Article 23(1) (j)</b>									
Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM	Under Article 77 paragraph 4 of the Act on Investment Trusts and Investment Corporations of Japan, which applies the requirements of Article 109 paragraph 1 of the Companies Act to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number of units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.								
<b>Article 23(1) (k)</b>									
The latest annual report referred to in Article 22(1)	Additional information may be found in LLR's most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the AIFM's office located at Otemachi Nomura Building, 8th Floor, 1-1 Otemachi 2-chome, Chiyoda-ku, Tokyo, Japan.								
<b>Article 23(1) (l)</b>									
The procedure and conditions for the	LLR is authorized under the articles of incorporation to issue up to 10,000,000 units. LLR's units have been listed on the Tokyo Stock Exchange since February 17, 2016. Secondary								

issue and sale of the units	market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote.																								
<b>Article 23(1) (m)</b>																									
Latest net asset value of the AIF or latest market price of the unit or share of the AIF	LLR's unit's latest market price is publicly available at the Tokyo Stock Exchange or from financial information vendors (including Reuters, which can be viewed at <a href="https://www.reuters.com/finance/stocks/overview/3466.T">https://www.reuters.com/finance/stocks/overview/3466.T</a> ).																								
<b>Article 23(1) (n)</b>																									
Details of the historical performance of the AIF, where available	<p>The units of LLR were listed on the Tokyo Stock Exchange on February 17, 2016. The most recent five fiscal periods' performance of LLR is as follows.</p> <table border="1" data-bbox="384 913 1465 1742"> <thead> <tr> <th>Fiscal period</th> <th>Total Assets (JPY million)</th> <th>Total Net Assets (JPY million)</th> <th>Net Assets per unit (JPY)</th> </tr> </thead> <tbody> <tr> <td>2nd Fiscal Period (September 1, 2016 to February 28, 2017)</td> <td>172,144</td> <td>108,901</td> <td>99,001</td> </tr> <tr> <td>3rd Fiscal Period (March 1, 2017 to August 31, 2017)</td> <td>183,842</td> <td>108,416</td> <td>98,560</td> </tr> <tr> <td>4th Fiscal Period (September 1, 2017 to February 28, 2018)</td> <td>183,842</td> <td>108,343</td> <td>98,494</td> </tr> <tr> <td>5th Fiscal Period (March 1, 2018 to August 31, 2018)</td> <td>199,373</td> <td>108,309</td> <td>98,462</td> </tr> <tr> <td>6th Fiscal Period (September 1, 2018 to February 28, 2019)</td> <td>200,670</td> <td>108,190</td> <td>98,355</td> </tr> </tbody> </table>	Fiscal period	Total Assets (JPY million)	Total Net Assets (JPY million)	Net Assets per unit (JPY)	2nd Fiscal Period (September 1, 2016 to February 28, 2017)	172,144	108,901	99,001	3rd Fiscal Period (March 1, 2017 to August 31, 2017)	183,842	108,416	98,560	4th Fiscal Period (September 1, 2017 to February 28, 2018)	183,842	108,343	98,494	5th Fiscal Period (March 1, 2018 to August 31, 2018)	199,373	108,309	98,462	6th Fiscal Period (September 1, 2018 to February 28, 2019)	200,670	108,190	98,355
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<b>Article 23(1) (o)</b>																									
Identity of the prime broker, any material	No applicable prime broker.																								

<p>arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depository on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist</p>	
<p><b>Article 23(1) (p)</b></p>	
<p>Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5)</p>	<p>The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through the AIF Internet website and fiscal report.</p>
<p><b>Article 23(2)</b></p>	
<p>The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depository to contractually discharge itself of liability in</p>	<p>Not applicable.</p>



accordance with Article 21(13)	
The AIFM shall also inform investors of any changes with respect to depositary liability without delay	Not applicable.
<b>Article 23(4)(a)</b>	
Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned	There are no assets that are subject to special arrangements arising from their illiquid nature.
Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements	There are no such special arrangements.
Valuation methodology applied to assets which are subject to such arrangements	There are no such special arrangements.

<p>How management and performance fees apply to such assets</p>	<p>There are no such special arrangements.</p>
<p><b>Article 23(4)(b)</b></p>	
<p>Any new arrangements for managing the liquidity of the AIF</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>
<p>For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (i.e. there is a substantial likelihood that a reasonable</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>

<p>investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).</p>	
<p>Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>
<p>Overview of changes to liquidity arrangements, even if not special arrangements</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>
<p>Terms of redemption and circumstances where management discretion applies, where relevant</p>	<p>LLR is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.</p>

<p>Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included</p>	<p>There are no voting or other restrictions on the rights attaching to units.</p>
<p><b>Article 23(4)(c)</b></p>	
<p>The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks</p>	<p>The AIFM stipulates basic provisions of risk management in their risk management rules.</p> <p>Investment corporation bonds and long-term or short-term loans are used to finance acquisition of real estate, redemption of investment corporation bonds and repayment of loans. These financial instruments are exposed to liquidity risk. LLR controls such risk by seeking to maintain its LTV ratio under a certain percentage, diversifying repayment deadlines, and retaining a certain amount of highly liquid cash and deposits.</p> <p>For floating rate borrowings exposed to the risk of interest rate fluctuations, LLR, in order to reduce the impact caused by rising interest rates, closely monitors the movement of interest rates, and intends to increase the ratio of fixed rate loans compared to floating rate loans.</p> <p>Deposits are exposed to credit risks, including collapse of the financial institutions where deposits are made, and, thus, are managed through the use of liquid deposits.</p>
<p>Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed</p>	<p>No such measures have been implemented.</p>
<p>If risk limits set by the AIFM have been or are likely to be exceeded and where these risk</p>	<p>No such situation has occurred.</p>

<p>limits have been exceeded a description of the circumstances and the remedial measures taken</p>	
<p><b>Article 23(5)(a)</b></p>	
<p>Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF.</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>

<p>Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted</p>	<p>No such right or guarantee exists.</p>
<p>Details of any change in service providers relating to the above.</p>	<p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>
<p><b>Article 23(5)(b)</b></p>	
<p>Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods</p>	<p>The aggregate amount of LLR's interest-bearing debt (including investment corporation bonds) was JPY 87,531 million as of February 28, 2019.</p>