

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 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.

European Economic Area

No offer of units of Invincible Investment Corporation (“INV” or the “AIF”) will be made to the public in any member state (each, a “Member State”) of the European Economic Area, or the EEA, except pursuant to an exemption under Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the “Prospectus Directive”), as implemented in that Member State, from the requirement to publish a prospectus for offers of units. Accordingly, any person making or intending to make an offer of units to the public in that Member State may only do so in circumstances in which no obligation arises to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. The AIF has not authorized, nor does it authorize, the making of any offer of units to the public in circumstances in which an obligation arises to publish a prospectus for such offer. For the purposes of this provision, the expression “an offer of units to the public” in relation to any units in any 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 AIFMD was adopted on June 8, 2011 and was required to be implemented by each Member State into its national legislation by July 22, 2013. Units of INV may not be marketed (within the meaning given to the term “marketing” under the AIFMD), and this document may not be sent, to, nor acted upon by, prospective investors domiciled in, or with a registered office in, any Member State unless: (i) the units are marketed under a private placement regime (including under the AIFMD) or other exemption in the Member State; or (ii) the units are otherwise lawfully marketed or sold in that Member State in circumstances in which the AIFMD does not apply, provided that any such offer or sale is made under an exemption under the Prospectus Directive as described above. The AIF has made a notification to each of the Netherlands Authority for the Financial Markets and the United Kingdom Financial Conduct Authority pursuant to Article 42 of the AIFMD in order to market the units in the Netherlands and the United Kingdom, respectively.

The units of INV are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available

to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, “IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the units of INV or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the units of INV or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Netherlands

Units of INV 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, Consonant Investment Management Co., Ltd. (the “AIFM”) has submitted a notification with the Dutch Authority for the Financial Markets. The units of INV 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 INV is subject to the license requirement pursuant to the Wft. Consequently, neither the AIFM nor INV is subject to supervision of the Dutch Central Bank (*De Nederlandsche Bank*, “DNB”) or the Netherlands Authority for 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 Prospectus Directive. The AIFM is solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

United Kingdom

Units of INV 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, the AIFM has submitted a notification with the Financial Conduct Authority (the “FCA”) in the United Kingdom.

For the purposes of the United Kingdom Financial Services and Markets Act 2000 (“FSMA”), INV has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in INV 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; or
- (2) persons who are high net worth companies, unincorporated associations, or other entities listed in article 49 of the Order,

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.

| Article 23 (1)(a) | |
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| Objectives of the AIF | <p>INV seeks to achieve distribution growth and enhancement of unitholders' value by building a balanced portfolio composed primarily of hotels, particularly limited service hotels, and affordable residential properties, which together constitute INV's "core assets". By achieving such balance, INV seeks to optimize the mix of stability associated with residential properties and growth opportunities arising from investments in hotels.</p> |
| Investment strategy | <p>In addition to investing in and growing a balanced portfolio composed primarily of hotels and affordable residential properties, INV seeks to:</p> <ul style="list-style-type: none"> • utilize resources and pipeline support of Fortress Investment Group LLC and its affiliates (collectively, the "Fortress Group"); • source attractive properties using Consonant Investment Management Co., Ltd.'s (the "Asset Manager") information network; and • utilize limited service operational expertise of MyStays Hotel Management Co., Ltd. ("MyStays Hotel Management"). |
| Types of assets the AIF may invest in | <p>Real estate, including trust beneficiary interests in real estate, securities backed by real estate, specified assets and other assets. Assets listed in the immediately preceding item above governed by foreign laws and regulations. Pursuant to the provisions of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations, INV may acquire equity interests of the corporations holding overseas real estate.</p> |
| Techniques it may employ and all associated risks | <p>INV invests primarily in hotels and affordable residential properties, while also making investments in select office buildings, retail properties and parking facilities, to achieve distribution growth and enhancement of unitholders' value.</p> <p>The principal risks with respect to investment in INV are as follows:</p> <p>Property and Business Risks</p> <ul style="list-style-type: none"> • Any adverse conditions in the Japanese economy could adversely affect INV's properties. • INV may not be able to acquire properties to execute its growth and investment strategy in a manner that is accretive to earnings. • INV's reliance on Fortress Group could have a material adverse effect on its business. • As a large portion of INV's hotels are subject to a variable rent structure, its results of operations are inherently more volatile than the results of |

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| | <p>properties with fixed-lease arrangements, and INV may not be able to effectively manage its hotel portfolio due to its relatively limited operating history owning full service hotels, resort hotels and other non-limited service hotels that it may decide to acquire in greater numbers in the future.</p> <ul style="list-style-type: none"> • Increases in prevailing market interest rates, particularly following the Bank of Japan's announcement of a major new policy for monetary easing, would increase INV's interest expense and may result in a decline in the market price of its units. • The high geographic concentration of INV's real estate portfolio in the greater Tokyo area and other major cities could have a material adverse effect on its business. • Competition for tenants and hotel guests may adversely affect INV's ability to retain its current tenants and find new tenants, and to maintain occupancy rates and revenue. • INV's hotels are subject to the operating risks common to the hospitality industry, which have a direct effect on the variable rent component of its portfolio's revenue. • The cyclical and seasonal nature of the hospitality industry may cause fluctuations in INV's operating performance, which could have a material adverse effect on it and its variable rent revenues. • INV may incur unexpected expenses, expenditure or other losses for repair or maintenance of its properties, and its hotels require periodic capital reinvestment for renovation. • The majority of INV's hotels are leased to MyStays Hotel Management, which is owned by Fortress Group-managed funds, and subject to the risk of default under its hotel lease agreements. • INV's focus on residential properties could have a material adverse effect on its business. • INV may lose rental revenues in the event of defaults by end-tenants under their lease agreements for properties other than hotels. • Master leases may give rise to certain risks. • INV may suffer large losses if any of its properties incur damage from a natural or man-made disaster or acts of violence. • INV may be strictly liable for an unforeseen loss, damage or injury suffered by a third party at its properties. • Because most of INV's operating expenses are largely fixed, it may suffer |
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| | <p>adverse consequences if its rental revenues decline.</p> <ul style="list-style-type: none"> • INV may not be able to promptly acquire suitable properties or sell those in its portfolio on acceptable terms in response to changing economic, financial or investment conditions. • Defects relating to INV's properties may adversely affect its financial condition and results of operations. • INV relies on expert appraisals and engineering, environmental and seismic reports, which are subject to significant uncertainties. • The environmental assessments of INV's properties made prior to its ownership may not have uncovered all environmental liabilities, and Japanese laws subject property owners to strict environmental liabilities. • Decreases in tenant leasehold and/or security deposits would increase INV's funding costs. • Any inability to obtain financing for future acquisitions, or any restrictions on INV's activities under its financing arrangements, could adversely affect INV. • A high LTV ratio may increase INV's exposure to changes in interest rates and have a material adverse effect on its results of operations. • INV may suffer impairment losses relating to its properties and may also suffer adverse tax effects upon recognizing impairments. • The performance of Fortress Group is not an indicator or guarantee of INV's future results. • INV's financial statements are prepared in accordance with Japanese GAAP, which differs in certain material respects from IFRS, U.S. GAAP and generally accepted accounting principles and financial reporting standards in other jurisdictions. • INV relies on industry and market data that are subject to significant uncertainties. • INV may be exposed to risks relating to investments in the operators or master lessees of its properties. <p>Management and Governance Risks</p> <ul style="list-style-type: none"> • INV's success depends on the performances of service providers to which it is required to assign various key functions. • There are potential conflicts of interest between INV and certain Fortress Group affiliates or Fortress Group-related companies including the Asset Manager, MyStays Hotel Management. |
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| | <ul style="list-style-type: none"> • INV depends on the efforts of its executive director and key personnel of the Asset Manager. • Unitholders have limited control over INV's policies. • The Japanese regulatory authorities have tightened regulatory supervision of J-REITs and their asset managers and their corporate governance. • If unitholders do not exercise their voting rights, INV may count their votes in favor of proposals at a general meeting of unitholders. • The shareholder benefit plan that INV intends to introduce may be cancelled, changed or abolished. <p>Taxation Risks</p> <ul style="list-style-type: none"> • INV's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify INV from certain taxation benefits and significantly reduce its distributions to its unitholders. • If the Japanese tax authorities disagree with the interpretations INV used for prior periods, it may be forced to pay additional taxes for those periods. • INV 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 INV's tax burden. • INV 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 after 2018. <p>Legal and Regulatory Risks</p> <ul style="list-style-type: none"> • INV's ownership rights in some of its properties may be declared invalid or limited. • INV's may lose its rights in a property it owns if the purchase of the property is recharacterized as a secured financing. • Acquisition of properties for which third parties hold leasehold interests in the land and own the buildings may subject INV to various risks. • INV's leasehold interests may be terminated or may not be asserted against a third party in some cases, or its leases with its tenants could be modified. • INV may hold interests in some properties through preferred equities of a TMK (<i>tokutei mokuteki kaisha</i>), and illiquidity in the market for such equities may limit its ability to sell its interests, and INV may be exposed to risks unique to this investments structure. |
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| | <ul style="list-style-type: none"> • INV currently holds several properties in the form of compartmentalized ownership interests (<i>kubun shoyu-ken</i>) and its rights relating to such properties may be affected by the intentions of other owners • INV may acquire properties in the form of co-ownership (<i>kyoyu</i>) and its rights relating to such properties may be affected by the intentions of other owners. • Tax increases or adverse changes in applicable laws may affect INV's potential liabilities relating to its properties and operations. • Compliance with energy conservation regulations in Japan may adversely affect INV's financial results. • INV's costs of complying with regulations applicable to its properties could adversely affect its results of operations. • INV owns a substantial portion of its properties through trust beneficiary interests and may suffer losses as a trust beneficiary. • The Alternative Investment Fund Managers Directive (AIFMD) may negatively affect INV's ability to market its units in the EEA and increase its compliance costs associated with the marketing of its units in the EEA. • INV's units may be deemed to constitute "plan assets" for ERISA purposes, which may lead to the rescission of certain transactions, tax or fiduciary liability and its being held in violation of ERISA requirements. |
| Any applicable investment restrictions | <p>INV is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the "ITA"), the Financial Instruments and Exchange Act (the "FIEA")) as well as its articles of incorporation.</p> <p>INV 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 not limited to, anonymous association (<i>tokumei kumiai</i>) interests for investment in real estate.</p> |

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| | <p>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> <p>The investment by the AIF must be made in accordance with the basic investment policy as set out in its articles of incorporation.</p> |
| Circumstances in which the AIF may use leverage | <p>INV may take out loans or issue investment corporation bonds (including short-term corporation bonds) for the purpose of, among other things, acquiring assets, repair or distribution payments and acquiring operational funding or procuring funds for debt repayment, which are conducive to the efficient management of investment assets and the stability of management.</p> |
| The types and sources of leverage permitted and associated risks | <p>INV may take out loans or issue investment corporation bonds for financing its activities.</p> <p>INV currently has outstanding loans from major financial institutions, such as Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation.</p> <p>INV currently does not have any outstanding guarantees and may be subject to 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.</p> <p>Furthermore, INV may violate restrictive covenants contained in the loan agreements INV executes, such as the maintenance of debt service coverage or loan-to-value, or LTV, ratios, which may entitle the lenders to require INV to collateralize the properties or demand that the entire outstanding balance be paid. Further, in the event of an increase in interest rates, to the extent that INV has any debt with unhedged floating rates of interest or INV 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.</p> |
| Any restrictions on leverage | <p>The maximum amount of any borrowing and issuance of investment corporation bonds is JPY 500 billion each, and the aggregate amount of all such debt must not exceed JPY 500 billion.</p> |
| Any restrictions on collateral and asset reuse arrangements | <p>No applicable arrangements.</p> |
| Maximum level of | <p>INV has, in principle, set an upper limit of 60% for its LTV ratio (based on book</p> |

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| leverage which the AIFM is entitled to employ on behalf of the AIF | value) in order to operate with a stable financial condition. INV may, however, temporarily exceed such level as a result of acquiring new investment assets. |
| Article 23(1) (b) | |
| Procedure by which the AIF may change its investment strategy / investment policy | <p>INV's investment policy is set forth in its articles of incorporation. As a result, any change in its investment policy will require an amendment of its articles of incorporation. Amendment of the articles of incorporation requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at the meeting. Unitholders should note, however, that under the ITA and INV'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.</p> <p>Additionally, the guidelines of the AIFM, which provide more detailed policies within INV's overall investment strategy and policy, can be modified without such formal amendment of the articles of incorporation.</p> |
| Article 23(1) (c) | |
| 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>INV is a corporate-type investment trust in the form of investment corporation (<i>toshi hojin</i>) provided for under the ITA. Therefore, the relationship between INV and its unitholders is governed by INV's articles of incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. INV's articles of incorporation stipulate rules relating to general unitholders meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of INV's directors. The relationship between INV and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA.</p> <p>The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against INV obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) INV has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such</p> |

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| | <p>foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the subject matter by any Japanese court.</p> <p>The AIFM has entered into a sponsor support agreement with Fortress Investment Group Japan Godo Kaisha. INV has also entered into a memorandum of understanding with certain Fortress Group-related SPCs, which provides INV with preferential negotiation rights to acquire certain properties. All of the above agreements are governed by Japanese law.</p> <p>INV is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.</p> |
| Article 23(1) (d) | |
| <p>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</p> | <ul style="list-style-type: none"> ● AIFM (Asset Manager) / General Administrator: Consonant Investment Management Co., Ltd. ● Auditor: Ernst & Young ShinNihon LLC ● Asset Custodian / Unitholders' Register Administrative Agent / Special Accounts Administrator: Sumitomo Mitsui Trust Bank, Limited ("SMTB") ● Special Accounts Administrator: Mitsubishi UFJ Trust and Banking Corporation ("MUTB") ● Accounting Administrator: EP Consulting Services Corporation ("EPCS") <p>INV relies on Consonant Investment Management Co., Ltd. to manage its operations, to formulate and implement strategies to achieve its investment objectives and to administer unitholder meeting and board meetings. Ernst & Young ShinNihon LLC is INV's independent auditor and audits INV's financial statements. SMTB provides custodian services and certain administrative services to INV, including custody of its assets, creation of the unitholders' register and preparation of the transfer account book in relation to the special accounts of pre-merger unitholders of LCP Investment Corporation ("LCP"). MUTB provides certain administrative services to INV, including the custody of the transfer account register in relation to the special accounts of pre-merger unitholders of INV. EPCS provides certain administrative services to INV, including the administration of accounting matters and preparation of accounting</p> |

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| | <p>books.</p> <p>Service providers owe contractual obligations under their respective agreements with the AIF or the 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. 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. 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> <p>The unitholders do not have any contractual relationship with INV's service providers and therefore will not be able to bring any contractual claims against a service provider.</p> |
| Article 23(1) (e) | |
| Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance) | Not applicable. |
| Article 23(1) (f) | |
| 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 | Not applicable. There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the asset custodian, which is responsible for safekeeping activities. |

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| may arise from such delegations | |
| Article 23(1) (g) | |
| Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing hard-to-value assets | INV makes investment decisions based on the valuation of properties, upon consideration of the property appraisal value. INV evaluates assets in accordance with its articles of incorporation. The methods and standards that INV uses for the evaluation of assets are based on the Regulations Concerning the Calculations of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, in addition to 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. |
| Article 23(1) (h) | |
| Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors | <p>INV seeks to manage its capital resources and liquidity sources to provide adequate funds for current and future financial obligations and other cash needs and acquisitions.</p> <p>Net cash provided by operating activities constitutes INV's primary source of liquidity to fund distributions, interest payments on loans payable, fees to the Asset Manager and other service providers, property-related taxes, repairs and maintenance, and capital expenditures for its properties in the ordinary course of business. INV's liquidity risks are managed by the Asset Manager by preparing monthly plans for funds, and monitoring the covenants defined in loan agreements.</p> <p>As INV is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.</p> |
| Article 23(1) (i) | |
| Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors | <p>Compensation: INV's articles of incorporation provide that it may pay its executive director up to JPY 800,000 per month and its supervisory director up to JPY 400,000 per month. The board of directors is responsible for determining the amounts of the monthly remuneration for the executive director and the supervisory director.</p> <p>Asset Manager: Asset Management Fee: INV pays to the AIFM an asset management fee as follows:</p> |

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| | <p>(1) From January 2018 through December 2018, as a fee for every half accounting period (three months), an amount not exceeding the lower of either (A) the amount calculated by multiplying the total amount of the relevant assets recorded as of the end of the relevant half accounting period by 0.4%, and then dividing by 4 (disregarding any amounts less than one yen) or (B) JPY 137,500,000:</p> <p>(2) From January 2019, as a monthly fee, the higher of either (A) the amount calculated by multiplying the total amount of the relevant assets recorded as of the end of each relevant month by 0.4%, and then dividing by 12 (disregarding any amounts less than one yen) or (B) JPY 25,000,000.</p> <ul style="list-style-type: none"> • Acquisition Fee: If INV acquires any real estate or other underlying real estate by which other assets, including trust beneficiary interests, which are backed by any Real Estate, etc., which are targeted for asset investment, INV pays an amount not exceeding 0.5% of the amount contributed by INV among the purchase price thereof (excluding an amount equivalent to the consumption tax thereon relevant to the building) within three months from the end of the month in which the date of acquisition of such assets falls. • Disposition Fee: If INV disposes of any real estate or other underlying real estate by which other assets, including trust beneficiary interests, which are backed by any Real Estate, etc., which are targeted for asset investment, INV pays an amount not exceeding 0.5% the amount received by INV among of the disposition price thereof (excluding an amount equivalent to the consumption tax thereon relevant to the building) within three months from the end of the month in which the date of disposition of such assets falls. • Administrative Agency Fee: INV pays the AIFM a fee of JPY 100,000 for each month, payable on a quarterly basis for services performed during the three-month periods ending March 31, June 30, September 30, and December 31, respectively, and payable within two months of the end of the relevant period. If INV holds a general meeting of unitholders, INV pays the AIFM an additional fee of JPY 500,000 for services performed in connection with each such meeting, payable within the three month period immediately following the end of the month in which such meeting is held. |
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Custodian:

- Custodian Fee:
INV pays to the Asset Custodian a custodian fee for each fiscal period, which may not exceed, on an annual basis, 0.02% of the total amount of its assets.

Unitholders' Register Administrative Agent:

- Standard Fees:
INV pays standard fees for services such as storage and administration of INV's unitholder's register, monthly reports or other reports that form part of the regular services, and the determination of the identity of INV's unitholders as of end-of-period, mid-period, and quarterly dates (excluding extraordinary determinations) and compilation of various statistical data. Monthly standard fees are equal to one-sixth of the sum of the total amount of fees calculated in the manner below, provided that the minimum monthly fee is set at JPY 200,000.

| Number of unitholders | Fees per Unitholder |
|---------------------------------------|---------------------|
| The first 5,000 unitholders | JPY 480 |
| Over 5,000 and not more than 10,000 | JPY 420 |
| Over 10,000 and not more than 30,000 | JPY 360 |
| Over 30,000 and not more than 50,000 | JPY 300 |
| Over 50,000 and not more than 100,000 | JPY 260 |
| Over 100,000 unitholders | JPY 225 |

INV also pays a JPY 70 fee per case for data entry regarding deregistrations from the unitholder's register.

- Administration of Distributions Fees:
INV pays fees for the calculation of distributions and services such as the creation of distribution records and receipts, processing of stamp tax payment, preparation of payment records, determination of unpaid distributions and preparation of unpaid distributions records, preparation of wire transfer notices, wire transfer tape and wire transfer slips for distributions, application of withholding tax rates other than general tax rates, and preparation of distribution statements of accounts. The fees are determined based on the total number of unitholders as of the record date and calculated according to the table below, provided that the minimum fee is set at JPY 350,000.

| Number of unitholders | Fees per unitholder receiving distributions |
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| The first 5,000 unitholders | JPY 120 |
| Over 5,000 and not more than 10,000 | JPY 110 |
| Over 10,000 and not more than 30,000 | JPY 100 |
| Over 30,000 and not more than 50,000 | JPY 80 |
| Over 50,000 and not more than 100,000 | JPY 60 |
| Over 100,000 unitholders | JPY 50 |

INV pays an additional charge of JPY 150 per instance in connection with distribution wire transfer instructions; a charge of JPY 100 per instance in connection with postal dividends receipts; a charge of JPY 150 per instance in connection with the application of special tax rates; and a charge of JPY 15 per instance for preparation of distribution account statements.

Special Accounts Administrator:

- Special Account Administration Fees (SMTB):

These fees are for the administration of special accounts, transfer agent and handling reports, verification of securities storage and transfer mechanism and total unit numbers, and creation of reports on transaction totals. The fees are based on the total number of subscribers as of the end of the relevant month and are calculated according to the table below. There is a minimum special account administration fee of JPY 20,000 per month.

| Number of subscribers | Fees per subscriber |
|-----------------------------|---------------------|
| The first 5,000 subscribers | JPY 150 |
| Over 5,000 and up to 10,000 | JPY 130 |
| Over 10,000 subscribers | JPY 110 |

- Special Account Administration Fees (MUTB):

These fees are for the creation and administration of the transfer account register and the account ledger attached thereto; for reports for the notification of general unitholders; new listing, registration, cancellation, and total cancellation procedures; individual unitholder requests for information; listing and registration in the transfer account register, listing and registration of pledges, and listing and registration of trustees and

assets held in trust; the opening and closing of special accounts; registration of seals for subscriber information and notifications, renewal of registration, and notifications to the subscriber information mechanism; services related to requests for the opening of special accounts for purchasers under the New Act on the Transfer of Corporate Bonds, etc.; and services relating to unit splits and reverse unit splits. The fees are based on the total number of unitholders as of the end of the relevant month and calculated according to the table below. There is a minimum fee of JPY 20,000 per month.

| Number of unitholders | Fees per unitholder |
|------------------------------|---------------------|
| The first 3,000 unitholder | JPY 150 |
| Over 3,000 and up to 10,000 | JPY 125 |
| Over 10,000 and up to 30,000 | JPY 100 |
| Over 30,000 unitholders | JPY 75 |

INV also pays special account administration fees for the administration of each special account (except for certain unitholders as separately defined) as follows: a fee of JPY 150 for a general unitholder report; a fee of JPY 250 for offer or receipt of an individual unitholder notification; a fee of JPY 250 for receipt of information requests; a fee of JPY 250 for receipt of various notices; and a fee of JPY 130 for services related to distribution wire transfers.

Accounting Administrator:

- **Accounting Administration Fee:**
INV pays a fee for each month, payable by the last business day of the month immediately following the month in which it receives an invoice from the Accounting Administrator. The amount of the fee is determined through separate agreements between us and the Accounting Administrator but may not exceed JPY 30 million for any successive two fiscal periods.

Auditor:

- **Auditor Fee:**
Remuneration for the independent auditor shall be determined by the board of directors within the maximum amount of JPY 15,000,000 per fiscal period subject to audit.

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| | <p>INV may also incur other miscellaneous fees in connection with the payment of distributions; certain notices, investigations and certificates; mailing of notices; handling of returned mail; preparation for general unitholders' meetings; preparation of table of unitholders; preparation of CD-ROM; printing; solicitation of wire transfer distributions; creation and processing of certain data; processing of individual or corporate number-related data; and receipt of transfer requests.</p> |
| Article 23(1) (j) | |
| <p>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</p> | <p>Under Article 77 paragraph 4 of the ITA, 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 units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.</p> |
| Article 23(1) (k) | |
| <p>The latest annual report referred to in Article 22(1)</p> | <p>Additional information may be found in INV's most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the Asset Manager's office located at Roppongi Hills Mori Tower, 6-10-1 Roppongi, Minato-ku, Tokyo.</p> |
| Article 23(1) (l) | |
| <p>The procedure and conditions for the issue and sale of the units</p> | <p>INV is authorized under the articles of incorporation to issue up to 10,000,000 units. The units of INV's predecessor, TGR Investment, Inc., were listed on Osaka Stock Exchange on May 17, 2004. On February 1, 2010, TGR Investment, Inc. merged with LCP and changed the corporate name to Invincible Investment Corporation. The units of INV have been listed on the Tokyo Stock Exchange since August 1, 2006. Secondary 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.</p> |

| Article 23(1) (m) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--------------------------------|--|--------------------------------|--|--|--------|--------|--------|---|---------|--------|--------|--|---------|--------|--------|---|---------|--------|--------|--|---------|---------|--------|--|---------|---------|--------|
| Latest net asset value of the AIF or latest market price of the unit or share of the AIF | INV'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 http://www.reuters.com/finance/stocks/overview?symbol=8963.T | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Article 23(1) (n) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Details of the historical performance of the AIF, where available | <p>The units of INV were listed on the Tokyo Stock Exchange on August 1, 2006. The performance of the units for the most recent five fiscal periods is as follows.</p> <table border="1"> <thead> <tr> <th>Fiscal period</th> <th>Total Assets (JPY million)</th> <th>Total Net Assets (JPY million)</th> <th>Net Assets per unit (base value) (JPY)</th> </tr> </thead> <tbody> <tr> <td>22nd fiscal period (from January 1, 2014 to June 30, 2014)</td> <td>79,261</td> <td>36,373</td> <td>23,121</td> </tr> <tr> <td>23rd fiscal period (from July 1, 2014 to December 31, 2014)</td> <td>130,477</td> <td>61,392</td> <td>23,005</td> </tr> <tr> <td>24th fiscal period (from January 1, 2015 to June 30, 2015)</td> <td>136,299</td> <td>61,731</td> <td>23,132</td> </tr> <tr> <td>25th fiscal period (from July 1, 2015 to December 31, 2015)</td> <td>185,918</td> <td>91,758</td> <td>28,731</td> </tr> <tr> <td>26th fiscal period (from January 1, 2016 to June 30, 2016)</td> <td>284,106</td> <td>130,005</td> <td>35,368</td> </tr> <tr> <td>27th fiscal period (from January 1, 2017 to June 30, 2017)</td> <td>277,361</td> <td>131,455</td> <td>35,762</td> </tr> </tbody> </table> | Fiscal period | Total Assets (JPY million) | Total Net Assets (JPY million) | Net Assets per unit (base value) (JPY) | 22nd fiscal period (from January 1, 2014 to June 30, 2014) | 79,261 | 36,373 | 23,121 | 23rd fiscal period (from July 1, 2014 to December 31, 2014) | 130,477 | 61,392 | 23,005 | 24th fiscal period (from January 1, 2015 to June 30, 2015) | 136,299 | 61,731 | 23,132 | 25th fiscal period (from July 1, 2015 to December 31, 2015) | 185,918 | 91,758 | 28,731 | 26th fiscal period (from January 1, 2016 to June 30, 2016) | 284,106 | 130,005 | 35,368 | 27th fiscal period (from January 1, 2017 to June 30, 2017) | 277,361 | 131,455 | 35,762 |
| Fiscal period | Total Assets (JPY million) | Total Net Assets (JPY million) | Net Assets per unit (base value) (JPY) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22nd fiscal period (from January 1, 2014 to June 30, 2014) | 79,261 | 36,373 | 23,121 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23rd fiscal period (from July 1, 2014 to December 31, 2014) | 130,477 | 61,392 | 23,005 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24th fiscal period (from January 1, 2015 to June 30, 2015) | 136,299 | 61,731 | 23,132 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25th fiscal period (from July 1, 2015 to December 31, 2015) | 185,918 | 91,758 | 28,731 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26th fiscal period (from January 1, 2016 to June 30, 2016) | 284,106 | 130,005 | 35,368 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27th fiscal period (from January 1, 2017 to June 30, 2017) | 277,361 | 131,455 | 35,762 | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | 28th fiscal period (from January 1, 2017 to June 30, 2017) | 306,421 | 139,062 | 36,019 |
| Article 23(1) (o) | | | | |
| Identity of the prime broker, any material 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 depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist | No applicable prime broker. | | | |
| Article 23(1) (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) | The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through the AIF Internet website and other public disclosures. | | | |
| Article 23(2) | | | | |
| The AIFM shall inform the investors before they invest in the AIF of | Not applicable. | | | |

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| any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13) | |
| The AIFM shall also inform investors of any changes with respect to depositary liability without delay | Not applicable. |
| Article 23(4)(a) | |
| 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. |
| How management and | There are no such special arrangements. |

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| performance fees apply to such assets | |
| Article 23(4)(b) | |
| Any new arrangements for managing the liquidity of the AIF | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| 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 investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |

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| <p>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>INV 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>Article 23(4)(c)</p> | |
| <p>The current risk profile</p> | <p>The appropriateness and effectiveness of the risk management structure are</p> |

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| <p>of the AIF and the risk management systems employed by the AIFM to manage those risks</p> | <p>regularly evaluated and enhanced by the AIFM.</p> <p>Funds from debts are mainly used for asset acquisition or debt repayment. These are exposed to liquidity risk at the time of repayment. However, the liquidity risk is controlled through such measures as striving to maintain and strengthen the capacity to procure funds from the capital market via capital raising, along with securing several fund procurement sources and diversifying repayment deadlines, and also preparing monthly plans for funds.</p> <p>Debt with a floating interest rate is exposed to interest rate fluctuation risks, but the impact that interest rate rises have on the operations is limited by keeping the LTV at low levels and maintaining the proportion of debt that is long-term, fixed-rate debt at high levels.</p> <p>Furthermore, derivative transactions (interest rate swap transactions) are available as hedging instruments to mitigate the risks of rises in floating interest rates.</p> <p>Tenant leasehold and security deposits are deposits from tenants and are exposed to liquidity risks arising from tenants moving out of properties, but the liquidity risk is controlled through such measures as preparing monthly plans for funds.</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 limits have been exceeded a description of the circumstances and the remedial measures taken</p> | <p>No such situation has occurred.</p> |
| <p>Article 23(5)(a)</p> | |
| <p>Any changes to the maximum amount of</p> | <p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p> |

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| <p>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 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>Article 23(5)(b)</p> | |
| <p>Information on the total amount of leverage employed by the AIF</p> | <p>The aggregated amount of debt with interest is JPY 186,983 million as of December 26, 2017.</p> |

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| calculated in accordance with the gross and commitment methods | |
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