INVESTMENT PROGRESS REPORT

*As of December 31, 2015**

A Message from the Supervisor

Below is an update on investment entities which were not included in the 2013 consolidation and IPO involving Empire State Realty Trust, Inc. and are now supervised by its subsidiary, ESRT Management TRS, L.L.C. (as successor supervisor to Malkin Holdings LLC).

POOLED INVESTMENTS

Malkin Industrial Partners I, L.P. ("IP I")

IP I was formed as a blind pool to invest opportunistically in well-located warehouse/distribution and light industrial properties with the potential to add value through upgrade and better leasing. The offering was concluded on July 1, 2005 with a capital raise of approximately $30,000,000. Our joint venture partner, Cambridge Hanover, contributed approximately $10,000,000.

Over its investment period, IP I purchased eight properties comprised of approximately 1,423,000 square feet situated near bustling seaport cities and vital regional hubs, the first of which occurred on November 30, 2005. The total purchase price for the eight properties was approximately $47,575,000. The first sale occurred on July 7, 2013 with the sale of Airport Boulevard in Raleigh-Durham, NC. In the fourth quarter of 2014, IP I sold Ashley Phosphate in Charleston, SC, and its Memphis and Columbus properties. The Virginia Beach, VA property was sold on December 22, 2015. There is one property remaining in the fund.

Following is a summary of the assets which are or have been in the IP I portfolio:

Asset	Size (s/f)	Date of Purchase	Purchase Price ($)	Leased	Comments
Memphis, TN	202,303	11/30/05	4,625,000		Sold for $6.0 million on October 31, 2014
Columbus, OH	300,000	12/07/05	9,575,000		Sold for $10.5 million on October 31, 2014
Charleston, SC	246,995	06/02/06	4,200,000		Sold for $6.4 million on August 7, 2014
Raleigh, NC	153,600	1/11/2007	6,500,000		Sold for $9.3 million on July 9, 2013
Columbus, OH	77,210	04/26/07	3,000,000		Sold for $3.2 million on October 31, 2014
Philadelphia, PA	247,447	05/22/07	10,000,000	61%	Actively marketing vacant space.
Columbus, OH	54,100	07/11/07	2,975,000		Sold for $2.0 million on October 31, 2014
Virginia Beach, VA	141,504	12/28/07	6,700,000		Sold for $8.2 million on December 22, 2015

From inception to date, a Class A Limited Partner with an original $150,000 investment has received distributions of approximately $118,000.

Distributions will be made as operations allow.

* Distributions noted herein are through January 1, 2016, unless otherwise noted.

Malkin Industrial Partners II, L.P. ("IP II")

IP II concluded on June 1, 2009, following IP I, with a capital raise of approximately $12,900,000. IP II's investment objectives were similar to IP I, seeking to profit from disruptions of credit and capital supply, and seize upon quality properties forced into sale by reason of ownership distress.

In September 2009, IP II purchased a 52,944 square feet building in Charlestown, Massachusetts for $5.8 million.

In 2015, the Malkin family and certain current and former senior personnel of the supervisor advanced $550,000 toward leasing costs incurred in preparing the property for sale. The property was sold for $14.725 million on September 10, 2015. After repaying the advances and deferred supervisory fees, $12,400,000 was distributed on September 30, 2015. IP II holds approximately $400,000 in reserve for post-sale costs and contingencies.

An investor who subscribed to an initial $150,000 investment (reduced to $122,595 in 2013) has received approximately $157,000 including all distributions.

Malkin Industrial Partners II – Oakcliff L.P. ("Oakcliff")

As the initial investment period for IP II expired in the fourth quarter of 2012, it was given the opportunity to invest in Oakcliff, which was formed to purchase two buildings in the Oakcliff Industrial Park in Atlanta, GA, in February 2013 for $4.5 million. Oakcliff completed substantial improvements to the property, including enhancing the landscaping, repaving the parking lot, installing new signage, painting the building exteriors, and white-boxing two small vacant suites. Cash flow from the Oakcliff property allowed distributions from that portion of the investment to be paid at the rate of 8% p.a. Distributions from Oakcliff commenced July 1, 2013.

The property was sold on December 10, 2015 for $5.8 million. After repaying the mortgage on the property, sale costs, withholding tax and setting aside funds for reserve, Oakcliff distributed $2.5 million on January 21, 2016. Oakcliff holds an approximately $400,000 reserve for post-sale costs and contingencies.

An investor who subscribed to a $10,000 investment will have received from inception in 2013 to date total distributions of approximately $13,200.

Malkin Co-Investor Capital L.P. / Soundview Plaza Associates L.L.C.

Malkin Co-Investor Capital L.P. (CO Capital) was formed as a blind pool focused on long-term equity investment. It invested $13,850,000 alongside the Malkin family's Soundview Plaza Associates L.L.C. (SPA). CO Capital and the Malkin family through SPA have together invested a total of $23,900,000 as part of a Malkin family tax deferred exchange under section 1031 of the IRS code. The investments were sourced and underwritten by Malkin Properties.

SPA and CO Capital together, each as a tenant-in-common with an outside group, invested in two major office towers, the Fred F. French Building in New York City and 10 South LaSalle Street in Chicago, and acquired 69-97 Main Street, comprising 17,103 square feet of fully leased prime retail in downtown Westport, CT. Effective December 28, 2009, CO Capital and SPA abandoned their interests in 10 South LaSalle, without any impairment of CO Capital's very valuable interests in Fred F. French and Westport retail.

Fred F. French is substantially leased. In mid-August 2012 the building was refinanced. After paying costs of the refinancing and reserving funds for future leasing, the co-tenancy distributed $52,000,000, of which CO Capital received $4,307,000. From this amount, in November 2012 investors received $4,222,000. An investor owning an original $150,000 investment received approximately $45,270.

The interest in Westport was conveyed to Empire State Realty Trust, Inc., and investor interests were exchanged into ownership of shares of Class A common stock, Class B common stock and/or operating partnership units (collectively, "securities"),* as applicable, in Empire State Realty Trust, Inc. or Empire State Realty OP, L.P. - in accordance with the transaction structure set forth in the S-4 or private offering memorandum - that resulted in an investor owning an original $150,000 investment receiving securities or cash of $83,499 (valued at $13 per share/unit) in exchange for the remaining interest in Westport.

An investor who originally invested $150,000 has received approximately $204,000 since inception, including consideration from the transaction with ESRT.

CO Capital retains its investment in the Fred F. French Building. Distributions re-commenced on June 1, 2014 and are made quarterly, subject to available cash.

The next quarterly distribution will be made March 1, 2016.

* A tax-exempt charitable organization or a non-accredited investor may have received cash, rather than securities.

RESIDENTIAL INVESTMENTS

Chicago Golf Road Limited Partnership

This 504 unit garden apartment property located in Cook County northwest of Chicago was 95% occupied as of December 31, 2015. In late 2012, the partnership concluded a $40,500,000 refinancing, and from the proceeds the partnership made a $25,000,000 tax-deferred distribution to the investors that returned the entire remaining cash investment to the Class A and Class C limited partners.

From inception to date, a Class A Limited Partner with an original $150,000 investment has received distributions of approximately $645,000, and an original $150,000 Class C investor has received total distributions of approximately $594,000.

Distributions continue monthly at the current rate.

Kansas City Georgetown Apartments L.L.C.

This 395 unit garden apartment property in Johnson County, Kansas was acquired in May 1998 and continues to perform below original projections. While this particular market has yet to absorb fully the excess supply of multi-family and single family homes, the LLC is seeing more rentals to families and to employees at the recently expanded Shawnee Mission Hospital. Occupancy as of December 31, 2015 was 98%.

Since June 2000, the Malkin family and certain current and former senior personnel of the supervisor have advanced $1,894,000 toward distributions, property operations and improvements. Effective July 1, 2002 distributions were suspended. Supervisory fees to Malkin Holdings were deferred from 2000 through September 2013, when ESRT succeeded Malkin Holdings as supervisor. Management fees to Malkin Properties have been deferred since 2001 and continue to be deferred.

On August 2, 2004, the property was refinanced to provide additional capital for property improvements and to create reserves, while reducing annual debt service by $208,000. On August 1, 2014 the mortgage matured and was refinanced with a new loan in the amount of $16,250,000. Principal was increased by $1,750,000 to fund refinance costs and improvements to the property including roof replacements and unit upgrades.

All non-essential expenses continue to be deferred, as are the management fees. Our program is to continue capital improvement work with funds from cash flow and to maintain and preserve the property.

Rochester River Oaks (Chicago Foxfire) Apartments Limited Partnership

The partnership, originally known as Chicago Foxfire Apartments L.P., sold Foxfire Apartments on September 21, 1999. The partnership made an election to effect a tax-deferred exchange of properties pursuant to Section 1031 of the Internal Revenue Code, thereby deferring taxes on the sale, and subsequently acquired a 44.69% tenant-in-common interest in River Oaks Apartments in Rochester Hills, Michigan. The other tenant-in-common is a Malkin-led partnership that had sold its interest in 1185 Avenue of the Americas in NYC. Occupancy as of December 31, 2015 was 98%.

In December 2012, taking advantage of the low interest rates and the property's improved performance, the partnership refinanced and increased the first mortgage by $6,000,000 to $28,500,000. This mortgage is for a ten year term at a fixed annual rate of 3.59% and principal amortization on a 30-year schedule. Proceeds from the refinancing were used to pay financing costs, loans made by the General Partner with interest, and supervisory fees deferred from 2003 to 2012.

Unpaid management fees for the period 2004 to 2012 continue to be deferred until further notice. Current management and supervisory fees are being paid.

A $150,000 original Class A investor has received approximately $226,000 from inception to date.

Distributions continue monthly at the current rate.

RETAIL INVESTMENTS

Greenwich Retail L.L.C.

This 17,458 square feet iconic structure located in the heart of downtown Greenwich, Connecticut's desirable shopping district was acquired on August 16, 2011 from the U.S. Postal Service for all cash and was rezoned by the sponsor for retail use by Restoration Hardware under a favorable 15 year initial term net lease for the entire property. Distributions, partially tax-sheltered, commenced March 1, 2013 at 5% p.a. on the original cash investment. The tenant opened its doors for business in June 2014. In December 2014 there was a financing of $15 million.

A $150,000 original Class A investor has received approximately $136,000 from inception, including the December 2014 extra distribution from proceeds of the financing.

Quarterly distributions commenced on February 1, 2015 at the rate of 6.54% p.a. on the remaining cash investment and continue at the current rate. The next quarterly distribution will be made February 1, 2016.

Uniway Partners L.P.

This 67,000 square feet block of retail stores located between 8th and 9th Streets and Broadway and University Place in the heart of the Greenwich Village district of Manhattan is currently 98% leased. A refinancing provided for a distribution of $35 million to investors in May 2014. All capital has been returned to investors. From inception to date, a Class A Limited Partner with an original $150,000 investment has received distributions of approximately $1,610,000.

The next quarterly distribution will be made April 1, 2016.

1185 SWAP PORTFOLIO L.P. / 1185 SWAP PORTFOLIO II L.P.

The partnership's leasehold interest in 1185 Avenue of the Americas was sold in July 1999. The investment in 1185 had already been returned to investors from a prior refinancing before the sale was concluded. Through a tax-free exchange, for investors who were entitled to receive approximately $51,000,000 of sale proceeds, the partnership purchased the following properties:

- Gotham Retail Condominium Units, New York, NY **(*1185 Gotham L.L.C.*)**
- Ten Bank Street, White Plains, NY **(*1185 Bank L.L.C.*)**
- Interest in River Oaks Apartments, Rochester Hills, MI **(*1185 River Oaks L.L.C.*)**
- CVS Retail Stores, Edison, NJ and Painesville, OH **(*1185 CVS Retail Acquisitions*)**

1185 Swap's interests in The Gotham Condominium ("Gotham") and in Ten Bank Street ("Bank St.") were conveyed to Empire State Realty Trust, Inc., and interests in these properties were exchanged into ownership of shares of Class A common stock, Class B common stock and/or operating partnership units (collectively, "securities"), * as applicable, in Empire State Realty Trust, Inc. or Empire State Realty OP, L.P. in accordance with the transaction structure set forth in the S-4 or private offering memorandum.

In order to conclude the transaction with the best tax outcome, 1185 Swap was liquidated, and its remaining assets -- the CVS and River Oaks properties -- were distributed to a new entity, 1185 Swap Portfolio II L.P. ("1185 Swap II"). Investor interests in 1185 Swap II are identical to their interests in 1185 Swap.

The following is a brief summary of the portfolio's remaining properties and their operations:

> ***Rochester River Oaks Apartments*** – A 55.31% tenant-in-common interest in this 424 unit Class A multi-family community located in Michigan was acquired on November 15, 1999 with Rochester River Oaks (Chicago Foxfire) Apartments Limited Partnership, a swap group formed by the sale of the Foxfire Apartments in Chicago. Occupancy as of December 31, 2015 was 98%. See *Rochester River Oaks (Chicago Foxfire) Apartments Limited Partnership,* above, for more details on this property.
>
> ***1185 CVS Retail Acquisitions*** – On November 18, 1999, the partnership concluded the 100% fee simple purchase of two free standing retail properties subject to long term triple net leases to CVS Corporation, in Edison, New Jersey and Painesville, Ohio. The total transaction cost was $5,382,150. The properties were leveraged to a 1.0 debt service coverage with long term first mortgages with maturities concurrent with the lease terminations which provided the balance of the debt requirements of the 1031 tax deferral program. A portion of the proceeds from the refinancing was applied to capital requirements of the 1185 Swap Portfolio, and the balance was distributed to investors in May 2000.

The sale/contribution of Ten Bank Street and the Gotham retail condominium unit to Empire State Realty Trust generated securities as an extra distribution which, along with prior distributions, satisfied the unpaid cumulative basic priority return through October 31, 2013 and reduced the remaining capital to about 2.3% of the original reinvested capital. The extra distribution made in November 2014 satisfied the unpaid cumulative basic priority return through October 31, 2014 and reduced the remaining capital to less than 1%. Quarterly operating distributions, which recommenced on December 1, 2014 at the rate of $250,000 p.a., exceed the basic priority each quarter, so that a portion of each such quarterly distribution will be paid to the Class 2 member.

The next quarterly distribution will be made March 1, 2016.

* A tax-exempt charitable organization or a non-accredited investor may have received cash, rather than securities.

STRATEGIC CAPITAL

Malkin Strategic Capital II L.P. ("SC II")

On July 1, 2002, SC II was concluded with a capital raise of approximately $20,200,000. SC II participated in a total of nine investments, including partial reinvestment of redeemed capital.

In September 2011, SC II investors were provided with an option to extend their investment in Bicester Village/Value Retail to 2014. The investors who elected not to extend their investment in the loan received a distribution for their share of the loan proceeds and received their final distribution on June 27, 2012. For these Class A Limited Partners, there was a full return of investment at that time.

On May 20, 2014 SC II distributed $6,290,000 to investors who elected to participate in the Bicester Village/Value Retail loan following its redemption.

From inception to date, a remaining Class A Limited Partner with an original $150,000 investment received distributions of approximately $265,000 (excluding those who opted out of the Bicester Village loan extension). The period for reinvestment of redeemed capital is over.

All of SC II's investments have been redeemed. The final distribution was made on December 23, 2015.

Malkin Strategic Capital III L.P. ("SC III")

On July 1, 2004, SC III was concluded with a capital raise of approximately $20,100,000. SC III participated in a total of nine investments, including partial reinvestment of redeemed capital.

All of SC III's investments have been redeemed, and the final distribution was made on May 14, 2015.

From inception to date, a Class A Limited Partner with an original $150,000 investment received distributions of approximately $189,000.

Malkin Strategic Capital IV L.P. ("SC IV")

On December 23, 2005, SC IV concluded the first tranche of its offering with a capital raise of approximately $16,500,000. On March 23, 2006, the second tranche was concluded with an additional capital raise of approximately $10,250,000. Total capital raised for SC IV was approximately $26,750,000. SC IV participated in a total of six investments, including a partial reinvestment of redeemed capital.

All of SC IV's investments have been redeemed and the final distribution was made on May 14, 2015.

From inception to date, a Class A Limited Partner with an original $150,000 investment in Tranche 1 has received distributions of approximately $171,000. From inception to date, a Class A Limited Partner with an original $150,000 investment in Tranche 2 received distributions of approximately $169,000

Malkin Strategic Capital V L.P. ("SC V")

On April 15, 2008, SC V closed the first tranche of its offering with a capital raise of approximately $35,500,000. On October 31, 2008, the second tranche was concluded with an additional capital raise of approximately $13,000,000. Total capital raised for SC V was approximately $48,500,000. To date, SC V has participated in a total of twelve investments totaling approximately $83,600,000, including a partial reinvestment of redeemed capital.

Three investments are currently in place totaling $20,675,000. There was a distribution of $3,000,000 of uninvested capital on September 30, 2013.

A distribution of $4,517,595 attributable to the redemption of Bicester Village (Value Retail) was made on May 20, 2014.

A distribution of $16,691,867 attributable to the redemption of the University Square and Pantzer Dune investments and net receipts from the ongoing investments was made on July 1, 2015.

A distribution of $9,735,000 attributable to the redemption of the Chanel/Armani investment including prepayment penalty, was made on September 30, 2015.

A distribution of $642,000 attributable to the redemption of the 220 Park Avenue investment, including prepayment penalty, was made on December 23, 2015.

From inception to date, a Class A Limited Partner with an original $150,000 investment in Tranche 1 has received distributions of approximately $174,000.

From inception to date, a Class A Limited Partner with an original $150,000 investment in Tranche 2 has received distributions of approximately $171,000.

The next quarterly distribution will be made April 1, 2016.

Malkin Strategic Capital VI L.P. ("SC VI")

SC VI closed the first tranche of its offering in June 2011 with a capital raise of approximately $15,000,000. On March 15, 2012, the second tranche was concluded with an additional capital raise of approximately $10,500,000. Total capital raised for SC VI was approximately $25,500,000. To date, SC VI has participated in six investments totaling $23,400,000.

Three investments are currently in place totaling $11,025,000. Initial quarterly distributions to first tranche investors commenced on October 1, 2011. Initial quarterly distributions to second tranche investors commenced on July 1, 2012. A distribution of $5,192,193 attributable to the redemption of Bicester Village (Value Retail) was made on May 20, 2014.

A distribution of $5,455,418 attributable to the redemption of the Pantzer Dune investment and net receipts from the ongoing investments was made on July 1, 2015.

A distribution of $2,740,000 attributable to the redemption of the Chanel/Armani investment including prepayment penalty, was made on September 30, 2015.

A distribution of $1,712,000 attributable to the redemption of the 220 Park Avenue investment, including prepayment penalty, was made on December 23, 2015.

From inception to date, a Class A Limited Partner with an original $150,000 investment in Tranche 1 has received distributions of approximately $131,000.

From inception to date, a Class A Limited Partner with an original $150,000 investment in Tranche 2 has received distributions of approximately $127,000.

The next quarterly distribution will be made April 1, 2016.

SC Program Description of Investments

The following investments have been redeemed:

1. Broadway Saxon Partners – a preferred equity investment in a two-building, 236,000 square feet office park in Harrison, NY.
2. Redwood Tower – a preferred equity investment in a 203,600 square feet Class A office building in downtown Baltimore, MD.
3. 554 Preferred LLC – a preferred equity investment in a ground-up development of a 144 unit, 29 story luxury residential rental and condominium project and 1,000 square feet of commercial retail space on the west side of Third Avenue between 36th and 37th Street in Manhattan's Murray Hill district.
4. 424-34 West 33rd Street – a preferred equity investment in the recapitalization of a 198,000 square feet, thirteen story Class B office building located 1½ blocks west of New York City's Penn Station.

5. Lockwood Medical Office Buildings – a preferred equity investment in the acquisition of a 92,034 square feet medical office complex adjacent to the Sound Shore Medical Center in New Rochelle, Westchester County, New York.
6. Bicester Village – a mezzanine loan to an affiliate of U.K. based Value Retail, which owns one of Europe's most successful destination outlet shopping developments in Oxfordshire, between London and Oxford.
7. Villas at Tristant – a mezzanine loan for the land acquisition and development of a 34-unit luxury town home community known as the Villas at Tristant in the famed Rocky Mountain ski resort center of Telluride, Colorado.
8. Cornerstone Portfolio II – a mezzanine loan to an affiliate of Cornerstone Development, Inc. one of South Florida's largest owners and developers of affordable housing communities.
9. Wayzata Boatworks Office and Marina – a mezzanine loan to an affiliate of Wayzata Properties L.L.C. which owns office property in Minnesota.
10. Voice Road – a preferred equity investment in the recapitalization of Voice Road Plaza, a 132,000 square feet shopping center in Carle Place, Nassau County, Long Island, New York, situated one-quarter mile from Roosevelt Field Mall, the 5th largest regional mall in the United States.
11. Grove at Arlington – a preferred equity investment in the recapitalization of Grove at Arlington, a 190 unit residential condominium conversion in Arlington, Virginia.
12. Fashion Outlets of Niagara Falls – a preferred equity investment in the recapitalization of Fashion Outlets of Niagara Falls, a 530,000 square feet partially enclosed shopping center in Niagara Falls, New York.
13. Herald Center – a recapitalization of a 240,000 square feet, nine-story mixed use retail/office building at the southwest corner of 34th Street and Broadway in New York City near Macy's flagship store. In June 2006, the original investment was fully returned, and the proceeds of a sale of investor equity position were funded to SC II investors in late April 2011.
14. Miracle MarketPlace – a preferred equity investment as part of the redevelopment of a 246,000 square feet retail center in Miami, near Coral Gables, Florida. (See # 15 below.)
15. Miracle MarketPlace II – a mezzanine loan funded as additional capital for the redevelopment of Miracle MarketPlace. (See #14 above.)
16. Cornerstone Portfolio – a mezzanine loan to an affiliate of Cornerstone Development, Inc., one of south Florida's largest owners and developers of affordable housing.
17. 1370 Broadway – a preferred equity investment in 1370 Broadway, a 250,355 square feet Class B office building in New York City's garment district.
18. 400 Madison Avenue – an $11,500,000 preferred equity and mezzanine loan investment in the recapitalization of a 22-story, 188,261 square feet pre-war trophy office building filling the full Madison Avenue block front between 47th and 48th Streets in mid-town Manhattan.
19. Bicester Village (Value Retail) – a mezzanine loan to an affiliate of U.K. based Value Retail, which owns one of Europe's most successful destination outlet shopping developments in Oxfordshire, between London and Oxford. Originally maturing on July 1, 2006, this investment was extended for two additional two-year renewals. On July 1, 2010, this investment was extended for an additional two years at a net effective increase to the Fund from 10.5% to 11% p.a. until July 2012. A further extension and increase was provided until November 2014 on substantially the existing loan terms. The funding was comprised of $6,300,000 by SC II

extending a portion of its current investment in Value Retail, $4,500,000 by SC V and the balance of $5,200,000 by SC VI.

20. University Square – a hybrid debt/preferred equity investment in the recapitalization and expansion of a 206,000 square feet neighborhood retail center in San Diego, California anchored by a 53,000 square feet grocery operated by a unit of Kroger.

    Description of Restructuring:

    In late March 2013, SC V assumed operating control of University Square. In June 2015 University Square's sponsor paid more than $12,000,000 to MSC V to redeem MSC V's original $6,000,000 investment and repay the $425,000 advances, plus the entire deferred return of approximately $5,700,000.

21. Pantzer/Dune Portfolio – a $50 million preferred equity investment used toward the recapitalization of an eight property 2,580 unit multi-family residential portfolio comprising five different submarkets in Northern Virginia and Maryland near Washington, D.C. SC V and SC VI each funded $5,000,000 for the junior position in the joint venture. An institutional investor funded the $40 million senior portion of the investment managed by SC V and SC VI. The $10,000,000 was redeemed in June 2015, and MSC V and MSC VI each received a full return of their respective $5,000,000 investment, in addition to the investment returns previously received in accord with the investment agreement.

22. Chanel/Armani – a mezzanine loan to assist in the recapitalization of two high-end retail properties located in the heart of the Union Square area in San Francisco, CA. The $9,900,000 was redeemed in July 2015, and MSC V and MSC VI each received a full return of their invested $7,725,000 and $2,175,000, respectively, and each received its share of a prepayment penalty of $2,759,000.

23. 220 Park Avenue South – a mezzanine loan to assist in the acquisition of a nine-story residential and retail property located one block north of Union Square in Manhattan. This loan was recently repaid along with a prepayment penalty.

The following investments were concluded at a loss:

24. Four Seasons Resort – a preferred equity investment in the development of a 120-room Four Seasons Hotel and 16 whole ownership condominium units and 19 Residence Club fractional units in Vail Village, Colorado. As investors were advised previously, SC II and SC IV have experienced a loss of their respective remaining investments in this project.

25. 119 West 40th Street – a purchase at discount of debt junior to a senior mortgage loan and secured by the pledge of entity ownership interests in a 331,901 square feet Manhattan office building at 119 West 40th Street. As investors were advised previously, SC III, SC IV and SC V have experienced a partial loss. A settlement concluded with borrower's sponsor resulted in an after-tax overall recovery of approximately 83% of invested capital.

The following investments are on-going and performing in accord with original contract terms, subject to any modification in the notes below:

26. 681 Fifth Avenue – a $12,500,000 mezzanine loan in the recapitalization of 681 Fifth Avenue, an 82,573 square feet retail (the flagship location for Tommy Hilfiger) and boutique office building located in the Plaza District of midtown Manhattan.

27. 777 South Broad St. – a mezzanine loan to assist in the recapitalization of a five-story residential and retail property located on South Broad Street in Philadelphia, PA.

28. Saxon Hall – a mezzanine loan to assist in the acquisition of a 16-story, 417 unit rent-stabilized multi-family property located in Rego Park (Queens), NY.

– See schedule of *Malkin Strategic Capital Program* investments on following page –

MALKIN STRATEGIC CAPITAL PROGRAM

Reflects receipts through December 31, 2015

Asset	Location	Investment Date	Type	Term	Maturity Date (a)	SC I	SC II	SC III	SC IV	SC V	SC VI	Total Investment	Total Receipts
Total Capital Raise						**15,800,000**	**20,200,000**	**20,100,000**	**26,750,000**	**48,500,000**	**25,398,000**		
Concluded Investments													
Broadway Saxon Partners	White Plains, NY	8/2/01	Preferred	2.10 yrs	5/7/04	3,500,000						3,500,000	5,600,501
Redwood Tower	Baltimore, MD	9/20/01	Preferred	3.0 yrs	9/30/04	3,200,000						3,200,000	4,581,689
554 Preferred LLC	New York, NY	3/1/02	Preferred	2.2 yrs	4/30/04	6,500,000						6,500,000	9,305,400
424-34 West 33rd Street	New York, NY	12/19/02	Preferred	2.5 yrs	5/10/05		6,325,000					6,325,000	8,727,039
Lockwood Medical Office	New Rochelle, NY	7/28/03	Preferred	2.0 yrs	6/15/2005		3,200,000					3,200,000	4,492,334
Bicester Village	Oxfordshire, UK	6/1/04	Mezz	0.6 yrs	1/14/2005			5,500,000				5,500,000	6,120,278
Villas at Tristant	Telluride, CO	5/4/05	Mezz	2.0 yrs	6/6/2007			4,350,000				4,350,000	6,610,932
Cornerstone Portfolio II	Florida	9/15/05	Mezz	2.8 yrs	4/4/2007		3,200,000	2,000,000				5,200,000	6,849,127
Wayzata Boatworks	Wayzata, MN	9/23/05	Mezz	1.7 yrs	3/31/2007		4,500,000	2,800,000				7,300,000	9,045,230
Voice Road	Carle Place, NY	7/10/07	Preferred	1.5 yrs	12/24/2008		1,250,000	2,050,000	1,700,000			5,000,000	6,076,773
Four Seasons Resort	Vail, CO	2/27/07	Preferred	2.1 yrs	4/2/2009		1,575,000		7,825,000			9,400,000	2,255,967 **(b)**
Grove at Arlington	Arlington, VA	8/5/08	Preferred	2.0 yrs	2/2/2010					4,000,000		4,000,000	5,015,500
Fashion Outlets Niagara Falls	Niagara Falls, NY	8/8/08	Preferred	2.0 yrs	9/30/2010					14,087,350		14,087,350	18,049,619
Herald Center	New York, NY	11/6/02	Preferred	8.4 yrs	3/29/2011 **(c)**		1,500,000					1,500,000	4,302,604
119 West 40th Street	New York, NY	12/31/07	Mezz	9.3 yrs	5/12/2011			8,600,000	3,050,000	5,020,000		16,670,000	9,619,222 **(d)**
Miracle MarketPlace	Miami, FL	2/28/06	Preferred	5.4 yrs	7/22/2011				11,000,000			11,000,000	21,376,716 **(e)**
Miracle MarketPlace II	Miami, FL	2/20/09	Mezz	2.5 yrs	7/22/2011			750,000		6,575,000		7,325,000	10,954,070 **(f)**
Cornerstone Portfolio I	Florida	4/5/05	Mezz	7.0 yrs	4/1/2012			9,000,000				9,000,000	14,708,446
1370 Broadway	New York, NY	12/28/05	Preferred	10.0 yrs	12/31/2015		1,825,000	1,160,000	2,015,000			5,000,000	8,759,284
400 Madison Avenue	New York, NY	7/21/10	Mezz	5.0 yrs	8/1/2015				900,000	10,600,000		11,500,000	17,729,509 **(g)**
Bicester Village (Value Retail)	Oxfordshire, UK	6/1/03	Mezz	9.0 yrs	11/1/2014		6,300,000			4,500,000	5,200,000	16,000,000	28,851,377 **(h)**
University Square	San Diego, CA	6/27/08	Preferred	1.8 yrs	2/28/2009 **(i)**					5,500,000		5,500,000	14,399,245
Pantzer Dune Portfolio	Virginia & Maryland	10/7/11	Preferred	5.0 yrs	10/1/2016 **(j)**					5,000,000	5,000,000	10,000,000	13,916,663
Chanel/Armani	San Francisco, CA	5/22/13	Mezz	5.0 yrs	5/31/2017 **(k)**					7,725,000	2,175,000	9,900,000	12,025,250
220 Park Avenue South	New York, NY	6/21/11	Mezz	5.0 yrs	6/30/2016 **(l)**					600,000	1,600,000	2,200,000	3,210,842
Total Concluded Investments						13,200,000	29,675,000	36,210,000	26,490,000	63,607,350	13,975,000	183,157,350 **(m)**	**252,583,615**

Asset	Location	Investment Date	Type	Term (n)	Maturity Date	SC I	SC II	SC III	SC IV	SC V	SC VI	Total Investment	Total Receipts To Date
Ongoing Investments													
681 Fifth Avenue	New York, NY	12/16/10	Mezz/pref	7.0 yrs	1/6/2018					12,500,000		12,500,000	5,988,853
777 Mezz Lender LLC	Philadelphia, PA	11/15/12	Mezz	10 yrs	12/6/2022						7,750,000	7,750,000	2,462,562
Saxon Hall	Queens, NY	6/26/13	Mezz	7.0 yrs	6/30/2020					7,575,000	1,675,000	9,250,000	2,155,379
Total Ongoing Investments						-	-	-	-	20,075,000	9,425,000	**29,500,000 (m)**	**10,606,794**

Notes:

(a) Maturity date (redeemed investments) reflects date of redemption; such date may be different than contract date.

(b) Vail Four Seasons $9,400,000 investment concluded with a loss of $7,144,000 ($2,256,000 represents partial recovery of principal and earnings).

(c) Herald Center investment of $1,500,000 was fully returned in 2006; equity position was sold in 2011.

(d) 119 West 40th Street $16,670,000 investment concluded with a loss of $7,062,000. Sponsor purchased the original note for $6,670,000 including a promissory note of $2,500,000 paid 9/30/2011.

(e) Miracle Market Place - Includes equity settlement payment in the amount of $13,266,787 received 7/22/2011. Additional payment of $2,363,000, secured by a promissory note was received in January 2013 and included in these receipts

(f) Miracle MarketPlace II - Includes loan settlement payment in the amount of $7,833,213 received 7/22/2011. Additional payment of $1,573,000, secured by a promissory note was received in January 2013 and included in these receipts.

(g) 400 Madison Avenue redemption on August 01, 2012 included $11,500,000 investment plus $3,618,416 prepayment penalty.

(h) Bicester Village investment in SC II adjusted from $8,000,000 and total investment increased to $16,000,000 and extension provided until November 2014 on substantially the exisitng loan terms; was repaid in April 2014

(i) University Square - Control Shift to SC exercised 2/2012; sponsor redeemed investment in June 2015

(j) Sponsor repaid investment after prepayment penalty expired in June 2015.

(k) Sponsor repaid investment with prepayment penalty in July 2015.

(l) Sponsor repaid investment with prepayment penalty in November 2015.

(m) Total of all investments from inception of SC program is $212,657,350.

(n) Earliest exit date provided for in agreement. Extension options not shown for certain on-going investments.