NorthStar
ASSET MANAGEMENT GROUP

NSAM, NRF & CLNY Tri-Party Merger:

NSAM Shareholders Deserve a Better Deal

September 2016

LANDandBUILDINGS

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I. EXECUTIVE SUMMARY

ABOUT LAND AND BUILDINGS

- Land and Buildings Investment Management, LLC ("Land and Buildings") is a registered investment manager founded in 2008 that specializes in publicly traded real estate and real estate related securities
- Land and Buildings seeks to deliver attractive risk-adjusted returns by opportunistically investing in securities of global real estate and real estate related companies by leveraging off of our investment professionals' deep experience, research expertise, and industry relationships
- We manage a concentrated portfolio based on extensive fundamental research and we aim to maintain and nurture constructive relationships with our portfolio companies

MGM RESORTS INTERNATIONAL®

Following advocacy by Land and Buildings, MGM Resorts International announced a spin-off of a significant portion of its real estate assets into a publicly traded REIT

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Associated Estates

Associated Estates Realty Company was acquired by Brookfield Asset Management Inc. after Land and Buildings advocated for the company to explore strategic alternatives

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AMERICAN RESIDENTIAL PROPERTIES

American Residential Properties, Inc. was acquired by American Homes 4 Rent after Land and Buildings advocated for the company to explore strategic alternatives

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NSAM SHAREHOLDERS DESERVE A BETTER DEAL

- **We are 2.0% NSAM shareholder and intend to vote AGAINST the proposed Colony NorthStar tri-party merger**
- **NSAM is the Crown Jewel of the merger and we believe is being substantially undervalued**
  - NSAM's management contract of NRF is the Crown Jewel of the merger and, as Executive Chariman David Hamamoto has said, is "essentially non-terminable" and "cannot be reduced or reset down in any circumstances"[(1)]
  - NSAM executives agree with us, having assigned a 40x-plus[(2)] multiple in November 2015 while bankers used a ~10x in rendering their fairness opinions in order to justify NSAM valuation and merger[(3)]
- **NorthStar executives are feeding at the trough**
  - Hamamoto (who still has a job!) and his senior executives will get an outrageous $223 million Golden Parachute
  - NSAM's directors lack independence and have a dizzying array of connections among them and with the banks advising them on the tri-party merger; excessive advisor fees total ~$70 million upon completion of the merger
  - We are concerned shareholders did not have a truly independent voice looking out for their best interests
  - The proposed Colony NorthStar continues to have exceedingly bloated G&A as a result of inadequate synergies
- **NSAM has real alternatives**
  - The billions of dollars in liquidity NRF created through asset sales should inure to the benefit of NRF/NSAM shareholders, not Colony
  - An NSAM/NRF recombination where NRF pays stock plus $8 in cash for NSAM could have significantly higher recurring cash flow per share than Colony NorthStar and return 80%+ for both NSAM and NRF shareholders
  - NSAM should promptly hold a director election; Our six director nominees could provide a smooth transition of management and run a truly arms length strategic alternatives process

The proposed tri-party merger substantially undervalues NSAM

(1) Source: NSAM Q3 2015 Earnings Call (2) NSAM November 2015 Investor Presentation (3) Colony NorthStar Form S-4 filed July 28, 2016 and Land and Buildings estimates

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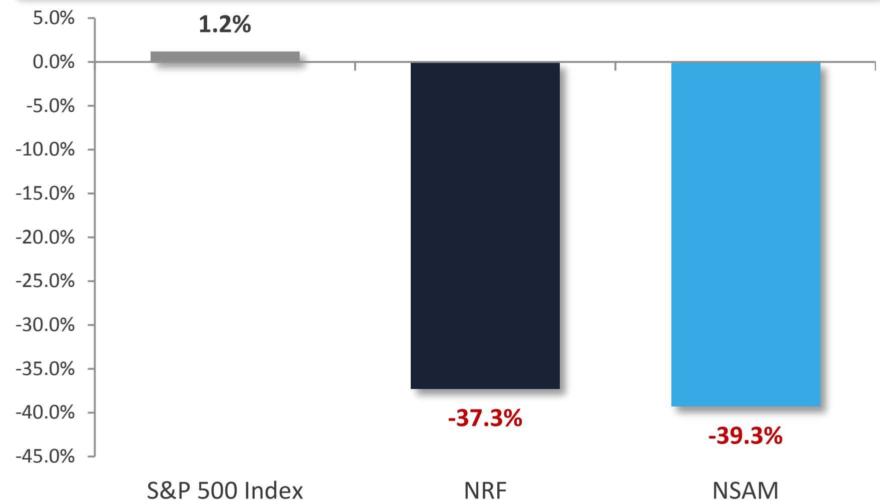
II. UNDERSTANDING NSAM

NSAM'S SHORT, YET TUMULTUOUS, HISTORY

- In December 2013, NorthStar Realty Finance Corp. ("NRF") announced that its board of directors had unanimously approved a plan to spin-off its asset management business into a separate publicly traded company to be named NorthStar Asset Management Corp. ("NSAM" or the "Company")(1)
  - Under the terms of the spin-off, NSAM entered into an effectively unbreakable 20-year management contract with NRF, ensuring that NSAM would have a steady stream of management fees for years to come(1)
  - Rather than create independent boards and management teams, **David Hamamoto, NRF's Chairman and CEO, opted to begin "double-dipping"** and assumed top leadership roles at each company(1) while awarding himself infamously generous compensation for each position(2)

NSAM and NRF Total Shareholder Return Since Spin(4)



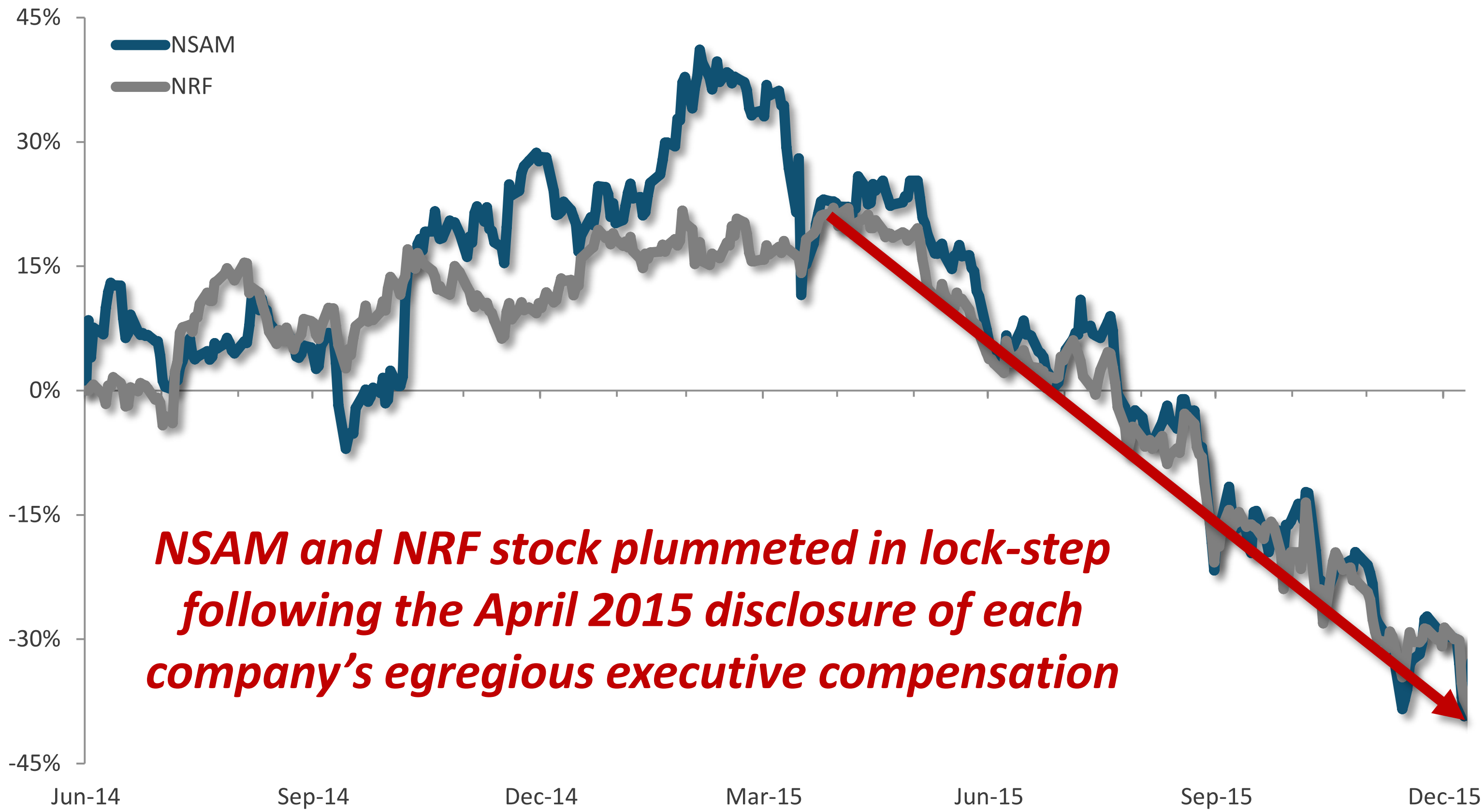
- On July 1, 2014, the spin was completed and NSAM began trading on the New York Stock Exchange(3)
  - As a reward for completing the spin-off, Mr. Hamamoto was compensated nearly \$82 million in 2014(2) – a figure which was **broadly condemned by shareholders we have spoken with** and is **symbolic of the poor stewardship** currently plaguing NRF and NSAM

Under the overhang of a **bloated cost structure and shattered credibility of stewardship**, NRF and NSAM shareholders have each lost nearly 40% since the split(4)

(1) Source: NRF Form 8-K filed December 10, 2013
(2) Source: Institutional Shareholder Services (NSAM/NRF)
(3) Source: NSAM Form 8-K filed July 1, 2014
(4) Source: Bloomberg (June 30, 2014 to unaffected date of January 8, 2016 prior to L&B public involvement)

OUTRAGEOUS EXECUTIVE COMPENSATION CAUSED SHAREHOLDERS TO FLEE BOTH NRF AND NSAM

NSAM and NRF Total Shareholder Return Since Spin



Many shareholders likely voted with their feet once the scale of the greed of Mr. Hamamoto and the Board was fully disclosed

Source: Bloomberg (June 30, 2014 through unaffected price date of January 8, 2016)
Note: Compensation disclosed in NRF and NSAM's proxy statements filed April 17, 2015

TRI-PARTY MERGER TIMELINE (ABBREVIATED)

- In late 2015 and early 2016, we met with representatives from the Company to discuss NSAM's performance, corporate governance and opportunities to maximize value for shareholders
  - In response to our pressure, NSAM issued a public statement asserting they were exploring strategic alternatives

NorthStar Asset Management Announces Exploration of Strategic Alternatives

NEW YORK, Jan. 11, 2016 /PRNewswire/ -- The Board of Directors (the "Board") of NorthStar Asset Management Group Inc. (NYSE: NSAM) announced today that it has engaged Goldman, Sachs & Co. as its financial advisor to assist NorthStar Asset Management in exploring possible strategic alternatives to maximize shareholder value.

- On June 3, 2016, NSAM, NRF and CLNY announced the proposed merger

NorthStar Asset Management Group, Colony Capital, and NorthStar Realty Finance Announce Merger to Create Colony NorthStar, a World-Class Diversified Real Estate and Investment Management Platform

Equity REIT with $58 Billion of Assets under Management across Different Geographies and Property Types

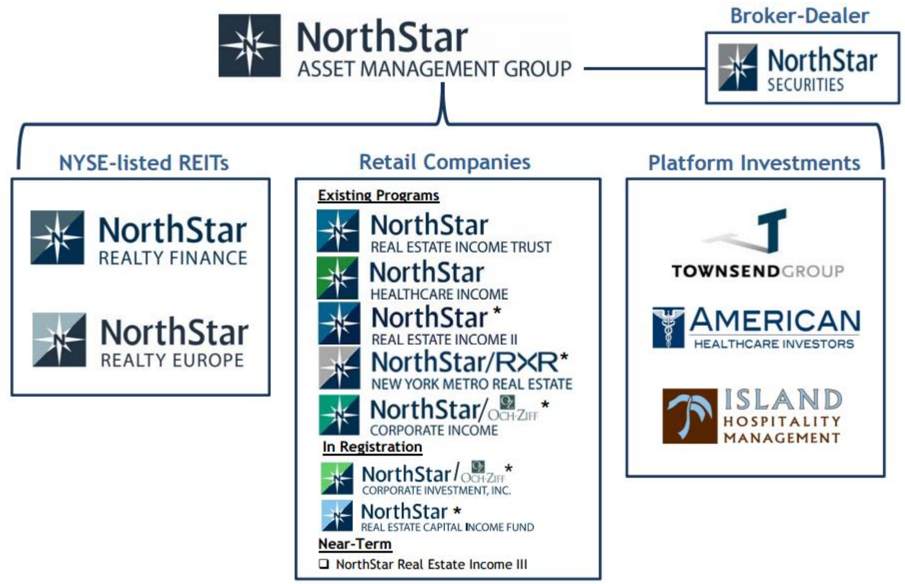
Greater Potential to Enhance Shareholder Returns Through Overlay of Investment Management Economics across a Larger Balance Sheet

NEW YORK & LOS ANGELES--(BUSINESS WIRE)--Jun. 3, 2016-- NorthStar Asset Management Group Inc. (NYSE: NSAM), Colony Capital, Inc. ("Colony") (NYSE: CLNY) and NorthStar Realty Finance Corp. (NYSE: NRF) today announced that they have entered into a definitive merger agreement under which the companies will combine in an all-stock merger of equals transaction to create a world-class, internally-managed, diversified real estate and investment management platform. The transaction has been unanimously approved by the Special Committees of NSAM and NRF, and the Board of Directors of Colony. The combined company will be named "Colony NorthStar, Inc."

- On August 17, 2016, Abrams Capital, a 5.8% holder of NSAM, filed a 13D opposing the merger
  - "…do not believe that the merger as proposed is in the best interests of shareholders of the Issuer and currently intend to vote against the transaction."

NORTHSTAR GROUP OVERVIEW

- For nearly 10 years NRF managed its real estate investments internally; however, in July 2014 NRF spun-out its management business to form NSAM[1]
  - As part of the spin-off, NRF was required to use NSAM as its external manager[1] with annual base management fees that "cannot be reduced or reset downward in any circumstance"[2]
  - In October 2015, NRF spun-off its European assets to form NorthStar Realty Europe Corp. ("NRE") and, as part of the spin-off, NRE was required to use NSAM as its external manager[3]
- NSAM derives the bulk of its value from its contracts to manage the assets of NRF and NRE, which are both publicly traded ("Listed REITs")[4]



** Represents approximately $10 billion of future capital raising*

- NSAM also manages and provides services to several public, but non-traded REITs ("Non-Listed REITs")[4]
- NSAM has several platform investments in companies, including The Townsend Group
- NSAM has a wholly-owned broker-dealer, NorthStar Securities, LLC, which raises capital in the retail market for NSAM's Non-Listed REIT and other fund clients

(1) Source: NRF Form 8-K filed December 10, 2013
(2) Source: NSAM Q3 2015 Earnings Call
(3) Source: NRE Form 10-K filed March 30, 2016
(4) Note: Land and Buildings estimates

MANAGEMENT FEES

NSAM Earnings Summary

Segment	Vehicles	Annual Projected Revenue ($MM)	
NYSE-Listed REITs	NorthStar Realty Finance; NorthStar Realty Europe	200	• Annual base fees
Retail Companies	NorthStar Real Estate Income Trust; NorthStar Healthcare Income; NorthStar Real Estate Income II	137	• Annual fees based on current capital raised
Platform Investments	Townsend Group	58	• Revenue (NSAM %)
	American Healthcare Investors; Island Hospitality Management	18	• Earnings (NSAM %)
Broker-Dealer	NorthStar Securities	9	• Net broker-dealer fees

NYSE-Listed REIT Management Fees

	NorthStar Realty Finance	NorthStar Realty Europe
Primary Strategy	**Real Property & CRE Debt**	**Real Property & CRE Debt**
Asset Management Fees		
Annual Base Management Fee	$186 million	$14 million
Cumulative Equity Issued	1.5% of Equity	1.5% of Equity
Quarterly Incentive Fee	CAD/share over return hurdle	CAD/share over return hurdle

Annual base management fees cannot contractually decrease

Source: NSAM March 2016 Company Presentation

NSAM IS A ONE-OF-A KIND BUSINESS DUE TO ITS PERPETUAL STREAM OF REVENUE; HOWEVER THE CONSIDERATION BEING FOR PAID NSAM GROSSLY UNDERVALUES IT

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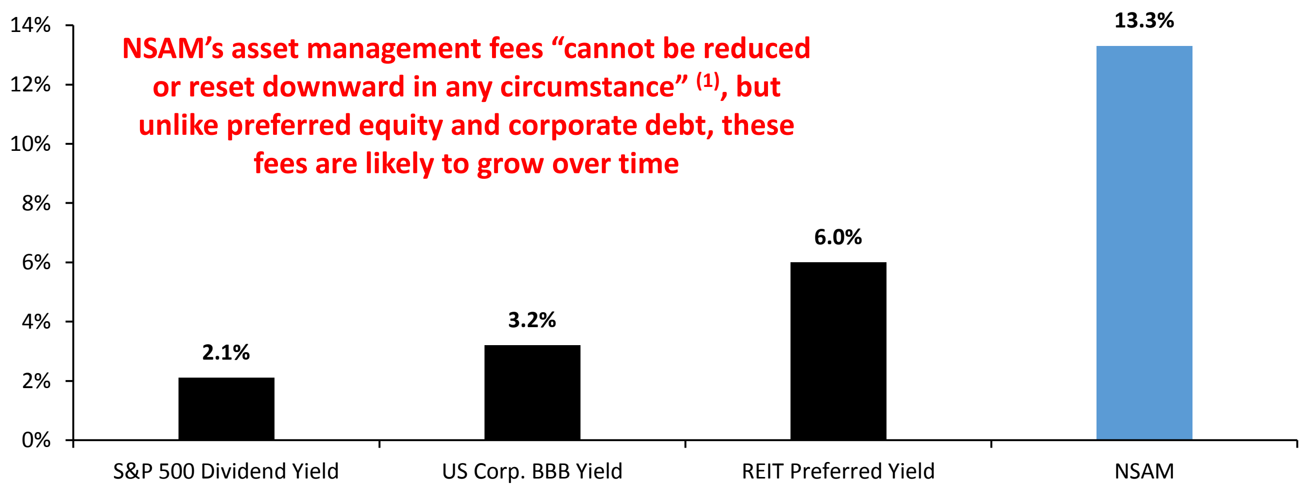
III. NSAM IS UNDERVALUED

NSAM IS SUBSTANTIALLY UNDERVALUED

- NSAM is the Crown Jewel of the proposed tri-party merger and we believe the proposed merger meaningfully undervalues NSAM's perpetual management contract with the public REITs and future earnings potential
- David Hamamoto made it clear that the contract is essentially perpetual and "cannot be reduced or reset down in any circumstance"[(1)]
- Fairness opinions provided by NSAM's, NRF's and CLNY's advisors wrongly used asset manager comps for NSAM despite, as NSAM management has repeatedly shown, those fee streams are non-perpetual and cancelable
- Appropriate comps to value the management contract include fixed income investments such as triple BBB bonds and perpetual preferred stock that trade at materially higher multiples and lower yields

NSAM's Cash Flow Yield Relative to Other Investment Vehicles[(2)]



NSAM is deeply discounted relative to investment vehicles that provide perpetual cash flow

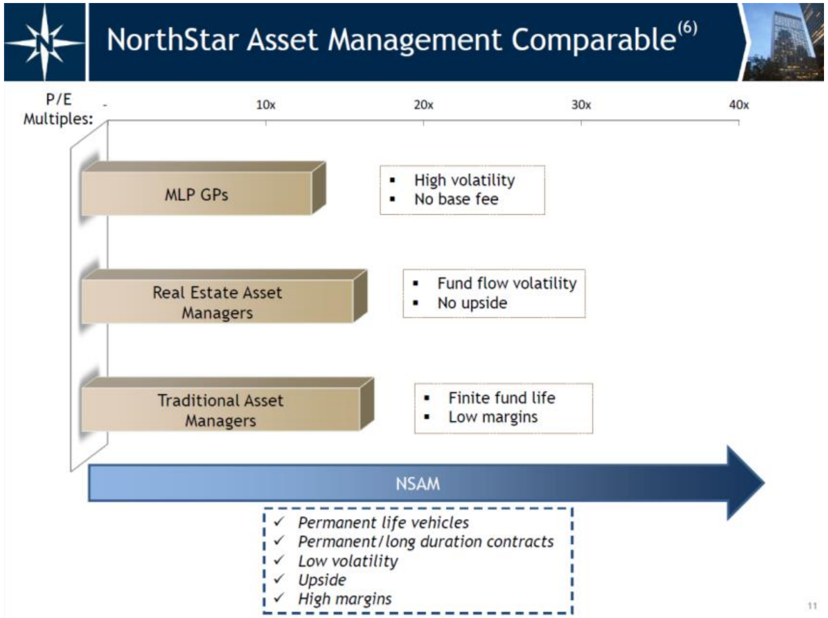
(1) Source: NSAM Q3 2015 Earnings Call

(2) S&P 500 /US Corp. BBB Yields are averages (Bloomberg); REIT Preferred Yield is average (BMO); NSAM: 2017 CAD in Colony NorthStar Form S-4 filed July 28, 2016 divided by NSAM price as of January 8, 2016

BANKERS UNDERVALUE THE CROWN JEWEL

- **NSAM undervalued by bankers:** The four bankers in the deal ascribed NSAM a value between ~$13 and ~$15 per share, allowing them to give their blessing to the tri-party merger[1]
- **Wrong peer groups, wrong multiples:** We believe the fairness opinions on NSAM provided by Evercore, UBS and BofA Merrill Lynch used faulty peer groups to validate the fairness of the merger and appropriate multiple for NSAM
  - Evercore and UBS used traditional asset management peers such as AllianceBernstein, BlackRock and Cohen & Steers that DO NOT have perpetual fees streams
  - BofA Merrill Lynch and UBS used alternative asset management peers Apollo Global Management, Ares Management, Blackstone, and Carlyle Group that DO NOT have perpetual fees streams
- **NSAM agrees with us!**
  - ***At the 40x multiple NSAM management believes the company could be worth (see right), NSAM is worth over $55!***[2]

NSAM November 2015 Investor Presentation



NSAM management agrees: bankers are using the wrong multiples and peer groups

(1) Based on the midpoint of valuation ranges disclosed in Colony NorthStar Form S-4 filed July 28, 2016

(2) 2017 CAD in Colony NorthStar Form S-4 filed July 28, 2016 at 40x multiple

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IV. FEEDING AT THE TROUGH

MR. HAMAMOTO'S OUTRAGEOUS ~$200M COMPENSATION

2014

NorthStar Asset Management Group	$14.9 million
NorthStar Realty Finance	$66.8 million
Total Compensation	**$81.7 million**

2015

NorthStar Asset Management Group	$20.5 million
NorthStar Realty Finance	$9.5 million
Total Compensation	**$29.9 million**

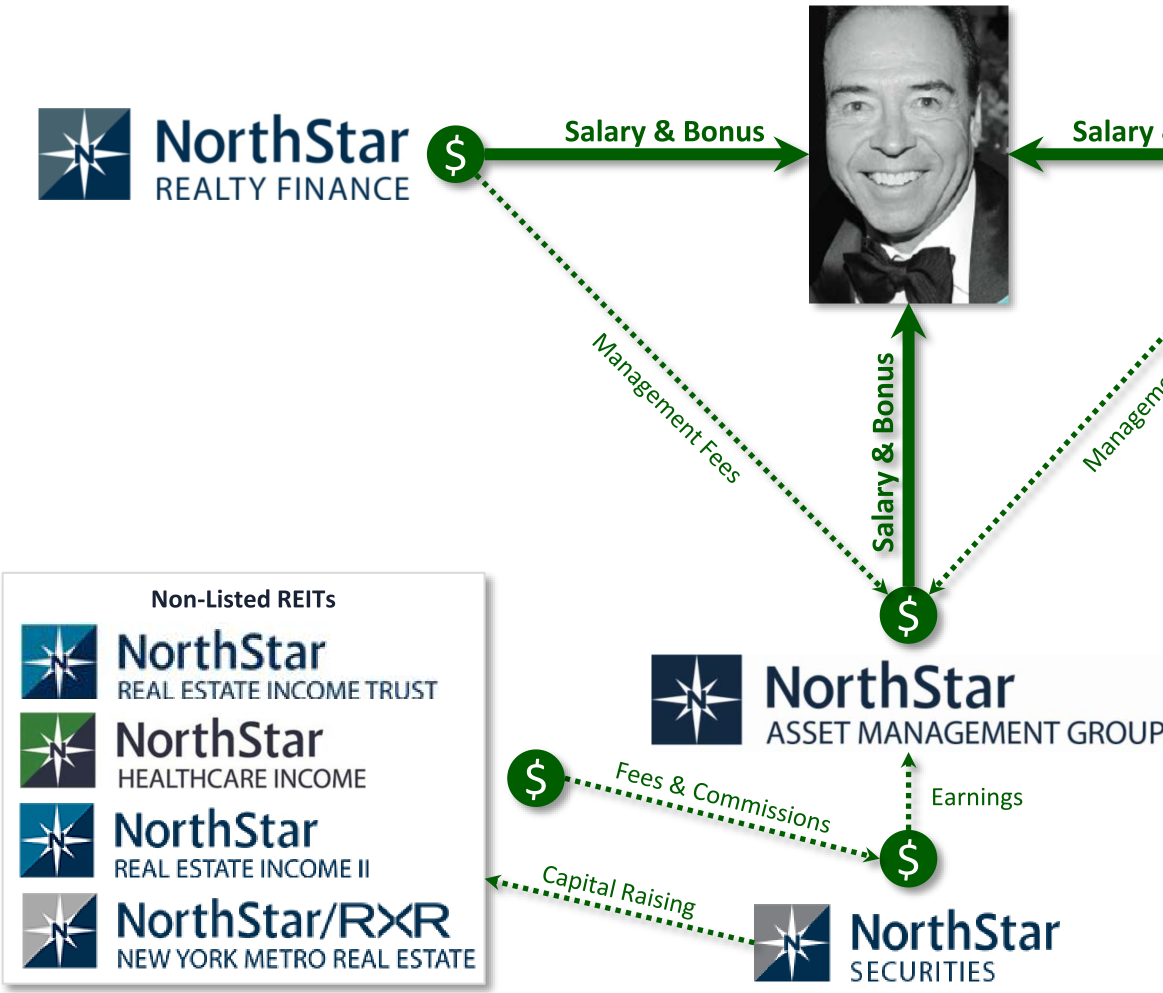
Merger

NorthStar Asset Management Group / NorthStar Realty Finance / Colony Capital	$86.3 million
Total Compensation	**$86.3 million**

What could Mr. Hamamoto possibly have done for shareholders to justify compensation of **~$200 million** since 2014? It wasn't stock performance.

Source: Institutional Shareholder Services, Company proxy filings

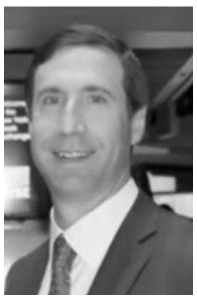
DAVID HAMAMOTO'S SWEET DEAL

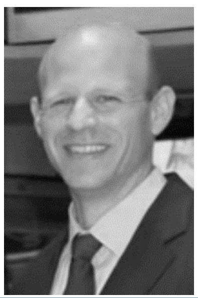
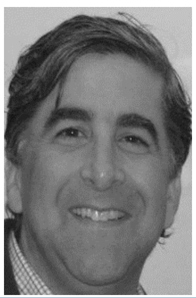


NSAM MGMT HANDSOMELY REWARDED FOR MERGER

- NSAM/NRF management will earn $223 million in Golden Parachute compensation, according to the tri-party merger proxy statement filed on July 28, 2016, even higher than L&B's $180 million estimate published on June 6, 2016
- Hamamoto and Gilbert are both receiving Golden Parachute payments despite both still having jobs(!)
- NSAM management is "sacrificing" cash payments and being granted cheap stock as a reward for making the stock so cheap in the first place(!)






David T. Hamamoto	Albert Tylis	Daniel R. Gilbert	Debra A. Hess	Ronald J. Lieberman	Jonathan A. Langer	Total Golden Parachute
$86,328,743	$52,838,368	$45,343,693	$17,980,342	$11,464,593	$9,173,691	**$223,129,430**

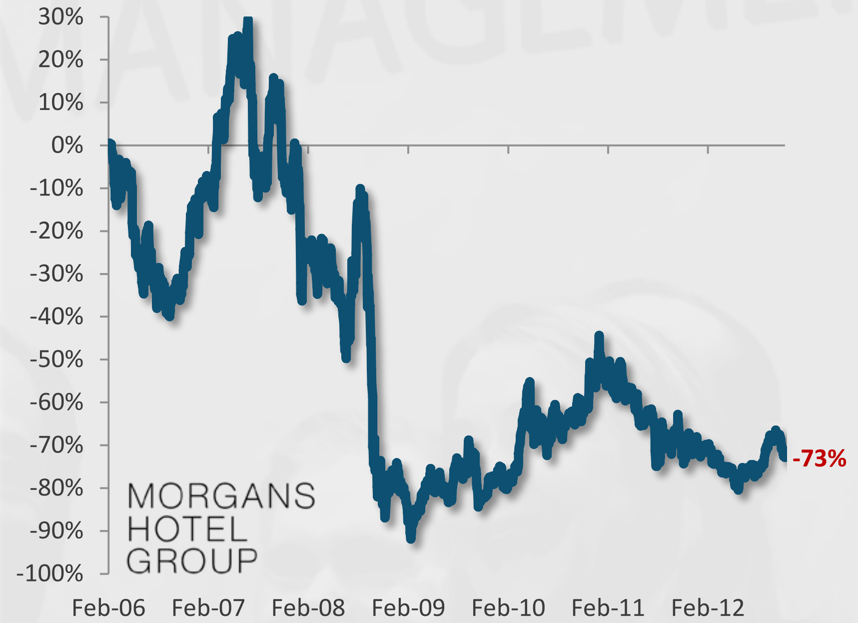
$223 million is an egregious reward for destroying billions in shareholder value[(1)]

(1) Land and Buildings estimate for NYSE-listed public NorthStar entities (June 30, 2014 through unaffected price date of January 8, 2016)

CASE STUDY: MR. HAMAMOTO'S EXCESSIVE COMPENSATION AND VALUE DESTRUCTION AS CHAIRMAN OF MORGANS

- Morgans Hotel Group Co. ("Morgans") was founded by Ian Schrager in 1983[(1)]
- In 1997, NorthStar Capital Investments Corp. ("NCIC"), co-founded by Hamamoto, invested in Morgans[(2)]
- NCIC's Ed Scheetz named CEO in 2005[(3)]
- Morgans IPO'd in February 2006[(3)]
  – Mr. Hamamoto's director fees totaled **$2.7 million**, **$3.1 million**, and **$3.2 million** in the three years that followed the IPO[(4)] while Morgans' market cap averaged ~$500 million over the same period[(5)]
- Mr. Scheetz abruptly resigned as CEO in 2007[(6)]
- Hamamoto appointed to Executive Chairman from Chairman in March 2011[(2)] and was compensated **$6.3 million** that same year[(7)]
- Hamamoto resigned as Executive Chairman of Morgans in November 2012[(8)] **leaving shareholders with a -73% return since the IPO**[(9)]

TSR of Mr. Hamamoto's Tenure at Morgans[(9)]



"[H]otel and real estate industry insiders are highly skeptical of the IPO. Many feel that going public is a last resort for management in its quest to lighten a hefty debt load."

Forbes, February 15, 2006

Mr. Hamamoto has a track record of greed and value destruction, in our view

(1) Source: Morgans Form 10-K filed March 31, 2006
(2) Source: Morgans Form 8-K filed March 24, 2011 and 2007 proxy
(3) Source: Morgans Form 424B4 (prospectus) filed February 14, 2006
(4) Source: Morgans 2007, 2008, and 2009 proxy statements
(5) Source: Capital IQ and Bloomberg
(6) Source: Morgans Form 8-K filed September 19, 2007
(7) Source: Morgans 2012 proxy statement
(8) Source: Morgans Form 8-K filed November 20, 2012
(9) Source: Bloomberg

ISS AND GLASS LEWIS VOICED SIGNIFICANT CONCERNS OVER MR. HAMAMOTO'S COMPENSATION

*"**Significant concerns** are raised regarding the company's annual and long-term incentive plan, where the individual payout targets are stipulated as a percent of a bonus pool created as a percentage of revenue, with no maximum dollar cap on the bonus pool or on payouts. Such a structure risks excessive payouts even for strong performance, and for **2014 has resulted in a cash award for the CEO equal to over two times the median of total compensation of peers**. Further, the **rigor of the annual program is difficult to evaluate** as results for performance metrics are not disclosed; this **concern is heightened given the magnitude** of payouts under the plan. Moreover, **proxy disclosures provide little explanation** of how individual award levels are determined. In light of these concerns, and their contribution to pay that is high relative to peers, **support for the company's executive compensation program is not warranted**."*

Institutional Shareholder Services Proxy Research, May 14, 2015 (emphasis added)

*"[T]he Company's executives appear to be receiving substantial compensation year over year, with ongoing structural concerns highlighting a compensation program that **does not seem to be successfully aligning executive interests with those of shareholders**....*

*"We note that the compensation values above reflect only the awards granted to executives following the spin-off in June 2014. Shareholders should **question whether** the $14.3 million in compensation received by Mr. Hamamoto **is entirely justifiable for six months of operations**, and further note that this does not include the additional $41.4 million awarded to Mr. Hamamoto under the NSAM Incentive Plan prior to the spin-off and disclosed only in the NorthStar Realty proxy statement. **Taking into account all compensation paid at NorthStar Realty, we note that Mr. Hamamoto received $74.6 million in compensation for the year in review**.*

*"**Even when considering only the compensation approved following the spin-off, we do not believe shareholders should support this proposal**. The concerns outlined above become increasingly relevant if the compensation paid to the executives under the NSAM Incentive Plan for the full year are taken into account. We firmly question whether the current compensation approach, and the granting decisions made for the year in review, are appropriate. Accordingly, **we recommend that shareholders vote AGAINST this proposal**."*

Glass Lewis Proxy Paper, May 12, 2015 (emphasis added)

NSAM'S CONFLICTED BOARD

Substantial Board Overlap[1]

	Mario Chisolm	Stephen Cummings	David Hamamoto	Judith Hannaway	Oscar Junquera	Justin Metz	Wesley Minami	Louis Paglia	Charles Schoenherr	Albert Tylis
NorthStar Asset Management Group	–	✓	✓	✓	✓	✓	✓	✓	–	✓
NorthStar Realty Finance	–	Former	✓	✓	Former	–	✓	✓	✓	✓
NorthStar Realty Europe	✓	–	✓	✓	✓	–	✓	–	✓	✓

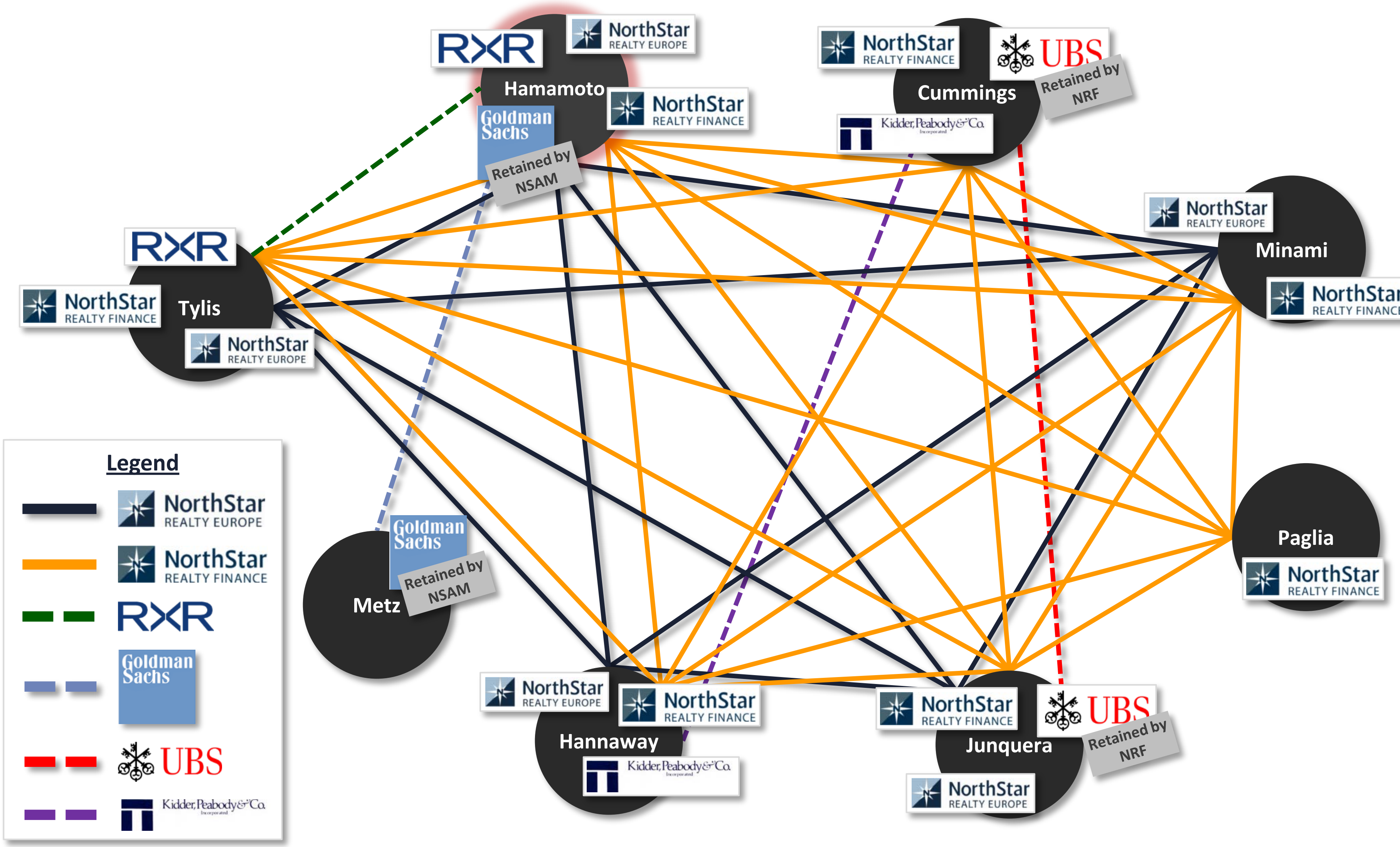
*"As announced on January 11th, the NSAM Board of Directors which consists of eight directors, **six of whom are independent**, began a process with the support of outside financial and legal advisors to explore strategic alternatives. That process is well underway and **includes three NSAM independent directors** who are not on the board of directors of NorthStar Realty Finance Corp. ('NRF'). These three independent directors have engaged separate independent legal advisors to bolster a process focused on maximizing shareholder value."*

NorthStar Press Release[2]

Does NSAM really have six truly independent Directors? Should shareholders take comfort that three of them are being "included"? Does this look like a board that would maximize shareholder value?

(1) Source: Capital IQ as of February 2016
(2) Source: NSAM Form DEFA14A filed March 1, 2016 (emphasis added)

NSAM BOARD'S DIZZYING ARRAY OF CONNECTIONS



Source: Capital IQ, Bloomberg

NSAM'S "INDEPENDENT DIRECTORS"

*"Ms. Hannaway has been an **independent director** of NorthStar Asset Management Group Inc. since June 2014. Ms. Hannaway has also served as an **independent director of NorthStar Realty Finance Corp. and NorthStar Realty Europe Corp**. since September 2004 and October 2015, respectively."*

*"Mr. Minami has been an **independent director** of NorthStar Asset Management Group Inc. since June 2014. Mr. Minami has also served as an **independent director of NorthStar Realty Finance Corp. and NorthStar Realty Europe Corp**. since September 2004 and October 2015, respectively."*

*"Mr. Cummings has been an **independent director** of NorthStar Asset Management Group Inc. since June 2014. Mr. Cummings **previously served as an independent director of NorthStar Realty Finance Corp**. from December 2009 until July 2014."*

*"Mr. Junquera has been an **independent director** of NorthStar Asset Management Group Inc. since June 2014. Mr. Junquera **also serves as an independent director of NorthStar Realty Europe Corp**., a position he has held since October 2015."*

*"Mr. Paglia has been an **independent director** of NorthStar Asset Management Group Inc. since June 2014. Mr. Paglia **also serves as a member of the board of directors of NorthStar Realty Finance Corp**. since February 2006."*

Which of these Independent Directors are truly "independent"?

Source: www.NSAMGroup.com

"Nominees HANNAWAY, MINAMI and PAGLIA serve as independent directors on the Company's board as well as the board of NRF. We think that ***the relationship between NSAM and NRF could give rise to a variety of significant conflicts of interests that may impair these directors' abilities to effectively serve NSAM shareholders****. During the course of the advisory relationship, the possibility exists that certain terms of the management agreement (including the twenty-year term, the fee structure, and NRF's right of termination only with cause) may be viewed by NRF shareholders as being too generous to NSAM. Should NRF shareholders pressure their board representatives to amend the terms of the advisory agreement,* ***any NRF director who simultaneously served on the NSAM board will be irreparably conflicted*** *in such negotiations, in our view. While we recognize the value to the board of these directors' history with Mr. Hamamoto and NRF's business, we think NSAM* ***shareholders will be better served by directors who are not affiliated with NRF****."*

Glass Lewis

Source: Glass Lewis 2015 Proxy Paper, May 12, 2015 (emphasis added)

CLEAR WINNER: INVESTMENT BANKERS

- Investment bankers across four separate firms stand to make upwards of $70 million on the tri-party merger
- Two of the banks, Goldman Sachs and UBS, have close ties to Hamamoto and other NSAM and NRF board members

UBS

$18 million

Goldman Sachs

$18 million

Evercore

$13 million

Bank of America Merrill Lynch

$17 million

Total Potential Banking Fees: $70,000,000

Given the significant banker fees to be earned and the conflicts of interest with the board, can we be sure NSAM shareholders were the priority?

Source: Colony NorthStar Form S-4 filed July 28, 2016; Land and Buildings estimates

Notes: Banking fees exclude expense reimbursements

COLONY NORTHSTAR STILL FEEDING AT TROUGH

- The Colony NorthStar merger is resulting in only $115 million in G&A synergies, an insult to shareholders in our view
  - The combined G&A expense across CLNY, NRF and NSAM was nearly $400 million in 2015, an absurdly high number
  - Compensation expense alone was nearly $300 million and remains a black eye on the reputation of these companies

FY 2015 (in 000's)	CLNY	NSAM	NRF	Combined
Compensation expense	81,662	189,508	20,546	**291,716**
Other G&A expenses	38,238	38,287	16,658	**93,183**
Total G&A	**$119,900**	**$227,795**	**$37,204**	**$384,899**

- For Colony NorthStar (or a combined NRF/NSAM) G&A to be in-line with REIT peers there need as much as $210 million in additional G&A cuts

Company	G&A as % of Total Enterprise Value	Total G&A ($ millions)
NSAM	8.1%	$228
NRF	0.3%	$37
CLNY	1.9%	$120
Colony NorthStar	**1.6%**	**$270**
REIT Avg.[1]	*0.4%*	*$60*

Why does Colony's G&A need to more than double post-merger?

(1) REIT average for all companies in Bloomberg REIT index between $10 billion and $20 billion in total enterprise value (Bloomberg); Notes: G&A is FY 2015 (Colony NorthStar Form S-4 filed July 28, 2016/Bloomberg); Total enterprise value for NSAM/NRF/CLNY/Colony NorthStar is based on June 7, 2016 Colony NorthStar presentation and for REITs is as of September 1, 2016 (Bloomberg)

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V. NSAM HAS ALTERNATIVES

NSAM HAS REAL VIABLE ALTERNATIVES

- NSAM has refused to schedule its 2016 annual meeting, but owes it to shareholders to do so without delay
- NSAM shareholders deserve independent directors with a shareholder mindset to oversee a strategic review process
- Land and Buildings has nominated six directors to the NSAM board and we believes shareholders' voices should be heard to determine appropriate board composition
- The nominees have extensive experience and are highly qualified in real estate investment management, finance and the corporate governance of public companies
- The nominees could provide a seamless transition in leadership at NSAM
- The nominees could run a truly arm's length strategic alternatives process, including a recombination with NRF

It is time for NSAM shareholders' voices to heard

80%+ POTENTIAL UPSIDE IN NSAM/NRF RECOMBINATION

- An NSAM/NRF recombination could produce 80%+ upside for NSAM and NRF shareholders, superior to the tri-party merger
  - Both NSAM and NRF shareholders can realize more than 80% upside, assuming the combined entity traded to an 11x CAD multiple[(1)], 35% below the REIT average of 17x FFO[(2)]
  - An NSAM/NRF recombination could produce more than $2.00 in 2018 CAD/share, ~15% higher than the equivalent 2018 CAD/share at Colony NorthStar[(3)]
- Over $2 billion of dollars in liquidity is being created at NRF through asset sales and should inure to the benefit of NRF/NSAM shareholders, not Colony
  - NRF/NSAM recombination assumes NRF pays NSAM shareholders $8 per share in cash and $8 per share in NRF stock
  - ~$1 billion in stock buybacks between NRF/NSAM is already being assumed in the joint merger proxy, clearly illustrating the feasibility of a large cash component for NSAM in a merger

NRF Liquidity as of August 2, 2016 (in millions)	
Unrestricted Cash	$592
Undrawn credit facility	$250
Assets sales in-contact	$915
Assets sales with term sheet	$500
Total current liquidity	**$2,257**

Why is CNLY reaping the rewards of NRF asset monetizations and liquidity when it was NRF/NSAM shareholders who had to suffer all the pain of high leverage previously?

(1) Land and Buildings estimate based on NRF/NSAM 2018 CAD from joint proxy disclosure, current dividend run rate for one year and price as of September 2, 2016 (2) Citigroup (3) Colony NorthStar CAD excludes L&B estimate of CLNY gains; Notes: Figures sourced from Colony NorthStar Form S-4 filed July 28, 2016 and NRF press release on August 4, 2016; NRF 2018 CAD reduced for fewer acquisitions given NSAM cash purchase

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