Non-binding Translation

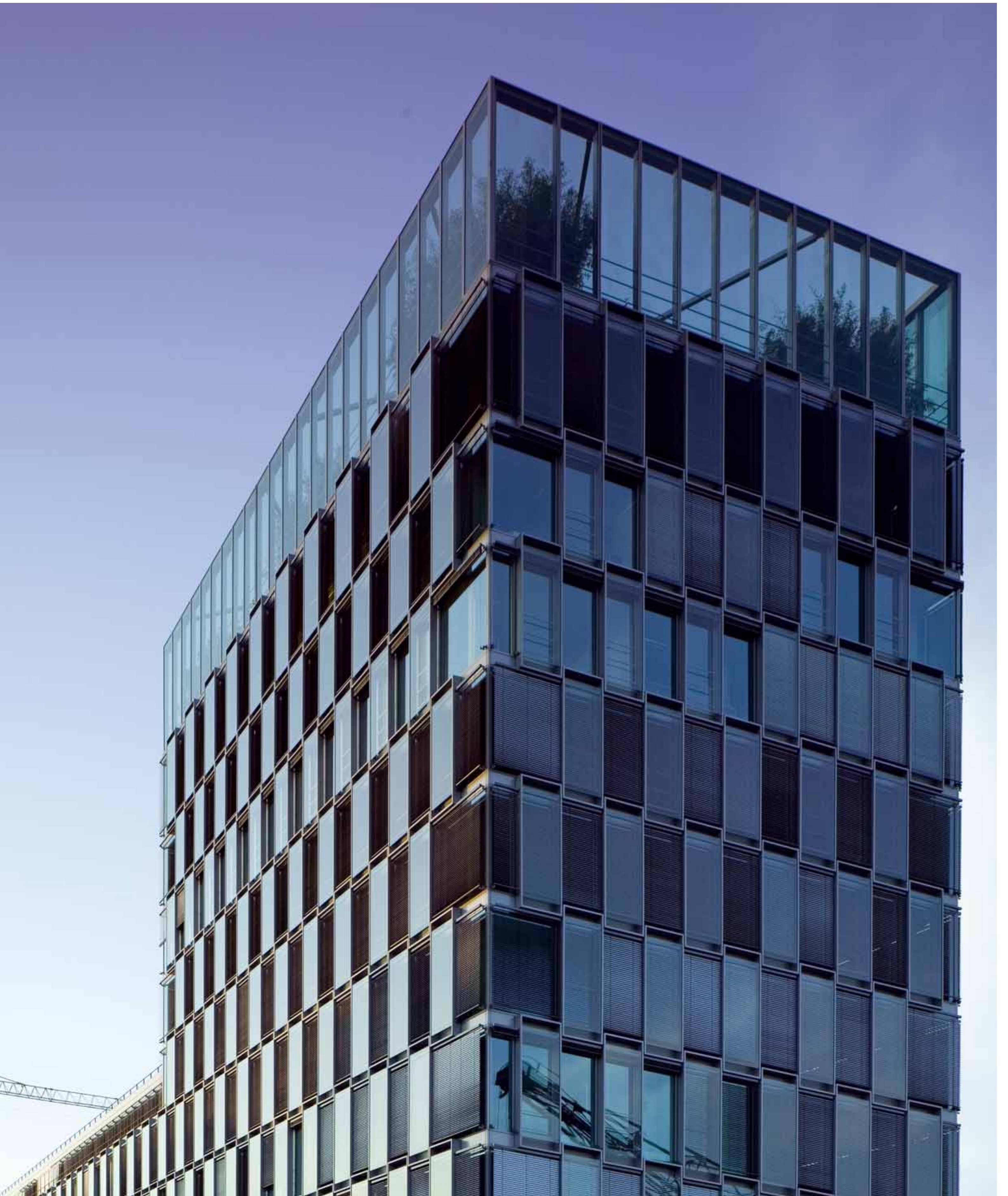
DEGI GLOBAL BUSINESS

Annual Report as of 30 June 2009
and Prospectus
including Terms of Contract

DEGI

Aberdeen

Cologne,
Germany,
Agrippinawerft 30,
"Kap am Südkai"



At a glance – Key figures for DEGI GLOBAL BUSINESS as of 30 June 2009

Fund assets (net)	370.5	EUR m
Property assets, total (market values)	544.5	EUR m
of which held directly	192.4	EUR m
of which held via real estate companies	352.1	EUR m
Foreign component [1]	79.7	%
Europe [2]	75.4	%
North America (Canada)	4.3	%
Total number of properties	13	
of which held directly	5	
of which held via real estate companies	8	
of which under construction/redevelopment	0	
Property purchases	1	
of which added	1	
Property disposals	0	
of which removed	0	
Sales revenue (net) [3]	– 12.4	EUR m
Investment performance (BVI method) [4]		
for 1 year	4.5	%
for 3 years p. a.	5.0	%
since launch p. a.	5.0	%
Letting ratio		
as of the reporting date based on gross nominal rentals [5]	96.3	%
as of the reporting date based on net nominal rentals	96.4	%
average [5]	97.4	%
Cash ratio	7.7	%
Loan ratio in accordance with section 82 (3) of the German Investment Act (InvG)	39.6	%
Total Expense Ratio (TER) [6]	0.66	%
Distribution on	1 October 2009	
Distribution per unit	3.2000	EUR
Total exempt from income tax/not subject to tax per unit held as private assets	1.0540	EUR
Portion of distribution exempt from tax/not subject to tax in % held as private assets	32.94	%
Total exempt from income and corporation tax/not subject to tax per unit held as operating assets I [7]	1.0540	EUR
Portion of distribution exempt from tax/not subject to tax in % held as operating assets I	32.94	%
Total exempt from income and corporation tax/not subject to tax per unit held as operating assets II [7]	1.0540	EUR
Portion of distribution exempt from tax/not subject to tax in % held as operating assets II	32.94	%
Total exempt from income and corporation tax/not subject to tax per unit held as operating assets III [7]	1.0540	EUR
Portion of distribution exempt from tax/not subject to tax in % held as operating assets III	32.94	%
Redemption price in 1st year after purchase	105.71	EUR
Redemption price in 2nd year after purchase	106.81	EUR
Redemption price in 3rd year after purchase	107.91	EUR
Redemption price from 3rd full year after purchase onwards	110.11	EUR
Issue price	110.11	EUR
International Securities Identification Number (ISIN)	DE000A0ETSR6	
Securities Identification Number (WKN)	A0ETSR	

1) Foreign = outside Germany
2) Proportion of fund assets in Europe, excluding Germany
3) In financial year 2008/2009 (between 1 April 2008 and 30 June 2009)
4) In accordance with the calculation method of the BVI Bundesverband Investment und Asset Management e.V.: investment at unit value (= redemption price) / valuation at unit value; reinvestment of the distribution at the unit value (= reinvestment free of charge). Calculations in accordance with the BVI method, which serve for purposes of comparability, do not take into account individual factors relating to the fund or the investor, such as the tax concerns relating to the investment (e.g. withholding tax on capital yields, tax-free portion of the distribution).
5) The average ratio was calculated using gross nominal rentals.
6) The total expense ratio (TER) expresses the total costs and charges as a percentage of the average fund volume within a financial year and encompasses all charges and costs incurred in connection with the fund investment, but not transaction costs or any front-end loads or exit charge incurred.
7) See page 58 for explanation.

Cover image: Guyancourt, France, 1 Rue Arnold Schoenberg, "Le Gershwin"

Fund profile
DEGI GLOBAL BUSINESS

WKN/ISIN	A0ETSR/DE000A0ETSR6
Investment class	Open-ended property fund
Management company	DEGI Deutsche Gesellschaft für Immobilienfonds mbH, Frankfurt am Main
Custodian bank [1]	Commerzbank AG, Frankfurt am Main [1]
Base currency	EUR
Fund strategy	The Fund invests – either directly or via interests in real estate companies – in commercial properties at locations around the world with development potential. The investment objective is a sustained, above-average return.
Risk class	Security-oriented
Investor protection	DEGI GLOBAL BUSINESS is managed by the investment company (DEGI) as a fund on a trust basis, and has special statutory protection. The Fund is separate from DEGI's balance sheet and assets. This means maximum investor protection and is in line with the provisions for the security-oriented investment class "open-ended real estate funds".
Eligibility for investment of ward money	The Fund is eligible for investment of ward money – upon submission of an application to the responsible local court.
Eligibility for guarantee assets	yes
Fund launch	1 November 2005
Fund term	unlimited
Financial year	1 July to 30 June
Distribution	every October
Publication of annual and semi-annual reports	Semi-Annual Report (reporting date 31 December): at the latest by 28 February Annual Report (reporting date 30 June): at the latest by 30 October
Minimum investment amount	EUR 75,000
Front-end load	0.0 %
Exit charge	4.0 % for a holding period of up to 12 months 3.0 % for a holding period of between 12 complete months and 24 complete months 2.0 % for a holding period of between 24 complete months and 36 complete months No exit charge is levied for holding periods of 36 complete months or over.
Redemption notification deadline	6 months for a redemption volume from EUR 500,000 12 months for a redemption volume from EUR 10.0 m
Fees	
Management fee	currently 0.5 % p.a. of the average net value of the fund
Acquisition fee	up to 1.0 % of the consideration
Sale fee	up to 1.0 % of the consideration
Construction fee	up to 1.0 % of the construction costs including modifications
Custodian fee	0.05 % p.a. of the average value of the net fund assets

As of: August 2009

[1] Dresdner Bank AG served as custodian bank for DEGI GLOBAL BUSINESS until 11 May 2009. As a result of the acquisition of Dresdner Bank by Commerzbank AG and the subsequent merger, Commerzbank AG entered into the custodian banking contracts with DEGI with effect from 11 May 2009.

Contents

If the Annual Report is more than eight months old, the most recent Semi-annual Report should also be provided to purchasers.

Up-to-date information on the fund is available on the Internet at www.degi.com, or in the monthly e-mail newsletter "Immobilienwelt".

Report of the Fund Management

Dear Investor,

In the past financial year DEGI GLOBAL BUSINESS achieved investment performance of 4.5 % [1], thus exhibiting sound performance despite the difficult economic conditions. This internationally oriented open-ended property fund benefited from its fundamentally sound portfolio structure. In this way, DEGI GLOBAL BUSINESS contributes to the Fund's balanced risk/return profile, due among other things to the real estate portfolio's broad regional diversification.

The Fund acquired an office property in the Czech capital Prague in the period under review, which increased the number of properties in the portfolio to 13 in Europe and Canada. This largely corresponds to the target allocation of the base portfolio in line with the defined investment strategy. Further property acquisitions are planned for the future to establish a globally oriented property portfolio.

The Fund's assets decreased from EUR 378.5 m as of 30 June 2008 to EUR 370.5 m in financial year 2008/2009. Individual investors have made adjustments to their investment focus in light of weak macroeconomic figures for the past and the current years. This was reflected in netted-out sales revenue of EUR –2.4 m in financial year 2008/2009. Particularly in times of economic decline as well, DEGI GLOBAL BUSINESS continues to represent an attractive real property investment for conservative investor groups.

As asset manager, DEGI benefits from the international real estate expertise of the holding company Aberdeen Property Investors (API). Taking DEGI's assets under management into account, API currently manages property assets of approximately EUR 25 bn, and is thus one of the largest real estate asset managers in the world.

With effect from 29 August 2008, Aberdeen Property Investors Holding AB (API) shares were assigned to Aberdeen Property Investors Holding GmbH, a 100 % subsidiary of API. [2]

Latest key figures for DEGI GLOBAL BUSINESS:

- In the one-year period (1 July 2008 to 30 June 2009), DEGI GLOBAL BUSINESS achieved investment performance of 4.5 % [1].
- The Fund's net assets decreased from EUR 378.5 m as of 30 June 2008 to EUR 370.5 m as of 30 June 2009.
- One property was added to the property portfolio in financial year 2008/2009, taking the total to 13, of which five are directly held and eight via real estate companies.
- The acquisition increased the foreign percentage of market value volume from 77.4 % as of 30 June 2008 to 79.7 % as of 30 June 2009.
- The letting ratio – calculated on the basis of gross nominal rentals – stood at 96.3 % as of 30 June 2009.
- As of 30 June 2009, the cash ratio amounted to 7.7 %.
- As of 1 October 2009, the distribution amounts to EUR 3.2000 per unit for units held as private assets of around 32.9 %, or as operating assets of around 32.9 %, exempt from income taxation.

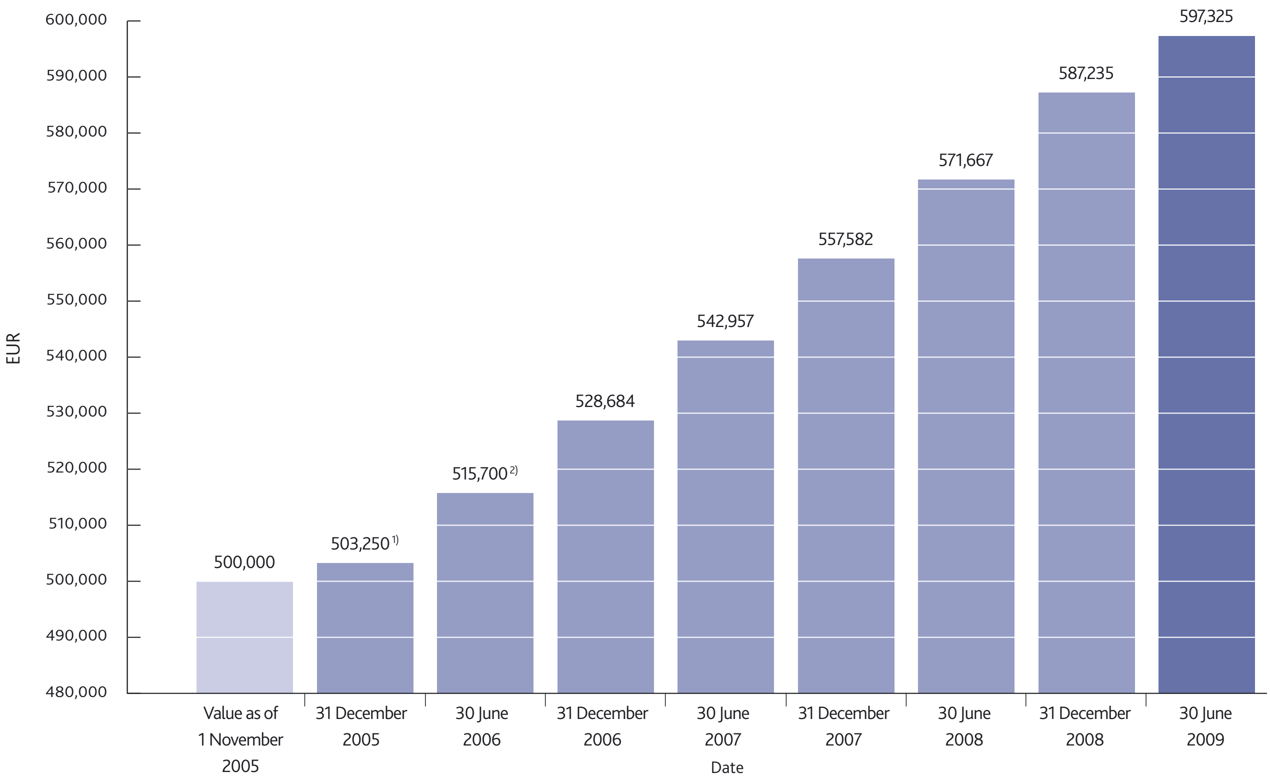
[1] In accordance with the calculation method of the BVI Bundesverband Investment and Asset Management e.V. (see also page 3, footnote 4)
[2] For further shareholder information see page 140.

Development of DEGI GLOBAL BUSINESS

	30 June 2009	30 June 2008	30 June 2007	30 June 2006	
Properties	**192.4**	185.2	123.6	91.2	EUR m
Interests in property companies	**198.0**	162.5	107.5	57.5	EUR m
Liquid assets	**28.5**	51.1	17.7	13.7	EUR m
Other assets	**66.7**	49.2	37.0	8.5	EUR m
	485.6	448.0	285.5	170.9	EUR m
Liabilities and provisions	**– 115.1**	– 69.5	– 40.8	– 44.5	EUR m
Fund assets (net)	**370.5**	378.5	245.0	126.4	EUR m
Units in circulation	**3.40**	3.50	2.30	1.20	m pcs.
Unit value/issue price	**110.11**	108.77	106.51	103.14	EUR
Redemption price in 1st year after purchase	**105.71**	104.42	102.25	99.01	EUR
Redemption price in 2nd year after purchase	**106.81**	105.51	103.31	100.05	EUR
Redemption price in 3rd year after purchase	**107.91**	106.59	104.38	101.08	EUR
Redemption price from 3rd full year after purchase onwards	**110.11**	108.77	106.51	103.14	EUR
Distribution per unit	**3.2000**	3.4500	3.0000	2.0000	EUR
Distribution day	**1 October 2009**	1 October 2008	1 October 2007	1 October 2006	
Coupon no.	**4**	3	2	1	

International Securities Identification Number (ISIN): DE000A0ETSR6
Securities Identification Number (WKN): A0ETSR

Change in value of a EUR 500,000 investment since launch



The past performance of the Fund is no guide to its future performance.

1) Change in value in the first half of the abridged financial year 2005/2006 from 1 November 2005 (date of launch of DEGI GLOBAL BUSINESS) to 31 December 2005 (two-month period)
2) Change in value in the abridged financial year 2005/2006 from 1 November 2005 (date of launch of DEGI GLOBAL BUSINESS) to 30 June 2006 (eight-month period)

Macroeconomic conditions

Current developments

After the strongest decline in gross domestic product (GDP) since World War II over the past six months, the global economic crisis appears to have bottomed out in the second quarter of 2009. Extreme monetary easing, extensive fiscal policy incentives, and comprehensive state aid provided to support banks contributed significantly to stopping the downward economic spiral.

Fears of inflation have also dissipated considerably. The markets for high-risk investments such as equities or corporate bonds are experiencing a revival, but have yet to reach the levels seen before the insolvency of US investment bank Lehman Brothers last autumn. Those economies that opted to take the most comprehensive measures, e.g. the US, the UK and a large part of Asia, are proving to be the fastest to bounce back from the recession.

Outlook

We expect expanded trade financing and moves to start building up inventory levels again in the manufacturing sector to put an end to the recession and have led to a slight economic recovery by 2010. While global economic growth in 2010 will improve from –2.8 % to 1.9 % in a year-on-year comparison, the upswing will be only a slow one in a historical comparison. This alone is not sufficient to spark a sustained recovery, meaning that both the confidence indices and economic activity could slide again in 2010.

Demand in the private sector is far weaker than it was a year ago, with no quick turnaround on the horizon. Before this can be expected to happen, key challenges on a variety of fronts must be met: rising unemployment as well a lack of confidence in capital markets, companies and the private sector. Fiscal policy will continue to provide an economic boost in the second half of the year. Nevertheless, hopes of consolidation in 2010 will continue to mount because the high level of public-sector debt in relation to GDP raises questions as to how the federal budget can be financed in the long term.

As far as medium-term growth is concerned, it is likely that the global economic cycle will be more volatile than in the past ten years, as most countries in the major economic blocs will have to make huge adjustments to their fiscal and monetary policy.

Forecast risks

Our base scenario of a gradual global economic recovery has a probability of 50 %. There are both upside and downside risks. Nevertheless, it is worth bearing in mind that such a severe financial crisis involving such drastic countermeasures in the form of extensive monetary and fiscal policy measures is unprecedented. Consequently, the lack of historical data makes it difficult to create forecast models.

The downside risk lies in the fact that, following a slight slowdown in the economic downturn over the next few months, the global economy could then slump considerably again – a trend that could continue into 2010 – due to the shortage in final demand in industrialised nations. The banks have still to complete their debt reduction measures, and low interest rates, as well as the quantitative easing of monetary policy, are unable to make any impact to speak of because of the malfunctioning monetary policy transmission mechanism. The deterioration of the financial situation, the drop in asset prices and the impact on the real economy set a downward spiral in motion which will be reflected in negative global economic growth next year (probability: 25 %).

The upside scenario expects to see the global economy follow a V-shaped recovery, with the expectation that the economic upswing is unlikely to come until 2010. In this scenario, growth lies between 4 % and 5 %, with the upswing fuelled by the unprecedented success of the monetary and fiscal measures that have already been implemented. If these measures have an impact on domestic demand more quickly than is assumed in our base scenario, 2010 may herald a return to trend growth. In the event of a strong recovery, however, we expect the economic incentives to be gradually cut back across the world, which would put a slight damper on growth momentum in 2011 and 2012 (probability: 25 %).

Overview: Investment locations
as of 30 June 2009

Property market development

The increasing synchronisation of the global capital and financial markets is a trend that can be observed on the property markets too. Whereas in 2008, rental values mainly increased or had reached a high, they are now under downward pressure, meaning that this year is expected to bring a broad-based drop in rentals. Returns have gradually increased and reflect the wait-and-see approach taken by investors.

In the course of last year, the situation deteriorated ever further on all European property markets, although the extent of the slump varied from country to country. The market for debt-financed investments slumped as a result of the banking crisis, and equity investors shied away from purchases, expecting property prices to fall further.

Properties in the UK, Ireland and Spain have been subject to the most substantial price correction seen to date, and the markets in central and eastern Europe are currently experiencing drops in capital value. In a sectoral comparison, office properties were most affected. Returns rose the fastest in this segment.

A difficult time lies ahead for the European market for commercial properties in 2009 and 2010. From 2010 onwards, income is expected to rise again as the economy gradually recovers and the property markets stabilise. In the short term, there will be further return corrections. In some markets, e.g. the UK, however, returns have already overshot the trend line, and appear attractive from a historical perspective.

The commercial rental market in Canada showed solid performance throughout most of 2008, despite the global financial crisis. It was not until the fourth quarter that demand started to decline, with a time lag to the same trend in the US.

On the Asian commercial property market, the prices for both rental and investment properties continued to fall until the end of Q4 2008. For some market segments, this was the first quarter with declining prices since mid-2003. Investment volume slumped in all market areas and returns rose.

Detailed information on our investment locations

Europe

Belgium

Due to the global economic crisis, negative GDP growth of – 3.1 % was evident in Belgium for the twelve months to the mid-year. In 2009, the country expects to see a budget deficit of – 3.3 % of GDP.

Liège

Liège is the cultural centre of Wallonia as well as provincial capital. The city has a population of approximately 200,000.

In Liège, prime rent is currently around EUR 10/m²/month. Due to the very short supply of high-quality space and the high demand for space of approximately 3,000 m², we expect rents to remain stable.

Germany

Bad Homburg vor der Höhe

The district town of Bad Homburg acts as a service and administration centre for the Hochtaunus district and benefits from very good regional transport connections within the Rhine-Main metropolitan area. As a medium-sized hub, the spa town is home to numerous national and international companies such as Bridgestone Deutschland and Hewlett-Packard.

Furthermore, the office property market (area of approx. 420,000 m²) benefits from the town's proximity to the financial centre of Frankfurt am Main. Bad Homburg displays the characteristics of a typical regional hub in the form of moderate fluctuations in the individual key office market figures (vacancy, rentals, net initial yields).

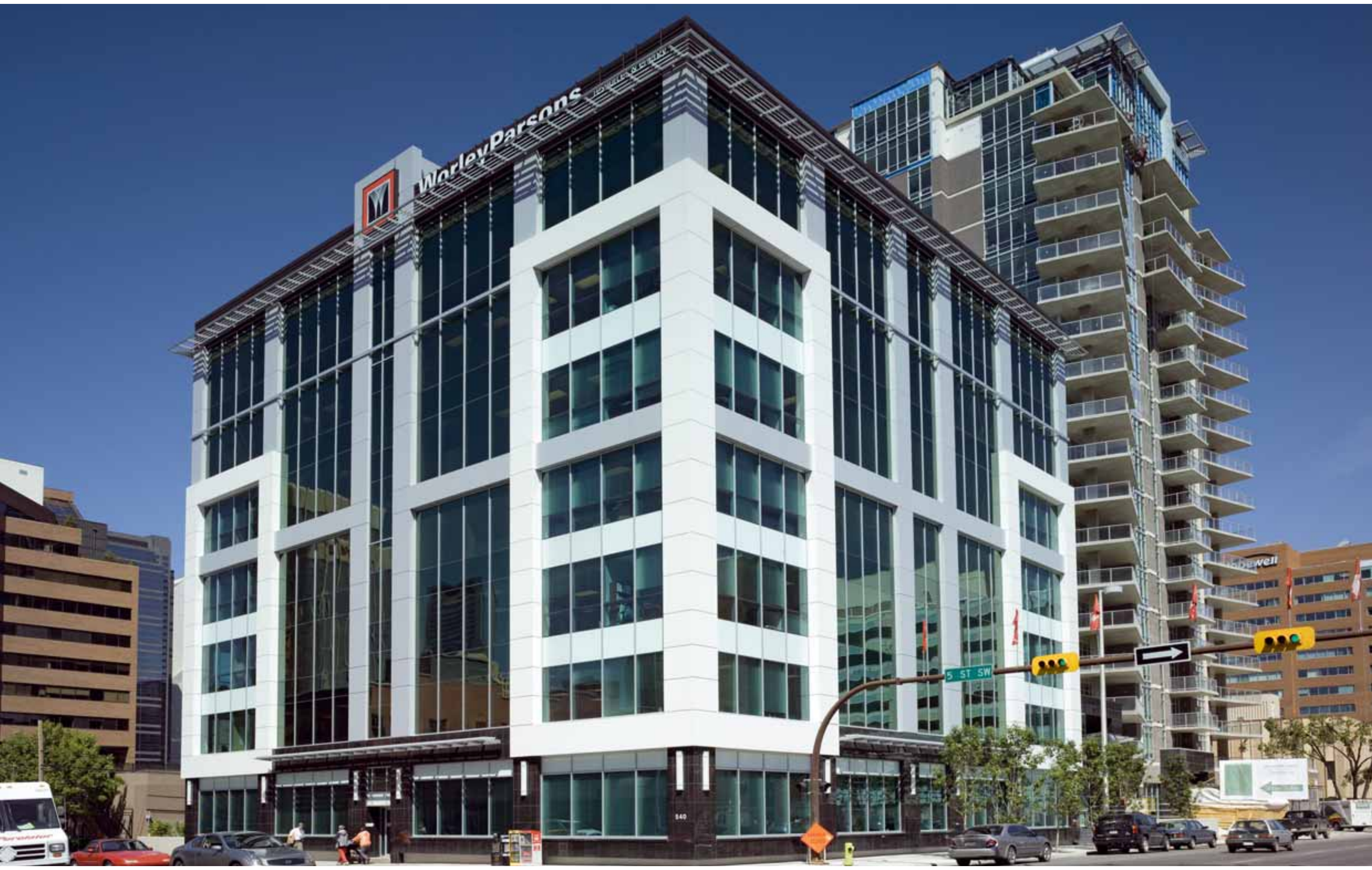
The constant demand in the office market is supported by the administrative function of the town and the large number of SMEs. Average letting performance over the past few years stood at around 14,000 m² per year. Prime rent amounted to EUR 15.50/m²/month in the first quarter 2009 and is thus one of the highest rental rates within the peripheral area of Frankfurt. We expect relatively stable market activity in 2009.

Bonn

The erstwhile federal capital (population 314,299) has a good infrastructure and is centrally located in Europe. Bonn is transitioning from being an administrative capital city to one with an economy based on science and telecommunication (Deutsche Telekom headquarters, the CAESAR research institute etc.), in which the tertiary sector dominates, accounting for approximately 84 % of the city's economy. According to the Federal Employment Agency (Bundesagentur für Arbeit), the 7.7 % unemployment rate in June 2009 remained constant in comparison to June of the previous year.

Bonn still benefits from being the former capital city, as numerous associations, foundations, UN institutions and federal agencies have remained there. In addition to the large number of service and high-tech companies moving to the city, the selection of Bonn as the third UN conference location is also a major feature.

Calgary, Canada, 540 12th Avenue SW, "Citadel West"



Particularly in the current economically turbulent times, Bonn exhibits significantly fewer short to medium-term property market risks than more volatile real estate centres, due to lower market fluctuations.

The city's office space supply of approximately 3.7 million m² is among the largest in the region; the rent level is constant at EUR 16.70/m²/month. The vacancy ratio stands at 6 %.

Cologne

Germany's fourth-largest city, Cologne, benefits from its favourable transport connections and heterogeneous economic structure, which can be expected to cushion the impact of an economic recession. According to the Federal Employment Agency, the current rate of unemployment is 10.6 %. Moreover, Cologne is among the German cities with a growing population.

In contrast to the majority of European centres, Cologne actually increased its space turnover in 2008 by 5.3 %.

Cologne, Germany, Agrippinawerft 26 – 30, "Kap am Südkai"

Corresponding to developments in terms of both supply and demand, the prime rent for 2008 rose to EUR 21.50/m²/month, and has since remained at this level. The highest rental rates were achieved in the Rheinauhafen area.

Finland

The Finnish economy posted considerable economic growth in the past few years, characterised by GDP growth, decline in the unemployment rate and significant surplus in public-sector budgets. However, reflecting the global trend, the Finnish economy is currently in recession once again. Recovery is expected next year. The service sector, accounting for around 70 % of the country's working population, continues to be the most important economic factor. The high tech sector is key; Finland is already a leader in the production of microelectronics and mobile phones.

Helsinki

Capital Helsinki is the largest city in Finland with a population of around 563,000; together with neighbouring municipalities Vantaa and Espoo it forms the country's only metropolitan area, the Helsinki Metropolitan Area (HMA). The 1.2 million-strong population of the Finnish economic hub is experiencing relatively strong growth due to the influx of people from rural areas.

With office space of 7.9 million m², the HMA is home to more than half of the whole country's office space. Space supply increased in the first three months of 2009 as a result of the completion of a large volume of new buildings, with a vacancy rate of 9.6 %. Prime rent for the first quarter 2009 amounted to EUR 28.00/m²/month and was achieved in Helsinki's CBD.

France

Paris

As an international business centre, Paris is also suffering as a result of the global financial crisis. Nevertheless, the highly diversified corporate structure in both the service and industrial sectors is helping to stabilise developments.

Office space turnover in the first quarter of 2009 stood at around 450,000 m², down by 25 % year-on-year and by 9 % on the figure for the fourth quarter of 2008, which suggests that the market is bottoming out.

From a spatial perspective, demand is shifting from the city centre to cheaper sub-markets on the outskirts of the city. La Défense, in particular, is benefitting from this trend: The vacancy rate there has fallen slightly to 2.9 %.

The vacancy rate for Paris as a whole is 4.2 %, low in an international comparison. Furthermore, the figure for class-A properties is likely to be far lower.

This trend is being supported by financing restrictions, which have put a halt to new property projects.

Italy

Brindisi

Thanks to its excellent accessibility in terms of private transportation, the retail location Brindisi (population approx. 88,000) in Apulia attracts around two thirds of the relevant customer population of the surrounding area (approx. 400,000 people) in the province of Brindisi. Italian consumers particularly value state-of-the-art shopping centres with a balanced assortment of well-known Italian and international chains.

Although purchasing power in the province of Brindisi is lower than in northern Italy, the portion of disposable income available for retail purposes is much higher than in the economic centres of northern Italy and other European regions due to the lower cost of living.

With 182 m² of shopping centre space per 1,000 people, the region of Apulia currently lies below the comparative national average (216 m²/1,000 people). Only 28 of the 722 Italian shopping centres are located in this region with total retail sales space of 742,000 m².

Croatia

Zagreb

Like the entire south-eastern European region, Croatia has also been hit extremely hard by the global economic crisis due to domestic and foreign trade imbalances. Consequently, real GDP in the first quarter 2009 was 6.7 % below the prior-year level. We expect the economy to recover significantly after 2010 especially due to foreign direct investments, pressure to consolidate public-sector budgets, and structural reform measures, and to post above-average growth rates on a comparative European scale in the long term.

The intensive expansion activities of many retailers have decreased during the economic crisis; however, due to the short supply of high-quality space, the prime rent continues to remain stable, ranging from EUR 20 to 80/m²/month.

For the central 1A locations and well-positioned shopping centres, we expect only slight declines in demand and rental, with stronger declines in the B locations.

Zagreb, Croatia, Škorpikova 34, "King Cross"

Luxembourg

The office market achieved record turnover of 243,000 m² last year, due primarily to the strong demand from the EU.

The financial sector, another key pillar of the office property market, is proving extremely resilient in the face of the financial crisis. In Q1 2009, the number of people employed in this sector fell by only 300, due to the financial sector's focus on fund processing and administration and the minor significance of debt capital-oriented products.

Although the vacancy rate rose slightly in Q1 2009, it remains very low in international terms at 2.4 %.

Romania

Romanian GDP has contracted by 5.7 % over the past twelve months (to the end of Q1 2009) as a result of the global economic crisis. We expect the economy to recover significantly after 2010 especially due to support provided by the IMF, foreign direct investment, international pressure to consolidate public-sector budgets, and structural reform measures, and to post above-average growth rates on a comparative European scale in the long term.

Bucharest

The situation on the commercial property market is stable. In central areas of Bucharest, the vacancy rate is still at 3 % due to the limited supply. In less central areas, the vacancy rate has risen to 6.5 %.

With around 1.3 million m² of office space, Bucharest remains well below the average for comparable European cities. This is compounded by the fact that it is currently impossible to secure financing for new property projects due to the financial crisis.

We expect to see a decline in rentals this year due to lower demand. Due to the restrictions on the supply side referred to above, we expect to see rentals rise above the current level in the long term.

Czech Republic

Prague

Total office space in Prague currently amounts to around 2.5 million m². The centre of Prague does not offer much leeway for property space growth due to city planning. Locations outside the centre that are well connected by public transport particularly benefit from this. There was no area growth in the city centre in 2008, for the first time. The largest share of new lettable space was in the Prague 4 district, followed by Prague 6 and Prague 8.

The Prague rental market proved to be very dynamic in 2008 with total space turnover of 332,000 m². The reason for this lies in the capital city's development into a service and financial centre. This move is related to further diversification of the Czech economy, as it transitions away from manufacturing and heavy industry towards a modern service-based society.

Prime rents increased over the past twelve months and currently stand at EUR 21.50/m²/month in the city centre, in some cases reaching as much as EUR 23.00/m²/month. We expect to see a slight rise in the vacancy rate this year, while prime rents are expected to remain stable for the most part due to what is still a short supply of high-quality space.

North America

Canada

The world's second-largest country in terms of area is an important commodity supplier and agricultural producer. Canada has also developed an efficient economic structure focused on future technologies. Canada consistently generated a budget surplus between 1996 and 2007. The global economic and financial crisis began to hit the exporter's manufacturing sector, in particular, in 2009. After an unemployment rate of 5.8 % at the end of 2007, the lowest in 30 years, job losses are now on the cards.

Calgary

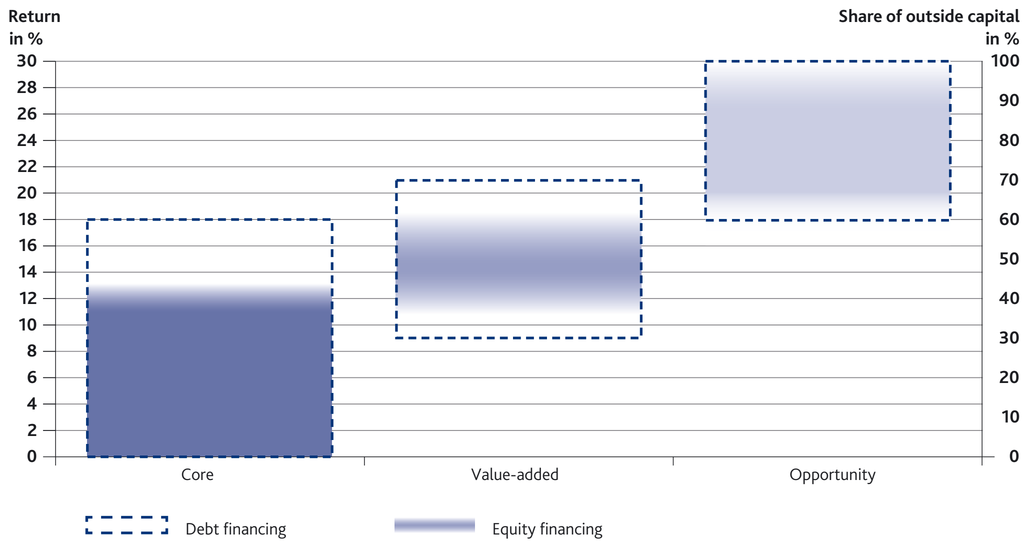
The financial centre Calgary in the province of Alberta with a population of just under one million is the fourth-largest, and fastest growing city in Canada. The wealth of commodities has allowed the economy to develop at a very fast pace in Alberta. The most important economic factor (also for the future) is Alberta's oil sands. The energy sector also played the main role in Calgary's development. The second-largest number of company headquarters has been set up in Calgary (after Toronto). Nevertheless, the fall in commodities prices has meant that the boom in Alberta has also tapered off.

Calgary has space totalling over 4.7 million m^2, making it the third-largest office market in Canada. After five years of continuous rental rate increases, early 2009 saw a drop for the first time. Despite being dependent on commodities, Calgary has the highest rentals in Canada, with prime rents of CAD 28.00/sf [1)]/ year (downtown). With an average return of 7.25 % (class A, downtown), the return rate is higher than in European countries.

Investment strategy

DEGI GLOBAL BUSINESS is an open-ended property fund which invests globally; its main investment focus lies in commercial properties in locations that feature high value-added potential. The aim is to achieve a sustained, above average return compared to open-ended property funds with a comparable investment focus. DEGI GLOBAL BUSINESS adopts a core investment style based on a stable cash flow.

Risk/return structure of real estate investments



	Core	Value-Added	Opportunity
Risk and return	low	moderate	high
Return on capital	≤ 11.5 %	> 11.5 % and < 17 %	≥ 17 %
Borderline area	> 10 % and < 13 %		> 15.5 % and < 18.5 %
Debt financing	≤ 60 %	≥ 30 % and ≤ 70 %	≥ 60 %

Source: Based on INREV * (2005) * European Association for Investors in Non-listed Real Estate Vehicles

[1)] sf = square foot (approx. 0.093 m^2)

In establishing the diversified property portfolio by investment location, the investment focus is on Europe. The geographical target allocation in this setup phase of the initial portfolio stood at around 90 % for properties in Europe, including Germany, and approximately 10 % outside Europe (in terms of property assets in each case). In future, the target geographic distribution will be around 60 % Europe, around 30 % outside Europe and around 10 % Germany. As far as use types are concerned, the intention is to invest primarily in office properties. Retail and logistics properties will contribute to an optimum portfolio mix. The value of the target properties currently stands at between EUR 20 m and EUR 100 m depending on type of use and the overall fund volume.

In light of the persistent difficult situation in the international property market, we expect declining rental levels and decreasing lease turnover rates until into 2010. Above all in western Europe, however, with the market price development for real estate having bottomed out, we expect short-term price stabilisation. Thus the Fund will continue to focus its investments on Europe. Nevertheless, DEGI GLOBAL BUSINESS will continue to rigorously adhere to its strategy of medium to long-term global diversification.

DEGI Research is a strong contributing factor in the success of the investment process. Properties are selected on the basis of criteria defined by research data (top-down) and market circumstances in the respective locations (bottom-up). This includes the analysis of cyclical and structural market risks as well as the development potential of countries, market segments, property sites and overall locations. The assessment also takes due account of the country-specific peculiarities of financing and – for investments outside the euro area – the expected development in the exchange rate as well as available tax and legal advantages of the investment country.

The portfolio management regularly assesses the quality of properties that are already included in the portfolio. This enables timely recognition of developments and implementation of the necessary measures. Unfavourable developments of portfolio properties can be promptly addressed if necessary.

The fund is tailored to the needs of institutional investors, charitable foundations, family offices, asset managers and individuals of high net worth. The minimum investment per investor is currently EUR 75,000. In order to achieve the highest possible percentage of earnings from property investment, client funds are only called just before suitable properties are acquired (cash call procedure).

DEGI GLOBAL BUSINESS does not charge a front-end load, and provides for redemption notification, as well as a tiered exit charge in line with the holding period, in order to optimise liquidity management. This basically enables the use of a lower cash ratio than with open-ended property funds aimed at the general public. This has a positive impact on the capitalisation rate.

The redemption notification means that the Fund Management can take account of redemptions in their strategic plans at an early stage. The redemption notification deadline is six months for investments of EUR 500,000 and over, and twelve months for investments of EUR 10 m and over. The exit charges, which flow into the fund assets, amount to 4.0 % in the first year after acquisition, 3.0 % in the second year and 2.0 % in the third year. From the third full year following acquisition onwards, the exit charge no longer applies. The aim here is to stabilise the performance of the fund and safeguard the interests of investors with a medium to long-term investment horizon.

Property portfolio management

At 30 June 2009, DEGI GLOBAL BUSINESS had a total of 13 properties in its portfolio. Five of these are held directly: office buildings in Bad Homburg, Bonn, Cologne, Liège and Paris. Eight properties are held via majority interests in real estate companies, and comprise the shopping centres in Brindisi and Zagreb, the office buildings in Bucharest, Calgary, Helsinki and Luxembourg, and the newly acquired office building in Prague. The Fund is now invested in ten countries – Belgium, Canada, Croatia, the Czech Republic, Finland, France, Germany, Italy, Luxembourg and Romania.

Property additions during the period under review

Europe

Czech Republic

Prague, V Parku 2323/14,
"The Park I, Building 7"
4-storey office building/13,594 m² usable space
commercial (property held via a real estate company)

Both office buildings, which were added to the portfolio in September 2008, belong to the newly developed business park, "The Park". Location quality in Prague is measured in terms of proximity to the underground and accessibility by private transport. In this, Prague deviates significantly from the customary standard location criteria of other office markets. Thanks to the excellent infrastructure

Prague,
The Czech Republic,
V Parku 2323/14,
"The Park"

connection and the availability of spacious, modern office space, the submarket, in which the complex is located, has developed into Prague's "primary business district", and thus now represents the largest and best established office submarket in Prague by far. A large proportion of Prague's working population is employed here and 20 of the Fortune 500 companies have moved their regional main offices there. A total of three motorway exits ensure uninterrupted accessibility by private transport even at peak traffic times. All important places in the city centre are accessible within minutes from the Chodov underground station. The property includes approximately 400 parking spaces.

"The Park" exclusively comprises office buildings equipped to a high level (including full air-conditioning) with an abundance of natural light, and is characterised by its uncontested IT infrastructure. Almost any tenant need can be addressed due to the high degree of building and area flexibility. The entire concept is rounded off by a landscaped environment incorporating open space, grassy and water areas, as well as a broad service offering from medical to childcare, and even a fitness centre.

Property disposals during the period under review

None

Letting situation

The letting situation of DEGI GLOBAL BUSINESS based on gross nominal rentals amounted to 96.3 % as of the reporting date. The property portfolio recorded a corresponding vacancy ratio of only 3.7 %.

Portfolio structure

Market values denominated in foreign currency were converted at the exchange rate on the reporting date.

Geographical breakdown of the property portfolio including real estate companies

Percentage of market value. Properties held via holding companies are included on a pro rata basis in accordance with the proportion of the market value accounted for.

Country	Proportion of market value in %	Market value in €	Quantity
Belgium	6.2	33,800,000.00	1
Finland	8.8	47,900,000.00	2
France	8.8	48,200,000.00	1
Italy	12.6	68,400,000.00	1
Canada	4.3	23,351,850.94	1
Croatia	15.2	82,700,000.00	1
Luxembourg	9.3	50,800,000.00	1
Rhine-Main	4.4	23,830,000.00	1
Rhine-Ruhr	15.9	86,550,000.00	2
Romania	5.1	28,000,000.00	1
Czech Republic	9.4	51,000,000.00	1

As of: 30 June 2009

The figure above highlights the unchanged broad regional diversification of the property assets. This geographical diversification contributes, among other things, to stabilising long-term profitability and maintaining a balanced risk/return profile for DEGI GLOBAL BUSINESS. It also compensates to a large extent the local variations in property market developments.

Residual terms of lease agreements including real estate companies

Percentage of annual net nominal rentals from all let rental units

Residual term of lease	Percentage of annual net nominal rentals in %
until 31 December 2009	2.4
1.1.2010 – 31.12.2010	15.6
1.1.2011 – 31.12.2011	27.9
1.1.2012 – 31.12.2012	22.6
1.1.2013 – 31.12.2013	5.0
1.1.2014 – 31.12.2018	26.4
after 1 January 2019	0.1

As of: 30 June 2009

A balanced distribution of the residual terms of lease is also key to a solid rental income situation. In this respect, DEGI GLOBAL BUSINESS attaches importance to avoiding what are known as cluster risks for lease agreements that are expiring. As of the reporting date, 54.1 % of leases were due to run beyond 31 December 2011, 26.5 % of which were due to run beyond 31 December 2013.

Breakdown of Fund properties by use including real estate companies

Percentage of annual net nominal rentals from all rental units

Type of use	Proportion of annual net nominal rentals in %
Office	65.2
Retail/catering	27.0
Industry (warehouses, halls)	4.4
Parking	3.3
Other	0.1

As of: 30 June 2009

There were only few changes in the distribution of the property portfolio by type of use in the past financial year 2008/2009. Around two thirds of the rental units in the Fund properties continue to be used as office space. The remaining third is largely used as retail space, optimising the usage mix.

Breakdown of Fund properties by size including real estate companies

Percentage of market value; excluding properties under construction/redevelopment or undeveloped land.
Properties held via holding companies are included on a pro rata basis in accordance with the proportion of the market value accounted for.

Property size in EUR m	Proportion of market value in %	Market value in €	Quantity
0 <= 10	–	–	–
10 <= 25	11.1	60,381,850.94	3
25 <= 50	42.5	231,250,000.00	6
50 <= 100	46.4	252,900,000.00	4
100 <= 150	–	–	–
150 <= 200	–	–	–
more than 200	–	–	–

As of: 30 June 2009

The breakdown of fund properties by size shows that the current market value of all fund properties is below EUR 100 m. For commercial properties in general, market values between EUR 10 and 100 m are considered standard market size in a number of markets.

Economic age structure of the property portfolio (based on the economic residual life) including real estate companies by market value

Percentage of market value; excluding properties under construction/redevelopment or undeveloped land.
Properties held via holding companies are included on a pro rata basis in accordance with the proportion of the market value accounted for.

Age structure	Proportion of market value in %	Market value in €	Quantity
Property age <= 5 years	46.5	253,131,850.94	6
5 y. < property age <= 10 y.	38.5	209,700,000.00	4
10 y. < property age < = 15 y.	–	–	–
15 y. < property age < = 20 y.	12.6	68,500,000.00	2
Property age more than 20 y.	2.4	13,200,000.00	1

As of: 30 June 2009

For a better objective comparison of the data, the figure reflects the economic age – on the basis of the total service life assessed by the commitees of appraisers, less the residual service life – rather than the date of construction or conversion of the property. DEGI GLOBAL BUSINESS boasts a young and modern property portfolio, which is evident from the high percentage (85.0 %) of properties of less than ten years of age.

Tenant sector distribution

Based on net rent excluding utilities and taking into account the percentage of interest held by real estate companies.

Sector	Proportion of lettable area in %	Proportion of total net nominal rentals in %
Banks and financial services, insurance companies	18.5	15.4
Retail	15.9	19.4
Telecommunications	14.8	14.1
Public-sector institutions	5.3	6.6
Consumer goods industry	5.0	7.1
Technology and software companies	3.2	2.7
Hotel/catering sector	1.6	1.6
Vehicle manufacturing and engineering	1.4	1.8
Legal, tax and management consultancy	1.3	1.3
Media	0.4	0.5
Transport	0.1	0.2
Other	32.5	29.3

As of: 30 June 2009

The graph above highlights the broad tenant sector distribution. A balanced tenant structure minimises cluster risks, which would be accompanied by a strong dependence on sector activity. Moreover, in contrast to production or special properties, office space is primarily user-neutral, which means the properties can be adapted to suit the needs of new tenants at a reasonable expense.

Fund return

The gross income from property amounts to 7.2 % and refers to the average property assets held directly and via equity interests (real estate companies) for the period from 1 July 2008 to 30 June 2009. Following deduction of the property management expenditure (– 2.3 %), net income amounts to 4.9 %. The result before loan expenditure in the amount of 5.1 % is composed of the total of this net income, the change in value (0.9 %), foreign income taxes (– 0.1 %) and provisions for deferred taxes (– 0.6 %). The line item "Deferred foreign taxes" shows the figure for the provisions recognised for deferred capital gains tax in relation to the average property funds invested. The return on property, which amounts to 5.3 % and is referenced to the equity-financed property assets in the period under review, is based on the positive effects of debt financing. After accounting for currency-related changes (– 0.1 %), the total return in the fund currency was 5.2 %. Factoring in the 3.2 % return on liquid assets, achieved with an average invested liquidity content amounting to 9.15 % of the net fund assets, this produces a fund return of 5.0 % before deducting the fund costs.

After deducting the fund costs, the performance of DEGI GLOBAL BUSINESS for the period under review, from 1 July 2008 to 30 June 2009, which is calculated using the BVI method, came to 4.5 % [1].

Investment performance of DEGI GLOBAL BUSINESS as of 30 June 2009 [1]

	Accumulated in %	Average p. a. in %
1 year	4.5	–
3 years	15.8	5.0
Since launch	19.5	5.0

Development of sales revenue

In financial year 2008/2009, which runs from 1 July 2008 until 30 June 2009, DEGI GLOBAL BUSINESS posted an inflow of funds from unit sales of EUR 14.3 m. In the same period, there were outflows amounting to EUR 26.7 m from unit redemptions. The netted-out sales revenue (inflow of funds minus outflow of funds) thus came to EUR – 12.4 m in this period.

Liquid assets

As of 30 June 2009, DEGI GLOBAL BUSINESS possessed liquid assets amounting to EUR 28.5 m [2]. The proportion of liquid assets in the fund's total net assets was 7.7 % on the reporting date.

As of the end of the reporting period, the Fund's liquid assets were invested in cash at bank (EUR 20.5 m), securities (EUR 0.5 m), and investment units in the dbi DEGI Bonds fund (EUR 7.5 m).

The minimum liquidity required under German law is provided by the cash at bank, securities and investment units in the dbi DEGI Bonds funds [3].

The interest rate risk is reduced by the limitation of the fund duration.

The fund management utilises the many years of experience of Allianz Global Investors Kapitalanlage-gesellschaft mbH [4] and the bond fund manager PIMCO [5].

The average duration of the liquid assets totalled 0.49 years as of 30 June 2009, highlighting the conservative manner in which these funds are invested. The short duration means that the interest rate risk for the liquid asset investments is very low. Despite the difficult market environment for investments sparked by the financial crisis, the conservative investment strategy resulted in a cash ratio of 3.2 %.

[1] Calculation method of BVI Bundesverband Investment und Asset Management e. V. (cf. footnote 4 on page 3).
[2] The liquid assets correspond to the rounded liquid assets in the Statement of Assets and Liabilities.
[3] The management fee amounts to 0.22 %. There are neither front-end loads nor exit charges.
[4] dbi = dresdnerbank investment management Kapitalanlagegesellschaft mbH and dit = DEUTSCHER INVESTMENT-TRUST Gesellschaft für Wertpapieranlagen mbH merged with effect from 1 January 2007 to form Allianz Global Investors Kapitalanlagegesellschaft.
[5] PIMCO = Pacific Investment Management Company. PIMCO, a member of Allianz Global Investors, is one of the world's most renowned companies in the global bond fund management sector.

Capital gains tax

Provisions are formed for foreign capital gains tax for DEGI GLOBAL BUSINESS. The provisions formed for directly held properties cover at least 50 % of the capital gains tax that may be incurred at fund level. As at the reporting date (30 June 2009), the rate at fund level was 100 %.

Further information on capital gains tax can be found on page 42 in the notes to the Statement of Assets and Liabilities under "Provisions for deferred taxes on (any) foreign profits from disposals (capital gains tax)".

Rating

In a sector-wide rating by the independent rating agency Scope Analysis in February 2009, DEGI GLOBAL BUSINESS received the excellent "AA–" rating, thus significantly improving its rating over the previous year (BBB [1)]). The rating is based on an extensive, holistic analysis of performance in relation to the Fund's risk profile. In addition to an in-depth assessment of the quality of the property portfolio, the result also takes account of the management quality.

Risk management

In order to meet both internal requirements and the relevant statutory regulations, DEGI has an ongoing risk management process in place to identify, assess, manage and monitor risks. The risks are managed in accordance with the risk strategy that is based on the corporate and investment strategies.

The company's organisational structure contains a central risk management unit that is responsible for coordinating and ensuring monitoring of all risks that arise for the funds or the company at operating level. The process management unit also ensures transparent processes, a prerequisite for a company-wide risk management system.

All relevant risks are identified and reported on by the competent employees in the individual specialist departments, whereby the individual reporting periods are adapted to suit the type of risk.

The central unit assists the departments with the integrated and systematic assessment and management of all relevant risks, such as counterparty, interest rate and currency risks as well as other market price risks, operational and liquidity risks. This comprehensive approach, which draws on both local expertise and centralised organisation, facilitates an all-encompassing risk assessment system in which individual risks are managed in a competent manner, but also allows interdependencies between various risk areas to be taken into account. The close cooperation between process and risk management can help to avert possible process-related problems by adjusting the key processes in a timely manner.

Changes in the Management Board

Silvia Schmitten-Walgenbach resigned from the Management Board of DEGI Deutsche Gesellschaft für Immobilienfonds mbH as of 19 March 2009.

An overview showing the current composition of the Management Board and the Supervisory Board of DEGI Deutsche Gesellschaft für Immobilienfonds mbH is provided on page 140 of this Annual Report.

Change of custodian bank

As a result of the acquisition of Dresdner Bank AG by Commerzbank AG and the subsequent merger, Commerzbank AG entered into the custodian banking contracts with DEGI with effect from 11 May 2009.

[1)] The rating scale comprises 9 categories, ranging from "AAA" (the best) to "D" (the worst). The "AA" category is the second-highest rating, and shows that both the fund and the company have achieved very high quality standards.

Outlook

DEGI GLOBAL BUSINESS has a young and competitive property portfolio, which constitutes the basis for its sustainable earnings power. This also reflects the high letting ratio of the high-quality real estate portfolio. Fund managers pay particular attention to tenants having good financial standing in this regard. The Fund has a balanced structure in terms of geographical distribution and type of use, and has also been well positioned during the persistent difficult global economic situation.

Integration into the international Aberdeen Group enables us to more quickly perceive favourable investment opportunities in Europe in future, yielding competitive advantages in the continued strategic expansion of the property portfolio. DEGI's expanded property expertise also enables an additional improvement in the portfolio structure as part of future investments.

We would like to thank you for the trust that you have placed in us during the period under review.

Yours sincerely,

The Management Board

DEGI
Deutsche Gesellschaft
für Immobilienfonds mbH

Bärbel Schomberg   Michael Determann

Malcolm R. Morgan   Roger Welz

Frankfurt am Main, September 2009

Special note to investors

Opportunities on the property market are associated with risk. In particular, the following should be borne in mind concerning open-ended property funds:

The value of the fund unit can fluctuate

Open-ended property funds are investment funds and exhibit noticeably lower performance volatility compared to many other investment types. For open-ended property funds, fluctuations may result from varying developments in property markets, among other things. Despite these market fluctuations, all DEGI mutual funds have recorded positive performance every year since they were launched. However, the possibility cannot be excluded that a DEGI open-ended property fund could also post negative performance. The international focus enables particularly broad asset diversification; however, it is associated with exchange rate risks, which are only hedged in part.

Exit charges and tax-related aspects influence individual performance

The tax treatment of investment income depends on the personal situation of the individual investors and may be subject to future changes. The investor should consult his or her personal tax advisor about specific questions, particularly regarding the investor's personal tax situation. Non-tax-related aspects of the investor's individual situation should also be taken into account when making an investment decision. Moreover, exit charges for unit redemptions may affect the investor's total return.

Property values are market driven

The cyclical development of the property markets, which include in particular site-dependent changes in average rental rates, the demand and the purchase and sales prices of real estate, make it necessary to continuously appraise the fund properties. Property appraisal is required by law and must be performed at least once a year for each property by an independent committee of appraisers, which is made up of officially appointed and sworn experts. Revaluation of properties may result in a higher or lower valuation depending on the prevailing market situation, which can, in turn, result in an increase or decline in the return.

Suspension of unit redemption under special circumstances

The liquidity of open-ended property funds is subject to fluctuations due to variations in the amount of fund inflows and outflows. In the event of sudden dramatic increases in fund inflows, which can thus increase fund liquidity, the impact on the return may be negative in periods of low interest rates. The reallocation of liquid asset in properties may naturally require some time.

In the event of short-term increases in fund outflows, the fund must maintain the 5 % legal minimum in liquid assets to service unit redemption and to ensure due and proper management. If, in certain cases, the fund's liquid assets are not sufficient to service the redemptions, the fund management can suspend unit redemption for a limited period of time in the interest of all investors (see "Suspension of redemption" in the Prospectus and in the General Terms of Contract). In special cases, the fund management is even under obligation to suspend redemption to prevent any damage from occurring to investors.

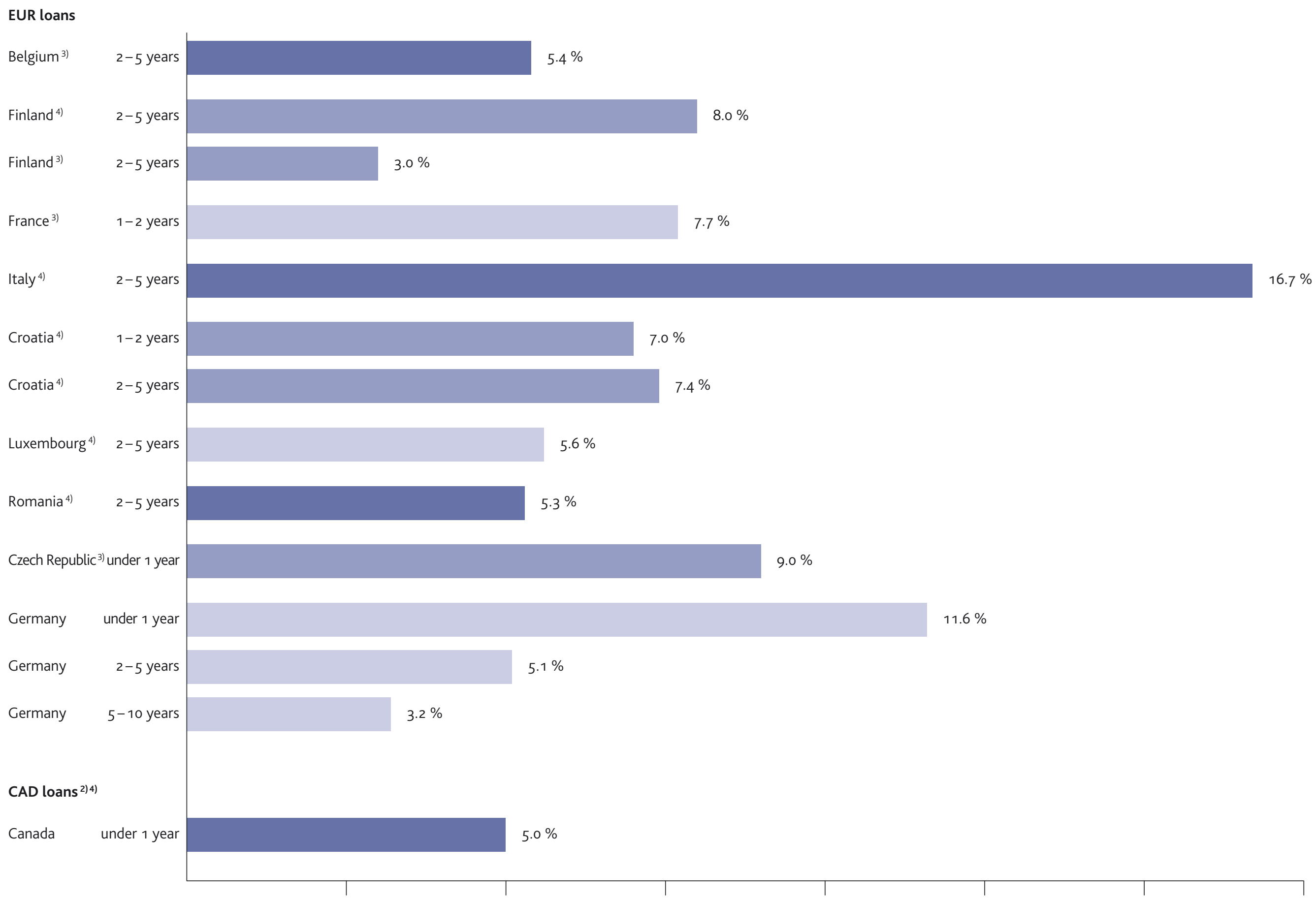
Credit management

Overview of loans as of 30 June 2009

	Loan volume (direct) in EUR 000s	Loan volume (indirect via property companies) in EUR 000s	Proportion of market value all fund properties (net) in %	Proportion of Fund assets (net) in %
EUR loans (foreign) [1]	54,057	107,700	29.7	43.7
EUR loans (Germany)	43,000		7.9	11.6
CAD loans (Canada) [2]	0	10,754	2.0	2.9
Total	**97,057**	**118,454**	**39.6**	**58.2**

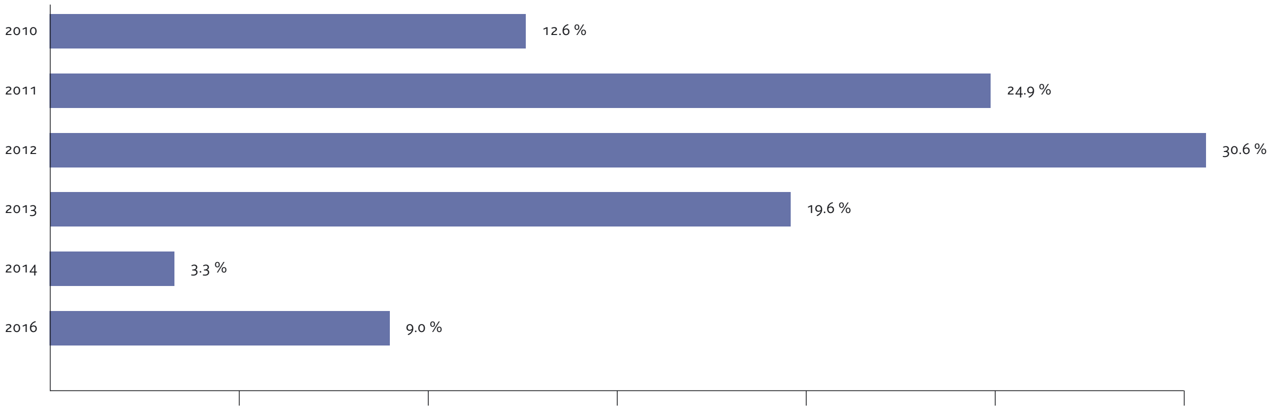
The loan volume (direct) rose by EUR 40.5 m from EUR 56.6 m to EUR 97.1 m in financial year 2008/2009. The loan volume (indirect via property companies) totalled EUR 118.5 m, falling by EUR 0.2 m during financial year 2009/2008. Expressed as a proportion of the market value of all fund properties, the total loan volume increased from 35.7 % to 39.6 %.
The loan ratio in accordance with section 80a of the German Investment Act (InvG) amounts to 39.6 %.

Breakdown of loan volume per currency by remaining fixed rate period as of 30 June 2009



1) Foreign = outside Germany
2) Loans in foreign currency were converted at the mean rate of exchange on 30 June 2009.
3) Loan volume (direct)
4) Loan volume (indirect via property companies)

Breakdown of loan volume by final maturity of the loan agreements as of 30 June 2009



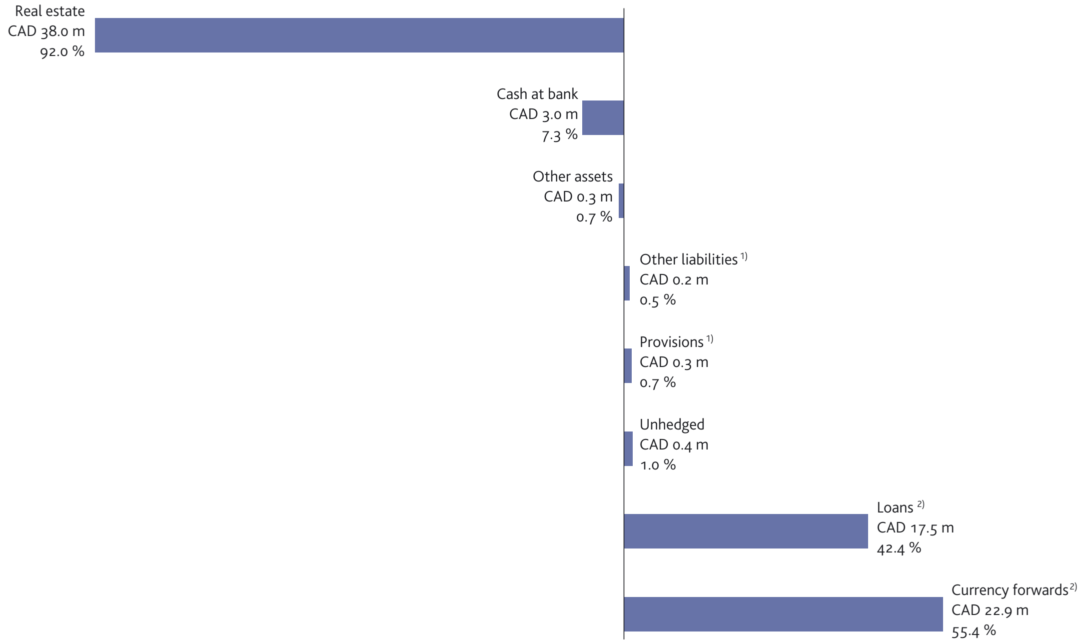
The diagrams show a breakdown of loan volume per currency by remaining fixed-rate period and by final maturity of the loan agreements. These charts show that the loan portfolio is diversified in terms of both fixed rates and final maturities. Both the fixed-rate period and the final maturity of the loans are determined by the planned holding period of the properties, taking into account the risk diversification of the credit portfolio.

Luxembourg,
Luxembourg,
6, Circuit de la Foire Internationale

Currency hedging

Assets
Canadian dollars (CAD)

Currency hedging
Canada
in Canadian dollars



The assets in Canadian dollars (CAD) comprise property (CAD 38.0 m), cash at bank (CAD 3.0 m), and other assets (CAD 0.3 m). These items are subject to a currency risk, which is hedged using measures to offset risk in line with the investment policy of the investment company. Currency hedging comprises other liabilities (CAD 0.2 m), provisions (CAD 0.3 m), foreign currency loans (CAD 17.5 m), and currency forwards (CAD 22.9 m). The unhedged foreign currency position in Canada amounts to CAD 0.4 m (1.0 %).

Active currency hedging is managed via the currency forwards and foreign currency loans, which offset the risk incurred. Both provisions and other liabilities serve to offset risk but cannot be directly influenced.

1) Passive currency hedging (risk-offsetting, but not controllable)
2) Active currency hedging (risk-offsetting, controllable)

Overview of currency risks as of 30 June 2009

	Open currency positions	Open currency positions	Proportion of fund assets (net) per currency area	Proportion of fund assets (gross) per currency area
	in local currency	in EUR 000s	in %	in %
CAD (Canada)	(CAD 368,000)	226	1.6	1.0

Currency risks relating to property investments are reduced by taking out loans in foreign currencies and by using currency forwards. The open position in Canadian dollars as of 30 June 2009 totals EUR 0.2 m. In terms of the fund's net assets, this results in a proportion of 0.1 %, i.e. the risks are minimal.

Due to existing lease agreements in EUR, the market values of the properties as well as the loans taken out in Croatia, Romania and the Czech Republic are also in EUR. The amounts of assets in the respective local currencies are thus very low resulting in any potential changes in exchange rates also having a marginal impact on the fund's net assets. For this reason, no representation is given of the respective assets denominated in foreign currencies or of the open positions.

Bucharest,
Romania,
Calea Vitan 6 – 6a,
"PGV Tower"

Overview: Returns, valuation and letting

Return ratios for the period 1 July 2008 to 30 June 2009

(returns on properties and liquid assets, weighted according to capital invested)

I. Properties	Belgium in %	Germany in %	France in %	Direct investments total in %	Interests (real estate companies) total [1] in %	Total in %
Gross income	10.0 [2]	6.6 [2]	9.9 [2]	8.0 [4]	6.8 [6]	**7.2**
Property management expenditure	– 3.7 [2]	– 0.3 [2]	– 2.3 [2]	– 1.4 [4]	– 2.7 [6]	**– 2.3**
Net income	6.3 [2]	6.3 [2]	7.6 [2]	6.6 [4]	4.1 [6]	**4.9**
Changes in value	5.6 [2]	– 0.6 [2]	14.6 [2]	4.2 [4]	– 0.6 [6]	**0.9**
Foreign income taxes	– 0.6 [2]	0.0 [2]	– 0.8 [2]	– 0.3 [4]	– 0.1 [6]	**– 0.1**
Foreign deferred taxes	– 2.9 [2]	0.0 [2]	– 5.8 [2]	– 1.9 [4]	0.0 [6]	**– 0.6**
Return before borrowing costs	8.4 [2]	5.7 [2]	15.6 [2]	8.6 [4]	3.4 [6]	**5.1**
Return after borrowing costs	10.8 [3]	6.4 [3]	23.3 [3]	11.0 [5]	2.6 [7]	**5.3**
Currency-related changes	0.0 [3]	0.0 [3]	0.0 [3]	0.0 [5] [8]	– 0.1 [7] [8]	**– 0.1**
Total return in fund currency	10.8	6.4	23.3	11.0 [5]	2.5 [7]	**5.2** [9]
II. Liquid assets						**3.2** [10] [11]
III. Total fund return before deduction of fund costs						**5.0** [12]
Total fund return after deduction of fund costs (BVI method)						**4.5**

[1] All indirectly held properties in Canada, Croatia, the Czech Republic, Finland, Italy, Luxembourg and Romania are shown in aggregate in accordance with the share held in the company. There is no further breakdown by individual country, as this cannot be shown on a sufficiently differentiated basis in line with the holding period of the properties.
[2] In terms of the average directly held property assets in the respective country
[3] In terms of the fund's average equity-financed directly held property assets in the respective country
[4] In terms of the fund's directly held average property assets
[5] In terms of the fund's average equity-financed directly held property assets
[6] In terms of the fund's average indirectly held property assets
[7] In terms of the fund's average equity-financed indirectly held property assets
[8] Changes in exchange rates and costs of currency hedging
[9] Earned on an average invested total property share for the period under review amounting to 90.85 % of the fund assets
[10] In terms of the fund's average liquid assets
[11] Earned on an average liquidity share in the period under review amounting to 9.15 % of the fund's assets
[12] In terms of the average fund assets

Capital information for the period 1 July 2008 to 30 June 2009
(average figures) [1)]

Properties	Belgium	Germany	France	Direct investments total	Interests (real estate companies) total [2)]	Total
	in EUR 000s	in EUR 000s	in EUR 000s	in EUR 000s	in EUR 000s	in EUR 000s
Properties held directly	30,233.3	99,783.9	41,714.4	171,731.6	–	**171,731.6**
Properties held via interests (real estate companies)	–	–	–	–	373,334.8	**373,334.8**
Total properties	30,233.3	99,783.9	41,714.4	171,731.6	373,334.8	**545,066.4**
of which equity-financed	18,633.3	66,322.4	25,214.4	110,170.1	233,173.9	**343,344.0**
of which debt-financed (loan volume)	11,600.0	33,461.5	16,500.0	61,561.5	140,160.9	**201,722.4**
Liquid assets						**34,557.4**
Fund assets (net) [3)]						**377,901.4**

1) The average figures for financial year 2008/2009 (from 1 July 2008 to 30 June 2009) have been calculated using 13 month-end figures.
2) All indirectly held properties in Canada, Croatia, the Czech Republic, Finland, Italy, Luxembourg and Romania are shown in aggregate in accordance with the share held in the company. There is no further breakdown by individual country, as this cannot be shown on a sufficiently differentiated basis in line with the holding period of the properties.
3) The fund assets (net) correspond to the sum of the equity-financed property assets and liquid assets.

Information on changes in value as of 30 June 2009

	Belgium	Germany	France	Direct investments total	Interests (real estate companies) total [1) 2)]	Total
	in EUR m	in EUR m	in EUR m	in EUR m	in EUR m	in EUR m
Appraiser-assessed current market values for the portfolio	33.8	110.4	48.2	192.4	352.1 [3)]	**544.5**
Appraiser-assessed fair rental values for the portfolio	2.7	6.4	3.2	12.3	22.5	**34.8**
Positive changes in value as per expertise	1.7	0.6	6.1	8.4	2.6	**11.0**
Other positive changes in value	0.0	0.1	0.0	0.1	6.5	**6.6**
Negative changes in value as per expertise	0.0	– 1.2	0.0	– 1.2	– 6.8	**– 8.0**
Foreign deferred taxes	– 0.9	0.0	– 2.4	– 3.3	0.0	**– 3.3**
Other negative changes in value	0.0	– 0.1	0.0	– 0.1	– 0.3	**– 0.4**
Changes in value as per expertise	**1.7**	**– 0.6**	**6.1**	**7.2**	**– 4.2**	**3.0**
Other changes in value	**– 0.9**	**0.0**	**– 2.4**	**– 3.3**	**6.2**	**2.9**

Letting information as of 30 June 2009

	Belgium [4)]	Germany [4)]	France [4)]	Direct investments total [5)]	Interests (real estate companies) total [6)]	Total
	in %	in %	in %	in %	in %	in %
Annual rental income office/practices	98.0	90.1	89.9	91.6	46.9	**62.9**
Annual rental income retail/catering	0.0	0.0	5.3	1.4	39.6	**25.9**
Annual rental income industry (warehouses, halls)	1.9	5.6	4.8	4.7	4.1	**4.3**
Annual rental income car parking	0.1	3.5	0.0	1.9	4.0	**3.2**
Annual rental income other	0.0	0.2	0.0	0.1	0.1	**0.1**
Annual rental income total	**100.0**	**99.4**	**100.0**	**99.7**	**94.7**	**96.4**

1) According to equity interest.
2) There is no further breakdown by individual country, as this cannot be shown on a sufficiently differentiated basis in line with the holding period of the properties.
3) The value of interests reported in the Statement of Assets and Liabilities, which totals EUR 198.0 m, corresponds to the net assets of the companies. The difference between the appraiser-assessed market values and the value of interests of EUR – 154.1 m represents other balance sheet line items at the companies.
4) In terms of net nominal rentals from directly held properties in the individual country
5) In terms of total net nominal rentals from directly held properties
6) In terms of total net nominal rentals corresponding to the interest in the properties that are held indirectly

Information on vacancy as of 30 June 2009

	Belgium [1]	Germany [1]	France [1]	Direct investments total [2]	Interests (real estate companies) total [3] [4]	Total
	in %	in %	in %	in %	in %	in %
Vacancy office/practices	0.0	0.5	0.0	0.3	3.4	**2.3**
Vacancy retail/catering	0.0	0.0	0.0	0.0	1.7	**1.1**
Vacancy industry (warehouses, halls)	0.0	0.0	0.0	0.0	0.4	**0.3**
Vacancy car parking	0.0	0.2	0.0	0.1	0.0	**0.0**
Letting ratio (based on gross nominal rentals)	**100.0**	**99.3**	**100.0**	**99.6**	**94.5**	**96.3**

Residual terms of lease agreements as of 30 June 2009

	Belgium [5]	Germany [5]	France [5]	Direct investments total [6]	Interests (real estate companies) total [4] [7]	Total
	in %	in %	in %	in %	in %	in %
2009	0.0	7.2	0.0	3.9	1.5	**2.4**
2010	36.1	41.8	0.0	29.7	7.4	**15.6**
2011	0.0	8.4	100.0	30.7	26.2	**27.9**
2012	5.4	3.5	0.0	3.0	34.1	**22.6**
2013	0.0	0.0	0.0	0.0	7.9	**5.0**
2014	2.4	19.6	0.0	11.1	12.7	**12.1**
2015	0.0	0.8	0.0	0.4	1.1	**0.8**
2016	0.0	5.8	0.0	3.1	0.1	**1.2**
2017	56.1	12.9	0.0	18.1	8.2	**11.9**
2018	0.0	0.0	0.0	0.0	0.6	**0.4**
2019 +	0.0	0.0	0.0	0.0	0.2	**0.1**

1) In terms of gross nominal rentals from directly held properties in the individual country
2) In terms of total gross nominal rentals from directly held properties
3) In terms of total gross nominal rentals corresponding to the interest in properties that are held indirectly
4) All indirectly held properties in Canada, Croatia, the Czech Republic, Finland, Italy, Luxembourg and Romania are shown in aggregate in accordance with the share held in the company. There is no further breakdown by individual country, as this cannot be shown on a sufficiently differentiated basis in line with the holding period of the properties.
5) In terms of net nominal rentals from directly held properties in the individual country
6) In terms of total net nominal rentals from directly held properties
7) In terms of total net nominal rentals corresponding to the interest in the properties that are held indirectly

Development of returns

Return ratios as a % of the average value of the fund assets

	30 June 2009 in %	30 June 2008 in %	30 June 2007 in %	30 June 2006 [1] in %
I. Properties				
Gross income	**7.2**	7.4	7.1	4.0
Property management expenditure	**– 2.3**	– 2.2	– 1.7	– 0.5
Net income	**4.9**	5.2	5.4	3.5
Changes in value	**0.9**	0.7	0.7	0.9
Foreign income taxes	**– 0.1**	– 0.2	0.0	– 0.4
Foreign deferred taxes	**– 0.6**	– 0.2	– 0.7	– 0.4
Return before borrowing costs	**5.1**	5.5	5.4	3.6
Return after borrowing costs	**5.3**	5.9	5.9	4.4
Currency-related changes	**– 0.1**	0.0	0.2	– 0.1
Total return in fund currency	**5.2** [2]	5.9 [3]	6.1 [4]	4.3 [5]
II. Liquid assets	**3.2** [6] [7]	3.9 [6] [8]	2.4 [6] [9]	1.4 [6] [10]
III. Total fund return before deduction of fund costs	**5.0** [11]	5.7 [11]	5.8 [11]	3.4 [11]
Total fund return after deduction of fund costs (BVI method)	**4.5**	5.3	5.3	3.1

[1] Return ratios for the period 1 November 2005 to 30 June 2006 (eight-month period)
[2] Earned on an average invested total property share for the period under review amounting to 90.85 % of the fund assets
[3] Earned on an average invested total property share for the period under review amounting to 91.19 % of the fund assets
[4] Earned on an average invested total property share for the period under review amounting to 92.51 % of the fund assets
[5] Earned on an average invested total property share for the period under review amounting to 68.97 % of the fund assets
[6] In terms of the fund's average liquid assets.
[7] Earned on an average liquidity share in the period under review amounting to 9.15 % of the fund's assets
[8] Earned on an average liquidity share in the period under review amounting to 8.81 % of the fund's assets
[9] Earned on an average liquidity share in the period under review amounting to 7.49 % of the fund's assets
[10] Earned on an average liquidity share in the period under review amounting to 31.03 % of the fund's assets
[11] In terms of the average fund assets

Helsinki,
Finland,
Kyllikinportti 2,
"Tekes"

Development of fund assets

	in EUR	in EUR	in EUR
Fund assets at the beginning of the financial year			**378,472,107.88**
Distribution for the previous year			**– 12,003,999.00**
Adjustment for units issued or returned before the distribution date			**– 263,614.50**
Fund inflows from unit sales		14,306,729.15	
Fund outflows from unit redemptions		– 26,670,293.38	
Fund inflows/outflows (net)			**– 12,363,564.23**
Ordinary net income			**10,698,919.51**
Disposal gains/losses			**389,129.39**
Changes in value of unrealised gains			
on property			**8,537,581.28**
(of which in foreign currency	0.00)		
on interests in real estate companies			**9,081,572.51**
(of which in foreign currency	4,046,475.76)		
on liquid assets			**38,829.50**
(of which in foreign currency	0.00)		
Changes in value of unrealised losses			
on property			**– 4,614,649.86**
(of which in foreign currency	0.00)		
on interests in real estate companies			**– 7,069,790.52**
(of which in foreign currency	– 169,201.74)		
on liquid assets			**– 16,303.30**
(of which in foreign currency	0.00)		
Exchange rate changes			**– 405,239.22**
Fund assets at the end of the financial year			**370,480,979.44**

Notes on the development of fund assets

The development of fund assets shows which transactions during the period under review produced the new assets reported in the Statement of Assets and Liabilities of the fund. This is therefore a breakdown of the difference between the assets at the start and the end of a financial year.

The distribution for the previous year corresponds to the distribution amount set out in the Annual Report for the previous year (please refer to the total distribution under the section entitled “Calculation of the Distribution” in that report).

The adjustment item serves to take into account units issued and redeemed between the end of the financial year and the distribution date. Investors that acquire units between these two dates participate in the distribution although their unit purchases are not taken into account as fund inflows in the prior-year reporting period. Similarly, investors who sell their units between these two dates do not participate in the distribution although their unit redemptions are not taken into account as fund outflows in the prior-year reporting period.

The fund inflows from unit sales and the fund outflows from unit redemptions result from the respective redemption price multiplied by the number of units sold or redeemed. The redemption value includes the income per unit designated as the equalisation. The inflows and outflows of funds are reduced by these equalisation amounts and therefore reflect the change in assets.

The ordinary net income is shown in the Statement of Income and Expenditure.

Disposal gains/losses corresponds to the difference between the proceeds from the sale and the book values that apply for tax purposes in the case of properties, and to the difference between the prices on purchase and the prices on sale or maturity in the case of liquid assets.

Realised gains and losses from currency forwards during the period under review are taken into account excluding the results of adjustments in the assessed value.

Foreign currency items are deemed to comprise all non-EUR items.

With regard to properties and the equity interests in real estate companies, the change in value of unrealised gains and the change in value of unrealised losses result from adjustments in the assessed value and changes in the market value in the financial year.

With regard to liquid assets, the change in value of unrealised gains, and the change in value of unrealised losses result from changes in the prices of the securities, money market instruments and investment units held in the portfolio.

As far as exchange rate changes are concerned, the figure shows the difference between the valuation of assets denominated in foreign currencies at the rate as of the beginning and the rate as of the end of the period under review excluding the results of adjustments in the assessed value. The results of the adjustments in the assessed value, valued at the rate prevailing as of the end of the period under review, are included in the change in unrealised gains/losses on property, equity interests in real estate companies and liquid assets. For assets acquired during the year under review, the figure shows the difference between the valuation at the rate when the asset was capitalised and the rate as of the end of the period under review.

Furthermore, gains and losses from the settlement of ongoing transactions via foreign currency clearing accounts are taken into account, as well as value fluctuations on currency forwards not closed out as of the reporting date.

Statement of Assets and Liabilities as of 30 June 2009

		in EUR	in EUR	in EUR	Share of fund assets in %
I,	**Properties**				
	1. Commercial properties		192,380,000.00		
	(of which in foreign currency	0.00)			
	Total properties			**192,380,000.00**	**51.9**
	(total in foreign currency	0.00)			
II.	**Interests in property companies**				
	1. Majority interests		198,016,950.33		
	Total interests in real estate companies			**198,016,950.33**	**53.5**
	(total in foreign currency	18,052,955.82)			
III.	**Liquid assets**				
	1. Cash at bank		20,513,526.71		
	(of which in foreign currency	2.54)			
	2. Investment units		7,506,327.84		
	(of which in foreign currency	0.00)			
	3. Securities		504,300.00		
	(of which in foreign currency	0.00)			
	Total liquid assets			**28,524,154.55**	**7.7**
	(total in foreign currency	2.54)			
IV.	**Other assets**				
	1. Receivables from property management		4,496,795.57		
	(of which in foreign currency	0.00)			
	2. Receivables from real estate companies		60,840,999.70		
	(of which in foreign currency	0.00)			
	3. Interest accrued		884,450.25		
	(of which in foreign currency	0.00)			
	4. Other		480,260.89		
	(of which in foreign currency	0.00)			
	Total other assets			**66,702,506.41**	**18.0**
	(total in foreign currency	0.00)			
	Total I.–IV.			**485,623,611.29**	**131.1**
	(of which in foreign currency	18,052,958.36)			
V.	**Liabilities**				
	1. Loans		97,056,736.64		
	of which secured loans (section 82 (3) InvG)	97,056,736.64			
	(total in foreign currency	0.00)			
	2. Property management		4,357,949.27		
	(of which in foreign currency	0.00)			
	3. Other reasons		2,539,901.88		
	(of which in foreign currency	0.00)			
	Total liabilities			**103,954,587.79**	**28.1**
	(total in foreign currency	0.00)			
VI.	**Provisions**			**11,188,044.06**	**3.0**
	(of which in foreign currency	7,988.79)			
	Total V.–VI.			**115,142,631.85**	**31.1**
	(of which in foreign currency	7,988.79)			
	Fund assets			**370,480,979.44**	**100.0**

Unit value	**110.11**	**EUR**
Units in circulation	**3,364,643**	**pcs.**

Notes
Assets denominated in foreign currency are converted into EUR on a same-day basis on the basis of the exchange rate determined for the currency in question determined by the Reuters AG 10.00 a.m. morning fixing. Foreign currency items are deemed to comprise all non-EUR items.

Exchange rates as of 30 June 2009:

Canadian dollar (CAD)	CAD 1 = EUR 0.61452	EUR 1 = CAD 1.62728
Czech koruna (CZK)	CZK 1 = EUR 0.03854	EUR 1 = CZK 25.94720
Croatian kuna (HRK)	HRK 1 = EUR 0.13741	EUR 1 = HRK 7.27763
Romanian leu (RON)	RON 1 = EUR 0.23761	EUR 1 = RON 4.20860

Notes to the Statement of Assets and Liabilities

Fund assets

During the period under review (1 July 2008 to 30 June 2009), the fund's assets decreased from EUR 378.5 m to EUR 370.5 m. Units were sold in the amount of EUR 14.3 m and redeemed in the amount of EUR 26.7 m. With 3,364,643 units in circulation (3,479,420 as of 30 June 2008), this gives a unit value on 30 June 2009 of EUR 110.11 m.

Properties

No directly held properties were acquired or sold during the period under review.

Accordingly, the Fund continued to possess five directly held properties as of the reporting date.

Property assets rose from EUR 185.2 m (30 June 2008) to EUR 192.4 m as of 30 June 2009.

Please consult the property portfolio on pages 44 to 46 for details on the individual properties.

Interests in property companies

The indirect acquisition structure was chosen for tax optimisation purposes.

Investment was made in the form of a new majority interest during the reporting period.

In September 2008, the company acquired a 99.9 % stake in the real estate company SPC Prague Park 7 k.s. in Prague (Czech Republic). As at the reporting date, the value of this interest totalled EUR 36.2 m.

As of 30 June 2009, the Fund held a majority interest in a total of eight property companies with a total value of EUR 198.0 m.

For details on the interests in real estate companies, consult the property portfolio on pages 44–46.

Liquid assets

The liquid assets as of the reporting date amount to EUR 28.5 m. The share of liquid assets in net fund assets amounts to 7.7 %.

Cash at bank stood at EUR 20.5 m as of the reporting date.

The investment units in dbi DEGI Bonds amounted to EUR 7.5 m as of the reporting date.

Securities includes all officially traded securities and totalled EUR 0.5 m as of the reporting date.

Additional information on the liquid assets is provided on pages 49–50 of this Semi-Annual Report.

Other assets

As of the reporting date, other assets amounted to EUR 66.7 m.

Receivables from property management of EUR 4.5 m comprise rentals owing (EUR 0.9 m), rental deposits (EUR 0.8 m) and receivables from allocations yet to be settled (EUR 2.8 m).

Receivables from real estate companies totalling EUR 60.8 m relate to the shareholder loans granted, of EUR 13.0 m to DEGI Brindisi S.r.l., of EUR 10.2 m to DEGI Jankomir d.o.o., of EUR 10.2 m to DEGI Kirchberg S.A., of EUR 4.7 m to DEGI Helsinki CBD Oy, of EUR 5.7 m to DEGI PGV Tower SRL. and of EUR 17.0 m to SPC Prague Park 7 k.s.

Interest accrued of EUR 0.9 m relates to interest accrued from shareholder loans granted of EUR 0.8 m and other interest accrued of EUR 0.1 m.

The "Other" item (EUR 0.5 m) essentially comprises receivables from holding companies of EUR 0.1 m, amounts owed by the tax authorities of EUR 0.2 m and other receivables of EUR 0.2 m.

Liabilities

Liabilities stood at EUR 103.9 m as of 30 June 2009.

Liabilities from loans amounting to EUR 97.1 m comprise partial financing of the directly held properties in Germany, France and Belgium, and partial financing of the equity investment in Finland and the Czech Republic.

Liabilities from property management stood at EUR 4.3 m and included in particular accrued rent payable (EUR 1.2 m). rental deposits (EUR 0.8 m), advance allocation payments (EUR 2.2 m), and trade payables (EUR 0.1 m).

Other liabilities amounted to EUR 2.5 m. As of the reporting date they included primarily liabilities to Finish holding companies (EUR 1.6 m), liabilities from loan interest (EUR 0.4 m), trade payables (EUR 0.1 m) and amounts owed to the tax authorities (EUR 0.1 m). This item also includes liabilities to DEGI Deutsche Gesellschaft für Immobilienfonds mbH arising from fund management (EUR 0.1 m) and liabilities to the custodian bank (Dresdner Bank AG) (EUR 0.2 m).

Provisions

As of the reporting date, provisions amounted to EUR 11.2 m.

Provisions were established in particular for ancillary purchasing costs from acquisitions (EUR 2.7 m), construction services (EUR 1.1 m), maintenance (EUR 0.1 m), for foreign income taxes (EUR 1.0 m) and for other expenses (EUR 0.1 m).

There are provisions of EUR 6.2 m for deferred taxes on (any) foreign profits from disposals (capital gains tax) of the directly held properties in the portfolio (also refer to the notes on the provisions for deferred taxes on (any) foreign profits from disposals (capital gains tax)).

Provisions for deferred taxes on (any) foreign profits from disposals (capital gains tax)

Tax on the profits from the disposal (capital gains tax) of foreign properties or shares in foreign real estate companies can only be incurred for realised capital gains. This means that an open-ended property fund is only charged tax on profits from disposals if a disposal actually takes place abroad. This potential foreign taxation in the event of future disposal transactions is already factored in by the recognition of deferred tax provisions.

Various procedures are currently used by open-ended property funds to take account of deferred taxes on any foreign profits from disposals.

Until a standard regulation is put in place, we will determine the provisions for deferred taxes on any foreign profits from disposals relating to direct acquisitions of foreign properties for the DEGI GLOBAL BUSINESS fund as follows:

The recognition of provisions shall be based on the difference between the market value and the residual book value of the relevant property (for tax purposes) as of the respective valuation date, taking into account any foreign tax losses carried forward. The country-specific tax rate on capital gains is then applied to this amount.

A provision for deferred taxes on foreign profits from disposals is recognised for 100 % of the resulting “notional” tax charge.

The provisions for capital gains taxes for directly held properties amounted to EUR 6.2 m in the period under review.

Guyancourt,
France,
1, Rue Arnold Schoenberg,
"Le Gershwin"

Property portfolio
as of 30 June 2009

	Ser. no.	Location of property	Property type	No. of floors	Type of use [1] in %	Purchase date of the property	Purchase date of the interest	Constr./conversion year	Property size in m²	Usable space commercial in m²	Usable space residential in m²	Special features
		I. Properties held directly in EUR countries										
		Belgium										
	1	**4000 Liège** Boulevard d'Avroy 35–39	O	9		11/2006	–	1982/ 1985/92	2,801 [2]	21,987	–	G, AC, L
		Germany										
	2	**61352 Bad Homburg** Justus-von-Liebig-Strasse 1	O	4		08/2007	–	2006/07	10,206	8,786	–	G, AC, L
Holland-haus	3	**53113 Bonn** Strässchensweg 10	O	7		11/2007	–	1999/ 2003	7,345	11,119	–	G, L
	4	**50678 Cologne** Agrippinawerft 30	O	10		04/2006	–	2004	2,168	12,480	–	G, AC, L
		France										
Le Gershwin	5	**78280 Guyancourt** 1, Rue Arnold Schoenberg	O	3		11/2005	–	2002	8,644	12,613	–	G, AC, L
		II. Properties held via real estate companies in EUR countries										
		Finland										
Ministry	6	**00130 Helsinki** Fabianinkatu 6 / Fabiansgatan 6 Company: DEGI Helsinki CBD Oy [3], Helsinki Capital: EUR 470,470.00 Shareholder loan: EUR 4,674,999.70 Interest: 100.00000 %	O	5		11/2007	11/2007	1939/ 2005	1,272	4,278	–	G, L

Liège,
Belgium,
Boulevard d'Avroy 35–39

Bad Homburg,
Germany,
Justus-von-Liebig-Strasse 1

Bonn,
Germany,
Strässchensweg 10,
"Hollandhaus"

Cologne,
Germany,
Agrippinawerft 30

Guyancourt,
France,
1, Rue Arnold Schoenberg,
"Le Gershwin"

Property type:
O = Office building
S = Shopping centre

Special features:
G = Garage
AC = Air-conditioning
L = Lift

Helsinki,
Finland,
Fabianinkatu 6 / Fabiansgatan 6,
"Ministry"

	Ser. no.	Location of property	Pro-perty type	No. of floors	Type of use [1] in %	Purchase date of the property	Purchase date of the interest	Constr./ conver-sion year	Pro-perty size in m²	Usable space com-mercial in m²	Usable space resi-dential in m²	Special features
Tekes	7	**00240 Helsinki** Kyllikinportti 2 Company: DEGI Helsinki Kyllikinportti Oy [3], Helsinki Capital: EUR 2,500.00 Shareholder loan: – Interest: 100.00000 %	O	9		01/2008	01/2008 [4]	1987/ 1988/96 2006	2,970	14,203	–	G, AC, L
Italy												
Le Colonne Shopping Center	8	**72100 Brindisi** SS. 7 Via Appia Ter KM 712 DEGI Brindisi S.r.l. [5], Milan Capital: EUR 110,000.00 Shareholder loan: EUR 12,500,000.00 Interest: 100.00000 %	S	2		05/2007	05/2007	2006/07	40,000 [6]	12,088	–	G, AC
Luxembourg												
	9	**1347 Luxembourg** 6, Circuit de la Foire Internationale Company: DEGI Kirchberg S.A. [7], Luxembourg Capital: EUR 30,986.69 Shareholder loan: EUR 10,166,000.00 Interest: 100.00000 %	O	3		10/2006	10/2006	1999/ 2004/05	4,407	8,900	–	G, AC, L

Helsinki,
Finland,
Kyllikinportti 2,
"Tekes"

Brindisi,
Italy,
SS. 7 Via Appia Ter KM 712,
"Le Colonne Shopping Center"

Luxembourg,
Luxembourg,
6, Circuit de la Foire,
Internationale

1) No breakdown is stated if the main use accounts for more than 75 % of the rental income.
2) Areas subject to heritable building rights (Erbbau)
3) Oy = Osakeyhtiö (similar to a public limited company (Aktiengesellschaft) under German law)
4) The company was founded by DEGI, whereupon the property was acquired by the company.
5) S. r. l. = Società a responsibilità limitata con unico socio under Italian law (similar to a private limited company (Gesellschaft mit beschränkter Haftung) under German law)
6) Part-owned
7) S.A. = Société Anonyme (similar to a public limited company (Aktiengesellschaft) under German law)

	Ser. no.	Location of property	Property type	No. of floors	Type of use [1] in %	Purchase date of the property	Purchase date of the interest	Constr./conversion year	Property size in m²	Usable space commercial in m²	Usable space residential in m²	Special features
		III. Properties held via real estate companies in non-EUR countries										
		Canada										
Citadel West	10	**2R 0H4 Calgary** 540 12th Avenue SW Company: DEGI Citadel West Limited Partnership [3], Vancouver Capital (Limit DEGI): CAD 23,000,000.00 Shareholder loan: – Interest: 99.99000 % [4]	O	7		02/2008	02/2008 [2]	2007	1,400	7,275	–	G, AC, L
		Croatia										
	11	**10090 Zagreb-Jankomir** Škorpikova 34 Company: DEGI Jankomir d.o.o. [5], Zagreb Capital: HRK 20,000.00 Shareholder loan: EUR 10,250,000.00 Interest: 100.00000 %	S	1–2		06/2006	06/2006	2002	40,762 [6]	17,368	–	G, AC
		Romania										
PGV Tower	12	**0031286 Bucharest** Calea Vitan 6–6a Company: DEGI PGV Tower SRL [7], Bucharest Capital: RON 29,464,725.00 Shareholder loan: EUR 5,750,000.00 Interest: 99.99968 % [8]	O	15		10/2007	10/2007	2003	2,365 [9]	10,580	–	G, AC, L
		Czech Republic										
The Park I, Building 7	13	**CZ-14800 Prague 4** V Parku, 2323/14 Company: SPC Prague Park 7 k.s. [10], Prague Capital: CZK 5,000.00 Shareholder loan: EUR 17,000,000.00 Interest: 99.90000 % [11]	O	4		09/2008	09/2008	2005	9,157 [9]	13,594	–	G, AC, L

Calgary, Canada, 540 12th Avenue SW, "Citadel West"

Zagreb-Jankomir, Croatia, Škorpikova 34

Bucharest, Romania, Calea Vitan 6 – 6a, "PGV Tower"

Prague, Czech Republic, V Parku 2323/14, "The Park I, Building 7"

Property type:
O = Office building
S = Shopping centre

Special features:
G = Garage
AC = Air-conditioning
L = Lift

1) No breakdown is stated if the main use accounts for more than 75 % of the rental income.
2) The company was founded by DEGI, whereupon the property was acquired by the company.
3) Limited Partnership (similar to a limited partnership (Kommanditgesellschaft) under German law)
4) 0.01 % is held by DEGI for own account via the company DEGI Citadel West General Partner Ltd.
5) d.o.o. = društvo s ograničenom odgovornošću (similar to a limited liability company (Gesellschaft mit beschränkter Haftung) under German law)
6) Part-owned
7) SRL = Societate comercială cu ră spundere limitată (similar to a limited liability company (Gesellschaft mit beschränkter Haftung) under German law)
8) The second shareholder is DEGI Beteiligungs GmbH.
9) Areas subject to heritable building rights (Erbbau)
10) k.s. = Komanditní společnost (similar to a limited partnership (Kommanditgesellschaft) under German law)
11) The second shareholder is DEGI Prag Park 7 GmbH.

Register of purchases and disposals of properties

in the period 1 July 2008 to 30 June 2009

	I.	Purchases [1]								
	Pur-chase no. [2]	Location of property	Pro-perty type	Usable space in m²	Purchase date of the property [3]	Purchase date of the interest	Transfer of use and encumbrance	Purchase price incl. [4] ancillary costs in EUR 000s	Appraiser-assessed market value in EUR 000s
	I. Properties held via real estate companies in non-EUR countries								
		Czech Republic							
The Park I, Building 7	1	CZ-14800 Prague 4 V Parku, 2323/14 Company: SPC Prague Park 7 k.s. [5], Prague Capital: CZK 5,000.00 Shareholder loan: EUR 17,000,000.00 Interest: 99.90000 % [6]	O	13,594	09/2008	09/2008	11.09.2008	51,605	51,000

	II.	Disposals
		None

Property type:
O = Office building

[1] Only those properties added to the fund during the period under review have been taken into account.
[2] Consecutive numbering in the sequence of the transfer of rights and obligations during the period under review. If properties are transferred on the same day, subsequent numbering using the alphabet.
[3] Date of agreement
[4] Purchase price of property exclusive of ancillary costs
[5] k.s. = Komanditní společnost (similar to a limited partnership (Kommanditgesellschaft) under German law)
[6] The second shareholder is DEGI Prag Park 7 GmbH.

Brindisi,

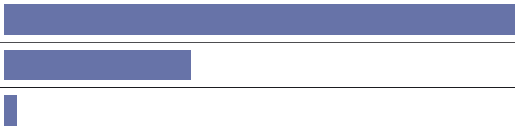
Italy,

SS. 7 Via Appia Ter KM 712,

"Le Colonne Shopping Center"

Holdings of liquid assets as of 30 June 2009

Total liquid assets as of 30 June 2009



Cash at bank	EUR 20.5 m	71.9 %
Investment units	EUR 7.5 m	26.3 %
Securities	EUR 0.5 m	1.8 %

	Purchases nominal in EUR 000s or quantity in 000s	Sales nominal in EUR 000s or quantity in 000s	Portfolio nominal in EUR 000s or quantity in 000s	Market value (price as of 30 June 2009 in EUR	Maturity	Fixed-rate period	Proportion of fund assets in %
I. Money market instruments							
1. Certificates of deposit [1] Nominal interest rate (%) and issuer							
0.000 Allianz SE MC CP Tr.945	0	1,000	0				
0.000 Deutsche Postbank AG MC CP	0	1,000	0				
Certificates of deposit, total	**0**	**2,000**	**0**	**0.00**			**0.0**
(of which foreign issuers [2])	(0)	(0)	(0)	(0.00)			(0.0)
Money market instruments, total	**0**	**2,000**	**0**	**0.00**			**0.0**
(of which foreign issuers [2])	(0)	(0)	(0)	(0.00)			(0.0)
II. Investment units							
Securities fund dbi DEGI Bonds	41	138	83	7,506,327.84			**2.0**
Investment units, total	**41**	**138**	**83**	**7,506,327.84**			**2.0**
III. Securities							
1. Exchange-traded securities (interest-bearing securities) Nominal interest rate (%) and issuer							
4.905 Hypo Real Estate Bk AG MTN R34015 v.08/09	0	2,000	0				
4.250 NRW Bk MTN-ISV 08/09	0	0	500	504,300.00	16.10.2009		
Exchange-traded securities (interest-bearing securities), total	**0**	**2,000**	**500**	**504,300.00**			**0.1**
(of which foreign issuers [2])	(0)	(0)	(0)	0.00			(0.0)
Securities, total	**0**	**2,000**	**500**	**504,300.00**			**0.1**
(of which foreign issuers [2])	(0)	(0)	(0)	0.00			(0.0)
Total				**8,010,627.84**			**2.1**

[1] Certificates of deposit: Money market instruments issued by banks
[2] Foreign issuers: This refers to issuers based outside of Germany.

IV. Currency hedging transactions

a) Purchases and sales of financial instruments that were concluded during the period under review and no longer appear in the Statement of Assets and Liabilities

		Sales (market value) in EUR 000s	Purchases (market value) in EUR 000s	Result in EUR 000s
CANADA [1]				
	CAD 1.3 m	787.4	763.6	– 23.8
	CAD 2.3 m	1,362.8	1,385.0	22.2
	CAD 3.6 m	2,167.3	2,150.4	– 16.9
	CAD 3.6 m	2,205.0	2,169.5	– 35.5
	CAD 3.4 m	2,137.0	2,111.9	– 25.1
	CAD 19.5 m	12,256.4	12,420.8	164.4
	CAD 22.9 m	14,179.6	14,402.5	222.9
Canada, total	**CAD 56.5 m**	**35,095.5**	**35,403.7**	**308.2**
Realised gains/losses Currency hedging transactions				**308.2**

b) Open positions

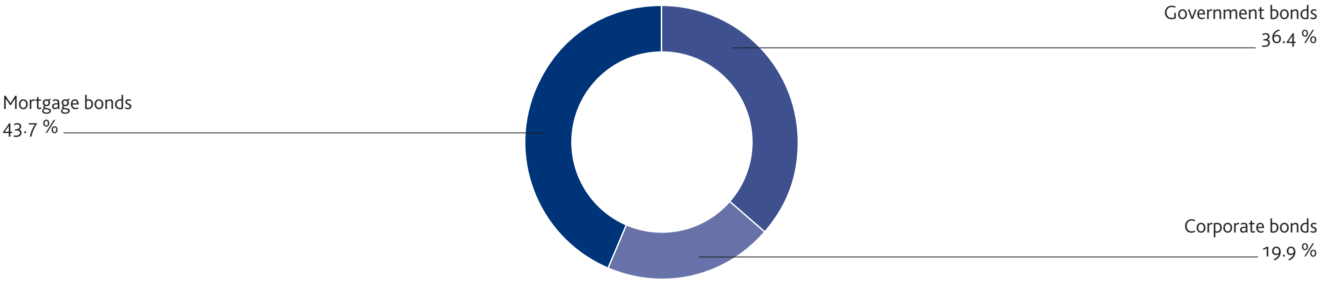
		Market value (sale) in EUR 000s	Market value (reporting date) in EUR 000s	Provisional result in EUR 000s
CANADA [1]				
	CAD 22.9 m	14,185.3	14,079.3	106.0
Canada, total	**CAD 22.9 m**	**14,185.3**	**14,079.3**	**106.0**
Changes in value Currency hedging transactions				**106.0**
Exchange rate changes Fund assets				**– 511.2**
Exchange rate changes				**– 405.2**
Realised gains less losses on currency transactions				**9.7**
Profit/loss from foreign currencies				**– 395.5**

Currency hedging transactions, shown as of the reporting date by currency forwards, are used to manage the currency exposure. This is effected by selling futures of the appropriate currency. In the event of a change in the currency, the profits/losses of currency forward sale counteract the profits/losses of the currency position. On the date of sale of the currency, the deal is closed either using funds arising from the sale of a property in the foreign currency, or by a cash purchase of the currency. The currency hedging is then extended by concluding a further currency forward deal.

[1] Hedging against currency exposure

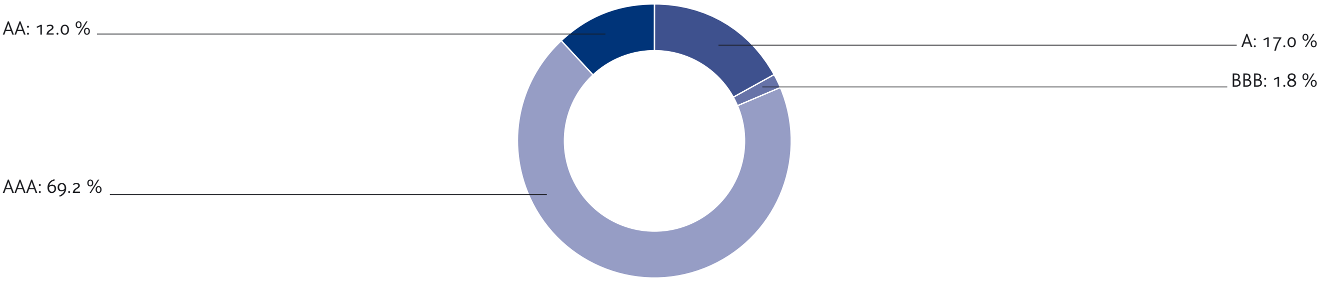
Investment and credit rating structure of the investment units as of 30 June 2009

Securities fund dbi DEGI Bonds



	in %	in years
Daily return	2.56	
Average coupon	3.60	
Average residual maturity		1.72
Modified duration [1] (incl. cash at bank)		1.63

Credit rating structure



AAA:	Best quality, lowest default risk
AA:	High quality, but somewhat higher risk than top group
A:	Good quality, many good investment aspects but also elements that could have a negative impact if economic development were to change
BBB:	Average quality, but lack of protection against the impact of a change in economic development

[1] The duration is the average minimum lock-up period of the capital invested in a security. Due to interest payments in the meantime on the capital invested, the duration is shorter than the residual maturity of the security. The shorter the duration, the less the market price of the security will react to changes in the current interest rate.

Statement of Income and Expenditure

for the period 1 July 2008 to 30 June 2009

		in EUR	in EUR	in EUR	in EUR
I.	**Income**				
1.	Income from property			**13,505,790.56**	
	(of which in foreign currency	0.00)			
2.	Income from interests held			**132,121.13**	
	(of which in foreign currency	0.00)			
3.	Income from liquid assets				
3.1	Income from cash at bank		423,519.51		
	(of which in foreign currency	380.62)			
3.2	Income from fund units		516,397.84		
	(of which in foreign currency	0.00)			
3.3	Income from securities		76,265.73	**1,016,183.08**	
	(of which in foreign currency	0.00)			
4.	Other income			**5,902,401.74**	
	(of which in foreign currency	11,295.44)			
Total income					**20,556,496.51**
(of which in foreign currency		11,676.06)			
II.	**Expenses**				
1.	Management costs				
1.1	Operating costs		1,892,155.84		
	(of which in foreign currency	0.00)			
1.2	Maintenance costs		165,227.02		
	(of which in foreign currency	0.00)			
1.3	Property management costs		74,462.25		
	(of which in foreign currency	0.00)			
1.4	Other costs		242,464.89	**2,374,310.00**	
	(of which in foreign currency	269.67)			
2.	Interest expenses			**4,291,871.82**	
	(of which in foreign currency	0.00)			
3.	Foreign taxes			**714,243.95**	
	(of which in foreign currency	74,547.24)			
4.	Fund management costs pursuant to section 11 of the Special Terms of Contract				
4.1	Management fee[1)]		1,889,325.44		
	(of which in foreign currency	0.00)			
4.2	Custodian fee		188,932.54		
	(of which in foreign currency	0.00)			
4.3	Appraiser costs		122,004.86		
	(of which in foreign currency	0.00)			
4.4	Other expenses		276,888.39	**2,477,151.23**	
	(of which in foreign currency	4,098.68)			
Total expenses					**9,857,577.00**
(of which in foreign currency		78,915.59)			

[1)] The investment company uses the management fee paid to it in order to grant trail fees to intermediaries, e.g. banks, usually on an annual basis.

		in EUR	in EUR	in EUR	in EUR
III.	**Ordinary net income**				**10,698,919.51**
	(of which in foreign currency	– 67,239.53)			
IV.	**Realised gains**				
	1. on currency transactions				**419,189.94**
	(of which in foreign currency	0.00)			
	2. on liquid assets				**126,241.45**
	(of which in foreign currency	0.00)			
	Total realised gains				**545,431.39**
	(of which in foreign currency	0.00)			
V.	**Realised losses**				
	1. on currency transactions				**– 101,291.59**
	(of which in foreign currency	0.00)			
	2. on liquid assets				**– 55,010.41**
	(of which in foreign currency	0.00)			
	Total realised losses				**– 156,302.00**
	(of which in foreign currency	0.00)			
VI.	**Disposal gains/losses**				**389,129.39**
	(of which in foreign currency	0.00)			
VII.	**Equalisation** (in relation to ordinary net income and capital gains)				**– 339,316.65**
	(of which in foreign currency	0.00)			
Net income for the year					**10,748,732.25**
(of which in foreign currency		– 67,239.53)			
Total expense ratio (TER) [1]					**0.66 %**
Transaction-related fees in % [2]					**0.13 %**

[1] The total expense ratio (TER) expresses the total costs and charges as a percentage of the average fund volume within a financial year and encompasses all charges and costs incurred in connection with the fund investment, but not transaction costs or any front-end load incurred.

[2] Percentage transaction-related fees are the fees that the company has received in accordance with section 11 (2) of the Special Terms of Contract expressed as a percentage of the average fund assets. This figure can vary considerably as a result of different investment activity. Percentage transaction-related fees are no indication of the fund's future performance.

Notes to the Statement of Income and Expenditure

Net income for the year

The net income for the financial year from 1 July 2008 to 30 June 2009 amounts to EUR 10.7 m.

Income

Total income increased in the year under review by EUR 1.3 m to EUR 20.5 m as against financial year 2007/2008.

Income from property

Income from property amounts to EUR 13.5 m, down EUR 0.6 m on financial year 2007/2008.

Income from interests in real estate companies

Income from real estate companies from indirectly-held properties in Finland amounted to EUR 0.1 m in the year under review. The indirectly held companies were not included in the Statement of Income and Expenditure in the year under review, as no distributions were made. The non-distributing companies are reported under "Change in value of unrealised gains from interests in real estate companies". This item is listed in the development of fund assets (see pages 38–39).

Income from liquid assets

Income from liquid assets amounted to EUR 1.0 m and included income from investment units of EUR 0.5 m, interest from cash at bank of EUR 0.4 m and income from securities of EUR 0.1 m. Taking into account the "Realised gains less unrealised changes in value in previous years on liquid assets" and "Changes in value of unrealised losses on liquid assets" shown in the development of fund assets, the cash ratio amounts to 3.2 %.

Other income

Other income, which amounts to EUR 5.9 m, is largely the result of interest income on shareholder loans of EUR 5.0 m, the reversal of provisions for non-third party liabilities (Aufwandsrückstellungen) that were no longer required, in the amount of EUR 0.2 m, and other interest income of EUR 0.6 m.

Expenses

Total expenses increased in the year under review by EUR 0.8 m to EUR 9.8 m as against financial year 2007/2008.

Management costs

The management costs that cannot be passed on to tenants (EUR 2.3 m) primarily comprise operating costs (EUR 1.9 m), maintenance costs (EUR 0.1 m), the cost of property management (EUR 0.1 m) and other costs (EUR 0.2 m). The property management costs that cannot be passed on to tenants represent the costs for external managers outside Germany.

Interest expenses

Interest expenses of EUR 4.3 m include the interest incurred for debt financing of the directly held properties in the amount of EUR 2.6 m, interest incurred for debt financing of the holding companies DEGI Helsinki CBD Oy and DEGI SPC Prague Park 7 k.s. of EUR 1.0 m and other interest expenses of EUR 0.7 m.

Foreign taxes

Foreign taxes comprise income tax incurred abroad amounting to EUR 0.7 m.

Fund management costs

The fund management costs include the management fee, custodian fee, appraiser costs and other expenses in accordance with section 11 of the Special Terms of Contract. DEGI Deutsche Gesellschaft für Immobilienfonds mbH also received fees pursuant to section 11 (2) of the Special Terms of Contract in the amount of EUR 0.5 m.

The management fee amounts to EUR 1.9 m and currently corresponds to 0.50 % of the average fund assets during the period under review.

The custodian fee amounts to EUR 0.2 m and corresponds to 0.05 % of the average fund assets during the period under review.

The appraiser costs are the result of the annual valuation of the properties in the portfolio and amounted to EUR 0.1 m in the financial year.

Other expenses of EUR 0.3 m in accordance with section 11 of the Special Terms of Contract comprise costs for auditing the accounts, legal and tax consultancy costs as well as the costs of the printing and mailing of the Annual and Semi-Annual Reports and other costs.

Ordinary net income

The ordinary net income in the amount of EUR 10.7 m results from the difference between the income and expenditure.

Realised gains less losses

Currency transactions were closed within the framework of currency forwards. This resulted in a net profit of EUR 0.3 m.

The gains from liquid assets (EUR 0.1 m) were realised with respect to money market instruments, investment units and securities.

Income equalisation

The negative equalisation amounting to EUR 0.3 m is the balance of the income which the investors purchasing the units pay in the issue price as equalisation for accumulated income or which the Fund pays in the redemption price on redemption of the units.

Net income for the year

The net income for the year of EUR 10.7 m is derived from the ordinary net income plus realised gains and losses and the equalisation.

Calculation of the distribution

	total in EUR	per unit in EUR [1]
Ordinary net income	**10,698,919.51**	**3.1798**
Realised gains less losses		
1. on currency transactions	317,898.35	0.0945
2. on liquid assets	71,231.04	0.0212
Income equalisation	**– 339,316.65**	**– 0.1008**
Net income for the year	**10,748,732.25**	**3.1946**
Carried forward from the previous year	3,494,721.40	1.0387
Equalisation of amount carried forward	– 115,273.97	– 0.0343
Reversal of retained surpluses pursuant to section 12 (2) of the Special Terms of Contract	281,949.87	0.0838
Retention of surpluses pursuant to section 12 (2) of the Special Terms of Contract	– 270,115.81	– 0.0803
Available for distribution	**14,140,013.74**	**4.2025**
Carried forward to the new account	– 3,373,156.14	– 1.0025
Total distribution	**10,766,857.60**	**3.2000**

Notes on the calculation of the distribution

The distribution by the fund is calculated on the basis of the net income for the year of EUR 10.7 m plus profits carried forward of EUR 3.5 m and the negative pro rata equalisation of the amount carried forward of EUR 0.1 m.

Following reversal of the income retained in accordance with section 12 (2) of the Special Terms of Contract, which amounts to EUR 0.3 m, and deduction of the surpluses to be retained in accordance with section 12 (2) of the Special Terms of Contract, which amount to EUR 0.3 m, the amount available for distribution stands at EUR 14.1 m.

A distribution of EUR 3.2000 per unit with 3,364,643 units outstanding produces a total distribution of EUR 10.8 m. The remaining EUR 3.4 m, which was not distributed, will be carried forward to the new account.

[1] The distribution and amount of income distributed is to be stated to four decimal places pursuant to section 5 (1) no. 1 of the Investment Tax Act (InvStG).

Special Auditor's Note

We audited the annual report of the DEGI GLOBAL BUSINESS fund for the financial year from 1 July 2008 to 30 June 2009 in accordance with section 44 (5) of the German Investment Act (Investmentgesetz – InvG). In accordance with the provisions of the Investment Act, the preparation of the Annual Report is the responsibility of the legal representatives of the investment company. Our responsibility is to express an opinion on the Annual Report based on our audit.

We have conducted our audit in accordance with section 44 (5) of the Investment Act and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Auditors (Institut der Wirtschaftsprüfer – IDW). Those standards require that we plan and perform the audit in such a way that misstatements and irregularities that have a material effect on the Annual Report are detected with reasonable assurance. Knowledge of the fund management and any expectations with respect to possible misstatements are taken into account when determining audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the figures disclosed in the Annual Report are examined primarily on a spot check basis as part of the audit.

The audit includes an assessment of the accounting principles used in the Annual Report and the key assessments provided by the legal representatives of the investment company. We are of the opinion that our audit constitutes a sufficiently sound basis for our assessment.

Our audit has not led to any reservations.

In accordance with our assessment, based on the information gathered during the course of the audit, the annual report complies with the statutory regulations.

Frankfurt am Main, 22 September 2009

KPMG AG
Wirtschaftsprüfungsgesellschaft

Hornschu	Strässer
Auditor	Auditor
(Wirtschaftsprüfer)	(Wirtschaftsprüfer)

Tax information for German investors

The distribution for DEGI GLOBAL BUSINESS for the financial year from 1 July 2008 to 30 June 2009 of EUR 3.2000 per unit, which was resolved on 21 September 2009, will be paid out on 1 October 2009.

For tax purposes, the 2009 distribution is treated as follows in the table.

A distinction is made between two basic types of investor groups:

- Units are held as private assets (private assets).
- Units are held by sole traders/partnerships as operating assets (operating assets I).
- Units are held by corporations as operating assets (operating assets II).
- Units are held by insurance companies as operating assets (operating assets III).

For tax purposes, the 2009 distribution is treated as follows:

	For units held as private assets in EUR	For units held as operating assets I in EUR	For units held as operating assets II in EUR	For units held as operating assets III in EUR
Distribution per unit	**3.2000**	**3.2000**	**3.2000**	**3.2000**
of which not subject to tax:	0.0493	0.0493	0.0493	0.0493
of which tax-exempt:				
Profits from the sale of securities (tax-exempt in private assets, subject to taxation in operating assets)	0.0000	0.0000	0.0000	0.0000
Deemed distribution income from previous years	0.0000	0.0000	0.0000	0.0000
Income within the meaning of section 3 no. 40 or section 8 b KStG tax-exempt	0.0000	0.0000	0.0000	0.0000
Income within the meaning of section 3 no. 40 or section 8 b KStG subject to taxation	0.0000	0.0000	0.0000	0.0000
Tax-exempt income under double taxation agreement [1]	1.0047	1.0047	1.0047	1.0047
Total exempt from tax/not subject to tax	1.0540	1.0540	1.0540	1.0540
Distribution subject to tax	**2.1460**	**2.1460**	**2.1460**	**2.1460**
Portion of distribution subject to final withholding tax [2]	**2.1460**	**2.1460**	**2.1460**	**2.1460**
Final withholding tax for units held in safe custody 25 % [3]	0.5365	0.5365	0.5365	0.5365

[1] The income exempted from tax under the double taxation agreements with Belgium, France, Italy, Canada and the Czech Republic and which is either reinvested or distributed is determined in line with German taxation policies for the purposes of the “exemption with progression” rule in accordance with section 32b of the German Income Tax Act (Einkommensteuergesetz – EstG). However, the “exemption with progression” rule applies only for natural persons holding their units as operating assets. Income for investors holding their units as private assets is completely tax-free. Per unit, this income amounts to: Belgium EUR 0.0766; France EUR 0.4490; Italy EUR 0.0000, Canada EUR 0.1053 and Czech Republic EUR 0.0000.

[2] Since the Investment Tax Act (InvStG) came into effect, the income exempted from tax under the double taxation agreement is no longer to be included in the assessment base for withholding tax on interest. Capital gains from securities are also not included in the assessment base for withholding tax.

[3] Excluding solidarity surcharge

Pursuant to section 5 (1) no. 1 of the German Investment Tax Act (InvStG), the distribution and the amount of income distributed must be stated to 4 decimal places.

Taxation at fund level

The German legislature has exempted property funds from all income and property taxes. Income is taxed at investor level in each case.

As of 1 January 2009, income from capital assets has been strictly subject to a tax rate of 25 % (plus solidarity surcharge and, where appropriate, church tax), due to the Corporate Tax Reform 2008.

The final withholding tax covers all tax debts arising from the taxation of income from capital assets of the individual investors (hence the term “final”), so investors do not have to report their income from capital assets in their income tax returns. In principle, when the tax is deducted, any losses and foreign withholding tax are already offset by the custodian institution.

This does not apply if the investor’s personal tax rate is below the final withholding tax rate of 25 %. In that case the income from capital assets may be reported in the income tax return. The financial authorities will use the lower personal tax rate for their calculations of the tax debt and deduct the tax already withheld from the tax debt.

Any income from capital assets which has not been taxed at the time of filing the income tax return (e.g. gains from the sale of fund units held in a securities account abroad) will have to be reported in the income tax return. This income will then be subject to either the final withholding tax rate of 25 % or the lower personal tax rate.

If the personal tax rate is above 25 %, income from capital assets will nevertheless have to be reported if investors state extraordinary charges in their tax returns.

Taxation at private investor level

If the units are held as private assets, the income from the fund that is subject to tax constitutes investment income. In principle, this income is to be taxed in the year in which it accrues and is to be disclosed in the “KAP” appendix of the tax return for German investment income, if, together with other investment income, the income exceeds the saver’s allowance including standard deductions of currently EUR 801 p.a. (for single persons or separately assessed married persons) or EUR 1,602 (for married couples assessed jointly).

If the income stems in whole or in part from dependent employment and tax has been deducted from this income, an income tax assessment is only performed if the income subject to income tax but not subject to wage tax (e.g. the portion of the fund distribution subject to tax) amounts to more than EUR 410 in each case (within the meaning of section 46 (2) no.1 EStG).

German and foreign dividends – also from real estate investment companies – which are distributed or reinvested by the Fund have been subject to final withholding tax (Abgeltungssteuer) for the investor of 25 % (plus solidarity surcharge and, where appropriate, church tax) since 1 January 2009.

In particular, rental, interest and dividend income not appropriated for distribution is deemed to have been accrued by the investors.

The fund assets include properties located abroad. Rental income from this property is generally accrued tax-free in Germany as a result of the existing double taxation agreements.

Distributed gains from the sale of domestic properties, where the period between the acquisition and the disposal is longer than ten years, are exempt from tax and are not subject to the final withholding tax. Foreign rental income and gains from the sale of foreign properties shall also remain tax-free provided that they are tax-exempt in accordance with the double taxation agreements – which is often the case. This foreign income shall no longer be subject to the “exemption with progression” rule for private investors with effect from 1 January 2009. If reinvested, these capital gains are not deemed to have been accrued by the investor and are therefore not subject to tax.

Gains realised at fund level from the sale of domestic property within the 10-year period are always to be treated as subject to tax at investor level. This applies irrespective of whether the income is appropriated for distribution or reinvested.

Asset payouts (e.g. in the form of interest for building finance) are not subject to tax.

Taxation at corporate investor level

As a general rule, investors holding their units as operating assets generate commercial income.

German and foreign dividends – also from real estate investment companies – which are distributed or reinvested by the Fund are subject to final withholding tax (Abgeltungssteuer) of 25 % (plus solidarity surcharge and, where appropriate, church tax) by investors liable for income tax (abolition of the half-income procedure). For investors subject to corporation tax, this income is generally tax-exempt (5 % of dividends are, however, deemed to be non-tax deductible operating expenses).

For tax purposes, an adjustment item on the liabilities side is to be taken into account for domestic deductions for wear and tear. At the time of disposal or redemption of the units, the adjustment item on the liabilities side is to be reversed.

Dividends, interest, rentals and capital gains on property within the 10-year period which are not appropriated for distribution are deemed to have been accrued.

Income that is tax-exempt in accordance with double taxation agreements is to be deducted from the profit according to the commercial and tax balance sheet when preparing the income tax return or corporation tax return. For income subject to the partial income procedure and which accrues to investors subject to income tax, only 40 % of the income is to be deducted.

Final withholding tax (Abgeltungssteuer)

As a general rule, taxable income is subject to final withholding tax.

The tax will normally be withheld by the investment company or the custodian institution (in the event of domestic custody), meaning that, in many cases, taxpayers will not have to disclose the income in their tax return. They must, however, continue to disclose this income in their tax return in particular if the tax was not deducted and if extraordinary burdens can be stated in the tax return. Furthermore, taxpayers must report the income for church tax purposes even if tax has already been withheld at a rate of 25 %. Moreover, there are a number of cases in which it could make sense to disclose this information in the tax return. The taxpayer’s personal tax rate is applied, for example, if it is less than 25 % and the investment income is disclosed in the tax return.

When paying out the distribution to private customers resident in Germany, the custodian bank responsible for holding the units in safe custody must, in principle, withhold 25 % of the income components liable to withholding tax on interest as withholding tax on interest and pay this amount to the tax authorities. Non-residents receive the distribution without a tax deduction if the units are held in custody at a German or foreign bank.

The investor shall receive a record of the final withholding tax (Abgeltungssteuer) (plus solidarity surcharge and, where appropriate, church tax) paid to the tax authorities, which can be entered in the “KAP” appendix as imputation tax and credited against income tax. On submission of a non-assessment certificate or evidence of non-residency to the custodian bank, the income components subject to final withholding tax on interest income included in the distribution are paid out in full. If an exemption application is made, these components are exempt from final withholding tax on interest income up to the amount of the saver’s allowance, including the flat-rate income-related expenses allowance (currently EUR 801/EUR 1,602).

Domestic dividends are subject to distribution or reinvestment in the full amount of the final withholding tax. Private investors receive an immediate refund of the final withholding tax if the units are held in custody at the investment company or another domestic bank and an exemption application for a sufficient amount or a non-assessment certificate has been submitted. If an exemption application or non-assessment certificate is not submitted in time, the investor can credit the retained final withholding tax and solidarity surcharge against his personal income tax charge enclosing the tax certificate from the custodial office.

The final withholding tax attributable to the individual investors is calculated as follows in accordance with the instructions issued by the tax authorities: Initially, the income liable to capital gains tax contained in the distribution for each unit is multiplied by the number of units held by the investor on the date of distribution; 25 % final withholding tax is to be calculated on the resulting amount.

If units are held as operating assets, an exemption or reimbursement of the withholding tax on interest and a refund of capital gains tax is only possible on presentation of a non-assessment certificate. Otherwise, the investor receives the corresponding tax certificate.

Solidarity surcharge

The solidarity surcharge (Solidaritätszuschlag – SolZ) on income and corporation tax amounts to 5.5 %. Where distributions from fund units are subject to final withholding tax, the retained final withholding tax serves as the assessment base for the solidarity surcharge.

The solidarity surcharge is shown separately in the tax certificate; it is imputed to the final solidarity surcharge determined as part of the income or corporation tax assessment. Any solidarity surcharge overpayment shall be refunded.

Private sale transactions

Profits from the sale of investment units by a private investor will in future be subject to final withholding tax irrespective of the holding period if they exceed the tax-free allowance of EUR 600 per taxpayer (in accordance with section 23 (3) sentence 6 EStG). Nevertheless, fund units purchased before 1 January 2007 can still be sold on a tax-exempt basis if the disposal takes place outside of the one-year speculation period.

When determining the capital gain, the purchase costs must be reduced by the interim profit on the date of purchase and the selling price reduced by the interim profit on the date of sale, to preclude the possibility of double imposition of income tax on interim profits (see below).

Taxation on interim profits

Interim profits are the payments included in the sale or redemption price for collected or accrued interest which have not yet been distributed or reinvested by the fund and, as a result, have not yet been allocated to the investor as taxable income (similar to accrued interest on fixed-income securities). The interest and interest accrued by the Fund are subject to income tax and final withholding tax on capital yields when the units are redeemed or sold by resident tax payers. The final withholding tax on the interim profit amounts to 25 % if the units are held with a custodian bank (plus 5.5 % solidarity surcharge on the final withholding tax in each case). The tax retained is an advance payment on the income tax and must be entered in the KAP annex.

The interim profit paid when purchasing units can be deducted in the year of payment as negative income for purposes of income tax. It will also be taken into account for tax deduction, with a concomitant reduction in tax. In addition, the tax is not withheld if there is an exemption application, or upon submission of a non-assessment certificate. In this case too, non-resident individuals are generally excepted from tax deduction. When determining the interim profit, the following are ignored: Income from letting and leasing and from the valuation and sale of the properties. The interim profit is determined at every establishment of the unit value and published on every valuation date. The interim profits to be included by the investor in the KAP annex to the income tax declaration are obtained by multiplying the interim profit per unit concerned by the number of units listed in the purchase or sale statement. The table showing the interim profits for financial year 2008/2009 can be found on page 67.

The interim profits can also be regularly found in the detailed statements and the income statements of the banks.

Interest deduction ceiling – determining interest for the interest deduction ceiling at investor level

The amount of interest in distributed or deemed distributed investment income is counted as interest income in relation to the interest deduction ceiling, and can therefore be set off at investor level within the framework of the interest deduction ceiling rule (new section 2 (2a) of the Investment Tax Act – InvStG).

The amount of interest in investment income is to be reported as additional basis of taxation, or for German institutional funds, determined separately and uniformly (new section 5 (1) sentence 1 no. 1 II InvStG).

The amount of interest in investment income is EUR 1.6252 per unit.

Special features applicable to countries other than Germany

Real estate funds have been subject to a French special tax since 1 January 2008 (French 3 % tax) which is levied annually on the market value of properties located in France. French law provides for the exemption of French real estate funds and comparable foreign funds from the 3 % tax. The French tax authorities do not consider German real estate funds to be comparable to French real estate funds at all, so they are not exempt from the 3 % tax under any circumstances.

In order to be exempt from this tax, DEGI GLOBAL BUSINESS must submit an annual declaration of French properties held as of 1 January each year, and naming the unitholders of the Fund holding 1 % or more as of 1 January each year (2008: 31,314 units; 2009: 34,632 units).

This declaration does not have financial consequences nor does it trigger any declaration or notification duties to the French authorities.

If the interest in properties held is equal to or above 5 % on 1 January, or other property is held directly or indirectly in France, a tax liability may apply due to the interest held in French real estate. It is the investor's own responsibility to submit a declaration to the French tax authorities in order to obtain tax exemption.

However, exemption criteria apply to some investors; for example natural persons and listed companies are not liable to pay the 3 % tax. Such cases do not require a declaration to be submitted.

We recommend that you contact a French tax advisor for further information regarding your obligation to submit a declaration.

Fund property profit and fund equity profit

The regulations on fund equity profit are only applicable to investors who hold their units as operating assets.

On the other hand, fund property profit is also relevant for investors holding their units as private assets.

The fund property profit includes foreign rentals not yet accrued or not yet deemed accrued, as well as realised and unrealised changes in the value of the foreign property held by the fund, insofar as Germany has waived taxation in accordance with a double taxation agreement.

The investment company publishes the fund property profit as a percentage of the value of the investment unit.

The fund equity profit contains the dividend income not yet accrued or deemed accrued to the investor, including from real estate investment companies, realised and unrealised profits and losses from the interests of the fund, especially in real estate investment companies.

The investment company publishes the fund equity profit on each trading day as a percentage of the value of the investment unit.

On the day of purchase and sale of the units (and on the reporting date), the investor has to multiply the reported percentage rates by the relevant redemption price to determine the absolute fund property profit and fund equity profit.

The difference between the two values represents the investor's pro rata property profit and equity profit that is relevant for tax purposes.

For corporate investors, gains on the disposal of investment units are exempt from tax in full if these result from the investors' absolute pro rata fund property profit.

For investors whose units are held as operating assets and are taxed under the German Corporation Tax Act, gains on the disposal of investment units are exempt from tax in full insofar as these result from their absolute pro rata fund equity profits; 5 % of these tax-exempt gains, however, are deemed to be non-tax deductible operating expenses. For investors subject to income tax whose units are held as operating assets, the gains from the sale of investment units are subject to the partial income procedure where these result from pro rata fund equity profits.

The table showing fund property profit and fund equity profit for financial year 2008/2009 can be found on pages 69–70.

Interest Information Ordinance

The aim of the Interest Information Ordinance (ZIV) is to facilitate effective taxation of individuals by means of recording measures between the EU member states. If a property fund exceeds certain investment limits for investments in interest-bearing assets, both the interest included in the distribution, as well as the interest accrued in the fund on a daily basis (EU interim profits), is determined and made available to the paying agents throughout Europe via data providers. Domestic investors may be affected by these measures if their fund units are held in safe custody in a country covered by the EU Savings Directive.

The table showing EU interim profits for financial year 2008/2009 can be found on page 68.

Note

Further information on the tax treatment of fund income can be found in the section "Brief details of the most important tax regulations for unitholders" on pages 101–117 of the Prospectus.

Basis of taxation in accordance with section 5 (1) sentence 1 nos. 1 and 2 of the German Investment Tax Act (InvStG)

for the investment fund DEGI GLOBAL BUSINESS for the period from 1 July 2008 to 30 June 2009

Section 5 (1) no. … InvStG		Private investor in EUR	Partnerships/ sole proprietorships in EUR	Corporation section 8b I + II KStG in EUR	Corporation section 8b VII + VIII KStG in EUR
1 a)	Distribution amount per unit	3.2000	3.2000	3.2000	3.2000
2)	Deemed distribution income	0.0000	0.0000	0.0000	0.0000
	Capital repayments/ distributions not covered by income not subject to tax	0.0493	0.0493	0.0493	0.0493
1 b)	Amount of income distributed	3.1507	3.1507	3.1507	3.1507
	Contained in the distribution or deemed distribution income:				
1 c aa)	Deemed distribution income from previous years	0.0000	0.0000	0.0000	0.0000
1 c bb)	Profits from the sale of securities, subscription rights and futures that are tax-free in private assets	0.0000	–	–	–
1 c cc)	Ordinary income (as per section 3 no. 40 EStG)	–	0.0000	–	–
1 c dd)	Ordinary income as per section 8b (1) KStG	–	–	0.0000	–
1 c ee)	Capital gains (as per section 3 no. 40 EStG)	–	0.0000	–	–
1 c ff)	Capital gains as per section 8b (2) KStG	–	–	0.0000	–
1 c gg)	Tax-exempt income from the disposal of subscription rights to available units in investment companies	0.0000	0.0000	0.0000	–
1 c hh)	Tax-exempt gains from the sale and purchase of domestic and foreign properties outside the 10-year period	0.0000	–	–	–
1 c ii)	Income which is tax-exempt on the basis of double taxation agreements (especially foreign rental income and gains from the purchase and sale of foreign property)	1.0047	1.0047	1.0047	1.0047
1 c jj)	Foreign income on which foreign withholding tax has been retained, insofar as the foreign withholding tax was not treated as income-related expenditure	0.0000	0.0000	0.0000	0.0000
1 c kk)	Foreign income on which foreign withholding tax is deemed to have been retained (notional withholding tax)	0.0000	0.0000	0.0000	0.0000
1 c ll)	Income as per section 2 (2a) InvStG	–	1.6252	1.6252	1.6252
1 d)	Assessment basis for 25 % withholding tax on capital yields	2.1460	2.1460	2.1460	2.1460
1 e)	25 % withholding tax to be credited/refunded	0.5365	0.5365	0.5365	0.5365
1 f aa)	Foreign withholding tax eligible for crediting or deduction	0.0000	0.0000	0.0000	0.0000
1 f bb)	Deductible foreign withholding tax	0.0000	0.0000	0.0000	0.0000
1 f cc)	Notional foreign withholding tax	0.0000	0.0000	0.0000	0.0000
1 g)	Depreciation or reduction in asset value (properties)	0.4859	0.4859	0.4859	0.4859
	Non-deductible indirect income-related expenses pursuant to section 3 (3) sentence 2 no. 2 InvStG	0.0484	0.0484	0.0484	0.0484

Certificate for the Figures in accordance with Section 5 (1) Sentence 1 No. 3 of the German Investment Tax Act (InvStG)

for the DEGI GLOBAL BUSINESS investment fund (hereinafter referred to as the "Investment Fund") for the period from 1 July 2008 to 30 June 2009

To the investment company DEGI Deutsche Gesellschaft für Immobilienfonds mbH (hereinafter "the Company"):

The Company commissioned us, in accordance with section 5 (1) sentence 1 no. 3 of the German Investment Tax Act (InvStG), to check whether or not the figures to be published by the Company in accordance with section 5 (1) sentence 1 nos. 1 and 2 of the German Investment Tax Act (InvStG) for the aforementioned Investment Fund and for the period specified were calculated in accordance with the German tax regulations.

The responsibility for determining the tax disclosures in accordance with section 5 (1) sentence 1 nos. 1 and 2 of the German Investment Tax Act in conjunction with the German tax regulations lies with the legal representatives of the Company. The calculation is based on the accounts/records and the Annual Report in accordance with section 44 (1) of the German Investment Act (InvG) for the relevant period. It comprises a reconciliation statement based on tax regulations and the compilation of the tax information intended for disclosure in accordance with section 5 (1) sentence 1 nos. 1 and 2 of the German Investment Tax Act (InvStG). Where the Company has invested funds in units of other investment funds (target funds), it will use the tax figures made available to it for these target funds.

Our responsibility is to give an opinion, based on the audit which we performed, as to whether the figures to be published by the Company in accordance with the provisions of the German Investment Tax Act were calculated in accordance with the German tax regulations. Our audit is performed on the basis of the accounts/records audited by an auditor in accordance with section 44 (5) of the German Investment Act (InvG), as well as on the basis of the audited Annual Report. We also assess the reconciliation statement and the information intended for disclosure based on this Annual Report. In particular, our audit examines the characterisation of investments, income and expenses for tax purposes, including the classification of such investments, income and expenses as income-related expenses, as well as other tax records. Where the Company has invested funds in units of target funds, our audit is restricted to the checking that the company has included the tax figures for these target funds, which were provided by third parties, correctly in accordance with the corresponding certificates. We did not audit the respective tax figures.

We have conducted our audit in accordance with the generally accepted standards for the audit of financial statements as promulgated by the German Institute of Auditors (Institut der Wirtschaftsprüfer – IDW). Those standards require that we plan and perform the audit in such a way as to assess, with reasonable assurance, whether or not the figures are free from material misstatements in accordance with section 5 (1) sentence 1 nos. 1 and 2 InvStG. Knowledge of the investment fund management and expectations of possible misstatements are taken into account when determining audit procedures. The effectiveness of the internal control system relating to the calculation of the figures in accordance with section 5 (1) nos. 1 and 2 InvStG and the evidence supporting the disclosures for the tax figures in the accounts and the Annual Report are examined primarily on a spot check basis.

The audit includes an assessment of the interpretation of the tax regulations applied by the Company. There were no objections to the Company's chosen interpretation if it could be reasonably supported by legislative intent, legal rulings, relevant specialist commentaries and opinions published by the tax authorities. We would point out that future legal developments and, in particular, new findings resulting from legal rulings could result in the need for a different assessment of the interpretation applied by the Company.

We are of the opinion that our audit constitutes a sufficiently sound basis for our assessment.

On this basis, we hereby certify to the company in accordance with section 5 (1) sentence 1 no. 3 InvStG that the figures in accordance with section 5 (1) sentence 1 nos. 1 and 2 InvStG were determined in line with German tax regulations.

Frankfurt am Main, 21 September 2009

KPMG AG
Wirtschaftsprüfungsgesellschaft

	ppa.
Jürgen Bauderer	Marco Müth
Tax Advisor (Steuerberater)	Tax Advisor (Steuerberater)

Interim profit

from 1 July 2008 to 30 June 2009

Date	Interim profit in EUR
01.07.2008	0.32
02.07.2008	0.32
03.07.2008	0.33
04.07.2008	0.33
07.07.2008	0.33
08.07.2008	0.33
09.07.2008	0.33
10.07.2008	0.34
11.07.2008	0.34
14.07.2008	0.34
15.07.2008	0.34
16.07.2008	0.34
17.07.2008	0.35
18.07.2008	0.35
21.07.2008	0.35
22.07.2008	0.35
23.07.2008	0.36
24.07.2008	0.36
25.07.2008	0.36
28.07.2008	0.36
29.07.2008	0.37
30.07.2008	0.37
31.07.2008	0.37
01.08.2008	0.37
04.08.2008	0.37
05.08.2008	0.38
06.08.2008	0.38
07.08.2008	0.38
08.08.2008	0.38
11.08.2008	0.38
12.08.2008	0.39
13.08.2008	0.39
14.08.2008	0.39
15.08.2008	0.39
18.08.2008	0.39
19.08.2008	0.40
20.08.2008	0.40
21.08.2008	0.40
22.08.2008	0.40
25.08.2008	0.41
26.08.2008	0.41
27.08.2008	0.41
28.08.2008	0.41
29.08.2008	0.41
01.09.2008	0.42
02.09.2008	0.42
03.09.2008	0.42
04.09.2008	0.42
05.09.2008	0.42
08.09.2008	0.43
09.09.2008	0.43
10.09.2008	0.43
11.09.2008	0.43
12.09.2008	0.43
15.09.2008	0.43
16.09.2008	0.44
17.09.2008	0.44
18.09.2008	0.44
19.09.2008	0.44
22.09.2008	0.44
23.09.2008	0.44
24.09.2008	0.44
25.09.2008	0.44

Date	Interim profit in EUR
26.09.2008	0.44
29.09.2008	0.44
30.09.2008	0.44
01.10.2008	0.43
02.10.2008	0.13
06.10.2008	0.13
07.10.2008	0.14
08.10.2008	0.14
09.10.2008	0.14
10.10.2008	0.14
13.10.2008	0.14
14.10.2008	0.14
15.10.2008	0.14
16.10.2008	0.14
17.10.2008	0.14
20.10.2008	0.14
21.10.2008	0.15
22.10.2008	0.15
23.10.2008	0.15
24.10.2008	0.15
27.10.2008	0.15
28.10.2008	0.15
29.10.2008	0.15
30.10.2008	0.15
31.10.2008	0.15
03.11.2008	0.16
04.11.2008	0.16
05.11.2008	0.16
06.11.2008	0.16
07.11.2008	0.16
10.11.2008	0.16
11.11.2008	0.16
12.11.2008	0.16
13.11.2008	0.16
14.11.2008	0.17
17.11.2008	0.17
18.11.2008	0.17
19.11.2008	0.17
20.11.2008	0.17
21.11.2008	0.17
24.11.2008	0.17
25.11.2008	0.17
26.11.2008	0.17
27.11.2008	0.17
28.11.2008	0.17
01.12.2008	0.18
02.12.2008	0.18
03.12.2008	0.18
04.12.2008	0.18
05.12.2008	0.18
08.12.2008	0.18
09.12.2008	0.18
10.12.2008	0.18
11.12.2008	0.18
12.12.2008	0.19
15.12.2008	0.19
16.12.2008	0.19
17.12.2008	0.19
18.12.2008	0.19
19.12.2008	0.19
22.12.2008	0.19
23.12.2008	0.19
29.12.2008	0.19

Date	Interim profit in EUR
30.12.2008	0.20
02.01.2009	0.20
05.01.2009	0.20
06.01.2009	0.20
07.01.2009	0.20
08.01.2009	0.20
09.01.2009	0.20
12.01.2009	0.21
13.01.2009	0.21
14.01.2009	0.21
15.01.2009	0.21
16.01.2009	0.21
19.01.2009	0.21
20.01.2009	0.21
21.01.2009	0.21
22.01.2009	0.21
23.01.2009	0.21
26.01.2009	0.21
27.01.2009	0.21
28.01.2009	0.21
29.01.2009	0.21
30.01.2009	0.21
02.02.2009	0.21
03.02.2009	0.21
04.02.2009	0.21
05.02.2009	0.21
06.02.2009	0.21
09.02.2009	0.21
10.02.2009	0.21
11.02.2009	0.21
12.02.2009	0.21
13.02.2009	0.21
16.02.2009	0.21
17.02.2009	0.21
18.02.2009	0.21
19.02.2009	0.21
20.02.2009	0.21
23.02.2009	0.22
24.02.2009	0.22
25.02.2009	0.22
26.02.2009	0.22
27.02.2009	0.22
02.03.2009	0.22
03.03.2009	0.22
04.03.2009	0.22
05.03.2009	0.22
06.03.2009	0.22
09.03.2009	0.22
10.03.2009	0.22
11.03.2009	0.22
12.03.2009	0.22
13.03.2009	0.22
16.03.2009	0.22
17.03.2009	0.22
18.03.2009	0.22
19.03.2009	0.22
20.03.2009	0.22
23.03.2009	0.22
24.03.2009	0.22
25.03.2009	0.22
26.03.2009	0.22
27.03.2009	0.22
30.03.2009	0.22

Date	Interim profit in EUR
31.03.2009	0.22
01.04.2009	0.22
02.04.2009	0.22
03.04.2009	0.22
06.04.2009	0.22
07.04.2009	0.22
08.04.2009	0.22
09.04.2009	0.22
14.04.2009	0.22
15.04.2009	0.22
16.04.2009	0.22
17.04.2009	0.22
20.04.2009	0.22
21.04.2009	0.22
22.04.2009	0.22
23.04.2009	0.22
24.04.2009	0.22
27.04.2009	0.23
28.04.2009	0.23
29.04.2009	0.23
30.04.2009	0.23
04.05.2009	0.23
05.05.2009	0.23
06.05.2009	0.23
07.05.2009	0.23
08.05.2009	0.23
11.05.2009	0.23
12.05.2009	0.23
13.05.2009	0.23
14.05.2009	0.23
15.05.2009	0.23
18.05.2009	0.23
19.05.2009	0.23
20.05.2009	0.23
22.05.2009	0.23
25.05.2009	0.23
26.05.2009	0.23
27.05.2009	0.23
28.05.2009	0.23
29.05.2009	0.23
02.06.2009	0.23
03.06.2009	0.23
04.06.2009	0.23
05.06.2009	0.23
08.06.2009	0.23
09.06.2009	0.24
10.06.2009	0.24
12.06.2009	0.24
15.06.2009	0.24
16.06.2009	0.24
17.06.2009	0.24
18.06.2009	0.24
19.06.2009	0.24
22.06.2009	0.24
23.06.2009	0.24
24.06.2009	0.24
25.06.2009	0.24
26.06.2009	0.24
29.06.2009	0.24
30.06.2009	0.24

EU interim profit

from 1 July 2008 to 30 June 2009

Date	Interim profit in EUR
01.07.2008	0.32
02.07.2008	0.32
03.07.2008	0.33
04.07.2008	0.33
07.07.2008	0.33
08.07.2008	0.33
09.07.2008	0.33
10.07.2008	0.34
11.07.2008	0.34
14.07.2008	0.34
15.07.2008	0.34
16.07.2008	0.34
17.07.2008	0.35
18.07.2008	0.35
21.07.2008	0.35
22.07.2008	0.35
23.07.2008	0.36
24.07.2008	0.36
25.07.2008	0.36
28.07.2008	0.36
29.07.2008	0.37
30.07.2008	0.37
31.07.2008	0.37
01.08.2008	0.37
04.08.2008	0.37
05.08.2008	0.38
06.08.2008	0.38
07.08.2008	0.38
08.08.2008	0.38
11.08.2008	0.38
12.08.2008	0.39
13.08.2008	0.39
14.08.2008	0.39
15.08.2008	0.39
18.08.2008	0.39
19.08.2008	0.40
20.08.2008	0.40
21.08.2008	0.40
22.08.2008	0.40
25.08.2008	0.41
26.08.2008	0.41
27.08.2008	0.41
28.08.2008	0.41
29.08.2008	0.41
01.09.2008	0.42
02.09.2008	0.42
03.09.2008	0.42
04.09.2008	0.42
05.09.2008	0.42
08.09.2008	0.43
09.09.2008	0.43
10.09.2008	0.43
11.09.2008	0.43
12.09.2008	0.43
15.09.2008	0.43
16.09.2008	0.44
17.09.2008	0.44
18.09.2008	0.44
19.09.2008	0.44
22.09.2008	0.44
23.09.2008	0.44
24.09.2008	0.44
25.09.2008	0.44

Date	Interim profit in EUR
26.09.2008	0.44
29.09.2008	0.44
30.09.2008	0.44
01.10.2008	0.43
02.10.2008	0.13
06.10.2008	0.13
07.10.2008	0.14
08.10.2008	0.14
09.10.2008	0.14
10.10.2008	0.14
13.10.2008	0.14
14.10.2008	0.14
15.10.2008	0.14
16.10.2008	0.14
17.10.2008	0.14
20.10.2008	0.14
21.10.2008	0.15
22.10.2008	0.15
23.10.2008	0.15
24.10.2008	0.15
27.10.2008	0.15
28.10.2008	0.15
29.10.2008	0.15
30.10.2008	0.15
31.10.2008	0.15
03.11.2008	0.16
04.11.2008	0.16
05.11.2008	0.16
06.11.2008	0.16
07.11.2008	0.16
10.11.2008	0.16
11.11.2008	0.16
12.11.2008	0.16
13.11.2008	0.16
14.11.2008	0.17
17.11.2008	0.17
18.11.2008	0.17
19.11.2008	0.17
20.11.2008	0.17
21.11.2008	0.17
24.11.2008	0.17
25.11.2008	0.17
26.11.2008	0.17
27.11.2008	0.17
28.11.2008	0.17
01.12.2008	0.18
02.12.2008	0.18
03.12.2008	0.18
04.12.2008	0.18
05.12.2008	0.18
08.12.2008	0.18
09.12.2008	0.18
10.12.2008	0.18
11.12.2008	0.18
12.12.2008	0.19
15.12.2008	0.19
16.12.2008	0.19
17.12.2008	0.19
18.12.2008	0.19
19.12.2008	0.19
22.12.2008	0.19
23.12.2008	0.19
29.12.2008	0.19

Date	Interim profit in EUR
30.12.2008	0.20
02.01.2009	0.20
05.01.2009	0.20
06.01.2009	0.20
07.01.2009	0.20
08.01.2009	0.20
09.01.2009	0.20
12.01.2009	0.21
13.01.2009	0.21
14.01.2009	0.21
15.01.2009	0.21
16.01.2009	0.21
19.01.2009	0.21
20.01.2009	0.21
21.01.2009	0.21
22.01.2009	0.21
23.01.2009	0.21
26.01.2009	0.21
27.01.2009	0.21
28.01.2009	0.21
29.01.2009	0.21
30.01.2009	0.21
02.02.2009	0.21
03.02.2009	0.21
04.02.2009	0.21
05.02.2009	0.21
06.02.2009	0.21
09.02.2009	0.21
10.02.2009	0.21
11.02.2009	0.21
12.02.2009	0.21
13.02.2009	0.21
16.02.2009	0.21
17.02.2009	0.21
18.02.2009	0.21
19.02.2009	0.21
20.02.2009	0.21
23.02.2009	0.22
24.02.2009	0.22
25.02.2009	0.22
26.02.2009	0.22
27.02.2009	0.22
02.03.2009	0.22
03.03.2009	0.22
04.03.2009	0.22
05.03.2009	0.22
06.03.2009	0.22
09.03.2009	0.22
10.03.2009	0.22
11.03.2009	0.22
12.03.2009	0.22
13.03.2009	0.22
16.03.2009	0.22
17.03.2009	0.22
18.03.2009	0.22
19.03.2009	0.22
20.03.2009	0.22
23.03.2009	0.22
24.03.2009	0.22
25.03.2009	0.22
26.03.2009	0.22
27.03.2009	0.22
30.03.2009	0.22

Date	Interim profit in EUR
31.03.2009	0.22
01.04.2009	0.22
02.04.2009	0.22
03.04.2009	0.22
06.04.2009	0.22
07.04.2009	0.22
08.04.2009	0.22
09.04.2009	0.22
14.04.2009	0.22
15.04.2009	0.22
16.04.2009	0.22
17.04.2009	0.22
20.04.2009	0.22
21.04.2009	0.22
22.04.2009	0.22
23.04.2009	0.22
24.04.2009	0.22
27.04.2009	0.23
28.04.2009	0.23
29.04.2009	0.23
30.04.2009	0.23
04.05.2009	0.23
05.05.2009	0.23
06.05.2009	0.23
07.05.2009	0.23
08.05.2009	0.23
11.05.2009	0.23
12.05.2009	0.23
13.05.2009	0.23
14.05.2009	0.23
15.05.2009	0.23
18.05.2009	0.23
19.05.2009	0.23
20.05.2009	0.23
22.05.2009	0.23
25.05.2009	0.23
26.05.2009	0.23
27.05.2009	0.23
28.05.2009	0.23
29.05.2009	0.23
02.06.2009	0.23
03.06.2009	0.23
04.06.2009	0.23
05.06.2009	0.23
08.06.2009	0.23
09.06.2009	0.24
10.06.2009	0.24
12.06.2009	0.24
15.06.2009	0.24
16.06.2009	0.24
17.06.2009	0.24
18.06.2009	0.24
19.06.2009	0.24
22.06.2009	0.24
23.06.2009	0.24
24.06.2009	0.24
25.06.2009	0.24
26.06.2009	0.24
29.06.2009	0.24
30.06.2009	0.24

Fund property profit and fund equity profit

from 1 July 2008 to 30 June 2009

Date	Fund property profit in %	Fund equity profit in %
01.07.2008	0.83	2.97
02.07.2008	0.81	2.97
03.07.2008	0.82	2.97
04.07.2008	0.86	2.97
07.07.2008	0.87	2.97
08.07.2008	0.86	2.97
09.07.2008	0.88	2.97
10.07.2008	0.90	2.97
11.07.2008	0.89	2.97
14.07.2008	0.85	2.96
15.07.2008	0.87	2.96
16.07.2008	0.90	2.96
17.07.2008	0.92	2.96
18.07.2008	0.90	2.96
21.07.2008	0.90	2.95
22.07.2008	0.90	2.95
23.07.2008	0.91	2.95
24.07.2008	0.96	2.95
25.07.2008	0.92	2.95
28.07.2008	0.90	2.95
29.07.2008	0.87	2.95
30.07.2008	0.92	2.94
31.07.2008	0.92	2.94
01.08.2008	0.95	3.03
04.08.2008	0.94	3.03
05.08.2008	0.90	3.03
06.08.2008	0.90	3.03
07.08.2008	0.89	3.03
08.08.2008	0.95	3.04
11.08.2008	0.96	3.04
12.08.2008	0.98	3.04
13.08.2008	1.00	3.04
14.08.2008	1.03	3.04
15.08.2008	1.07	3.03
18.08.2008	1.42	3.02
19.08.2008	1.41	3.02
20.08.2008	1.39	3.02
21.08.2008	1.40	3.02
22.08.2008	1.46	3.02
25.08.2008	1.48	3.02
26.08.2008	1.48	3.02
27.08.2008	1.52	3.02
28.08.2008	1.50	3.02
29.08.2008	1.48	3.02
01.09.2008	1.42	3.11
02.09.2008	1.45	3.10
03.09.2008	1.49	3.10
04.09.2008	1.54	3.10
05.09.2008	1.58	3.10
08.09.2008	1.62	3.10
09.09.2008	1.68	3.10
10.09.2008	1.64	3.10
11.09.2008	1.69	3.10
12.09.2008	1.67	3.10
15.09.2008	1.61	3.09
16.09.2008	1.59	3.09
17.09.2008	0.72	3.33
18.09.2008	0.68	3.33
19.09.2008	0.76	3.32
22.09.2008	0.69	3.35
23.09.2008	0.68	3.35
24.09.2008	0.73	3.35
25.09.2008	0.69	3.35
26.09.2008	0.75	3.34
29.09.2008	0.82	3.34
30.09.2008	0.79	3.34
01.10.2008	0.84	3.63
02.10.2008	0.91	3.63
06.10.2008	0.91	3.63
07.10.2008	0.86	3.63
08.10.2008	0.80	3.63
09.10.2008	0.66	3.63
10.10.2008	0.50	3.63
13.10.2008	0.48	3.62
14.10.2008	0.61	3.62
15.10.2008	0.52	3.62
16.10.2008	0.47	3.62
17.10.2008	0.47	3.62
20.10.2008	0.50	3.62
21.10.2008	0.51	3.62
22.10.2008	0.51	3.62
23.10.2008	0.41	3.62
24.10.2008	0.42	3.62
27.10.2008	0.48	3.61
28.10.2008	0.46	3.61
29.10.2008	0.42	3.61
30.10.2008	0.55	3.61
31.10.2008	0.60	3.61
03.11.2008	0.83	3.79
04.11.2008	0.97	3.79
05.11.2008	1.01	3.79
06.11.2008	0.93	3.79
07.11.2008	0.87	3.79
10.11.2008	1.06	3.78
11.11.2008	1.00	3.78
12.11.2008	1.04	3.78
13.11.2008	0.92	3.78
14.11.2008	0.91	3.78
17.11.2008	0.88	3.78
18.11.2008	0.90	3.78
19.11.2008	0.87	3.78
20.11.2008	0.82	3.78
21.11.2008	0.72	3.78
24.11.2008	0.72	3.77
25.11.2008	0.73	3.77
26.11.2008	0.76	3.77
27.11.2008	0.77	3.77
28.11.2008	0.75	3.77
01.12.2008	0.74	3.78
02.12.2008	0.76	3.78
03.12.2008	0.70	3.78
04.12.2008	0.68	3.78
05.12.2008	0.53	3.78
08.12.2008	0.59	3.78
09.12.2008	0.60	3.78
10.12.2008	0.53	3.78
11.12.2008	0.51	3.77
12.12.2008	0.45	3.77
15.12.2008	0.43	3.77
16.12.2008	0.35	3.77
17.12.2008	0.33	3.77
18.12.2008	0.22	3.77
19.12.2008	0.21	3.77
22.12.2008	0.30	3.77
23.12.2008	0.29	3.77
29.12.2008	0.24	3.76
30.12.2008	0.20	3.76
02.01.2009	0.39	3.80
05.01.2009	0.53	3.80
06.01.2009	1.01	3.79
07.01.2009	1.00	3.79
08.01.2009	0.91	3.79
09.01.2009	0.96	3.79
12.01.2009	1.05	3.79
13.01.2009	0.97	3.79
14.01.2009	0.99	3.78
15.01.2009	0.89	3.78
16.01.2009	0.89	3.78
19.01.2009	0.87	3.78
20.01.2009	0.94	3.78
21.01.2009	0.92	3.78
22.01.2009	0.92	3.78
23.01.2009	1.00	3.78
26.01.2009	1.11	3.78
27.01.2009	1.02	3.78
28.01.2009	0.99	3.78
29.01.2009	1.10	3.78
30.01.2009	1.15	3.77
02.02.2009	1.16	3.87
03.02.2009	1.08	3.87
04.02.2009	1.05	3.87
05.02.2009	1.14	3.86
06.02.2009	1.14	3.86
09.02.2009	1.14	3.86
10.02.2009	1.17	3.86
11.02.2009	1.03	3.86
12.02.2009	1.10	3.86
13.02.2009	1.12	3.86
16.02.2009	1.16	3.86
17.02.2009	1.16	3.86
18.02.2009	1.14	3.86
19.02.2009	1.16	3.86
20.02.2009	1.15	3.85
23.02.2009	1.09	3.85
24.02.2009	1.15	3.85
25.02.2009	1.13	3.85
26.02.2009	1.14	3.85
27.02.2009	1.16	3.85
02.03.2009	1.09	3.94
03.03.2009	1.04	3.94
04.03.2009	1.07	3.94
05.03.2009	1.10	3.94
06.03.2009	1.04	3.94
09.03.2009	1.09	3.69

Date	Fund property profit in %	Fund equity profit in %
10.03.2009	1.06	3.69
11.03.2009	1.10	3.69
12.03.2009	1.03	3.69
13.03.2009	1.03	3.69
16.03.2009	1.05	3.68
17.03.2009	1.03	3.68
18.03.2009	1.03	3.68
19.03.2009	0.94	3.68
20.03.2009	0.91	3.68
23.03.2009	0.93	3.68
24.03.2009	1.00	3.68
25.03.2009	1.02	3.68
26.03.2009	0.99	3.68
27.03.2009	1.00	3.68
30.03.2009	1.07	3.68
31.03.2009	1.02	3.67
01.04.2009	0.98	3.82
02.04.2009	1.01	3.83
03.04.2009	1.00	3.83
06.04.2009	1.02	3.83
07.04.2009	1.04	3.84
08.04.2009	1.12	3.84
09.04.2009	1.11	3.84
14.04.2009	1.18	3.85
15.04.2009	1.24	3.85
16.04.2009	1.33	3.86
17.04.2009	1.33	3.86
20.04.2009	1.35	3.87
21.04.2009	1.29	3.87
22.04.2009	1.29	3.87
23.04.2009	1.25	3.87
24.04.2009	1.26	3.87
27.04.2009	1.31	3.88
28.04.2009	1.35	3.88
29.04.2009	1.33	3.89
30.04.2009	1.36	3.89
04.05.2009	1.30	3.91
05.05.2009	1.31	3.92
06.05.2009	1.34	3.92
07.05.2009	1.41	3.93
08.05.2009	1.34	3.93
11.05.2009	1.35	3.94
12.05.2009	1.26	3.94
13.05.2009	1.27	3.94
14.05.2009	1.24	3.94
15.05.2009	1.23	3.95
18.05.2009	1.30	3.95
19.05.2009	1.32	3.96
20.05.2009	1.33	3.96
22.05.2009	1.31	3.96
25.05.2009	1.33	3.97
26.05.2009	1.34	3.97
27.05.2009	1.43	3.97
28.05.2009	1.43	3.98
29.05.2009	1.46	3.98
02.06.2009	1.48	3.99
03.06.2009	1.49	4.00
04.06.2009	1.38	4.00
05.06.2009	1.41	4.00
08.06.2009	1.42	4.01
09.06.2009	1.48	4.01
10.06.2009	1.48	4.02
12.06.2009	1.44	4.02
15.06.2009	1.43	4.03
16.06.2009	1.43	4.04
17.06.2009	1.41	4.04
18.06.2009	1.38	4.04
19.06.2009	1.40	4.04
22.06.2009	1.37	4.05
23.06.2009	1.30	4.06
24.06.2009	1.23	4.06
25.06.2009	1.24	4.06
26.06.2009	1.23	4.06
29.06.2009	1.22	3.86
30.06.2009	1.36	3.87

The equity profit per trading day shown above takes account of the calculation method agreed by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) and the Federal Investment and Asset Management Association BVI (Bundesverband Investment und Asset Management e.V.).

Prospectus

including Terms of Contract
effective from 11 May 2009

for DEGI GLOBAL BUSINESS

DEGI Deutsche Gesellschaft für
Immobilienfonds m.b.H.

The purchase of fund unit certificates is effected on the basis of this Prospectus, in conjunction with the “General Terms of Contract” and the “Special Terms of Contract”.

This prospectus is a document prescribed by law. It is to be provided to parties interested in buying a unit together with the latest Annual Report and Semi-Annual Report prior to contract conclusion.

Neither formal statements nor information that diverge from the content of this Prospectus may be supplied or given. The buyer bears sole responsibility for each purchase of fund unit certificates that is made based on information or formal statements not contained in this Prospectus.

The Annual Report or Semi-Annual Report contains current information on governing bodies and the Company’s capital and reserves, the Custodian Bank’s capital and reserves and detailed information regarding the auditors appointed to audit the fund.

Due to US regulatory restrictions, the information provided in this prospectus and the DEGI GLOBAL BUSINESS fund are not intended for sale in the USA or to US citizens. The term “US citizens” refers to persons who are nationals of the USA or have their domicile there and/or are liable for tax there. US citizens can also be partnerships or stock corporations set up under the laws of the USA or US State, Territory or a US possession.

The information provided in this prospectus and the DEGI GLOBAL BUSINESS fund are not intended for sale to investors resident in France.

The contractual relationship between the Company and the investor, and the precontractual relationships are based on German law. Under section 18 (2) of the “General Terms of Contract”, the registered office of the Company shall be the place of jurisdiction for disputes arising from the contractual relationship, unless the investor has a general place of jurisdiction in Germany. In accordance with section 123 InvG, all sales documents must be drawn up in the German language.

For disputes arising from the application of provisions contained in the German Civil Code (Bürgerliches Gesetzbuch – BGB) concerning distance marketing contracts for financial services, parties can contact the arbitration office of Deutsche Bundesbank, P.O. Box 11 12 32, 60047 Frankfurt am Main, Tel.: +49 (0)69/2388-1907 or -1906, fax: +49 (0)69/2388-1919. The right to bring the case before the court shall not be affected by this.

This Prospectus, the Terms of Contract and the latest Annual and Semi-Annual Reports can be obtained for free from the Company.

Additional information on the investment limits for risk management of this Fund, the risk management methods, and the most recent developments regarding risks and yields, are available in written form on request, likewise from the Company.

Contents

The investment company

The investment company of the real estate investment fund (hereinafter referred to in this Prospectus as "the Fund") is DEGI Deutsche Gesellschaft für Immobilienfonds mbH, founded on 23 October 1972 (hereinafter referred to as "the Company"). Established on 23 October 1972 and with its registered office in Frankfurt am Main, it is an investment company as defined under the German Investment Act (InvG) in the legal form of a German limited liability company (GmbH).

Detailed information on the Company, the composition of the Management Board, the Supervisory Board, the Committee of Appraisers, shareholders, and on subscribed and paid-up capital and liable funds of the Company and the Custodian Bank is provided in tabular form in the section entitled "Corporate Bodies and Capital Resources".

Custodian bank

Commerzbank AG, with its registered office in Frankfurt am Main, has taken on the function of Custodian Bank for DEGI GLOBAL BUSINESS. Commerzbank AG is a credit institution in accordance with German law. Its activities focus on the clearing, deposit and lending business, as well as the securities business.

The Custodian Bank has been entrusted with the continuous monitoring and control duties for the Fund's real properties, holdings in property companies and other assets that cannot be held in safekeeping, as well as the custody of bank balances belonging to the Fund, provided these are not deposited with other financial institutions, money market instruments, securities and investment units held for liquidity management purposes. This is in accordance with the regulations of the German Investment Act (InvG), which requires that the management and the safekeeping of the Fund's assets be kept separate.

The securities and certificates of deposit of the Fund are held by the Custodian Bank in blocked safe-deposits, insofar as these are not held on blocked accounts with other custodians. Bank deposits of the Fund are held by the Custodian Bank in blocked accounts, insofar as these are not held in blocked accounts with other financial institutions. To safeguard the interests of investors, each sale or encumbrance of a real property requires the prior consent of the Custodian Bank. Moreover, the Custodian Bank is required to examine whether deposits in blocked accounts with other financial institutions are compatible with the InvG and the Terms of Contract. If these requirements are met, investment approval shall be granted.

A "blocking" notice in favour of the Custodian Bank is entered in the Land Register for each property unless it is held by a property company for account of the Fund. This precludes any power of disposal of real property without the Custodian Bank's approval. In the case of foreign real property, if entry of restriction of disposal is not possible in a land register or similar register, the Company will ensure the validity of disposal limitation in another suitable form.

Furthermore, the Custodian Bank is also required to monitor compliance with legal provisions, as stated below, for holdings in property companies. The Custodian Bank's approval is required for the Company's disposal of holdings in property companies.

Dispositions by the property company regarding properties and changes to the articles of association or by-laws of the property company shall require the consent of the Custodian Bank if the Company holds a majority interest in the property company concerned.

The Custodian Bank undertakes the issue and repurchase of unit certificates and determines, with the assistance of the Company, the value of the Fund's assets and the value of the unit certificates. In transactions entered into for the joint account of the investors, the Custodian Bank is to ensure that the counterpart of transactions entered into is received into its safekeeping within the normal time limits. The Custodian Bank must additionally ensure that the income of the Fund is applied in compliance with provisions of this law and the Terms of Contract, and pay out the income set aside for distribution.

Committee of Appraisers and valuation procedure

For the valuation of the properties, the Company shall appoint at least one committee of appraisers, which shall consist of three members and one alternate member. The appraisers must be independent, reliable and professionally qualified persons with specialised know-how as well as adequate practical experience in the type of property they are to appraise and in the respective regional property market.

The Company has appointed three committees of appraisers, who are responsible for valuing all of the Fund's properties. As a rule, each appraiser is appointed for two years, with the possibility of re-election. An appraiser may only work in committees for the Company up to the end of the fifth calendar year following his first appointment. This period can then be extended by the Company by a further year at a time, if the appraiser's income from his/her activity as a member of the committees or from other activities for the Company in the last four years preceding the last year of the work period involved in each case has not exceeded 30 % of his/her average total income, and the appraiser concerned has confirmed this to the Company by means of a declaration to this effect in the last year of the permitted work period. Rules of procedure govern the activities of the committees of expert appraisers appointed by the Company and their regional responsibility. The valuation reports are drawn up by the valuation committee approved by BaFin in each case in accordance with the relevant rules of procedure.

The Committee of Appraisers is charged, in particular, with the task of valuing:

– the properties held in the Fund's portfolio or owned by a property company: every twelve months at least;

– the properties that the Company or a property company is contemplating selling, if the annual valuation report can no longer be considered up-to-date.

Furthermore, the Committee of Appraisers shall, within two months of the creation of the heritable building right, ascertain the value of the property again.

Pre-purchase valuation

A property may only be acquired for the Fund or for a property company in which the Fund directly or indirectly holds an interest if it has been valuated before by an expert within the meaning of section 77 (2) sentence 1 InvG, who is not a member of the Committee of Appraisers created by the investment company and the consideration to be furnished by the Fund does not exceed or only barely exceeds the value determined.

An interest in a property company may only be directly or indirectly acquired if the properties reported in the annual financial statements or in the property company's statement of assets and liabilities has been valuated before by an expert within the meaning of section 77 (2) sentence 1 InvG, who is not a member of the Committee of Appraisers created by the investment company.

A property that belongs to the Fund may only be encumbered with a heritable building right if an expert within the meaning of section 77 (2) sentence 1 InvG, who does not belong to the Committee of Appraisers created by the investment company, has confirmed before that the ground rent is reasonable.

Valuation method

The Committee of Appraisers or the expert responsible for the valuation of the properties to be purchased shall determine the market value of the property, using a valuation method that is recognised on the respective property market. Additional valuation methods recognised on the respective property market can also be applied for a plausibility check, if the Committee of Appraisers deems their usage necessary and/or appropriate for a suitable valuation of the property.

The market value will generally be determined in accordance with the net income value method on the basis of the German Valuation Ordinance (Wertermittlungsverordnung). This method is generally based on the long-term rental income that can be achieved. The rental income actually generated as of the reporting date and the rental income achievable in the long term can be assessed separately. The net income value is derived from the net rental income arrived at in this way, multiplied by a factor which takes into account a prevailing market interest rate for the property being valued, with due allowance for their location, the condition of the buildings and their remaining useful life. Special factors influencing the value of a property can be taken due account of by appropriate additions or subtractions.

The following methods, in particular, can also be applied in connection with the use of country-specific valuation methods in another country.

1. Discounted Cash Flow Method

Determining the market value based on a certain income method, the discounted cash flow method (DCF). According to this method, future net cash flows expected from the properties are discounted at market- and object-specific rates over a predetermined number of periods (e.g. ten periods of one year each) as of the valuation date. The residual value of the property at the end of the determined periods is estimated and is also discounted as of the valuation date. The total of the discounted net cash flows and the discounted residual value results in the capital value of the property, which is derived from the market value.

2. Investment method

Determining the market value based on a certain income method, referred to as the investment method. In this method, future expected net income from the property is capitalised as perpetual annuity at a rate, which is generally determined on the basis of comparable transactions. This method yields the net present value of the property, from which the market value is derived.

3. Direct Value Comparison Method

Determining the market value based on the direct value comparison method. In this method, certain characteristics of properties are compared with data on other properties on the same market; the market value is determined by transferring this comparable data to the property.

The Fund

The Fund bears the name DEGI GLOBAL BUSINESS. It was established on 1 November 2005 for an indefinite period. The net assets belonging to the Fund are owned by the Company, which manages them on a trust basis on behalf of the investors.

Profile of the typical investor

The Fund is aimed at institutional investors, private investors of high net worth and asset managers (e.g. family offices). It is aimed at both experienced investors that want to use the Fund as a vehicle to invest in international real estate assets, as well as investors that are not familiar with investments in real estate assets. Experience of investing in property and in the capital markets is therefore not essential. The recommended minimum investment period is five years; investors should be in a position to cope with small temporary losses. The Fund pursues an internationally oriented investment policy.

Description of investment objectives and investment policy

DEGI GLOBAL BUSINESS is an open-ended property fund which invests globally; its main investment focus lies in exceptionally promising real estate investment locations and service sectors across the globe that feature a high development potential. The investment objective is to achieve a sustainable, above-average return (in comparison to open-ended property funds with a similar investment focus (peer group)) based on the securing of rental income and a continuous increase in the value of the portfolio properties. Besides the objective of exploiting the generally higher return on property abroad at present and the forecasted positive economic development in Germany, the aim is also to benefit from any tax and legal advantages arising from the country of investment. The objective is to establish an internationally diversified property portfolio.

In selecting properties, the assessment takes due account of the financial and location-related risks and opportunities of the property involved, plus the country-specific particularities of financing and (in the case of investments outside the eurozone) the anticipated development in the exchange rate.

In order to achieve the investment objective, the first priority is to establish a "setup" portfolio characterised primarily by geographical diversification in Germany and Europe and consisting of commercial properties in established locations and sites. The second investment phase is likely to be characterised by an increase in the number of different types of use in the portfolio and by a larger proportion of global investments, insofar as this appears feasible from an economic and legal point of view. The intention is to invest in commercial properties such as business and office buildings used for administrative, retail and service purposes. The Company also plans to make selective investments in retail and logistics properties.

To facilitate stable fund growth and to limit the risks, it is envisaged that the Fund's portfolio will not only be widely distributed across different countries but also broadly diversified in terms of property features.

Regarding the initial investments, it should be taken into consideration that this diversification can only be achieved to the envisaged extent over time, especially in view of the national and regional distribution of the acquired properties. This may cause increased volatility initially.

Active portfolio management (purchase, disposal, portfolio development) will be undertaken to obtain maximum value creation potential from the property portfolio, insofar as it seems sensible to do so from both an economic and legal point of view. The differing international property market cycles will be exploited here, and even at the acquisition stage the specific features of the individual properties will be included in the investment assessment with a view to eventual disposal. This approach will give the portfolio managers the possibility to respond quickly to political, economic and legal (including tax law) changes.

Pro rata outside financing of the properties will be effected, for example, if in so doing an increase in the return on equity can be achieved or if this appears expedient for hedging exchange rate risks. When determining the outside financing quota, the country-specific financing conditions, the exchange rate risks and the taxation-related aspects will be taken into account.

The investment objectives described above also apply to the acquisition of interests in property companies. Operating through property companies will enable possible legal, tax and financial advantages to be exploited, although the concomitant risks do also have to be taken into consideration.

Each year's Annual Report will provide information on the current investment policy.

The "General and Special Terms of Contract" may be amended by the Company. Amendments to the Terms of Contract, with the exception of arrangements for the management and other costs, require the prior consent of the Company's Supervisory Board and approval from the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin). The intended amendments will be announced in the electronic Bundesanzeiger (German Federal Gazette) and additionally on the Company's website under www.degi.com, and shall come into force not earlier than the day after being announced in the electronic Bundesanzeiger. In the event of amendments to arrangements for management and other expenses, these shall not require any prior consent by BaFin and shall come into force not earlier than six months after being announced in the electronic Bundesanzeiger in the event that BaFin has not determined an earlier date of entry into force.

Amendments to the previous investment principles for the Fund shall likewise come into force not earlier than six months after being announced in the electronic Bundesanzeiger and are only allowed on condition that the investment company offer the investors its units in exchange for units in funds with comparable investment principles, free of charge, if such funds are managed by the investment company.

No assurance can be given that the investment policy objectives will be achieved.

Properties

1. The Company may acquire on behalf of the Fund properties located in any member state of the European Union or any other state party to the Agreement on the European Economic Area, as follows:
   a) residential properties for letting, commercial properties and mixed-use properties;
   b) land under development;
   c) undeveloped land intended and suitable for immediate development in accordance with indent a);
   d) heritable building rights and foreign rights comparable thereto in legal and practical terms, subject to the conditions of indents a) to c);
   e) other properties, heritable building rights (building leases) and rights in the form of apartment ownership or part-ownership and proprietary interests or part-interests in apartments in buildings held under building leases.
2. The Company may acquire for the Fund, within the legally permissible framework (section 67 (2) sentence 3 InvG), usufructuary rights in public-sector properties as laid down in no.1, indent a).
3. The Company may acquire properties within the meaning of no. 1 and no. 2 outside the signatory states to the Agreement on the European Economic Area, in the states specified in the Annex to section 2 of the Special Terms of Contract (up to the amount of the proportion of the Fund's net assets stated therein in each case), if, in these states,
   a) an appropriate regional distribution of properties is guaranteed,
   b) free transfer of ownership of the properties is guaranteed and there are no restrictions on the movement of capital, and
   c) fulfilment of the rights and obligations of the Custodian Bank is guaranteed.
   Before any acquisition, as part of the proper management duties incumbent upon it, the Company shall ascertain whether the aforementioned conditions are met in full. The countries and the respective maximum permitted investment percentages specified in the Annex to the Special Terms of Contract may be amended. Any such amendments shall require the approval of the supervisory authorities.
4. None of the properties may, at the date of their acquisition, exceed 15 % of the Fund's net assets. The total value of all properties whose individual value amounts to more than 10 % of the Fund's net assets must not exceed 50 % of the Fund's net assets. In calculating the value of the Fund's net assets, borrowings will not be deducted, so that the computation basis for calculating the limits will be increased by the value of the loans.
5. The Company may exceed the investment limits set out in sections 1 to 4 above in the first four years after the Fund launch.
6. The investment objective is to achieve regular income in the form of rentals and interest and steady capital growth.
7. In selecting properties on behalf of the Fund, the prime considerations will be their sustainable earnings power and a spread by location, size, use and tenants.
8. The Company may also acquire on behalf of the Fund objects that are required for managing the assets held in the Fund, in particular properties.
9. The latest Annual and Semi-Annual Reports concerned will provide details on the investments made during the last reporting period in properties and other assets.

Interests in property companies

1. The Company may acquire and hold interests in property companies for the account of the Fund, even if it does not hold the majority of the voting rights and capital required for amending the property company's memorandum and articles of association or by-laws. A property company in this sense is a company which, under its memorandum and articles of association or by-laws,
   a) is limited in its corporate object to the activities which the Company is also allowed to engage in itself on behalf of the Fund;
   b) may only acquire those assets within the meaning of section 67 (1), (2) and (3) and (6) sentence 1 InvG, which may be purchased directly on behalf of the Fund under the Terms of Contract, as well as interests in other property companies;
   c) may acquire a property or an interest in another property company only if the value

of the property is equivalent to the size of the interest or the interest in another property company, does not exceed 15 % of the value of the Fund's net assets.

2. Furthermore, the acquisition of an interest in a property company requires, among other things, that the legal form of the property company precludes any liability to contribute additional capital beyond the amount of the initial capital contribution.
3. The capital contributions of the shareholders of a property company in which the Company holds an interest for the account of the Fund must be fully paid up.
4. If the investment company holds an interest in a property company that holds an interest in another property company for the account of the Fund, the interest must directly or indirectly amount to 100 % of the capital and the voting rights.
5. The value of the assets owned by all property companies in which the Company holds an interest for the account of the Fund may not exceed 49 % of the value of the Fund's net assets. The value of the assets which form part of the assets of property companies in which the Company does not hold for the account of the Fund the majority of the voting rights and capital required for amending their memorandum of association or by-laws, may not exceed 30 % of the value of the Fund's net assets.
   The Company may exceed the investment limits set out above in the first four years after the Fund launch.
6. In calculating the value of the Fund's net assets, borrowings will not be deducted, so that the computation basis for calculating the limits will be increased by the value of the loans.
7. The Company may, for the account of the Fund, grant loans to a property company in which it directly or indirectly holds an interest for the account of the Fund provided that the terms are in line with prevailing market rates and adequate collateral is available. In addition, in the event of the interest being sold, it must be agreed that the loan shall be repaid within six months of the sale. The Company may lend property companies a maximum of 25 % in total of the value of the net assets of the Fund for whose account it holds the interests; in this context it must also ensure that the loans granted to the individual property company do not exceed in total 50 % of the value of the properties that it holds. These conditions shall also apply if a third party, acting on the instructions of the Company, grants the property company a loan in its own name for the account of the Fund.

Encumbrance with a heritable building right

Properties may be encumbered with a heritable building right.

Creating a new heritable building right may not cause the total value of the property encumbered with heritable building rights held for the account of the Fund to exceed 10 % of the value of the Fund's net assets. In this respect any extension of a heritable building right shall be deemed to equate to the creation of a new heritable building right.

These encumbrances may be created only if unforeseeable circumstances prevent the property from being used as originally intended, if economic disadvantages for the Fund are thereby avoided or if these encumbrances allow the property to be used in an economically viable manner.

Risks of investing in property, acquiring interests in property companies and encumbering properties with heritable building rights

Investing in property is subject to risks which may affect the value of the units as a result of changes in income, the expenses involved and the market value of the properties. This is also true of investments in properties that are held by property companies. The examples of risks given below do not represent an exhaustive list:

– Besides changes in general economic conditions, property is subject to particular risks such as vacancies, rent arrears and loss of rental income, which may arise as a result of, for example, a change in the quality of the location or the financial standing of tenants. The physical condition of a building may necessitate maintenance costs that cannot always be foreseen. In order to limit these risks, the Company strives for a high degree of adaptability in property utilisation and a tenant structure comprising a wide number of different sectors. Ongoing maintenance and modernisation or restructuring of properties is intended to maintain or improve their competitiveness. When acquiring usufructuary rights in public-sector properties, depending on the content of the usufructuary right involved and the nature of the public-sector task to be performed, there may be a risk that the income will not correspond to the calculations. There is also a risk of only restricted fungibility or adaptability in property utilisation.

- Risks of damage from fire and storm as well as by natural forces (flood, earthquake) are internationally covered by insurance insofar as this is economically viable and objectively advisable and the necessary insurance capacities are available.
- Properties, particularly in large conurbations, may be exposed to risk arising from war or acts of terrorism. Without being itself affected by an act of terrorism, a property can be economically devalued if the real estate market of the district concerned is lastingly worsened, and the search for tenants is rendered more difficult or impossible. Terrorism risks, too, are covered by insurance, insofar as appropriate insurance capacities are available and this is financially viable and objectively required.
- Risks of inherited contamination (such as soil pollution, asbestos building components) are carefully investigated (for example by obtaining appropriate survey reports if necessary), especially when properties are being acquired. No matter how much care is taken, however, risks of this nature cannot be ruled out entirely.
- Depending on the nature of the relevant contracts, additional risks may arise at the project development stage of acquiring a property, e.g. insolvency risks, risks arising as a result of changes in local planning regulations and delays to the granting of planning permission. An attempt is made, whenever possible, to limit increases in building costs and completion-date risks through careful selection of the contracting parties and appropriate agreements with them. As for other risks, it should also be pointed out, however, that the success of the initial letting depends on the demand situation at the time of completion. These risks can lead to a reduction in the value of the property, to additional costs for the Fund and also to a loss of income.
- Properties may have building defects. These risks cannot be ruled out entirely before acquisition either, even by carefully inspecting the property physically and by obtaining survey reports.
- When buying properties abroad, risks arising from the location of the properties (e.g. different legal and tax systems, differing interpretation of double taxation agreements, and, in some cases, exchange rate changes) need to be taken into account. The increased administrative risk and any technical difficulties, including transfer risk in respect of current income or sales proceeds, also need to be considered when dealing with foreign properties. There are also foreign exchange risks which should, however, be limited by, for example, pro rata borrowing in local currency and using hedging instruments.
- When selling a property or a usufructuary right, even if the utmost due diligence is exercised, warranty claims of the buyer or of other third parties may be asserted for which the Fund will be liable.
- When acquiring interests in property companies, risks arising from the legal form of the company, risks in connection with the possible withdrawal of shareholders and risks of changes in the tax and company law framework need to be taken into account. This is especially true when the property companies have their place of business in another country. Another consideration is that when interests in property companies are acquired, the companies may have obligations that are difficult to recognise. Finally, any intended sale of the interest may be hindered by the absence of a sufficiently liquid secondary market. These risks correspondingly increase if the property company, in turn, directly or indirectly holds interests in one or more other property companies.
- Property investments abroad are as a rule financed with borrowed funds. This is done firstly for purposes of currency hedging (loan granted in the foreign currency of the country in which the property is located) and/or achieving a leverage effect (increasing the return on equity by borrowing capital at an interest rate below the property's yield). Since the Fund is usually

subject to taxation abroad, the loan interest may be eligible for tax relief there. When recourse is had to outside financing, changes in the properties' value will affect the Fund's capital employed more substantially: given a 50 % loan financing arrangement, for example, the effect of a rise or fall in a property's value on the Fund capital employed will be doubled as compared to complete financing with in-house capital, as is the predominant arrangement for domestic acquisitions. Changes in value thus have a greater significance when debt financing is employed (which is frequently the case abroad) than is the case with self-financed properties. The investor thus profits more substantially from appreciation, and suffers more substantially from depreciation than would be the case if the project were funded entirely in-house. However, extensive outside financing of properties reduces the possibility of obtaining the necessary funds through property disposals or short-term loans in the case of short-term liquidity bottlenecks, e.g. as the result of massive unit redemption. The risk of unit redemption having to be suspended (see page 99) rises accordingly.
- There are currency risks on investments in foreign currencies. Risks not exceeding 30 % of the value of the Fund's net assets are legally permissible. These risks can manifest themselves in a fall in the foreign currency rate in comparison to the currency of the Fund, thereby leading to a reduction in the value of the Fund's net assets. Where regarded as appropriate, these risks will be hedged e.g. by taking out loans in the foreign currency.
- If a property is encumbered with heritable building rights, this creates a risk that the holders of the heritable building rights may fail to meet their obligations, in particular, may fail to pay the ground rent. In this and similar cases the result may be an early reversion of the heritable building right to the owner of the land. The Company would then have to seek to find another economic use for the property, which may prove difficult on some occasions. The same applies mutatis mutandis to the reversion of a heritable building right upon the expiry of the contract. Finally, encumbering the property with a heritable building right may restrict its fungibility – i.e. the property may not be as easy to sell as it would have been without such an encumbrance.

Liquid assets

In addition to the acquisition of properties and interests in property companies, investing in liquid assets is also allowed and provided for.

The Company may maintain not more than 49 % of the Fund's net assets (maximum liquidity) in

- bank deposits;
- money market instruments;
- securities which have been accepted by the European Central Bank or Deutsche Bundesbank as eligible as collateral for the loans referred to in Article 18.1 of the Statute of the European System of Central Banks and of the European Central Bank, or whose acceptance as such will be applied for in accordance with the terms of issue, provided such acceptance is granted within one year of their being issued;
- investment units as laid down in section 50 InvG or units in institutional funds as laid down in section 50 (1) sentence 2 InvG, which under their contractual conditions may invest solely in the bank deposits, money market instruments and securities specified under Dashes 1 to 3;
- securities that have been admitted to trading on an organised market within the meaning of section 2 (5) of the German Securities Trading Act (WpHG), or fixed-income securities, provided these do not exceed a total amount of 5% of the value of the Fund's net assets; and
- equities of REIT companies or similar shares held in foreign legal persons admitted to or included in one of the markets listed in section 47 (1) no. 1 and 2 InvG, if the value of these equities or shares does not exceed an amount equal to 5 % of the value of the Fund and if they meet the criteria listed in Article 2 (1) of the Directive 2007/16/EC.
  Investment in investment units in accordance with section 6 no. 2 (d) of the "General Terms of Contract" is limited to 10 % of the value of the Fund.

In calculating the maximum liquid assets limit, the following earmarked funds shall be deducted:

- the monies required for assuring due and proper management;
- the monies required for the next distribution;
- funds needed to meet liabilities under legally effective property purchase contracts, under loan agreements that become necessary for forthcoming investments in particular properties and for particular construction measures and under building contracts insofar as the liabilities fall due in the following two years.

Cash at bank

Investments in bank deposits may be made by the Company in conformity with the statutory regulations (sections 66, 49 InvG) only with banks domiciled in a state of the European Union or a signatory state to the Agreement on the European Economic Area. Deposits may be held with a bank in another state only if the rules applied by the banking regulatory authorities in this state are deemed equivalent to those in the EU by BaFin.

The Company may invest only up to 20 % of the Fund's net assets in cash with any one bank.

Money market instruments

Money market instruments are instruments that are usually traded on the money market, and interest-bearing securities that on the date of their acquisition for the Fund have a term or remaining term of not more than 397 days. If their term is longer than twelve months, their interest rate must be regularly adjusted to suit the market situation, at least once in 397 days. Money market instruments are, moreover, interest-bearing securities, whose risk profile corresponds to that of the securities just described.

The Fund may purchase money market instruments only:

1. If they have been admitted for trading to a stock exchange in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area, or are admitted to or included in another organised market there;
2. If they have been admitted for trading to one of the stock exchanges licensed by the Federal Financial Supervisory Authority or admitted to or included in one of the organised markets licensed by the Federal Financial Supervisory Authority,
3. If they have been issued or are guaranteed by the European Communities, the German Federal Government, a Federal Government fund, a German federal state, another member state or another central, regional or local authority, or by a central bank of a member state of the European Union or a signatory state to the Agreement on the European Economic Area, the European Central Bank or the European Investment Bank, a non-EEA state or, if this is a federal state, a member state of this federal state or an international organisation at least one member state of which is also a member state of the European Union,
4. If they have been issued by a company the securities of which are traded on the markets listed under nos. 1 and 2,
5. If they have been issued or are guaranteed by a credit institution which is subject to supervision in accordance with criteria set forth by European Community law or a credit institution that is subject to rules applied by banking regulatory authorities which BaFin deems to be equivalent to those of Community law and complies with them,
6. If they have been issued by another issuer and the respective issuer is
   a) a company whose equity capital amounts to not less than EUR 10 m and which prepares and publishes its annual financial statements in conformity with the rules laid down in the Fourth Directive 78/660/EEC of the Council dated 25 July 1978 regarding the annual financial statements of companies exhibiting certain legal forms, most recently amended by Directive 2003/51/EC of the European Parliament and of the Council dated 18 July 2003;
   b) a legal entity which is responsible within a group comprising one or more public companies for the financing of this group, or
   c) a legal entity that is to finance securitisation vehicles by using a liquidity line granted by the bank; Article 7 of the Directive

2007/16/EC applies to the securitisation vehicles and the banking liquidity line.

All money market instruments listed may only be purchased if they fulfil the conditions set out in Article 4 (1) and (2) of the Directive 2007/16/EC. For money market instruments within the meaning of (1) nos. 1 and 2, Article 4 (3) of the Directive 2007/16/EC also applies.

For money market instruments within the meaning of (1) nos. 3 to 6, adequate deposit and investor protection must exist, e.g. in the form of an investment grade rating; in addition the criteria set out in Article 5 of the Directive 2007/16/EC must also be fulfilled. The term "investment grade" denotes a rating with "BBB" or "Baa" or better within the framework of a creditworthiness check by a rating agency. For the purchase of money market instruments, which have been issued either by a regional or local authority in another member state of the European Union or by an international organisation within the meaning of (1) no. 3, but are not guaranteed by this member state, or if this is a federal state, a member state of this federal state, and for the purchase of money market instruments pursuant to (1) nos. 4 and 6, Article 5 (2) of the Directive 2007/16/EC applies; for the purchase of all other money market instruments pursuant to (1) no. 3 except for money market instruments that have been issued or are guaranteed by the European Central Bank or the central bank of a member state of the European Union, Article 5 (4) of Directive 2007/16/EC applies. For the purchase of money market instruments within the meaning of (1) no. 5, Article 5 (3) of Directive 2007/16/EC applies, for money market instruments which have been issued or are guaranteed by a bank that is subject to rules applied by banking regulatory authorities which BaFin deems to be equivalent to those of European Community law, and complies with them, Article 6 of Directive 2007/16/EC applies.

The Company may also invest up to 10 % of the Fund's net assets in money market instruments of issuers who do not meet the above-specified preconditions.

Investment limits for securities and money market instruments

Securities and money market instruments from one issuer may be purchased only for up to 5 % of the Fund's net assets. In individual cases, securities and money market instruments, including the securities purchased under repo agreements from the same issuer, may be purchased for up to 10 % of the Fund's net assets. The total value of the securities and money market instruments from this issuer must not exceed 40 % of the Fund's net assets.

The Company may only invest up to 20 % of the Fund's net assets in a combination of the following assets:

- securities and money market instruments issued by one and the same institution,
- deposits with this institution,
- capital charges for the counterparty risk relating to transactions in derivatives with this institution that are not admitted to trading on a stock exchange or included in another organised market.

For public-sector issuers within the meaning of section 60 (2) InvG, a combination of the assets listed in sentence 1 may not exceed 35 % of the value of the Fund.

The individual upper limits in each case remain unaffected by this combination limit.

The amounts of securities and money market instruments of an issuer counted towards the above-listed limits can be reduced by short derivatives, which have securities or money market instruments of the same issuer as the underlying. This means that for account of the Fund, securities or money market instruments of an issuer which exceed the aforementioned limits may also be purchased if the resulting increased issuer risk is lowered through hedging transactions.

The Company may invest in bonds, borrower's note loans and money market instruments from the following issuers, in each case up to 35 % of the Fund's net assets: German federal government, German federal states, European Communities, member states of the European Union or their political subdivisions, other signatory states to the Agreement on the European Economic Area, non-EEA states or international organisations at least one member state of which is also a member of the European Union. The Company may invest in each case up to 25 % of the Fund's net assets in mortgage bonds, municipal bonds and other bonds which have been issued by banks domiciled in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area, if the banks by reason of statutory regulations for the protection of the owners of these bonds are subject to particular public-sector regulatory supervision and the monies borrowed by issuing the bonds are invested in accordance with the statutory regulations in assets which throughout the maturity of the bonds adequately cover the resultant liabilities and which in the event of the issuer's default are earmarked primarily for the due repayments and payment of interest.

Minimum liquidity

The Company shall at all times maintain an amount from the investments in liquid assets which equals at least 5 % of the value of the Fund's assets in call deposits for daily availability (minimum liquidity).

Risks associated with investments in liquid assets

Insofar as the Fund's investments in liquid assets include securities, money-market paper or investment fund units, it should be noted that, in addition to offering capital appreciation opportunities, these investments also carry risks. The prices of the securities and money-market paper may fall against the acquisition price as a result, for example, of the performance of the money and capital markets or particular developments at their issuers. The foregoing also applies mutatis mutandis to changes in the value of investment fund units.

The prices of fixed-income securities are influenced by trends on the capital market – i.e. when capital market yields rise, the prices of fixed-income securities will fall. These price changes are also influenced by the maturities of fixed-income securities. Generally speaking, fixed-income securities with shorter maturities carry lower price risks than fixed-income securities with longer maturities; but usually they can also be expected to offer lower yields. With investments in foreign currency liquid assets, additional exchange rate risks and transfer risks need to be taken into consideration.

The above-mentioned risks apply mutatis mutandis to money market and securities funds.

Although equities also offer capital appreciation opportunities, they too carry risks; they are subject to the unpredictable influence of the performance of the capital markets or particular developments at their respective issuers. Even with careful stock selection there is no guarantee that losses will not be incurred if their issuers run into financial difficulties.

Borrowing and encumbrance of assets

The Company may, for the joint account of the investors, borrow funds up to the amount equivalent to 50 % of the market value of properties contained in the Fund if this is compatible with proper business management. In addition to the foregoing, the Company may, for the joint account of the investors, take out short-term loans worth up to 10 % of the value of the Fund's net assets. In this context, amounts that the Company has received as a repo seller within the framework of a repo transaction must be offset. Money may only be borrowed if the conditions are in line with standard market practice and the Custodian Bank approves the loans.

If the costs for borrowing lie above the return on properties, the investment performance will be impaired. Nonetheless, special circumstances may favour a borrowing option, e.g. preserving a long-term source of income and capital growth in the event of only short-term liquidity bottlenecks or tax-related considerations or the limitation of exchange rate risks abroad.

The Company may encumber properties belonging to the Fund and assign and encumber claims arising from legal relationships in connection with properties if this is compatible with proper business management and if the Custodian Bank consents to these measures because it considers the proposed terms and conditions relating thereto to be in line with market practice. The Company may also take over encumbrances connected with the acquisition of properties. Altogether, the respective encumbrances must not exceed 50 % of the market values of all the properties owned by the Fund. Encumbrances in connection with the suspension of redemption of units in accordance with section 11 (4) of the “General Terms of Contract” and ground rents payable under heritable building rights shall not be taken into account.

Derivatives for hedging purposes

1. The Company can, within the scope of managing the Fund, use derivatives. It may – in accordance with the nature and extent of the derivatives used – employ either the simple or the qualified approach within the meaning of the German Derivatives Ordinance (DerivateV) to determine the degree of utilisation of the market risk upper limit specified in section 51 (2) InvG for the use of derivatives.
   If the Company employs the simple approach, it may invest only in derivatives that are derived from assets that may be purchased in accordance with section 6 (2) indents b) to f) of the “General Terms of Contract” and properties that may be purchased in accordance with section 2 (1) of the “Special Terms of Contract”. In this context, it shall restrict itself, in conformity with section 6 (2) of the DerivateV, to using solely the following basic forms of derivatives or combinations of these derivatives or combinations of assets that may be acquired for the Fund, with these derivatives in the Fund:
   a) futures contracts on assets in accordance with section 6 (2) indents b) to f) of the “General Terms of Contract” and on properties in accordance with section 2 (1) of the “Special Terms of Contract”, interest rates, exchange rates or currencies;
   b) options or warrants on assets in accordance with section 6 (2) indents b) to f) of the “General Terms of Contract” and on properties in accordance with section 2 (1) of the “Special Terms of Contract”, interest rates, exchange rates or currencies and futures contracts pursuant to indent a), if they exhibit the following characteristics:
   aa) exercise is possible either during the entire term or at the end of the term, and
   bb) the option value depends at the time of exercise linearly on the positive or negative difference between the strike price and the market price of the underlying and becomes zero if the difference has the other sign;
   c) interest rate swaps, foreign-exchange swaps or cross-currency swaps;
   d) options on swaps pursuant to indent c), provided they exhibit the characteristics described in indent b) under indents aa) and bb) (swaptions);
   e) credit default swaps on assets in accordance with section 6 (2) indents b) to f) of the “General Terms of Contract” and on properties in accordance with section 2 (1) of the “Special Terms of Contract”, provided they serve solely and verifiably for hedging the credit risk of precisely allocable assets of the Fund;
   f) Futures contracts, options or warrants on investment units in accordance with section 6 (2) indent d) of the “General Terms of Contract” must not be concluded.

When determining the market risk potential for the use of derivatives using the simple approach within the meaning of the German Derivatives Ordinance (DerivateV), the following applies:

The imputable value for

– financial futures contracts is calculated in accordance with the contract value multiplied by the futures price determined on each day of trading,
– options or warrants whose underlying is a security, a money market instrument or a derivative is calculated in accordance with the value of the underlyings that are the subject matter of the option right,
– options or warrants whose underlying are interest rates, exchange rates or currencies is calculated in accordance with the value of the underlying, multiplied by the multiplier specified in the option conditions.

In addition, the values determined must be multiplied by the associated delta. This delta is the ratio between the change in the value of the derivative and what is taken to be only a small change in the value of the underlying.

If the Company utilises the qualified approach, it may – subject to a suitable risk management system – for hedging purposes invest in any derivatives that are derived from assets that may be purchased in accordance with section 6 (2) indents b) to f) of the "General Terms of Contract" and properties that may be purchased in accordance with section 2 (1) of the "Special Terms of Contract", or from interest rates, exchange rates or currencies. These shall in particular include options, financial futures contracts and swaps, and combinations thereof. Under no circumstances may the Company for the above-mentioned transactions deviate from the investment objectives laid down in the "General and Special Terms of Contract" and in this Prospectus.

When determining the potential market risk for the use of derivatives using the qualified approach within the meaning of the DerivateV, the following applies:

The risks involved in using derivatives are controlled by means of a risk management procedure, which permits the risk entailed by the investment position and the relevant proportion of the total risk profile of the investment portfolio to be monitored at all times.

When determining the market risk potential, the Company currently employs the simple approach within the meaning of the DerivateV. It may, however, under section 7 of the "Special Terms of Contract" in conjunction with section 7 of the DerivateV change at any time from the simple to the qualified approach. A change of this kind does not require the approval of the Federal Financial Supervisory Authority (BaFin). The Company must, however, report such a change immediately to BaFin and announce it in the next Annual or Semi-Annual report.

Transactions involving derivatives may be performed only for purposes of hedging assets, interest rate change and foreign exchange risks held in the Fund, and to hedge rental receivables. The German Investment Act and the Derivatives Ordinance (DerivateV) provide for an option to double the market risk potential of a fund by the use of derivatives. The term "market risk" is here taken to denote the risk arising for the fund from an unfavourable development in market prices. Since the property fund may use derivatives only for hedging purposes, a corresponding leverage is as a matter of principle out of the question here.

Options

The Company may, for the account of the Fund within the framework of the investment principles, take part in options trading. This means it may purchase from a third party against payment (option premium) the right to demand, during a defined period or at the end of a defined period, at a price agreed from the start (strike price) the purchase of securities or the payment of a difference. It may also acquire corresponding rights against payment from third parties.

Specifically, the following applies:

The purchase of a put option (long put-in-the-money option) entitles the buyer, against payment of a premium, to demand from the seller the purchase of certain securities at the strike price or the payment of a corresponding difference. By the purchase of such put options, for example, securities in the Fund can be hedged against price losses during the term of the option. If the securities fall below the strike price, the put option can be exercised and sales proceeds achieved that lie above the market price. Instead of exercising the option, the Company can also sell the option right at a profit.

This has to be set against the risk that option premiums paid will be lost if exercising the put option at the strike price previously specified does not appear financially expedient, since the prices, contrary to expectations, have not fallen. Price changes of this kind for the underlying securities may reduce the value of the option right overproportionally, even rendering it valueless. In view of the limited term, it is unwise to assume that the price of the option right will recover in good time. When it comes to profit expectations, the costs involved in exercising, buying and selling the option or concluding a counter-deal (closing out) have to be taken into account. If the expectations are not fulfilled, so that the Company refrains from exercising its option, the option lapsed when it matures.

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Futures contracts

Futures contracts are absolutely binding on both parties to buy and sell on a specified date, the expiry date, or within a defined period a defined quantity of a defined base value (e.g. bonds, stocks) at a price agreed in advance (exercise price). This is usually done by collecting or paying the difference between the exercise price and the market price on the date of closing out or the contract expires.

The Company can hedge security portfolios of the Fund by selling futures on these securities for the term of the contracts concerned.

If the Company concludes deals of this kind, the Fund must, if the Company's expectations fail to materialise, bear the difference between the price on which the deal was based and the market price on the date of closing out or the contract expires. This is where the Fund can make a loss. The loss risk cannot be determined in advance, and may extend beyond any collateral provided. It must also be borne in mind that the sale of futures and any conclusion of a counter-deal (closing out) will also entail costs.

Swaps

The Company may, for the account of the Fund, within the framework of the investment principles, conclude

– interest rate,
– currency,
– credit default swap deals

Swap deals are barter transactions in which the assets or risks on which the deal is based are exchanged between the contracting parties. If the price or value changes for the underlyings develop counter to the Company's expectations, the Fund may make a loss on the deal.

Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, on a specified date or within a defined period to enter into a swap that has been precisely defined in terms of its conditions.

Credit default swaps

Credit default swaps are credit derivatives that enable a potential credit default volume to be transferred to others. In return for assuming the credit default risk, the seller of the risk pays a premium to the other contracting party. Otherwise the remarks on swaps apply mutatis mutandis.

Securitised derivatives

The Company can also acquire derivatives if these have been securitised. In this context, the deals involving derivatives can also be contained only partly in securities. The above statements on opportunities and risks shall also apply mutatis mutandis to such securitised derivatives, but with the stipulation that the loss risk in the case of securitised derivatives is limited to the value of the security concerned.

Listed and unlisted derivatives

The Company may enter into deals involving derivatives admitted to trading on a stock exchange or included in another organised market.

Deals whose underlyings are financial instruments not admitted to trading on a stock exchange or in another organised market (OTC transactions) may be entered into only with suitable banks and financial services institutions on the basis of standardised framework contracts. The particular risks involved in these individual transactions lie in the absence of an organised market and thus the option of sale to third parties. By reason of the individual agreement, it may prove difficult or extremely costly to close out any obligations entered into.

In the case of derivatives traded off-exchange, the counterparty risk in regard to a contractual partner is restricted to 5 % of the Fund's net assets. If the contractual partner is a bank domiciled in the European Union, the European Economic Area or a non-EU state with a comparable level of regulatory supervision, the counterparty risk may comprise up to 10 % of the Fund's net assets. Derivative transactions traded off-exchange which have been concluded with a clearing house of a stock exchange or another organised market as the contracting partner will not be set against the counterparty limits if the derivatives concerned are subject to daily valuation at market prices with a daily margin compensation. The risk of the counterparty's default is thus significantly reduced, but not eliminated.

Properties as an underlying for derivative transactions

The Company may on behalf of the Fund also carry out derivative transactions, based on a property acquirable for the Fund or on the development of income from such a property. Transactions of this kind, in particular, enable the Company to hedge rental and other income from properties held for the Fund against default and foreign exchange risk.

Foreign exchange risks and derivative transactions for hedging them

When investments are made in a foreign currency and in the case of transactions in a foreign currency, there are foreign exchange opportunities and risks. It must also be borne in mind that investments made in a foreign currency are subject to what is called a transfer risk. To hedge against foreign exchange risks for assets and rental receivables held in foreign currency, the Company may, for the Fund's account, enter into derivative transactions on the basis of currencies or exchange rates.

These exchange rate hedging transactions, which as a rule hedge only parts of the Fund's assets, serve to reduce exchange rate risks. However, they cannot eliminate the possibility that changes in exchange rates will adversely affect the Fund's result, despite possible foreign exchange hedging transactions. The costs and any losses incurred with exchange rate hedging transactions will adversely affect the Fund's performance.

In the event of foreign exchange risks that exceed 30 % of the Fund's net assets, the Company must make use of these options. In addition, the Company will utilise these options if and insofar as it deems this to be in the investors' best interests.

Summary of the loss risks in derivative transactions

Since the chances of profits from transactions of this kind have to be offset against high loss risks, investors have to be aware that

– the time-limited rights from futures, for example, may expire or suffer a reduction in value;
– the loss risk may not be determinable and may also extend beyond any collateral provided;
– it may prove impossible to conclude transactions with which the risks arising from derivative deals entered into are to be eliminated or restricted, or only at a loss-making market price;
– the loss risk will increase if money is borrowed to meet obligations arising from derivative transactions, or if the obligation arising from futures or the consideration being claimed therefrom is denominated in foreign currency or one unit of account.

When exercising derivative transactions that comprise a combination of two basic forms (e.g. options on financial futures), additional risks may ensue that will depend on the contract arrived at and may be well above the original stake in the form of the price paid for the option.

In the case of OTC (over-the-counter) transactions, the following additional risks arise:

– the absence of an organised market may lead to problems when trying to sell financial instruments acquired on the OTC market to third parties; because of the individual nature of the agreement, the settlement of obligations incurred may be difficult or entail considerable costs (liquidity risk);
– the financial success of the OTC transaction may be jeopardised by the failure of the counterparty to meet its obligations (counterparty risk).

In the case of derivative transactions, the risks will vary in accordance with the position taken by the Fund.

The Fund's losses may accordingly

- be limited to the price paid for an option right or
- far exceed the collateral furnished (e.g. margins) and require additional collateral;
- result in indebtedness, thereby creating a charge on the Fund's assets, without the loss risk always being quantifiable in advance.

Securities lending

The securities held by the Fund may be transferred to third parties by way of loans against payment of a consideration in line with prevailing market rates. The Fund's entire portfolio of securities may be transferred as securities lending for an indefinite period. In this case, the Company can call in such loans at any time, it being contractually agreed that securities of the same type, quality and quantity be transferred back to the Fund within five trading days of the loans being called in. Once the loan is terminated, either because it has reached the end of its term or because it has been called in, the borrower is obliged to return securities of the same type, quality and quantity. The borrower is obliged to pay to the Custodian Bank for the account of the Fund, when due, the interest accrued on the securities received by way of a loan. In the interests of risk-spreading, when securities are transferred by way of a loan, it is stipulated that the total value of all the securities transferred to one borrower may not exceed 10 % of the value of the Fund's net assets. It is, however, a prerequisite for the transfer of securities by way of a loan that prior to the transfer of the securities the Fund should be furnished with adequate collateral. For this purpose, bank deposits may be assigned or pledged or securities assigned or pledged. These deposits must be denominated in euros or in the currency in which the units of the Fund were issued, and held with the Custodian Bank or, with its consent, in blocked accounts with other banks domiciled in a member state of the European Union, in another signatory state to the Agreement on the European Economic Area or in a non-EU state with equivalent regulatory supervision. They can also be invested in money market instruments within the meaning of section 48 InvG in the currency of the credit balance. The collateral to be furnished is to be determined on the basis of the borrower's financial circumstances. It may not, however, be less than the collateral value, which is calculated on the basis of the market value of the securities transferred by way of a loan together with the associated income, plus a standard market mark-up. The Company may also make use of an organised system for the arrangement and processing of securities loans. When arranging and processing securities loans through the organised system, the Company may waive the furnishing of collateral, since the terms and conditions of this system ensure that the interests of investors are safeguarded. Furthermore, when securities lending is processed through organised systems, the borrower limit of 10 % shall not be applied to this organised system.

Securities sale and repurchase ("repo") agreements

The Company may enter into securities sale and repurchase ("repo") transactions with credit or financial services institutions for the account of the Fund, with a maximum term of twelve months. For this purpose it may transfer to a lender both securities of the Fund within the borrowing limit, and thus obtain temporary liquidity, and also purchase securities under a repo deal within the limit for bank deposits and money market securities and thus temporarily invest liquidity. Sales and repurchase transactions are permissible only in the form of what are called genuine sale and repurchase transactions. In genuine sale and repurchase transactions, the lender takes on an obligation to retransfer the securities at a specified date or one to be specified by the repo seller. If the Fund is acting as a repo seller, the Fund bears the risk of price losses in the meantime whereas the Fund as a repo buyer, by reason of the retransfer obligation, may not be able to participate in price rises that have occurred in the meantime.

Performance

The Fund's performance so far is covered in the report from the Fund's management under the heading "Performance of DEGI GLOBAL BUSINESS". It must be noted in this context that particulars of past performance do not enable statements to be made on the Fund's future performance. Thus, the Fund's future performance may prove to be less favourable or more favourable than its performance in the past.

Stock exchanges and markets

The real estate Fund's units are not admitted to (official) trading on a stock exchange. Nor are the units traded in organised markets with the consent of the Company. As far as the Company is aware, the units are not being traded on organised exchanges: It cannot be ruled out, however, that the units are, nevertheless, traded on organised exchanges.

The market price taken as a basis for trading on the stock exchange or other markets is determined not solely by the value of the assets held in the Fund but also by supply and demand. A market price of this kind may accordingly deviate from the unit price determined.

Management and other expenses

The Company is paid an annual fee for the management of the Fund of 0.5 % of the average value of the Fund's net assets as determined at the end of each month (section 11 (1) of the "Special Terms of Contract"). The Company is entitled to charge pro rata monthly advance payments on the fee charged for the management of the Fund. The Company may at its discretion charge a lower fee.

If properties are acquired, developed, converted or sold on behalf of the Fund, the Company may claim a one-off fee amounting to 1.0 % of the consideration or building costs. The Company may at its discretion charge a lower fee.

This arrangement shall apply mutatis mutandis to the interests in property companies directly or indirectly held by the Company for the account of the Fund and their properties. The value of the property company and the value of the properties held shall be valued pro rata in proportion to the size of the interest held (section 11 (5) of the "Special Terms of Contract").

The Custodian Bank shall receive an annual fee for its services amounting to 0.05 % of the average value of the Fund, calculated from the values at the end of each month. The Custodian Bank may, at its discretion, charge a lower fee.

In addition to the aforementioned fees, the following expenses are borne by the Fund:

- ancillary costs (including taxes) incurred in connection with the acquisition, development, sale and encumbering of properties;
- costs of borrowed funds and running expenses incurred in managing properties (management, maintenance, operating and legal-action costs) including taxes,
- costs for asserting and enforcing legal claims attributable to the fund that appear justified, and for defence against claims attributable to the fund that appear unjustified;
- costs incurred in connection with the acquisition and sale of other assets;
- custody fees charged in line with normal banking practice;
- costs for the Committee of Appraisers and other appraisers;
- costs of preparing and mailing of the Annual and Semi-Annual Reports intended for investors;
- costs of the public notices of the Annual and Semi-Annual Reports, the issue and redemption prices and (if applicable) dividend distributions and the liquidation report;
- costs of the audit of the Fund by the Company's external auditors, plus the costs for announcing the tax bases, and the confirmation that the tax particulars have been determined in accordance with the provisions of German tax law;
- any taxes which may be incurred in connection with Fund management and custodian costs.

The above cost provisions and arrangements for reimbursement of expenses shall apply mutatis mutandis to the interests in property companies directly or indirectly held by the Company for the account of the Fund and their properties. The value of the property company and the value of the properties held shall be valued pro rata in proportion to the size of the interest held (section 11 (5) of the "Special Terms of Contract").

Instead of a pro rata share of the expenses corresponding to the Company's percentage interest, costs relating specifically to the Fund arising from its position as shareholder are borne by the Fund in full (section 11 (5) of the "Special Terms of Contract").

Insofar as the Company charges the Fund for its own expenses in accordance with the aforementioned paragraph, these must be calculated in a fair and reasonable manner. Such expenses shall be itemised in the Annual Reports.

Fees and reimbursements of expenses to the Company, the Custodian Bank and third parties are not subject to mandatory approval by the Federal Financial Supervisory Authority (BaFin).

Special features in connection with the acquisition of investment units

In addition to the fees for managing the Fund, the Fund may be charged a further management fee for the investment units held in the Fund.

When acquiring or redeeming investment units, the Company will currently not charge the Fund any initial or exit charges.

The Annual and Semi-Annual Reports disclose the fees that were charged to the Fund by the Company itself, another capital investment company or a company with which the Company is linked by a significant direct or indirect holding, or a foreign investment company including its management company as a management fee for the investment units held in the property fund.

Stating a total expense ratio – TER

The costs (excluding transaction costs) incurred in managing the Fund within the reporting period that are charged to the Fund are disclosed in the Annual Report and are shown as a percentage of the average value of the Fund's net assets ("total expense ratio" or TER). These are composed of the fee for managing the Fund, the Custodian Bank's fee and the expenses that can additionally be charged to the Fund (section 11 of the "Special Terms of Contract"). This does not include the costs and ancillary costs incurred in buying and selling assets ("transaction costs"). These transactions costs are also borne by the Fund.

The "Special Terms of Contract" (section 11 (2)) also sets out additional compensation for the purchase, construction/remodelling as well as the sale of properties and also for property companies. This compensation is listed separately in the Annual Report as a percentage of the average net asset value of the Fund.

Non-cash benefits (broker research, financial analyses, market and price information systems) used in the interest of investors in investment decisions may arise for the Company in connection with transactions for the account of the Fund. The investment company is not reimbursed for compensation and expense reimbursements paid by the Fund to the Custodian Bank and to third parties.

The Company may use part of the fees paid to it by the Fund for remuneration to intermediaries of units as a brokerage commission and for recurrent fees as sales follow-up commission.

Sub-fund

The property fund is not a sub-fund of an umbrella construction.

Unit classes

All units issued have equal rights. No different classes of unit are formed.

Units

The investors' rights at the time of the establishment of the fund are vested exclusively in the form of collective certificates. These collective certificates are kept in a collective securities deposit bank. Investors have no right to the delivery of individual unit certificates. The purchase of Fund units is only possible where these are kept on a custodian basis. The units are in bearer form and vest the holders' claims on the Company. The units do not convey any voting rights.

Issue of units, minimum investment amount

In principle, the number of units issued shall be unlimited. The units can be purchased from the Company. The Custodian Bank issues them at the issue price, which corresponds to the net asset value per unit (unit value).

The Company reserves the right, however, to cease issuing unit certificates temporarily or completely.

The minimum investment amount (total investment amount: amount held by any individual investor in his/her own name in one or several securities accounts) totals EUR 75,000.00 (seventy-five thousand euros). The company retains the right to make changes to this investment amount.

Unit redemptions that result in the investment amount falling below the minimum investment amount are possible, although such redemptions must be followed, at a later date, with unit purchases in an amount sufficient to bring the investment amount back up to the minimum investment amount. In the event of price fluctuations that result in the investment amount falling below the minimum investment amount, the investor is not obliged to purchase additional units to bring the investment amount back up to the minimum investment amount.

In the event that additional units are purchased at an amount below the minimum investment amount, the investor must provide written proof that he/she already complies with the minimum investment amount or that this minimum amount will be reached as a result of the additional purchases. Such proof can be provided in the form of a corresponding written confirmation from the custodian institution with respect to the amount held by the investor. Similar written certificates may also be accepted.

In the event that the investment amount falls below the minimum investment amount due to price fluctuations alone, the investor is under no obligation to bring this new investment amount back up to the minimum investment amount; this means that lower investment amounts are permissible in such cases. Should this sort of situation arise, proof must again be provided by the means specified above.

Redemption of units, period of notice

Investors may at any time ask the Company to redeem their units by submitting a redemption application. The redemption agent shall be the Custodian Bank. Units can also be redeemed through the intermediary of third parties; in this case, costs may be incurred. The Company is obliged to redeem the units for the account of the Fund at the redemption price prevailing at the time, which corresponds to the net asset value per unit less any exit charge. Particular attention is drawn to the consequences of redemption being suspended for a limited period (see page 97).

Given that this Fund was designed, as set out above, specifically for institutional investors, individuals of high net worth and asset managers, etc and given that it provides for minimum investment amounts, we would draw investors' attention to the following:

Repeated high-volume unit redemptions implemented at short notice can result in liquidity bottlenecks within the Fund. In such cases, the Company may be forced to sell properties at short notice. Given the limited fungibility of properties, the financial and time-related pressure involved in such a sale could mean that the properties in question can only be sold at a price that is lower than the amount that could normally be generated on the market as a result of a sale. There is also the risk that disposals of this nature could have a negative impact on the structure of the portfolio.

In order to avoid such disposals insofar as this is possible and to avert the need to maintain high liquidity, which would have an impact on returns, it is extremely important that the Company's fund management can plan the investment of incoming funds with an adequate degree of certainty. The ability to plan with this degree of certainty benefits the portfolio structure, the potential returns and, ultimately, each individual investor, too.

As a result, investors must inform the Company of any plans to redeem a substantial number of units in a timely manner in order to ensure effective fund management and maintain the degree of certainty required with respect to planning. Consequently, it is essential, from the Company's point of view, that investors provide the latter with advance notice of any planned unit redemptions in an amount of EUR 500,000 or more six months in advance, or twelve months in advance where such redemptions represent a value of EUR 10 m or more. Investors must submit these advance notices to the Company in written form at the very least.

Order acceptance deadline

The Company complies with the principle of equality of treatment for investors by ensuring that no investor can procure advantages by buying or selling units at unit prices already known. The Company has therefore specified a time by which the orders for issuing and redeeming units have to be submitted to the Company itself or the Custodian Bank (order acceptance deadline). The particulars of the order acceptance deadline are published on the Company's website, www.degi.com.

If units are bought or sold with the involvement of other banks, different order acceptance times may apply.

Valuation/issue and redemption prices

In order to compute unit issue and redemption prices, on each trading day the Company, under the supervision of the Custodian Bank, calculates the value of the Fund's assets less any Fund borrowings and other liabilities (net asset value). Dividing the net asset value by the number of units issued gives the net asset value per unit. Issue and redemption prices are rounded up or down in accordance with standard business practice.

No unit prices are calculated on New Year's Day, Good Friday, Easter Monday, May Day (1 May), Ascension Day, Whit Monday, Corpus Christi, the Day of German Unity, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

Specifically, the procedures are as follows:

Properties

At purchase and thereafter not longer than twelve months, properties are carried at cost; thereafter they are shown at the value most recently determined by the Committee of Appraisers. This value is established every twelve months, at the latest, for each property. The valuations are spread as evenly as possible over the year in order to avoid any bunching of re-valuations on particular dates. If circumstances occur that materially alter the value of a property, the re-valuation is brought forward if necessary. If a piece of real estate is encumbered with a heritable building right, the Committee of Appraisers must assess the value of said real estate again within two months of the creation of the encumbrance involved.

Construction work

If not included in the valuation of properties or usufructuary rights in public-sector properties, construction work is as a matter of principle stated at book values.

Interests in property companies

Interests held in property companies are carried at cost at purchase and thereafter for a period of time not longer than twelve months. Thereafter, the valuation is based on the property companies' monthly statements of assets and liabilities. At the latest, every twelve months, the value of the interest shall be determined on the basis of the most recent statement of assets and liabilities by an auditor within the meaning of section 319 of the German Commercial Code (Handelsgesetzbuch – HGB). The investment company shall then use this value on an amortised cost basis until the next valuation date. If circumstances occur that materially alter the value of an interest and that cannot be reflected through amortisation, the re-valuation is brought forward if necessary.

The properties shown in the statement of assets and liabilities are to be stated at the value determined by the Fund's Committee of Appraisers.

Liquid assets

Assets admitted to a stock exchange or traded in an organised market

Assets traded on a stock exchange or included in an organised market, plus subscription rights for the Fund, are valued at the respective market value, unless otherwise specified under "Special valuation rules".

Assets not traded on stock exchanges or organised markets, or assets without a tradable price

Assets that are neither traded on a stock exchange nor included in another organised market or for which no tradable price is available, are valued at the current market value that is reasonable given careful estimation using suitable valuation models, factoring in the current market situation, unless otherwise specified under "Special valuation rules".

Special valuation rules for individual assets

Unlisted bonds and borrower's note loans

For valuing bonds not traded on a stock exchange or an organised market (e.g. unlisted bonds, commercial papers and deposit certificates), and for valuing borrower's note loans, the prices agreed for comparable bonds and borrower's note loans and where appropriate the prices of bonds from comparable issuers with corresponding terms and interest rates shall be referred to, if necessary with a deduction to compensate for the lower saleability.

Money market instruments

For the money market instruments in the Fund, interest and interest-related income and expenses (e.g. management fee, Custodian Bank's fee, auditing costs, costs of publication, etc.) shall be factored in up to and including the day before the value date.

Derivatives

Options and futures contracts

The option rights belonging to a fund and the liabilities arising from option rights granted to a third party, which are admitted to trading on a stock exchange or included in another organised market, will be valued at the prices last established.

The same applies to receivables and liabilities arising from futures contracts sold for the account of the Fund. The margins paid by the Fund are added to the value of the Fund, factoring in the valuation gains and valuation losses established on the particular day of trading concerned.

Cash at bank, investment units and securities loans and liabilities

Bank deposits are always shown at their nominal value.

Fixed-term deposits are valued at the yield price, provided a contract to this effect has been concluded between the Company and the bank concerned, enabling the fixed-term deposit to be callable at any time and for repayment on call to be made at the yield price. It will be specified in individual cases which market interest rate will be taken as a basis for determining the yield price. The corresponding interest receivables will be additionally valued.

Receivables, e.g. accrued interest claims, and liabilities will always be shown at the nominal value.

Investment units are shown at the redemption value.

For the reimbursement claims arising from securities loan transactions, the price of the securities transferred as the loan shall be determinant.

Assets denominated in foreign currencies

Assets denominated in foreign currency are converted into euro on a same-day basis on the basis of the exchange rate for the currency in question determined by the Reuters AG 10.00 a.m. morning fixing.

Securities sale and repurchase ("repo") agreements

If securities are sold for the account of the Fund under such agreements, they will continue to be taken into account for valuation purposes. In addition, the sum received for the account of the Fund under the repo agreement will be shown under liquid assets (cash at bank). Furthermore, for valuation purposes any liability arising from repo agreements is to be shown at the amount of the discounted repayment obligations.

If securities are bought for the account of the Fund under such agreements, they will not be taken into account for valuation purposes. Because of the payment made by the Fund, for valuation purposes any claim on the party selling the securities will be taken into account to the amount of the discounted repayment claims.

Composite assets

Assets comprising different constituents must be valued in each case pro rata in accordance with the above principles.

Initial charge and exit charge

No initial charge shall be levied.

An exit charge shall be deducted from the unit value when determining the redemption price. The exit charge shall amount to 4 % of the unit value and shall be allocated to the Fund.

Notwithstanding the above, the following exit charge shall apply in accordance with the respective conditions:

Insofar as the investor can provide written confirmation, at the time of redemption, stating that he/she or a third party held the returned units during for a total period of twelve complete months to 24 complete months following issue, the exit charge shall stand at 3 % of the unit value. If the units were held for a period from 24 complete months to 36 complete months following issue, the exit charge shall stand at 2 % of the unit value. Insofar as the investor can provide written confirmation, at the time of redemption, stating that he/she or a third party held the returned units for a total period of 36 complete months following issue, no exit charge shall be levied.

Proof of adherence to these holding periods can be provided in the form of a corresponding written confirmation from the custodian institution with respect to the investor's holdings. Similar written certificates may also be accepted.

Buyers of units will not make a profit on selling their units until the capital growth exceeds the initial charge that was paid when they were bought. For this reason a fairly long investment period is recommended when buying units.

Publication of issue and redemption prices

Issue and redemption prices are available at the Company's head office and the Custodian Bank. Prices are regularly published on the Company's website at www.degi.com.

Costs of issuing and redeeming units

Units are issued and redeemed by the Company or Custodian Bank at the issue or redemption price respectively without further charge.

If units are issued or redeemed through the intermediary of third parties, additional costs may be incurred.

Suspension of redemption

The Company may temporarily suspend the redemption of units if exceptional circumstances arise which make suspension appear to be necessary, taking into account the interests of the investors (section 12 (4) of the "General Terms of Contract").

Exceptional circumstances arise, in particular, if

- an exchange on which a significant proportion of the Fund's securities are traded is closed (apart from normal weekends and public holidays) or trading is restricted or suspended;
- assets cannot be freely bought or sold;
- the proceeds of sales cannot be transferred;
- it is not possible to determine the net asset value per unit properly;
- or major assets cannot be valued.

The Company will inform investors of the suspension and resumption of the redemption of units through announcements published in the electronic Bundesanzeiger and the Company's website, www.degi.com. After resumption, investors will be paid the redemption price then prevailing.

Since the monies paid into the Fund are invested, in accordance with its investment principles, primarily in properties, the Company reserves the right, in particular, to refuse to redeem units for a limited period (section 12 (5) of the "General Terms of Contract") if it receives such a large volume of redemption requests that cash at bank and the proceeds of the sale of securities are no longer sufficient to meet the cost of redemptions and to guarantee orderly management or are not immediately available. The Company reserves the right not to redeem units at the redemption price then prevailing until it has sold appropriate assets without undue delay while still safeguarding investors' interests. The Company may refuse to redeem units for a period of three months.

If, at the end of this period, the funds invested in liquid assets are still insufficient to cover redemptions, then Fund properties will have to be sold. Pending the sale of these assets on reasonable terms, the Company may still refuse to redeem units, but for no longer than one year after the units were presented for redemption. By a declaration to the investors, which must be published in the electronic Bundesanzeiger and on the Company's website under www.degi.com, the above-mentioned one-year period can be extended by another year. At the end of this period the Company may borrow against the security of Fund properties without regard to the borrowing limit and in excess of the encumbrance limit specified in section 9 of the "General Terms of Contract" in order to procure funds to redeem the units.

The Company will inform investors of the suspension and resumption of the redemption of units through announcements published in the electronic Bundesanzeiger and the Company's website, www.degi.com. After resumption, investors will be paid the redemption price then prevailing.

Calculation of income

The Fund derives its ordinary income from property rentals received and not used to cover costs, from interests in property companies and from interest and dividends on investments in liquid assets. This income is accounted for on an accruals basis.

To this income may be added interest charged in the calculation of building costs (imputed interest income on capital tied-up in development projects (Eigengeldverzinsung)), provided it is stated as imputed interest and not the normal market interest on Fund resources applied to building projects.

Extraordinary income may arise from the sale of properties, interests in real estate companies and investments in liquid assets. For the purposes of calculating capital gains or losses on the disposal of properties and interests in property companies the sales proceeds (less the costs incurred in the sale) are set against the historic cost of the property or the interest in the real property company less any possible depreciation allowed by the tax authorities (book value).

Realised capital losses are set off against realised capital gains.

Capital gains or losses on sales of securities or the redemption of securities are calculated separately for each individual sale or each individual redemption. For this purpose the basis for the calculation of capital gains or losses is the average value of all purchases of one class of securities (the so-called average or grossing-up method).

Income equalisation procedure

The Company applies what is known as an "income equalisation procedure" for the Fund. This means that the balance from expenses and income accrued during the financial year up to the time of the purchase or sale of units, which buyers of units have to pay for as part of the issue price and sellers of units are paid as part of the redemption price, is calculated on a continuous basis and is shown on the income statement as a distributable item. The income equalisation procedure serves to protect the distributability per unit in circulation from effects of fund inflows and outflows. Each fund inflow would otherwise reduce the amount of distributable profit due to the increased number of units, with each outflow increasing the amount of distributable profit due to the reduced number of units.
This procedure thus prevents dilution of distributability per unit in the case of fund inflow and prevents excessively high distributability (capital distribution) per unit in case of fund outflow. In this context it is accepted that investors who, for example, buy units shortly before the distribution date get back that portion of the issue price accounted for by income in the form of a distribution, even though the capital they invested played no part in generating that income.

Appropriation of income

1. In principle, the Company distributes the income accruing for the account of the Fund during the financial year from the properties, interests in property companies, investments in liquid assets and other assets, after deducting the sums required to cover costs and allowing for the related income equalisation.
2. Of the income determined, sums required for future repairs and upkeep of the Fund's properties have to be retained. Sums required to offset diminutions in value of the properties may be retained.
3. Profits from sales – after allowing for the related income equalisation – may be set aside for distribution. Profits from disposal of security

classes can also be set aside for distribution if other security classes record losses.

4. Imputed interest income on capital tied up in development projects (Eigengeldverzinsung), may also be set aside for distribution within the limits of the usual market building loan interest saved thereby.
5. Interest accrued in the accounting period on liquid assets will also be set aside for distribution.
6. Distributable income may be carried forward for distribution in later financial years if the sum total of the income carried forward does not exceed 15 % of the value of the Fund's net assets at the end of the financial year in question.
7. In the interest of maintaining the real asset value of the Fund, part – and in special circumstances, all – of the income may be earmarked for reinvestment in the Fund.
8. Income is distributed annually, free of charge, directly after publication of the Annual Report.

Effect of the distribution on the unit value

Since the sum being distributed is taken from the assets of the Fund, the unit value will be reduced on distribution day (ex-div day) by the amount distributed per unit.

Crediting the distributions

If the units are being held in a securities account with the Custodian Bank, its branches will credit distributions free of charge. If the units have been deposited with other banks or savings banks, additional costs may be incurred.

Brief details of the most important tax regulations for investors

The statements on the tax regulations apply only to investors who have unlimited liability for tax in Germany. We recommend foreign investors, before they purchase any units in the Fund described in this Prospectus, to get in touch with a tax consultant and to individually clarify any possible tax-related consequences in their home country arising from the acquisition of units.

Below, we will first present the current legal situation. Since the introduction of the final withholding tax (Abgeltungssteuer) in particular will lead to significant changes, we will summarize the future situation afterwards.

As a special-purpose fund, the Fund is exempt from Corporation Tax and Trade Tax. The Fund's taxable income, however, in the case of private investors, is subject to income tax as income from capital assets, if it together with other income from capital exceeds the saver's tax-free allowance, including the flat-rate income-related expenses allowance, of EUR 801 a year (for single persons or for separately assessed married couples) or EUR 1,602 (for jointly assessed married couples).

If the Fund units are held as business assets, any income derived from them will be taxed as corporate profits. German tax legislation requires a differentiated treatment of the income constituents to determine the income subject to tax and withholding tax.

Units in private assets (taxpaying residents)

Domestic rental income and interest income and interest-related income

The positive balance from domestic rental, interest, and interest-related income and the associated expenses (particularly deduction for wear and tear or depletion) is subject to income tax for the investor. This applies irrespective of whether this income is reinvested or distributed.

Profits from the sale of domestic and foreign properties after expiry of ten years from purchase

Profits from the sale of domestic and foreign properties outside the 10-year period, achieved at the level of the Fund, are always tax-free for the investor.

Profits from the sale of domestic properties within ten years from purchase

Profits from the sale of domestic properties within the 10-year period, achieved at the level of the Fund, are always subject to tax for the investor. This applies irrespective of whether the income is reinvested or distributed.

Foreign rental income and profits from the sale of foreign properties within ten years of purchase

Foreign rental income and profits from the sale of foreign properties, where Germany has waived taxation on the basis of a double-taxation agreement (exemption method), remain tax-free; this is typically the case. If, by way of exception, the imputation method is agreed in the double-taxation agreement concerned, or no double-taxation agreement has been concluded, the taxes paid in the countries of origin may where appropriate be offset against German income tax, provided the taxes paid have not already been taken into account on the level of the Fund as income-related expenses.

Profits from the sale of securities and profits from futures

Profits from the sale of securities and profits from futures which are generated at the level of the fund must always be treated as tax-free for the investor (section 2 (3) no. 1 InvStG).

Domestic and foreign dividends (particularly from property stock corporations)

If no dividends are distributed by the (real estate) investment companies, no income will be recorded at the level of the Fund.

Domestic and foreign dividends from the (property) stock corporations that are distributed or reinvested by the Fund are subject to tax with the investor only to half their amount (the "half-income procedure").

Under certain preconditions, dividends from foreign (property) stock corporations can be fully tax-free with progression proviso as so-called intercompany dividends.

Income from interests in domestic and foreign property partnerships

Income from interests in domestic and foreign property partnerships must already be recorded for tax purposes at the end of the financial year of the partnership concerned at the level of the Fund. It must be assessed in line with general taxation principles.

Negative tax income

If, after offsetting negative income with positive income of the same type at the Fund level, the Fund's tax income is negative overall, this value will be carried forward at the level of the Fund. This can be offset at the level of the Fund against future positive tax income in subsequent years. It is not possible to directly allocate the negative tax income to the investor. This means that these negative amounts will not take effect on the investor's income tax until the assessment period (tax year) in which the Fund's financial year ends or the distribution is made for the Fund's financial year for which the negative tax income has been offset on the level of the Fund. It is not possible to make any earlier claim for the investor's income tax.

Asset payouts

Asset payouts (e.g. in the form of interest for building finance) are not subject to tax.

Capital gains at investor level

If investment units in a property fund are sold again, capital gains on their sale are basically subject to tax as income from private sales transactions. However, if units were purchased prior to 1 January 2009, the one-year speculation period still applies. If a sale is effected outside this speculation period, the capital gain is tax-free for private investors. When determining the capital gain, the purchase costs must be reduced by the interim profit on the date of purchase and the selling price reduced by the interim profit on the date of sale, to preclude the possibility of double imposition of income tax on interim profits (see below). The partial income procedure is not applied to the capital gain. If the "total capital gain achieved on private sales transactions" in the calendar year is less than EUR 600, it is tax-free (tax-free allowance). If the tax-free allowance is exceeded, the entire capital gain is subject to tax.

Units held as business assets (resident tax payers)

Domestic rental income and interest income and interest-related income

Domestic rental income, interest income as well as interest-related income are always subject to tax for business investors. This applies irrespective of whether this income is reinvested or distributed.

Foreign rental income

In the case of rental income from foreign properties, Germany will usually waive taxation (exemption by reason of a double-taxation agreement). In the case of investors who are not stock corporations, however, the "exemption with progression" rule must be borne in mind.

If, exceptionally, the imputation method is agreed in the double-taxation agreement concerned, or no double-taxation agreement has been concluded, the income taxes paid in the countries of origin may where appropriate be offset against German income tax or corporation tax, provided the taxes paid have not already been taken into account on the level of the Fund as income-related expenses.

Profits from the sale of domestic and foreign properties

Reinvested profits from the sale of domestic and foreign properties are immaterial for the investor in terms of tax, provided they are sold after the expiry of ten years after purchase. The profits will not become liable for tax until distributed, with Germany as a rule waiving the taxation of foreign profits (exemption by reason of a double-taxation agreement).

Profits from the sale of domestic and foreign properties within the ten-year period must be taken into account at the investor level for tax purposes when they are reinvested or distributed. Note that the profits from the sale of domestic properties are liable to tax in full.

In the case of profits from the sale of foreign properties, Germany will usually waive taxation (exemption by reason of a double-taxation agreement). In the case of investors who are not stock corporations, however, the "exemption with progression" rule must be borne in mind.

If, exceptionally, the imputation method is agreed in the double-taxation agreement concerned, or no double-taxation agreement has been concluded, the income taxes paid in the countries of origin may where appropriate be offset against German income tax or corporation tax, provided the taxes paid have not already been taken into account on the level of the Fund as income-related expenses.

Profits from the sale of securities and profits from futures

Profits from the sale of securities and profits from futures are immaterial for investors for tax purposes if they are reinvested. If these profits are distributed, they must be taken into account for tax purposes at investor level. Note that capital gains on the sale of stocks are fully tax-free [1] (for investors who are corporations) or half tax-free (in the case of other business investors, e.g. sole proprietorships). Capital gains from the sale of fixed-income securities and capital gains from futures, by contrast, are subject to tax in full.

Domestic and foreign dividends (particularly from property stock corporations)

Dividends from domestic and foreign property stock corporations that are distributed in respect of units as business assets or reinvested, are tax-free for corporations. For sole proprietorships, this income, as is the case with private investors, is taxable on half its amount (half-income procedure).

Under certain preconditions, dividends from foreign (real estate) investment companies can be fully tax-free [2] as intercompany dividends. For partnerships, in this case only the "exemption with progression" rule must be borne in mind.

Income from interests in domestic and foreign property partnerships

Income from interests in domestic and foreign property partnerships must already be recorded for tax purposes at the end of the financial year of the partnership concerned at the level of the Fund. It must be assessed in line with general taxation principles.

Negative tax income

If, after offsetting negative income with positive income of the same type at the Fund level, the Fund's tax income is negative overall, this value will be carried forward at the level of the Fund. This can be offset at the level of the Fund against future positive tax income in subsequent years. It is not possible to directly allocate the negative tax income to the investor. This means that these negative amounts will not take effect on the investor's income tax or corporation tax until the assessment period (tax year) in which the Fund's financial year ends or the distribution is made for the Fund's financial year for which the negative tax income has been offset on the level of the Fund. It is not

[1] 5 % of dividends are deemed to be non-tax deductible operating expenses and are therefore subject to tax.
[2] 5 % of dividends are deemed to be non-tax deductible operating expenses for corporations and are therefore subject to tax.

possible to make any earlier claim for the investor's income tax or corporation tax.

Asset payouts

Asset payouts (e.g. in the form of interest for building finance) are not subject to tax. For an investor drawing up a balance sheet, this means that the asset payouts must be included in the financial statements as credited to income, and that in the tax accounts a deferred income item must be formed and charged to expenditure, so that technically the historical purchase costs are tax-neutrally reduced.

Capital gains at investor level

Capital gains from sales of units held as business assets are tax-free for business investors, provided they involve foreign rentals not yet accrued or deemed to have not yet accrued and realised and non-realised profits of the Fund from foreign properties, insofar as Germany has waived taxation (what is called property profit).

The Company publishes the property profit on every valuation date as a percentage of the value of the investment unit.

Capital gains from the sale of units held as business assets are, moreover, tax-free for corporations [1], provided they involve dividends not yet accrued or deemed to have not yet accrued, and realised and non-realised profits of the Fund from domestic and foreign property stock corporations (fund equity profit). Sole proprietorships need to pay tax only on half of these capital gains.

The Company publishes the equity profit on every valuation date as a percentage of the investment unit.

Withholding tax on interest income

Distributed or reinvested income of the Fund will in some cases be subject to a withholding tax on interest income amounting to 30 % and the solidarity surcharge (5.5 % on the withholding tax on interest income). What is involved here is merely an advance tax payment, which can be offset against the investor's final income tax debt. It does not, however, cover the Fund's entire taxable distribution or all its reinvested income, but in particular the domestic rental income and interest income. No withholding tax on interest income is levied on domestic and foreign dividends, profits from the sale of securities and subscription rights to shares in stock corporations, profits from futures, profits from the sale of land and heritable building rights outside the 10-year period, and income for which the Federal Republic of Germany has waived its right to taxation under a double-taxation agreement.

Details of the withholdings tax on interest income corresponding to the distributed or reinvested income of the Fund can be found in the Annual Report and the announcements of the taxation bases.

The withholding tax can be waived if the private investor concerned is resident in Germany and either submits a non-assessment note or issues an exemption application, and the income portions subject to withholding tax on interest income do not exceed a total of EUR 801 in the case of separate assessment or EUR 1,602 in the case of joint assessment for married couples during the calendar year.

If the units concerned are in business assets, a waiving or reimbursement of the withholding tax on interest income and a reimbursement of the withholding tax on dividends explained below is possible only if a corresponding non-assessment note is submitted. Otherwise the investor will receive a tax certificate detailing the imputable withholding tax on interest income and the imputable withholding tax on dividends.

If the investor concerned is keeping the units of a fully or partially distributing fund in a domestic securities portfolio at the Company or another bank (portfolio case), the bank maintaining the portfolio as the place of payment will refrain from deducting the withholding tax, including the proportion applying to partial reinvestment, if before the specified distribution date an exemption application issued for a sufficient amount in accordance with an official specimen or a non-assessment note issued by the inland revenue office for a period of three years is submitted. In this case, the investor will be

[1] 5 % of the tax-free capital gain from the sale of equities are, however, deemed to be non-tax deductible operating expenses and are therefore subject to tax.

credited with the entire distribution without any deduction.

If the fund involved is a (fully) reinvesting one, the withholding tax on interest on the reinvested income of the Fund subject to withholding tax on interest, amounting to 30 %, and the solidarity surcharge, will be paid by the Fund itself. The issue and redemption prices will be correspondingly reduced by the withholding tax and the solidarity surcharge at the end of the financial year. If the units are in the custody of a domestic bank, the investor who submits to the bank maintaining his/her portfolio an exemption application for a sufficient amount or a non-assessment note before the end of the Fund's financial year will have the withholding tax and the solidarity surcharge he/she has paid credited to his/her account.

If the exemption application or the non-assessment note is not submitted in good time or at all, the investor will in any case receive a tax certificate from the custodian institution, detailing the withholding tax on interest income and the solidarity surcharge retained and paid. The investor then has an option to having the withholding tax offset against his/her tax debt within the scope of his/her income tax assessment. The same applies to the income exceeding the exemption application.

If units of distributing (including partially reinvesting) funds are not being kept in a securities portfolio, and coupons are submitted to a domestic bank (self-custody), withholding tax amounting to 35 % and the concomitant solidarity surcharge will be deducted. The investor will on request receive a tax certificate, enabling him/her to offset the withholding tax and the solidarity surcharge against his/her income tax assessment. In the case of units in (fully) reinvesting funds in self-custody, the withholding tax on interest income is 30 %. A reimbursement of the withholding tax – as with units in securities accounts – is not possible. On the contrary, the investor must attach the requisite documentary evidence when applying in his/her income tax assessment for the withholding tax on interest income and the solidarity surcharge to be offset.

Withholding tax on capital yields

Domestic dividends are subject in full in the event of distribution or reinvestment to withholding tax amounting to 20 % and the solidarity surcharge (5.5 % on the withholding tax). The investor will be immediately reimbursed with the withholding tax on capital yields, provided the units are held with the Company or another domestic bank and an exemption application for a sufficient amount or a non-assessment note is on file there. Only half of domestic dividends are in the case of private investors eligible for the exemption application (the half-income procedure). If an exemption application or a non-assessment note has not been submitted in good time, the investor can offset the withholding tax and the solidarity surcharge against his/her personal income tax debt by attaching the tax certificate from his custodian institution.

Solidarity surcharge

If distributions or reinvestments are subject to withholding tax deduction, a solidarity surcharge of 5.5 % must be levied. The solidarity surcharge can be offset against income tax.

If no withholding tax on interest income is due, or if in the case of reinvestment the withholding tax on interest income is reimbursed, e.g. in the event of a sufficient exemption application, non-assessment note or evidence of non-resident individual status, no solidarity surcharge need be paid, or it will be reimbursed.

Non-resident individuals

If a non-resident individual keeps units of fully or partially reinvesting funds in the custody of a domestic bank (portfolio case), withholding tax on interest income, including the proportion corresponding to the partial reinvestment, will be waived, provided he/she can furnish documentary evidence of his/her non-resident status. If the non-resident status is not known to the bank maintaining the portfolio or not evidenced in good time, the foreign investor will be compelled, by means of a reimbursement procedure in accordance with section 37 (2) AO (German Fiscal Code), to apply for reimbursement of the withholding tax on interest income paid. The responsible agency here is the permanent-establishment inland revenue office of the bank or investment company maintaining the portfolio. The extent to which an offset or reimbursement of capital gains tax from dividends is possible for the foreign investor will depend on the double-taxation agreement in force between the investor's country of domicile and the Federal Republic of Germany.

If a foreign investor has units of a (fully) reinvesting fund in custody at a domestic bank, he/she will be reimbursed for the withholding tax on interest income paid, at a rate of 30 %, if he/she submits documentary evidence of his/her non-resident status. If the application for reimbursement is submitted late, then, as with late submission of evidence of non-resident status for the distributing funds, reimbursement can be applied for in accordance with section 37 (2) AO (German Fiscal Code).

For substantiation of the income allocable to him/her, the investor receives on request a tax certificate providing information on the taxes paid (withholding tax/solidarity surcharge).

Foreign withholding tax

Withholding tax is sometimes levied on the Fund's foreign income in the countries of origin.

The Company can deduct the imputable withholding tax on the level of the Fund as income-related expenses. In this case, the foreign withholding tax on the investor level is neither imputable nor deductible.

If the Company does not exercise its option to deduct the foreign withholding tax on the level of the Fund, then the imputable withholding tax, on application by the investor, is deductible when determining the total income or can be offset against that part of the investor's German income or corporation tax which applies to the foreign income involved.

Separate determination, external audit

The tax bases determined at the level of the Fund must be determined separately. For this purpose, the Company must submit a determination declaration to the inland revenue office responsible. Changes to the determination declaration, e.g. on the occasion of an external audit (section 11 (3) InvStG) by the inland revenue, take effect for the financial year in which the altered determination has become non-appealable. The taxation-related accounting of this altered determination for the investor is then effected at the end of this financial year or on the date of distribution for this financial year.

Any corrections of mistakes will therefore affect the investors who hold units in the Fund at the time of the correction. The economic effects may be positive or negative.

Taxation on interim profits

Interim profits are the considerations contained in the selling or redemption price for interest collected or accumulated that have not yet been distributed or reinvested by the Fund and consequently are not yet subject to tax for the investor (roughly comparable to interest accrued from fixed-income securities). The interest and interest accrued by the Fund are subject to income tax and withholding tax on capital yields when the units are redeemed or sold by resident tax payers. The withholding tax on the interim profit amounts to 30 % in the case of units held in custody at a bank or 35 % in the case of self-custody (in each case plus 5.5 % solidarity surcharge on the capital gains tax). The tax retained is an advance payment on the income tax and must be entered in the KAP annex.

The interim profit paid when purchasing units can be deducted in the year of payment as negative income for purposes of income tax. It will also be taken into account for tax deduction, with a concomitant reduction in tax. In addition, tax deduction will not be made within the framework of an exemption application or upon submission of a non-assessment note. In this case too, non-resident individuals are generally excepted from tax deduction. When determining the interim profit, the following are ignored: Income from letting and leasing and from the valuation and sale of the properties. The interim profit is determined at every establishment of the unit value and published on every valuation date. The interim profits to be included by the investor in the KAP annex to the income tax declaration are obtained by multiplying the interim profit per unit concerned by the number of units listed in the purchase or sale statement. The interim profits can also be regularly found in the detailed statements and the income statements of the banks.

Transparent, semi-transparent and non-transparent taxation

The above-mentioned taxation principles (referred to as transparent taxation) apply only if all taxation bases in terms of section 5 (1) InvStG are disclosed (referred to as the tax disclosure obligation). This shall also apply insofar as the property fund has acquired units in other domestic or foreign investment funds (target funds within the meaning of section 10 InvStG) and these meet their tax disclosure obligations.

The Company aims to publish all tax bases accessible to it.

The requisite announcement cannot, however, be guaranteed if the property fund has purchased target funds and these do not meet their disclosure obligations. In the worst case, the distributions and the interim profit of the target fund concerned plus 70 % of the appreciation in the last calendar year of the target fund involved (but at least 6 % of the redemption price) will be shown as taxable income on the level of the property fund.

EU Savings Directive/Interest Information Ordinance

The aim of the Interest Information Ordinance (ZIV), which implements the Council Directive 2003/48/EC of 3 June 2003, Official Journal of the EU no. L 157, p. 38, is to ensure efficient cross-border taxation of interest income received by individuals within the EU. The EU has concluded agreements with a number of third countries (in particular Switzerland, Liechtenstein, the Channel Islands, Monaco and Andorra) which are roughly equivalent to the EU Savings Directive.

In principle, all interest income credited by a German bank (which acts as a paying agent in this respect) to an individual who is resident in another European country or in one of a number of third countries will be reported by the bank to the Bundesamt für Finanzen (German Federal Finance Office) and, in turn, to the financial authorities at the place of residence abroad.

In return, all interest income which a German resident receives from a foreign bank in another European country or certain third countries will be reported by the foreign bank to the German financial authorities. As an alternative, some countries levy withholding taxes, which are tax deductible in Germany.

The Directive thus affects individuals who are resident within the European Union or one of the associated third countries and who keep their deposits or accounts in anther EU country and receive interest income in that country.

Luxembourg and Switzerland, for example, have agreed to levy a withholding tax of 20 % on the interest income (35 % as of 1 July 2011). Investors will receive a confirmation with their tax documents and will be able to deduct the withholding tax from their tax debts.

As an alternative, investors may opt out of the withholding tax by authorising the foreign bank to disclose the interest income. This authorisation enables the bank to disclose the interest income to the responsible authorities instead of withholding the tax.

Under the ZIV, the Company has to disclose with regard to every domestic or foreign Fund whether it is in the scope or out of the scope of the ZIV.

The ZIV gives two important investment limits for this decision.

If receivables within the meaning of the ZIV make up 15 % of a Fund's assets at most, the paying agents, which ultimately rely on the figures provided by the Company, do not have to make reports to the Bundesamt für Finanzen (German Federal Finance Office). Once the 15 % threshold is exceeded, the paying agents will have to inform the Bundesamt für Finanzen about the share of interest income in the total distribution.

If the 40 % limit is exceeded, the share of interest income in the redemption or sales price of the Fund units must be reported. If the Fund is a distributing fund, the share of interest income in any distribution will have to be reported to the Bundesamt für Finanzen. If the Fund is a reinvesting Fund, a report will obviously only be necessary in case of the redemption or sale of the Fund units.

Merging funds

In cases involving the transfer of all a fund's assets to another fund pursuant to section 40 InvG, there will be no disclosure of hidden reserves, neither on the level of the investors nor on the level of the funds involved, i.e. this transaction is tax-neutral.

Land transfer tax

Sale of units in the Fund shall not trigger any land transfer tax.

Note:

The remarks on tax are based on the current legal situation. They are intended for persons with unlimited income tax or unlimited corporation tax liability in Germany. However, we cannot guarantee that the assessment of the tax situation will not be altered by legislation, court rulings or directives issued by the inland revenue. Details on the taxation of the Fund's income are published in the Annual Reports.

Legal and tax risks

A change in falsely announced tax bases for the fund for previous financial years (e.g. on the occasion of an external audit) may result in a correction which is detrimental to investors in terms of their tax debt, in that they may have to bear the tax burden resulting from the change for previous financial years even though they may not have held units in the relevant fund in these years. In return, it may be the case that an investor does not benefit from a correction for the current or previous financial years in which the investor held units in the fund and which would in principle be beneficial for him because he redeems or sells his units before the correction is implemented.

Moreover, taxable returns or tax advantages may be assessed in another period of assessment than that in which they occur due to such a correction, and this may have a negative effect for the individual investor.

New tax regulations

On 6 July 2007, the German Bundesrat (upper house) approved the 2008 Corporate Tax Reform Act. The new regulations include the introduction of a final withholding tax for private investors and changes in the taxation of corporate investors.

The new regulations are to enter into force on 1 January 2009 for private investors and 1 January 2008 for corporate investors. The new situation will be presented below.

The statements on the tax regulations apply only to investors who have unlimited liability for tax in Germany. We recommend foreign investors, before they purchase any units in the Fund described in this Prospectus, to get in touch with a tax consultant and to individually clarify any possible tax-related consequences in their home country arising from the acquisition of units.

As a special-purpose fund, the Fund is exempt from Corporation Tax and Trade Tax. The Fund's taxable income, however, in the case of private investors, is subject to income tax as income from capital assets, if these together with other income from capital exceeds the saver's tax-free allowance, including the flat-rate income-related expenses allowance of EUR 801 a year (for single persons or for separately assessed married couples) or EUR 1,602 (for jointly assessed married couples).

Income from capital assets will in principle be subject to a tax rate of 25 % (pus solidarity surcharge and, where appropriate, church tax). Income from capital assets also includes distributions or deemed distributions by the Fund, interim profits and gains from the purchase or sale of Fund units. Income from capital assets also includes distributions or deemed distributions by the Fund, interim profits and gains from the purchase or sale of Fund units.

The final withholding tax will in principle cover all tax debts arising from the taxation of income from capital assets of the individual investors (hence the term "final"), so investors will not have to report their income from capital assets in their income tax returns.

This does not apply if the investor's personal tax rate is below the final withholding tax rate of 25 %. In that case the income from capital assets may be reported in the income tax return. The financial authorities will use the lower personal tax rate for their calculations of the tax debt and deduct the tax already withheld from the tax debt.

Any income from capital assets which has not been taxed at the time of filing the income tax return (e.g. gains from the sale of fund units held in a securities account abroad) will have to be reported in the income tax return. This income will then be subject to either the final withholding tax rate of 25 % or the lower personal tax rate.

If the personal tax rate is above 25 %, income from capital assets will nevertheless have to be reported if investors state extraordinary charges in their tax returns. Moreover, income from capital assets may have to be disclosed if donations are stated as extraordinary expenses.

If the Fund units are held as business assets, any income derived from them will be taxed as corporate profits.

Units in private assets (taxpaying residents)

Domestic rental income, interest income plus interest-related income, foreign dividends (particularly from property stock corporations) and profits from the sale of domestic properties within ten years from purchase

Domestic rental, interest, and interest-related income, foreign dividends and profits from the sale of domestic properties within ten years from the purchase are usually subject to taxation at the investor level. This applies irrespective of whether this income is reinvested or distributed.

Distributed or reinvested domestic rental, interest, and interest-related income, foreign dividends and profits from the sale of domestic properties within ten years from the purchase of the Fund will be subject to the final withholding tax rate of 25 % (plus solidarity surcharge and church tax, if applicable) in the event of domestic custody.

No final withholding tax may be withheld if the investor is a resident and has submitted an exemption application, provided that the income portions subject to withholding tax on interest do not exceed a total of EUR 801 in the case of separate assessment or EUR 1,602 in the case of joint assessment for married couples.

The same applies if a non-assessment note is submitted or if foreign residents prove their non-resident status.

If a domestic investor is keeping the units of a fully or partially distributing fund in a domestic securities portfolio at the Company or another bank (portfolio case), the bank maintaining the portfolio as the place of payment will refrain from deducting the final withholding tax if before the specified distribution date an exemption application issued for a sufficient amount in accordance with an official specimen or a non-assessment note issued by the inland revenue office for a period of three years is submitted. In this case, the investor will be credited with the entire distribution without any deduction.

In the case of a reinvesting fund the Company will withhold the final withholding tax (25 % plus solidarity surcharge) on the taxable reinvested proportion of the fund income. The issue and redemption prices will be correspondingly reduced by the withholding tax and the solidarity surcharge at the end of the financial year. Since the Company usually does not have any information about the investors, it is impossible to withhold church tax in this case, which is why investors who are subject to church tax will have to make the relevant disclosures in their income tax returns.

If the units are in the custody of a domestic bank, the investor who submits to the bank maintaining his/her portfolio an exemption application for a sufficient amount or a non-assessment note before the end of the Fund's financial year will have the withholding tax and the solidarity surcharge he/she has paid credited to his/her account.

If the exemption application or the non-assessment note is not submitted in good time or at all, the investor will in any case receive a tax certificate from the custodian institution, detailing the withholding tax and the solidarity surcharge retained and paid. The investor can then have the tax deducted from his income tax debt.

If units of distributing funds are not being kept in a securities portfolio, and coupons are submitted to a domestic bank (self-custody), the final withholding tax of 25 % plus the concomitant solidarity surcharge will be deducted. The investor will on request receive a tax certificate, enabling him/her to offset the final withholding tax and the solidarity surcharge against his/her income tax assessment. In the case of units in reinvesting funds in self-custody, the final withholding tax is 25 % too. A reimbursement of the final withholding tax – as with units in securities accounts, particularly if the tax allowance has not been fully used or if the personal tax rate is below 25 % – is not possible. However, the investor can attach the requisite documentary evidence when applying in his/her income tax assessment for the final withholding tax and the solidarity surcharge to be offset.

Under certain preconditions, dividends from foreign (property) stock corporations can be fully tax-free as what are called intercompany dividends.

Profits from the sale of domestic and foreign properties after expiry of ten years from purchase

Profits from the sale of domestic and foreign properties outside the ten-year period, achieved at the level of the Fund, are always tax-free for the investor.

Foreign rental income and profits from the sale of foreign properties within ten years of purchase

Foreign rental income and profits from the sale of foreign properties, where Germany has waived taxation on the basis of a double-taxation agreement (exemption method), remain tax-free; this is typically the case. The amount flowing in from abroad will not affect the personal tax rate (no "exemption with progression" rule).

If, exceptionally, the imputation method is agreed in the double-taxation agreement concerned, or no double-taxation agreement has been concluded, the regulations on the treatment of profits from the sale of domestic properties within ten years of purchase apply mutatis mutandis. The taxes paid in the countries of origin may where appropriate be offset against German income tax, provided the taxes paid have not already been taken into account on the level of the Fund as income-related expenses.

Profits from the sale of securities and profits from futures

Profits from the sale of securities and profits from futures achieved at the level of the fund are not taxable at the investor level as long as they are not distributed.

If profits from the sale of securities and profits from futures are distributed, they are usually taxable and subject to the final withholding tax of 25 % (plus solidarity surcharge and, if applicable, church tax) if the units are kept in a domestic securities account. Distributed profits from the sale of securities and profits from futures are tax-exempt if the securities were bought or if the futures transaction was entered into ahead of 1 January 2009.

Domestic dividends (particularly from real estate investment companies)

If no dividends are distributed by the (real estate) investment companies, no income will be recorded at the level of the Fund.

Domestic dividends from the (real estate) investment companies that are distributed or reinvested by the Fund are subject to tax with the investor. They are subject to the tax rate of 25 % (plus solidarity surcharge and, if applicable, church tax).

Income from interests in domestic and foreign property partnerships

Income from interests in domestic and foreign property partnerships must already be recorded for tax purposes at the end of the financial year of the partnership concerned at the level of the Fund. It must be assessed in line with general taxation principles.

Negative tax income

If, after offsetting negative income with positive income of the same type at the Fund level, the Fund's tax income is negative overall, this value will be carried forward at the level of the Fund. This can be offset at the level of the Fund against future positive tax income in subsequent years. It is not possible to directly allocate the negative tax income to the investor. This means that these negative amounts will not take effect on the investor's income tax until the assessment period (tax year) in which the Fund's financial year ends or the distribution is made for the Fund's financial year for which the negative tax income has been offset on the level of the Fund. It is not possible to make any earlier claim for the investor's income tax.

Asset payouts

Asset payouts (e.g. in the form of interest for building finance) are not subject to tax.

Capital gains at investor level

If investment units in a property fund which were bought after 31 December 2008 are sold by a private investor, capital gains are subject to the final withholding tax of 25 %. If the units are kept at a domestic securities account, the custodian institution will retain the final withholding tax (plus solidarity surcharge and, if applicable, church tax). The final withholding tax (plus solidarity surcharge and, if applicable, church tax) can be avoided if the private investor submits an exemption application or a non-assessment note.

If units in a fund which were bought ahead of 1 January 2009 are sold again within one year after purchase (speculation period), capital gains are basically subject to tax as income from private sales transactions. If the "total capital gain achieved on private sales transactions" in the calendar year is less than EUR 600, it is tax-free (tax-free allowance). If the tax-free allowance is exceeded, the entire capital gain is subject to tax.

If any units purchased prior to 1 January 2009 are sold outside the speculation period, the profits will be tax-exempt for private investors.

When determining the capital gain, the purchase costs must be reduced by the interim profit on the date of purchase and the selling price reduced by the interim profit on the date of sale, to preclude the possibility of double imposition of income tax on interim profits (see below). Moreover, the selling price must be reduced by the already taxed, reinvested income in order to preclude a double imposition of income tax on these amounts.

Profits from the sale of units bought after 31 December 2008 are tax-exempt insofar as they are due to income which has been generated during the holding period of the fund, has not yet been reported at the investor level and is tax-exempt under double taxation agreements (pro-rata fund equity profits).

Non-resident individuals

If a non-resident individual keeps units of a distributing fund in the custody of a domestic bank (portfolio case) the custodian institution will refrain from deducting taxes (apart from taxes on domestic dividends) provided that the non-resident proves his non-resident status. The extent to which an offset or reimbursement of capital gains tax from domestic dividends is possible for the foreign investor will depend on the double-taxation agreement in force between the investor's country of domicile and the Federal Republic of Germany. If the non-resident status is not known to the custodian bank or not evidenced in good time, the foreign investor can apply for reimbursement of the tax paid in accordance with section 37 (2) AO (German Fiscal Code). The responsible agency here is the permanent-establishment inland revenue office of the custodian bank institution.

If a non-resident individual keeps units of reinvesting funds in the custody of a domestic bank, he will be reimbursed the final withholding tax of 25 % (apart from taxes on domestic dividends) if he can furnish documentary evidence of his/her non-resident status. If the application for reimbursement is submitted late, then, as with late submission of evidence of non-resident status for the distributing funds, reimbursement can be applied for in accordance with section 37 (2) AO (German Fiscal Code).

If the foreign investor does not keep units at domestic banks, and submits coupons for encashment at a domestic bank, the final withholding tax of 25 % will be deducted. If the units involved are from reinvesting funds in self-custody, the interest discount here will be 25 % too. The foreigner in these cases has an option to apply for reimbursement of the tax paid (apart from taxes on domestic dividends) in accordance with section 37 (2) AO at the permanent-establishment inland revenue office of the bank or the investment company.

For substantiation of the income allocable to him/her, the investor receives on request a tax certificate providing information on the taxes paid.

Church tax

Insofar as the income tax debt is met by a tax deduction made by a domestic custodian institution, the relevant church tax will be retained in addition to the tax deduction and in line with the church tax rate applicable to the religious community to which the taxpayer belongs. For this purpose the taxpayer is asked to inform the custodian institution in writing about the religious community to which he belongs. Married couples will also have to disclose which proportion of their total capital income belongs to each spouse so that the church tax can be adequately allocated, retained and paid.

The church tax will be taken into account in the tax deduction.

Taxation on interim profits

Interim profits are the considerations contained in the selling or redemption price for interest collected or accumulated that have not yet been distributed or reinvested by the Fund and consequently are not yet subject to tax for the investor (roughly comparable to interest accrued from fixed-income securities). The interest earned by the Fund and interest claims are subject to income tax when the units are redeemed or sold by resident tax payers. The tax on interim profit amounts to 25 % (plus 5.5 % solidarity surcharge and, if applicable, church tax).

The interim profit paid when purchasing units can be deducted in the year of payment as negative income for purposes of income tax. It will also be taken into account for tax deduction, with a concomitant reduction in tax.

In addition, tax deduction will not be made within the framework of an exemption application or upon submission of a non-assessment note. In this case too, non-resident individuals are generally excepted from tax deduction. The interim profit is determined at every establishment of the unit value and published on every valuation date.

The interim profits can also be regularly found in the detailed statements and the income statements of the banks.

Units held as business assets (resident tax payers)

Domestic rental income and interest income and interest-related income

Domestic rental income, interest income as well as interest-related income are always subject to tax for business investors. This applies irrespective of whether this income is reinvested or distributed.

Foreign rental income

In the case of rental income from foreign properties, Germany will usually waive taxation (exemption by reason of a double-taxation agreement). In the case of investors who are not stock corporations, however, the “exemption with progression” rule must be borne in mind.

If, exceptionally, the imputation method is agreed in the double-taxation agreement concerned, or no double-taxation agreement has been concluded, the income taxes paid in the countries of origin may where appropriate be offset against German income tax or corporation tax, provided the taxes paid have not already been taken into account on the level of the Fund as income-related expenses.

Profits from the sale of domestic and foreign properties

Reinvested profits from the sale of domestic and foreign properties are immaterial for the investor in terms of tax, provided they are sold after the expiry of ten years after purchase. The profits will not become liable for tax until distributed, with Germany as a rule waiving the taxation of foreign profits (exemption by reason of a double-taxation agreement).

Profits from the sale of domestic and foreign properties within the ten-year period must be taken into account at the investor level for tax purposes when they are reinvested or distributed. Note that the profits from the sale of domestic properties are liable to tax in full.

In the case of profits from the sale of foreign properties, Germany will usually waive taxation (exemption by reason of a double-taxation agreement). In the case of investors who are not stock corporations, however, the “exemption with progression” rule must be borne in mind.

If, exceptionally, the imputation method is agreed in the double-taxation agreement concerned, or no double-taxation agreement has been concluded, the income taxes paid in the countries of origin may where appropriate be offset against German income tax or corporation tax, provided the taxes paid have not already been taken into account on the level of the Fund as income-related expenses.

Profits from the sale of securities and profits from futures

Profits from the sale of securities and profits from futures are immaterial for investors for tax purposes if they are reinvested. If these profits are distributed, they must be taken into account for tax purposes at investor level. Note that capital gains on the sale of stocks are fully tax-free (for investors who are corporations) or tax-free to a proportion of 40 % (in the case of other business investors, e.g. sole proprietorships). Capital gains from the sale of fixed-income securities and capital gains from futures, by contrast, are subject to tax in full.

Domestic and foreign dividends (particularly from property stock corporations)

Dividends from domestic and foreign property stock corporations that are distributed to units held as business assets or reinvested, are tax-free for corporations. Sole proprietorships will have to pay tax on 60 % of this income.

Under certain preconditions, dividends from foreign (property) stock corporations can be fully tax-free as what are called intercompany dividends.
For partnerships, in this case only the “exemption with progression” rule must be borne in mind.

Income from interests in domestic and foreign property partnerships

Income from interests in domestic and foreign property partnerships must already be recorded for tax purposes at the end of the financial year of the partnership concerned at the level of the Fund. It must be assessed in line with general taxation principles.

Negative tax income

If, after offsetting negative income with positive income of the same type at the Fund level, the Fund’s tax income is negative overall, this value will be carried forward at the level of the Fund. This can be offset at the level of the Fund against future positive tax income in subsequent years. It is not possible to directly allocate the negative tax income to the investor. This means that these negative amounts will not take effect on the investor’s income tax or corporation tax until the assessment period (tax year) in which the Fund’s financial year ends or the distribution is made for the Fund’s financial year for which the negative tax income has been offset on the level of the Fund. It is not possible to make any earlier claim for the investor’s income tax or corporation tax.

Asset payouts

Asset payouts (e.g. in the form of interest for building finance) are not subject to tax. For an investor drawing up a balance sheet, this means that the asset payouts must be included in the financial statements as credited to income, and that in the tax accounts a deferred income item must be formed and charged to expenditure, so that technically the historical purchase costs are tax-neutrally reduced.

Capital gains at investor level

Capital gains from sales of units held as business assets are tax-free for business investors, provided they involve foreign rentals not yet accrued or deemed to have not yet accrued and realised and non-realised profits of the Fund from foreign properties, insofar as Germany has waived taxation (what is called property profit).

The Company publishes the property profit on every valuation date as a percentage of the value of the investment unit.

Capital gains from the sale of units held as business assets are, moreover, tax-free for corporations [1], provided they involve dividends not yet accrued or deemed to have not yet accrued, and realised and non-realised profits of the Fund from domestic and foreign property stock corporations (what is called

[1] 5 % of the tax-free capital gain from the sale of equities are, however, deemed to be non-tax deductible income-related expenses and are therefore subject to tax.

the fund equity profit). Sole proprietorships need to pay tax on 60 % of these capital gains.

The Company publishes the equity profit on every valuation date as a percentage of the investment unit.

Solidarity surcharge

If distributions or reinvestments are subject to tax deduction, a solidarity surcharge of 5.5 % must be levied. The solidarity surcharge can be offset against income tax or corporation tax.

If tax deduction is necessary or if in the case of reinvestment the tax withheld is reimbursed, e.g. in the event of a sufficient exemption application, non-assessment note or evidence of non-resident individual status, no solidarity surcharge need be paid, or it will be reimbursed.

Foreign withholding tax

Withholding tax is sometimes levied on the Fund's foreign income in the countries of origin.

The Company can deduct the imputable withholding tax on the level of the Fund as income-related expenses. In this case, the foreign withholding tax on the investor level is neither imputable nor deductible.

If the Company does not exercise its option to deduct the foreign withholding tax at the level of the Fund, then the imputable withholding tax will be taken into account in the tax deduction. On application by the investor, the imputable withholding tax is deductible for determining the total income or can be offset against that part of the investor's German income or corporation tax which applies to the foreign income involved.

Separate determination, external audit

The tax bases determined at the level of the Fund must be determined separately. For this purpose, the Company must submit a determination declaration to the inland revenue office responsible. Changes to the determination declaration, e.g. on the occasion of an external audit (section 11 (3) InvStG) by the inland revenue, take effect for the financial year in which the altered determination has become non-appealable. The taxation-related accounting of this altered determination for the investor is then effected at the end of this financial year or on the date of distribution for this financial year.

Any corrections of mistakes will therefore affect the investors who hold units in the Fund at the time of the correction. The economic effects may be positive or negative.

Transparent, semi-transparent and non-transparent taxation

The above-mentioned taxation principles (referred to as transparent taxation) apply only if all taxation bases in terms of section 5 (1) InvStG are disclosed (referred to as the tax disclosure obligation). This shall also apply insofar as the property fund has acquired units in other domestic or foreign investment funds (target funds within the meaning of section 10 InvStG) and these meet their tax disclosure obligations.

The Company aims to publish all tax bases accessible to it.

The requisite announcement cannot, however, be guaranteed if the property fund has purchased target funds and these do not meet their disclosure obligations. In the worst case, the distributions and the interim profit of the target fund concerned plus 70 % of the appreciation in the last calendar year of the target fund involved (but at least 6 % of the redemption price) will be shown as taxable income on the level of the property fund.

EU Savings Directive/Interest Information Ordinance

The aim of the Interest Information Ordinance (ZIV), which implements the Council Directive 2003/48/EC of 3 June 2003, Official Journal of the EU no. L 157, p. 38, is to ensure efficient cross-border taxation of interest income received by individuals within the EU. The EU has concluded agreements with a number of third countries (in particular Switzerland, Liechtenstein, the Channel Islands, Monaco and Andorra) which are roughly equivalent to the EU Savings Directive.

In principle, all interest income credited by a German bank (which acts as a paying agent in this respect) to an individual who is resident in another European country or in one of a number of third countries will be reported by the bank to the Bundesamt für Finanzen (German Federal Finance Office) and, in turn, to the financial authorities at the place of residence abroad.

In return, all interest income which a German resident receives from a foreign bank in another European country or certain third countries will be reported by the foreign bank to the German financial authorities. As an alternative, some countries levy withholding taxes, which are tax deductible in Germany.

The Directive thus affects individuals who are resident within the European Union or one of the associated third countries and who keep their deposits or accounts in another EU country and receive interest income in that country.

Luxembourg and Switzerland, for example, have agreed to levy a withholding tax of 20 % on the interest income (35 % as of 1 July 2011). Investors will receive a confirmation with their tax documents and will be able to deduct the withholding tax from their tax debts.

As an alternative, investors may opt out of the withholding tax by authorising the foreign bank to disclose the interest income. This authorisation enables the bank to disclose the interest income to the responsible authorities instead of withholding the tax.

Under the ZIV, the Company has to disclose with regard to every domestic or foreign Fund whether it is in the scope or out of the scope of the ZIV.

The ZIV gives two important investment limits for this decision.

If receivables within the meaning of the ZIV make up 15 % of a Fund's assets at most, the paying agents, which ultimately rely on the figures provided by the Company, do not have to make reports to the Bundesamt für Finanzen (German Federal Finance Office). Once the 15 % threshold is exceeded, the paying agents will have to inform the Bundesamt für Finanzen about the share of interest income in the total distribution.

If the 40 % limit is exceeded, the share of interest income in the redemption or sales price of the Fund units must be reported. If the Fund is a distributing fund, the share of interest income in any distribution will have to be reported to the Bundesamt für Finanzen. If the Fund is a reinvesting Fund, a report will obviously only be necessary in case of the redemption or sale of the Fund units.

Merging funds

In cases involving the transfer of all a fund's assets to another fund pursuant to section 40 InvG, there will be no disclosure of hidden reserves, neither on the level of the investors nor on the level of the funds involved, i.e. this transaction is tax-neutral.

Land transfer tax

Sale of units in the Fund shall not trigger any land transfer tax.

Note:

The remarks on tax are based on the current legal situation. They are intended for persons with unlimited income tax or unlimited corporation tax liability in Germany. However, we cannot guarantee that the assessment of the tax situation will not be altered by legislation, court rulings or directives issued by the inland revenue. Details on the taxation of the Fund's income are published in the Annual Reports.

Legal and tax risks

A change in falsely announced tax bases for the fund for previous financial years (e.g. on the occasion of an external audit) may result in a correction which is detrimental to investors in terms of their tax debt in that they may have to bear the tax burden resulting from the change for previous financial years even though they may not have held units in the relevant fund in these years. In return, it may be the case that an investor does not benefit from a correction for the current or previous financial years in which the investor held units in the fund and which would in principle be beneficial for him because he redeems or sells his units before the correction is implemented.

Moreover, taxable returns or tax advantages may be assessed in another period of assessment than that in which they occur due to such a correction, and this may have a negative effect for the individual investor.

Consultancy and operations outsourced to third parties

The Company has notified the Federal Financial Supervisory Authority (BaFin) that the operations listed below have been outsourced to another company:

– commercial and physical property management
– construction projects
– IT infrastructure for the client IT

Information on places from which the Fund's Annual and Semi-Annual Reports may be obtained; end of the financial year of the Fund; name of the external auditor which is commissioned or shall be commissioned to audit the Fund as well as its Annual Report.

1. The Annual and Semi-Annual Reports can be obtained from the Company.
2. The Fund's financial year ends on 30 June.
3. The Fund's external auditors are KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

Preconditions for winding up the Fund

Investors are not entitled to apply for the Fund to be wound up. The Company may, however, terminate management of the Fund subject to six months' notice being given by way of an announcement in the electronic Bundesanzeiger (German Federal Gazette) and in the Annual or Semi-Annual Report.

Furthermore, the Company's right to manage the Fund lapses if insolvency proceedings have been instituted against the Company's assets or if an application to institute insolvency proceedings has been rejected for insufficiency of assets. The Fund's assets do not form part of the Company's assets for insolvency purposes.

In these cases the Fund's assets shall pass to the Custodian Bank, which shall liquidate the Fund and disburse the proceeds to the investors.

The Company shall be obliged to terminate management of the Fund on the instructions of BaFin if the value of the Fund's net assets does not amount to at least EUR 150 million after four years.

Procedure for winding up the Fund

If the Fund is being wound up, this will be announced in the electronic Bundesanzeiger and at www.degi.com. The issue and redemption of units will cease. The proceeds from the disposal of the Fund's assets, less the costs still to be borne by the Fund and the costs involved in the winding-up, will be distributed among investors, whose claims to payment from the liquidation proceeds will be proportionate to their respective holdings of Fund units. The winding-up of the Fund may take quite a long time. Investors will be kept informed of the individual stages of the winding-up by way of liquidation reports which will be published on the previous report dates and will be obtainable from the Custodian Bank.

When the Fund has been wound up, investors will be informed by way of public notices in the electronic Bundesanzeiger and on the Company's website under www.degi.com of what liquidation proceeds are being paid out and when and where they may be obtained.

Unclaimed liquidation proceeds may be deposited with the local court responsible for the Company's affairs.

The provisions of the Court Deposit Order of 10 March 1937 shall apply to investors' rights.

Transferring all assets of the Fund

All assets of the Fund may be transferred to another fund at the end of the financial year. Also, at the end of the financial year of another fund, all assets of this other fund can be transferred to the DEGI GLOBAL BUSINESS fund. Another transfer date can also be selected with approval of the Federal Financial Supervisory Authority.

The other fund must likewise be managed by the Company. Its investment principles and limits, the initial charges or exit charges and the fees payable to the Company and the Custodian Bank must not deviate significantly from those of the DEGI GLOBAL BUSINESS fund.

The investment company must publish the resolution on the asset transfer on the Company's website at www.degi.com. The transfer occurs three months after publication, unless an earlier date has been specified with the consent of BaFin.

Procedure for transferring all assets of a fund

On the transfer date, the assets of the accepting and transferring funds shall be calculated, the exchange ratio specified, and the entire transaction checked by the auditors. The exchange ratio shall be determined from the ratio between the net asset values of the taken-over and accepting funds on the date of such take-over. The investor shall receive the number of units in the new fund that corresponds to the value of his/her units in the transferred fund.

The issue of the new units to investors in the transferring fund is not considered an exchange. The issued units replace the units of the transferring fund.

Transfer of all assets of a fund to another fund may be performed only with the permission of BaFin.

Other funds managed by the Company

The following retail funds that are outside the scope of this Prospectus are also managed by the Company:

DEGI EUROPA
DEGI INTERNATIONAL
DEGI GERMAN BUSINESS
ECT GPROP 1

Moreover, two special funds are managed.

Unit buyer's right of revocation pursuant to section 126 of the German Investment Act (InvG)

If the purchaser of units was induced, through verbal negotiations outside the permanent business premises of the party who sold or arranged the sale of the units, to make a declaration indicating his intent to purchase, he will be bound by this declaration only if he does not revoke it by so advising the Company in writing within a period of two weeks; the foregoing will apply even if the party selling or arranging the sale of the units has no permanent business premises.

The deadline will be deemed to have been met if the revocation was mailed within the time allowed. The revocation period begins when the copy of the application for concluding the contract is handed over to the buyer or when a contract note has been sent to the buyer containing an advisement on the right to revocation which fulfils the requirements in section 355 (2) sentence 1 of the German Civil Code. In the event of any dispute as to the beginning of the revocation period, the burden of proof shall lie with the seller. The purchaser shall have no right of revocation if the seller proves that the purchaser acquired the units within the scope of his trade or business or that he visited the purchaser for negotiations which resulted in the sale of the units by prior appointment (section 55 (1) of the German Trade Ordinance (Gewerbeordnung)).

If the right of revocation is exercised and the purchaser has already made payments, the Company is obliged to pay the buyer, if so required simultaneously against the return of the units already acquired, the costs paid and an amount corresponding to the value of the units paid for on the day following receipt of the declaration of revocation.

The right of revocation cannot be renounced.

These remarks apply mutatis mutandis to the sale of units by the investor.

Explanations regarding the amendments to the General and Special Terms of Contract as of 1 October 2008

Amendments to the "General Terms of Contract" of mutual property funds managed by DEGI Deutsche Gesellschaft für Immobilienfonds mbH and to the "Special Terms of Contract" of the DEGI GLOBAL BUSINESS property fund, effective as of 1 October 2008, and a further amendment to the "Special Terms of Contract" regarding investment policy and cost arrangements effective as of 1 April 2009.

Explanations regarding the amendments to the General and Special Terms of Contract

The Act amending the German Investment Act and other Statutes (Investmentänderungsgesetz), which serves primarily to amend the Investment Act (Investmentgesetz – InvG), came into effect on 27 December 2007. The amendments to the InvG primarily relate to the general provisions for investment companies and, in relation to property funds, the provisions for valuation and to the expansion of investment opportunities.

The investment companies are obligated to amend the General and Special Terms of Contract for the funds they manage to meet the requirements of the amended German Investment Act. At the same time, they are also provided with an option for making use of the new provisions laid down under the German Investment Act by amending their Special Terms of Contract.

We have taken the opportunity offered by the amendments to the German Investment Act to make both editorial and substantive amendments to the General Terms of Contract for property funds and the Special Terms of Contract of the DEGI GLOBAL BUSINESS property fund, bringing them into line with the new statutory arrangements and making use of the newly available options.

The General Terms of Contract for the mutual property funds managed by DEGI Deutsche Gesellschaft für Immobilienfonds mbH and the Special Terms of Contract of the DEGI GLOBAL BUSINESS property fund managed by DEGI Deutsche Gesellschaft für Immobilienfonds m.b.H, Frankfurt am Main have been amended with approval of the Federal Financial Supervisory Authority granted on 12 March 2008. These amendments will come into effect on 1 October 2008.

An additional amendment is made to the Special Terms of Contract, concerning investment policy and cost arrangements, which was also approved by BaFin on 12 March 2008, and which will come into effect on 1 April 2009.

<u>The basic changes are explained below:</u>

Editorial amendments have been made. In particular, various provisions applicable to all funds were taken out of the Special Terms of Contract and transferred to the General Terms of Contract, existing statutory stipulations were explicitly reflected in the Terms of Contract, and descriptions were adjusted. Approval of loans is now dealt with separately.

The various changes in content largely relate to the General Terms of Contract, but also affect the Special Terms of Contract:

1. The regulations regarding property valuation have changed. When property is acquired, it will no longer be valued by a committee of appraisers, but by one expert independent of the Committee of Appraisers. The Committees of Appraisers will continue to conduct an annual valuation of the property portfolio.
2. Interests in property companies in accordance with section 68 InvG will no longer be counted towards the investment limit of 49 % if the investment company holds a 100 % interest in the property company for the account of the fund. In addition, the investment limit for minority interests in property companies is raised from 20 % to 30 %. This expands the opportunities to acquire interests in property companies considerably, which is an advantage particularly for funds investing abroad. The same applies regarding the abolition of the upper limit of three properties per property company.
3. For liquidity investment, there will be an additional opportunity of acquiring equities of REIT companies or similar shares held in foreign legal persons. This will allow greater diversification of the liquidity portfolio.
4. The opportunity for interim distribution was waived, since no need for this was identified.
5. Clarification was then made that the holding period used for calculating any exit charge due relates to the total holding period since the units were issued; that is, if multiple investors held the

units sequentially, the individual holding periods added together assuming they were documented in this way.

6. Annual reports must now be published no later than four months after the end of the financial year, as opposed to the previous three.
7. Amendments to Terms of Contract can now come into effect on the day on which the amendment is published, instead of three months later, as was previously the case; for amendments to investment policy or cost arrangements, this period is now six months instead of the previous 13.
8. The amendment to the Special Terms of Contract which come into effect on 1 April 2009 concerns introduction of the opportunity for property funds to invest in property companies, which in turn invest in other property companies, also known as multi-level property companies or property holding companies.

   This expansion of permissible assets allows in particular funds which invest internationally to tap additional property markets and thus achieve greater portfolio diversification.

Due to the merger of Dresdner Bank AG with Commerzbank AG as of 11 May 2009, Dresdner Bank AG's custodian bank status for the Fund was transferred by legal succession to Commerzbank AG. Section 1 of the Special Terms of Contract is therefore to be amended for clarification purposes. The amendment is marked by underlining below. The amendment was approved in a letter from BaFin dated 2 March 2009, and takes effect at the earliest on 11 May 2009, and at the latest one day after publication.

General Terms of Contract

governing the legal relationship between investors and DEGI Deutsche Gesellschaft für Immobilienfonds mbH, Frankfurt am Main (hereinafter referred to as "the Company"), for the property funds created by the Company; these Terms of Contract apply only in conjunction with the "Special Terms of Contract" laid down for the fund in question.

Section 1 Fundamentals

1. The Company is an investment company subject to the provisions of the German Investment Act (InvG).
2. The investment company invests the monies entrusted to it in its own name for the joint account of the investors in the assets permitted under the InvG, in accordance with the principle of risk spreading, in the form of a fund, separate from the Company's own assets. The rights of the investors arising therefrom are documented by certificates issued by it (unit certificates).
3. The assets are owned by the Company.
4. In the General Terms of Contract and the Special Terms of Contract, the term "properties" includes land, heritable building rights (building leases) and rights in the form of apartment ownership or part-ownership and proprietary interests or part-interests in apartments in buildings held under building leases as well as usufruct in land.
5. The legal relationship between the investment company and the investor is governed by these Terms of Contract and the InvG.

Section 2 Custodian Bank

1. The Company shall appoint a credit institution as Custodian Bank; the Custodian Bank shall act independently of the Company and solely in the interests of the investors.
2. It shall be incumbent upon the Custodian Bank to carry out the monitoring and control duties prescribed by the InvG and these Terms of Contract.

Section 3 Committee of Appraisers

1. The Company shall appoint at least one committee of appraisers for the valuation of properties; this committee shall consist of at least three members and one alternate.
2. The appraisers must be independent, reliable and professionally qualified persons with specialised know-how as well as adequate practical experience in the type of property they are to appraise and in the respective regional property market. In regard to their financial independence, section 77 (2) sentences 3 and 4 InvG must be complied with.
3. It shall be the duty of the Committee of Appraisers to carry out the tasks assigned to it under the InvG and the Terms of Contract in accordance with rules of procedure to be issued by the Company. The Committee of Appraisers shall be charged with the specific and prompt task of valuing:
   a) the properties held in the Fund's portfolio or owned by a property company: every twelve months at least;
   b) any properties that the Company or a property company is contemplating selling.
4. Furthermore, the Committee of Appraisers shall, within two months of the creation of the heritable building right, ascertain the value of the property again.
5. A property may only be acquired for the Fund or for a property company in which the Fund directly or indirectly holds an interest if it has been valuated before by an expert within the meaning of (2) sentence 1, who is not a member of the Committee of Appraisers created by the investment company.
6. An interest in a property company may only be directly or indirectly acquired if the properties reported in the annual financial statements or in the property company's statement of assets and liabilities has been valuated before by an expert within the meaning of (2) sentence 1 who is not a member of the Committee of Appraisers created by the Company.

Section 4 Fund management

1. The Company shall acquire and manage the assets of the Fund in its own name for the joint account of the investors in accordance with careful and proper business practice. In carrying out its duties it shall act independently of the Custodian Bank and solely in the interests of investors and the integrity of the market.
2. The Company shall be entitled to use the monies entrusted to it by the investors to acquire the assets, to sell them again and to invest the proceeds elsewhere. It shall also be empowered to undertake all the other legal acts necessary for the management of the Fund's assets.
3. The Company shall decide on the sale of properties or of interests in property companies in accordance with the principles of proper business management (section 9 (1) sentence 1 InvG). Sales that follow the suspension of unit redemption pursuant to section 12 (5) shall be unaffected thereby.
4. The Company may not grant money loans or assume obligations by way of contracts of surety or guarantee for the joint account of investors, nor may it sell assets which at the time any such transaction is concluded are not owned by the Fund, as laid down in sections 47, 48 and 50 InvG. Section 51 InvG is not affected thereby. Notwithstanding sentence 1, the Company or a third party acting on its behalf may grant a loan to a property company for the account of the Fund if the Company holds a direct or indirect interest in that company for the account of the Fund. This loan must not exceed 50 % of the current market values of the properties owned by the property company concerned.

Section 5 Investment principles

1. The Company lays down in the "Special Terms of Contract",
   a) which properties may be acquired for the Fund;
   b) whether and to what extent for the account of the Fund, interests in property companies may be acquired;
   c) whether and under what conditions properties of the Fund may be encumbered with heritable building rights;
   d) whether and to what extent for the account of the Fund for hedging assets investments may be made in derivatives within the meaning of section 51 InvG. When using derivatives, the Company will comply with the German Ordinance on Risk Management and Risk Quantification in Funds (DerivateV) issued pursuant to section 51 (3) InvG.
2. The properties and interests in property companies earmarked for acquisition must lead a continuous income to be anticipated.

Section 6 Liquidity, investment and issuer limits

1. The Company must, when taking assets into the Fund, and when managing and selling them, comply with the limits and restrictions laid down in the InvG and in the Terms of Contract.
2. Unless otherwise provided in the "Special Terms of Contract", the following funds may be held within the scope of the maximum liquidity in legally permissible amounts (section 80 (1) InvG):
   a) bank deposits pursuant to section 49 InvG;
   b) money market instruments pursuant to sections 48 and 52 no. 2 InvG;
   c) securities which have been accepted by the European Central Bank or Deutsche Bundesbank as eligible as collateral for the loans referred to in Article 18.1 of the Statute of the European System of Central Banks and of the European Central Bank, or whose acceptance as such will be applied for in accordance with the terms of issue, provided such acceptance is granted within one year of their being issued;
   d) investment units as laid down in section 50 InvG or units in institutional funds as laid down in section 50 (1) sentence 2 InvG, which under their contractual conditions may invest solely in assets specified under indents a), b) and c);
   e) Securities that have been admitted to trading on an organised market within the meaning of section 2 (5) of the German Securities Trading Act (WpHG), or fixed-income securities, provided these do not exceed a total amount of 5 % of the value of the Fund's net assets; and
   f) Equities of REIT companies or similar shares held in foreign legal persons admitted to or included in one of the markets listed in section 47 (1) no. 1 and 2 InvG, if the value of these equities or shares does not exceed

an amount equal to 5 % of the value of the Fund and if they meet the criteria listed in Article 2 (1) of the Directive 2007/16/EC.

3. The part of the Fund that may be held in bank deposits is specified in the "Special Terms of Contract". The Company may invest only up to 20 % of the Fund's net assets in deposits with any one bank.
4. In individual cases, securities and money market instruments including the securities and money market instruments purchased under agreements to resell from the same issuer may be acquired above and beyond the value proportion of 5 %, up to 10 % of the Fund's net assets; the total value of the securities and money market instruments from these issuers must not exceed 40 % of the Fund's net assets.
5. With one and the same institution, only up to 20 % of the Fund's net assets may be invested in a combination of the following assets:
   – securities or money market instruments issued by this institution,
   – deposits with this institution,
   – capital charges for the counterparty risk relating to transactions in derivatives with this institution that are not admitted to trading on a stock exchange or included in another organised market.

For issuers and guarantors listed in (6), sentence 1 applies provided that a combination of the assets and amounts counted towards the limits do not exceed 35 percent of the value of the Fund. The individual upper limits in each case are not affected thereby.

6. The Company may invest in such bonds, borrower's note loans and money market instruments that have been issued or are guaranteed by the German Federal Government, a German federal state, the European Communities, a member state of the European Union or its political subdivisions, another signatory state to the Agreement on the European Economic Area, a non-EEA state or an international organisation at least one member state of which is also a member state of the European Union, in each case up to 35 % of the Fund's net assets. The Company may invest in each case up to 25 % of the Fund's net assets in mortgage bonds, municipal bonds and other bonds which have been issued by banks domiciled in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area, if the banks by reason of statutory regulations for the protection of the owners of these bonds are subject to particular public-sector regulatory supervision and the monies borrowed by issuing the bonds are invested in accordance with the statutory regulations in assets which throughout the maturity of the bonds adequately cover the resultant liabilities and which in the event of the issuer's default are earmarked primarily for the due repayments and payment of interest.
7. The limit in (6) sentence 1 may be exceeded for securities and money market instruments from the same issuer pursuant to section 62 InvG, if this is provided for in the "Special Terms of Contract" with appropriate naming of the issuers. In these cases, securities and money market instruments held on account of the Fund must originate from at least six different issues; not more than 30 % of the Fund's net assets may be held in one issue.
8. The Company must keep available each day an amount equivalent to not less than 5 % of the Fund's net assets.

Section 7 Securities lending

1. The Company may grant a securities loan borrower a securities loan for an indefinite period for the account of the Fund in exchange for the transfer of adequate collateral and for a consideration in line with prevailing market rates, provided that the market value of the securities to be transferred together with the market value of any securities already transferred to the same borrower as securities lending for the account of the Fund does not exceed 10 % of the value of the Fund's net assets.
2. If the collateral for the securities transferred is provided by the securities loan borrower in credit balances, the Company may make use of the option for investing these credit balances in money market instruments within the meaning of section 48 InvG in the currency of the credit balance concerned. The Fund is entitled to the income from collateral.
3. The Company may also make use of an organised system for the intermediation and settlement of securities loans organised by a securities clearing and deposit bank or by any other enterprise

specified in the "Special Terms of Contract", the corporate object of which is the settlement of cross-border securities operations for others even if this system does not meet the requirements of sections 54 and 55 InvG provided the conditions of this system ensure that the interests of investors are safeguarded.

Section 8 Securities sale and repurchase ("repo") transactions

1. For account of the fund, and in return for a consideration, the Company may enter into securities repurchase agreements as defined by section 340b (2) of the German Commercial Code (Handelsgesetzbuch – HGB), with banks or financial services institutions.
2. Such securities sale and repurchase transactions shall only involve securities which in line with the Terms of Contract may be acquired on behalf of the Fund.
3. The securities sale and repurchase ("repo") transactions may not have a term to maturity of more than twelve months.

Section 9 Borrowing and encumbrance of properties

1. If the "Special Terms of Contract" do not stipulate a lower percentage, the investment company may, for the joint account of the investors, assume loans up to the amount equivalent to 50 % of the market value of properties directly or indirectly contained in the Fund if the limit in section 82 (3) sentence 2 InvG is not exceeded. In addition to the foregoing, the Company may, for the joint account of the investors, take out short-term loans worth up to 10 % of the value of the Fund's net assets. In this context, amounts that the Company has received as a repo seller within the framework of a repo transaction must be offset. Money may only be borrowed if the conditions are in line with standard market practice and the Custodian Bank approves the loans.
2. The Company may encumber properties belonging to the Fund and assign and encumber claims arising from legal relationships that relate to properties (encumbrances) if this is compatible with proper business management and if the Custodian Bank consents to the encumbrances because it considers the proposed terms and conditions relating thereto to be in line with market practice. The Company may also take over encumbrances connected with the acquisition of properties. If the "Special Terms of Contract" do not stipulate a lower percentage, the respective encumbrances may not altogether exceed 50 % of the market values of all the properties owned by the Fund. Encumbrances in connection with the suspension of redemption of units in accordance with section 12 (5) and ground rents payable under heritable building rights shall not be taken into account.

Section 10 Transfer of all the Fund's assets to another fund

1. The Company may transfer all the assets of this Fund to another fund, or all assets of another fund to this Fund, if
   a) both funds are managed by the Company,
   b) the investment principles and limits in accordance with the Terms of Contract for this fund do not deviate significantly from one another,
   c) the fees payable to the Company and the Custodian Bank and the initial charges and exit charges do not deviate significantly from one another,
   d) the transfer of all assets of the fund is effected at the end of the financial year of the fund to be transferred (transfer date), the net asset values of the accepting and transferring funds are calculated on the transfer date, the exchange ratio is specified, the assets and liabilities are taken over, the entire take-over procedure is checked by the auditors, and the Federal Financial Supervisory Authority has approved the transfer of assets, with adequate attention paid to safeguarding the investors' interests. Another transfer date can also be selected with approval of the Federal Financial Supervisory Authority; section 44 (3) and (6) InvG is to be applied accordingly.
2. The exchange ratio shall be determined from the ratio between the net asset values of the taken-over and accepting funds on the date of such take-over. The company's resolution to transfer all assets of a fund to another fund is to be

published: section 43 (5) sentence 1 InvG is to be applied accordingly. The transfer may not occur until three months after publication, unless an earlier date has been specified with the consent of the Federal Financial Supervisory Authority. The new units of the taking-over fund shall be deemed as issued for the investors of the transferring fund with the beginning of the day following the transfer date.

3. (1) indent c) shall not apply to the merging of individual funds to create a single fund with different unit classes. In this case, instead of the exchange ratio pursuant to (2) sentence 1, the proportion of the unit class in the Fund shall be determined.
4. The issue of the new units to investors in the transferring fund is not considered an exchange. The issued units replace the units of the transferring fund.

Section 11 Unit certificates

1. The units are in bearer form and are issued in a denomination of one or in multiples thereof.
2. The units may have different rights, in particular regarding the appropriation of income, the initial charge, the exit charge, the currency of the unit, the management charge, the minimum investment or any combination of the aforementioned elements (classes of units). The details shall be laid down in the "Special Terms of Contract".
3. The units bear at least the handwritten or duplicated signature of the Company and the Custodian Bank. Furthermore they also bear the handwritten signature of a supervisory controller appointed by the Custodian Bank.
4. The units are transferable. With the transfer of a unit, the vested rights of it pass to the acquirer. In any case, the holder of the unit is deemed by the Company to be the rightful owner.
5. If the rights of the investors when setting up the Fund, or the rights of the investors of one unit class when the unit class concerned is introduced, are to be securitised not in a global certificate but in individual unit certificates or in multiple certificates, this shall be laid down in the "Special Terms of Contract".

Section 12 Issue and redemption of units, suspension of redemption

1. In principle, the number of issued units and of the corresponding unit certificates is unlimited. The Company, however, reserves the right to halt, temporarily or completely, the issue of units.
2. Units can be acquired from the Company, the Custodian Bank or through the intermediary of third parties.
3. Investors may demand that the Company redeem the units on any trading day unless otherwise provided in the "Special Terms of Contract". The Company shall be obligated to redeem the units for the account of the Fund at the redemption price prevailing at the time. The redemption agent shall be the Custodian Bank.
4. The Company reserves the right, however, to suspend the redemption of units if extraordinary circumstances arise which make suspension appear to be necessary, taking into account the interests of investors.
5. In particular, the Company reserves the right, for reasons related to liquidity, to refuse to redeem units for a limited period, in order to protect the investors. If cash at bank and the proceeds from sales of the money market instruments, investment units and securities held do not suffice to pay the redemption price and to ensure due and proper management, or if they are not available immediately, the Company may refuse to redeem units for a period of three months. If after this period has elapsed the liquid funds are insufficient for redemption, properties of the Fund must be sold.
   The Company may refuse to redeem units pending sales of the properties at reasonable conditions or for up to one year after submission of the units for redemption. The above-mentioned one-year period may be extended for another year. The extension is to be published in the electronic Bundesanzeiger and additionally in a daily newspaper or financial journal with a sufficiently wide circulation or in the electronic information media specified in the Prospectus. Once this period has elapsed, the Company may borrow against properties without complying with the borrowing principles and beyond the limit specified in the "Special Terms of Contract" for encumbering properties, so as to obtain the

funds for redeeming the units. When redemption of units has been resumed, the new issue and redemption prices must be published in the electronic version of the Federal Gazette and in a daily newspaper or financial journal with a sufficiently wide circulation or in the electronic information media specified in the Prospectus.

Section 13 Issue and redemption prices

1. In order to compute the issue and redemption price of the units, the value of the assets belonging to the Fund (net asset value) shall be determined in accordance with (5) and divided by the number of units in circulation (unit value). If different classes of unit are introduced for the fund, as provided for by section 11 (2) the unit value and the issue and redemption price shall be calculated separately for each class of unit. The valuation of the Fund's assets shall be carried out in accordance with the pricing principles laid down in the InvG and the ordinances enacted on this basis.
2. When setting the issue price, an initial charge may be added to the unit value to cover the costs of issuing the units. Except for the initial charge, the Company may use further amounts from the sums paid by those buying the units to cover costs only if this is provided for in the "Special Terms of Contract".
3. Subject to the addition of an exit charge, the issue price shall be the unit value computed in accordance with (1).
   If an exit charge is provided for in the "Special Terms of Contract", the Custodian Bank shall pay the investor the unit value less the exit charge and shall pay the Company the exit charge. The details shall be laid down in the "Special Terms of Contract".
4. The settlement date is at the latest one bank business day after receipt by the Company of the respective purchase or redemption orders.
5. The issue and redemption prices shall be calculated every trading day. On statutory public holidays that fall on trading days and on 24 and 31 December each year the Company and the Custodian Bank may dispense with calculating the value; details can be found in the Prospectus.

Section 14 Costs

Details are given in the "Special Terms of Contract" of the fees due to the Company, the Custodian Bank and third parties and other expenses which can be charged to the account of the Fund. In addition, for fees within the meaning of sentence 1, it must be stated in the "Special Terms of Contract" with what method, to what amount and on the basis of what calculation they are to be paid.

Section 15 Rendering of accounts

1. The Company shall publish an Annual Report, including a statement of income and expenditure, no later than four months after the end of the Fund's financial year (no later than three months of the end of the Fund's financial year is prior to 1 January 2009), in accordance with sections 44 (1), 79 (1) and (2) InvG.
2. Two months at the latest after the middle of the financial year, the Company shall publish a Semi-Annual Report pursuant to sections 44 (2), 79 (1) and (2) InvG.
3. If the right to transfer the Fund to another investment company is exercised during the course of the financial year, the Company must draw up an interim report as of the transfer key date that meets the requirements that apply to an Annual Report pursuant to sections 44 (1), 79 (1) and (2) InvG.
4. The Reports are available from the Company and the Custodian Bank, and from other agents to be specified in the Prospectus; they are also published in the electronic Bundesanzeiger (reports that deal with a financial year that ends prior to 1 January 2009 are published additionally in a daily newspaper or financial journal with a sufficiently wide circulation or in the electronic information media specified in the Prospectus.)

Sections 16 Termination and liquidation of the Fund

1. The Company can terminate the management of the Fund by giving notice of at least six months by announcing this in the electronic Bundesanzeiger and additionally in the Annual or Semi-Annual Report.

2. The Company shall be obliged to terminate management of the Fund on the instructions of the Federal Financial Supervisory Authority if the value of the Fund's net assets does not amount to at least 150 m euros after four years.
3. When the termination becomes effective, the Company's right to manage the Fund shall expire. In this case, the Fund will pass to the Custodian Bank, which must wind it up and distribute the proceeds from liquidation among the investors. For the winding-up period, the Custodian Bank may claim the fee otherwise due to the Company.
4. On the day on which its management right expires pursuant to section 38 InvG, the Company must draw up a liquidation report, meeting the requirements for an Annual Report as laid down in sections 44 (1), 79 (1) and (2) InvG.

Section 17 Amendments to the Terms of Contract

1. The Company may amend the Terms of Contract.
2. Amendments to the Terms of Contract, including the annex to the "Special Terms of Contract", with the exception of the provisions relating to expenses and the fees payable to the Company, the Custodian Bank and third parties, to be borne by the Fund (section 43 (2) sentence 1 in conjunction with section 41 (1) sentence 1 InvG), shall require the prior approval of the Federal Financial Supervisory Authority. If the amendments in accordance with sentence 1 relate to the Fund's investment principles, they shall require the prior consent of the Company's Supervisory Board.
3. All amendments envisaged will be announced in the electronic Bundesanzeiger and additionally in a daily newspaper or financial journal with a sufficiently wide circulation or in the electronic information media specified in the Prospectus with reference to the date on which they shall come into force, and shall – with the exception of the amendments covered by (4) and (5) – come into force at the earliest on the day after their announcement in the electronic Bundesanzeiger.
4. Amendments to provisions relating to the expenses and the fees payable to the Company, the Custodian Bank and to third parties (section 41 (1) sentence 1 InvG) shall come into force six months after such notification is published, unless an earlier date has been specified with the consent of the German Federal Financial Supervisory Authority. Publication shall be effected in accordance with (3).
5. Changes to the Fund's existing investment principles shall come into force six months after being announced. Publication shall be effected in accordance with (3).

Section 18 Place of performance/place of jurisdiction

1. The place of performance is the registered office of the Company.
2. If the investor has no general place of jurisdiction within Germany, the registered office of the Company is the place of jurisdiction.

Special Terms of Contract

Special Terms of Contract governing the legal relationship between the investors and DEGI Deutsche Gesellschaft für Immobilienfonds mbH, Frankfurt am Main (hereinafter referred to as "the Company"), for the property investment fund DEGI GLOBAL BUSINESS created by the Company. These "Special Terms of Contract" apply only in conjunction with the "General Terms of Contract" drawn up by the Company for property investment funds.

CUSTODIAN BANK

Section 1 Custodian Bank

The Custodian Bank for the Fund is Commerzbank AG [1], with its registered office in Frankfurt am Main; Germany.

INVESTMENT PRINCIPLES AND INVESTMENT LIMITS

Section 2 Properties

1. Within the statutorily permissible limits (section 67 (1) and (2) InvG), the Company may acquire the following properties on behalf of the Fund:
   a) residential properties for letting, commercial properties and mixed-use properties;
   b) land under development – up to 20 % of the Fund's net assets;
   c) undeveloped land intended and suitable for development in accordance with indent a) immediately; up to 20 % of the Fund's net assets;
   d) heritable building rights, subject to the conditions of indents a) to c);
   e) other land and other heritable building rights as well as rights in the form of apartment ownership or part-ownership and proprietary interests or part-interests in apartments in buildings held under building leases; up to 15 % of the Fund's net assets;
   f) usufruct in public-sector properties in accordance with indent a); up to10 % of the Fund's net assets.
2. The Company may acquire assets within the meaning of (1) outside a signatory state to the Agreement on the European Economic Area if the statutory conditions of section 67 (3) InvG are met. An Annex forming a component part of these "Special Terms of Contract" shall specify the state in question and the maximum percentage of the value of the Fund's net assets that may be invested in this state.
3. In calculating the value of the Fund's net assets for the statutory and contractual investment limits pursuant to (1), indents b), c), e) and f), and (2), loans raised shall be ignored.
4. In selecting properties, the Company shall seek to achieve an international and regional distribution appropriate to the size of the Fund and a mix of commercial properties and mixed-use properties of various sizes insofar as it deems this to be in the interest of the investors. Residential properties for letting may also be acquired.
5. The Company may exceed the limits pursuant to (2) specified in the Annex in the first four years after the Fund launch date.

Section 3 Interests in property companies (effective from 1 October 2008 until 31 March 2009)

1. Within the statutorily permissible limits (section 68 to section 72 InvG) the Company may acquire interests in property companies the corporate object of which is restricted in their memorandum and articles of association or by-laws to activities in which the Company is allowed to engage in on behalf of the Fund. The real estate company may, in accordance with its memorandum of association or by-laws, acquire assets only within the meaning of section 2 (1) and (2), and the means necessary for management of the assets. The interests in property companies shall be taken into account for the purposes of the investment restrictions pursuant to section 2 (1) and (2) and when calculating the statutory limits applying thereto.

[1] Due to the merger of Dresdner Bank AG with Commerzbank AG as of 11 May 2009, Dresdner Bank AG's custodian bank status for the Fund was transferred by legal succession to Commerzbank AG. Section 1 of the Special Terms of Contract is therefore to be amended for clarification purposes. The amendment is marked by underlining below. The amendment was approved in a letter from BaFin dated 2 March 2009, and takes effect at the earliest on 11 May 2009, and at the latest one day after publication.

2. If a property company is granted a loan in accordance with section 4 (4) sentence 3 of the "General Terms of Contract", the Company shall ensure that
   a) the terms of the loans are in line with prevailing market rates,
   b) the loan is adequately collateralised,
   c) In the event of interests being sold, it is agreed that the loan shall be repaid within six months of the sale;
   d) the sum total of all the loans granted to one property company for the account of the Fund does not exceed 50 % of the value of the properties held by that property company;
   e) the sum total of all the loans granted to the property companies for the account of the Fund does not exceed 25 % of the value of the Fund's net assets. In calculating the limit, the loans raised shall not be deducted.

Section 3 Interests in property companies (effective from 1 April 2009)

1. Within the statutorily permissible limits (section 68 to section 72 InvG) the Company may acquire interests in property companies the corporate object of which is restricted in their memorandum and articles of association or by-laws to activities in which the Company is allowed to engage in on behalf of the Fund. The property company may, in accordance with its articles of association or by-laws, acquire assets only within the meaning of section 2 (1) and (2), and assets necessary for the management of the assets <u>or interests in other property companies</u>. The interests in property companies shall be taken into account for the purposes of the investment restrictions pursuant to section 2 (1) and (2) and when calculating the statutory limits applying thereto.
2. If a property company is granted a loan in accordance with section 4 (4) sentence 3 of the "General Terms of Contract", the Company shall ensure that
   a) the terms of the loans are in line with prevailing market rates,
   b) the loan is adequately collateralised,
   c) In the event of interests being sold, it is agreed that the loan shall be repaid within six months of the sale;
   d) the sum total of all the loans granted to one property company for the account of the Fund does not exceed 50 % of the value of the properties held by that property company;
   e) the sum total of all the loans granted to the property companies for the account of the Fund does not exceed 25 % of the value of the Fund's net assets. In calculating the limit, the loans raised shall not be deducted.

Section 4 Encumbrance with a heritable building right

1. The Company may encumber fund properties within the meaning of section 2 (1) indents a), b), c) and e) with heritable building rights, <u>if the value of the property to be encumbered with a heritable building right, together with the value of the properties already so encumbered does not exceed 10 % of the value of the Fund. In calculating the value of the Fund, the loans taken out shall be ignored.</u>
2. These encumbrances may be created only if unforeseeable circumstances prevent the property from being used as originally intended, if economic disadvantages for the Fund are thereby avoided or if these encumbrances allow the property to be used in an economically viable manner.

Section 5 Maximum liquidity

1. Up to 49 % of the Fund's net assets may be held in investments <u>in accordance with section 6 (2) of the "General Terms of Contract" (maximum liquidity). When calculating this limit, the following monies must be deducted:</u>
   – the monies required for assuring due and proper management;
   – the monies required for the next distribution;
   – funds needed to meet liabilities under legally effective property purchase contracts, under loan agreements that become necessary for forthcoming investments in particular <u>properties</u> and for particular construction measures and under building contracts insofar as the liabilities fall due in the following two years. Investment in investment units in accordance with section 6 no. 2 (d) of the "General Terms of Contract" is limited to 10 % of the value of the Fund.

2. The Fund's assets in accordance with (1) may also be denominated in foreign currency.

Section 6 Foreign exchange risk

The assets held on behalf of the Fund may be subject to a foreign exchange risk only insofar as the value of the assets subject to such a risk does not exceed 30 % of the Fund's net assets.

Section 7 Derivatives for hedging purposes

1. The Company can, within the framework of managing the Fund, use derivatives. It may – in accordance with the nature and extent of the derivatives used – employ either the simple or the qualified approach within the meaning of the German Derivatives Ordinance (DerivateV) for determining the degree of utilisation of the market risk upper limit for the use of derivatives specified in section 51 (2) InvG. Details can be found in the Prospectus.
2. If the Company employs the simple approach, it may invest only in derivatives that are derived from assets that may be purchased in accordance with section 6 (2) indents b) to f) of the "General Terms of Contract" and properties that may be purchased in accordance with section 2 (1). In this context, it shall restrict itself, in conformity with section 6 (2) of the DerivateV, to using solely the following basic forms of derivatives or combinations of these derivatives or combinations of assets that may be acquired for the Fund, with these derivatives in the Fund:
   a) futures contracts on assets in accordance with section 6 (2) indents b) to f) of the "General Terms of Contract" and on properties in accordance with section 2 (1), interest rates, exchange rates or currencies;
   b) options or warrants on assets in accordance with section 6 (2) indents b) to f) of the "General Terms of Contract" and on properties in accordance with section 2 (1), interest rates, exchange rates or currencies and on futures contracts pursuant to indent a), if they exhibit the following characteristics:
      aa) exercise is possible either during the entire term or at the end of the term, and
      bb) the option value depends at the time of exercise linearly on the positive or negative difference between the strike price and the market price of the underlying and becomes zero if the difference has the other sign;
   c) interest rate swaps, foreign-exchange swaps or cross-currency swaps;
   d) options on swaps pursuant to indent c), provided they exhibit the characteristics described in indent b) under indents aa) and bb) (swaptions);
   e) credit default swaps on assets in accordance with section 6 (2) indents b) to f) of the "General Terms of Contract" and on properties in accordance with section 2 (1), provided they serve solely and verifiably to hedge the credit risk of precisely allocatable assets of the Fund;

   Note that the Fund's capital charge in accordance with section 16 DerivateV for the interest-rate and share-price risk may at no time exceed twice the Fund's net assets.
3. Futures contracts, options or warrants on investment units in accordance with section 6 (2) indent d) of the "General Terms of Contract" must not be concluded.
4. If the Company utilises the qualified approach, it may – subject to a suitable risk management system – invest in any derivatives that are derived from assets that may be purchased in accordance with section 6 (2) indents b) to f) of the "General Terms of Contract" and properties that may be purchased in accordance with section 2 (1), or from interest rates, exchange rates or currencies. These shall in particular include options, financial futures contracts and swaps, and combinations thereof. Note that the potential risk amount allocable to the Fund for the market risk may at no time exceed twice the potential risk amount for the market risk of the associated composition assets in accordance with section 9 of the DerivateV.
5. Under no circumstances may the Company in these transactions deviate from the investment principles and limits laid down in the "General and Special Terms of Contract".
6. The Company will use derivatives only for purposes of hedging.
7. When determining the market risk limit for using derivatives, the Company may, in accordance

with section 7 of the DerivateV, change over at any time from the simple to the qualified approach. The change-over to the qualified approach does not require the approval of the Federal Financial Supervisory Authority, but the Company must report such a change immediately to the Federal Financial Supervisory Authority and announce it in the next Semi-Annual or Annual Report.

Section 8 Securities loans and securities sale and repurchase ("repo") agreements

Sections 7 and 8 of the "General Terms of Contract" must be complied with for investment principles and investment limits.

UNIT CLASSES

Section 9 Unit classes

All units shall have equal rights; different classes of shares, as permitted by section 11 (2) of the "General Terms of Contract," shall not be created.

ISSUE PRICE, REDEMPTION PRICE, REDEMPTION OF UNITS AND COSTS

Section 10 Issue and redemption prices

1. No initial charge shall be levied.
2. The exit charge shall amount to 4 % of the unit value. It shall be levied as follows:
   Insofar as the investor can provide written confirmation, at the time of redemption, stating that he/she or a third party held the returned units during for a total period of twelve complete months to 24 complete months following issue, the exit charge shall stand at 3 % of the unit value. If the units were held for a period from 24 complete months to 36 complete months following issue, the exit charge shall stand at 2 % of the unit value.
   Insofar as the investor can provide written confirmation, at the time of redemption, stating that he/she or a third party held the returned units for a total minimum period of 36 complete months following issue, no exit charge shall be levied. Details can be found in the Prospectus and shall be allocated to the Fund.

Section 11 Costs effective from 1 October 2008 until 31 March 2009[1)]

1. The Company is paid an annual fee for the management of the Fund of 0.5 % of the average value of the Fund's net assets as determined from the values at the end of each month. The Company is entitled to charge pro rata monthly advance payments on the fee charged for the management of the Fund. The Company may at its discretion charge a lower fee.
2. If properties are acquired, developed, converted or sold on behalf of the Fund, the Company may claim a one-off fee amounting to 1 % of the consideration or building costs in each case. The Company may at its discretion charge a lower fee.
3. The Custodian Bank shall receive an annual fee for its services amounting to 0.05 % of the average value of the Fund, calculated from the values at the end of each month. The Company is entitled to charge pro rata monthly advance payments on the fee charged for the management of the Fund. The Custodian Bank may, at its discretion, charge a lower fee.
4. In addition to the aforementioned fees, the following expenses are borne by the Fund:
   a) ancillary costs (including taxes) incurred in connection with the acquisition, development, sale and encumbering of properties;
   b) costs of borrowed funds and running expenses incurred in managing properties (management, maintenance, operating and legal-action costs);
   c) costs for asserting and enforcing legal claims attributable to the fund that appear justified, and for defence against claims attributable to the fund that appear unjustified;
   d) costs incurred in connection with the acquisition and sale of other assets;
   e) custody fees charged in line with normal banking practice;
   f) cost of the Committee of Appraisers and other experts;
   g) costs of preparing and mailing of the Annual and Semi-Annual Reports intended for investors;

1) This provision is not subject to approval by the Federal Financial Supervisory Authority (BaFin).

h) costs of the public notices of the Annual and Semi-Annual Reports, the issue and redemption prices and (if applicable) dividend distributions and the liquidation report;
i) costs of the audit of the Fund by the Company's external auditors, plus the costs for announcing the tax bases, and the confirmation that the tax particulars have been determined in accordance with the provisions of German tax law;
j) any taxes which may be incurred in connection with fund management and custodian costs.

5. The provisions of (2) and (4) shall apply mutatis mutandis to the property companies held by the Company for the account of the Fund and their properties. For these purposes, the value of any such property company and the properties held shall be applied pro rata, on the basis of the percentage interest held by the Company. Notwithstanding the foregoing, expenses listed under (4) that are incurred in the case of the property company due to special requirements of the InvG shall be borne by the Fund in full, and not on a pro rata basis.
6. The Company must in the Annual and Semi-Annual Reports disclose the amount of the initial charges and exit charges that have been charged to the Fund in the period under review for the purchase and redemption of units within the meaning of section 50 InvG. When purchasing units that are managed directly or indirectly by the Company itself or another company to which the Company is linked by a significant direct or indirect holding, the Company or the other company may not levy any initial charges and exit charges for purchase and redemption.
7. In the Annual and Semi-Annual Reports, the Company must disclose the fees that have been charged to the Fund by the Company itself, another investment company, an investment stock corporation or a another company with which the Company is linked by a significant direct or indirect holding, or a foreign investment company including its management company as a management fee for the investment units held in the Fund.
8. Insofar as the Company charges the Fund for its own expenses in accordance with (4), these shall be calculated in a fair and reasonable manner. Such expenses shall be itemised in the Annual Reports.

Section 11 Costs effective from 1 April 2009 [1)]

1. The Company is paid an annual fee for the management of the Fund of 0.5 % of the average value of the Fund's net assets as determined from the values at the end of each month. The Company is entitled to charge pro rata monthly advance payments on the fee charged for the management of the Fund. The Company may at its discretion charge a lower fee.
2. If properties are acquired, developed, converted or sold on behalf of the Fund, the Company may claim a one-off fee amounting to 1 % of the consideration or building costs in each case. The Company may, at its discretion, charge a lower fee.
3. The Custodian Bank shall receive an annual fee for its services amounting to 0.05 % of the average value of the Fund, calculated from the values at the end of each month. The Company is entitled to charge pro rata monthly advance payments on the fee charged for the management of the Fund. The Custodian Bank may, at its discretion, charge a lower fee.
4. In addition to the aforementioned fees, the following expenses are borne by the Fund:
   a) ancillary costs (including taxes) incurred in connection with the acquisition, development, sale and encumbering of properties;
   b) costs of borrowed funds and running expenses incurred in managing properties (management, maintenance, operating and legal-action costs);
   c) costs for asserting and enforcing legal claims attributable to the fund that appear justified, and for defence against claims attributable to the fund that appear unjustified;
   d) costs incurred in connection with the acquisition and sale of other assets;
   e) custody fees charged in line with normal banking practice;
   f) cost of the Committee of Appraisers and other experts;

[1)] This provision is not subject to approval by the Federal Financial Supervisory Authority (BaFin).

g) costs of preparing and mailing of the Annual and Semi-Annual Reports intended for investors;
h) costs of the public notices of the Annual and Semi-Annual Reports, the issue and redemption prices and (if applicable) dividend distributions and the liquidation report;
i) costs of the audit of the Fund by the Company's external auditors, plus the costs for announcing the tax bases, and the confirmation that the tax particulars have been determined in accordance with the provisions of German tax law;
j) any taxes which may be incurred in connection with fund management and custodian costs.

5. The provisions of (2) and (4) shall apply mutatis mutandis to the direct or indirect interests in property companies held by the Company for the account of the Fund and their properties. For these purposes, the value of any such property company and the properties held shall be applied pro rata, on the basis of the percentage interest held by the Company. Notwithstanding the foregoing, expenses listed under (4) that are incurred in the case of the property company due to special requirements of the InvG shall be borne by the Fund in full, and not on a pro rata basis.
6. The Company must in the Annual and Semi-Annual Reports disclose the amount of the initial charges and exit charges that have been charged to the Fund in the period under review for the purchase and redemption of units within the meaning of section 50 InvG. When purchasing units that are managed directly or indirectly by the Company itself or another company to which the Company is linked by a significant direct or indirect holding, the Company or the other company may not levy any initial charges and exit charges for purchase and redemption.
7. In the Annual and Semi-Annual Reports, the Company must disclose the fees that have been charged to the Fund by the Company itself, another investment company, an investment stock corporation or a another company with which the Company is linked by a significant direct or indirect holding, or a foreign investment company including its management company as a management fee for the investment units held in the Fund.
8. Insofar as the Company charges the Fund for its own expenses in accordance with (4) and (5) these shall be calculated in a fair and reasonable manner. Such expenses shall be itemised in the Annual Reports.

APPROPRIATION OF INCOME AND FINANCIAL YEAR

Section 12 Distribution

1. In principle, the Company shall distribute the income accruing for the account of the Fund from the properties and other assets during the financial year after deducting the sums required to cover costs and allowing for the related income equalisation.
2. Of the income determined in accordance with (1), sums required for the future repair and upkeep of the Fund's properties shall be retained. Sums required to offset diminutions in value of the properties may be retained.
3. Profits from disposals – after allowing for the related income equalisation – and imputed interest income on capital tied-up in development projects (Eigengeldverzinsung) if this interest is within the limits of the usual market building loan interest saved thereby may also be set aside for distribution.
4. Distributable income in accordance with (1) to (3) may be carried forward for distribution in later financial years if the sum total of the income carried forward does not exceed 15 % of the value of the Fund's net assets at the end of the financial year in question. Income from abridged financial years may be carried forward in full.
5. In the interest of maintaining the real asset value of the Fund, part – and in special circumstances all – of the income may be earmarked for re-investment in the Fund.
6. The distribution according to (1) takes place annually immediately after the release of the Annual Report; it is made at the places of payment named in the distribution announcements.

Section 13 Financial year

The Fund's financial year begins on 1 July and ends on 30 June.

ANNEX

List of countries outside the EEA pursuant to section 2 (2), in which, following prior verification of the acquisition conditions by the Company, property may be acquired on behalf of the DEGI GLOBAL BUSINESS property fund.

Country	Acquisitions up to % of the Fund's assets
Europe	
Croatia	50 %
Monaco	50 %
Switzerland	50 %
Russian Federation	50 %
Turkey	50 %
Ukraine	50 %
North America	
Canada	95 %
United States of America	95 %
Central and South America	
Argentina	50 %
Brazil	50 %
Chile	50 %
Mexico	50 %
Asia	
China	95 %
Hong Kong	50 %
India	95 %
Japan	95 %
Saudi Arabia	50 %
Singapore	50 %
South Korea	50 %
Thailand	50 %
United Arab Emirates	50 %
Vietnam	50 %
Australasia	
Australia	50 %
New Zealand	50 %
Africa	
South Africa	50 %
Tunisia	50 %

Corporate governance and code of conduct issued by the Bundesverband Investment und Asset Management e.V. (BVI)

BVI (Bundesverband Investment und Asset Management e. V.), the leading association of the German investment fund industry, in cooperation with its members formulated the BVI Code of Conduct for the protection of fund investors, based on the principles of corporate governance. This voluntary initiative exceeds the parameters of the legal provisions, which themselves are very strict, it can be viewed at www.bvi.de.

DEGI Deutsche Gesellschaft für Immobilienfonds mbH (DEGI) is systematically implementing the BVI Code of Conduct for the funds it manages and monitors internal compliance on an ongoing basis. We would like to point out that, in the context of implementing the Code of Conduct, DEGI also consults external specialists (including lawyers, tax advisors, real estate analysts, etc.) regarding the management of its funds.

The auditors concluded that DEGI's written set of rules is appropriate to provide standards for the underlying funds, in order to preserve and promote the interests of the investors. The assessment did not lead to any reservations. The regulatory catalogue (an overview of the documents DEGI considers necessary to implement the BVI Code of Conduct) is available for viewing at www.degi.com.

Corporate bodies and capital resources

The investment company

DEGI Deutsche Gesellschaft
für Immobilienfonds mbH
Bettinastrasse 53–55
60325 Frankfurt am Main
Germany
Tel. +49 (0)69 768072-100
Fax +49 (0)69 768072-499

Commercial register: HRB 12759
Frankfurt am Main Local Court

Client hotline: +49 (0)69 768072-100
E-mail: info@degi.com
Internet: www.degi.com

Authorised and paid-up capital
as of 30 September 2008:
EUR 10,300,000.00

Capital resources
as of 30 September 2008:
EUR 21,989,207.86
(Share capital and reserves)

Founded: 23 October 1972

Shareholders

until 28 August 2008
Aberdeen Property Investors Holding AB,
Stockholm (94 %)
Platin 230. GmbH & Co. Verwaltungs KG,
Frankfurt am Main (6 %)

since 29 August 2008
Aberdeen Property Investors Holding GmbH,
Frankfurt am Main (94 %)
Platin 230. GmbH & Co. Verwaltungs KG,
Frankfurt am Main (6 %)

Custodian bank [1]

Commerzbank AG
Kaiserplatz
60311 Frankfurt am Main

Authorised and paid-up capital
as of 31 December 2008:
EUR 10,078.6 m

Capital resources
as of 31 December 2008:
EUR 27,335.8 m

DEGI Supervisory Board

Rickard Backlund
Chairman
CEO of Aberdeen Property Investors Holding AB,
Stockholm

Dr. Lars Otterbeck
Real Estate Advisor,
Stockholm

Malin af Petersens
Member of the Board of
Aberdeen Property Investors Holding AB,
Stockholm

DEGI Management Board

Bärbel Schomberg
Speaker of the Management Board
Member of the Supervisory Board of
WISTA-Management GmbH

Michael Determann
Member of the Committee of Appraisers of Pfungstädter
Brauerei Hildebrand GmbH & Co. KG

Malcolm R. Morgan

Silvia Schmitten-Walgenbach (until 19 March 2009)

Roger Welz

Auditor

KPMG AG
Wirtschaftsprüfungsgesellschaft,
Frankfurt am Main

[1] Dresdner Bank AG served as custodian bank for DEGI GLOBAL BUSINESS until 11 May 2009. As a result of the acquisition of Dresdner Bank by Commerzbank AG and the subsequent merger, Commerzbank AG entered into the custodian banking contracts with DEGI with effect from 11 May 2009.

Committees of Appraisers

Dr. Andreas C. Groh
(until 30 September 2008)

Officially appointed and sworn expert for the valuation of developed and undeveloped land, Munich

Dipl.-Ing. Peter Hihn
(until 30 September 2008)

Officially appointed and sworn expert for the valuation of developed and undeveloped land, rent for land and buildings, Stuttgart

Dipl.-Ing. Martin v. Rönne
(until 30 September 2008)

Officially appointed and sworn expert for the valuation of land and the calculation of rental values, Hamburg

Dipl.-Ing. Jürgen Rath (until 30 September 2008, reappointed as of 1 October 2008)
Committee A

Chartered Surveyor

Chairman

Officially appointed and sworn expert for the valuation of developed and undeveloped land, Frankfurt am Main

Dipl.-SV Reinhard Möller
(as of 1 October 2008)
Committee A

Officially appointed and sworn expert for the valuation of developed and undeveloped land, Munich

Dr.-Ing. Hendrik Rabbel
(as of 1 October 2008)
Committee A

Officially appointed and sworn expert for the valuation of developed and undeveloped land, Braunschweig

Dipl.-Ing. Armin Brett (until 30 September 2008, reappointed as of 1 October 2008)
Committee B

Chartered Surveyor

Chairman

Officially appointed and sworn expert for the valuation of developed and undeveloped land, rent for land and buildings, Stuttgart

Dipl.-Immobilienökonom Andreas Mohr MRICS
(as of 1 October 2008)
Committee B

Chartered Surveyor

Officially appointed and sworn expert for the valuation of developed and undeveloped land, Oberstenfeld

Dipl.-Kff., Dipl.-SV Anke Stoll MRICS
(as of 1 October 2008)
Committee B

Chartered Surveyor

Officially appointed and sworn expert for the valuation of land and the calculation of rental values, Hamburg

Dipl.-Ing. Jens Faupel (until 30 September 2008, reappointed as of 1 October 2008)
Committee C

Chairman

Officially appointed and sworn expert for the valuation of land and the calculation of rental values, Hamburg

Dipl.-Ing. Thomas Kraft MBA
(as of 1 October 2008)
Committee C

Officially appointed and sworn expert for the valuation of developed and undeveloped land, Stuttgart

Dipl.-Ing. Michael Schlarb (until 30 September 2008, reappointed as of 1 October 2008)
Committee C

Chartered Surveyor

Officially appointed and sworn expert for the valuation of developed and undeveloped land, Essen

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DEGI

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