

UBS (D) 3 Sector Real Estate Europe Semi-Annual Report

Please pay attention, that UBS Real Estate Kapitalanlagegesellschaft mbH resigns the administration of the open-ended real estate fund UBS (D) 3 Sector Real Estate Europe with effect of September 5, 2015. In addition the company irrevocably suspends the issuing and quits finally the distribution and redemption of shares with immediate effect. That means, that incoming buy and selling orders wont be executed anymore. Further information, in particular on the process of the semiannual payments to the investors, you find on the web site www.ubs.com/immobilienfonds-deutschland.

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Key Figures *at a Glance*

This translation of the Semi-Annual Report is a convenience translation. Only the German language version of the Semi-Annual Report shall have legal effect. In case of discrepancies between the German and the English text, the German text shall prevail.

Notice:

For technical reasons, rounding differences as against the mathematically exact figures (monetary units, percentages, etc.) may occur in tables and references.

UBS (D) 3 Sector Real Estate Europe	As of October 31, 2011
International Securities Identification Number (ISIN)	DE0009772681
German Securities Identification Number (WKN)	977 268
Launch date	October 13, 2003

Key figures as of reporting date

Fund assets (net)	EUR 351.8 million
Total real estate assets (total market values)	EUR 544.0 million
of which directly held	EUR 432.1 million
of which held via real estate companies ¹	EUR 111.9 million
Total Fund properties	25
of which directly held	22
of which held via real estate companies	3
Total floor space ²	305,384 m ²
Leasing rate as of reporting date	89.0 %

Changes in period under review

Net inflow / outflow of funds	EUR 0.0 million
Distribution on	September 1, 2011
Distribution per unit	EUR 0.15
BVI return ³ from May 1, 2011, to October 31, 2011	-0.4 %
BVI return ³ since launch on October 13, 2003	29.0 %
Unit value	EUR 10.14
Bid price incl. 3 % discount	EUR 9.84
Offer price incl. 5 % premium	EUR 10.65

¹ Where the equity interests in real estate companies are less than 100%, the market values are included pro rata in line with the percentage interest held.

² The total floor space includes the pro rata space held via real estate companies.

³ Calculated according to the documentation from the Bundesverband Investment und Asset Management e.V. (BVI). Calculation based on investment, final valuation, and reinvestment of income at the unit value.

Table of Contents

	Page
Key Figures at a Glance	3
Fund Management Report	6
Overview Leasing	14
Condensed Statement of Assets and Liabilities	17
Statement of Assets and Liabilities Part I: Schedule of Properties and Leasing Information	18
Statement of Assets and Liabilities Part II: Liquid Assets	30
Statement of Assets and Liabilities Part III: Other Assets, Liabilities and Provisions, Additional Disclosures	31
Schedule of Property Purchases and Sales	33
Notes to the Statement of Assets and Liabilities	34
Development of the Fund (Multi-year Review)	36
Committees	37

Fund Management Report

Real estate markets in Europe¹

2011 continues to be dominated by the global crisis of confidence in the sustainability of public sector finances. These uncertainties and government austerity measures are increasingly extending to the real economy and have already led economic growth to ease significantly. In 2010, economic growth in the eurozone was 1.7%. While a similar growth rate is expected for 2011, the forecast for 2012 is now for approximately 1%. The mixed picture presented by the different European economies is expected to continue in the near future. Above-average growth of between 1.1% (France) and 2.6% (Finland) is expected in the western core economies (Germany, France, the Netherlands) and the Nordic countries. The consolidation / restructuring of public sector finances will have negative effects on the future economic growth of the peripheral European countries in particular. Economic growth for 2012 is forecasted to be -0.3% in Spain and 0.5% in Italy. In contrast to the public sector, the private sector in the European core economies is in a comparatively sound condition, although insecurities appear to be increasing. Since economic conditions are once again deteriorating, we assume that – after a good year in 2011 – demand for commercial rental space is likely to decrease again in 2012.

Sentiment in financial and business services, the most significant economic sector for office property demand, is marked by uncertainty due to the discussion on national budgets and their financing. The recovery phase of the past two years has been interrupted. Companies in the financial sector have abandoned their expansion strategies and are in some cases going through a further consolidation phase, meaning that take-up of office space is expected to be only slightly positive. The fact that it is positive is due to the strong decline in construction activity. Nevertheless, despite the expected weak demand for space, a slight decline in vacancies is again expected in most European office markets. The highest vacancy rates in Europe are currently in Dublin (22.9%) and Budapest (20.6%). Vacancy rates in the German office markets declined only slightly from the levels that accumulated during the economic crisis of the past two years and therefore have not yet regained their pre-crisis level. The office vacancy rate is currently 14.1% in Frankfurt, 7.7% in Hamburg, and 9.5% in Munich. Vacancy rates in Spain's key cities of Barcelona (14.0%) and Madrid (11.5%) continued to rise in 2011. The increasing gap between downtown and peripheral office locations shows no signs of narrowing.

While the prime office segment is stabilizing in most European markets due to improving demand and limited construction activity, there is no question of any stabilization in peripheral office situations. Prime rents in Spain's key office cities of Barcelona and Madrid fell by a further 2.6% and 1.9% respectively in the course of 2011. The London and Paris markets, which have demonstrated very strong rental growth rates in the past two years, hit an upper resistance threshold in the middle of 2011 and are remaining stable at a high level. The picture within Germany is mixed. Prime rents in Frankfurt were unchanged, while Hamburg saw growth of 17.5% and Berlin of 5.7%. However, we expect pressure on general rental price levels to continue in 2011 on the overall European market, while the prime segment is expected to be stable. The wide spread between euro-denominated 10-year bonds and initial property yields, plus the high volatility of other investment classes, currently make real estate look relatively attractive as an investment class. However, debt finance remains extremely difficult to come by. Given the banks' increasing focus on their respective home markets, it remains hard to estimate the future situation. Therefore, investment activity is mainly concentrated on properties worth up to EUR 50 million that have a low rental risk. Due to the ongoing uncertainty on the global financial markets, investors are increasingly looking for real estate products offering ongoing, relatively stable cash flows, putting more pressure on initial yields. In mid-2011, initial yields for prime office properties were 5.05% in Frankfurt, 5.75% in Madrid, 4.50% in Paris, and 4.50% in London's West End. It is to be expected that price adjustments for non-prime properties with quality deficits will continue. The search for stability and security is leading investors to focus on current yields, while expected capital growth plays a relatively minor role in purchasing decisions.

Uncertain consumer sentiment in many European countries is having significant negative effects on the retail sector and consequently on the retail real estate segment. While sinking unemployment rates of approximately 7.5% in Sweden or 7.2% in Germany have led to positive retail sentiment, the retail sector in Spain is facing substantial challenges with an unemployment rate of over 20%. However, we remain convinced by this real estate sector's positive long-term attributes given the restrictive planning policies and the limited supply of high-quality space. Above all, the stronger coupling of leases with inflation rates makes this real estate sector interesting for investors. Demand for good retail properties recovered in 2011 and we see investment

opportunities in core Europe. Rental income is expected to be more stable than in other real estate sectors due to long-term leases and retailers' ongoing demand for state-of-the-art space. However, we are assuming that the office sector in the eurozone will slightly outperform the retail sector for the coming three years.

The logistics real estate sector in Europe stabilized in 2010. This cash flow intensive segment has profited from the global economic recovery, because the long-term trend towards an increased division of labor and the globalization of manufacturing remained unchanged even during the global recession. The high current yields compared to other commercial real estate investments have led to renewed investor interest in the logistics real estate sector. The yields have already declined again significantly, although the outlook for future rent increases has deteriorated again due to the worsening economic outlook. Therefore, we will continue to make selective investment decisions based on underlying economic fundamentals. We therefore prefer locations where the space on offer is likely to remain limited in future. These include locations in agglomerations or strategic transportation hubs – such as seaports and airports – that offer intermodal facilities.

Liquidity / Extension of the suspension of unit certificate redemption

The management of UBS Real Estate Kapitalanlagegesellschaft mbH (UBS Real Estate KAG mbH) resolved on September 23, 2011, to extend the suspension of the redemption of unit certificates in UBS (D) 3 Sector Real Estate Europe that took effect on October 6, 2010, for a further twelve months (i. e., until October 6, 2012). The reason for this is that the liquid funds are still not sufficient to pay the redemption price for the units submitted for redemption and to ensure orderly ongoing management of the Investment Fund (refusal of unit redemption in accordance with section 81 of the InvG in conjunction with section 12 (5) of the Allgemeinen Vertragsbedingungen (AVB – General Fund Rules)).

The Fund's gross liquidity amounted to approximately EUR 59.7 million as of October 31, 2011, corresponding to 17.0% of the Fund's assets.

Performance

According to the BVI method, UBS (D) 3 Sector Real Estate Europe generated a return of -1.8% p. a. as of October 31, 2011, from a rolling 12-month perspective and of 29.0% since the Fund was launched on October 13, 2003.

The overall performance from a rolling 12-month perspective was thus lower than in the prior-year period (1.7%). This was mainly due to lower ordinary net income. In turn, this was primarily the result of the numerous new leases and the associated leasing and lease renewal costs due to the relatively weak rental markets.

Real estate portfolio

As of October 31, 2011, the Fund's direct and indirect real estate assets consisted of 25 properties in nine countries and 17 cities with an aggregate market value of EUR 544.0 million.

Changes in occupancy rates

The real estate portfolio's occupancy rate was 89.0% as of the October 31, 2011, reporting date. Major drivers include vacancies in the "Centro Comercial Ribera del Xúquer" and "WTC Almeda Park, Building 6" properties in Barcelona as well as the "Nova Praga" in Warsaw.

The occupancy rate increased by 3.0 percentage points compared with April 30, 2011. We registered a marked increase in rental inquiries in the course of the fiscal year, due not least to our expanded tenant services and other strategic measures. These inquiries include a renewed upturn

¹ Sources:
Economic data: UBS IB Forecast Database October 10, 2011
Real estate market data: UBS Global Asset Management, Global Real Estate
Office vacancy rates and initial yields: DTZ PMI - Europe Q3 2011
Performance figures, forecasts, and commentaries: UBS Global Asset Management, Global Real Estate Research - Europe

Fund Management Report

in the number of potential tenants looking for large spaces. Many letting negotiations yielded positive results, which makes us optimistic that we will succeed in cutting vacancies in the second half of the fiscal year and further reduce the proportion of leases due to expire in 2011 and 2012.

Four leases were signed for a total of approximately 8,480 m² in the "Business Carrée" property in Erlangen.

The turnaround in the "Torre Beta" office tower in Milan was very encouraging; this is now almost fully leased apart from one subarea. Five leases were signed for a total of approximately 8,390 m².

In Budapest, we signed a lease extension for around 2,100 m² with a current tenant in the "K 1+K 2" property.

Three leases for a total of approximately 1,300 m² were signed for the "Friesenweg 2 a - c" property in Hamburg. We recorded one new lease for 650 m² in the "Stadtgarten Carrée" office building in Cologne.

We acquired a new tenant for around 960 m² in the "Maison Neuve 2+3" neighborhood centre in Paris.

Three leases for a total of approximately 2,000 m² were secured for our "515 North State Street" office building in Chicago.

The rental incentives that are paid when leases are signed remain at a relatively high level for the time being. The assessment of the future performance of the regional labor markets is gloomy. This largely precludes short-term increases in commercial rents. This puts the focus for the second half of the Fund's fiscal year 2011/2012 even more squarely on eliminating existing vacancies.

Sales

In July 2011, the purchase agreement for the sale of the "Sebalder Höfe" commercial building in Nuremberg was signed. The transfer of title and of the risks and rewards of ownership took place on September 1, 2011. The selling price of EUR 24.5 million represents an attractive result for investors. German retail properties are currently the most popular combination of sector and country among investors.

Furthermore, we signed a preliminary contract of sale executed as a private (non-notarized) document for the "Royale Building" property in Brussels on September 8, 2011. The transfer of title and of the risks and rewards of ownership is expected to take place in the middle of December 2011.

Strategy

Due to the current suspension of unit certificate redemption, we are focusing on generating liquidity in order to satisfy our investors' wishes to redeem their holdings. Our active approach to portfolio management enabled us to identify a number of potential sales in the current fiscal year as part of our regular hold/sell analyses. Several properties are currently undergoing exclusive pre-purchase evaluations.

Since the suspension of unit certificate redemption at the beginning of October 2010, properties in Paris and Nuremberg with a total value of approximately EUR 108.8 million have been successfully sold. The total sales prices achieved were around 3.2 % above the most recent market value determined by the Expert Committee.

In addition, we are focusing more than ever on the intensive management of our real estate portfolio. Increasing and securing rental income by further reducing vacancies and through signing lease renewals ahead of schedule remains the top priority for portfolio management. Due to long-term leases with different types of tenants, we do not currently expect rental defaults to increase at UBS (D) 3 Sector Real Estate Europe in spite of the difficult market environment.

Sustainability strategy

In 2011, our main focus was on implementing measures to improve the sustainability performance of the Fund's properties. These measures were defined using the results of the 2010 internal sustainability rating and addressed a large number of issues relating to resource consumption and optimizing building management processes.

We have documented the positive influence of our activities by monitoring changes in key performance indicators (KPIs).

In addition, we have partially converted power supplies for the Fund's German properties to CO₂-neutral electricity

from Scandinavian hydro power stations, in order to reduce our properties' ecological footprint. Cost-effectiveness was taken into account when making the change. This has led to electricity cost savings of up to 40 % in individual properties.

We focus on quality when it comes to our development projects. This is demonstrated in high-quality building materials, good locations, and high user comfort. However, we also take the use of environmentally friendly materials and technology into account during the planning and completion phases. For example, we reduced CO₂ emissions caused by the construction of our "WTC Almeda Park, Building 6" office complex by one third in comparison with a standard building. We thought about tenant comfort when the buildings are in use at an early stage. Since summer 2011, the office complex has offered its users a wide range of services, such as a rental car service and a direct VIP shuttle to the airport, a security service, a fitness studio, restaurants, and rooms designed for events and entertainment.

In general, we aim to vigorously promote long-term partnerships with our tenants. Tenants' expectations as regards sustainability are documented as part of our regular tenant dialog. As the lessor, we see it as our duty to provide tenants with support and advice. Our aim is to make them aware of the potential that exists in this area and to proactively demonstrate possible ways of ensuring sustainable business management.

Risk management

As an international company that is part of a larger group, UBS Real Estate KAG mbH is exposed to various risks as part of its worldwide operations. Since business activities inevitably entail taking reasonable risks, risk management and control focuses on a responsible approach to handling risk. The goals, principles, and strategies of the existing end-to-end system for identifying and monitoring various types of risk are documented in manuals and working instructions.

Taking a holistic approach to risk management is natural for us. This covers risks from the Investment Fund and the Company (primary risk), from operating activities (operating risk), and from strategic issues. Product and Company risks are examined together.

The Company's risk management system is a combination of risk management at the level of the specialist departments, risk control, and risk management, and provides a number of different risk early warning and management systems. The general rule is that all employees of UBS Real Estate KAG mbH are risk managers and are responsible for managing the risks in their areas. In addition, the Company has dedicated specialist departments that are responsible for risk control and compliance. These are independent units that report directly to the Group or to local senior management. The departments prepare total risk allocations and perform risk-bearing capacity analyses. Specific risk areas have also been defined that require special, systematic monitoring of inherent risks. The close links between the specialist departments ensure that the risks identified in the operating area are taken into account when setting strategic goals, and that medium- and long-term strategic goals are incorporated into operational planning. This means that potential risks are taken into account in the long term. The specialist departments responsible for risk control and compliance analyze and assess risk elements in the various areas and coordinate the measures taken to ensure compliance with regulatory and strategic requirements.

The Internal Audit department monitors the functioning and appropriateness of the risk management and risk control system. All departments at UBS Real Estate KAG mbH are included in appropriate, customized control procedures. Risk inventories are performed and updated on a quarterly basis for all departments from Business Development & Client Services, Portfolio Management, Asset Management, Transaction Management, and Fund Control down to Fund Accounting & Reporting, and measures are taken to mitigate the risks.

The following risks to the Investment Fund, among others, are monitored: currency risk, interest rate risk, counterparty credit risk, and property market risk. Reputational risk, and operational and strategic risk at UBS Real Estate KAG mbH are also managed: This includes the preparation of risk inventories, risk monitoring and reporting, the preparation and maintenance of manuals, policies, and processes for risk minimization, as well as outsourcing control, business continuity management, and SOX certification. Risk identification and assessment is performed on an ongoing basis for all risk groups, and risks are subject to permanent monitoring.

Fund Management Report

Risk-related results and the results of the scenario analyses focusing on risk-bearing capacity are sent regularly to the senior management and the Supervisory Board, which are therefore kept up to date on the risk situation at all times. Clearly defined reporting and escalation procedures are in place. There are clear guidelines in the event of unforeseeable events to ensure swift reporting. The Investment Company's Supervisory Board receives a risk report every quarter that contains an assessment of the overall risk situation.

Changes in real estate values and interest rate trends and their effect on rental income performance, as well as other market-specific and legal factors influence the Fund's unit value. Investing in this Fund is only suitable for investors with a medium- to long-term investment horizon who are willing and able to assume a commensurate level of risk. All investments are subject to market fluctuations. The Investment Fund has specific risks that may increase significantly under unusual market conditions.



"Vatimesnil", 2 - 6, Rue Albert de Vatimesnil, Paris - Levallois-Perret / France

Outlook

UBS Real Estate KAG mbH is pressing ahead with generating liquidity for UBS (D) 3 Sector Real Estate Europe. To this end, we aim to successfully complete the sales of the properties that are currently undergoing evaluation. In addition, we intend to identify and market additional properties for sale.

In the area of asset management, we have had very good results with the abovementioned additional services for tenants in particular. We intend to expand these further in the coming months with a view to maintaining the Fund's strong occupancy rate.

UBS Real Estate Kapitalanlagegesellschaft mbH

Axel Trescher
Portfolio Manager

Dr. Christine Bernhofer
Managing Director

Dr. Tilman Hick
Managing Director

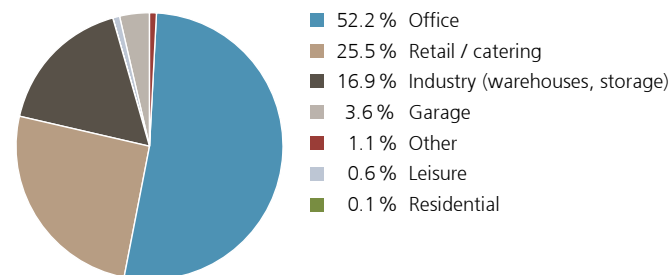
Jörg Sihler
Managing Director

Munich, November 2011

Fund Management Report

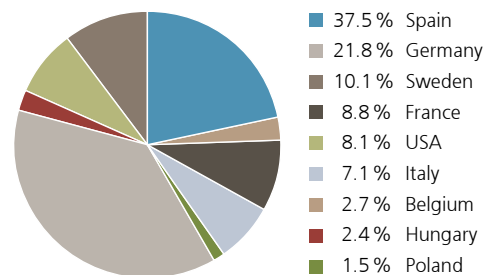
Type of use of Fund properties

(including equity interests in real estate companies by interest held)



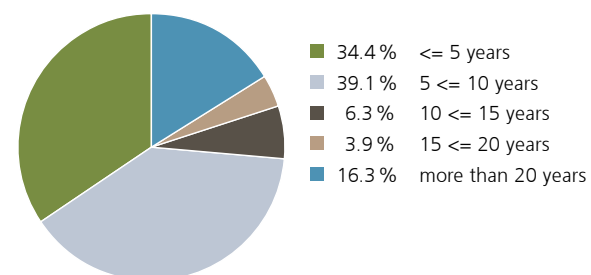
Geographical distribution of Fund properties

(including construction projects and equity interests in real estate companies by interest held)



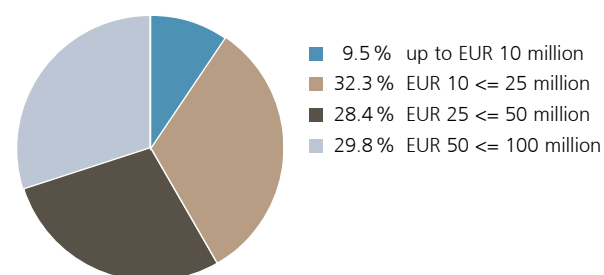
Economic age structure of Fund properties

(including equity interests in real estate companies by interest held)



Size classification of Fund properties

(including equity interests in real estate companies by interest held)



Overview of loans

	Loan volume (direct) EUR thousand	% of market value of all Fund properties	Loan volume (indirect via real estate companies, proportional) EUR thousand	% of market value of all Fund properties
Loans in EUR (Germany)	6,747	1.2	0	0.0
Loans in EUR (outside Germany)	166,422	30.6	5,843	1.1
Swedish krona	0	0.0	16,641	3.1
US dollar	0	0.0	22,466	4.1
Total	173,169	31.8	44,950	8.3

As of the end of the period under review, the Fund's leverage corresponds to 40.1% of the total market values, with the market values of the properties and the loans held by the real estate companies being calculated based on the size of the equity interest. A bank loan of EUR 5.8 million to the Hungarian real estate company was extended in accordance with section 69 (2) of the InvG for the account of the Fund. In addition, a short-term bank loan of EUR 27.0 million has been extended in favor of the Investment Fund in accordance with section 53 of the InvG.

Overview of residual loan maturities

	EUR in %	SEK in %	USD in %
less than 1 year	28.1	100.0	0.0
1 - 2 years	36.1	0.0	0.0
2 - 5 years	35.8	0.0	100.0
5 - 10 years	0.0	0.0	0.0
over 10 years	0.0	0.0	0.0
Total	100.0	100.0	100.0

Overview of fixed interest rate periods

	EUR in %	SEK in %	USD in %
less than 1 year	60.8	100.0	0.0
1 - 2 years	17.8	0.0	0.0
2 - 5 years	21.4	0.0	100.0
5 - 10 years	0.0	0.0	0.0
over 10 years	0.0	0.0	0.0
Total	100.0	100.0	100.0

Overview of currency risks

	Open currency items as of reporting date EUR thousand	% of Fund volume (net)
Polish zloty	312	0.1
Swedish krona	795	0.2
Hungarian forint	545	0.2
US dollar	214	0.1
Total	1,866	0.6

Overview Leasing

Leasing information in % (as of the reporting date)	DE direct	BE direct ¹	ES direct	FR direct	IT direct	PL direct ¹	Total direct	HU indirect	SE indirect	US indirect	Total indirect	Total direct and indirect
Annual rental income, office	45.3	0.0	21.6	63.9	85.8	0.0	36.3	81.8	0.0	95.3	67.4	45.3
Annual rental income, retail/catering	33.5	0.0	23.7	21.6	0.0	0.0	22.7	1.0	99.7	0.0	26.9	23.9
Annual rental income, industry (warehouses, storage)	0.0	0.0	42.4	0.0	0.0	0.0	21.1	0.0	0.0	0.0	0.0	15.0
Annual rental income, residential	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Annual rental income, leisure	3.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.6
Annual rental income, garage	12.1	0.0	0.9	3.1	4.9	0.0	4.4	4.4	0.0	0.0	0.7	3.3
Annual rental income, other	2.3	0.0	0.1	0.0	6.2	0.0	1.2	0.0	0.3	0.3	0.3	0.9
Vacancy rate, office	1.8	83.0	2.8	8.2	2.7	100.0	7.8	12.0	0.0	4.4	4.6	6.9
Vacancy rate, retail/catering	1.3	2.6	3.0	2.8	0.0	0.0	2.2	0.2	0.0	0.0	0.0	1.6
Vacancy rate, industry (warehouses, storage)	0.0	0.0	5.4	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.9
Vacancy rate, residential	0.0	5.7	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1
Vacancy rate, leisure	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vacancy rate, garage	0.5	4.2	0.1	0.4	0.2	0.0	0.4	0.6	0.0	0.0	0.1	0.3
Vacancy rate, other	0.1	4.5	0.0	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.2
Leasing rate	96.2	0.0	88.7	88.6	96.9	0.0	86.5	87.2	100.0	95.6	95.3	89.0

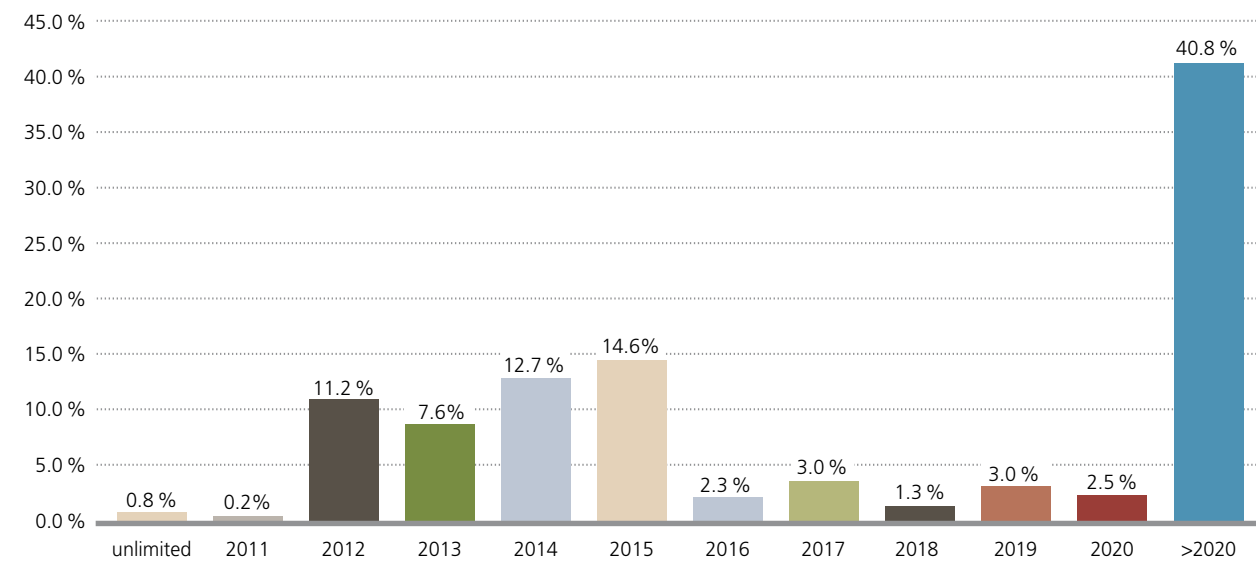
Expiring tenancy agreements in % (basis: rental income)	DE direct	BE direct ¹	ES direct	FR direct	IT direct	PL direct ¹	Total direct	HU indirect	SE indirect	US indirect	Total indirect	Total direct and indirect
unlimited	1.6	0.0	0.2	1.9	0.0	0.0	0.7	7.2	0.0	0.0	0.9	0.8
2011	0.7	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.3	0.5	0.4	0.2
2012	19.6	0.0	12.2	0.0	0.0	0.0	12.0	44.4	7.6	0.0	8.5	11.2
2013	16.1	0.0	4.8	14.1	0.0	0.0	8.7	27.6	0.0	0.7	3.8	7.6
2014	14.6	0.0	4.0	81.7	14.8	0.0	16.6	0.0	0.0	0.3	0.1	12.7
2015	0.6	0.0	7.3	0.0	51.1	0.0	8.1	7.9	0.0	71.5	35.6	14.6
2016	6.0	0.0	1.0	0.0	0.0	0.0	2.3	1.2	0.0	4.5	2.3	2.3
2017	0.9	0.0	0.5	2.3	34.1	0.0	3.6	0.0	0.0	2.0	1.0	3.0
2018	3.7	0.0	0.0	0.0	0.0	0.0	1.1	0.0	5.4	0.0	2.1	1.3
2019	0.2	0.0	5.7	0.0	0.0	0.0	3.0	11.7	0.0	3.4	3.1	3.0
2020	4.4	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0	13.4	6.5	2.5
>2020	31.6	0.0	64.3	0.0	0.0	0.0	42.4	0.0	86.7	3.7	35.7	40.8

¹ At present, no leases have been signed.

Overview Leasing

Expiring tenancy agreements in total¹

(basis: rental income)








¹ Lease extension options are classed as not having been exercised until they are actually taken up.

Condensed Statement of Assets and Liabilities as of October 31, 2011

	EUR	EUR	EUR	Share of Fund assets in %
I. Properties				
1. Commercial properties (of which in foreign currency)	(0.00)	432,110,000.00	432,110,000.00	122.8
II. Equity interests in real estate companies				
1. Majority interests (of which in foreign currency)	(11,440,876.17)	18,567,026.39		
2. Minority interests (of which in foreign currency) (total in foreign currency)	(22,638,594.96) (34,079,471.13)	22,638,594.96	41,205,621.35	11.7
III. Liquid assets				
1. Bank deposits (of which in foreign currency)	(2,470,339.43)	59,691,460.76	59,691,460.76	17.0
IV. Receivables and other assets				
1. Receivables from property management (of which in foreign currency)	(39,560.05)	15,608,904.10		
2. Receivables from real estate companies (of which in foreign currency)	(27,013,741.12)	28,533,284.17		
3. Interest receivables (of which in foreign currency)	(149,130.65)	188,324.86		
4. Other assets (of which in foreign currency)	(208,930.70)	6,902,983.73	51,233,496.86	14.6
Total			584,240,578.97	166.1
V. Liabilities				
1. from loans (of which in foreign currency)	(0.00)	200,169,000.00		
2. from real estate purchases and construction projects (of which in foreign currency)	(0.00)	1,659,644.33		
3. from property management (of which in foreign currency)	(4,236.88)	11,483,236.88		
4. Other liabilities (of which in foreign currency)	(32,649.94)	2,532,949.00	215,844,830.21	61.4
VI. Provisions (of which in foreign currency)	(5,970,491.97)		16,563,102.81	4.7
Total			232,407,933.02	66.1
Fund assets (net)			351,832,645.95	100.0

Statement of Assets and Liabilities as of October 31, 2011 Part I: Schedule of Properties and Leasing Information

I. Directly held properties (eurozone countries)

					
Location of property	DE, 64283 Darmstadt Ludwigsgpl. 6, Hügelstr. 27, "LP6"	DE, 91052 Erlangen Mozartstr. 31 a - c, Hofmannstr. 32, "Business Carrée"	DE, 45149 Essen Hatzper Str. 214, "Neue Mitte Haarzopf"	DE, 22763 Hamburg Friesenweg 2 a - c	DE, 50672 Cologne Venloer Str. 47 - 53 "Stadtgarten Carrée"
Type of property	C	C	C	C	C
Development project/portfolio development measures	-	-	-	-	-
Type of use in % (broken down by m ²)	R/C: 78; L: 13; O: 9	O: 100	R/C: 76; O: 21; L: 3	O: 100	O: 81; R/C: 19
Acquisition date	Sept 08	Dec 04	Nov 08	Dec 04	Mar 04
Year of construction (renovation)	1969 (2003)	2004	2008	2003	2002
Area of land in m ²	7,012	5,108	17,201	6,116	2,677
Floor space, commercial in m ²	15,403	9,033	9,621	5,680 ⁴	8,876
Floor space, residential in m ²	-	-	-	-	-
Features	G	G, E, CH	-	DH, G, AC, E	G, E, CH
Market value acc. to appraisal in EUR million	44.7	16.6	24.5	10.6	22.1
Purchase price/construction costs in EUR million	42.1	15.4	24.4	10.0	21.3
Transaction costs* in EUR million	4.2	0.8	1.9	0.7	1.4
Leverage ratio in % of the market value	34.0 ²	54.8 ³	34.0 ²	54.8 ³	54.8 ³
Vacancy rate in % of floor space	7.1	0.0	0.0	6.6	5.0
Rental defaults in % of estimated gross rental	4.0	7.4	0.0	2.8	5.0
Remaining lease periods in years	3.7	8.2	9.0	3.4	2.2
Remaining useful life in years	47	63	67	62	61
Estimated rent p. a. acc. to appraisal in EUR thousand	2,787.2	1,201.6	1,527.8	771.7	1,419.8
Additional leasing information					
Actual rent from May 1, 2011 - October 31, 2011 in EUR thousand	1,285.1	564.3	764.7	334.0	622.6
Forecasted rental income ¹ from May 1, 2011 – April 30, 2012, in EUR thousand	2,660.9	1,116.1	1,520.2	728.4	1,195.9
Annualized actual rent as a proportion of total purchase costs in %	5.5	7.0	5.8	6.3	5.5
Anchor tenant sector	Retail	Technology	Retail, Physicians	Shipping company	Retail, Aviation, Services

Abbreviations

Type of property:	C Commercial property	Type of use:	O Office	Features:	DH District heating
	MX Mixed-use property		R/C Retail/catering		G Garage
	UC Property under construction		I Industrial (warehouses and storage)		AC Air conditioning
	U Undeveloped property		R Residential		E Elevator
			L Leisure		CH Central heating
			G Garage		
			Ot Other		

* Transaction costs that are not amortized because the property was acquired prior to the Fund's transition to the amended Investmentgesetz (InvG – German Investment Act).

¹ Rental income forecasts are based on the business plans of the individual property managers, taking into account vacancy rates and rent-free periods, among other things.







² The leverage ratio is calculated as the ratio of the loans for the "LP6", "Neue Mitte Haarzopf", "Jundiz I", "Jundiz II", "Esquivias I", "Esquivias II", and "Almussafes" properties to the total market values.

³ The leverage ratio is calculated as the ratio of the loan for the properties in Erlangen, Hamburg, and Cologne to the total market values.

⁴ Difference as against the Annual Report as of April 30, 2011, due to a new appraisal.

Statement of Assets and Liabilities as of October 31, 2011 Part I: Schedule of Properties and Leasing Information

I. Directly held properties (eurozone countries)

						
Location of property	BE , 1000 Brussels Rue Royale 154 - 158 "Royale Building"	ES , 46440 Almusafes Poligono Industrial Juan Carlos I, Calle de Ponent 8, "Almusafes"	ES , 08940 Barcelona - Cornellà Avinguda de la Fama, "WTC Almeda Park, Building 6"	ES , 08820 Barcelona - El Prat de Llobregat ZAL II - Calle Nyepa 23 - 27/ Calle Truco/Calle Patrici, "SEUR Warehouse 22.1"	ES , 46740 Carcaixent (Valencia) Calle Boticario Bodi, "Centro Comercial Ribera del Xúquer" -Part ownership -	ES , 45221 Esquivias (Toledo) Poligono Industrial de Esquivias, Parcela 5 Sector 9, "Esquivias I"
Type of property	C	C	C	C	C	C
Development project/portfolio development measures	-	-	-	-	-	-
Type of use in % (broken down by m ²)	O: 92; R: 6; R/C: 2	I: 100	O: 100	I: 77; O: 23	R/C: 94; Ot: 6	I: 100
Acquisition date	Mar 06	Dec 07	Apr 06	Jan 07	Dec 09	Dec 07
Year of construction (renovation)	2007	2005	2008	2007	2005	2002
Area of land in m ²	1,064	22,887	7,510	28,083	28,905	18,922
Floor space, commercial in m ²	5,594	19,211	15,611	16,332 ⁴	21,953	17,662
Floor space, residential in m ²	333	-	-	-	-	-
Features	G, AC, E, CH	DH	G, E	E	G, AC, E, CH	-
Market value acc. to appraisal in EUR million	14.5	12.0	51.0	26.7	56.6	10.1
Purchase price/construction costs in EUR million	15.1	12.9	39.2	28.0	46.1	11.0
Transaction costs* in EUR million	0.5	0.6	3.9	1.1	2.8	0.4
Leverage ratio in % of the market value	-	34.0 ³	52.4	65.5	53.0	34.0 ³
Vacancy rate in % of floor space	100.0	0.0	30.5	0.0	9.7	0.0
Rental defaults in % of estimated gross rental	100.0	0.0	26.1	0.0	17.8	0.0
Remaining lease periods in years	0.0	16.2	12.2	11.2	3.8	16.2
Remaining useful life in years	66	44	67	36	44	41
Estimated rent p. a. acc. to appraisal in EUR thousand	1,048.6	889.9	3,199.5	1,915.0	4,268.5	758.2
Additional leasing information						
Actual rent from May 1, 2011 - October 31, 2011 in EUR thousand	0.0	458.3	1,199.9	957.5	1,726.2	390.5
Forecasted rental income ¹ from May 1, 2011 – April 30, 2012, in EUR thousand	0.0	924.2	1,232.1	1,931.0	3,508.7	787.5
Annualized actual rent as a proportion of total purchase costs in %	0.0	6.8	5.6	6.6	7.1	6.9
Anchor tenant sector	- ²	Logistics	Insurance	Logistics	Retail	Logistics

Abbreviations

Type of property:	C Commercial property	Type of use:	O Office	Features:	DH District heating
	MX Mixed-use property		R/C Retail/catering		G Garage
	UC Property under construction		I Industrial (warehouses and storage)		AC Air conditioning
	U Undeveloped property		R Residential		E Elevator
			L Leisure		CH Central heating
			G Garage		
			Ot Other		

* Transaction costs that are not amortized because the property was acquired prior to the Fund's transition to the amended Investmentgesetz (InvG – German Investment Act).

¹ Rental income forecasts are based on the business plans of the individual property managers, taking into account vacancy rates and rent-free periods, among other things.





² No leases were in force as of the reporting date.

³ The leverage ratio is calculated as the ratio of the loans for the "LP6", "Neue Mitte Haarzopf", "Jundiz I", "Jundiz II", "Esquivias I", "Esquivias II", and "Almusafes" properties to the total market values.

⁴ Difference as against the Annual Report as of April 30, 2011, due to a new appraisal.

Statement of Assets and Liabilities as of October 31, 2011 Part I: Schedule of Properties and Leasing Information

I. Directly held properties (eurozone countries)

					
Location of property	ES, 45221 Esquivias (Toledo) Poligono Industrial de Esquivias, Parcela 18 Sector 11 "Esquivias II"	ES, 19000 Madrid - Alovera / Guadalajara "Plot C.2 warehouse"	ES, 19000 Madrid - Alovera / Guadalajara "Plot C.5-C.6 warehouse"	ES, 01015 Vitoria-Gasteiz Mendigorritxu Nr. 56, "Jundiz II"	ES, 01015 Vitoria-Gasteiz Mendigorritxu Nr. 59, "Jundiz I"
Type of property	C	C	C	C	C
Development project/portfolio development measures	-	-	-	-	-
Type of use in % (broken down by m ²)	I: 100	I: 100	I: 100	I: 100	I: 100
Acquisition date	Dec 07	Mar 07	Mar 07	Dec 07	Dec 07
Year of construction (renovation)	2005	2007	2008	2005	1999
Area of land in m ²	20,922	13,251	22,530	38,948	22,169
Floor space, commercial in m ²	16,733	8,590	14,891	23,759	14,383
Floor space, residential in m ²	-	-	-	-	-
Features	-	-	-	-	-
Market value acc. to appraisal in EUR million	9.7	6.0	9.9	14.4	8.2
Purchase price/construction costs in EUR million	10.4	6.8	11.1	15.2	8.9
Transaction costs* in EUR million	0.4	0.3	0.6	0.5	0.4
Leverage ratio in % of the market value	34.0 ²	53.8	55.0	34.0 ²	34.0 ²
Vacancy rate in % of floor space	0.0	0.0	0.0	0.0	0.0
Rental defaults in % of estimated gross rental	0.0	0.0	0.0	0.0	0.0
Remaining lease periods in years	16.2	1.1	7.4	16.2	16.2
Remaining useful life in years	44	46	47	44	38
Estimated rent p. a. acc. to appraisal in EUR thousand	718.3	438.1	705.8	1,049.1	617.4
Additional leasing information					
Actual rent from May 1, 2011 - October 31, 2011 in EUR thousand	369.9	239.3	352.9	540.3	318.0
Forecasted rental income ¹ from May 1, 2011 – April 30, 2012, in EUR thousand	746.0	482.6	712.7	1,089.6	641.3
Annualized actual rent as a proportion of total purchase costs in %	6.8	6.7	6.0	6.9	6.9
Anchor tenant sector	Logistics	Logistics	Logistics	Logistics	Logistics

Abbreviations

Type of property:	C Commercial property	Type of use:	O Office	Features:	DH District heating
	MX Mixed-use property		R/C Retail/catering		G Garage
	UC Property under construction		I Industrial (warehouses and storage)		AC Air conditioning
	U Undeveloped property		R Residential		E Elevator
			L Leisure		CH Central heating
			G Garage		
			Ot Other		






* Transaction costs that are not amortized because the property was acquired prior to the Fund's transition to the amended Investmentgesetz (InvG – German Investment Act).

¹ Rental income forecasts are based on the business plans of the individual property managers, taking into account vacancy rates and rent-free periods, among other things.

² The leverage ratio is calculated as the ratio of the loans for the "LP6", "Neue Mitte Haarzopf", "Jundiz I", "Jundiz II", "Esquivias I", "Esquivias II", and "Almussafes" properties to the total market values.

Statement of Assets and Liabilities as of October 31, 2011 Part I: Schedule of Properties and Leasing Information

I. Directly held properties (eurozone countries)

					
Location of property	FR, 92300 Paris - Levallois-Perret 2 - 6, Rue Albert de Vatimesnil "Vatimesnil"	FR, 92300 Paris - Levallois-Perret 64, Rue Louise Michel "Louise Michel"	FR, 91220 Paris - Brétigny-sur-Orge Av. de la Commune de Paris, "Maison Neuve 2+3"	FR, 91220 Paris - Brétigny-sur-Orge Rue du Morvan, "Maison Neuve 4"	IT, 20097 San Donato Milanese, Milan Via dell'Unione Europea 4, "Torre Beta"
Type of property	C	C	C	C	C
Development project/portfolio development measures	-	-	-	-	-
Type of use in % (broken down by m ²)	O: 100	O: 100	R/C: 100	R/C: 100	O: 100
Acquisition date	Apr 05	Jul 05	Apr 07	Apr 07	Oct 06
Year of construction (renovation)	1973 (2005)	1988 (2005)	2001	2004	2003
Area of land in m ²	1,315	316	25,791	2,291	2,199
Floor space, commercial in m ²	3,132	1,428	8,918	900	10,033
Floor space, residential in m ²	-	-	-	-	-
Features	G, AC, E	G, E	AC	AC	G, E
Market value acc. to appraisal in EUR million	20.6	8.0	17.6	1.5	38.8
Purchase price/construction costs in EUR million	20.7	7.2	19.7	2.6	40.1
Transaction costs* in EUR million	1.0	0.6	2.1	0.1	2.3
Leverage ratio in % of the market value	68.0	-	70.2 ²	70.2 ²	54.1
Vacancy rate in % of floor space	0.0	0.0	38.9	100.0	13.2
Rental defaults in % of estimated gross rental	0.0	5.8	39.7	100.0	3.1
Remaining lease periods in years	3.0	2.8	2.1	0.0	4.3
Remaining useful life in years	64	54	40	43	62
Estimated rent p. a. acc. to appraisal in EUR thousand	1,288.7	514.0	1,182.8	103.5	2,489.1
Additional leasing information					
Actual rent from May 1, 2011 - October 31, 2011 in EUR thousand	791.2	294.4	323.0	0.0	706.8
Forecasted rental income ¹ from May 1, 2011 – April 30, 2012, in EUR thousand	1,593.3	615.0	763.4	0.0	1,209.3
Annualized actual rent as a proportion of total purchase costs in %	7.3	7.5	3.0	0.0	3.3
Anchor tenant sector	Energy/environment	Accounting	Retail	- ³	Financial Services

Abbreviations

Type of property:	C Commercial property	Type of use:	O Office	Features:	DH District heating
	MX Mixed-use property		R/C Retail/catering		G Garage
	UC Property under construction		I Industrial (warehouses and storage)		AC Air conditioning
	U Undeveloped property		R Residential		E Elevator
			L Leisure		CH Central heating
			G Garage		
			Ot Other		

* Transaction costs that are not amortized because the property was acquired prior to the Fund's transition to the amended Investmentgesetz (InvG – German Investment Act).

¹ Rental income forecasts are based on the business plans of the individual property managers, taking into account vacancy rates and rent-free periods, among other things.

² The leverage ratio is calculated as the ratio of the loans for the "Maison Neuve 2+3" and "Maison Neuve 4" properties to the total market values.

³ No leases were in force as of the reporting date.

Statement of Assets and Liabilities as of October 31, 2011 Part I: Schedule of Properties and Leasing Information

II. Directly held properties (countries with other currencies)



Location of property		PL, 03-472 Warsaw Ul. Bertolda Brechta 7 "Nova Praga"
Type of property		C
Development project/portfolio development measures		-
Type of use in % (broken down by m ²)		O: 100
Acquisition date		Jan 05
Year of construction (renovation)		1955 (2000)
Area of land in m ²		749
Floor space, commercial in m ²		4,554
Floor space, residential in m ²		-
Features		DH, AC, E
Market value acc. to appraisal in EUR million		8.2
Purchase price/construction costs in EUR million		7.0
Transaction costs* in EUR million		0.1
Leverage ratio in % of the market value		-
Vacancy rate in % of floor space		100.0
Rental defaults in % of estimated gross rental		100.0
Remaining lease periods in years		0.0
Remaining useful life in years		49
Estimated rent p. a. acc. to appraisal in EUR thousand		672.1
Additional leasing information		
Actual rent from May 1, 2011 - October 31, 2011 in EUR thousand		107.6 ²
Forecasted rental income ¹ from May 1, 2011 – April 30, 2012, in EUR thousand		130.0
Annualized actual rent as a proportion of total purchase costs in %		3.0
Anchor tenant sector		- ³

Abbreviations

Type of property:	C Commercial property	Type of use:	O Office	Features:	DH District heating
	MX Mixed-use property		R/C Retail/catering		G Garage
	UC Property under construction		I Industrial (warehouses and storage)		AC Air conditioning
	U Undeveloped property		R Residential		E Elevator
			L Leisure		CH Central heating
			G Garage		
			Ot Other		

* Transaction costs that are not amortized because the property was acquired prior to the Fund's transition to the amended Investmentgesetz (InvG – German Investment Act).

¹ Rental income forecasts are based on the business plans of the individual property managers, taking into account vacancy rates and rent-free periods, among other things.

² Actual rent relates to May and June 2011.

³ No leases were in force as of the reporting date.

III. Properties held via real estate companies (countries with other currencies)



Location of property		HU, 1116 Budapest K1+K2 Hauszmann Alajos Utca 3a - 3b "K1+K2"
Information about the equity interest		
Name, legal form, and domicile of the real estate company		Duna Real Estate Ingatlankezelő Kft; domiciled in Budapest
Equity as of December 31, 2010		EUR 0.5 million
Equity interest (in %)		100.0
Acquisition date		Nov 06
Purchase price in EUR million		8.6
Transaction costs* in EUR million		1.2
Shareholder loans in EUR thousand		1,519.5
Schedule of properties		
Type of property		G
Development project / portfolio development measures		-
Type of use in % (broken down by m ²)		O: 92; Ot: 5; R/C: 3
Acquisition date		Nov 06
Year of construction (renovation)		1950 (2003)
Area of land in m ²		8,870
Floor space, commercial in m ²		9,317
Floor space, residential in m ²		-
Features		E, CH
Market value acc. to appraisal in EUR million		13.1
Purchase price in EUR million		16.2
Transaction costs* in EUR million		-
Leverage ratio in % of the market value		44.6
Vacancy rate in % of floor space		17.4
Rental defaults in % of estimated gross rental		12.8
Remaining lease periods in years		2.1
Remaining useful life in years		52
Estimated rent p. a. acc. to appraisal in EUR thousand		1,079.0
Additional leasing information		
Actual rent from May 1, 2011 - October 31, 2011 in EUR thousand		436.9
Forecasted rental income ¹ from May 1, 2011 – April 30, 2012, in EUR thousand		1,000.4
Annualized actual rent as a proportion of total purchase costs in %		6.7
Anchor tenant sector		Electrical and automation technology, Consumer goods industry

¹ Rental income forecasts are based on the business plans of the individual property managers, taking into account vacancy rates and rent-free periods, among other things.

Statement of Assets and Liabilities as of October 31, 2011 Part I: Schedule of Properties and Leasing Information

III. Properties held via real estate companies (countries with other currencies)



Location of property	SE, 19162 Sollemtuna Norra Malmvägen 80, 82 "Stansen I"	US, IL 60610 Chicago 515 North State Street
Information about the equity interest		
Name, legal form, and domicile of the real estate company	Fastighets AB Lagomstansen; domiciled in Stockholm	515 North State Street Chicago, L.P.; domiciled in Chicago
Equity as of December 31, 2010	SEK 100.3 million	USD 52.7 million
Equity interest (in %)	100.0	44.9
Acquisition date	Apr 08	Feb 04
Purchase price in EUR million	16.3	17.9 ³
Transaction costs* in EUR million	0.5	1.5 ³
Shareholder loans in EUR thousand	27,013.7 ²	-
Schedule of properties		
Type of property	C	C
Development project/portfolio development measures	-	-
Type of use in % (broken down by m ²)	R/C: 100	O: 100
Acquisition date	Apr 08	Feb 04
Year of construction (renovation)	2008	1990
Area of land in m ²	52,808	4,056 ⁴
Floor space, commercial in m ²	17,471	57,831 ⁴
Floor space, residential in m ²	-	-
Features	DH	G, AC, E, CH
Market value acc. to appraisal in EUR million	54.7 ²	98.3 ^{4, 5}
Purchase price in EUR million	42.4	46.1 ³
Transaction costs* in EUR million	-	-
Leverage ratio in % of the market value	30.4	50.9
Vacancy rate in % of floor space	0.0	8.8
Rental defaults in % of estimated gross rental	0.0	4.4
Remaining lease periods in years	10.3	4.8
Remaining useful life in years	47	49
Estimated rent p. a. acc. to appraisal in EUR thousand	3,146.2 ²	7,272.3 ^{4, 5}
Additional leasing information		
Actual rent from May 1, 2011 - October 31, 2011 in EUR thousand	1,564.3	1,890.8 ³
Forecasted rental income ¹ from May 1, 2011 – April 30, 2012, in EUR thousand	3,177.1 ²	3,750.2 ^{3, 5}
Annualized actual rent as a proportion of total purchase costs in %	5.7	8.6
Anchor tenant sector	Retail	Medical association

Abbreviations

Type of property: C	Commercial property	Type of use: O	Office	Features: DH	District heating
MX	Mixed-use property	R/C	Retail/catering	G	Garage
UC	Property under construction	I	Industrial (warehouses and storage)	AC	Air conditioning
U	Undeveloped property	R	Residential	E	Elevator
		L	Leisure	CH	Central heating
		G	Garage		
		Ot	Other		

* Transaction costs that are not amortized because the property was acquired prior to the Fund's transition to the amended Investmentgesetz (InvG – German Investment Act).

¹ Rental income forecasts are based on the business plans of the individual property managers, taking into account vacancy rates and rent-free periods, among other things.

² Calculated using the exchange rate as of the reporting date: EUR 1 = SEK 9.01382.

³ Proportional figure based on size of equity interest.

⁴ The figures given are for 100 %.

⁵ Calculated using the exchange rate as of the reporting date: EUR 1 = USD 1.41691.

IV. Total real estate assets

As of the reporting date, the market value of the directly held properties and the properties held via real estate companies amounted to EUR 544.0 million.

This corresponds to 93.1 % of the gross Fund assets.



"Torre Beta", Via dell'Unione Europea 4, San Donato Milanese / Italy

Statement of Assets and Liabilities as of October 31, 2011 Part II: Liquid Assets

Bank deposits

Bank deposits at credit institutions in:	EUR	Share of Fund assets in %
Germany	54,907,405.12	15.6
Spain	2,003,916.85	0.6
France	1,757,272.45	0.5
Poland	772,860.79	0.2
Italy	209,827.90	0.1
Belgium	40,177.65	0.0
Total bank deposits	59,691,460.76	17.0

Statement of Assets and Liabilities as of October 31, 2011 Part III: Other Assets, Liabilities and Provisions, Additional Disclosures

	EUR	EUR	EUR	Share of Fund assets in %
I. Receivables and other assets				
1. Receivables from property management (of which in foreign currency) of which advance payments for operating costs of which rent receivables	(39,560.05)	8,912,433.47 6,696,470.63	15,608,904.10	
2. Receivables from real estate companies (of which in foreign currency)	(27,013,741.12)		28,533,284.17	
3. Interest receivables (of which in foreign currency)	(149,130.65)		188,324.86	
4. Other assets (of which in foreign currency) of which receivables from hedging transactions	(208,930.70)	990,991.87	6,902,983.73	
Total			51,233,496.86	14.6
II. Liabilities				
1. from loans (of which in foreign currency) of which short-term loans (section 53 of the InvG)	(0.00)	27,000,000.00	200,169,000.00	
2. from real estate purchases and construction projects (of which in foreign currency)	(0.00)		1,659,644.33	
3. from property management (of which in foreign currency)	(4,236.88)		11,483,236.88	
4. Other liabilities (of which in foreign currency) of which from hedging transactions	(32,649.94)		2,532,949.00	
Total			215,844,830.21	61.4
III. Provisions (of which in foreign currency)	(5,970,491.97)		16,563,102.81	4.7
Fund assets (EUR)			351,832,645.95	
Unit value (EUR)			10.14	
Number of units in circulation			34,683.455	

Exchange rates as of October 28, 2011:

Polish zloty:	EUR 1= PLN	4.31871
Swedish krona:	EUR 1= SEK	9.01382
Hungarian forint:	EUR 1= HUF	300.77035
US dollar:	EUR 1= USD	1.41691

Items denominated in foreign currencies are translated into euros based on the middle exchange rates determined by Thomson Reuters at 1.30 p.m. on October 28, 2011.



515 North State Street, Chicago / USA

Statement of Assets and Liabilities as of October 31, 2011 Part III: Other Assets, Liabilities and Provisions, Additional Disclosures

Disclosures on hedging transactions

1. Open positions on reporting date

	Nominal amount	Market value Purchase	Market value Reporting date	Interim result
	USD thousand	EUR thousand	EUR thousand ¹	EUR thousand ²
USD currency forward	25,500	18,805	18,000	805
Changes in value of currency hedging transactions				805

	Nominal amount	Market value Purchase	Market value Reporting date	Interim result
	SEK thousand	EUR thousand	EUR thousand ¹	EUR thousand ²
SEK currency forward	180,500	20,065	19,987	78
SEK currency forward	174,000	19,299	19,191	108
Changes in value of currency hedging transactions				186

¹ Exchange rate as of October 28, 2011, used for measurement purposes.

² The interim result for the open items shows the change since the currency forward was entered into.

2. Closed out positions in the period under review

	Nominal amount	Market value Purchase	Market value Sale	Result
	USD thousand	EUR thousand	EUR thousand	EUR thousand
USD currency forward	25,400	19,678	17,799	1,879
USD currency forward	24,600	17,283	18,135	./ 852
USD currency forward	900	637	663	./ 26
Realized gains from USD currency forwards				1,001

	Nominal amount	Market value Purchase	Market value Sale	Result
	SEK thousand	EUR thousand	EUR thousand	EUR thousand
SEK currency forward	174,000	19,640	19,157	483
SEK currency forward	174,000	18,926	19,156	./ 230
SEK currency forward	174,000	19,112	19,415	./ 303
SEK currency forward	174,000	19,112	19,428	./ 316
Realized losses from SEK currency forwards				./ 366

Notes on the Valuation Procedures

1. Bank and term deposits are measured at their nominal amount plus accrued interest.

2. Liabilities are included at their repayment amount.

3. Hedging transactions are valued on the basis of the middle exchange rate determined by Thomson Reuters at 1.30 p.m. on October 28, 2011, taking into account foreign currency and maturity-linked swap rates. The simple approach is used to determine market risk.

Schedule of Property Purchases and Sales to the Statement of Assets and Liabilities as of October 31, 2011

Sales

I. Directly held properties (eurozone countries)

Location of property	Transfer of risks and rewards incidental to ownership of land as of		
90403 DE, Nuremberg	Laufertormauer 8, Äußerer Laufer Pl. 22, "Sebalder Höfe"		September 1, 2011



"Business Carrée", Mozartstr. 31 a - c, Hofmannstr. 32, Erlangen / Germany

Notes to the Statement of Assets and Liabilities as of October 31, 2011

Fund assets

Fund assets as of the end of the period under review amounted to EUR 351.8 million, a decline of EUR 6.5 million compared with the end of fiscal year 2010/2011. The value per unit as of October 31, 2011, was EUR 10.14.

Properties

As of the reporting date, the real estate portfolio comprised a total of 25 properties. 22 of these are held directly and are reported under "Commercial properties" (EUR 432.1 million). The EUR 28.4 million decline in this item compared with April 30, 2011, is due on the one hand to the sale of the "Sebalder Höfe" property in Nuremberg. On the other, it is also a result of the revaluations of portfolio properties performed in the period under review.

Equity interests in real estate companies

As of the reporting date, equity investments amounted to EUR 41.2 million and are composed of shares in three real estate companies. The increase of EUR 0.7 million in this item as against fiscal year-end 2010/2011 is due to ongoing increases in the companies' net assets. Foreign currency equity investments amounted to the equivalent of EUR 34.1 million as of the end of the period under review. Of this figure, EUR 22.6 million relates to the minority interest, a real estate company in the USA, and EUR 11.5 million to the majority interest in a real estate company in Sweden.

Key findings of the expert valuations

No circumstances occurred that significantly affected the value of the properties.

Liquid assets

Liquid assets consist of bank deposits (EUR 59.7 million), EUR 49.0 million of which are held as overnight deposits. They include a cash deposit of EUR 21.0 million for the "Torre Beta" property in Milan. EUR 0.8 million of the bank deposits relates to security deposits. Total deposits in bank accounts that are not denominated in euros amount to the equivalent

of EUR 2.5 million and relate to Swedish kronor, Polish zlotys, and US dollars. EUR 28.5 million has been reserved to settle liabilities and EUR 6.0 million for the distribution.

See "Liquid Assets" on page 30 for more information.

Receivables and other assets

"Receivables and other assets" amounting to EUR 51.2 million comprise "Receivables from property management" (EUR 15.6 million), "Receivables from real estate companies" (EUR 28.5 million), "Interest receivables" (EUR 0.2 million), and "Other assets" (EUR 6.9 million).

The "Receivables from property management" are composed of rent receivables (EUR 6.7 million) and receivables from chargeable operating expenses (EUR 8.9 million). The receivables relating to operating expenses are offset by liabilities from advance payments by tenants of incidental expenses amounting to EUR 8.1 million.

Shareholder loans totaling EUR 28.5 million were granted to real estate companies in Sweden (EUR 27.0 million) and Hungary (EUR 1.5 million); these are reported under "Receivables from real estate companies". The shareholder loan to the Swedish real estate company is denominated in Swedish krona.

"Interest receivables" (EUR 0.2 million) are the result of deferred interest income from bank deposits and interest receivables from the above-mentioned shareholder loans. The interest receivables from the shareholder loans that are denominated in foreign currency relate to Swedish krona.

"Other assets" (EUR 6.9 million) consist of receivables from the purchase of properties (EUR 4.2 million), receivables from hedging transactions (EUR 1.0 million), input tax receivables (EUR 0.7 million), tax receivables from the fiscal authorities (EUR 0.3 million), and receivables from management costs (EUR 0.7 million). Other assets denominated in foreign currency relate to receivables from fiscal authorities and are denominated in US dollars.

Liabilities

Liabilities amounted to EUR 215.8 million as of October 31, 2011, and were composed of the following individual items: "Liabilities from loans" (EUR 200.2 million), "Liabilities from real estate purchases and construction projects" (EUR 1.6 million), "Liabilities from property management" (EUR 11.5 million), and "Other liabilities" (EUR 2.5 million).

"Liabilities from loans" (EUR 200.2 million) include short-term loans (EUR 27.0 million) in accordance with section 53 of the InvG. The EUR 6.7 million increase in loan liabilities as against April 30, 2011, is due to the disbursement of a loan for properties held in Germany.

"Liabilities from real estate purchases and construction projects" include compensation payments of EUR 1.1 million for the property in Darmstadt as well as VAT entitlements in the amount of EUR 0.6 million from the sale of the "Sebalder Höfe" property in Nuremberg.

"Liabilities from property management" comprise advance rental payments (EUR 1.1 million), advance payments of operating expenses (EUR 8.1 million), and miscellaneous liabilities (EUR 2.3 million). The liabilities in connection with operating expenses are offset by receivables relating to operating expenses in the amount of EUR 8.9 million (see above). The liabilities from property management that are denominated in foreign currency related to other liabilities and are denominated in Polish zlotys.

"Other liabilities" are composed of VAT liabilities (EUR 0.8 million), deferred loan interest (EUR 1.0 million), liabilities from management costs (EUR 0.5 million), and miscellaneous other liabilities (EUR 0.2 million). The amount reported in foreign currency mainly relates to corporation tax and VAT liabilities and is denominated in Polish zlotys.

Provisions

The total "Provisions" of EUR 16.6 million comprise provisions for deferred taxes (EUR 13.7 million) as well as maintenance provisions (EUR 1.5 million) and provisions for taxes on foreign income (EUR 1.4 million). The equivalent of EUR 6.0 million of the total provisions are in foreign currency (US dollars, Hungarian forints, and Polish zlotys). These relate to

provisions for deferred taxes (EUR 4.6 million) and provisions for taxes on foreign income (EUR 1.4 million).

Notes on provisions for deferred taxes on potential future capital gains abroad

Provisions for deferred taxes are calculated for potential future capital gains abroad based on the current market value and the carrying amount of the relevant property or equity interest for tax purposes.

The term "abroad" refers to countries outside Germany. Taxes on gains on foreign real estate or shares in real estate companies abroad may be incurred upon the actual sale of such holdings. These prospective foreign taxes are anticipated by creating undiscounted deferred tax provisions in the full amount of the potential liability, and are thus reflected in the unit price.

Development of the Fund (Multi-year Review)

All figures in EUR million	April 30, 2009	April 30, 2010	April 30, 2011	October 31, 2011
Properties	513.3	562.8	460.5	432.1
Equity interests in real estate companies	42.3	41.9	40.5	41.2
Bank deposits	90.1	98.8	34.1	59.7
Other assets	41.5	44.9	51.2	51.2
Less liabilities and provisions	/./ 211.5	/./ 314.9	/./ 228.0	/./ 232.4
Fund assets	475.7	433.5	358.3	351.8
Units in circulation (millions)	42.9	40.0	34.7	34.7
Unit value (EUR)	11.09	10.84	10.33	10.14
Distribution per unit (EUR)	0.48	0.37	0.15	
Distribution date	August 3, 2009	September 1, 2010	September 1, 2011	

Committees

Investment company:

UBS Real Estate Kapitalanlagegesellschaft mbH

Legal form:

GmbH (Gesellschaft mit beschränkter Haftung – private limited liability company)

Registered office:

Theatinerstrasse 16
80333 Munich, Germany
Phone: +49(0)89-20 60 95 0
Fax: +49(0)89-20 60 95 200

Local court/registration court:

Munich HR B 10 10 08

Formation:

October 22, 1992

Fiscal year:

January 1 - December 31

Subscribed and paid-in capital as of December 31, 2010:

EUR 7.5 million

Liable capital as of December 31, 2010:

EUR 7.5 million

Shareholders:

UBS Beteiligungs-GmbH & Co. KG, Frankfurt (94.9 %)
Siemens AG, Berlin and Munich (5.1 %)

Management:

Dr. Christine Bernhofer
Dr. Tilman Hickl
Jörg Sihler (as of October 15, 2011)

Supervisory Board:

Reto Ketterer
UBS AG – Global Asset Management
Global Real Estate – Chief Operating Officer
- Chairman -

Hans-Peter Rupprecht
Siemens Financial Services GmbH
Head of Treasury and Investment Management
- Deputy Chairman -

Dr. Riccardo Boscardin
UBS AG – Global Asset Management
Head Global Real Estate – Switzerland

Axel Hörger
UBS Deutschland AG – Wealth Management
Chairman of the Executive Board – CEO Wealth Management

Prof. Dr. Thomas Kinateter
Dean of Studies, Real Estate Industry
HFWU Hochschule für Wirtschaft und Umwelt, Nürtingen-Geislingen
- Independent member in accordance with section 6 (2a) of the InvG -

Andreas Varnavides
UBS Deutschland AG – Global Asset Management
Member of the Executive Board – CEO Germany and Austria

Independent auditor:

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft
Eschborn / Frankfurt am Main

Custodian bank:

CACEIS Bank Deutschland GmbH
Registered office: Munich
Subscribed capital as of December 31, 2010: EUR 5,113 thousand
Liable capital as of December 31, 2010: EUR 161,226 thousand

Expert Committee for the UBS (D) Euroinvest Immobilien real estate investment fund

Thomas W. Stroh
– Chairman –
Dipl.-Ing., architect,
publicly certified, sworn expert,
Bonn

Eberhard Hörmann
– Deputy Chairman –
Dipl.-Ing., architect,
publicly certified, sworn expert,
Munich

Prof. Dr. Gerrit Leopoldsberger
FRICS MAI,
Frankfurt am Main

Substitute member:
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Betriebswirt BdH,
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Mainz

Information correct as of October 31, 2011
(unless stated otherwise)