Real estate investment funds

Reporting date: April 30, 2012

UBS (D) 3 Sector Real Estate Europe
Annual Report

Custodian bank: CACEIS Bank Deutschland GmbH

UBS Real Estate Kapitalanlagegesellschaft mbH

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

We are exercising the option contained in section 145 (2) of the InvG and are continuing to apply the provisions of the version of the InvG valid up to July 1, 2011, to the Fund.

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

Picture front page: "Torre Beta", Via dell' Unione Europea 4, San Donato Milanese / Italy

Key Figures *at a Glance*

UBS (D) 3 Sector Real Estate Europe	**As of April 30, 2012**
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 340.7 million
Total real estate assets (total market values)	EUR 489.8 million
of which directly held	EUR 376.9 million
of which held via real estate companies[1]	EUR 112.9 million
Total Fund properties	21
of which directly held	18
of which held via real estate companies	3
Total floor space[2]	283,791 m²
Leasing rate as of reporting date[3]	91.7 %
Changes in period under review	
Property sales	5
Net inflow/outflow of funds[4]	EUR 0.0 million
Distribution on	September 1, 2011
Distribution per unit	EUR 0.15
BVI return[5] from May 1, 2011, to April 30, 2012	-3.5 %
BVI return[5] since launch on October 13, 2003	25.0 %
Unit value	EUR 9.82
Bid price incl. 3 % discount	EUR 9.53
Offer price incl. 5 % discount	EUR 10.31

[1] Where the equity interests in real estate companies are less than 100 %, the market values are included pro rata in line with the per-centage interest held.
[2] The total floor space includes the pro rata space held via real estate companies.
[3] The leasing rate is calculated based on the estimated gross rental.
[4] The net inflow and outflow of funds contains the equalization paid.
[5] 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.

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Fund Management Report

Office real estate markets in Europe

2011 also seemed to be dominated by the crisis of confidence in the sustainability of European public sector finances and the European financial industry. Firm intervention by the European Central Bank (ECB) at the end of 2011 alleviated the liquidity squeezes looming in the European banking system. Nevertheless, it must be assumed that Europe is still at the beginning of a major change process and that a wide variety of multifaceted reforms will be necessary in most European countries in order to achieve sustainable budgetary consolidation. Extensive government austerity measures are increasingly impacting the real economy and have already significantly leveled off economic growth. Economic growth in the eurozone is estimated at 1.5 % for 2011 and weakened over the course of the year. In 2012, the eurozone is expected to fall back into recession (-0.4 %). The spread between economic growth rates within the eurozone has continued to widen. Despite weaker global economic growth forecasts, export-oriented economies such as Germany (1.0 %), Finland (0.8 %), and Sweden (0.7 %) are expected to achieve positive economic growth rates. The situation in France (0.0 %), Italy (-1.0 %), and Spain (-2.0 %), the three major eurozone economies, is more difficult. In comparison with the public sector, the private sector in the core European economies is relatively robust, though general uncertainty will likely have a negative impact on demand for rental space in the European real estate market. We expect the market for rental space to be extremely muted in 2012 as a result of companies again focusing strongly on productivity.

Financial and business services, the sector of the economy that most heavily influences demand for office property space, are undergoing a period of upheaval in Europe. Financial institutions are changing their strategies and business models as a result of new regulatory requirements (Basel III). Companies in the financial sector have abandoned their expansion strategies and in some cases are going through another consolidation phase, meaning that take-up of office space is expected to be only slightly positive. We believe that the decline in construction will also contribute to a slight drop in vacancies despite the weakened demand forecast for most European office markets. The highest vacancy rates in Europe are currently in Dublin (22.4 %) and Budapest (20.7 %). Vacancy rates in the German office markets have declined slightly over the past two years, but have not yet regained their pre-crisis level. The office vacancy rate is currently 13.9 % in Frankfurt, 7.4 % in Hamburg, and 8.9 % in Munich. Vacancy rates in Spain's key cities of Barcelona (13.7 %) and Madrid (11.5 %) continued to rise in 2011. An increasing gap between downtown and peripheral office locations remains noticeable. The prime segment in the office sector has recovered significantly since the economic crisis at the end of the last decade and is putting in a robust showing despite the fact that demand is starting to weaken again. By contrast, peripheral and non-integrated office locations have hardly recovered at all since 2008 and the pressure on rental price levels is continuing. Prime rents in Spain's key office cities of Barcelona and Madrid fell by a further 2.6 % and 2.8 % respectively in the course of 2011. The London and Paris markets, which demonstrated very strong rental growth rates in the past two years, hit an upper resistance threshold in the middle of 2011 and remain at a stable high level. The picture within Germany is mixed.

In Frankfurt, Germany's financial metropolis, the level of prime rents was unchanged. Hamburg, where the regional economy is strongly focused on trade, recorded growth of 6.8 % in prime rental prices in 2011, while rental prices in Berlin, Germany's capital, also increased by 5.7 %. However, we expect pressure on general rental price levels in the overall European market to continue in 2012, while the prime segment is expected to remain stable.

Given the high volatility being seen in other investment classes and the continued large spread as against domestic 10-year government bonds, initial property yields remain attractive to many investors. However, investment capital is concentrated above all in low-risk investments (core segment) that offer stable and relatively secure cash flows.

Access to debt finance remains extremely limited. In addition, banks are focusing on their home markets, which is making real estate financing much more difficult in many peripheral countries. For this reason, investment activities are primarily oriented towards properties with low rental risk worth between EUR 50 million and EUR 70 million, which means that mainly equity-rich investors are active in the market. At the end of 2011, initial yields for prime office properties were stable year-on-year at 4.7 % in Munich, 5.8 % in Madrid, and 4.5 % in both Paris and London's West End. Although the prime and core segment seems to be stabilizing, price corrections for non-prime properties with quality problems are expected to continue. The search for stability and security is leading investors to focus on current yields, while expected capital growth is playing a relatively minor role in investment decisions.

European consumers remain extremely unsettled. Measures that governments have introduced to consolidate public finances have only just begun to have an impact on individual citizens. Nevertheless, negative effects on the European retail sector and therefore on the retail real estate segment can already be seen. While sinking unemployment rates of approximately 7.5 % in Sweden or 7.1 % in Germany have led to positive retail sentiment, the retail sector in Spain is facing substantial challenges with an unemployment rate that is already over 20 % and still growing. However, we are 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 increased linking of leases to inflation rates makes this real estate sector interesting for investors. Demand for good retail properties recovered in 2011 and we see not only investment opportunities in core Europe, but also in selected peripheral economies. 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. Outside the core segment, however, we do not expect to see any recovery or investment opportunities in the retail sector. We believe that, in the eurozone, the office sector will slightly outperform the retail sector in terms of expected returns in the next three years.

Following the global economic crisis, the European logistics real estate sector has stabilized over the last two years. Less speculative construction has led to a supply shortage in high-quality logistics properties and pushed prime rents in European core markets higher. Owing to the weak economic growth expected in 2012, we believe that demand for logistics space will dip slightly.

However, we are convinced that the long-term trend towards an increased division of labor and the globalization of manufacturing will remain unchanged. Investors' interest in the logistics sector is mainly due to its high current yields compared with other commercial real estate investments. Yields have already declined again significantly, and the outlook for future rental increases has already deteriorated again due to the worsening economic outlook.

Suspension of redemption of unit certificates/liquidity

The redemption of unit certificates for the UBS (D) 3 Sector Real Estate Europe investment fund is still suspended. The management of UBS Real Estate Kapitalanlagegesellschaft mbH (UBS Real Estate KAG mbH) has extended the suspension of redemption of UBS (D) 3 Sector Real Estate Europe units, which took effect on October 6, 2010, for an additional 12 months to October 6, 2012, because 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 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)).

We are pressing ahead to raise the Investment Fund's liquidity, which is why we are continuing to focus on moving forward the implementation of the sales program (see Sales section).

The Fund's gross liquidity amounted to approximately EUR 55.9 million as of April 30, 2012, corresponding to 16.4 % of the Fund's assets. Despite selling five properties in fiscal 2011/2012, gross liquidity has climbed only moderately compared with the prior-year period (EUR 34.1 million, or 9.5 %). One of the reasons for this is the repayment of debt financing at the Fund level. We repaid a EUR 27.0 million liquidity facility to a bank in December 2011. In March 2012, we fully repaid debt financing amounting to EUR 21.0 million for the "Torre Beta" property in Milan. Debt financing amounting to approximately EUR 12.4 million for the "Maison Neuve 2+3" property in Paris was likewise fully repaid in April 2012.

Sources:
Economic data: UBS IB Forecast Database April 2, 2012;
Real estate market data: UBS Global Asset Management, Global Real Estate Research;
Office vacancy rates and initial yields: DTZ PMI – Europe Export Q4 2011;
Performance figures, forecasts, and commentaries: UBS Global Asset Management, Global Real Estate Research – Europe

Fund Management Report

Performance

According to the BVI method, UBS (D) 3 Sector Real Estate Europe generated a rolling 12-month return of -3.5 % p. a. as of April 30, 2012, and a return of 25.0 % since the Fund was launched on October 13, 2003.

The overall performance from a rolling 12-month perspective was lower than in the prior-year period (-1.4 %). This is mainly the result of the weaker valuation result, which was due to declining market rents in many markets. Generally speaking, leasing and lease renewal costs are still relatively high due to the weaker rental markets.

Real estate portfolio

As of April 30, 2012, the Fund's direct and indirect real estate assets consisted of 21 properties (of which three are held by real estate companies) in eight countries and 14 cities with an aggregate market value of EUR 489.8 million (previous year: EUR 571.9 million).

Changes in occupancy rates

The occupancy rate of the real estate portfolio was 91.7 % as of the reporting date April 30, 2012. This is a significant improvement of 5.7 percentage points on the prior-year period (86.0 %) and is the result of our continued rental efforts in the different real estate markets. In addition, we succeeded in extending many existing leases ahead of time. This situation is demonstrated in the figures for the average remaining lease periods, which went up again after adjustment for the first termination options in each case (April 2011: 7.1 years; April 2012: 7.4 years).

Properties that have a significant impact (8.3 %) on the current vacancy rate include "Centro Comercial Ribera del Xúquer" in Carcaixent, near Valencia, "Nova Praga" in Warsaw, and "Torre Beta" in Milan.

Signings in Spain, France, and Germany played a particularly important role in new and renewal lease activity.

The lease for 16,300 m² of space in the "SEUR Warehouse 22.1", our logistics property on Barcelona's harbor area, was successfully extended ahead of time to January 2023 with the existing tenant from the parcel logistics sector.

Equally, for the "Plot C.5-C.6 warehouse" property, we were able to extend the lease for approximately 14,900 m² of space ahead of time to March 2019. The tenant manufactures and sells glass products. The extension of the lease until December 2014 with a logistics company for approximately 8,600 m² of space in the neighboring building "Plot C.2 warehouse" rounded out the successful rental campaign in this logistics park in Madrid.

Two leases were signed in the period under review for a total of approximately 1,100 m² of space in our shopping center in Carcaixent near Valencia.

One important lease extension was for our "LP6" retail building in Darmstadt. The lease for approximately 5,400 m² of space with an electronics discount store was extended ahead of time to July 2021.

Four leases were signed for a total of approximately 2,700 m² of space in our "Stadtgarten Carrée" property in Cologne. The tenants include two consulting agencies and an organic supermarket.

We were able to attract an international audit firm to our "Vatimesnil" property in Paris for the next nine years.

A new tenant from the energy sector was found for the "Torre Beta" property. Approximately 1,000 m² of space have been leased for the next eight years.

Three leases for a total of 2,027 m² of space were signed for our indirectly held office property in Chicago, at 515 North State Street.

The main focus for the new fiscal year 2012/2013 is to further reduce existing vacancies. This means maintaining our position in the European rental markets through active asset and lease management. One advantage for the Fund in this context is the small proportion of leases that are due to expire in 2012 (2.1 % of the estimated rental income). We are already holding lease extension negotiations with the largest tenants for those leases that are due to expire in 2013 and 2014 (8.6 % and 15.0 % respectively). We also expect to see a gradual improvement in demand for commercial rental space in 2012/2013.

Sales

The sale of the "Sebalder Höfe" property in Nuremberg was completed in September 2011, when title and the risks and rewards of ownership were transferred. The building was purchased by a Talanx AG company. The selling price of EUR 24.5 million represents an attractive result for investors.

We were able to sell the smallest property, "Maison Neuve 4", in Paris for a selling price of EUR 1.5 million, with title and the risks and rewards of ownership being transferred to a delicatessen retailer in November 2011.

The sale of the "Royale Building" in Brussels was completed in December 2011 for a selling price of EUR 14.5 million. In addition to increasing the Fund's liquidity, the disposal also reduced the vacancy rate because the office building was not leased at the time of the sale.

The transfer of ownership, and of the risks and rewards associated with it, for the "Business Carrée" office building in Erlangen also took place in December 2011. The three anchor tenants' seamless extension of their leases meant that we were also able to exit this property under attractive conditions.

The Fund sold the "Friesenweg 2 a-c" office property in Hamburg in December 2011.

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

Fund Management Report

Sustainability strategy

Once again, we systematically implemented measures for maintaining and growing the value of our properties in the past fiscal year. We focused on optimizing the efficient use of resources in building operations.

Sustainable and energy-efficient building management has a critical impact on energy consumption. This means that one main task was to focus on monitoring operations at individual buildings. In addition to energy management, this includes building inspection, checking the condition of technical facilities and equipment, monitoring operations management and safety, and optimizing operations. For example, we extensively modified the lighting concepts in some properties.

The results of the continuous optimization of building operations can clearly be seen in Figure 1.

With our external property and facility management service providers, we are focusing on ensuring a high level of commitment and a proactive approach in order to optimize the properties' energy performance. This is why we have written our quality requirements for our partners' services into the agreements.

Additionally, our building on 515 North State Street in Chicago was awarded a LEED gold certificate.

The office high-rise at 515 North State Street is centrally situated in Chicago's River North neighborhood. Built in 1990, the 29-story building is characterized by its timeless architecture and an appealing aluminum and glass facade. The technical facilities were comprehensively optimized for the certification. For example, a new building automation system, an improved heat exchanger to cool the building, and extensive energy-conserving lighting were installed. Many events are held in the large common areas. In addition to the highly comfortable office space, these activities help integrate tenants socially and make working in the office building more attractive.

Results of the sustainability rating
UBS (D) 3 Sector Real Estate Europe

-10%
drop in power consumption for communal/shared areas

-10%
drop in water consumption

-12%
less CO_2 emissions from heating and electricity

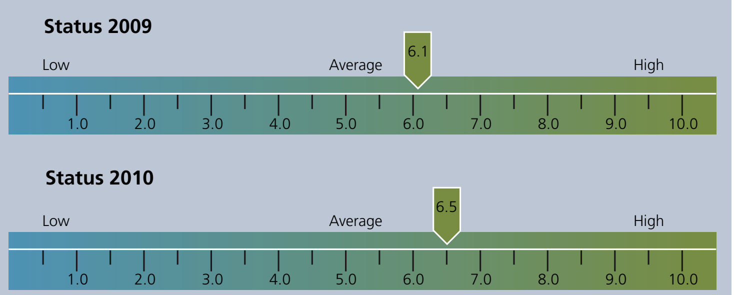


Figure 1

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 e.g., 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, operational risk, 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.

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 UBS (D) 3 Sector Real Estate Europe'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.

Fund Management Report

Strategy

We are continuing to press ahead with increasing liquidity for UBS (D) 3 Sector Real Estate Europe. In order to do this, we are focusing on implementing the sales program. Additional properties are currently in the process of sale.

In the past 2011/2012 fiscal year, our asset management team generated an unusually high leasing performance. This can be seen from the considerable reduction in vacancies and from the renewed increase in remaining lease periods year-on-year. We aim to continue this momentum in the coming 2012/2013 fiscal year despite the challenging market environment.

UBS Real Estate Kapitalanlagegesellschaft mbH

Axel Trescher
Portfolio Manager

Dr. Christine Bernhofer
Managing Director

Dr. Tilman Hickl
Managing Director

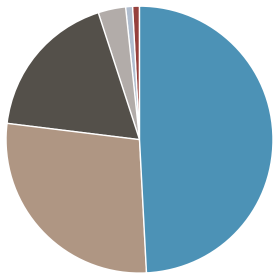
Jörg Sihler
Managing Director

Munich, May 2012

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

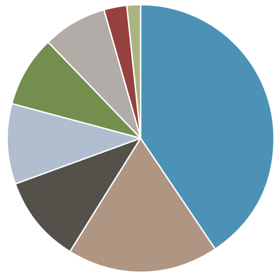
Fund Management Report

Type of use of Fund properties
(including equity interests in real estate companies by interest held)



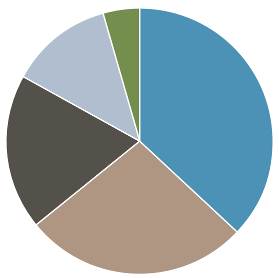
- 49.4 % Office
- 27.8 % Retail / catering
- 17.8 % Industry (warehouses, storage)
- 3.4 % Garage
- 0.9 % Other
- 0.7 % Leisure

Geographical distribution of Fund properties
(including construction projects and equity interests in real estate companies by interest held)



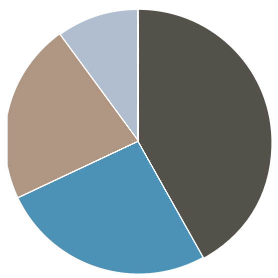
- 40.8 % Spain
- 18.2 % Germany
- 10.7 % Sweden
- 9.6 % USA
- 8.5 % France
- 7.9 % Italy
- 2.7 % Hungary
- 1.6 % Poland

Economic age structure of Fund properties
(including equity interests in real estate companies by interest held)



- 27.3 % <= 5 years
- 37.1 % 5 <= 10 years
- 12.5 % 10 <= 15 years
- 4.3 % 15 <= 20 years
- 18.8 % more than 20 years

Size classification of Fund properties
(including equity interests in real estate companies by interest held)



- 9.8 % up to EUR 10 million
- 26.0 % EUR 10 <= 25 million
- 42.2 % EUR 25 <= 50 million
- 22.0 % EUR 50 <= 100 million

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	1.4	0	0.0
Loans in EUR (outside Germany)	131,368	26.8	5,843	1.2
Swedish krona	0	0.0	16,845	3.4
US dollar	0	0.0	23,708	4.9
Total	**138,115**	**28.2**	**46,396**	**9.5**

As of the end of the period under review, the Fund's leverage corresponds to 37.7 % of the total market values, with the market values of the properties in 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.

Overview of residual loan maturities

	EUR in %	SEK in %	USD in %
less than 1 year	7.7	0.0	0.0
1 - 2 years	62.1	100.0	100.0
2 - 5 years	30.2	0.0	0.0
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	50.9	100.0	0.0
1 - 2 years	39.4	0.0	100.0
2 - 5 years	9.7	0.0	0.0
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

	Offene Währungspositionen zum Berichtsstichtag in TEUR	In % des Fondsvolumens (netto)
Swedish krona	1,324	0.4
Hungarian forint	721	0.2
Polish zloty	386	0.1
US dollar	100	0.0
Total	**2,531**	**0.7**

Overview of the investor structure[1, 2]

Investment volume	In % of fund assets
Investors who have invested more than EUR 1 million in the fund	89.2
Investors who have invested less than EUR 1 million in the fund	0.2
Investors with unknown investment amounts	10.6

[1] Details of the investor structure are not covered by the auditors' report.
[2] The data is calculated on the basis of manual notifications by the investors, plus confirmations from the custodian/depository in some cases. Since unit certificates can be freely transferred, the actual investor structure may differ from the information given here.

Overview: Returns, Valuation, and Leasing

Return ratios in %	DE direct	BE direct[1]	ES direct	FR direct	IT direct	PL direct	Total direct	HU indirect	SE indirect	US indirect	Total indirect	Total direct and indirect
I. Properties												
Gross income	6.0	0.4	6.4	6.2	4.6	2.3	5.9	6.6	5.9	8.7	7.1	6.2
Management expenses	./. 3.6	./. 6.3	./. 0.6	./. 0.6	./. 2.7	./. 2.2	./. 1.8	./. 1.8	./. 0.3	./. 1.1	./. 0.8	./. 1.6
Net income	2.4	./. 5.9	5.8	5.6	1.9	0.1	4.1	4.8	5.6	7.6	6.3	4.6
Changes in value	./. 1.7	0.0	./. 3.2	./. 13.2	./. 1.0	./. 4.6	./. 3.6	./. 11.7	./. 5.3	0.0	./. 4.0	./. 3.7
Income tax incurred outside Germany	0.0	0.0	./. 0.1	./. 0.2	0.0	0.0	./. 0.1	./. 0.1	0.0	./. 2.4	./. 1.0	./. 0.3
Deferred taxes incurred outside Germany	0.0	0.0	0.3	0.7	./. 0.4	./. 0.4	0.2	./. 1.7	0.0	./. 1.9	./. 0.9	./. 0.1
Income/loss before loan expenses	0.7	./. 5.9	2.8	./. 7.1	0.5	./. 4.9	0.6	./. 8.7	0.3	3.3	0.4	0.5
Income/loss after loan expenses in currency	0.6	./. 5.9	1.0	./. 22.3	./. 1.7	./. 4.9	./. 1.8	./. 18.4	./. 1.7	1.4	./. 2.6	./. 2.0
Exchange rate changes	0.0	0.0	0.0	0.0	0.0	./. 0.3	0.0	0.6	./. 2.3	12.8	2.9	0.6
Total income/loss in Fund currency	**0.6**	**./. 5.9**	**1.0**	**./. 22.3**	**./. 1.7**	**./. 5.2**	**./. 1.8**	**./. 17.8**	**./. 4.0**	**14.2**	**0.3**	**./. 1.4**
II. Liquidity												**./. 0.4**
III. Total income/loss of Fund before Fund expenses												**./. 2.4**
Total income/loss of Fund after Fund expenses (BVI method)												**./. 3.5**

Capital information (weighted averages in EUR million)	
Directly held properties	423.0
Properties held via real estate companies	112.7
Properties, total	535.7
Liquidity	36.6
Loan volume	213.5
Fund volume (net)	351.1

Information on changes in value (as of the reporting date in EUR million)	DE direct	BE direct[1]	ES direct	FR direct	IT direct	PL direct	Total direct	HU indirect	SE indirect	US indirect	Total indirect	Total direct and indirect
Appraised market values, portfolio (not including construction projects)	89.3	-	199.5	41.5	38.8	7.8	376.9	13.1	52.6	47.2	112.9	489.8
Appraised rent, portfolio	5.7	-	14.1	2.8	2.5	0.8	25.9	1.1	3.3	3.4	7.8	33.7
Positive changes in value according to appraisals	0.0	-	0.3	0.0	0.0	0.0	0.3	0.0	0.0	0.7	0.7	1.0
Other positive changes in value	0.0	-	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2
Negative changes in value according to appraisals	./. 2.0	-	./. 6.9	./. 6.3	./. 0.4	./. 0.4	./. 16.0	./. 1.6	./. 2.9	0.0	./. 4.5	./. 20.5
Other negative changes in value	0.0	-	0.0	0.0	0.0	0.0	0.0	./. 0.0	0.0	./. 0.8	./. 0.8	./. 0.8
Changes in value according to appraisals, total	./. 2.0	-	./. 6.6	./. 6.3	./. 0.4	./. 0.4	./. 15.7	./. 1.6	./. 2.9	0.7	./. 3.8	./. 19.5
Other changes in value, total	0.0	-	0.2	0.0	0.0	0.0	0.2	./. 0.0	0.0	./. 0.8	./. 0.8	./. 0.6

[1] The “Royale Building” in Brussels was sold as of December 2/19, 2011.

Overview: Returns, Valuation, and Leasing

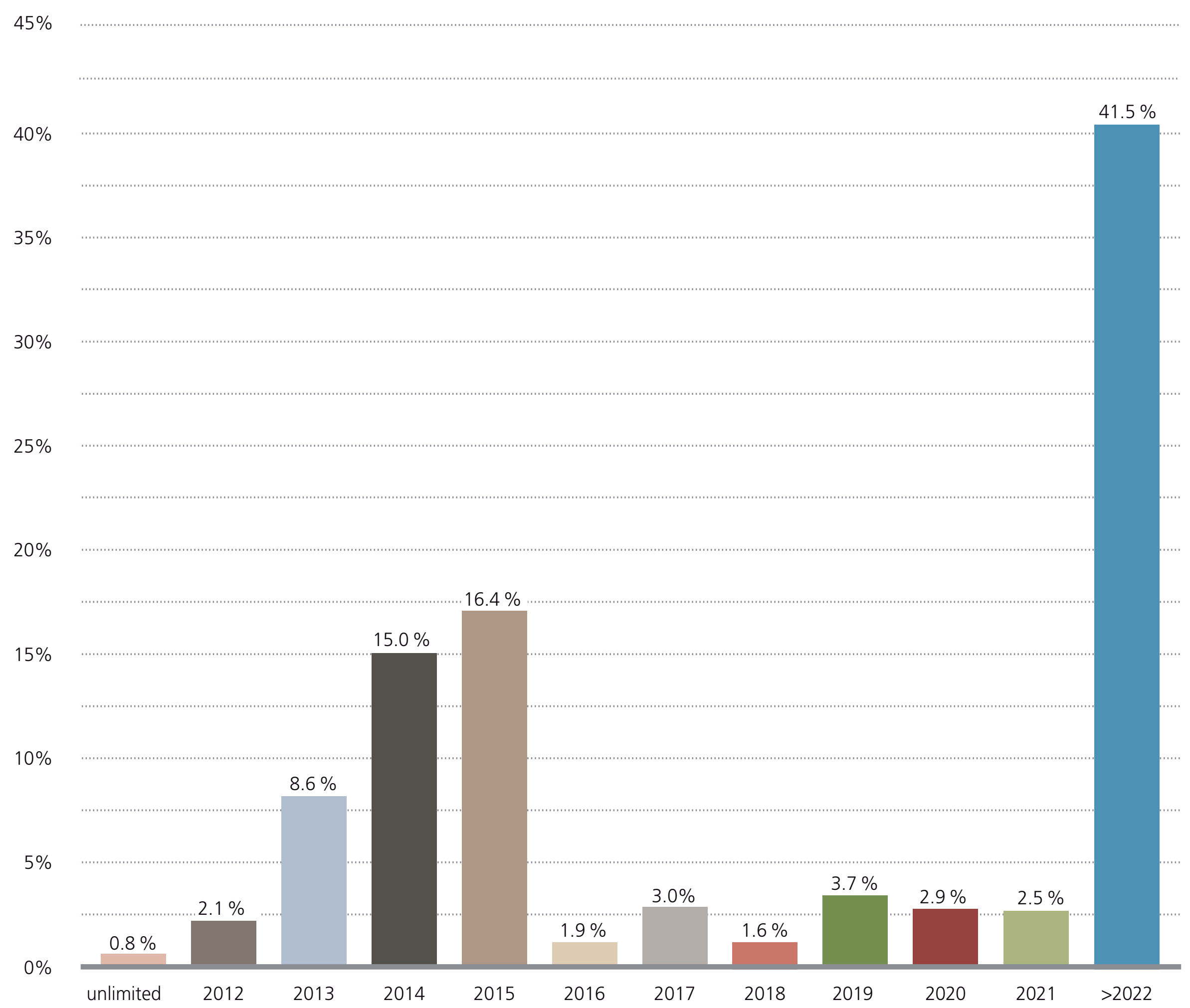
Leasing information in % (as of the reporting date)	**DE direct**	**ES direct**	**FR direct**	**IT direct**	**PL direct**	**Total direct**	**HU indirect**	**SE indirect**	**US indirect**	**Total indirect**	**Total direct and indirect**
Annual rental income, office	28.1	22.9	67.7	73.7	0.0	33.9	83.5	0.0	96.8	67.4	44.0
Annual rental income, retail/catering	43.7	25.3	22.4	0.0	0.0	25.5	1.0	99.7	0.0	28.6	26.5
Annual rental income, industry (warehouses, storage)	0.0	44.8	0.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	16.7
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
Annual rental income, leisure	3.9	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.6
Annual rental income, garage	13.3	1.0	3.3	4.3	0.0	4.2	4.5	0.0	0.0	0.6	3.1
Annual rental income, other	3.0	0.0	0.0	4.7	0.0	1.1	0.0	0.3	0.0	0.1	0.8
Vacancy rate, office	2.4	1.5	4.8	15.4	100.0	6.4	10.3	0.0	3.2	3.2	5.4
Vacancy rate, retail/catering	3.8	1.6	1.6	0.0	0.0	1.9	0.1	0.0	0.0	0.0	1.3
Vacancy rate, industry (warehouses, storage)	0.0	2.8	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	1.1
Vacancy rate, residential	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vacancy rate, leisure	0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Vacancy rate, garage	1.2	0.1	0.2	0.9	0.0	0.4	0.6	0.0	0.0	0.1	0.3
Vacancy rate, other	0.3	0.0	0.0	1.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1
Leasing rate	92.0	94.0	93.4	82.7	0.0	89.5	89.0	100.0	96.8	96.7	91.7

Expiring tenancy agreements in % (basis: rental income)	**DE direct**	**ES direct**	**FR direct**	**IT direct**	**PL direct[1]**	**Total direct**	**HU indirect**	**SE indirect**	**US indirect**	**Total indirect**	**Total direct and indirect**
unlimited	2.1	0.2	1.9	0.0	0.0	0.8	6.2	0.0	0.0	0.8	0.8
2012	6.2	0.7	0.0	0.0	0.0	1.8	0.0	7.9	0.0	3.1	2.1
2013	17.4	7.7	14.0	0.0	0.0	9.9	33.5	0.0	0.8	4.6	8.6
2014	13.7	7.1	81.9	13.5	0.0	18.3	40.9	0.0	0.3	5.4	15.0
2015	0.8	9.1	0.0	45.8	0.0	9.7	7.3	0.0	72.3	36.1	16.4
2016	3.7	1.6	0.0	0.0	0.0	1.7	1.1	0.0	4.6	2.4	1.9
2017	0.1	0.7	2.2	30.5	0.0	3.7	0.0	0.0	2.1	1.0	3.0
2018	6.0	0.0	0.0	0.0	0.0	1.4	0.0	5.4	0.0	2.1	1.6
2019	3.6	5.7	0.0	0.0	0.0	4.0	11.0	0.0	3.5	3.1	3.7
2020	3.3	0.0	0.0	10.2	0.0	1.8	0.0	0.0	12.6	6.1	2.9
2021	11.6	0.0	0.0	0.0	0.0	2.7	0.0	0.0	3.8	1.9	2.5
>2021	31.5	67.2	0.0	0.0	0.0	44.2	0.0	86.7	0.0	33.4	41.5

[1] At present, no leases have been signed.

Overview: Returns, Valuation, and Leasing

Expiring tenancy agreements in total[1]
(basis: rental income)



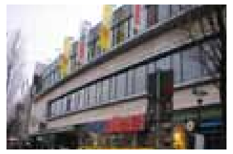
[1] Lease extension options are classed as not having been exercised until they are actually taken up.

Condensed Statement of Assets and Liabilities as of April 30, 2012

	EUR	EUR	EUR	Share of Fund assets in %
I. Properties (see page 22 ff.)				
1. Commercial properties		376,890,000.00		
(of which in foreign currency)	(0.00)		**376,890,000.00**	**110.7**
II. Equity interests in real estate companies				
1. Majority interests		17,752,433.62		
(of which in foreign currency)	(9,818,057.33)			
2. Minority interests		24,810,982.28		
(of which in foreign currency)	(24,810,982.28)			
(total in foreign currency)	(34,629,039.61)		**42,563,415.90**	**12.5**
III. Liquid assets (see page 32 ff.)				
1. Bank deposits		55,873,187.62		
(of which in foreign currency)	(1,437,433.56)		**55,873,187.62**	**16.4**
IV. Receivables and other assets				
1. Receivables from property management		15,611,148.75		
(of which in foreign currency)	(40,900.90)			
2. Receivables from real estate companies		26,928,637.50		
(of which in foreign currency)	(26,222,094.45)			
3. Interest receivables		175,554.40		
(of which in foreign currency)	(140,090.64)			
4. Other assets		5,426,888.30		
(of which in foreign currency)	(49,423.58)		**48,142,228.95**	**14.1**
Total			**523,468,832.47**	**153.7**
V. Liabilities				
1. from loans		138,115,000.00		
(of which in foreign currency)	(0.00)			
2. from real estate purchases and construction projects		752,514.96		
(of which in foreign currency)	(0.00)			
3. from property management		11,815,658.26		
(of which in foreign currency)	(27,129.96)			
4. Other liabilities		15,395,428.44		
(of which in foreign currency)	(2,939.89)		**166,078,601.66**	**48.8**
VI. Provisions				
(of which in foreign currency)	(6,842,050.89)		**16,714,739.10**	**4.9**
Total			**182,793,340.76**	**53.7**
VII. Fund assets (net)			**340,675,491.71**	**100.0**

Statement of Assets and Liabilities as of April 30, 2012, 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,** 45149 Essen Hatzper Str. 214, "Neue Mitte Haarzopf"	**DE,** 50672 Cologne Venloer Str. 47 - 53 "Stadtgarten Carrée"	**ES,** 46440 Almussafes Poligono Industrial Juan Carlos I, Calle de Ponent 8, "Almussafes"	**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"
Type of property	C	C	C	C	C	C
Development project/portfolio development measures	-	-	-	-	-	-
Type of use in % (broken down by m²)	R/C: 78; L: 13; O: 9	R/C: 67; O: 21; Ot: 9; L: 3	O: 92; R/C: 8	I: 96; O: 4	O: 100	I: 77; O: 23
Acquisition date	Sep 08	Nov 08	Mar 04	Dec 07	Apr 06	Jan 07
Year of construction (renovation)	1969 (2003)	2008	2002	2005	2008	2007
Area of land in m²	7,012	17,201	2,677	22,887	7,510	28,083
Floor space, commercial in m²	15,403	9,621	8,860[3]	19,211	15,611	16,332[3]
Floor space, residential in m²	-	-	-	-	-	-
Features	G	-	G, E, CH	DH	G, E	E
Market value acc. to appraisal in EUR million	44.7	22.5	22,1	11,7	49,2	26,7
Purchase price/construction costs in EUR million	42.1	24.4	21,3	12,9	39,2	28,0
Transaction costs* in EUR million	4.2	1.9	1,4	0,6	3,9	1,1
Leverage ratio in % of the market value	34.6[2]	34.6[2]	-	34,6[2]	54,3	65,5
Vacancy rate in % of floor space	9.8	0.0	12,8	0,0	7,7	0,0
Rental defaults in % of estimated gross rental	5.1	0.0	22,5	0,0	1,2	0,0
Remaining lease periods in years	5.9	8.7	3,8	15,7	11,7	10,7
Remaining useful life in years	46	66	60	43	66	35
Estimated rent p. a. acc. to appraisal in EUR thousand	2,787.2	1,489.8	1,409.3	760.8	3,140.8	1,915.0
Additional leasing information						
Actual rent from May 1, 2011 – Apr. 30, 2012, in EUR thousand	2,604.9	1,524.6	1,260.1	923.8	2,479.9	1,930.2
Forecasted rental income[1] from May 1, 2012 – April 30, 2013, in EUR thousand	2,614.0	1,542.0	1,255.0	944.6	2,716.7	1,973.6
Annualized actual rent as a proportion of total purchase costs in %	5.6	5.8	5.6	6.8	5.7	6.6
Anchor tenant sector	Retail	Retail, Physicians	Retail, aviation, services	Logistics	Insurance	Logistics

Abbreviations

Type of property:
- C Commercial property
- MX Mixed-use property
- UC Property under construction
- U Undeveloped property

Type of use:
- O Office
- R/C Retail / catering
- I Industrial (warehouses and storage)
- R Residential
- L Leisure
- G Garage
- Ot Other

Features:
- DH District heating
- G Garage
- AC Air conditioning
- E Elevator
- CH Central heating

* 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", "Almussafes", "Jundiz II", "Jundiz I", "Esquivias I", and "Esquivias II" properties to the total market values.
[3] Difference as against the Annual Report as of April 30, 2011, due to a new appraisal.

Statement of Assets and Liabilities as of April 30, 2012, Part I: Schedule of Properties and Leasing Information

I. Directly held properties (eurozone countries)

						
Location of property	**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"	**ES,** 45221 Esquivias (Toledo) Poligono Industrial de Esquivias, Parcela 18 Sector 11, "Esquivias II"	**ES,** 19208 Madrid - Alovera / Guadalajara, "Plot C.2 warehouse"	**ES,** 19208 Madrid - Alovera / Guadalajara, "Plot C.5-C.6 warehouse"	**ES,** 01015 Vitoria-Gasteiz, Calle Mendigorritxu No. 56, "Jundiz II"
Type of property	C	C	C	C	C	C
Development project/portfolio development measures	-	-	-	-	-	-
Type of use in % (broken down by m²)	R/C: 94; Ot: 6	I: 97; O: 3	I: 96; O: 4	I: 88; O: 12	I: 100	I: 98; O: 2
Acquisition date	Dec 09	Dec 07	Dec 07	Mar 07	Mar 07	Dec 07
Year of construction (renovation)	2005	2002	2005	2007	2008	2005
Area of land in m²	28,905	18,922	20,922	13,251	22,530	38,948
Floor space, commercial in m²	21,916[2]	17,662	16,733	8,590	14,891	23,759
Floor space, residential in m²	-	-	-	-	-	-
Features	G, AC, E, CH	-	-	-	-	-
Market value acc. to appraisal in EUR million	55.4	10.0	9.6	4.6	9.4	14.5
Purchase price/construction costs in EUR million	46.1	11.0	10.4	6.8	11.1	15.2
Transaction costs* in EUR million	2.8	0.4	0.4	0.3	0.6	0.5
Leverage ratio in % of the market value	54.1	34.6[3]	34.6[3]	60.0	55.0	34.6[3]
Vacancy rate in % of floor space	12.5	0.0	0.0	0.0	0.0	0.0
Rental defaults in % of estimated gross rental	23.0	0.0	0.0	26.9	0.0	0.0
Remaining lease periods in years	4.5	15.7	15.7	2.7	6.9	15.7
Remaining useful life in years	43	40	43	35[4]	36[4]	43
Estimated rent p. a. acc. to appraisal in EUR thousand	4,214.2	688.8	652.6	386.6	705.8	1,080.6
Additional leasing information						
Actual rent from May 1, 2011 – Apr. 30, 2012, in EUR thousand	3,417.7	787.1	745.7	419.7	711.4	1,089.1
Forecasted rental income[1] from May 1, 2012 – April 30, 2013, in EUR thousand	3,172.7	804.8	762.5	284.7	727.4	1,113.6
Annualized actual rent as a proportion of total purchase costs in %	7.0	6.9	6.9	5.9	6.1	6.9
Anchor tenant sector	Retail	Logistics	Logistics	Logistics	Logistics	Logistics

Abbreviations

Type of property:
- C Commercial property
- MX Mixed-use property
- UC Property under construction
- U Undeveloped property

Type of use:
- O Office
- R/C Retail / catering
- I Industrial (warehouses and storage)
- R Residential
- L Leisure
- G Garage
- Ot Other

Features:
- DH District heating
- G Garage
- AC Air conditioning
- E Elevator
- CH Central heating

* 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] Difference as against the Annual Report as of April 30, 2011, due to a new appraisal.
[3] The leverage ratio is calculated as the ratio of the loans for the "LP6", "Neue Mitte Haarzopf", "Almussafes", "Jundiz II", "Jundiz I", "Esquivias I", and "Esquivias II" properties to the total market values.
[4] The remaining useful life in the appraisal was reduced.

Statement of Assets and Liabilities as of April 30, 2012, Part I: Schedule of Properties and Leasing Information

I. Directly held properties (eurozone countries)





Location of property	**ES,** 01015 Vitoria-Gasteiz, Calle Mendigorritxu No. 59, "Jundiz I"	**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"	**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 m²)	I: 100	O: 97; Ot: 3	O: 100	R/C: 100	O: 100
Acquisition date	Dec 07	Apr 05	Jul 05	Apr 07	Oct 06
Year of construction (renovation)	1999	1973 (2005)	1988 (2005)	2001	2003
Area of land in m²	22,169	1,315	316	25,791	2,199
Floor space, commercial in m²	14,383	3,132	1,428	8,918	10,033
Floor space, residential in m²	-	-	-	-	-
Features	-	G, AC, E	G, E	AC	G, E
Market value acc. to appraisal in EUR million	8.3	20.6	8.0	12.9	38.8
Purchase price/construction costs in EUR million	8.9	20.7	7.2	19.7	40.1
Transaction costs* in EUR million	0.4	1.0	0.6	2.1	2.3
Leverage ratio in % of the market value	34.6[2]	68.0	-	-	-
Vacancy rate in % of floor space	0.0	0.0	0.0	9.8	2.7
Rental defaults in % of estimated gross rental	0.0	0.0	0.0	20.5	17.3
Remaining lease periods in years	15.7	2.5	2.3	1.6	4.3
Remaining useful life in years	37	63	53	39	61
Estimated rent p. a. acc. to appraisal in EUR thousand	636.0	1,288.7	514.0	954.5	2,489.1
Additional leasing information					
Actual rent from May 1, 2011 – Apr. 30, 2012, in EUR thousand	641.0	1,625.9	585.1	683.2	1,725.5
Forecasted rental income[1] from May 1, 2012 – April 30, 2013, in EUR thousand	655.4	1,707.3	604.9	737.6	2,079.1
Annualized actual rent as a proportion of total purchase costs in %	6.9	7.5	7.5	3.1	4.1
Anchor tenant sector	Logistics	Energy/environment	Accounting	Retail	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 "LP6", "Neue Mitte Haarzopf", "Almussafes", "Jundiz II", "Jundiz I", "Esquivias I", and "Esquivias II" properties to the total market values.

Statement of Assets and Liabilities as of April 30, 2012, Part I: Schedule of Properties and Leasing Information

II. Directly held properties (countries with other currencies)

Location of property	**PL,** 03–472 Warschau Ul. Bertolda Brechta 7 "Nova Praga"
Type of property	C
Development project/portfolio development measures	-
Type of use in % (broken down by m²)	O: 100
Acquisition date	Jan 05
Year of construction (renovation)	1955 (2000)
Area of land in m²	749
Floor space, commercial in m²	4,554
Floor space, residential in m²	-
Features	FW. K. L
Market value acc. to appraisal in EUR million	7.8
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	48
Estimated rent p. a. acc. to appraisal in EUR thousand	791.7
Additional leasing information	
Actual rent from May 1, 2011 – Apr. 30, 2012, in EUR thousand	107.6[2]
Forecasted rental income[1] from May 1, 2012 – April 30, 2013, in EUR thousand	7.3
Annualized actual rent as a proportion of total purchase costs in %	1.5
Anchor tenant sector	-[3]

Abbreviations

Type of property:			Type of use:			Features:		
	C	Commercial property		O	Office		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 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 Ingatlankezelo Kft.; domiciled in Budapest
Equity as of December 31, 2011	EUR 0.5 million
Equity interest held (in %)	100.0
Acquisition date	Nov 06
Purchase price in EUR million	9.4
Transaction costs* in EUR million	1.2
Shareholder loans in EUR thousand	706.5
Schedule of Properties	
Type of property	C
Development project/portfolio development measures	-
Type of use in % (broken down by m²)	O: 92; Ot: 5; R/C: 3
Acquisition date	Nov 06
Year of construction (renovation)	1950 (2003), 2003
Area of land in m²	8,870
Floor space, commercial in m²	9,317
Floor space, residential in m²	-
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	8.5
Rental defaults in % of estimated gross rental	11.0
Remaining lease periods in years	2.4
Remaining useful life in years	51
Estimated rent p. a. acc. to appraisal in EUR thousand	1,079.0
Additional leasing information	
Actual rent from May 1, 2011 – Apr. 30, 2012, in EUR thousand	910.7
Forecasted rental income[1] from May 1, 2012 – April 30, 2013, in EUR thousand	1,097.0
Annualized actual rent as a proportion of total purchase costs in %	7.0
Anchor tenant sector	Electrical and automation technology/ consumer goods industry

Statement of Assets and Liabilities as of April 30, 2012, Part I: Schedule of Properties and Leasing Information

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

Location of property	**SE,** 19162 Sollentuna 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, 2011	SEK 81.7 million	USD 51.7 million
Equity interest held (in %)	100.0	44.9
Acquisition date	Apr 08	Feb 04
Purchase price in EUR million	17.4	17.9[3]
Transaction costs* in EUR million	0.5	1.5[3]
Shareholder loans in EUR thousand	26,222.1[2]	-
Schedule of Properties		
Type of property	C	C
Development project/portfolio development measures	-	-
Type of use in % (broken down by m²)	R/C: 100	O: 100
Acquisition date	Apr 08	Feb 04
Year of construction (renovation)	2008	1990
Area of land in m²	52,808	4,056[4]
Floor space, commercial in m²	17,471	57,831[4]
Floor space, residential in m²	-	-
Features	DH	G, AC, E, CH
Market value acc. to appraisal in EUR million	52.5[2]	105.2[4, 5]
Purchase price in EUR million	42.4	46.1[3]
Transaction costs* in EUR million	-	-
Leverage ratio in % of the market value	32.1	50.2
Vacancy rate in % of floor space	0.0	6.7
Rental defaults in % of estimated gross rental	0.0	3.2
Remaining lease periods in years	9.8	4.5
Remaining useful life in years	46	48
Estimated rent p. a. acc. to appraisal in EUR thousand	3,266.3[2]	7,787.7[4, 5]
Additional leasing information		
Actual rent from May 1, 2011 – Apr. 30, 2012, in EUR thousand	3,184.7	3,916.8[3]
Forecasted rental income[1] from May 1, 2012 – April 30, 2013, in EUR thousand	3,234.8[2]	4,277.8[3, 5]
Annualized actual rent as a proportion of total purchase costs in %	6.1	8.3[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 8.90459.
[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 1.32314.
[6] The market value is recognized on a proportionate basis.

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 489.8 million.

This corresponds to 143.8 % of the net Fund assets.

Statement of Assets and Liabilities as of April 30, 2012 Part II: Liquid Assets

Bank deposits

Bank deposits at credit institutions in:	EUR	Share of Fund assets in %
Germany	46,209,291.68	13.5
Luxembourg	5,000,000.00	1.5
Spain	1,658,736.38	0.5
France	1,626,538.76	0.5
Poland	698,238.80	0.2
Italy	680,382.00	0.2
Total bank deposits	**55,873,187.62**	**16.4**

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Statement of Assets and Liabilities as of April 30, 2012 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			15,611,148.75	
(of which in foreign currency)	(40,900.90)			
of which advance payments for operating costs		9,205,142.64		
of which rent receivables		6,406,006.11		
2. Receivables from real estate companies			26,928,637.50	
(of which in foreign currency)	(26,222,094.45)			
3. Interest receivables			175,554.40	
(of which in foreign currency)	(140,090.64)			
4. Other assets			5,426,888.30	
(of which in foreign currency)	(49,423.58)			
of which receivables from hedging transactions		144,295.21		
Total			**48,142,228.95**	**14.1**
II. Liabilities				
1. from loans			138,115,000.00	
(of which in foreign currency)	(0.00)			
of which short-term loans (section 53 of the InvG)		0.00		
2. from real estate purchases and construction projects			752,514.96	
(of which in foreign currency)	(0.00)			
3. from property management			11,815,658.26	
(of which in foreign currency)	(27,129.96)			
4. Other liabilities			15,395,428.44	
(of which in foreign currency)	(2,939.89)			
of which from hedging transactions		453,999.34		
Total			**166,078,601.66**	**48.8**
III. Provisions			**16,714,739.10**	**4.9**
(of which in foreign currency)	(6,842,050.89)			
Fund assets (EUR)			**340,675,491.71**	
Unit value (EUR)			**9.82**	
Number of units in circulation			**34,683.895**	

Exchange rates as of October 28, 2011:

Polish zloty:	EUR 1= PLN	4.17713
Swedish krona:	EUR 1= SEK	8.90459
Hungarian forint:	EUR 1= HUF	287.19092
US dollar:	EUR 1= USD	1.32314

Items denominated in foreign currencies were translated into euros based on the middle exchange rates determined by Thomson Reuters at 1.30 p.m. on April 27, 2012.

Statement of Assets and Liabilities as of April 30, 2012 Part III: Other Assets, Liabilities and Provisions, Additional Disclosures

Disclosures on hedging transactions

1. Open positions on reporting date

	Nominal amount USD thousand	Market value Purchase EUR thousand	Market value Reporting date EUR thousand[1]	Interim result EUR thousand[2]
USD currency forward	25,500	19,404	19,260	144
Changes in value of currency hedging transactions				**144**

	Nominal amount SEK thousand	Market value Purchase EUR thousand	Market value Reporting date EUR thousand[1]	Interim result EUR thousand[2]
SEK currency forward	159,000	17,758	17,811	./. 53
SEK currency forward	156,000	17,085	17,486	./. 401
Changes in value of currency hedging transactions				**./. 454**

[1] Exchange rate as of April 27, 2012, 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 USD thousand	Market value Purchase EUR thousand	Market value Sale EUR thousand	Result EUR thousand
USD currency forward	25,400	19,678	17,799	1,879
USD currency forward	25,500	18,805	18,787	18
USD currency forward	24,600	17,283	18,135	./. 852
USD currency forward	900	637	663	./. 26
USD currency forward	25,500	18,776	19,421	./. 645
Realized gain from USD currency forwards				**374**

	Nominal amount SEK thousand	Market value Purchase EUR thousand	Market value Sale EUR thousand	Result EUR thousand
SEK currency forward	174,000	19,639	19,156	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
SEK currency forward	180,500	20,065	19,967	98
SEK currency forward	174,000	19,299	19,523	./. 224
Realized loss from SEK currency forwards				**./. 492**

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 April 27, 2012, 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 April 30, 2012

Sales

I. Directly held properties (eurozone countries)

Location of property		Transfer of risks and rewards incidental to ownership of land as of
DE, 90403 Nurenberg	Laufertormauer 8, Äußerer Laufer Pl. 22, "Sebalder Höfe"	Sept. 1, 2011
FR, 91220 Paris - Brétigny-sur-Orge	Rue du Morvan, "Maison Neuve 4"	Nov. 24, 2011
BE, 1000 Brussels	Rue Royale 154 - 158, "Royale Building"	Dec. 2/19, 2011[1]
DE, 91052 Erlangen	Mozartstr. 31 a - c, Hofmannstr. 32, "Business Carrée"	Dec. 28, 2011
DE, 22763 Hamburg	Friesenweg 2 a - c	Dec. 28, 2011

1. Transfer of risks and rewards took place for the property on December 2, 2011, and for the heritable building right on December 19, 2011.

Notes to the Statement of Assets and Liabilities as of April 30, 2012

Fund assets

Fund assets amounted to EUR 340.7 million as of the end of the reporting period, down EUR 17.6 million compared with April 30, 2011. The unit value was EUR 9.82.

Properties

As of the reporting date, the real estate portfolio comprised a total of 21 properties. Eighteen of these are held directly and are reported under "Commercial properties" (EUR 376.9 million). The EUR 83.6 million decline in this item compared with April 30, 2011, is partly due to the sale of three properties in Germany and of one property each in Belgium and France, amounting to a total of EUR 67.8 million. Another contributing factor were the revaluations of portfolio properties performed in the period under review, which resulted in a decrease of EUR 15.8 million.

Equity interests in real estate companies

Equity interests in real estate companies totaling EUR 42.6 million comprise the majority interest in two real estate companies in Sweden and Hungary amounting to a total of EUR 17.8 million, as well as a minority interest valued at EUR 24.8 million in a real estate company in the USA.

The real estate companies' results, the property revaluations, and the exchange rate fluctuations influenced equity investments. In addition, capital increases were performed at the Hungarian and Swedish companies in the period under review by converting debt to equity.

Foreign currency equity investments amounted to EUR 34.6 million as of the end of the period under review. Of this figure, EUR 24.8 million relates to the minority interest, a real estate company in the USA, and EUR 9.8 million to the majority interest in a real estate company in Sweden.

Key findings of the expert valuations

The market value of the "Maison Neuve 2+3" property in Paris declined by EUR 4.7 million due to the reduction in the long-term sustainable rent and the increase in the discount rate.

The market value of the "Neue Mitte Haarzopf" property in Essen fell by EUR 2.0 million. This is due primarily to an adjustment in the property discount rate.

The market value of the "SEUR Warehouse 22.1" property in Barcelona declined by EUR 1.7 million. The anchor tenant extended its lease and the breakdown of space was adjusted. This led to a reduction in the rent.

The value of the "Vatimesnil" property in France was written down by EUR 1.6 million. This reduced the market rent and increased the vacancy and the risk of loss of rental fee.

The market value of the "K1+K2" property in Budapest recorded a decline of EUR 1.6 million. The long-term sustainable rent was reduced. The property's vacancy rate went up, which also increased the vacancy and collection loss allowance.

The market value of the "Plot C.2 warehouse" property in Spain recorded a decline of EUR 1.3 million, which is mainly derived from the reduction in the remaining useful life and the decrease in the market rent.

Liquid assets

Liquid assets consist of bank deposits amounting to EUR 55.9 million, EUR 40.5 million of which are held as overnight deposits, and EUR 5.9 million of which are held as term deposits. The term deposits are a cash deposit for the "SEUR Warehouse 22.1" property in Barcelona. 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 1.4 million and relate to Polish zlotys, Swedish kronor, and US dollars. EUR 17.0 million has been set aside to satisfy the legal minimum liquidity requirements. EUR 18.6 million has been reserved to settle liabilities and EUR 6.6 million for the distribution.

See "Liquid Assets" on page 32 for more information.

Receivables and other assets

"Receivables and other assets" amounting to EUR 48.1 million comprise "Receivables from property management" (EUR 15.6 million), "Receivables from real estate companies" (EUR 26.9 million), "Interest receivables" (EUR 0.2 million), and "Other assets" (EUR 5.4 million).

The "Receivables from property management" are composed of rent receivables (EUR 6.4 million) and receivables from chargeable operating expenses (EUR 9.2 million). The receivables relating to operating expenses are offset by liabilities from advance payments by tenants of incidental expenses amounting to EUR 8.2 million. The equivalent of EUR 41 thousand of the "Receivables from property management" relates to Polish zlotys.

Shareholder loans totaling EUR 26.9 million were granted to real estate companies in Sweden (EUR 26.2 million) and Hungary (EUR 0.7 million); these are reported under "Receivables from real estate companies." The shareholder loan to the Swedish real estate company is denominated in Swedish kronor.

"Interest receivables" (EUR 0.2 million) are the result of deferred interest income from liquid assets and interest receivables from the above-mentioned shareholder loans. The latter receivables account for the majority of the interest receivables and are denominated in Swedish kronor.

"Other assets" (EUR 5.4 million) relate to tenant fit-outs and renovation measures for Spanish and German properties

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Notes to the Statement of Assets and Liabilities as of April 30, 2012

(EUR 3.5 million), receivables from currency forwards (EUR 0.1 million), tax receivables (EUR 0.8 million), and other receivables (EUR 1.0 million). Other assets denominated in foreign currency amounting to EUR 49 thousand relate to tax receivables as well as input tax claims, and are denominated in Polish zlotys.

Liabilities

Liabilities amounted to a total of EUR 166.1 million as of April 30, 2012, and were composed of the following individual items: "Liabilities from loans" (EUR 138.1 million), "Liabilities from real estate purchases and construction projects" (EUR 0.8 million), "Liabilities from property management" (EUR 11.8 million), and "Other liabilities" (EUR 15.4 million).

Liabilities from loans declined by EUR 55.4 million in the period under review. The short term loan in accordance with section 53 of the InvG amounting to EUR 27.0 million and the loan for the "Torre Beta" property in Milan amounting to EUR 21.0 million were repaid. Bank loans in the amount of EUR 13.4 million were repaid as a result of the sale of the Paris property, "Maison Neuve 4." A total of EUR 0.7 million was repaid for the "Plot C.2 warehouse" and "Plot C.5-C.6 warehouse" properties in Spain. By contrast, loans amounting to EUR 6.7 million were taken out in Germany for the properties in Essen and Darmstadt.

Liabilities from real estate purchases and construction projects declined by EUR 4.6 million year-on-year to EUR 0.8 million. This item comprises unsettled construction and purchase costs for German (EUR 0.4 million) and Spanish (EUR 0.4 million) properties.

"Liabilities from property management" comprise advance rental payments (EUR 1.1 million), advance payments of operating expenses (EUR 8.2 million), and miscellaneous liabilities (EUR 2.5 million). The liabilities in connection with operating expenses are offset by receivables relating to operating expenses in the amount of EUR 9.2 million (see page 37). The liabilities from property management that are denominated in foreign currency relate to other liabilities and are denominated in Polish zlotys.

"Other liabilities" are composed of liabilities in connection with deferred loan interest (EUR 0.9 million), currency forwards (EUR 0.5 million), liabilities from management costs (EUR 0.5 million), VAT liabilities (EUR 0.3 million), and miscellaneous other liabilities (EUR 13.2 million). The miscellaneous other liabilities mainly relate to liabilities in connection with repayment of the loan for "Maison Neuve 4." The amount reported in foreign currency mainly relates to exchange rate differences and is primarily denominated in Polish zlotys.

Provisions

The total "Provisions" of EUR 16.7 million comprise provisions for deferred taxes (EUR 13.4 million), provisions for taxes on foreign income (EUR 1.7 million), and maintenance provisions (EUR 1.6 million). The equivalent of EUR 6.8 million of the total provisions are in foreign currency (US dollars, Hungarian forints, and Polish zlotys). These relate to provisions for deferred taxes (EUR 5.2 million) and provisions for taxes on foreign income (EUR 1.6 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.

Statement of Income and Expenditure for the Period from May 1, 2011, to April 30, 2012

	EUR	EUR	EUR
I. Income			
1. Interest on liquid assets in Germany			273,709.82
2. Interest on liquid assets abroad (before withholding tax)			72,395.96
3. Other income			2,501,563.98
4. Income from properties			24,393,530.38
(of which in foreign currency)	(107,414.97)		
5. Income from real estate companies			313,676.72
(of which in foreign currency)	(313,676.72)		
Total income			**27,554,876.86**
II. Expenditure			
1. Real estate management costs			7,535,011.66
a) of which operating costs		2,250,559.11	
(of which in foreign currency)	(177,301.37)		
b) of which maintenance costs		3,951,858.07	
(of which in foreign currency)	(4,950.46)		
c) of which property management costs		469,920.18	
(of which in foreign currency)	(884.41)		
d) of which other costs		862,674.30	
(of which in foreign currency)	(129.94)		
2. Hereditary building right interests, life annuities, and temporary annuities			0.00
(of which in foreign currency)	(0.00)		
3. Taxes incurred outside Germany			1,285,770.58
(of which in foreign currency)	(1,073,625.10)		
4. Interest on borrowings			7,504,683.03
(of which in foreign currency)	(0.01)		
5. Management fee			2,629,395.10
6. Custodian bank fee			101,350.41
7. Audit and publication costs			115,590.61
8. Other expenses			1,188,965.87
of which expert fees		130,430.51	
Total expenditure			**20,360,767.26**
III. Ordinary net income			**7,194,109.60**
IV. Disposals			
1. Realized gains			8,044,903.74
a) on properties		5,566,726.57	
(of which in foreign currency)	(0.00)		
b) on equity interests in real estate companies		2,478,177.17	
(of which in foreign currency)	(2,478,177.17)		
2. Realized losses			4,382,091.11
a) on properties		1,785,558.60	
(of which in foreign currency)	(0.00)		
b) on equity interests in real estate companies		2,596,532.51	
(of which in foreign currency)	(2,596,532.51)		
Net income from disposals			**3,662,812.63**
Equalization paid			352.78
V. Net income for the fiscal year			**10,857,275.01**
Total Expense Ratio (TER) in % of average net Fund assets			**1.15 %**
Total transaction costs in the fiscal year			**1,825,696.47**

Information on costs in accordance with section 41 4, 5 and 6 of the InvG:

The Investment Company does not receive any reimbursements of the fees and expenses paid to the custodian bank and third parties from the Investment Fund assets.

The Investment Company grants brokers such as banks annual brokerage fees ("trail commission") from the Fund management fee paid to it.

The Fund Rules do not provide for a flat fee.

Notes to the Statement of Income and Expenditure

Income

The Fund's income as of the end of the fiscal year amounted to EUR 27.6 million. It comprises "Interest on liquid assets in Germany" (EUR 0.3 million), "Interest on liquid assets abroad" (EUR 0.1 million), "Other income" (EUR 2.5 million), "Income from properties" (EUR 24.4 million), and "Income from real estate companies" (EUR 0.3 million).

"Interest on liquid assets in Germany" (EUR 0.3 million) and "Interest on liquid assets abroad" (before withholding tax) (EUR 0.1 million) are primarily composed of interest income from overnight deposits, term deposits, and checking accounts.

"Other income" was generated from interest income from shareholder loans (EUR 1.9 million), the reversal of maintenance provisions (EUR 0.3 million), and miscellaneous other income (EUR 0.3 million). The last item mainly resulted from tax credits.

At EUR 24.4 million, "Income from properties" decreased by EUR 4.8 million as against the previous year. The decline was mainly a result of a fall in rental income in France and Germany. This was primarily due to property disposals in the two countries.

At EUR 0.3 million, the "Income from real estate companies" relates to distributions by the equity interest in the USA.

Expenditure

Total expenditure amounted to EUR 20.4 million as of the reporting date.

"Real estate management costs" (EUR 7.5 million) include "Operating expenses" of EUR 2.2 million. "Maintenance costs" (EUR 3.9 million) result from ongoing maintenance activities during the period under review (EUR 0.8 million) on the one hand and from new provisions recognized for future maintenance activities (EUR 3.1 million) on the other. "Property management costs" of EUR 0.5 million and "Other costs" of EUR 0.9 million round off the "Real estate management costs". "Other costs" mainly include initial and follow-on leasing expenses as well as rental incentives.

At EUR 1.3 million, "Taxes incurred outside Germany" mainly relate to income tax on gains realized in the USA.

"Interest on borrowings" for bank loans at Fund level totaled EUR 7.5 million.

The "Management fee" was EUR 2.7 million, the "Custodian bank fee" was EUR 0.1 million, and "Audit and publication costs" totaled EUR 0.1 million.

"Other expenses" (EUR 1.2 million) include "Expert fees" of EUR 0.1 million. In addition, miscellaneous other expenses include tax and legal advice costs in particular.

Ordinary net income

"Ordinary net income" represents the difference between income and expenditure and amounted to EUR 7.2 million in the past fiscal year.

Disposals

Realized gains on properties and equity interests in real estate companies correspond to the difference between the proceeds of sale and the carrying amounts for tax purposes. Insofar as capital gains taxes were paid on the sale of foreign properties or equity interests in real estate companies, the realized gain is reduced by the amount paid. This item also includes gains from currency hedging transactions that matured in the period under review.

The realized losses are determined in the same way as the realized gains.

"Net income from disposals" amounted to 3.7 million.

EUR 8.0 million of the "Disposals" relates to "Realized gains". EUR 5.6 million is accounted for by properties. This comprises the disposal of three properties in Germany located in Nuremberg (EUR 2.6 million), Hamburg (EUR 1.3 million), and Erlangen (EUR 1.7 million). The realized gains on equity interests in real estate companies (EUR 2.4 million) are due to realized exchange rate gains on currency forwards closed out during the period under review.

In addition, EUR 4.4 million of the "Disposals" relate to "Realized losses" on equity interests. EUR 1.8 million of this relates to properties. The figure comprises the disposal of the "Maison Neuve 4" property in Paris (EUR 1.0 million) and the "Royale Building" in Brussels (EUR 0.8 million). Realized losses on equity interests in real estate companies amounting to EUR 2.6 million relate to currency forwards in Swedish kronor (EUR 1.1 million) and in US dollars (EUR 1.5 million) that were closed out in the period under review.

Equalization paid

The equalization paid item (EUR 352.78) prevents the distributable amount per unit (EUR 0.19 – see Application of Fund Income) from being affected by changes in the number of units issued (issues/redemptions). All ordinary and extraordinary income and expenditure recorded in the fiscal year up to the sale of the units as well as the amount carried forward from the previous year must be taken into account in equalization accounting and are reported in this item.

Net income for the fiscal year

Net income for the fiscal year of EUR 10.9 million corresponds to the aggregate of ordinary net income (EUR 7.2 million) and net income from disposals (EUR 3.7 million), as well as the positive equalization paid (EUR 352.78).

Total expense ratio (TER)

The total expense ratio of 1.15 % is calculated as the ratio of the Investment Fund's administration costs to the average Fund assets during the fiscal year. The total expenses include the following items: "Management fee", "Custodian bank fee", "Audit and publication costs", "Expert fees", "Investment Advisory Panel costs", and tax and legal advisory costs.

Transaction costs

Additionally, transaction costs amounting to EUR 1.8 million were charged to the Investment Fund that are not included in the "Management fee".

Application of Fund Income as of April 30, 2012, Including Notes

	Total EUR	Per unit EUR
I. Calculation of the distribution		
1. Carried forward from previous year	151,716.26	0.00
2. Net income for the fiscal year	10,857,275.01	0.31
II. Amount available for distribution	11,008,991.27	0.31
1. Retained in accordance with section 78 of the InvG	./. 465,000.00	./. 0.01
2. Reinvested in accordance with section 14 (5) of the BVB	./. 3,781,167.97	./. 0.11
3. Carried forward to new account	./. 172,883.25	0.00
III. Total distribution		
1. Final distribution	6,589,940.05	0.19
a) Cash distribution	6,589,940.05	0.19

Carried forward from previous year

EUR 0.2 million was carried forward from the previous year (see also Application of Fund Income in the Annual Report for the year ended April 30, 2011).

Net income for the fiscal year

The net income for the fiscal year of EUR 10.9 million is taken from the Statement of Income and Expenditure (see page 39).

Amounts retained

EUR 0.5 million was retained from the net income for the fiscal year in accordance with section 78 of the InvG for future property maintenance. No amounts were retained to compensate for impairments.

Reinvestment

EUR 3.8 million was reinvested in the Fund in accordance with section 14 (5) of the BVB.

Carried forward to new account

Income of EUR 0.2 million was carried forward to the new fiscal year.

Total distribution

The final distribution totals EUR 6.6 million for 34,683,895 outstanding units. This corresponds to a distribution per unit of EUR 0.19.

The distribution date is expected to be September 3, 2012.

Statement of Changes in Fund Assets from May 1, 2011, to April 30, 2012

All figures in EUR		
I. Value of the Fund at start of fiscal year		**358,312,721.33**
1. Distribution for the previous year		./. 5,202,269.55
2. Net inflow / outflow of funds		20,947.67
a) Inflow of funds from the sale of unit certificates	20,947.67	
b) Outflow of funds from the redemption of unit certificates	0.00	
3. Equalization paid		352.78
4. Ordinary net income		7,194,109.60
5. Realized gains		8,044,903.74
on properties*	5,566,726.57	
(of which in foreign currency*)	(0.00)	
on equity interests in real estate companies*	2,478,177.17	
(of which in foreign currency*)	(2,478,177.17)	
6. Realized losses		./. 4,382,091.11
on properties*	./. 1,785,558.60	
(of which in foreign currency*)	(0.00)	
on equity interests in real estate companies*	./. 2,596,532.51	
(of which in foreign currency*)	(./. 2,596,532.51)	
7. Net changes in value of unrealized gains / losses		./. 23,313,182.75
II. Value of the Fund at fiscal year-end		**340,675,491.71**

* Including currency forwards.

Notes to the Statement of Changes in Fund Assets

The Statement of Changes in Fund Assets indicates the transactions during the reporting period that led to the new assets reported in the Fund's Statement of Assets and Liabilities. It provides a breakdown of the difference between the assets at the beginning and the end of the fiscal year.

The "Distribution for the previous year" is taken from the figures given in the report from the previous year (see "III. Total distribution").

The "Inflow of funds from the sale of unit certificates" and the "Outflow of funds from the redemption of unit certificates" are calculated based on the respective offer or bid price multiplied by the number of units issued or redeemed.

The bid price includes the accrued income per unit. The equalization paid is deducted from the inflows and outflows of funds, which thus only indicate the change in assets in the fiscal year. The effect of equalization accounting is that changes in the number of units issued do not affect the distributable amount per unit.

Ordinary net income and realized gains and losses are given in the Statement of Income and Expenditure.

The net change in the value of unrealized gains/losses amounted to EUR –23.3 million.

The "Net change in the value of unrealized gains/losses" on properties and equity interests in real estate companies is the result of value adjustments and changes in carrying amounts during the fiscal year. This item comprises changes in market values resulting from initial valuations by the Expert Committee or new valuations, as well as all other changes in the carrying value of the properties or equity interests. These, in turn, can be the result of the creation or reversal of provisions for capital gains on foreign real estate, purchase price adjustments after the fact, or cost reimbursements, for example. The distribution of profits from the real estate companies in the amount of approximately EUR 0.3 million also affected the net change in the value of the equity interests.

This item also includes changes in value resulting from exchange rate fluctuations.

Development of the Fund
(Multi–year Review)

All figures in EUR million	April 30, 2009	April 30, 2010	April 30, 2011	April 30, 2012
Properties	513.3	562.8	460.5	**376.9**
Equity interests in real estate companies	42.3	41.9	40.5	**42.6**
Bank deposits	90.1	98.8	34.1	**55.9**
Other assets	41.5	44.9	51.2	**48.1**
Less liabilities and provisions	./. 211.5	./. 314.9	./. 228.0	**./. 182.8**
Fund assets	475.7	433.5	358.3	**340.7**
Units in circulation (millions)	42.9	40.0	34.7	**34.7**
Unit value (EUR)	11.09	10.84	10.33	**9.82**
Distribution per unit (EUR)	0.48	0.37	0.15	
Distribution date	Aug. 3, 2009	Sept. 1, 2010	Sept. 1, 2011	

Development of Returns
(Multi–year Review)

Return ratios in %	Fiscal year 2009/2010	Fiscal year 2010/2011	Fiscal year 2011/2012
I. Properties			
Gross income	5.9	5.9	6.2
Management expenses	./. 0.7	./. 0.7	./. 1.6
Net income	5.2	5.2	4.6
Changes in value	./. 0.5	./. 3.7	./. 3.7
Income tax incurred outside Germany	./. 0.3	./. 0.3	./. 0.3
Deferred taxes incurred outside Germany	./. 0.3	0.1	./. 0.1
Income / loss before loan expenses	4.1	1.3	0.5
Income / loss after loan expenses	3.6	./. 0.7	./. 2.0
Total income / loss in currency	**3.6**	**./. 0.7**	**./. 2.0**
Exchange rate changes	0.3	./. 1.1	0.6
Total income / loss in Fund currency	**3.9**	**./. 1.8**	**./. 1.4**
II. Liquidity	**1.1**	**./. 1.1**	**./. 0.4**
III. Total income / loss of Fund before Fund expenses	**3.3**	**./. 0.3**	**./. 2.4**
Total income / loss of Fund after Fund expenses (BVI method)	**2.1**	**./. 1.4**	**./. 3.5**

Tax Information for Unit Holders in Germany

Income Tax Treatment of the Distribution and Retained Amount

Sec. 5 (1) of the InvStG	Bases of taxation to be announced at distribution	Private investors per unit EUR	Business investors per unit (KStG) EUR	Business investors per unit (EStG) EUR
	Distribution	0.1900	0.1900	0.1900
	Plus foreign taxes paid	0.0000	0.0000	0.0000
	Less foreign taxes reimbursed	0.0000	0.0000	0.0000
Nr. 1a	**Amount of distribution**	**0.1900**	**0.1900**	**0.1900**
	Liquidity distributed as tax depreciation (negative retained amount)	0.0000	0.0000	0.0000
	Deemed distributed income from previous years	0.0000	0.0000	0.0000
Nr. 1b	Income distributed	0.1900	0.1900	0.1900
Nr. 2	Deemed distributed income	0.1573	0.1573	0.1573
Nr. 1i	Non-deductible income-related expenses as defined in section 3 (3) sentence 2 no. 2 of the InvStG included in this	0.0066	0.0066	0.0066
	Total income accruing to investors	**0.3473**	**0.3473**	**0.3473**
Amounts included in the distribution				
Nr. 1c, bb	Capital gains as defined in section 2 (2) sentence 2 of the InvStG in conjunction with section 8b (2) of the KStG, or section 3 no. 40 of the EStG	-	0.0000	0.0000
Nr. 1c, dd	Tax-free capital gains as defined in section 2 (3) no. 1 sentence 1 of the InvStG in the version applicable on Dec. 31, 2008	0.0000	-	-
Nr. 1c, ee	Income as defined in section 2 (3) no. 1 sentence 2 of the InvStG in the version applicable on Dec. 31, 2008	0.0000	0.0000	0.0000
Nr. 1c, ff	Tax-free capital gains as defined in section 2 (3) of the InvStG in the version applicable on Jan. 1, 2009	0.0000	-	-
Amounts included in the distribution and retained amount				
Nr. 1c, aa	Income as defined in section 2 (2) sentence 1 of the InvStG in conjunction with section 8b (1) of the KStG or section 3 no. 40 of the EStG	-	0.0000	0.0000
Nr. 1c, gg	Tax-free income under double taxation agreements	0.0000	0.0000	0.0000
	(No. 1c, hh) Memo item: tax-free income under double taxation agreements for the purpose of the progression clause	0.0000	-	0.0000
Nr. 1c, ii	Foreign income on which foreign withholding tax was actually retained or deemed to have been retained, to the extent that the foreign withholding tax was not treated as income-related expenses	0.0000	0.0000	0.0000
Nr. 1c, jj	Income contained in 1c, ii to which section 2 (2) of the InvStG in conjunction with section 8b (1) and (2) of the KStG or section 3 no. 40 EStG is to be applied	-	0.0000	0.0000
Nr. 1c, kk	Income contained in 1c, ii as defined in section 4 (2) of the InvStG, which is considered under a double taxation agreement as founding an entitlement to credit (notionals) withholding tax deemed to have been paid against income or corporation tax	0.0000	0.0000	0.0000
Nr. 1c, ll	Income contained in 1c, kk to which section 2 (2) of the InvStG in conjunction with section 8b (1) and (2) of the KStG or section 3 no. 40 EStG is to be applied	-	0.0000	0.0000
Nr. 1c, cc	Income as defined in section 2 (2a) of the InvStG (earnings stripping rule)	-	0.0520	0.0520
Nr. 1d	**Tax base for 25 % investment income tax**	**0.3473**	**0.3473**	**0.3473**
Nr. 1d, aa	As defined in section 7 (1), (2), and (4) of the InvStG	0.1364	0.1364	0.1364
Nr. 1d, bb	As defined in section 7 (3) of the InvStG	0.2109	0.2109	0.2109
	of which income as defined in section 7 (3) no. 2 of the InvStG	0.2109	0.2109	0.2109
Nr. 1d, cc	As defined in section 7 (1) sentence 5 of the InvStG to the extent contained in 1 dd, aa	0.0000	0.0000	0.0000
Nr. 1f, aa	Imputable withholding tax	0.0000	0.0000	0.0000
Nr. 1f, cc	Deductible withholding tax	0.0000	0.0000	0.0000
Nr. 1f, ee	Notional foreign withholding tax	0.0000	0.0000	0.0000
Nr. 1g	**Depreciation or depletion**	**0.1385**	**0.1385**	**0.1385**
Nr. 1h	Withholding tax paid in the fiscal year, reduced by reimbursed withholding tax for the fiscal year	0.0000	0.0000	0.0000

The amounts given were rounded to four decimal places using commercial rounding rules. Any rounding differences were not adjusted.

For information on the calculation of the taxable portion, please see the notes to the table at the end of the section entitled “Tax Information for Unit Holders in Germany” on page 56. EUR 0.1900 per unit will be distributed in line with investment law on September 3, 2012, for the fiscal year ending April 30, 2012, (date of the resolution on the distribution: August 30, 2012).

“Nova Praga”, Ul. Bertolda Brechta 7, Warschau / Poland

Tax Information for Unit Holders in Germany

General tax system

German legislation exempts real estate investment funds from all income taxes. Income is taxed at the level of the investors.

For units held as private assets, however, the taxable income from the Investment Fund is treated as a matter of principle as income from capital investments and is subject to income tax if this income, together with the investor's other investment income, exceeds the annual lump-sum savings allowance of EUR 801.00 (for single persons or married couples assessed separately) or EUR 1,602.00 (for married couples assessed jointly).

Income from capital investments is subject to 25 % withholding tax (plus the solidarity surcharge and, if applicable, church tax).

Income from capital investments includes income distributed by the Investment Fund, deemed distributed income, interim profits, and gains from the purchase and sale of Fund units if these were or are purchased after December 31, 2008.[1] Income-related expenses in connection with income from capital investments in excess of the lump-sum allowance may no longer be claimed.

In the case of private investors, the tax withheld generally has definitive effect ("flat tax"), meaning that income from capital investments generally does not have to be disclosed in the investor's income tax return. However, tax return disclosures may still be necessary for church tax purposes, for example. When withholding the tax, the custodian, as a matter of principle, already offsets any losses and credits any foreign withholding taxes.

The tax withheld may not have definitive effect in some circumstances, e.g., if the investor's personal tax rate is lower than the flat tax rate of 25 % or if the lump-sum savings allowance has not been exhausted. In this case, income from capital investments can be disclosed in the investor's income tax return. The tax office then applies the lower personal tax rate and counts the tax withheld against the investor's personal tax liability ("Günstigerprüfung" – most favorable tax treatment).

If no tax has been withheld on income from capital investments (e. g., because a gain was generated from the sale of fund units in a foreign custody account), this must be disclosed in the tax return. This income from capital investments is then also subject to the flat tax rate of 25 % or the lower personal tax rate in the course of the assessment.

Even if the tax is withheld and the investor has a higher personal tax rate, information regarding income from capital investments may be required if extraordinary expenses or special personal deductions (e. g., donations) are claimed in the investor's income tax return.

Units held as business assets are treated as operating income for tax purposes. German tax legislation requires a differentiated approach in order to calculate the amount of taxable income or income subject to investment income tax.

Units held as private assets (German tax residents)

Domestic rental income, interest, dividends (particularly from real estate corporations), other income, and gains from the sale of domestic real estate within ten years of acquisition.

In principle, 25 % tax (plus the solidarity surcharge and church tax, if applicable) is withheld on income (domestic rental income, dividends, interest, other income) and gains from the sale of domestic real estate within ten years of acquisition that are distributed or retained in the case of domestic custody.

No tax needs to be withheld if the investor is a German tax resident and submits an exemption instruction, provided that the taxable income components do not exceed EUR 801.00 for single persons or EUR 1,602.00 for married couples assessed jointly. The same also applies if a non-assessment certificate is submitted.

If the domestic investor holds the units of an investment fund that is classed as a distributing fund for tax purposes in a German custody account at the investment company or a credit institution (custody), the respective custodian, as the paying agent, will not withhold any tax provided that, prior to the specified distribution date, it receives either an official exemption instruction for a sufficient amount or a non-assessment certificate issued by the tax office for a maximum period of three years. In this case, the entire distribution is credited to the investor without deduction.

In respect of tax withheld on accumulating funds, the investment fund will make the investment income tax plus the maximum surtaxes incurred (solidarity surcharge and church tax) available to the custodians. As in the case of distributed income, the custodians will then withhold the tax while taking investors' personal circumstances into account, allowing any church tax in particular to be remitted. Any amounts that the investment fund has made available to the custodians and that do not have to be remitted are refunded.

If investors hold their units in a custody account at a German credit institution or a German investment company and submit an exemption instruction for a sufficient amount or a non-assessment certificate to their custodian prior to the end of the investment fund's fiscal year, the amount made available to the custodian is credited to their account.

If investors fail to submit an exemption instruction or non-assessment certificate, or fail to submit it in good time, they will receive a tax certificate on request from their custodian showing the tax withheld and remitted and the solidarity surcharge. Investors can then credit the tax withheld against their personal tax liability in the course of their income tax assessment.

If units in distributing investment funds are not held in a custody account and the investor presents coupons to a German credit institution (self-custody), 25 % tax is withheld (plus the solidarity surcharge).

In the view of the tax authorities, dividends paid by foreign (real estate) corporations are not tax-free since they qualify as intercompany dividends ("Schachteldividenden").

Gains from the sale of domestic and foreign real estate not falling within the ten-year holding period

Gains from the sale of domestic and foreign real estate not falling within the ten-year holding period that are generated at the Investment Fund level are always tax-free at the investor level.

Foreign rental income and gains from the sale of foreign real estate within the ten-year holding period

Foreign rental income and gains from the sale of foreign real estate in respect of which Germany has waived taxation under a double taxation agreement (exemption method) are also tax-free (general rule). Equally, the tax-free income does not influence the applicable tax rate (the progression clause does not apply).

If, exceptionally, the tax credit method has been adopted under the relevant double taxation agreement or no double taxation agreement has been concluded, the statements made regarding the treatment of gains from the sale of domestic real estate within the ten-year holding period shall apply analogously. Taxes paid in the relevant countries of origin may be set off against German income tax where appropriate, insofar as the taxes paid have not been claimed as income-related expenses at the level of the Investment Fund.

Gains from the sale of securities, gains from forward transactions, and income from option premiums

Gains from the sale of shares, equity-equivalent profit participation rights and investment units, gains from forward transactions, and income from option premiums generated at the Investment Fund level are not recognized at the level of the investor unless they are distributed. Moreover, gains from the sale of the capital claims listed in section 1 (3) sentence 3 no. 1 letters a) to f) of the Investmentsteuergesetz (InvStG – German Investment Tax Act) are not recognized at the level of the investor if they are not distributed.

These include the following capital claims:

a) capital claims that have an issue yield,

b) "normal" bonds and unsecuritized receivables with a fixed coupon as well as down-rating bonds, floaters, and reverse floaters,

c) risk certificates that track a share price or a published index for a large number of shares 1:1,

[1] Gains on the sale of fund units held by private investors that were acquired prior to January 1, 2009, are tax-free.

Tax Information for Unit Holders in Germany

d) equity-linked bonds, exchangeable bonds, and convertible bonds,

e) flat income bonds and profit participation rights classified as debt instruments, and

f) bonds cum warrants.

If gains from the sale of the abovementioned securities / capital claims, gains from forward transactions, and income from option premiums are distributed, they are taxable in principle; 25 % tax is withheld if the units are held in a domestic custody account (plus the solidarity surcharge and if applicable, church tax). However, distributed gains from the sale of securities and gains from forward transactions are tax-free if the securities at the Investment Fund level were acquired before January 1, 2009, or the forward transactions were entered into before January 1, 2009.

Gains from the sale of capital claims that are not included in the abovementioned list must be treated in the same way as interest for tax purposes (see above).

Income from equity interests in domestic and foreign real estate partnerships

Income from equity interests in domestic and foreign real estate partnerships must be reported for tax purposes at Investment Fund level at the end of the fiscal year of the partnership concerned. It must be measured in accordance with general tax principles.

Negative taxable income

Should negative income remain after being offset against similar positive income at Investment Fund level, this is carried forward at Investment Fund level for tax purposes. It can be offset against similar future positive taxable income at Investment Fund level in subsequent periods. Negative taxable income may not be directly allocated to investors. This means that such negative amounts will only be reflected in investors' income tax assessments in the assessment period (tax year) in which the Investment Fund's fiscal year ends, or in which the distribution for the Investment Fund's fiscal year for which the negative taxable income is offset at Investment Fund level takes place. Claims by investors for the negative income to be taken into account in earlier income tax assessments are not possible.

Repayments of capital

Repayments of capital (e. g., in the form of construction project interest) are not taxable.

However, repayments of capital that investors receive during their period of ownership must be added to the taxable net income from the sale of the fund units, i. e., they increase the taxable profit.

Capital gains at investor level

If units in an investment fund that were acquired after December 31, 2008, are sold by a private investor, the capital gains are subject to the 25 % flat tax rate. If the units are held in a domestic custody account, the custodian withholds the tax. The 25 % flat tax (plus the solidarity surcharge and if applicable, church tax) need not be withheld if a sufficient exemption instruction or a non-assessment certificate is submitted.

If units acquired before January 1, 2009, are sold, any gains are tax-free for private investors.

In calculating the capital gains, the interim profit at the time of acquisition must be deducted from the acquisition costs, and the interim profit at the time of disposal must be deducted from the sale price, so that interim profits are not taxed twice (see below). In addition, the retained income on which the investor has already been taxed must be deducted from the disposal price, so that double taxation is also avoided in this respect.

Gains from the sale of fund units acquired after December 31, 2008, are tax-free insofar as they relate to income that is tax-free under double taxation agreements, that accrued to the fund during the holding period, and that has not yet been recognized at investor level (gain from real estate for the proportionate period of ownership).

The investment company publishes the gains from real estate on each valuation date as a percentage of the value of the investment unit.

Units held as business assets (German tax residents)

Domestic rental income and interest and similar income

Domestic rental income and interest and similar income from units held as assets are taxable by the investor.[1] This applies regardless of whether this income is retained or distributed.

Tax need only not be withheld, or withheld tax can only be refunded, upon presentation of a corresponding non-assessment certificate. Otherwise, the investor receives a tax certificate documenting the tax withheld.

Foreign rental income

Germany generally exempts rental income from foreign real estate from taxation (exemption due to a double taxation agreement). However, investors that are not incorporated entities may be subject to the progression clause.

If, exceptionally, the tax credit method has been adopted under the relevant double taxation agreement or no double taxation agreement has been concluded, income tax paid in the relevant countries of origin may be offset against German income tax or corporation tax where appropriate, insofar as the taxes paid have not been claimed as income-related expenses at the level of the Investment Fund.

Gains from the sale of domestic and foreign real estate

Retained gains from the sale of domestic and foreign real estate are of no significance for tax purposes at the investor level if they were generated outside the ten-year period at Fund level. Gains only become taxable upon distribution, whereby Germany generally does not tax foreign gains (exemption due to a double taxation agreement).

Gains from the sale of domestic and foreign real estate within the ten-year period, whether retained or distributed, are taxable at the investor level. Gains from the sale of domestic real estate are fully taxable.

Germany generally exempts gains from the sale of foreign real estate from taxation (exemption due to a double taxation agreement). However, investors that are not incorporated entities are subject to the progression clause.

If, exceptionally, the tax credit method has been adopted under the relevant double taxation agreement or no double taxation agreement has been concluded, income tax paid in the relevant countries of origin may be offset against German income tax or corporation tax where appropriate, insofar as the taxes paid have not been claimed as income-related expenses at the level of the Investment Fund.

Tax need only not be withheld, or withheld tax can only be refunded, upon presentation of a corresponding non-assessment certificate. Otherwise, the investor receives a tax certificate documenting the tax withheld.

Gains from the sale of securities, gains from forward transactions, and income from option premiums

Gains from the sale of securities, equity-equivalent profit participation rights, and investment units, gains from forward transactions, and income from option premiums are of no significance for tax purposes at the investor level if they are retained. Moreover, gains from the sale of the capital claims listed below are not recognized at the level of the investor if they are not distributed:

a) capital claims that have an issue yield,

b) "normal" bonds and unsecuritized receivables with a fixed coupon as well as down-rating bonds, floaters, and reverse floaters,

c) risk certificates that track a share price or a published index for a large number of shares 1:1,

d) equity-linked bonds, exchangeable bonds, and convertible bonds,

e) flat income bonds and profit participation rights classified as debt instruments, and

[1] Pursuant to section 2 (2a) of the InvStG, the taxable interest must be taken into account in relation to the earnings stripping rule in accordance with section 4h of the EStG.

Tax Information for Unit Holders in Germany

f) bonds cum warrants.

If these gains are distributed, they are taxable by the investor. Gains from the sale of shares are fully tax-free[1] for investors that are corporations, or 40 % tax-free for other business investors such as sole proprietorships (partial income method). However, capital gains from bonds / capital claims, gains from forward transactions, and income from option premiums are fully taxable.

Income from the sale of capital claims that are not included in the abovementioned list must be treated in the same way as interest for tax purposes (see above).

Distributed capital gains on securities, distributed gains on forward transactions, and distributed income from option premiums are subject in principle to withholding tax (25 % investment income tax plus the solidarity surcharge). This does not apply to gains from the sale of securities purchased before January 1, 2009, and to gains from forward transactions entered into before January 1, 2009. However, the paying agent does not withhold any tax in particular if the investor is a corporation with unlimited tax liability or if the investment income represents operating income of a domestic business and this is declared to the paying agent by the creditor of the investment income in an official form.

Domestic and foreign dividends (particularly from real estate corporations)

Dividends paid by domestic and foreign real estate corporations that are distributed or retained on shares held as business assets are tax-free[2] in principle for corporations with the exception of dividends in accordance with the REIT-Gesetz (German REIT Act). Sole proprietorships are required to tax 60 % of these amounts (partial income method).

Domestic dividends are subject to withholding tax (25 % investment income tax plus the solidarity surcharge).

Foreign dividends are generally subject to withholding tax (25 % investment income tax plus the solidarity surcharge). However, the paying agent does not withhold any tax in particular if the investor is a corporation with unlimited tax liability (whereby corporations as defined by section 1 (1) nos. 4 and 5 of the Körperschaftsteuergesetz (KStG – German Corporation Tax Act) must submit a certificate from their tax office to the paying agent) or the foreign dividends represent operating income of a domestic business and this is declared to the paying agent by the creditor of the investment income in an official form.

The partially income tax- and corporation tax-free dividend income of investors subject to trade tax must be added back, rather than deducted, when calculating their trade income.

In the view of the tax authorities, dividends paid by foreign (real estate) corporations can, as qualifying intercompany dividends, only be fully tax-free if the investor is a company (corporation) as defined in the corresponding double taxation agreement and a sufficiently high overall (intercompany) interest is attributable to it.

Income from equity interests in domestic and foreign real estate partnerships

Income from equity interests in domestic and foreign real estate partnerships must be reported for tax purposes at Investment Fund level at the end of the fiscal year of the partnership concerned. It must be measured in accordance with general tax principles.

Negative taxable income

Should negative income remain after being offset against similar positive income at Investment Fund level, this is carried forward at Investment Fund level for tax purposes. It can be offset at Investment Fund level against similar future positive taxable income in subsequent periods. Negative taxable income may not be directly allocated to investors. This means that such negative amounts will only be reflected in investors' income or corporation tax assessments in the assessment period (tax year) in which the Investment Fund's fiscal year ends, or in which the distribution for the Investment Fund's fiscal year for which the negative taxable income is offset at Investment Fund level takes place. Claims by investors for the negative income to be taken into account in earlier income or corporation tax assessments are not possible.

[1] In the case of corporations, 5 % of capital gains from shares are considered as non-deductible business expenses and are therefore taxable.

[2] In the case of corporations, 5 % of dividends are considered as non-deductible business expenses and are therefore taxable.

Repayments of capital

Repayments of capital (e. g., in the form of construction project interest) are not taxable. For investors required to prepare accounts, this means that the repayments of capital must be recognized in income in the financial accounts and an offsetting liability must be expensed in the tax accounts, thus technically reducing the historical acquisition cost without affecting tax. Alternatively, the amortized cost may be reduced by the proportionate amount of the repayment of capital.

Capital gains at investor level

Gains from the sale of units held as business assets are tax-free for business investors, provided that these consist of foreign rental income that has not yet been received or that is considered to have not yet been received and realized or unrealized Investment Fund gains from foreign real estate, insofar as Germany has waived taxation (gain from real estate).

The investment company publishes the gain from real estate on each valuation date as a percentage of the value of the investment unit.

Furthermore, gains from the sale of units held as business assets are tax-free[1] for corporations if they consist of dividends that have not yet been received or that are considered to have not yet been received and realized or unrealized Investment Fund gains from domestic and foreign (real estate) corporations (gain from shares). Sole proprietorships are required to tax 60 % of these capital gains.

The investment company publishes the gain from shares on each valuation date as a percentage of the value of the investment unit.

Non-residents for tax purposes

If a non-resident for tax purposes holds units in a distributing investment fund in a custody account at a German custodian (custody), no tax is withheld on interest and similar income, capital gains on securities, gains on forward transactions, and foreign dividends if the investor furnishes proof of his or her non-resident status for tax purposes. 'If the custodian concerned is unaware of the investor's non-resident status or if proof of this status is not furnished in good time, the foreign investor is required to apply for reimbursement of the tax withheld in accordance with section 37 (2) of the Abgabenordnung (AO – German Tax Code) to the tax office at the place of business of the custodian.

If a foreign investor holds units of accumulating investment funds in a custody account at a German custodian, no tax is withheld where such income does not relate to domestic dividends, domestic rental income, or gains from the disposal of domestic real estate and the investor furnishes proof of his or her non-resident status for tax purposes. If the application for reimbursement is made too late, the investor may apply for reimbursement in accordance with section 37 (2) of the AO even after the income is retained, as in the case where proof of non-resident status is furnished too late by investors holding units of distributing funds.

By contrast, tax is withheld where the income relates to domestic dividends, domestic rental income, or gains from the disposal of domestic real estate. The extent to which the tax withheld may be offset or refunded for foreign investors depends on the double taxation agreement between the investor's country of residence and the Federal Republic of Germany. The Bundeszentralamt für Steuern (BZSt – Federal Central Office of Taxation) in Bonn reimburses investment income tax on domestic dividends, domestic rental income, and gains from the disposal of domestic real estate in accordance with double taxation agreements.

[1] In the case of corporations, 5 % of tax-free capital gains are considered as non-deductible business expenses and are therefore taxable.

[2] Gains on the sale of fund units held by private investors that were acquired prior to January 1, 2009, are tax-free.

Tax Information for Unit Holders in Germany

Solidarity surcharge

A 5.5 % solidarity surcharge is levied on the tax withheld to be remitted when the Investment Fund distributes or retains income. The solidarity surcharge can be deducted from income tax and corporation tax.

If no tax is withheld or if tax withheld is reimbursed where income is retained, there is no requirement to remit the solidarity surcharge, or the solidarity surcharge is reimbursed.

Church tax

If income tax has already been levied via the tax withheld by a German custodian (withholding agent), the church tax payable on it is levied as a surcharge to the tax withheld in accordance with the church tax rate applied by the religious community to which the investor belongs.

For this purpose, persons subject to church tax must provide the withholding agent with a written application stating the religion to which they belong. In this application, married couples must also declare which portion of the couple's overall investment income is attributable to each partner, so that the church tax can be allocated, retained, and remitted in this ratio. If no allocation ratio is indicated, the allocation is made on a per capita basis.

The deductibility of church tax as a special personal deduction is already recognized as reducing the tax burden when the tax is withheld.

Foreign withholding tax

Withholding tax is sometimes retained on the Investment Fund's foreign income in the country of origin.

The investment company may deduct the eligible withholding tax in the same way as an income-related expense at the level of the Investment Fund. In this case, the foreign withholding tax cannot be offset or deducted at investor level.

If the investment company does not exercise its option to deduct the foreign withholding tax at Investment Fund level, the eligible withholding tax will be recognized as reducing the tax to be withheld.

Equalization paid

Those portions of the offer price attributable to income for units that are eligible for inclusion in the distribution (equalization accounting) are to be treated in the same way for tax purposes as the income to which these portions of the offer price are attributable.

Taxation of interim profits

Interim profits consist of income included in the sale or bid price for interest received or accrued as well as gains from the sale of capital claims not listed in section 1 (3) sentence 3 no. 1 letters a) to f) of the InvStG that have not yet been distributed or retained by the Fund and that are therefore not yet taxable for the investor (comparable to accrued interest on fixed-income securities). Interim profits generated by the Investment Fund are subject to income tax when German tax residents redeem or sell their units. 25 % tax is withheld on interim profits (plus solidarity surcharge and, if applicable, church tax).

Private investors can deduct interim profits paid on the purchase of units as negative income for income tax purposes in the year of payment if an equalization paid item has been recognized and if reference is made to this in both the publication of interim profits and the tax data to be attested by the professional services providers. Interim profits are already recognized as reducing the tax burden when the tax is withheld. If the interim profits are not published, 6 % of the payment made in connection with the redemption or sale of the investment unit must be recognized per annum as interim profits. In the case of business investors, the interim profits paid are a dependent component of the cost of acquisition, which may not be adjusted. If investment units are redeemed or sold, the interim profits received represent a dependent component of the sale proceeds. No adjustment may be made.

Interim profits may also be ascertained regularly from the account and income statements issued by the banks.

EU Savings Tax Directive / German Interest Information Regulation

The Zinsinformationsverordnung (ZIV – German Interest Information Regulation), implementing Council Directive 2003/48/EC of June 3, 2003, (OJ EU No. L 157 p. 38) is designed to ensure the effective cross-border taxation of natural persons' interest income throughout the EU area. The EU has signed agreements with a number of third countries (notably Switzerland, Liechtenstein, the Channel Islands, Monaco, and Andorra) which correspond to a considerable extent to the EU Savings Tax Directive.

To this end, interest income credited by a German credit institution (acting to this extent as paying agent) to a natural person resident in a European country other than Germany or in certain third countries is reported by the German credit institution to the Bundeszentralamt fur Steuern (Federal Central Office of Taxation) and, ultimately, to the tax office in the natural person's country of residence.

Correspondingly, interest income credited to a natural person resident in Germany by a credit institution in another European country or in certain third countries is ultimately reported by the overseas credit institution to the tax office in the person's place of residence in Germany. Alternatively, some overseas states retain withholding tax that is eligible for offsetting in Germany.

This affects private investors resident in the European Union or in one of the third countries that have acceded to the Directive who maintain their account or custody account in another EU country and generate interest income there.

Luxembourg and Switzerland, among other countries, have agreed to impose a withholding tax of 35 % on this interest income. The tax documentation received by investors includes a certificate with which they can offset the withholding tax deducted in the course of their income tax assessment.

Alternatively, private investors may obtain exemption from tax being withheld abroad by authorizing their foreign credit institution to voluntarily disclose their interest income; this permits the institution to dispense with withholding the tax and, instead, to report the income to the tax authorities specified by law.

Under the ZIV, the investment company must disclose for each German and foreign fund whether it is in scope or out of scope, i. e., whether it is subject to the ZIV or not.

In this regard, the ZIV contains two main investment limits.

If a fund's assets consist of no more than 15 % receivables as defined by the ZIV, the paying agents which ultimately access the data reported by the investment company do not have to send reports to the Bundeszentralamt für Steuern. However, once the 15 % limit is exceeded, the paying agents are obliged to report the interest portion of the distribution to the Bundeszentralamt für Steuern.

If the 25 % limit is exceeded, the interest portion of the redemption or sale of the fund units must be reported. In the case of a distributing fund, the interest portion of any distribution must also be reported to the Bundeszentralamt für Steuern. In the case of an accumulating fund, reports are, logically enough, only made when fund units are redeemed or sold.

Property purchase tax

The sale of units in the Investment Fund does not give rise to any property purchase tax.

French 3 % tax

Since January 1, 2008, real estate investment funds have, in principle, fallen with the scope of a special French tax (known as the "French 3 % tax") that is levied annually on the market value of properties located in France. The French law provides for the exemption from the 3 % tax of French real estate funds and comparable foreign funds. In the opinion of the French tax authorities, German real estate funds are not comparable in principle with French real estate funds, meaning that they are not exempt in principle from the 3 % tax.

In order to be exempt from this tax, the French tax authorities are of the opinion that the UBS (D) 3 Sector Real Estate Europe Investment Fund must issue an annual return specifying its French properties as of January 1 of each year and disclosing the names of those unit holders who held 1 % or more of the Investment Fund as of January 1 of each year. This means that the names of investors who held at least

Tax Information for Unit Holders in Germany

346,837 units in the UBS (D) 3 Sector Real Estate Europe Investment Fund as of January 1, 2012, must be disclosed.

So that the Investment Fund can comply with its obligation to submit a return and thus avoid the French 3 % tax being levied, we ask that you send us a written declaration consenting to the disclosure of your name, address, and the size of your investment to the French tax authorities if you held 346,837 or more units in the UBS (D) 3 Sector Real Estate Europe Investment Fund on January 1, 2012.

This disclosure has no financial repercussions, nor does it require you to file a return with or inform the French tax authorities yourself, if you held less than 5 % of the Investment Fund on January 1, and this is the only investment you have in French property.

If, on January 1 your equity interest amounted to or exceeded 5 %, or if you held additional properties in France either indirectly or directly, you may be liable for tax in your own right on account of your investment in French real estate and you must ensure that you are exempted from taxation by providing the French tax authorities with your own return. However, various groups of investors may be covered by general exemptions; for example, natural persons and listed companies are exempted from the 3 % tax. In these cases, no separate return need be submitted.

For more information on the potential obligation to submit a return, we recommend that you contact a French tax advisor.

Notice:

The tax information is based on the legal position as currently known. It applies to investors with unlimited income tax or corporation tax liability in Germany. However, no assurance can be given that the tax treatment will not change as a result of legislation, court rulings, or decrees issued by the tax authorities. Details of the taxation of the investment fund's income will be published in the annual reports.

Notes to the table on page 46

The structure of the table complies with the disclosure requirements under the InvStG. All figures listed in the columns Private investors, Business investors (KStG), and Business investors (EStG) are given in euros per unit. The distribution amount per unit is EUR 0.1900 and can be found in row no. 1a of Table 1.

An example using a private investor explains how the taxable portion is calculated:

The distribution amount of EUR 0.1900 differs from the total amount of distributed income and the deemed distributed income for tax purposes of EUR 0.3473 (no. 1b and no. 2). This difference is due in particular to tax depreciation on real estate and the restrictions on the deductibility of certain expenses. These items are not taken into account in calculating income under investment law, but reduce or increase the amount of distributed and deemed distributed income for tax purposes. The different tax treatment of equity interests in foreign partnerships leads to further differences. An additional difference arises since certain income (e.g., rental income, interest) is deemed to have been distributed to investors even if it is not used in the distribution (this is known as "deemed distributed income").

The distributed income and deemed distributed income includes income of EUR 0.0000 (no. 1c, gg) that is tax-exempt in Germany under treaties aimed at avoiding double taxation. For the private investor, the total taxable portion is therefore:

EUR 0.3473
./. EUR 0.0000
EUR 0.3473

The amount subject to withholding tax is EUR 0.3473 (no. 1d).

Tax Information for Unit Holders in Austria

General notes

UBS (D) 3 Sector Real Estate Europe (formerly UBS (D) 3 Kontinente Immobilien) is distributed publicly in Austria. A tax representative has been appointed to report the actual income of UBS (D) 3 Sector Real Estate Europe to the Österreichische Kontrollbank.

UBS (D) 3 Sector Real Estate Europe is a foreign real estate investment fund in accordance with section 42 of the Immobilieninvestmentfondsgesetz (ImmoInvFG – Austrian Real Estate Investment Fund Act). Any collective investment in real estate that is subject to the laws of a foreign country and that is established under the law, under its articles of association, or in actual practice in accordance with the principles of risk diversification as defined by the ImmoInvFG is deemed to be a foreign real estate investment fund, irrespective of its legal form.

UBS (D) 3 Sector Real Estate Europe is classified from an Austrian perspective as a reportable fund in accordance with section 42 in conjunction with section 40 (2) clause 1 of the ImmoInvFG, because its tax representative reports the actual income from the Fund's assets to the Österreichische Kontrollbank (OeKB) and its units are distributed as part of a public placement.

As a result of being classified as a reportable fund as defined in section 42 in conjunction with section 40 (2) clause 1 of the ImmoInvFG, the real estate fund is deemed to be a transparent entity for tax purposes. Therefore, the Fund is not taxed in Austria. Rather, investors are subject to income or corporation tax on their portion of the income. If the units are held as private assets, the investor receives income from capital investments, which must be taxed in the year the income accrues. If the units are held as business assets, the proportional income must be recognized for tax purposes as operating income.

Deemed distributed income

Since April 1, 2012, the taxation of unit holders of reportable funds must be based solely on the deemed distributed income. By contrast, distributions do not give rise to any tax liability (section 40 (1) of the ImmoInvFG).

The deemed distributed income must be included in the investor's tax return.

The tax representative will report the deemed distributed income to the OeKB by August 30, 2012. This can be accessed on the OeKB website (https://www.profitweb.at). Investors are advised to consult the OeKB databases before recognizing the amount of deemed distributed income.

"WTC Almeda Park", Building 6, Avinguda de la Fama, Barcelona / Spain

Tax Information for Unit Holders in Austria

The following table gives an overview of the bases of taxation:

Category	Accrual date	Amount in EUR
Natural persons (private assets)		
Distribution (A)	September 3, 2012	not subject to tax
Deemed distributed income (B)	August 30, 2012	0.1291
Taxable income (B)		0.1291
Imputable foreign income tax		0.0323
Application of the progression clause where the option under section 27a (5) of the EStG is exercised		0.0000
Natural persons (business assets)		
Distribution (A)	September 3, 2012	not subject to tax
Deemed distributed income (B)	August 30, 2012	0.1291
Taxable income (B)		0.1291
Imputable foreign income tax		0.0323
Application of the progression clause where the option under section 27a (5) of the EStG is exercised		0.0000
Corporations		
Distribution (A)	September 3, 2012	not subject to tax
Deemed distributed income (B)	August 30, 2012	0.1291
Taxable income (B)		0.1291
Imputable foreign income tax		0.0323
Private foundations		
Distribution (A)	September 3, 2012	not subject to tax
Deemed distributed income (B)	August 30, 2012	0.1291
Taxable income (B)		0.1291
Imputable foreign income tax		0.0323

The deemed distributed income must be calculated according to Austrian regulations. As a result, there may be differences between the amounts taxable in Austria and those taxable in Germany.

Taxation procedure

Since the units are distributed legally and constructively as part of a public placement, the deemed distributed income is subject to the special 25 % tax rate. Where units are held in custody in a domestic custody account, the deemed distributed income is subject to investment income tax (definitive taxation). Where units are held in custody in a foreign custody account, the deemed distributed income must be taxed as part of the annual assessment.

Where units are held in custody in an Austrian custody account (domestic custody), the deemed distributed income (B) is generally subject to Austrian investment income tax of 25 %. In the case of natural persons (private assets, business assets), the tax levied is treated as the definitive taxation.

Where units are held in custody in a foreign custody account (foreign custody), the deemed distributed income accruing to a natural person (private assets, business assets) is subject to the special tax rate of 25 % (definitive taxation on assessment). The deemed distributed income must be declared in the investor's annual tax return (assessment). The distribution is not taxable.

In the case of non-charitable private foundations, deemed distributed income is subject to interim taxation in those cases in which a public placement has been made legally and constructively. Interim taxation means that the deemed distributed income concerned is generally subject to corporation tax at 25 %; however, interim taxation will not be charged to the extent that the private foundation grants corresponding benefits subject to investment income tax to beneficiaries and the benefits have not been exempted from investment income tax in accordance with a double taxation agreement. If interim taxation becomes payable and if grants subject to investment income tax are made in subsequent periods, the interim taxation will be credited again. The private foundation is exempted from the investment income tax on deemed distributed income.

In the case of corporations, deemed distributed income is subject to corporation tax of 25 %. Where units are held in an Austrian custody account, the deemed distributed income is also subject to investment income tax of 25 %; however, this will not be withheld if a declaration of exemption has been submitted in accordance with section 94 no. 5 of the Einkommensteuergesetz (EStG – Austrian Income Tax Act). Any investment income tax withheld is offset against the corporation tax owed in the course of assessment.

Security tax

Effective April 1, 2012, the requirement to levy the security tax was abolished.

Foreign taxes

In principle, foreign income tax can be offset against investors' income or corporation tax liability as part of their annual assessment, but only if all prerequisites specified in the double taxation agreements are satisfied. The creditable amounts were calculated on the basis of the per-country limitation and in line with tax authority practice, which specifies that deferred taxes on revaluation gains may be included in the calculation of the imputable amount.

Sale of units

The tax consequences of selling or redeeming units in real estate funds depend on whether the units are held as private or business assets. Capital gains are generally taxable. Deemed distributed income does not have to be taxed separately when the units are sold.

In the case of natural persons (private assets) and non-charitable private foundations, capital gains are taxable as income from realized appreciations in value of the assets concerned. Since a public placement has been made legally and constructively, the special 25 % tax rate is applicable to natural persons (private assets); this is levied in the case of domestic custody by withholding investment income tax (definitive taxation) and in all other cases in the course of the tax assessment. In the case of private foundations, the interim taxation regime with a corporation tax rate of 25 % must be applied.

Losses on sale can be offset against other investment income subject to the special tax rate (with the exception of interest on bank deposits and grants from private foundations) pursuant to the restrictions on offsetting losses laid down in section 27 (8) of the EStG. Under the transitional provisions of the Budgetbegleitgesetz 2011 (BBG 2011 – Budget Trailer Act

Tax Information for Unit Holders in Austria

2011) and the Abgabenänderungsgesetz 2011 (AbgÄG 2011 – Tax Amendment Act 2011), gains and losses on the disposal of unit certificates acquired before January 1, 2011, are generally immaterial for tax purposes once the one-year taxable period has expired, unless proportional deemed distributed income has to be reported here.

If the units are held as business assets, capital gains are taxable as operating income. Since a public placement has been made legally and constructively, the special 25 % tax rate is applicable to natural persons (business assets). As a matter of principle, investment income tax is withheld on capital gains on units held in domestic custody; however, this does not qualify as definitive taxation. This means that capital gains must be taken into account during investors' tax assessments. Half of any losses on sale can be offset against other income pursuant to the restrictions on offsetting losses laid down in section 6 no. 2 of the EStG. In the case of corporations, capital gains and losses on sale are subject to the general corporation tax rate of 25 %.

As a matter of principle, tax is levied on the difference between the proceeds of sale and amortized cost. The cost of the fund units must be increased on an ongoing basis by the deemed distributed income. This should apply regardless of whether the deemed distributed income is taxable or tax-free under a double taxation agreement. Actual distributions reduce cost. As a matter of principle, income-related expenses (e. g. front-end charges or redemption fees) may not be deducted where the special 25 % tax rate is applied or in the case of interim taxation.

Limited tax liability

In the absence of any Austrian real estate, investors subject to limited tax liability are not subject to Austrian income tax. However, this may not apply where the units are acquired as domestic business assets (Austrian establishment).

Free transfer of units

No inheritance or gift tax is levied. However, the regulations regarding the reporting of gifts in accordance with section 121a of the BAO and the taxation of foundation receipts in the event of the gratuitous transfer of units to a private foundation or a comparable legal entity must be observed.

Savings Directive

Since the entry into force of Directive 2003/48/EC on July 1, 2005, Austrian investors have been subject to its provisions. As a result, information may be exchanged, or EU withholding tax deducted, insofar as the units are held in a foreign securities account. Further information is provided in the section on the Zinsinformationsverordnung in the chapter entitled Tax Information for German Unit Holders.

Due to the home country rule, an option exercised in Germany in accordance with section 4 (3) of Directive 2003/48/EC is binding on Austrian paying agents. However, the EU withholding tax is not reported to the Österreichische Kontrollbank.

Additional information

The information given above provides a condensed summary of the tax consequences for Austrian investors. The information is based on the legal position as of April 30, 2012. It is also necessary to point out that there are as yet no rulings by supreme courts and no generally accepted tax authority practice in respect of the way units in foreign real estate funds are viewed for tax purposes. The Investmentfondsrichtlinien 2008 (Austrian Fund Guidelines 2008) still leave many questions unanswered regarding the taxation of real estate funds, including the calculation of the deemed distributed income. No assurance can therefore be given that the method by which taxable income from an interest in a foreign real estate fund is calculated will not change as a result of changes in the legislation, court rulings, or administrative practice. The consequences of any such divergent opinion on the part of the fiscal authorities must therefore be borne solely by the investor.

Committees

Investment company:
UBS Real Estate Kapitalanlagegesellschaft mbH

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

Registered office:
Theatinerstraße 16
D-80333 Munich
Phone: +49-089-20 60 95 0
Fax: +49-089-20 60 95 200

Local court/registration court:
Munich HR B 10 10 08

Formation:
October 22, 1992

Fiscal year:
January 1 to December 31

Subscribed and paid-in capital as of December 31, 2011:
EUR 7.5 million

Liable capital as of December 31, 2011:
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
Chief Operating Officer - Global Real Estate
- Chairman -

Hans-Peter Rupprecht
Siemens AG
Corporate Treasurer
- Deputy Chairman -

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

Axel Hörger
UBS Deutschland AG – Wealth Management
CEO Wealth Management

Prof. Dr. Thomas Kinateder
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
Munich

Custodian bank:
CACEIS Bank Deutschland GmbH
Registered office: Munich

Subscribed capital as of December 31, 2011:	EUR 5,113 thousand
Liable capital as of December 31, 2011:	EUR 164,823 thousand

Expert Committee
for the UBS (D) 3 Sector Real Estate Europe real estate fund:
Thomas W. Stroh
Dipl.-Ing., architect,
publicly certified, sworn expert,
Bonn
- Chairman -

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

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

Uwe Ditt
Betriebswirt BdH,
publicly certified, sworn expert,
Mainz
– Substitute member –

Information correct as of April 30, 2012, unless stated otherwise