

Please note: This is a translation from German and a non-official version. For the legal relationship between the real estate management company and the investor only the German version is valid. The official version can be found at [www.realinvest.at](http://www.realinvest.at)

# Simplified Prospectus

for the fund

## REAL INVEST Austria

a gilt-edged real estate fund

REAL INVEST Austria is a real estate fund held in trust in accordance with Section 1 of the Austrian Real Estate Investment Fund Act (*Immobilien-Investmentfondsgesetz, ImmoInvFG*, as amended).

ISIN: AT0000**634357** (A)

ISIN: AT0000**634365** (T)

ISIN: AT0000**A05RD2** (VTI)

Approved by the Financial Market Authority in accordance with the provisions of the Austrian Real Estate Investment Fund Act.

Publications pursuant to Section 19 of the Real Estate Investment Fund Act in conjunction with Section 10 of the Capital Markets Act (*Kapitalmarktgesetz, KMG*) are published electronically as of 01/01/2010 on the website of the real estate investment company (*Kapitalanlagegesellschaft (KAG) für Immobilien*). The announcement that publications shall only be done electronically in future on the website of the real estate investment company was published in the Official Gazette (*Amtsblatt*) of the *Wiener Zeitung* on 01/10/2009.

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## **1. Brief description of the real estate fund**

### **1.1. Date of the establishment of the fund**

The REAL INVEST Austria fund was established on 1/12/2003 (date of first net asset value calculation). The REAL INVEST Austria fund was issued on 21/11/2003 for an indefinite period.

### **1.2. Information on the real estate investment fund management company**

The REAL INVEST Austria fund is managed by Bank Austria Real Invest Immobilien-Kapitalanlage GmbH, Lassallestraße 5, 1020 Vienna. Bank Austria Real Invest Immobilien-Kapitalanlage GmbH has delegated the following activity to third parties pursuant to Section 18 of the Alternative Investment Fund Managers Act (*AIFMG*): asset valuation in accordance with Section 29 of the Real Estate Investment Fund Act (*Immobilieninvestmentfondsgesetz, ImmoInvFG*).

### **1.3. Information on external consultancy firms**

External consultants are called on at the expense of the fund assets for the following services:

- a) to provide support in the implementation of real estate transactions / transactions of shares to real estate companies, including due diligence;
- b) to provide support in the implementation of property development projects, construction projects, and maintenance, repair, renovation and refurbishment measures;
- c) concerning legal and fiscal issues relating to the fund assets.

External consultancy firms or investment consultants are not used for any other services at the expense of the fund assets.

### **1.4. Custodian bank**

UniCredit Bank Austria AG, Schottengasse 6-8, 1010 Vienna.

### **1.5. Auditors**

Deloitte Audit Wirtschaftsprüfungs GmbH, Renngasse 1/Freyung, 1010 Vienna.

### **1.6. Financial group offering the real estate fund**

The paying, remitting, and contact agencies with respect to REAL INVEST Austria are Credit Bank Austria AG, Schottengasse 6-8, 1010 Vienna and its other regional offices in Austria.

## **2. Investment information**

### **2.1. Brief definition of the investment objective / objectives of the real estate fund**

REAL INVEST Austria is a real estate fund aimed at generating sustainable revenue in all asset classes while taking capital security and the liquidity of the fund assets into account.

### **2.2. Investment strategy of the real estate fund and brief assessment of the fund's risk profile**

#### **2.2.1. Investment strategy of the real estate fund**

REAL INVEST Austria is pursuing a conservative investment strategy aimed at sustainable returns.

Real estate investments are made in Austrian real estate only, predominantly in urban regions and their surrounding areas. Under the principle of the diversification of assets, investments are made in different regions and types of real estate, with an emphasis on properties used for residential and infrastructure purposes while taking into account the development of the real estate markets within the framework of asset allocation.

Investments are made only in real estate located in Austria which is appropriate for the investment of money held in trust.

Real estate is purchased, on the one hand, directly for the real estate fund and on the other hand - within the specified limits - by way of acquiring shares in real estate companies; the real estate held by the respective real estate companies must also be located in Austria and appropriate for the investment of money held in trust.

Buying buildings on third-party land is not permitted.

Investments are made primarily in real estate

- used for residential purposes;
- used for social infrastructure purposes (such as preschools, daycare facilities, schools, university facilities, student housing, senior citizens' residences, nursing facilities, as well as medical treatment and medical care facilities);
- used for infrastructure purposes (such as public safety, utility, transport and administrative facilities) or real estate with infrastructure users.

In addition, investments are made in

- office properties, and
- speciality market and shopping centres, as well as local public amenities and facilities (such as supermarkets, shops, service enterprises, storefronts).

Mainly, newly built or drastically renovated buildings are purchased. If and when the construction of new properties is carried out through the real estate fund itself (property development projects), these new properties will primarily be intended for residential or infrastructure use.

The minimum number of immovable properties to be purchased for the real estate fund is ten.

The highest possible value of an immovable property at the time it is purchased in relation to the entire fund assets may not exceed 20 % of the real estate fund.

The minimum number and value limit in accordance with the above provisions shall not be mandatory for the real estate fund until four years after the establishment of the fund; fund fusion shall not be regarded as fund establishment.

The value of all holdings (including any money due under a loan) in real estate companies in which the real estate investment fund management company holds a participating interest for the account of the real estate fund may not exceed 49 % of the value of the real estate fund. If the real estate investment fund management company does not have the controlling interest required to amend the articles of association of the real estate company, the value of the holdings may not exceed 20 % of the value of the real estate fund.

Notwithstanding compliance with the regulations on the diversification of assets, some risk concentration may occur in certain asset classes, economic sectors and geographic sectors.

In addition to bank deposits, REAL INVEST Austria also invests in securities within the framework of the liquidity regulations which comply with the provisions of Section 217 of the Austrian General Civil Code (*Allgemeines Bürgerliches Gesetzbuch, ABGB*). These may not exceed 49 % of the fund assets. In addition to revenue, bank deposits up to an amount corresponding to 10 % of the fund assets may be held as debtor with the same group of credit institutions (Section 30 of the Banking Act (*Bankwesengesetz, BWG*)).

If derivative, securities lending, buyback agreement and borrowing transactions are provided for in the fund rules and entered into, collateral is provided at market rates in accordance with legal requirements.

In accordance with legal requirements, derivatives listed on the stock exchange and OTC derivatives may only be used to serve as hedges for assets in the REAL INVEST Austria fund.

Borrowing is done primarily in connection with the construction and the acquisition of funded properties, in case of real estate companies, and to ensure the liquidity of the fund. The maximum leveraging of financing permitted by law is determined in accordance with Section 5 of the Real Estate Investment Fund Act.

The collateral taker may not reuse assets.

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

## **2.2.2. Brief assessment of the fund's risk profile**

### **Complete risk notice issued by the FMA**

#### **Risk notice in accordance with Section 7(1) of the Real Estate Investment Fund Act**

"Share certificates in Austrian real estate funds are securities which certify the rights of the shareholders to share in the assets of the real estate fund. Real estate funds invest the funds made available to them by the shareholders based on the principle of risk spreading, in particular in land, buildings, and separate construction projects, and also hold liquid financial assets (liquidity assets) such as securities and bank deposits. Liquidity assets are used to guarantee the pending payment obligations of the real estate fund (for example, owing to the acquisition of real estate) and the buyback of share certificates.

The income from real estate funds consists of the annual dividend payouts (for distributing funds, not for accumulating funds) and the development of the calculated value of the fund, and cannot be determined in advance.

The performance of real estate funds is dependent on the investment policy defined in the fund rules, the development of the market, the individual real estate held in the fund, and the other assets held by the fund (securities, bank deposits). The historical performance of a real estate fund is not an indicator of its future performance. Real estate funds are exposed to a revenue risk from possible vacancies of properties. Problems with initial letting may arise in particular if the real estate fund carries out its own construction projects. Vacancies may have correspondingly negative effects on the value of the real estate fund and may also lead to reduced dividend payouts. Investment in real estate funds may also result in a reduction of capital employed.

Real estate funds also invest liquid assets in other forms of investment, in particular, interest-bearing securities, and also make bank deposits. These parts of the fund assets are then subject to the specific risks which are particular to the selected form of investment. If real estate funds invest in foreign projects outside of the euro currency area, shareholders are in addition exposed to currency risks because the market value and the net value of such a foreign property is converted into euro each time the issue price and the buyback price of the share certificates is converted into euro.

Share certificates can normally be returned at any time at the buyback price. Note that, in the case of real estate funds, the buyback of share certificates may be subject to restrictions. In exceptional circumstances, the buyback of share certificates is temporarily suspended until the assets of the real estate fund have been sold and the proceeds of the sale have been received. In particular, the fund rules may also stipulate that, if large number of share certificate were returned, buyback may also be suspended for an even longer period of up to two years. In such a case, the buyback price cannot be paid out during that period. Real estate funds should typically be classified as long-term investment products."

- 1) The risk relating to the capital of the real estate fund.
- 2) The risk that an issuer or a counterparty may not be able to meet his/her obligations (credit risk).
- 3) The risk that a transaction within a transfer system is not processed as expected because the counterparty does not pay or deliver in due time or as expected (settlement risk).
- 4) The risk that a position cannot be liquidated in a timely manner at a reasonable price (liquidity risk).
- 5) The risk of real estate vacancies.
- 6) The risk that rental revenue is not paid in a timely manner or in the agreed amount or for the agreed period of time (solvency risk).
- 7) Risks which can be attributed to a concentration of specific assets, sectors, key tenants, regions or markets (concentration risk).
- 8) The risk that the assets acquired for the real estate fund may perform differently than expected at the time they were acquired (performance risk).
- 9) The risk that the entire asset class market may deteriorate and that this has a negative effect on the price and the value of these assets (market risk).
- 10) The inflation risk.
- 11) The risk that unforeseen or higher expenditures are necessary to preserve the value of a property (e.g. to repair the damage caused by natural events, construction defects or disused hazardous sites).
- 12) The risk that other framework conditions change, including, among others, tax regulations.
- 13) The risk that assets held in a security deposits account are lost as a result of insolvency, negligence or fraudulent actions on the part of the custodian bank or the sub-custodian bank (custody risk).

A detailed description of the individual risks associated with investment in REAL INVEST Austria as well as countermeasures can be found in the Full Prospectus incl. Information for Investors in accordance with Section 21 of the Alternative Investment Fund Managers Act.

Note: The value of REAL INVEST Austria share certificates may rise or fall compared to the issue price. As a result, investors may in some cases get less money back than they invested.

Since derivative financial instruments are used only to hedge the assets of the real estate fund, using them does not increase the risk profile of the real estate fund.

### **Rental income loss rate<sup>1</sup>:**

The rental income loss rate in the 2015/2016 financial year is: ..... **8.13 %**

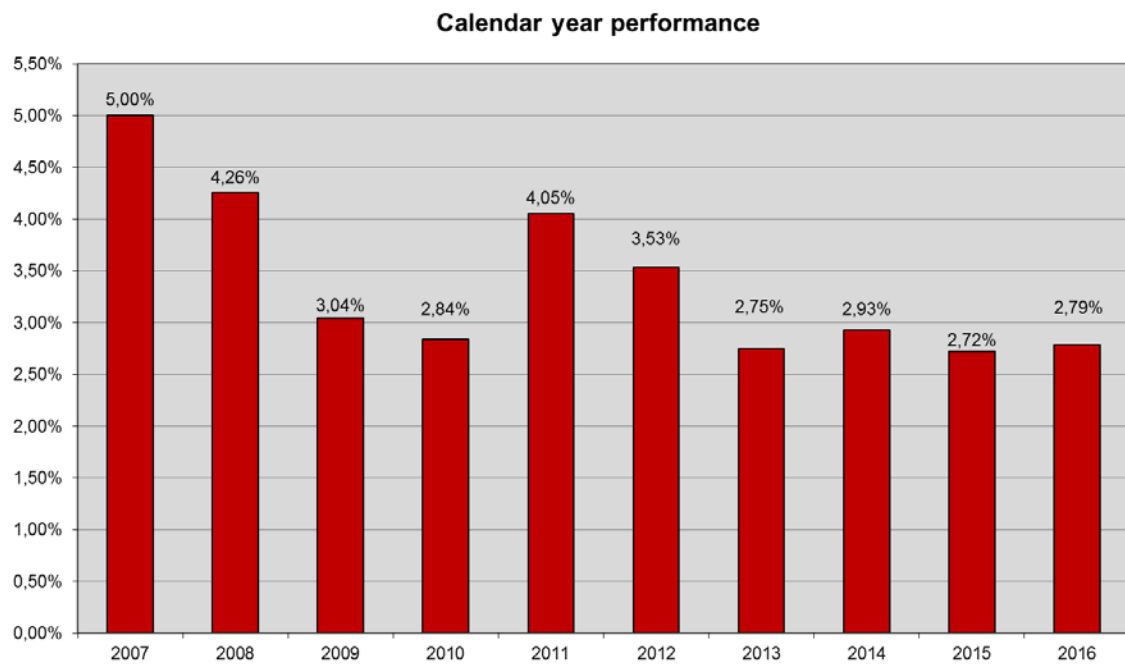
(The rental income loss rate is calculated in accordance with the provisions in Enclosure II).

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<sup>1</sup> If, when buying properties, the purchase price for space that has not yet been rented has not been paid yet, these areas were not taken into account in calculating the rental income loss rate. Properties under construction are also disregarded

## 2.3. Previous performance of the real estate fund and a warning that previous performance is not an indicator of future performance

### 2.3.1. Previous performance of the real estate fund <sup>1</sup>



Performance note: Performance is calculated according to the OeKB method. Issuance surcharges are not included in the calculation of the fund performance.

#### Average calendar year performance (reporting date: 30/12/2016):

% p.a.	3 years	5 years	10 years
REAL INVEST Austria	2.81 %	2.93 %	3.39

### 2.3.2. Warning

**Past performance does not allow reliable conclusions as to the fund's future performance.**

<sup>1</sup> Unlike the financial year of the real estate fund (1/10 - 30/09), the annual performance of the real estate fund is calculated based on the calendar year.





The sale of share certificates purchased prior to 1/1/2011 (old shares) is tax-free for private individuals as of 1/1/2012. The speculative period for selling shares expires on 1/1/2012.

Share certificates bought after 1/1/2011 (new shares) are always subject to so-called capital gains tax if sold after 1/10/2011, regardless of the holding period. Taxable capital gain is comprised primarily of fund income which was not subject to ongoing taxation until the sale (e.g. 20 % of the revaluation profits and any profits from the sale of liquid fund assets). If the shares are held in a national depository bank, capital gains tax is also automatically deducted for the capital gain, and the investor is taxed at source. Without a national depository bank, the investor must record this income in his/her tax return. Shares sold before 1/4/2012 are considered speculative transactions. Any profit is not subject to capital gains tax deduction but to the progressive income tax rate and must be recorded in the tax return.

### **3.2. Entry and exit commissions**

#### **Costs charged directly to shareholders upon the issue or redemption of share certificates.**

The issuance surcharge to settle the cost of issuing the share certificate amounts to up to 3 % of the share value.

Note: In addition, costs may be incurred in connection with the buying and selling of other assets which are not influenced by the real estate investment fund management company.

### **3.3. Any other commissions and fees that may arise, distinguishing according to those to be paid by the shareholder, and those to be paid from the fund assets of the real estate fund.**

#### **3.3.1. The following definitions apply for the purpose of calculating any other commissions and fees:**

**Fee sharing agreements:** Agreements whereby the remuneration received by one party - directly or indirectly - from the assets of a real estate fund is shared with another party and where, as a result, this other party is reimbursed for costs which would normally - directly or indirectly - be paid from the assets of the real estate fund.

**Soft commissions:** any kind of economic advantage - except for clearing and execution services - received by an investment fund management company in connection with the payment of commissions for transactions which involve the securities of the fund's portfolio.

There are no fee-sharing agreements and the real estate investment fund management company does not receive any soft commissions.

**Total Expense Ratio (TER):** reflects the ratio between the total costs of the real estate fund and the average total assets of the real estate fund. It is calculated ex post at least once a year on the basis of the data from the audited statement of accounts of the real estate fund.

### 3.3.2. Any other commissions and fees paid from the fund assets

**Total Expense Ratio (TER):** ..... **1.06 %<sup>1</sup>**

The Total Expense Ratio includes all costs charged to the real estate fund, except for costs associated with the acquisition, the encumbrance, and the sale of assets. The TER is calculated based on the figures in the most recent audited statement of accounts. The TER is calculated in accordance with the provisions in Enclosure I. The most up-to-date TER and the TER of previous financial years, respectively, are available on the website of the real estate investment fund management company at [www.realinvest.at](http://www.realinvest.at).

Costs charged at a specific percentage compared to the value of the fund's assets:

Administrative fee charged by the real estate investment fund management company (p.a.): .. 0.9 %  
Expenditure for the custodian bank (p.a.): ..... 0.1 %

The administrative fee also covers distribution costs in addition to the management fee.

Costs charged at a specific percentage compared to the price of the property:

Remuneration for the real estate investment fund management company for services provided within the framework of transaction processes associated with real estate, as a percentage of purchase or selling price ..... up to 1 %

for services provided in connection with property development projects  
as a percentage of acquisition costs ..... up to 2 %

Transaction costs and incidental acquisition costs are not included in the TER. Incidental acquisition costs include, in particular: due diligence costs, brokers' commissions, experts' costs, advisory costs, taxes on fees and transactions. However, since separate cost accounting is not done for individual transactions, the statement of costs would result in an incomplete picture.

Reference is made to the remarks made in the statement of accounts (under Property and Rights Equivalent to Property) as regards the total incidental costs incurring / incurred for each respective real estate transaction.

### 3.3.3. Other commissions and fees to be paid by the shareholder

Custodian fees are charged to the investor by the custodian bank for holding the shares in safekeeping. For information on these fees, please contact the securities consultant of the custodian bank.

## 4. Information regarding trade

### 4.1. Method of share acquisition

Shares are issued on the dates specified in the fund rules. The number of shares and the number of the corresponding share certificates issued is not limited in principle. Investors are not entitled to having individual share certificates issued. Shares can be purchased from the paying and distribution agencies specified in point 1.6 at the calculated price. The real estate investment fund management company reserves the right to temporarily or permanently discontinue the issue of shares.

**For information about the restrictions placed on selling share certificates to US-American citizens, please see the relevant notes in the Full Prospectus incl. Information for Investors in accordance with Section 21 of the Alternative Investment Fund Managers Act.**

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<sup>1</sup> TER as of 30/9/2016

Reference is made to the remarks made in the statement of accounts (under Property and Rights Equivalent to Property) as regards the total incidental costs incurring / incurred for each respective real estate transaction.

## **4.2. Method of share disposal**

Shareholders may request the buyback of shares at any time by presenting their share certificates or by placing a buyback order with the custodian bank UniCredit Bank Austria AG. The real estate investment fund management company is obliged to buy back the shares at the current buyback price corresponding to the value of the share for the account of the fund.

The payment of the buyback price and the calculation and publication of the buyback price may be suspended temporarily (for up to 24 months after presentation of the share certificate) while notifying the Financial Market Authority at the same time, and made conditional on the sale of assets and on receipt of the sale proceeds, if there are exceptional circumstances which make this seem necessary in due consideration of the shareholders' legitimate interests.

The REAL INVEST Austria fund may in principle also be purchased via a fund savings plan.

## **4.3. Frequency and location as well as method of publication or provision of share prices**

The issue and buyback price is calculated on each trading day by the custodian bank and published in a financial paper or a daily paper having sufficient circulation that is published in Austria, and electronically on the website of the real estate investment management company at [www.realinvest.at](http://www.realinvest.at).

## **5. Additional information**

### **5.1. Notification that the Full Prospectus including Information for Investors pursuant to Section 21 of the Alternative Investment Fund Managers Act as well as the annual financial reports and the half-year reports may be obtained free of charge on request before and after the conclusion of contract.**

The Simplified Prospectus contains the most important information about the real estate fund in summary form. Further information is provided in the Full Prospectus incl. Information for Investors pursuant to Section 21 of the Alternative Investment Fund Managers Act. The Simplified Prospectus as amended must be offered free of charge to interested investors before the conclusion of contract.

In addition, the current Full Sales Prospectus incl. Information for Investors in accordance with Section 21 of the Alternative Investment Fund Managers Act, and the General Fund Rules together with the Special Fund Rules are made available free of charge to interested investors before and after the conclusion of contract. The Full Sales Prospectus incl. Information for Investors in accordance with Section 21 of the Alternative Investment Fund Managers Act is supplemented by the most recent statement of accounts. If the reporting date of the statement of accounts is more than eight months ago, the half-year report must also be made available free of charge to interested investors.

The sales prospectuses and reports listed here are also available to interested investors at [www.realinvest.at](http://www.realinvest.at).

### **5.2. Competent supervisory authority**

Financial Market Authority, Otto-Wagner-Platz 5, 1090 Vienna.

### 5.3. Contact centre where more information may be obtained if necessary

Bank Austria Real Invest Immobilien-Kapitalanlage GmbH, Lassallestraße 5, 1020 Vienna

Telephone: +43 (0)1 33171 ext. 9000

Fax: +43 (0)1 33171 ext. 9099

E-mail: [service@realinvest.at](mailto:service@realinvest.at)

Internet: <http://www.realinvest.at>

### 5.4. Publication date of the sales prospectus incl. information for investors pursuant to Section 21 of the Alternative Investment Fund Managers Act

First announcement of the Sales Prospectus on 20/11/2003 in the Official Gazette of the *Wiener Zeitung*.

Modification 1 announced on 05/02/2004	Modification 13 announced on 05/04/2013
Modification 2 announced on 10/02/2007	Modification 14 announced on 31/12/2013
Modification 3 announced on 04/07/2007	Modification 15 announced on 22/01/2015
Modification 4 announced on 28/01/2009	Modification 16 announced on 01/03/2015
Modification 5 announced on 01/10/2009	Modification 17 announced on 02/06/2015
Modification 6 announced on 05/03/2010	Modification 18 announced on 12/01/2016
Modification 7 announced on 01/09/2010	Modification 19 announced on 23/02/2016
Modification 8 announced on 27/10/2010	Modification 20 announced on 15/07/2016
Modification 9 announced on 11/03/2011	Modification 21 announced on 27/07/2016
Modification 10 announced on 06/09/2011	Modification 22 announced on 28/10/2016
Modification 11 announced on 17/09/2012	Modification 23 announced on 27/01/2017
Modification 12 announced on 30/01/2013	Modification 24 announced on 29/03/2017

First announcement of the Simplified Sales Prospectus on 10/02/2007 by publication on the homepage of the real estate investment fund management company.

Modification 1 announced on 04/07/2007	Modification 13 announced on 10/01/2014
Modification 2 announced on 28/01/2009	Modification 14 announced on 22/01/2015
Modification 3 announced on 20/01/2010	Modification 15 announced on 01/03/2015
Modification 4 announced on 05/03/2010	Modification 16 announced on 02/06/2015
Modification 5 announced on 01/09/2010	Modification 17 announced on 12/01/2016
Modification 6 announced on 31/01/2011	Modification 18 announced on 23/02/2016
Modification 7 announced on 11/03/2011	Modification 19 announced on 15/07/2016
Modification 8 announced on 06/09/2011	Modification 20 announced on 27/07/2016
Modification 9 announced on 20/01/2012	Modification 21 announced on 28/10/2016
Modification 10 announced on 17/09/2012	Modification 22 announced on 27/01/2017
Modification 11 announced on 30/01/2013	Modification 23 announced on 29/03/2017
Modification 12 announced on 05/04/2013	

Bank Austria Real Invest Immobilien-Kapitalanlage GmbH

The Management

Dr. Kurt Buchmann

Peter Czapek

Harald Kopertz

28. March 2017

We reserve the right to correct misprints or typographical errors.

## Total Expense Ratio (TER)

### 1. Included/excluded cost items:

**1.1. Total costs include all costs associated with fund-specific management that are deducted from the assets of the real estate fund. They are listed in the statement of accounts on a pre-tax basis (gross amount of costs);**

**1.2. They include all expenditures made in compliance with legal obligations, regardless of their calculation basis (for example, where permitted, flat fees, asset-based, transaction-based), such as:**

- administrative fee incl. performance-dependent fee
- administrative expenses
- fees charged by the custodian bank
- audit costs
- lawyer's fees
- distribution or buyback costs, if charged to the real estate fund
- registration, supervisory and similar fees
- any additional remuneration paid to the real estate investment fund management company (or other third parties) on the basis of certain fee sharing agreements (see Article 3 below)

**1.3. The following are not included:**

- transaction costs such as broker's fees and associated taxes and charges, as well as the impact the transaction has on the market, taking into account the fee paid to the broker and the liquidity of the investments concerned
- lending interest
- payments due to derivative instruments
- issuance/buyback surcharges or other fees paid by the investor directly
- soft commissions (see Article 3 below)
- transaction costs associated with real estate companies

### 2. Calculation method:

The TER must be calculated on the basis of the NAV. Average net assets must be calculated using figures that are based on each net inventory value calculated, such as the daily net inventory values calculated on a daily basis. Circumstances or events which could result in misleading figures must be taken into account. Any tax reliefs shall not be taken into account.

### 3. Fee sharing agreements and soft commissions:

Fee sharing agreements concerning fees not included in the TER are agreements under which the real estate investment fund management company (or a third party) is reimbursed for some or all of the costs which would normally have to be included in the TER. These costs shall therefore also be taken into account when calculating the TER by apportioning any payments made to the management company (or a third party), which are based on such fee sharing agreements, to total costs.

Fee sharing agreements concerning costs already included in the TER shall not otherwise be taken into account. Likewise, soft commissions shall not be taken into account.

Therefore:

- a) Payments made to a real estate investment fund management company within the framework of a fee sharing agreement regarding transaction costs, or on the basis of an agreement with other management companies, should (in case they are not already included in the composite (synthetic) TER, or were included via other costs already charged to the real estate fund and are therefore directly included in the TER) in any case be taken into account in the TER.
- b) In contrast, payments made to a real estate investment fund management company within the framework of a fee sharing agreement with a real estate fund should not be taken into account.

#### 4. Performance Fees:

Performance fees must be included in the TER and also shown separately as a percentage of the average NAV.

#### 5. Investments in target funds:

When investing more than 10 % of the NAV in other share certificates in the investment fund for which a TER is calculated in accordance with the provisions of the Ordinance on the Content of the Prospectus (*Prospektinhalt-Verordnung*), Federal Law Gazette II No. 237/2005, as amended, or to which Section 3 of the regulation concerning the customer information document (*Verordnung über das Kundeninformationsdokument – KID-V*), Federal Law Gazette II No. 265/2011, as amended, is to be applied, a "synthetic TER" of the respective investment must be calculated accordingly.

The synthetic TER corresponds to the ratio of the total costs of the real estate fund, expressed by its TER, and all costs charged to the real estate fund through the target funds, expressed by the TER of the target funds, weighted according to the percentage of the investment, and divided by the average total net assets of the real estate fund.

The issuance and buyback surcharges of the target funds must be included in the TER calculation and this fact must be stated explicitly.

If one of the target funds does not calculate a TER in accordance with the provisions of the Ordinance on the Content of the Prospectus, Federal Law Gazette II No. 237/2005, as amended, or to which Section 3 of the regulation concerning the customer information document, *KID-V*, Federal Law Gazette II No. 265/2011, as amended, is to be applied, costs shall be disclosed as follows:

- a. It should be noted that a synthetic TER cannot be calculated for this part of the asset.
- b. The maximum percentage share of the administrative fees of this target fund must be stated.
- c. A composite (synthetic) figure must be stated for the total expected costs.

For this purpose, a synthetic TER is calculated which – weighted according to the percentage of the asset - includes the TERs of all target funds for which the TER is calculated in accordance with this Enclosure, and the issuance surcharges and buyback reductions, plus a valuation of the upper limit of the eligible costs for the TER, which must be as accurate as possible, are added for each of the other target funds. Weighted according to the percentage of the investment, this should include the maximum or the most recently calculated administrative fee, and the most recent performance-dependent administrative fee available for this capital investment fund.

Total expense includes all costs charged to the real estate fund, with the exception of transaction costs and comparable costs, and is prepared on the basis of the figures in the most recent audited statement of accounts.

TER formula (different from the formula used for security funds according to the BVI method):

$$\frac{\text{Total expense} * 100}{\text{Average fund assets}}$$

**Enclosure II****Rental income loss rate**

The rental income loss rate (loss of earnings rate) of a real estate fund shall be calculated as follows:

$$\text{Rental income loss rate in \%} = \text{loss of rent} * 100 / \text{target net rent}$$

The rental income loss rate is defined as losses due to vacancy (assessed at the last rent paid) on rent, as well as losses due to non-collection of rent.

The published rental income loss rate shall correspond to the period(s) for which the TER is published.

For the rental income loss rate, see point 2.2.2 above.