

# SEB Konzept Stiftungsfonds

Liquidation Report as of 30 June 2019



## Table of Contents

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<b>Editorial</b>	4	<b>Statement of Assets, Part II: Liabilities and Provisions, Additional Disclosures</b>	12
<b>Activity Report</b>	5	<b>Transactions Closed Out during the Reporting Period That Are No Longer Included in the Statement of Assets</b>	13
Risk Management	5		
Results of the Fund in Detail	6	<b>Statement of Income and Expenditure</b>	13
Comparative overview for the last three financial years	6	<b>Application of Fund Income</b>	14
Structure of Fund assets	6	<b>Overview of the Payouts Made to Investors in the Period from 1 January 2019 to 30 June 2019</b>	14
Liquidity	6	<b>Notes in Accordance with Section 7 No. 9 of the KARBV</b>	15
Investment performance	6	<b>Independent Auditors' Report</b>	17
Overview: Returns and Valuation	7	<b>Tax Information for Investors</b>	19
<b>Outlook</b>	8	<b>Fund Bodies</b>	21
<b>Statement of Changes in Net Assets</b>	9		
<b>Overview of Assets</b>	10		
<b>Statement of Assets, Part I: Liquidity Portfolio</b>	12		

Only the German version of this Liquidation Report shall be authoritative. The English version is a translation and is for information purposes only. No liability is assumed and no guarantee is given that the translation of this Liquidation Report is correct and complete.

## SEB Konzept Stiftungsfonds at a Glance as of 30 June 2019



<b>Fund assets</b>	EUR	1.8 million
<b>Overall performance in Fund currency<sup>1)</sup> for the period 1 January 2019 to 30 June 2019</b>		16.5%
<b>Liquidity return<sup>1)</sup> for the period 1 January 2019 to 30 June 2019</b>		-0.6%
<b>Investment performance<sup>2)</sup> for the period 1 January 2019 to 30 June 2019</b>		15.8%
<b>Unit value/redemption price</b>	EUR	14.27
<b>Issuing price</b>	EUR	14.70
<b>Total expense ratio<sup>3)</sup></b>		0.00%

<sup>1)</sup> Based on the average Fund assets. Please see page 7 for an explanation of the average Fund assets.

<sup>2)</sup> Calculated according to the BVI method (without front-end load; distributions are reinvested immediately).

<sup>3)</sup> Total costs as a percentage of average Fund assets in the reporting period, calculated as of 30 June 2019. The amount of the TER is explained on page 13.

## Editorial

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Carolina von Groddeck  
and  
Hermann Lösching

### Dear investor,

We would like to use this report to inform you both of the short fiscal year from 1 January 2019 to 30 June 2019 and of the liquidation of SEB Konzept Stiftungsfonds.

The Fund, which was designed as a high-yield product with stable value investments, generated a cumulative performance of 159% in the period between its launch in July 2013 and its liquidation on 30 June 2019. This corresponds to an annual yield of 17.2%.

Despite this excellent performance, Savills Fund Management GmbH decided not to continue with SEB Konzept Stiftungsfonds, since the latter no longer fits the product portfolio following the change in the investment company's ownership structure. The process of dissolving the Fund kicked off in the summer of 2016, when the Fund's sole property was put on the market.

The newly built logistics property in Wolfsburg was fully let for the long term to a contract logistics provider from the automotive and supply industry and had been awarded a silver DGNB certificate from the German Sustainable Building Council. The

value of the property had risen consistently during the holding period of about three years, allowing it to be sold for approximately 14% more than the last market value determined by the appraisers. Following the derecognition of this property on 1 December 2016, the Fund no longer held any properties.

An identical liquidation agreement was signed with all investors in the spring of 2019, permitting SEB Konzept Stiftungsfonds to be dissolved. A short financial year was recognised for the period from 1 January to 30 June 2019. The last unit value – and hence the redemption value – was published on 28 June 2019. As a result, it was possible to liquidate the Fund as of 30 June 2019. This means that, once the independent auditor has granted the audit opinion, the unit certificates will be redeemed and, at the same time, the money paid out to investors.

## Activity Report

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### Risk Management

We define risk management as a continuous, integral process that covers all areas of the business, comprising all of the measures applied to systematically deal with risk. One of the key aims of this process is identifying, mitigating and managing any potential risks at an early stage. Identifying risks early on creates room for manoeuvre that can be used to help safeguard existing potential for success over the long term and to create new opportunities. Savills Fund Management GmbH established a risk management process for this consisting of a risk strategy and the identification, analysis and assessment, management and monitoring, and communication and documentation of risks. The risks are covered by the risk management process, in line with statutory and contractual requirements in particular.

In keeping with the relevant legal provisions, a distinction is basically made between the following main risk types:

#### Counterparty risk

Default by a counterparty could lead to losses for the Fund.

Counterparty risk describes the risk that the other party to an agreement will partially or fully default on its obligation. This applies to all contracts signed for the account of a fund, but particularly in connection with derivative transactions that are entered into, for example, to hedge currency risk.

#### Interest rate risk

The liquidity portfolio is exposed to interest rate risk and influences the Fund return. If market interest rates change in relation to the rate applicable when the investment was made, this may affect the price and yield of the investment and lead to fluctuations. However, these price movements vary depending on the investment duration. Liquidity was held in bank account balances during the reporting period.

The Fund management company may employ derivatives to reduce exchange rate and interest rate risks. Derivatives are used exclusively for hedging purposes to mitigate risk.

#### Tax and warranty risks

When selling a property, the Fund may become liable for warranty claims by the buyer or other third parties, even where the most prudent business practice possible is adopted. The management recognises liquidity reserves to provide for potential warranty and guarantee claims, claims for back taxes on the part of the fiscal authorities, and Fund administration and operating costs once rental income ceases to flow following the sale of the properties.

Now that all known liabilities have become time-barred or have largely been repaid, the remaining liquidity can be disbursed to investors. Appropriate provisions were recognised for claims that are still outstanding.

#### Operational risk

The investment company is responsible for ensuring the orderly management of the Fund. It has made the appropriate arrangements for this and implemented risk minimisation measures for all operational risks identified. The Fund is also exposed to operational risks such as legal and tax risks.

#### Liquidity risk

The Fund continues to retain liquidity within the Fund to meet obligations entered into that have not yet been settled, and for which provisions were recognised.

## Results of the Fund in Detail

### Development of SEB Konzept Stiftungsfonds

#### Comparative overview for the last three financial years

	Reporting date 31 Dec. 2016 EUR thousand	Reporting date 31 Dec. 2017 EUR thousand	Reporting date 31 Dec. 2018 EUR thousand	Reporting date 30 June 2019 EUR thousand
Properties	–	–	–	–
Liquidity portfolio	17,623	2,374	2,239	1,881
Other assets	124	2	5	0
Less: liabilities and provisions	–1,835	–802	–670	–59
<b>Fund assets</b>	<b>15,912</b>	<b>1,574</b>	<b>1,574</b>	<b>1,822</b>
Number of units in circulation	127,685	127,685	127,685	127,685
Unit value (EUR)	124.62	12.32	12.32	14.27
<b>Interim distribution per unit (EUR)</b>	<b>–</b>	<b>17.00</b>	<b>–</b>	<b>–</b>
Date of interim distribution	–	20 December 2017	–	–
<b>Final distribution per unit (EUR)</b>	<b>100.00</b>	<b>–</b>	<b>–</b>	<b>–</b>
Date of final distribution	3 April 2017	–	–	–

### Structure of Fund assets

SEB Konzept Stiftungsfonds' Fund assets increased in the reporting period from 1 January 2019 to 30 June 2019 as a result of provisions being reversed, and amounted to EUR 1.8 million as of the reporting date.

The Fund's assets as of the 30 June 2019 reporting date (EUR 1.8 million) comprised the liquidity portfolio of EUR 1.9 million less as yet unsettled liabilities and provisions of EUR 0.1 million, which had declined by EUR 0.6 million compared with the previous reporting date of 31 December 2018.

The number of units in circulation remained unchanged at 127,685.

### Liquidity

The gross liquidity amounted to EUR 1.9 million or 103.2% as of the reporting date; all liquid assets were held as demand deposits as of the end of the reporting period.

Further information on the liquidity portfolio, liabilities and provisions can be found in the Disclosures on the Overview of Assets on page 11.

### Investment performance

The Fund generated a performance of 15.8%, or EUR 1.95 per unit, during the reporting period.

Unit value as of 30 June 2019	EUR	14.27
Minus unit value on 1 January 2019	EUR	–12.32
<b>Investment performance</b>	<b>EUR</b>	<b>1.95</b>

### Return according to the BVI method

	Return in %	Return in % p.a.
Reporting period	15.8	–
1 year	15.8	15.8
3 years	103.8	26.8
5 years	135.2	18.7
Since launch	159.0	17.2

Note: Calculated according to the BVI method (without front-end load; distributions reinvested immediately). Historical performance data are no indication of future performance.

## Overview: Returns and Valuation

The Fund generated gross income of 25.6% from the reversal of liquidation provisions in the reporting period. After adjustment for expenses of 9.1%, the total income in Fund currency was 16.5%. The expenses incurred were met from the provisions for liquidation costs that were recognised in financial

year 2016. The liquidity portfolio generated a negative return (–0.6%) due to market factors. Total Fund income before Fund costs amounted to 15.9%. Total Fund income in accordance with the BVI method (after Fund costs) was 15.8%.

Key return figures (in % of average Fund assets) <sup>1)</sup>	Total
<b>I. Fund</b>	
Gross income	25.6
Expenses	–9.1
<b>Total income in Fund currency</b>	<b>16.5</b>
<b>II. Liquidity</b>	<b>–0.6</b>
<b>III. Total Fund income before Fund costs</b>	<b>15.9</b>
<b>Total Fund income after Fund costs (BVI method)</b>	<b>15.8</b>
<b>Net asset information (weighted average figures in EUR thousand)<sup>1)</sup></b>	
Total Fund assets	1,610

<sup>1)</sup> The weighted average figures in the period under review were calculated using seven month-end values (31 December 2018 to 30 June 2019).

## Outlook

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Following the formal end of the liquidation process for SEB Konzept Stiftungsfonds as of 30 June 2019, the units are now being redeemed and, at the same time, the money paid out to investors. All investors are receiving EUR 14.27 per unit, meaning that a total of EUR 1.82 million is being distributed.

Consequently, this is the Fund's last annual report; no further reports will be prepared.

We would like to thank you warmly for the trust you placed in us throughout SEB Konzept Stiftungsfonds' life. We have worked consistently over this roughly six-year period to generate the best possible results for you.

Savills Fund Management GmbH



Carolina von Groddeck    Hermann Löschinger

Frankfurt am Main, July 2019

## Statement of Changes in Net Assets from 1 January 2019 to 30 June 2019

	EUR
I. Value of the Fund at the start of the short financial year on 1 January 2019	1,574,154.38
1. Distribution for the previous year	0.00
2. Net profit for the short financial year	248,062.84
II. Value of the Fund at the end of the short financial year on 30 June 2019	<b>1,822,217.22</b>

### Disclosures on the Statement of Changes in Net Assets

The statement of changes in net assets shows which transactions entered into during the period under review are responsible for the new assets disclosed in the Fund's statement of assets. It thus presents a breakdown of the difference between the assets at the beginning and the end of the reporting period.

The **distribution for the previous year** is the distribution amount reported in the annual report for the previous year (see the total distribution item under "Application of Fund income" in that document).

The **net profit for the short financial year** can be seen from the statement of income and expenditure.

## Overview of Assets as of 30 June 2019

	EUR	Germany EUR	Germany EUR	% of Fund assets
<b>A. Assets</b>				
<b>I. Liquidity portfolio</b> (see Statement of Assets, Part I, page 12)				
1. Bank deposits		1,880,855.99		
of which in foreign currency	0.00			
<b>Total liquidity portfolio</b>			<b>1,880,855.99</b>	<b>103.22</b>
Total in foreign currency	0.00			
<b>B. Liabilities</b>				
<b>I. Liabilities</b> (see Statement of Assets, Part II, page 12)				
1. Miscellaneous		1,440.77		
of which in foreign currency	0.00			
<b>Total liabilities</b>			<b>1,440.77</b>	<b>0.08</b>
Total in foreign currency	0.00			
<b>II. Provisions</b>			<b>57,198.00</b>	<b>3.14</b>
of which in foreign currency	0.00			
<b>Total liabilities</b>			<b>58,638.77</b>	<b>3.22</b>
Total in foreign currency	0.00			
<b>C. Fund assets</b>			<b>1,822,217.22</b>	<b>100.00</b>
of which in foreign currency	0.00			
<b>Unit value (EUR)</b>			<b>14.27</b>	
<b>Units in circulation</b>			<b>127,685</b>	

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## Disclosures on the Overview of Assets

Fund assets increased to EUR 1,822 thousand during the reporting period from 1 January 2019 to 30 June 2019, due to the reversal of provisions for the Fund's liquidation.

### A. Assets

#### I. Liquidity portfolio

The **bank deposits** of EUR 1,881 thousand reported under the **liquidity portfolio item** serve to meet payment obligations connected with the liquidation of the Fund. In addition to covering the obligation to redeem the unit certificates resulting from the Fund's liquidation, these are due to the other unsettled liabilities and provisions that exist in relation to liquidation costs that have not yet been invoiced. The cash funds needed for the redemption of the Fund units, which will take place after 30 June 2019, amount to EUR 1,822 thousand, while the remaining bank balances of EUR 59 thousand will be used to successively settle the liabilities. The bank balances are held at seven different credit institutions to satisfy the need for risk diversification.

### B. Liabilities

#### I. Liabilities

The **miscellaneous** liabilities item comprises management and Depositary fee liabilities.

#### II. Provisions

The **provisions** comprise EUR 34 thousand for the preparation, audit and publication of the Liquidation Report and EUR 23 thousand for Fund liquidation costs. Examples of liquidation costs are bank charges (including negative interest) and costs of legal advice that have yet to be invoiced.

## Statement of Assets as of 30 June 2019, Part I: Liquidity Portfolio

	Market value EUR	% of Fund assets
<b>Bank deposits</b>		
Germany	1,880,855.99	
<b>Total liquidity portfolio</b>	<b>1,880,855.99</b>	<b>103.22</b>

## Statement of Assets as of 30 June 2019, Part II: Liabilities and Provisions, Additional Disclosures

	EUR	EUR	EUR	% of Fund assets
<b>I. Liabilities</b>				
1. Miscellaneous		1,440.77		
of which in foreign currency	0.00			
<b>Total liabilities</b>		<b>1,440.77</b>		<b>0.08</b>
Total in foreign currency	0.00			
<b>II. Provisions</b>			<b>57,198.00</b>	<b>3.14</b>
of which in foreign currency	0.00			
<b>Total Fund assets</b>			<b>1,822,217.22</b>	<b>100.00</b>
of which in foreign currency	0.00			
<b>Unit value (EUR)</b>			<b>14.27</b>	
<b>Units in circulation</b>			<b>127,685</b>	

## Transactions Closed Out during the Reporting Period That Are No Longer Included in the Statement of Assets

There were no intrayear transactions during the reporting period.

## Statement of Income and Expenditure

for the period from 1 January 2019 to 30 June 2019	EUR	EUR	EUR
<b>I. Income</b>			
1. Other income		248,062.84	
<b>Total income</b>			<b>248,062.84</b>
<b>II. Ordinary net income/net profit for the short financial year</b>			<b>248,062.84</b>
<b>Total expense ratio</b>			<b>0.00%</b>
<b>Transaction-based remuneration</b>			<b>0.00%</b>
<b>Transaction costs</b>			<b>0.00</b>

## Disclosures on the Statement of Income and Expenditure

### Income

**Other income** comprises income from the reversal of provisions that are no longer required for the Fund's liquidation.

**Ordinary net income/net profit for the short financial year** amounted to EUR 248 thousand as of the reporting date.

The **total expense ratio (TER)** shows the impact of costs on Fund assets. It takes into account management and Depositary fees, the costs for the audit and publication of the annual report and the other costs in accordance with section 11 of the BAB, with the exception of transaction costs. The TER expresses the total amount of these costs as a percentage of average

Fund assets within a financial year, thus providing results that comply with international cost transparency standards. The method of calculation used is in line with the BVI's recommended method.

The TER for SEB Konzept Stiftungsfonds was 0.00% for the reporting period from 1 January 2019 to 30 June 2019. This is due to the fact that the expenses incurred are covered by the provision for Fund liquidation costs that was recognised in financial year 2016; as a result, they have not been recognised in income and do not serve to reduce net profit for the financial year.

## Application of Fund Income as of 30 June 2019

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	Total in EUR	Per unit in EUR
<b>I. Amount available for distribution</b>	248,062.84	1.94
1. Carried forward from previous year	0.00	0.00
2. Net profit for the short financial year	248,062.84	1.94
<b>II. Not distributed</b>	-248,062.84	-1.94
1. Carried forward to new account	-248,062.84	-1.94
<b>III. Total distribution</b>	<b>0.00</b>	<b>0.00</b>

### Disclosures on the Application of Fund Income

The net profit for the short financial year in the amount of EUR 248 thousand can be seen from the statement of income and expenditure.

SEB Konzept Stiftungsfonds is not making a distribution for the short financial year. The net profit for the reporting period will be paid out via the redemption of the Fund units.

### Overview of the Payouts Made to Investors in the Period from 1 January 2019 to 30 June 2019

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No payouts were made to investors during the above-mentioned period.

## Notes in Accordance with Section 7 No. 9 of the *Kapitalanlage-Rechnungslegungs- und Bewertungsverordnung* (KARBV – German Investment Accounting and Valuation Regulation)

### Other information

Unit value as of 30 June 2019:	EUR 14.27
Units in circulation as of 30 June 2019:	127,685

**No derivatives were entered into for the Fund in the reporting period.**

### Information on the risk profile and on risk management

Investing in the Fund entails the risk of loss as well as the opportunity for potential value appreciation and distributions. The Fund's general economic and financial objective is to increase its income. It focuses on long-leased properties with the goal of maintaining or increasing both current income and value appreciation during the holding period. Properties are selected for the Fund in line with the principle of diversification and the following criteria: long-term earnings power, location, size, usage and tenant structure. The investment strategy is aligned with the different European market cycles. Selective investments may also be made in countries outside the EU/EEA. The Fund's risk profile is derived from these general economic and financial goals, the investment strategy and the statutory investment limits. It primarily features a combination of risks associated with investing in funds, risks associated with investing in property and real estate companies, risks associated with the liquidity portfolio and tax risks. The Fund has been classified as having a core risk profile, the lowest risk category. Risk management processes designed to support the entire property investment and management process and to ensure compliance with the key statutory investment limits were installed.

### Information on the asset valuation procedures

#### Other assets, liabilities and provisions

##### Bank deposits

Bank deposits are valued at their nominal amount plus accrued interest.

##### Receivables

Receivables are valued at their nominal amount. The recoverability of receivables is reviewed on a regular basis. Default risk is accounted for using valuation allowances and writedowns.

##### Liabilities

Liabilities are recognised at their repayment amounts.

##### Recognition and measurement of provisions

Provisions are recognised and measured in accordance with prudent business judgement.

They may not be discounted. They must be reversed when the reason why they were recognised no longer exists.

Provisions can also be recognised in connection with planned measures/budgeting (e.g. for administrative costs, litigation and services utilised).

### Information on transparency and the total expense ratio

The total expense ratio is calculated annually. It represents the ratio of Fund management costs such as the Fund management fee, the Depositary fee, external valuer costs and other expenses in accordance with section 11 of the Special Fund Rules (BAB) to average net Fund assets in the reporting period. Transaction costs are not taken into account in the calculation.

The TER for SEB Konzept Stiftungsfonds was 0.00% for the reporting period from 1 January 2019 to 30 June 2019. This is due to the fact that the expenses incurred are covered by the provision for Fund liquidation costs that was recognised in financial year 2016; as a result, they have not been recognised in income and do not serve to reduce net profit for the reporting period.

No performance-based remuneration was paid.

The management fee for the reporting period was EUR 7,212.74, while the Depositary fee was EUR 170.65.

The investment company does not receive any reimbursements of the fees and expenses paid to the Depositary and third parties from the Fund assets.

The investment company pays trailer fees to brokers from the fees paid to it by the Fund.

### Information on employee remuneration <sup>1)</sup>

Total employee remuneration paid in the investment company's past financial year (1 January 2018 to 31 December 2018) comprised fixed remuneration of EUR 492,171 and variable remuneration of EUR 32,250. Remuneration paid to risk takers (members of the management) amounted to EUR 587,718. In total, the investment company had six employees as of the 31 December 2018 reporting date.

### Information on material changes in accordance with section 101(3) no. 3 of the KAGB

No new rules governing liquidity management were introduced during the reporting period.

<sup>1)</sup> Employee severance pay resulting from restructuring measures is not included in the disclosures on remuneration.

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### Additional information

The information on leverage presented here was determined in accordance with Article 7 of Regulation (EU) No 231/2013 in conjunction with Article 19 of Directive 2011/61/EU and is based on the net asset value of the Fund.

Leverage according to the gross method expressed in relation to the original maximum ratio of 3.0 amounted to 0.00 as of the reporting date. Leverage according to the commitment method expressed in relation to the original maximum ratio of 3.0 amounted to 1.03 as of the reporting date.

However, the leverage can fluctuate depending on market conditions, meaning it may exceed the maximum amount set by the company despite being monitored on a continuous basis.

No less-liquid assets were ascertained in the Fund.

No material changes occurred in the information required to be provided to investors in accordance with section 307(1) or (2) in conjunction with section 297(4) and section 308(4) of the *Kapitalanlagegesetzbuch* (KAGB – German Investment Code) in the past reporting period.

## Independent Auditors' Report\*

To Savills Fund Management GmbH, Frankfurt am Main

### Audit opinion

We have audited the Liquidation Report pursuant to section 19 in conjunction with section 7 of the *Kapitalanlage-Rechnungslegungs- und Bewertungsverordnung* (KARBV – German Investment Fund Accounting and Valuation Regulation) for SEB Konzept Stiftungsfonds. This report comprised the Activity Report for the period from 1 January to 30 June 2019, the Overview of Assets and the Statement of Assets as of 30 June 2019, plus the Statement of Income and Expenditure, the Application of Fund Income, the Statement of Changes in Net Assets for the period from 1 January to 30 June 2019, the Comparative Overview for the Last Three Financial Years, the Transactions Closed Out during the Reporting Period, to the extent that these are no longer included in the Statement of Assets, the Overview of Payouts Made to Investors in the Period from 1 January to 30 June 2019, and the Notes.

In our opinion, based on the findings of our audit, the accompanying Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV complies in all material respects with the provisions of the *Kapitalanlagegesetzbuch* (KAGB – German Investment Code) and the applicable European regulations and permits, in compliance with these provisions, a true and fair view of the Fund's assets, liabilities and financial position and of the changes in its net assets.

### Basis for our audit opinion

We conducted our audit of the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV in accordance with section 105(3) of the KAGB, in compliance with the German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (IDW). Our responsibility as set out in these standards and principles is described in more detail in the section of this auditors' report entitled "Responsibility of the auditors for the audit of the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV". We are independent of Savills Fund Management GmbH (hereinafter referred to as the "Investment Company") as required by the provisions of German commercial law and the law governing the professions in Germany, and have complied with our other ethical obligations in Germany in keeping with these requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to serve as a basis for our audit opinion on the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV.

### Other information

The management is responsible for the other information. This other information comprises the Liquidation Report – not including additional cross-references to external information – with the exception of the audited Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV and of our auditors' report.

Our audit opinions on the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV do not extend to the other information, and we therefore do not express an audit opinion or any other form of assurance conclusion on this.

With regard to our audit, our responsibility is to read the other information and, in doing so, to assess whether this other information

- Contains material discrepancies to the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV or the findings of our audit, or
- Otherwise seems to be materially misstated.

### Responsibility of the management for the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV

The Investment Company's management is responsible for preparing the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV, which must comply in all material respects with the provisions of the KAGB and of the applicable European regulations, and for ensuring that the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV provides, in compliance with these provisions, a true and fair view of the Fund's assets, liabilities and financial position and of the changes in its net assets. Furthermore, the management is responsible for such internal controls as it deems necessary in accordance with these provisions in order to enable the preparation of a Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV that is free from material misstatements due to fraud or error.

\* Please refer to page 2 for an explanation of why this translation is not authoritative but rather for information purposes only.

*Responsibility of the auditors for the audit of the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV*

Our objective is to obtain reasonable assurance as to whether the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV as a whole is free from material misstatements due to fraud or error, and to issue an auditors' report that includes our opinion on the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV.

Reasonable assurance represents a high level of assurance but does not offer any guarantee that an audit performed in accordance with section 105(3) of the KAGB in compliance with the German generally accepted standards of auditing promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect material misstatements. Misstatements may be the result of fraud or error and are deemed to be material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV.

We exercise professional judgement and maintain professional scepticism when performing our audit. Additionally

- We identify and assess the risks of material misstatements due to fraud or error in the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV, plan and perform our audit in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as the basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, deliberate failure to record transactions, intentional misrepresentations, or internal controls being overridden.
- We obtain an understanding of the internal control system relevant for the audit of the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV, in order to plan audit procedures that are appropriate under the circumstances; however, our objective is not to issue an audit opinion on the effectiveness of this system at the Investment Company.
- We assess the appropriateness of the accounting policies applied by the management of the Investment Company in preparing the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV and the reasonableness of the estimates made by the management and of related disclosures.
- We assess the overall presentation, structure and content of the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV, including the disclosures, and whether the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV presents the underlying transactions and events in such a manner that the Liquidation Report pursuant to section 19 in conjunction with section 7 of the KARBV provides, in compliance with the provisions of the German KAGB and of the applicable European regulations, a true and fair view of the Fund's assets, liabilities and financial position and of the changes in its net assets.

Our discussions with the persons responsible for oversight include, among other things, the planned scope and timing of the audit and key audit findings, including any weaknesses in the internal control system of which we become aware in the course of our audit.

Frankfurt am Main, 24 July 2019

**PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft**

Fatih Agirman  
Wirtschaftsprüfer

ppa. Joanna Spassova  
Wirtschaftsprüferin

## Tax Information for Investors

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### Taxation in Germany as from 1 January 2018

#### Scope of the new investment tax law

The provisions set out in the amended *Investmentsteuergesetz* (InvStG – German Investment Tax Act) are applicable as of 1 January 2018. Taxation of investment units for the period up to 31 December 2017 continues to be subject to the law in force prior to the amendment.

#### Overview of key changes

- At **Fund level**, corporation tax of 15% is levied on domestic income from properties, domestic capital gains on the disposal of properties and domestic dividends (plus the solidarity surcharge in the case of income from properties)
- At **investor level**, partial exemptions in varying amounts apply, depending on the type of fund involved
- Special funds continue to be taxed transparently. A transparency option is also available in the case of income that will be taxed in future at fund level
- Introduction of a minimum taxation mechanism in the form of a *Vorabpauschale* (advance lump sum)
- Special rules apply to funds in liquidation for a period of five years
- Grandfathering cap for existing shareholders, but a new tax-free allowance of EUR 100,000 per person
- Abolition of the requirement to publish key tax figures such as interim profits, gains from real estate, etc. in the case of mutual funds
- In principle, the investment fund's domestic income is **subject to trade tax**; an exemption can be applied if the fund's active entrepreneurial management activities do not exceed certain limits

### Changes in the taxation of mutual funds at fund level

A non-transparent tax regime is being introduced for **mutual investment funds**. With effect from 1 January 2018, these will be **subject to corporation tax** on the following domestic income:

1. Domestic income from equity interests (including dividends, section 6(3) of the InvStG, as amended)
2. Domestic current rental income and capital gains on the disposal of real estate, regardless of the holding period – in particular the ten-year period for private disposals in accordance with section 23(1) sentence 1 no. 1 of the *Einkommensteuergesetz* (EStG – German Income Tax Act) does not apply – (section 6(4) of the InvStG, as amended)
3. Other domestic income within the meaning of section 49(1) of the EStG

Other income such as domestic and foreign interest income, foreign dividends or foreign income from properties will continue in future not to be taxed at fund level, but at the investor level.

In the case of **domestic income from equity investments**, investment income tax of 15% (including the solidarity surcharge) will generally be retained by the distributing company. This retention definitively settles the tax liability for this income.

As a matter of principle, all of the above-mentioned types of **domestic income** are taxable at fund level, and the mutual investment fund must be assessed for these (i.e. a corporation tax return must be submitted).

The treatment of foreign rental income will not change, as it is still generally taxed in the country in which the property is located.

### The role of partial exemptions

To offset taxation at fund level, the following partial exemption rates are applied to dividends at the investor level, provided that this has been agreed in the Fund Rules:

#### Partial exemption rates

If the fund is more than 50% invested in properties or real estate companies	
Focus on Germany	60%
Focus abroad	80%

These partial exemptions do not apply to SEB Konzept Stiftungsfonds. Although the fund was designed as a real estate fund, it does not hold any properties and also does not intend to acquire any properties or real estate companies.

### No requirement to withhold tax as from 1 January 2018

With effect from 2018, sections 8(1) and 8(2) of the InvStG 2018 theoretically provide a mechanism for **tax-favoured investors** (e.g. charitable foundations, religious institutions or professional pension schemes) to be refunded the corporation tax paid on fund receipts in the case of domestic income from properties (for tax-favoured investors in accordance with section 8(2) of the InvStG 2018) and domestic dividends (for tax-favoured investors in accordance with section 8(1) of the InvStG 2018) on application at the level of the investment company.

Since SEB Konzept Stiftungsfonds has sold its property and therefore is expected to only receive extremely small amounts of domestic income from 2018 onwards, the option of using the application procedure is not available to it.

### Tax treatment of disposal gains

Pursuant to section 16(1) No. 3 in conjunction with section 19 of the InvStG, gains on the disposal or redemption of Fund units (e.g. that arise in the course of the liquidation of an investment fund) are classified as income from investment funds and taxes are withheld on them in principle. Please consult your tax advisor for further details.

### Note

Please contact your tax advisor if you have any tax questions at investor level.

## Fund Bodies

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### Investment Company

Savills Fund Management GmbH  
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Subscribed and paid-up capital EUR 5.113 million  
Liable capital EUR 8.813 million  
(as of 31 December 2018)  
Frankfurt am Main Commercial Register, HRB 29859  
Established: 30 September 1988

### Management

Carolina von Groddeck  
Hermann Löschinger

### Supervisory Board

James Bury  
Chief Executive Officer,  
Savills Investment Management LLP,  
London, UK  
– Chairman –

Dr. Anton Heinrich Wiegers  
Winterbach, Germany  
– Deputy Chairman –

Dr. Stefan Frank Zeranski  
Professor of Financial Services and  
Financial Management,  
Bergisch Gladbach, Germany

### Auditors

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft,  
Frankfurt am Main, Germany

### Shareholders

TOMASO Verwaltung GmbH (6%)  
Savills Fund Management Holding AG (94%)

### Depositary

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