SEB Konzept Stiftungsfonds

Semi-annual Report as of 30 June 2018

savills investment management

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Table of Contents

SEB Konzept Stiftungsfonds at a Glance as of 30 June 2018

Fund assets	EUR	1.6 million
Total income in Fund currency [1] for the period 1 January 2018 to 30 June 2018		0.9%
Liquidity return [1] for the period 1 January 2018 to 30 June 2018		–0.5%
Investment performance [2] for the period 1 January 2018 to 30 June 2018		0.0%
Unit value/redemption price [3]	EUR	12.32
Issuing price	EUR	12.69
Total expense ratio [4]		**0.00%**

[1] Based on the average Fund assets. Please see page 9 for an explanation of the average Fund assets.
[2] Calculated according to the BVI method (without front-end load; distributions are reinvested immediately).
[3] The redemption of unit certificates is subject to a redemption fee of up to 3% of the unit value in accordance with section 9 of the Special Fund Rules (BAB).
[4] Total costs as a percentage of average Fund assets in a financial year, calculated as of 31 December 2017. The amount of the TER is explained on page 16.

This Semi-annual Report, the Sales Prospectus available separately and the Annual Report as of 31 December 2017 are to be handed to investors in SEB Konzept Stiftungsfonds units until the publication of the Annual Report as of 31 December 2018.

German Securities Code Number: SEB7M9 ISIN: DE000SEB7M96 Fund launch date: 15 July 2013

Editorial

Carolina von Groddeck
and
Hermann Löschinger

Dear investor,

in the reporting period from 1 January to 30 June 2018, the Fund management continued its preparatory work to finally liquidate SEB Konzept Stiftungsfonds. The Fund's sole building in Wolfsburg was sold at the end of 2016 for 14% more than its last appraisal value.

The new *Investmentsteuergesetz* (InvStG – German Investment Tax Act) was applied to SEB Konzept Stiftungsfonds effective as of 1 January 2018. The goals of the lawmakers in introducing this revised legislation were to ensure the equal tax treatment of domestic and foreign investment funds required under European law, and to simplify the taxation of mutual funds at investor level. In line with this, SEB Konzept Stiftungsfonds' tax position in the period up to 31 December 2017 was crystallised. After this, all units were notionally sold and reacquired. This method guarantees that all units are migrated in full to the new taxation procedure.

The revised European Markets in Financial Instruments Directive (or "MiFID II" for short) took effect on 3 January 2018. The new rules are not being applied to SEB Konzept Stiftungsfonds since the Fund is no longer issuing units and is not being actively marketed. The requisite cost transparency is adequately ensured by the information provided in the Sales Prospectus. Costs and fees are included in the calculation of the Fund price on an ongoing basis. As a result, the daily publication of the Fund price also discharges this duty of documentation.

As of 30 June 2018, the Fund had generated a cumulative return of 123.6%, or 17.5% per annum, since its launch in July 2013.

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 (formerly SEB Investment 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.

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

Counterparty risk

Default by a securities issuer, tenant or counterparty could lead to losses for the Fund. Issuer risk describes the effect of a specific development at an individual issuer that impacts the price of a security in addition to general capital market trends. Default by tenants is countered through active management and regular monitoring. Other measures include credit rating checks and the avoidance to a large extent of cluster risk in the rental segment.

Even when securities and tenants are carefully selected, losses due to the financial collapse of issuers or tenants cannot be ruled out.

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. Fixed-interest securities with shorter maturities generally entail lower price risks than fixed-interest securities with longer maturities. By contrast, fixed-interest securities with shorter maturities generally have lower returns than fixed-interest securities with longer maturities. Liquidity was held in bank account balances during the reporting period.

Loans are also exposed to interest rate risk. In order to minimise negative leverage effects as far as possible, fixed interest rate periods and the final maturity of loans are aligned carefully with the planned holding period of the properties, letting rate trends and expected interest rate developments. If loans are terminated early, there is a risk of early repayment penalties.

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.

Currency risk

If the assets belonging to a fund are invested in currencies other than the fund currency, the fund receives the income, repayments and proceeds from such investments in the relevant currency. If the value of this currency falls against the fund currency, the value of the fund declines. In principle, foreign currency items are largely hedged as part of a low-risk currency strategy. Thus, in addition to taking out loans in the relevant currencies, foreign currency items are normally hedged using forward exchange transactions.

Real estate risk

The properties owned by open-ended real estate funds are the basis for their returns. Such real estate investments are subject to risks that may have an effect on the unit value of the fund. For this reason, a large number of factors can cause both property valuations and income from properties to fluctuate:

- In any investment decision, political, economic and legal risks – including those posed by tax law – should be considered, along with how transparent and well developed the real estate market in question is.
- In decisions to invest outside the eurozone, the volatility of the national currency must be taken into consideration as well. Exchange rate fluctuations and the costs of currency hedging have an impact on the property return.
- Any change in the quality of the location may have a direct effect on the lettability and current letting situation. If the location increases in attractiveness, lease contracts can be signed for higher rents; however, in the worst possible case a decrease could mean lasting vacancies.

- Building quality and condition also have a direct impact on the capacity of a property to generate income. The condition of the building may require expenditures for maintenance that exceed budgeted maintenance costs. Additional investment costs may impact the return over the short term, but may also be necessary to achieve long-term positive development.

- Risks posed by fire and storm damage and by natural forces (such as flooding and earthquakes) are covered internationally by insurance if this is possible, reasonable from a financial point of view and objectively necessary.

- Vacancies and expiring leases can mean either earnings potential or risk. Regular observation of the markets invested in, and the implementation of measures based on this knowledge with a view to reacting in good time to market movements, are crucial parts of the process. At the same time, vacancies result in income shortfalls and increased costs to enhance the attractiveness of the property for rental.

- The creditworthiness of tenants is also a significant risk component. Poor creditworthiness can lead to high outstandings and insolvencies can lead to a total loss of income. One of the tasks of portfolio management is to aim to reduce dependencies on individual tenants or sectors.

- Equity interests in real estate companies, i.e. indirect real estate investments, may be exposed to the risk of changes to company or tax law, particularly abroad.

Property-specific risks such as letting rates, lease expiries and the performance of the real estate portfolio are regularly monitored. The investment company is responsible for monitoring performance and the major performance components, and for financial control of the latter (e.g. returns on real estate, returns on the liquidity portfolio, other income and fees). A reporting system has been set up for the relevant performance indicators.

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's operational risks include legal and tax risks, for example.

Liquidity risk

Unlike exchange-traded securities, for example, real estate cannot always be sold quickly. Depending on internal cash flows, the Fund therefore holds liquidity over and above the minimum required by law. In exceptional cases, however, unit certificate redemptions may be suspended if unexpected outflows of funds cannot be covered by the available liquidity in the short term and the required liquidity must first be obtained by selling properties or borrowing, for example.

Risks existing during the reporting period are addressed in the individual chapters.

Real Estate Markets – An Overview

Economic environment and outlook

A resurgence of political uncertainty has led to the economic outlook becoming gloomier since the start of 2018. Whereas the historical meeting between the presidents of the United States and North Korea has fuelled hopes that political tensions between the two countries and in the region could ease, economic indicators have deteriorated. The increasingly protectionist trade policy adopted by the United States has already resulted in punitive tariffs being levied on and by its trading partners China and the European Union (EU), and is expected to curb global growth. Italy is being governed by a eurocritical coalition of right-wing and left-wing parties, raising fears that the European banking crisis could be rekindled. The British government has now agreed a (softer) Brexit strategy. It will become clear in the course of the year whether this will ultimately last given the government's small majority, and whether it will also be accepted by the EU.

According to Oxford Economics, the global economy is set to grow by 3.1% in 2018 and by 2.9% in 2019. Momentum is coming from Asia, the USA and a number of emerging markets. The eurozone and UK economies peaked in 2017. Inflation has risen somewhat in recent months on the back of the oil price, and in some European countries it is now around or in excess of the target of close to 2% set by the European Central Bank (ECB).

This is ensuring that monetary policy is continuing to normalise. For example, the Federal Reserve is maintaining the policy of interest rate rises that it launched at the end of 2016. The ECB will discontinue quantitative easing in December 2018. However, Oxford Economics does not expect to see the first interest rate rises before the autumn of 2019 due to the cautious forward guidance. The Japanese central bank is likely to keep its monetary policy unchanged in the medium term. On the bond markets, ten-year US treasuries briefly exceeded the 3% mark in May 2018 for the first time in roughly seven years. Eurozone and Japanese yields have been trending sideways amid fluctuations since the beginning of 2018.

The European real estate markets and the outlook for them

The European real estate markets got off to a lively start at the beginning of the year. Office take-up in the first quarter was at its highest level since 2007, clearly exceeding prior-year levels in Paris, London, Frankfurt, Dublin and Madrid. The rise in completions was offset in most cities by robust rental activity. Vacancy rates declined in 19 of the 24 core European markets. Total space is expected to increase by 5.1 million m² and 6.0 million m² in 2018 and 2019 respectively, which will probably lead to a somewhat more comfortable supply situation for office users. Prime rents in Western Europe rose by 4.7% year-on-year due to the ongoing imbalance between supply and demand on many markets in the region. Particularly sharp rises were seen in Barcelona, Berlin, Brussels, Helsinki, Copenhagen, Madrid, Milan and Stockholm, while rents were stable in other places. With the exception of London, growing demand for prime space should result in the medium-term price trend on most core office markets in Europe being in line with the average in 2018.

Many European countries are experiencing rising retail take-up, fuelled by the strong economy and the decline in unemployment rates. Current forecasts assume that this positive development will continue in 2018. However, this depends on political uncertainties, on how the consumer price index develops and on the weather. Moreover, given the competition they are facing from e-commerce, retailers are expected to remain cautious about expanding and to close down or sell low-margin branches and brands. This means that forecasts of further rent rises in flagship locations for the rest of the year are correspondingly subdued.

Tenant demand for logistics space remained strong at the start of 2018, due in particular to the boom in online shopping. Supply is tight and demand is no longer focused exclusively on core logistics locations, but also on built-to-suit properties. Innovative logistics concepts in urban areas are likely to become more important in order to service the continuing strong demand for space. This could result in a multi-tier model for logistics properties. Although speculative completions in the logistics sector have risen, prime, state-of-the-art space is still in short supply in Europe's key logistics centres. According to Cushman & Wakefield (C&W), rents for larger logistics properties are largely flattening out, although demand – and competition – for smaller peripheral urban logistics units is growing. The increasing streamlining of supply chains is leading to rental price rises for these smaller logistics facilities. This trend will continue in the long term.

Preliminary figures from Real Capital Analytics (RCA) indicate that transaction volumes on the European commercial property market fell by 24% year-on-year in the first half of 2018 to more than EUR 70 billion. Growing concerns surrounding geopolitical, protectionism and economic risks could negatively impact the entire European investment market. However, the renewed rise in volatility on the stock and bond markets and the high valuations there justify investments in real estate that will continue to generate stable long-term income and that, given active management, offer the chance of capital appreciation going forward. Fierce competition for the limited supply of space available on core markets is continuing to depress yields, leading to declines in prime yields on many markets at the start of the year. This trend is likely to soften over the rest of the year.

Results of the Fund in Detail

Development of SEB Konzept Stiftungsfonds

	Reporting date 31 Dec. 2015 EUR thousand	Reporting date 31 Dec. 2016 EUR thousand	Reporting date 31 Dec. 2017 EUR thousand	Reporting date 30 June 2018 EUR thousand
Properties	17,975	–	–	–
Liquidity portfolio	1,638	17,623	2,374	2,300
Other assets	977	124	2	5
Less: liabilities and provisions	–5,791	–1,835	–802	–731
Fund assets	**14,799**	**15,912**	**1,574**	**1,574**
Number of units in circulation	127,685	127,685	127,685	127,685
Unit value (EUR)	115.90	124.62	12.32	12.32
Interim distribution per unit (EUR)	**–**	**–**	**17.00**	**–**
Date of interim distribution	–	–	20 December 2017	–
Final distribution per unit (EUR)	**5.50**	**100.00**	**–**	**–**
Date of final distribution	15 April 2016	3 April 2017	–	–

Structure of Fund assets

SEB Konzept Stiftungsfonds' Fund assets were unchanged in the reporting period from 1 January to 30 June 2018 and amounted to EUR 1.6 million as of the reporting date.

The Fund assets as of 30 June 2018 (EUR 1.6 million) comprised the liquidity portfolio of EUR 2.3 million less liabilities and provisions of EUR 0.7 million, which had declined by EUR 0.1 million compared with the previous reporting date of 31 December 2017.

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

Liquidity

The gross liquidity ratio as of the reporting date was 146.1%; 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 12.

Investment performance

Unit value as of 30 June 2018	EUR	12.32
Minus unit value on 1 January 2018	EUR	–12.32
Investment performance	**EUR**	**0.00**

Return according to the BVI method

	Return in %	Return in % p.a.
Current year	0.0	
1 year	61.7	61.7
3 years	90.3	23.9
Since launch	123.6	17.5

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

The Fund generated gross income of 1.8% from the reversal of provisions for liquidation costs in the period under review. After adjustment for expenses of 0.9%, the total income in Fund currency was 0.9%. The liquidity portfolio generated a negative return of –0.5% due to market factors. Total Fund income before Fund costs amounted to 0.4%. Total Fund income in accordance with the BVI method (after Fund costs) was 0.00%.

Key return figures (in % of average Fund assets) [1]	Total
I. Fund	
Gross income	1.8
Expenses	–0.9
Total income in Fund currency	**0.9**
II. Liquidity	**–0.5**
III. Total Fund income before Fund costs	**0.4**
Total Fund income after Fund costs (BVI method)	**0.0**

Net asset information (weighted average figures in EUR thousand) [1]	
Total Fund assets	1,574

[1] The weighted average figures in the first half of the financial year are calculated using seven month-end values (31 December 2017 to 30 June 2018).

Outlook

SEB Konzept Stiftungsfonds no longer holds any properties and is to be wound up. We are driving forward the preliminary work for this. We shall inform you without delay, including outside of the regular reporting cycle, as soon as we can take the next steps in the liquidation process.

Further information on the dissolution of SEB Konzept Stiftungsfonds will be published in the semi-annual and annual reports, as previously, as well as at www.savillsim-publikumsfonds.de.

We would like to thank you warmly for the confidence you have shown in us and for your patience. Our top priority during the dissolution process as in the past is to achieve the best possible results in the interests of investors.

Savills Fund Management GmbH

Carolina von Groddeck Hermann Löschinger

Frankfurt am Main, July 2018

Overview of Assets as of 30 June 2018

		EUR	Germany EUR	Germany EUR	% of Fund assets
A.	**Assets**				
I.	**Liquidity portfolio** (see Statement of Assets Part I, page 13)				
	1. Bank deposits		2,300,498.97		
	of which in foreign currency	0.00			
	Total liquidity portfolio			**2,300,498.97**	**146.14**
	Total in foreign currency	0.00			
II.	**Other assets** (see Statement of Assets Part II, page 13)				
	1. Miscellaneous		4,954.54		
	of which in foreign currency	0.00			
	Total other assets			**4,954.54**	**0.31**
	Total in foreign currency	0.00			
	Total assets			**2,305,453.51**	**146.45**
	Total in foreign currency	0.00			
B.	**Liabilities**				
I.	**Liabilities from** (see Statement of Assets Part II, page 13)				
	1. Miscellaneous		59,052.56		
	of which in foreign currency	0.00			
	Total liabilities			**59,052.56**	**3.75**
	Total in foreign currency	0.00			
II.	**Provisions**			**672,246.57**	**42.70**
	of which in foreign currency	0.00			
	Total liabilities			**731,299.13**	**46.45**
	Total in foreign currency	0.00			
C.	**Fund assets**			**1,574,154.38**	**100.00**
	of which in foreign currency	0.00			
Unit value (EUR)				**12.32**	
Units in circulation				**127,685**	

Disclosures on the Overview of Assets

Fund assets remained unchanged at EUR 1.6 million in the first half of the financial year from 1 January to 30 June 2018.

A. Assets

I. Liquidity portfolio

The **bank deposits** of EUR 2.3 million reported under the **liquidity portfolio** item serve to meet payment obligations connected with the liquidation of the Fund. They are invested at six different credit institutions to satisfy the need for risk diversification.

B. Liabilities

I. Liabilities

The **miscellaneous** liabilities item in the amount of EUR 59 thousand mainly comprises liabilities relating to the property sale and associated activities.

II. Provisions

The main **provisions** items recognised were for guarantee obligations (EUR 500 thousand), liquidation costs (EUR 160 thousand) and the costs of legal advice (EUR 12 thousand).

Statement of Assets as of 30 June 2018, Part I: Liquidity Portfolio

	Market value EUR	% of Fund assets
Bank deposits		
Germany	2,300,498.97	
Total liquidity portfolio	**2,300,498.97**	**146.14**

Statement of Assets as of 30 June 2018, Part II: Other Assets, Liabilities and Provisions, Additional Disclosures

	EUR	EUR	EUR	% of Fund assets
I. Other assets				
1. Miscellaneous		4,954.54		
of which in foreign currency	0.00			
Total other assets			**4,954.54**	**0.31**
Total in foreign currency	0.00			
II. Liabilities from				
1. Miscellaneous		59,052.56		
of which in foreign currency	0.00			
Total liabilities			**59,052.56**	**3.75**
Total in foreign currency	0.00			
III. Provisions			**672,246.57**	**42.70**
of which in foreign currency	0.00			
Total Fund assets			**1,574,154.38**	**100.00**
of which in foreign currency	0.00			
Unit value (EUR)			**12.32**	
Units in circulation			**127,685**	

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 2018:	EUR 12.32
Units in circulation as of 30 June 2018:	127,685

Information on the asset valuation procedures

Real estate

General principles of property valuation

The company appoints sufficient numbers of external valuers ("valuers") to appraise properties, land rights and similar rights governed by the law of other countries ("properties"), or properties that were acquired for the account of the fund.

The valuers must take into account the provisions of national law and the fund rules for the fund in question, and must perform the scheduled valuations. The valuers are required to value in particular:

- the properties to be purchased for funds or for real estate companies in which the company holds an interest for the account of funds;
- the properties held by the fund or by real estate companies in which the company holds an interest for the account of funds;
- the properties to be sold by funds or by real estate companies in which the company holds an interest for the account of funds.

To the extent that the company does not commission an earlier valuation, the valuations are performed by the valuers who were assigned responsibility for this at the least in accordance with the regular cycle specified in the fund rules for the funds in question.

Properties are recognised at their purchase price at the time of transfer of ownership/of the risks and rewards of ownership. Further details on valuation are contained in the provisions of the *Kapitalanlagegesetzbuch* (KAGB – German Investment Code) and the KARBV, and, where applicable, in other national provisions.

Value concept and valuation methods
The market value of a property is the price that would be obtained at the time the calculation is made, in the normal course of business, in accordance with the legal situation and actual characteristics, the other attributes and the location of the property, disregarding unusual or personal factors.

As a rule, to calculate the market value/fair value, the valuer must determine the net income value of the property using a procedure that is recognised on the real estate market in question. Other valuation methods that are recognised on the real estate investment market in question may additionally be used to review the reasonableness of the valuation if the valuer regards this as necessary and/or appropriate to ensure the proper valuation of the property. In this case, the valuer must state the results of the other valuation method and give his or her reasons for using it in a clear and comprehensible manner in the appraisal.

In general, the market value of a property is calculated by determining the net income value of the property using the *allgemeines Ertragswertverfahren* (general net income value method) in accordance with the *Immobilienwertermittlungsverordnung* (German Real Estate Valuation Regulation). This method involves determining the attainable market rental income and adjusting it downwards for management costs, including maintenance and administration costs, and a notional figure representing the risk of lost rental income. The net income value corresponds to the net rental income computed in this way, multiplied by a factor (present value factor) that reflects the typical market rate of interest for the property being valued, taking into account the location, the condition of the building and its remaining useful life. Any special factors affecting the value of a property can be taken into account by means of appropriate premiums or discounts.

A market value/fair value must also be determined as a general rule for properties under construction during the construction phase. Construction services are recognised at book value to the extent that they have not been accounted for in the property valuation. On completion, the appraised market value must be used.

In the appraisal, the valuer must give an opinion on the quality of the property and the location, the regional real estate market, the legal and physical characteristics of the property, and its usability and lettability. The appraisal must specify whether there is a large enough pool of potential buyers and users for the appraised property and whether the property's earnings power can be guaranteed in the long term due to its adequate third-party usability and versatility. Expected income shortfalls and investments in modernisation measures that are foreseeable or necessary at the time of valuation to secure the estimated income must be taken into account in an appropriate manner. If the valuer does not include a discount for maintenance backlogs or renovation because of provisions that have already or will be recognised in the Fund, the valuation report must provide a factual justification as to why no such discount was charged. The key valuation inputs – and in particular the capitalisation rate derived from the current market environment and the current attainable market rents for the property – must be clearly stated and explained.

Pre-purchase valuations and regular valuations
The pre-purchase valuation is performed by valuers in line with the fund rules for the fund in question. As a rule, the date of this valuation should not be more than three months before the notarisation date for the purchase.

The regular valuation and unscheduled valuations of assets as defined by sections 231(1) and 234 of the KAGB were performed by valuers in line with the rules for the fund in question.

If the valuations in line with the rules for the fund in question are performed by two valuers who are independent of each other and arrive at differing market values, the arithmetic mean of the two figures shall be recognised as the value of the asset.

The value of the assets as defined by sections 231(1) and 234 of the KAGB must be determined within the period specified in the rules for the fund in question. The first regular valuation must be performed within the appropriate deadlines, starting from the date of transfer of ownership/of the risks and rewards of ownership or the completion of the construction project.

Valuations are generally spread evenly over the fund's valuation cycle unless local GAAP or the fund rules for the fund in question require a valuation as of the end of the financial year.

Unscheduled revaluations
The value of the properties must always be recalculated and the new amount recognised if the company believes that the most recently determined value is no longer appropriate due to changes in material valuation factors. The following are examples of possible material valuation factors:

- the effects of natural disasters such as floods, fires, volcanic eruptions, hurricanes, earthquakes or landslides;
- land contamination that is discovered after acquisition;
- legal issues, such as the loss of rights due to expropriation in accordance with section 95(1) sentence 1 of the *Baugesetzbuch* (BauGB – German Building Code), the signing, extension or termination of leases, or tenant insolvencies;
- other factors such as changes in the market environment or damage to the property/extraordinary investments.

Valuation dates and frequency of valuations
The value of each property is determined in line with SEB Konzept Stiftungsfonds' rules. As far as possible, valuations are spread out evenly over the year to avoid a cluster of valuations on certain dates. If changes in material valuation factors occur for a particular property, a revaluation may be conducted ahead of schedule. If a heritable building right has been created in respect of a property, the valuers must reassess the value of the property within two months.

Other assets, liabilities and provisions

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

Receivables

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

Transaction costs

Transaction costs incurred by the Fund when acquiring a property or equity interest are amortised in equal annual amounts over the expected holding period of the property, but at the longest over a period of ten years. The amortisation charged reduces the Fund's capital and is not recognised in profit or loss. If the property is resold within the amortisation period given in sentence 1, the transaction costs must be written off in full.

Transaction costs are also capitalised in the case of transactions where the seller or a third party completes the property on their own responsibility and at their own risk and the Fund therefore does not incur typical developer risks.

In order to ensure the equal treatment of direct and indirect property acquisitions, the capitalisation and amortisation of transaction costs in the statements of assets of real estate companies under investment law should, as a rule, be carried out in the same way as prescribed by law at the Fund level (explanatory memorandum for section 10 of the KARBV).

In the case of directly held properties and equity interests, transaction costs still to be amortised are included as a notional figure in the statement of assets and thus in the Fund assets.

Transaction costs not yet amortised remain as a notional figure in the real estate company where they were incurred. They are then recognised during the valuation of the equity interest in this real estate company and do not constitute a separate item of the Fund's statement of assets. Any necessary adjustments of the amortisation charged to the amounts already recognised in the local GAAP financial statements for the real estate company concerned are also recognised in the statement of assets as part of the reconciliation process.

In more detail, the treatment of transaction costs is based on section 30(2) no. 1 of the KARBV.

Liabilities

Liabilities are recognised at their repayment amounts. Key liabilities include loans from third parties, liabilities from land purchases and construction projects, and liabilities from real estate management.

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 established in the context of planned measures/budgeting (e.g. for maintenance measures, management 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 2018 to 30 June 2018. 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 first half of the financial year.

No performance-based remuneration was paid.

In the reporting period, a management fee of EUR 7,030.34 was paid to the investment company and a Depositary fee of EUR 157.40 was paid to the Depositary.

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 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.

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 1.46 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.

For information on the Fund's risk profile, please see the "Risk Management" section of the Fund Management Report on page 5 onwards.

No less-liquid assets were ascertained in the Fund.

Fund Bodies

Investment Company

Savills Fund Management GmbH
Rotfeder-Ring 7, 60327 Frankfurt am Main, Germany
Phone: +49 (0)69 2 72 99 – 1000
Fax: +49 (0)69 2 72 99 – 090
Subscribed and paid-up capital EUR 5.113 million
Liable capital EUR 8.920 million
(as of 31 December 2017)
Frankfurt am Main Commercial Register, HRB 29859
Established: 30 September 1988

Management

Carolina von Groddeck
Hermann Löschinger

Supervisory Board

Luke Justin O'Connor
Chief Executive Officer,
Savills Investment Management LLP,
Stockholm, Sweden
– 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

Shareholders

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

Depositary

CACEIS Bank S.A.,
Germany Branch
Lilienthalallee 36
80939 Munich

External Valuers

Bernd Fischer-Werth, Dipl.-Ing., Dipl.-Wirtsch.-Ing.
Publicly certified and sworn expert for the valuation of developed and undeveloped properties, Wiesbaden

Klaus Peter Keunecke, Dr.-Ing.
Publicly certified and sworn expert for the valuation of rents and developed and undeveloped properties, Berlin

Ulrich Renner, Dipl.-Kfm.
Publicly certified and sworn expert for the valuation of developed and undeveloped properties, Wuppertal

Günter Schäffler, Dr.-Ing.
Publicly certified and sworn expert for the planning and control of construction costs, the valuation of developed and undeveloped properties, and rents for properties and buildings, Stuttgart

Prof. Michael Sohni, Dr.-Ing.
Publicly certified and sworn expert for the valuation of developed and undeveloped properties, Darmstadt

Klaus Thelen, Dipl.-Ing.
Publicly certified and sworn expert for the valuation of developed and undeveloped properties, Gladbeck

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Sales:
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60327 Frankfurt am Main, Germany

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