Outlook 2016
Alternative Investments and AIF

Scope Ratings ('Scope') expects competition to rise in 2016 among asset managers of alternative investment funds ('AIF'), making expertise in asset classes and access to attractive assets even more significant. Shrinking yields mean investors are willing to take on more risk, leaving asset managers the task to develop innovative structures to manage these risks adequately and provide capital efficient investment solutions for investors.

Scope expects performance to differ between asset classes, which will affect the related AIFs as a result. Scope's outlook for 2016 will give its view on the real estate, renewable energy and transport asset classes, as well as prospects on the AIF investment vehicles granting access to these assets.

Summary of main findings:

- Real estate and renewable energy will remain the preferred assets among alternative investments in 2016. The expectation of stable cash flows, and rising demand among Asian and North American investors, will drive up prices even more.
- Aircraft investments will increase in attractiveness and demand, a trend bolstered by long-term growth in the aviation industry, as well as ever-growing capital needs among aviation companies.
- The slump in shipping will persist into 2016. Only debt structures with large value markdowns will find renewed interest of (a few) investors.
- Rising asset prices are putting pressure on returns for newly launched funds, which leads to higher risk appetites among investors, which stretches the skills of asset managers even further.
- The sustained growth in real estate prices will continue to benefit existing funds. For renewable energy, funds holding assets with fixed feed-in tariffs will profit the most.
- Open-ended real estate funds have the advantage of an attractive asset class and the ability to take profits and reinvest selectively. These funds will see substantial cash inflow from private and institutional investors.
- Regulatory requirements are playing an increasingly important role among institutional investors, especially insurance companies, which are seeking more debt investments as a result of Solvency II from January 2016. The better-placed managers will have expertise in their asset class, experience in structuring investment vehicles, and highly developed reporting systems.

Table 1: Outlook by asset class and investment vehicle

Asset class	Outlook	Fund performance		Comments
Real estate	↗	Open-ended AIF	↗	Benefit from asset sales
		Closed-end AIF	→	AIF issuances mainly in niche segments
Renewable energy	→	AIF	→	Rising asset prices, but higher project and market risks
Aviation	↗	AIF	↗	Higher risks for single-asset funds and funds owning large wide-body aircraft
Shipping	↘	AIF debt funds	↘	No placements for equity funds expected in 2016

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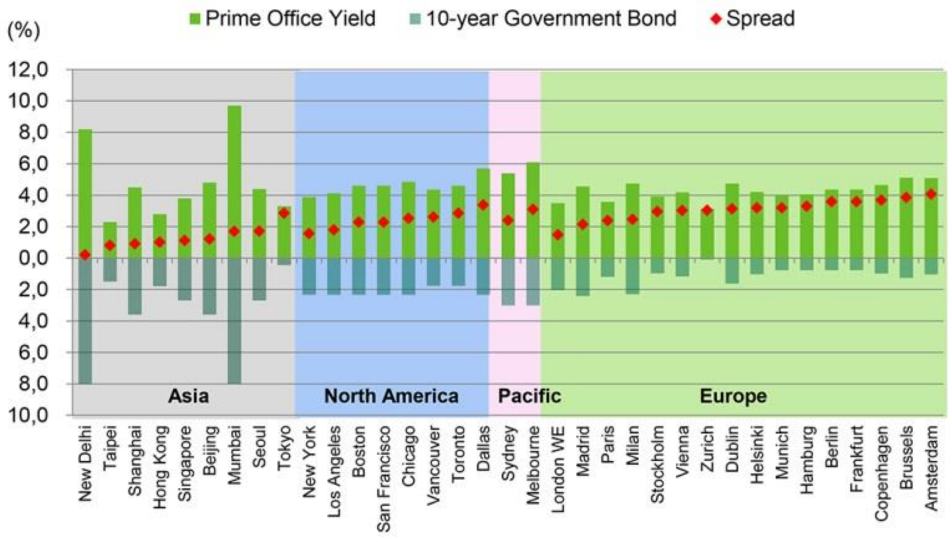
Alternative investment funds – outlook by asset class

Real estate

Positive outlook on real estate

Scope's outlook on the real estate asset class is positive. Compared to low-risk alternatives (such as government bonds, or money market and bond funds), real estate continues to be an attractive option.

Figure 1: Yield comparison – prime office vs. current government bond



Source: CBRE Research; Macrobond; Q2 2015

Institutional pressure pushes up prices

Scope expects demand to keep rising due to investment pressures, resulting in higher prices. In the first three quarters of 2015 alone, German 'Spezialfonds' secured EUR 3bn of funding[1]. The narrow European market will benefit from overseas institutional investors, such as from the US or Asia. Rising property prices have also resulted in substantial falls in returns for most real estate markets.

Overseas investors intensify trend towards Europe

Investment flows for commercial real estate is shown in Figure 2. In the first half of 2015 alone, USD 25.7bn of direct investments flowed into Europe from North America, in addition to USD 6.6bn from Asian investors. Including indirect investments the intercontinental capital flows into European real estate are even higher.

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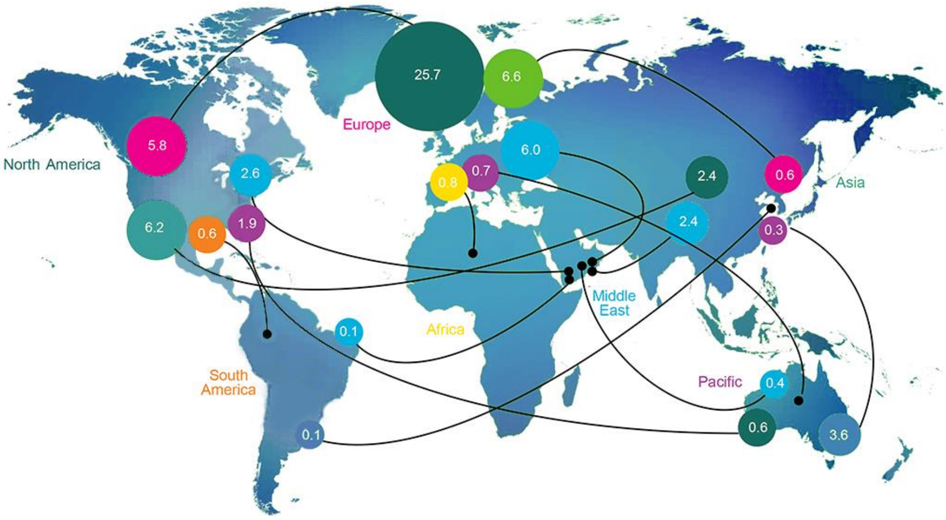
[1] Source: BVI Bundesverband Investment und Asset Management eV

Figure 2: Capital flows between regions for commercial real estate (H1 2015)



Source: CBRE Research; Real Capital Analytics; Q2 2015

Open-ended real estate funds optimising portfolios

Open-ended and closed-end funds remain the top choices for real estate investors. Successfully placed funds are benefitting from today's higher prices, and often sell assets at a profit. Scope expects open-ended real estate funds will realise profits and optimise portfolios to ensure they are well placed for the future. Open-ended real estate funds that retain a highly liquid portion in the portfolio (for fungibility and debt-related considerations) will still achieve stable returns when faced with cash outflows; issuers with low leverage ratios should also be very well placed for 2016.

Selectivity of properties necessary for NAV stabiliy

In Scope's view, the choice of property types and locations will be decisive for 2016. Properties in prime locations, with high volumes in the long term, are proven to be highly fungible, even in an economic downturn. In Scope's experience, qualitatively high-value 'trophy' properties keep good occupancy rates through the different market cycles.

Closed-end funds expect more bad news

In the closed-end segment, losses will be suffered by a number of low-diversified funds which have properties with high vacancies or are in poor condition. Negative performance in this product category may serve to further weaken investors' trust.

The rise in property prices poses even more challenges for real estate fund launches in 2016. Investors (still) expect returns of over 5%, which Scope judges as the reason for higher investment in niche segments, such as specialist properties, 'B' locations, as well as foreign markets such as the US or southern Europe.

Return outlook stable to positive

Scope's outlook for returns among open-ended real estate funds is stable to positive. We expect an average return of 2.5% for 2016, with a range from 1.5% to 5%. Investors will keep up interest in this segment into 2016.

Closed-end real estate funds have a more heterogeneous outlook. While many funds will profit from rising property prices, some – single-asset funds mostly – will struggle. Among closed-end real estate funds, Scope expects returns between 5.5%-7.0% for the care facility segment; 3.5%-4.5% for risk-diversified office funds; and 3.0%-4.0% for German residential funds. New funds will find it fundamentally harder. The expertise of asset managers, when it comes to acquiring and managing properties, will become even more important.

Renewable energy

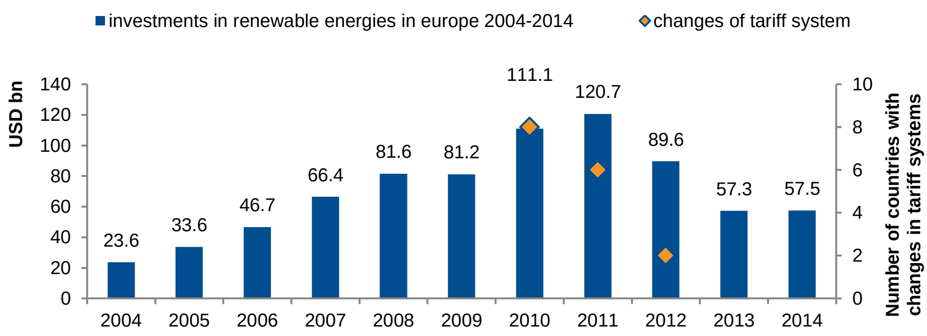
Stable outlook, asset value increases expected

Scope's outlook of the renewable energy asset class is stable. For 2016, Scope expects a positive growth in asset value, particularly those subject to 'grandfathering' provisions. This is caused by a decrease in newly available renewable energy plants, combined with high investment pressures, especially due to expected subsidy cuts in many European countries for the near future. At the same time, Scope expects new projects to be more risky because many issuers are more willing to invest in higher-risk locations and projects. Examples include new geographical markets as well as investing before construction is complete. In the long term, Scope also expects higher risks due to the expected changes in subsidy schemes.

Shrinking investment volume due to subsidy cuts

While the renewables transition has led to high construction rates across Europe in the last decade, the financial crisis has also forced countries, such as Spain, to drastically cut their ambitious targets. The resulting loss in investor trust has led to a concentration of construction in countries able to hold on to their targets, for instance, Germany, the United Kingdom, France and Sweden. Figure 3 shows the fall in 2004-2014 of total renewable energy investment in 28 EU countries due to 2010-2012 cuts in state subsidies.

Figure 3: Renewable energy: investments in Europe



Source: Scope, European Commission, REN 21

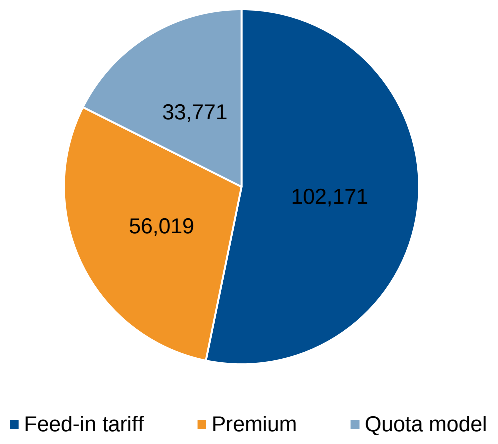
Falling construction, in Germany as well

The low energy prices seen in the past, due to slow rates of economic recovery in Europe, have led to adjustments in subsidies, even in countries ambitious about developing these technologies. Construction rates have fallen as a result, also in countries such as Germany, where only 1,093 MW of wind energy capacity was added in H1 2015, a drop of more than a third compared to H1 2014 (1,723MW).

Move towards market-oriented payments in the medium term

German wind power additions (and the related feed-in tariffs) will be determined through competitive bidding processes from as early as 2017. In the medium term, Scope expects a move from fixed tariffs to more strongly market-oriented schemes, and not just in Germany. Figure 4 shows that, in 2013, just under two-thirds of income from renewable energy production in the 28 EU countries stemmed from fixed feed-in tariffs – a subsidy scheme with the lowest market risk. Scope expects this portion to reduce significantly, and especially for premium pricing models to increase in use. In recent years, cuts to agreed UK subsidies (an unexpected move by many) have shown that such adjustments can take place over relatively short timeframes, even absent of a crisis. Scope highlights that issuers increasingly need to assess and manage market risks arising from these future developments. This creates new challenges for issuers, particularly those that base business models strongly on robust cash flows from fixed feed-in tariffs and stable regulatory conditions. In Scope's view, this will lead to long-term consolidation in the market.

Figure 4: Production by tariff system in the 28 EU countries (in thousands BOE)[2]



Source: Scope; European Commission; Eurostat

Rising asset prices benefit existing funds

Like in other asset classes, Scope also sees rising asset prices and falling returns in renewable energy. Some funds use the current conditions to optimise portfolios and realise profits by selling assets. Existing funds will generally benefit from these market factors.

Worsening risk profiles for new projects

For new funds, however, accessing attractively priced assets poses the biggest challenge. Scope expects a stronger trend of investing in regions with high growth potential, albeit with less stable regulatory frameworks, such as Poland and Italy. In any case, Scope expects more funds will invest in projects at earlier stages (around construction) and consider engaging in projects with relatively new technologies, such as offshore wind plants. This will result, in Scope's view, in risk profiles worsening across many products.

Stable return outlook for renewable energy

Scope expects that German renewable energy projects will have returns of 4%-6% for onshore wind and photovoltaic segments; and 9%-12% for offshore wind. The trend towards institutional investors will also continue into 2016.

2 Barrels of oil equivalent

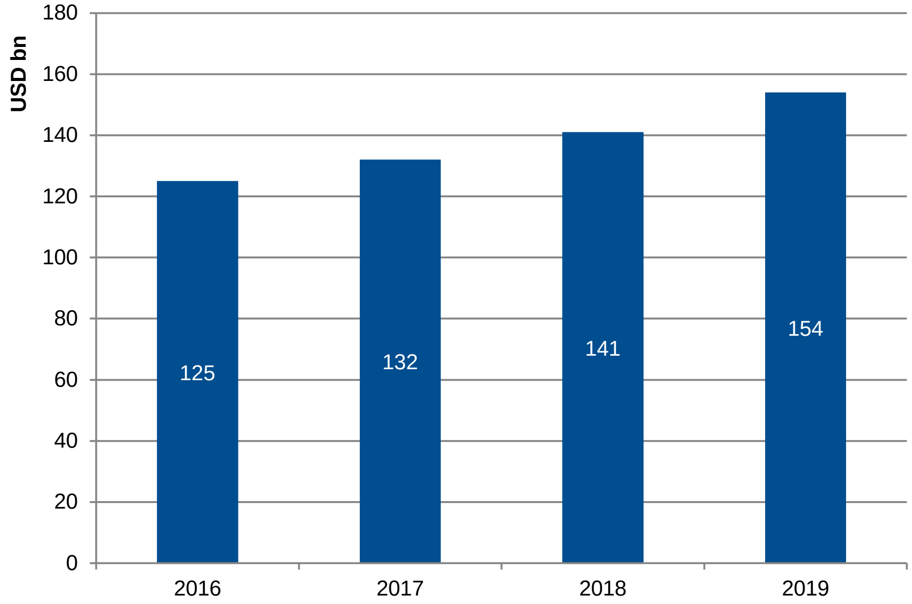
Transport

Aviation

Positive outlook for aircraft asset class

Scope has a positive outlook for aircraft funds, based mainly on our analysts' positive outlook for the aviation industry, which is bolstered by lower fuel prices and a steady growth in passenger numbers.

Figure 5: Expected sales volume for aircraft



Quelle: Boeing

More debt funds and innovative ABS structures

The dynamic growth in developing countries will also add to the aviation industry's growth in 2016. Leasing companies will increasingly cover USD 125bn of financing needs to acquire new and replace existing aircrafts. Aviation companies' ability to service leasing rates remains the primary source of income for such leasing companies. In turn, the refinancing needs of leasing companies will lead to higher issuance volumes for closed-end aircraft AIF. However, external sources of financing for these leasing and aircraft companies are also expected to impact the fund business. While banks will continue to play an important role in 2016, Scope expects increased interest in aircraft debt funds and innovative ABS structures.

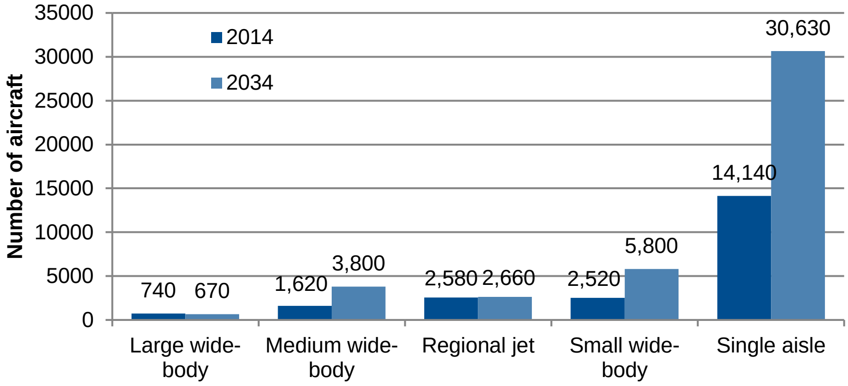
Demand for aviation still rising

The larger product range will meet a broader investor base compared to recent years. In particular, Scope expects increased demand from institutional investors. With many institutions having spent time on the more challenging aircraft asset class in 2015, this new interest will lead to concrete investment activity in 2016, helped by mounting investment pressures.

Flexibility and fuel efficiency gives edge in market

Scope is also positive on aircraft market values which serve as a secondary source of return, because higher demand for new aircraft will be mirrored by higher demand on the secondary market. Fuel efficiency and versatility in aircraft are, more than ever, decisive for this asset class.

Figure 6: Expected trend in airline fleets until 2034



Source: Boeing

Positive signs for secondary market, except for large wide-bodies

However, the positive outlook on secondary market prices is constrained for funds focused on large wide-body aircraft (Boeing 747, Airbus A380). These aircraft are significantly less versatile compared to smaller wide-body aircraft or single-aisle and regional planes, with the market even expecting a long-term fall in large wide-body aircraft deliveries. Scope, like all market participants, is eagerly awaiting the secondary market prices for the first Airbus A380s to be re-marketed in 2016.

Institutional investors prefer clearly diversified portfolios with versatile aircraft types

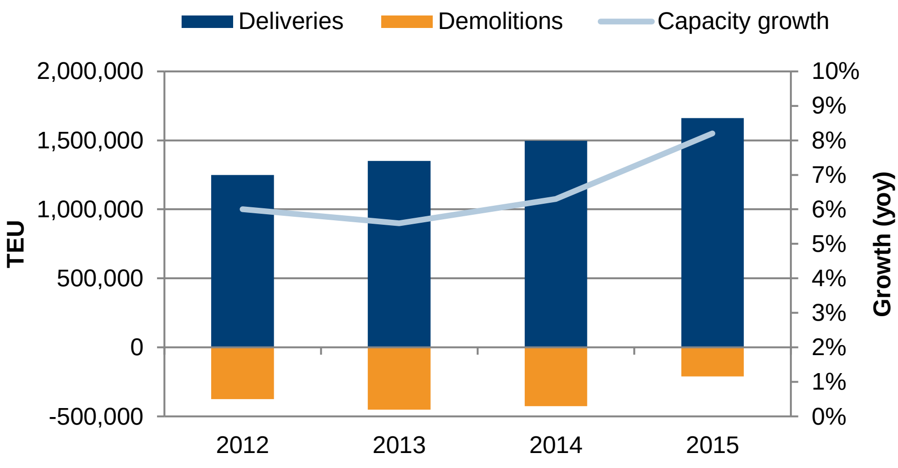
Scope expects diversified portfolios to be more resilient against temporary shocks, for instance, owing to political instability or terrorist attacks. Single asset aircraft funds focusing on large wide-body planes could be especially vulnerable. Therefore, Scope is not surprised that institutional investors prefer funds diversified with small-to-medium-sized aircraft; and that private investors have also held back when it comes to issuances of A380 single asset aircraft funds – a trend set to continue in 2016. Overall, Scope's outlook for the aircraft AIF is therefore stable to positive.

Shipping

Shipping market still suffering from overcapacity

Scope's outlook for the shipping asset class is negative. For as long as this market cannot stabilise significantly and dismantle overcapacity sustainably (which Scope does not expect for the container-shipping segment before 2017) shipping will remain a risk-laden asset class with only the occasional interest from investors.

Figure 7: Growth in container shipping fleet

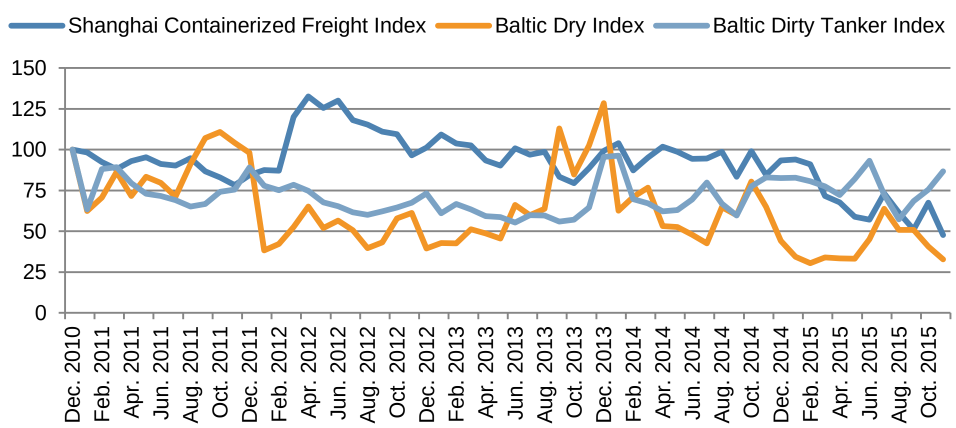


Source: Clarksons Research; Stand: 27.11.2015

No closed-end shipping AIF in issuance

In 2015, there were no funds on offer in the (once-dominant) commercial shipping segment, and the first AIFs expected for Q2 and Q3 2015 still have not materialised. In the near future, Scope expects the shipping segment – proven highly cyclical and marked by hundreds of closed-end fund insolvencies – to continue finding placements near impossible. In addition, the sustained, five-year decline in the main shipping segments (container ships, bulkers and crude tankers) has only added further obstacles. As Figure 8 below shows, the Shanghai Containerized Freight Index and the Baltic Dry Index also reached all-time lows.

Figure 8: Relative index changes – main shipping segments



Source: Shanghai Shipping Exchange; Baltic Exchange; Stand: 27.11.2015

Sustained weakness in bulker market

Container-shipping market to stabilise starting 2017

Despite positive signs for the crude tanker segment, these are virtually non-existent for container ships and bulkers – segments shaped largely by overcapacity, weak demand and low scrapping activity. Scope therefore regards container shipping as having a poor outlook in the short term; and the same outlook extends to bulkers, but for the medium term. For bulkers, Scope considers the unusually strong period in 2004-2010 as an anomaly and is therefore not a solid basis for predicting income. The container-shipping segment in 2016 will see deliveries of new tonnage reduced by around 30% compared to 2015, meaning the cascade effect can be expected to slow, with the market stabilising increasingly at low levels.

Debt funds offered to institutional investors

Despite these difficulties, Scope still observes the structuring or issuance of a few debt funds in container ships, bulkers and tankers aimed at institutional investors – a trend expected to continue well into 2016. Debt funds would typically include low loan-to-value senior-secured shipping loans. These products offer institutional investors a premium over the government bond rate of 3% to 4%. Scope expects price pressures on asset-owning banks to remain high in 2016 to ensure institutional investors in shipping funds are offered their desired premiums.

In any case, Scope does not expect the placement of the first shipping AIF before 2017. The outlook for debt funds in the shipping segment is stable to negative.

Alternative investment funds – industry outlook

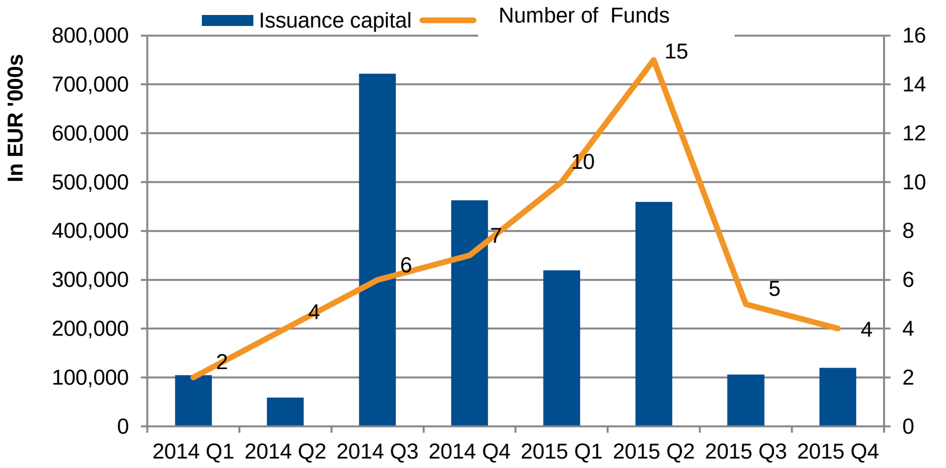
Specialist funds and AIF securitisation in focus

Alternative investments continue to be a focus for investors. Institutional investors, especially, are increasing holdings in real assets, following the example of high profile US pension funds and foundations, such as CalPERS and Yale. Indirect real estate investments therefore offers two components that are especially important for institutional investors: (I) a focus on preserving capital and (II) active management. In the 'Spezialfonds' segment, open-ended and closed-end funds are popular. Many issuers are also extending their investor bases through innovative structures such as AIF securitisations.

More industry consolidation

For closed-end funds, Scope also expects a growing trend towards niche products. Retail funds should see more risk-diversified structures; single-asset funds will (if at all) only slowly gain acceptance in the retail fund segment. The industry finds itself in the middle of a consolidation phase, which will remain into next year. Fund sponsors are disappearing from the market, discontinuing their issuance vehicles (and by doing so their new business) and instead focus on managing older funds, or on the asset management itself. The well-received idea in recent years of a German 'service asset management company' (Service-KVG) did not materialise; in its place was the clear trend for refining management skills of fund initiators.

Figure 9: Closed-end retail AIF issuance after German Capital Investment Act



Source: BaFin; Issuer sales forecasts; Scope

Not all issuers will change direction

Many issuers are looking to switch focus from private to institutional investors; also evident in an AIF issuer survey carried out in autumn this year by Scope. Out of the 24 of issuers surveyed, 20 intended to issue at least one product for institutional investors next year.

Scope expects that not all issuers will manage to redirect focus to institutional investors. Asset managers that are clearly advantaged in this regard are those which have catered to this investor group for many years; and have a corresponding network, successful track record and refined reporting systems; or those which, after a takeover by larger asset managers, could thereby access new distribution channels or attractive assets.

Issuers with sights set on professional investors, particularly issuers under the German Insurance Supervision Act (Versicherungsaufsichtsgesetz), will need strong skills in structuring funds. Optimising capital requirements through debt structures is becoming more important, which can be achieved through fund securitisation or participation notes – actively sought after among insurance companies and pension funds.

Niche issuers generally well positioned

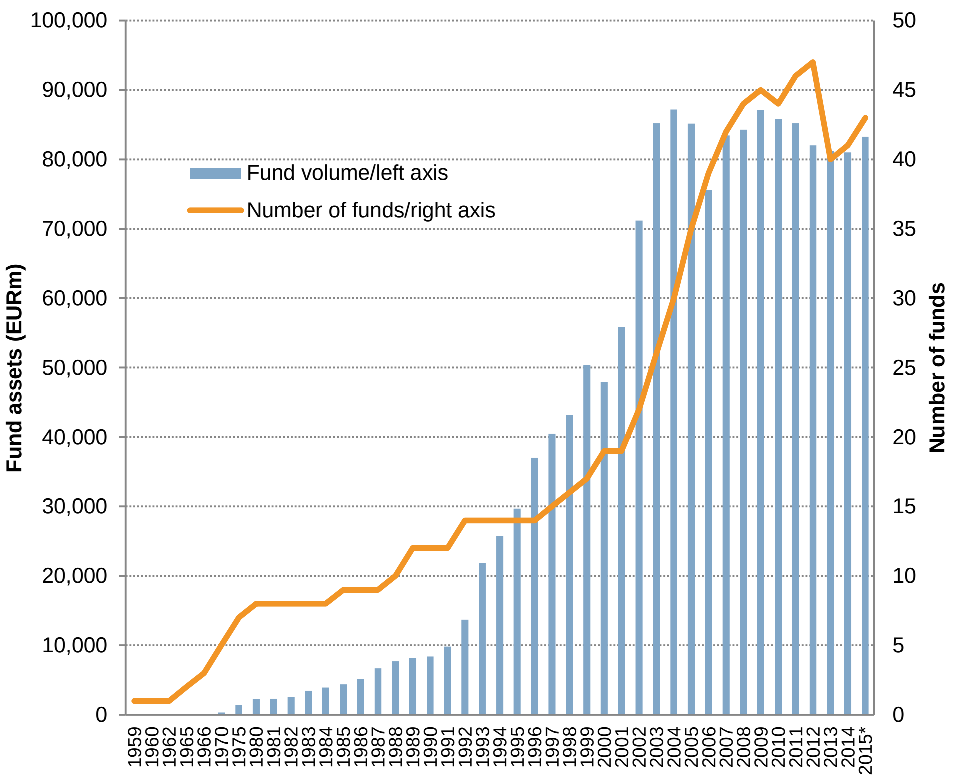
Globally active managers will continue to increase their German market presence. Strategic partnerships are still the preferred strategy for Asian investors for gaining exposure to the German (and European) real estate market. In the short term, Scope expects competition for volumes and markets to continue. On the other end of the 'assets under management'-spectrum, the only issuers to survive are those that can maintain stable investor bases through specialist knowledge and niche products. Already in the German closed-end AIF segment for specialist real estate, there are a number of highly specialised and experienced asset managers on offer.

Open-ended real estate funds

High cash inflows set to return

At net inflows of EUR 4.2bn in the first three quarters of 2015, actively managed open-ended real estate funds for retail investors have already obtained more funds compared to the whole of 2016 (EUR 3.9bn).

Figure 10: Change in open-ended real estate funds



*Until Q3; including funds in liquidation (number 7; volume EUR 14.09bn)

Source: BVI; Scope

High liquidity ratios put pressure on returns

High liquidity ratios (see Table 5 in the Appendix) have a negative effect on returns. In 2016, successful fund managers will be those that invest liquidity quickly, or use cash to repay loans. This need was recognised by most funds in 2015 (see Table 6 in the Appendix) and Scope therefore expects liquidity ratios will also be managed actively in 2016.

Occupancy rates to decline

After stability in occupancy rates in 2014 and 2015 (refer to Table 7 in the Appendix), Scope expects rates to reduce in 2016, which will be driven by both buying and selling activities. To achieve the highest possible sales proceeds, properties with high occupancy rates will be sold or added to less attractive portfolios. On the other hand managers will also focus on the acquisition of properties which are in a turnaround situation and are in need of active management to generate attractive yields in a high-price market. Scope expects that the issuers will increase investments in areas prone to development and construction risk. Though, investment focus for these more risky assets is expected to be in Germany.

Yield pressure renews interest in previously shunned markets

Among open-ended funds, along with retail funds, more club deals and specialised structures will be realised. Products for several investors under German or Luxembourg law will focus on regions or segments. Investors will therefore show more interest in hotel, retail and logistics funds along with the traditional, well-diversified European products. This interest could also include a specific focus on municipal housing or medical centres, or even a return to regions previously out of favour, such as southern Europe.

Closed-end funds

Even less demand for closed-end retail funds

Issuances and placements have been sluggish among closed-end funds. Along with the challenge to acquire attractively priced properties, the slow speed of placements, in Scope's view, is a main reason for the comparably low issuance activity. Bucking this trend are speedy placements in the niche segments, especially for funds investing in care facilities, for which issuers have built a stable and loyal investor base.

Banking distributors still reserved

Banks and brokers prefer risk-diversified products because legal requirements for sales, including documentation, are less onerous than for traditional single-asset funds. Scope expects this trend to continue in 2016, with undiversified funds gaining only limited interest.

Scope also expects consolidation in the industry to accelerate, which will be due to the substantial reduction in authorised fund providers that large banks work with to distribute closed-end funds to private investors.

Appendix

Table 2: Fund ratings – open ended-AIF

Fund	Issuer	Asset class	Segment*	Region	Rating
Deka-ImmobilienEuropa	Deka Immobilien Investment GmbH	Real estate	office, shopping, logistics	Europe	a $_{AIF}$
Deka-ImmobilienGlobal	Deka Immobilien Investment GmbH	Real estate	office, shopping	World	a $_{AIF}$
grundbesitz europa	Deutsche Asset & Wealth Management RREEF Management GmbH	Real estate	office, shopping	Europe	aa- $_{AIF}$
grundbesitz global	Deutsche Asset & Wealth Management RREEF Management GmbH	Real estate	office, shopping	Europe	bb+ $_{AIF}$
hausInvest	Commerz Real Investmentgesellschaft mbH	Real estate	office, shopping	Europe	a $_{AIF}$
KanAm LEADING CITIES INVEST	KanAm Grund Group	Real estate	shopping, hotel	World	a $_{AIF}$
UniImmo: Deutschland	Union Investment Real Estate	Real estate	office, shopping, hotel	Europe	aa $_{AIF}$
UniImmo: Europa	Union Investment Real Estate	Real estate	office, shopping	Europe	a+ $_{AIF}$
UniImmo: Global	Union Investment Real Estate	Real estate	office, shopping	World	a- $_{AIF}$
UniInstitutional European Real Estate	Union Investment Real Estate	Real estate	office, shopping, hotel, logistics	Europe	aa $_{AIF}$
UniInstitutional German Real Estate	Union Investment Real Estate	Real estate	office, shopping, hotel	Europe	aa- $_{AIF}$
WestInvest ImmoValue	Deka Immobilien Investment GmbH	Real estate	office, shopping	Europe	aa $_{AIF}$
WestInvest InterSelect	Deka Immobilien Investment GmbH	Real estate	office, shopping, hotel	Europe	bbb+ $_{AIF}$
WestInvest TargetSelect Hotel	Deka Immobilien Investment GmbH	Real estate	hotel	World	aa $_{AIF}$
WestInvest TargetSelect Logistics	Deka Immobilien Investment GmbH	Real estate	logistics	World	aa $_{AIF}$
WestInvest TargetSelect Shopping	Deka Immobilien Investment GmbH	Real estate	shopping	World	aa- $_{AIF}$

* All segments with a share of more than 5% of the portfolio

Source: Scope; as of 07.12.2015

Table 3: Fund Ratings – closed-end AIF

Fund	Issuer	Asset class	Segment	Region	Rating*
CFB - Flugzeuginvestment 1	Commerz Real Kapitalverwaltungsgesellschaft	Aviation	Passenger		A AIF
Dr. Peters - DS 140 Flugzeugfonds XIV	Dr. Peters Asset Finance GmbH & Co. KG KVG	Aviation	Passenger		BBB+ AIF
Hannover Leasing - Fonds 210 Danone, Utrecht	HANNOVER LEASING Investment GmbH	Real estate	Office	Europe	BBB- AIF
Hannover Leasing - Fonds 213 Flight Invest 51	HANNOVER LEASING Investment GmbH	Aviation	Passenger		BBB+ AIF
Hannover Leasing - Fonds 214 Die Direktion, Münster	HANNOVER LEASING Investment GmbH	Real estate	Office, shopping	Europe	a- AIF
IMMAC - 77. Renditefonds	HKA Hanseatische Kapitalverwaltung AG	Real estate	Health care	Europe	a AIF
IMMAC - 80. Renditefonds	HKA Hanseatische Kapitalverwaltung AG	Real estate	Health care	Europe	a AIF
IMMAC - Austria XIV	HKA Hanseatische Kapitalverwaltung AG	Real estate	Health care	Europe	a- AIF
Jamestown - Fonds 29	Jamestown US-Immobilien GmbH	Real estate	Office, shopping	North America	b AIF
Lacuna - Windpark Hohenzellig	Lacuna AG	Energy	Wind	Europe	BBB- AIF
Leonidas - Associates XVII	Leonidas Associates GmbH	Energy	Wind	Western Euroope	bbb AIF
LHI - Green Infrastructure Invest I	LHI Kapitalverwaltungsgesellschaft mbH	Energy	Solar, wind	Europe	aa- AIF
Real I.S. - Grundvermögen	Real I.S. AG	Real estate	Office, shopping, industrial, hotel, residential, logistics	Europe	BBB AIF
TSO-DNL - Active Property, LP	TSO Europe Funds Inc.	Real estate	Office	North America	a AIF
WealthCap - Immobilien Nordamerika 16	WealthCap Kapitalverwaltungsgesellschaft mbH	Real estate	Office	North America	a AIF
WealthCap - Immobilienfonds Deutschland 37	WealthCap - Wealth Management Capital Holding GmbH	Real estate	Office	Europe	A- AIF
WealthCap - Immobilienfonds Deutschland 38	WealthCap - Wealth Management Capital Holding GmbH	Real estate	Office, shopping, others	Europe	AA- AIF

* A new rating methodology for closed-end AIF was introduced on 20.04.2015 which entailed a new presentation of the rating score.

Source: Scope; as of 07.12.2015

Table 4: Asset Manager Ratings

Rated Entity	Domicile	Asset-classes	Rating
Aquila Capital Structured Assets GmbH	Germany	Commodities, energy	A+ IMR
Commerz Real Fonds Beteiligungsgesellschaft mbH	Germany	Energy, real estate, shipping	AA AMR
Commerz Real Investmentgesellschaft mbH	Germany	Real estate	AA AMR
DekaBank Deutsche Girozentrale (AöR) Geschäftsbereich Immobilien (GFI)	Germany	Debt funds, real estate	AA+ AMR
Deutsche Asset & Wealth Management RREEF Management GmbH	Germany	Real estate	AAA AMR
Doric Investment GmbH	Germany	Aviation, real estate	AA IMR
Dr. Peters GmbH & Co. Emissionshaus KG	Germany	Aviation, real estate, shipping	A+ IMR
Hamburg Trust Grundvermögen und Anlage GmbH	Germany	Real estate	A+ IMR
HKA Hanseatische Kapitalverwaltung AG	Germany	Real estate	AA+ AMR
Immovation Immobilien Handels AG	Germany	Real estate	A AMR
Jamestown US-Immobilien GmbH	Germany	Real estate	AAA IMR
KanAm Grund Group	Germany	Real estate	A+ AMR
LHI Kapitalverwaltungsgesellschaft mbH	Germany	Aviation, energy, real estate	AA AMR
Lloyd Fonds Management GmbH	Germany	Real estate	A+ AMR
PROJECT Investment Gruppe	Germany	Real estate	A AMR
Real I.S. AG	Germany	Real estate	AA+ AMR
SIGNA Property Funds Holding AG	Germany	Real estate	AA- AMR
TSO Europe Funds Inc.	United States	Real estate	A+ AMR
Union Investment Real Estate	Germany	Real estate	AAA AMR
Walton Global Investments Ltd.	Canada	Real estate	AA AMR
WealthCap - Wealth Management Capital Holding GmbH	Germany	Aviation, energy, private equity, real estate	AA AMR

Source: Scope; as of 07.12.2015

Table 5: Changes in liquidity ratios

Fund	ISIN	Fund assets (EUR)	Gross liquidity ratio 2014	Gross liquidity ratio 2015	Change
hausInvest	DE0009807016	10,181,400,000	13.90%	11.80%	-2.10%
Deka-ImmobilienEuropa	DE0009809566	13,195,211,115	20.20%	20.90%	0.70%
Deka-ImmobilienGlobal	DE0007483612	3,749,919,844	22.90%	18.10%	-4.80%
WestInvest InterSelect	DE0009801423	5,357,894,784	14.70%	16.90%	2.20%
grundbesitz europa	DE0009807008	4,733,300,000	18.80%	31.20%	12.40%
grundbesitz global	DE0009807057	2,200,400,000	16.40%	16.00%	-0.40%
grundbesitz Fokus Deutschland	DE0009807081	409,300,000	100.00%	81.60%	-18.40%
KanAm Leading Cities Invest	DE0006791825	52,500,000	29.40%	31.50%	2.10%
UniImmo: Deutschland	DE0009805507	10,702,000,000	30.00%	29.10%	-0.90%
UniImmo: Europa	DE0009805515	10,483,000,000	28.60%	21.60%	-7.00%
UniImmo: Global	DE0009805556	2,435,000,000	20.80%	23.60%	2.80%
UniInstitutional European Real Estate	DE0009805549	3,009,810,624	16.10%	15.30%	-0.80%
UniInstitutional German Real Estate	DE000A1J16Q1	479,674,221	25.50%	22.20%	-3.30%
WestInvest Immovalue	DE0009801431	1,720,568,831	9.60%	9.74%	0.14%
Wertgrund WohnSelect D	DE000A1CUAY0	251,991,000	17.50%	21.22%	3.72%
INTER ImmoProfil	DE0009820068	183,800,000	28.01%	21.00%	-7.01%
Average (weighted by assets)			**21.60%**	**20.97%**	

Source: Recent asset management company reports; as of 15.11.2015

Table 6: Changes in leverage ratios

Fund	ISIN	Leverage ratio 2014	Leverage ratio 2015	Change (percentage points)
hausInvest	DE0009807016	23.2%	16.8%	-6.4%
Deka-ImmobilienEuropa	DE0009809566	17.1%	13.5%	-3.6%
Deka-ImmobilienGlobal	DE0007483612	16.6%	24.8%	8.2%
WestInvest InterSelect	DE0009801423	25.1%	23.7%	-1.4%
grundbesitz europa	DE0009807008	20.1%	18.0%	-2.1%
grundbesitz global	DE0009807057	27.6%	26.2%	-1.4%
grundbesitz Fokus Deutschland	DE0009807081	No investment	21.0%	N/A
KanAm Leading Cities Invest	DE0006791825	Only German investments	29.4%	N/A
UniImmo: Deutschland	DE0009805507	7.8%	10.2%	2.4%
UniImmo: Europa	DE0009805515	14.8%	16.0%	1.2%
UniImmo: Global	DE0009805556	34.2%	20.4%	-13.8%
UniInstitutional European Real Estate	DE0009805549	23.2%	11.9%	-11.3%
UniInstitutional German Real Estate	DE000A1J16Q1	0.0%	0.0%	0.0%
WestInvest ImmoValue	DE0009801431	29.1%	23.6%	-5.5%
Wertgrund WohnSelect D	DE000A1CUAY0	29.9%	22.9%	-7.0%
INTER ImmoProfil	DE0009820068	30.6%	23.6%	-7.0%

Source: Recent asset management company reports; as of 15.11.2015

Table 7: Changes in occupancy rates

Fund	ISIN	Occupancy rate 2014	Occupancy rate 2015	Change (percentage points)
hausInvest	DE0009807016	90.7%	89.5%	-1.2%
Deka-ImmobilienEuropa	DE0009809566	93.2%	92.6%	-0.6%
Deka-ImmobilienGlobal	DE0007483612	94.7%	95.6%	0.9%
WestInvest InterSelect	DE0009801423	88.8%	90.6%	1.8%
grundbesitz europa	DE0009807008	95.8%	94.4%	-1.4%
grundbesitz global	DE0009807057	88.8%	84.5%	-4.3%
grundbesitz Fokus Deutschland	DE0009807081	No investments	97.5%	N/A
KanAm Leading Cities Invest	DE0006791825	Only one fully let property	100.0%	N/A
UniImmo: Deutschland	DE0009805507	95.6%	97.9%	2.3%
UniImmo: Europa	DE0009805515	93.8%	95.2%	1.4%
UniImmo: Global	DE0009805556	96.5%	96.6%	0.1%
UniInstitutional European Real Estate	DE0009805549	96.0%	97.2%	1.2%
UniInstitutional German Real Estate	DE000A1J16Q1	100.0%	93.1%	-6.9%
WestInvest Immovalue	DE0009801431	97.1%	97.4%	0.3%
Wertgrund WohnSelect D	DE000A1CUAY0	97.0%	95.8%	-1.2%
INTER ImmoProfil	DE0009820068	89.1%	89.2%	0.1%

Source: Recent asset management company reports; as of 15.11.2015

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