

# **Simplified prospectus**

**for the  
real estate fund**

## **REAL INVEST Austria gild-edged investment fund**

REAL INVEST Austria is a real estate fund held in trust according to Section 1 of the Austrian Real Estate Investment Fund Act.

ISIN: AT000**0634357** (A)

ISIN: AT000**0634365** (T)

ISIN: AT000**0A05RD2** (VTI)

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

## Contents

1.	Brief summary of real estate fund.....	3
1.1.	Date of the fund formation.....	3
1.2.	Details regarding the real estate investment management company.....	3
1.3.	Depository bank.....	3
1.4.	Auditors.....	3
1.5.	Financial syndicate providing the real estate fund.....	3
2.	Investment information.....	3
2.1.	Short definitions of the investment target / targets of the real estate fund.....	3
2.2.	Investment strategy of the real estate fund and a short evaluation of the fund's risk profile.....	3
2.2.1.	Investment strategy of the real estate fund.....	3
2.2.2.	Short evaluation of the fund's risk profile.....	4
2.3.	Previous performance of the real estate fund and warning notice that prior performance is not an indication of future performance.....	6
2.3.1.	Previous performance of the real estate fund.....	6
2.3.2.	Warning notice.....	6
2.4.	Profile of typical investor of an real estate fund.....	7
3.	Economic information.....	7
3.1.	Applicable tax regulations for resident taxpaying investors in Austria.....	7
3.2.	Entry and exit commissions.....	7
3.3.	Any other commissions and fees, even though it is necessary to distinguish between those payable by the unit holder and those that will be paid out of the real estate fund's special assets.....	8
3.3.1.	The following definitions apply for the purpose of calculating possible commissions and fees:.....	8
3.3.2.	Any other commissions and fees paid out of fund assets.....	8
3.3.3.	Other commissions and fees to be paid by the unit holder.....	8
4.	Information relating to trade.....	9
4.1.	Procedure of acquiring units.....	9
4.2.	Procedure of selling units.....	9
4.3.	Frequency and location as well as procedure of the publication or provision of the unit prices.....	9
5.	Additional information.....	10
5.1.	Please note that the Complete Prospectus as well as the annual and half-annual reports may be requested free of charge before and after the contract conclusion.....	10
5.2.	Relevant supervisory body.....	10
5.3.	Contact details (person/department; times etc.) for obtaining additional information if required.....	10
5.4.	Activities, delegated to third parties.....	10
5.5.	Publication date of the sales prospectus.....	10
	Appendix I Total Expense Ratio (TER)	
	Appendix II Rest default rate	

## **1. Brief summary of real estate fund**

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

REAL INVEST Austria was established on 1.12.2003 (date of the first asset valuation).  
REAL INVEST Austria was formed on 21.11.2003 for an unlimited duration.

### **1.2. Details regarding the real estate investment management company**

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

### **1.3. Depository bank**

UniCredit Bank Austria AG (previously Bank Austria Creditanstalt AG), Schottengasse 6-8, 1010 Vienna.

### **1.4. Auditors**

KPMG Austria GmbH, Auditors and tax advisors, Porzellangasse 51, 1090 Vienna.

### **1.5. Financial syndicate providing the real estate fund**

The UniCredit Bank Austria AG, Schottengasse 6-8, 1010 Vienna and all domestic branches and sales offices are the pay, submission and contact offices for REAL INVEST Austria .

## **2. Investment information**

### **2.1. Short definitions of the investment target / targets of the real estate fund**

REAL INVEST Austria is a real estate fund aimed at earning a sustainable yield taking account of the safety of the investments and of the fund assets' liquidity.

### **2.2. Investment strategy of the real estate fund and a short evaluation of the fund's risk profile**

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

REAL INVEST Austria exclusively invests in properties located in Austria and primarily in those in densely populated urban areas. The investment focuses on the following classes of use: Residential, Infrastructure and Local supply.

It is the target to primarily acquire newly built or drastically redeveloped properties or objects in good conditions. Insofar as redevelopments or new constructions are carried out directly, these will primarily be for residential use.

Properties are acquired both directly and by purchasing majority interests in real estate companies.

In spite of complying with the provisions regarding risk spread, a certain degree of risk concentration may still be possible for particular types of investments, industries and geographical areas.

In the context of the liquidity provisions, REAL INVEST Austria also invests cash balances and securities that comply with the provisions of Section 230 b of the Austria Civil Code (ABGB). In particular, these securities comprise covered bonds (Pfandbriefe) as well as partial debentures of bonds whose interest and repayment are vouched for by the Republic of Austria or by one of the Austrian states.

Derivative financial instruments are exclusively used to hedge the assets of REAL INVEST Austria.

## **2.2.2. Short evaluation of the fund's risk profile**

### **Complete FMA risk notification**

#### **Risk notification according to Section 7 (1) ImmoInvFG**

"Unit certificates of Austrian real estate funds are securities that certify the unit holders' rights over the real estate fund's assets. Real estate funds invest the money derived from its unit holders based on the principle of risk spread and particularly in real estate, properties and in their own building projects and also hold liquid financial investments (liquid investments) such as securities and cash balances. The liquidity investments serve the purpose of ensuring that the investment fund is able to meet its upcoming payment obligations (e.g. from the acquisition of realty) as well as to redeem unit certificates.

Income from the real estate fund consists of annual distributions (insofar as the fund is an income-distributing rather than an income-retaining fund) and the value performance of the fund assets and cannot be determined in advance. The performance of the real estate fund depends on the investment policy set out in the fund conditions, on market development, on the individual real estate held by the fund and on the fund's other assets (securities, cash balances). A fund's historical performance is not an indication of its future performance. Real estate funds are subject to income risk due to possible vacancies of its objects. There may in particular be problems with first letting if the real estate fund carries out its own building projects. Vacant properties can therefore have consequences on the value of the real estate fund and lead to reduced distributions. An investment in real estate funds can also lead to a diminishment of the capital used.

Other than in cash balances, real estate funds also invest liquid funds in other investment types, especially in interest-bearing securities. These fund assets are subject to special risks that apply to the selected investment type. If real estate funds invest in foreign projects outside the Euro currency area, the unit holder also faces currency risks because the market value and net value of such foreign objects must be converted into Euros whenever the issue and redemption prices are calculated for the units.

Normally, unit certificates can be redeemed at redemption price at any time. It must be noted that the redemption of unit certificates for real estate funds is subject to certain restrictions. In the case of extraordinary circumstances, redemption may be temporarily postponed until the sale of real estate fund assets and the receipt of sales proceeds. In particular, the fund conditions may stipulate that the redemption of large numbers of unit certificates may be suspended for a longer period of up to two years. In such a case, the payment of the redemption price will not be possible during this period. Typically, real estate funds must be classified as long-term investment products.“

**Significant risks in detail:**

- 1) The risk that the entire market for a type of asset performs badly, thereby negatively affecting price and value of these investments (market risk).
- 2) The risk of vacant properties.
- 3) The risk that an item might not be liquidated in time at a suitable price (liquidity risk).
- 4) The risk that rental income might not be obtained in a timely manner or at the agreed amount or for the agreed duration (credit risk).
- 5) Risks relating to the focus on particular investments, industries, key tenants, regions or markets (cluster risk).
- 6) The risk that unforeseen or higher expenditure is required to maintain the value of a property (e.g. to correct damages due to acts of God, deficiencies in construction or problem sites).
- 7) The risk of changes to other framework conditions such as tax regulations among others.
- 8) Risks relating to the real estate fund capital.
- 9) Inflation risk.

More detailed illustrations of the individual risks relating to an investment in REAL INVEST Austria and of countermeasures can be found in the complete sales prospectus.

In this context, it must be noted that the value of units in REAL INVEST Austria may increase but also decrease. This might have the consequence that the investor is able to retrieve less money than he originally invested.

Since derivative financial instruments are merely used to hedge real estate fund assets, the real estate fund's risk profile is not increased due to their usage.

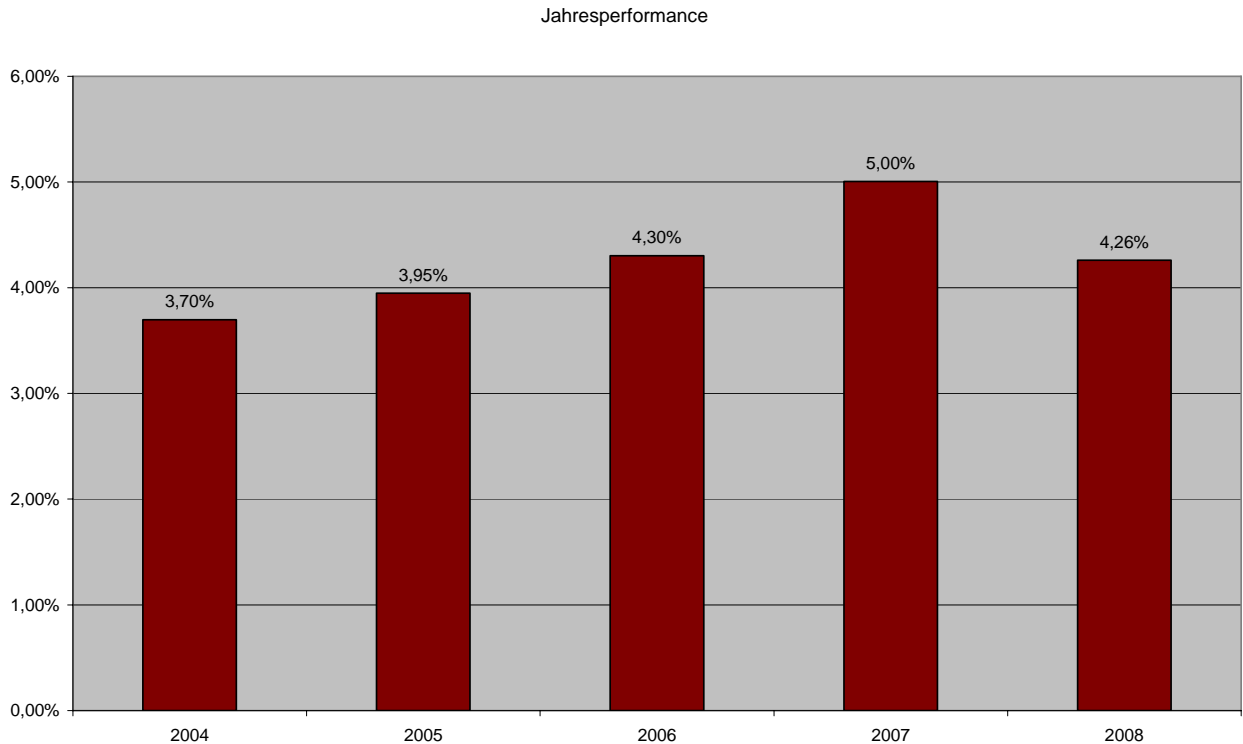
**Rent default rate:**

In the financial year 2007/2008, the rent default rate amounts to : 7,74 %  
(The rent default rate is determined based on the provisions of Appendix II).

## 2.3 Previous performance of the real estate fund and warning notice that prior performance is not an indication of future performance

### 2.3.1. Previous performance of the real estate fund

#### Previous performance since fund formation



#### Performance notice:

Performance is determined based on the OeKB (Austrian control bank) method.  
Issue surcharges are not included when calculating fund results.

#### Average performance in calendar year

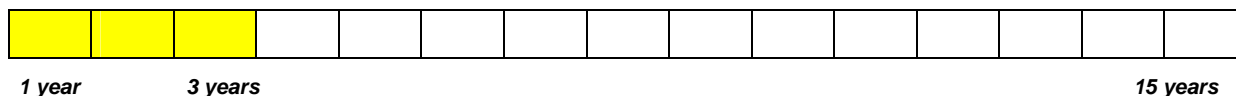
% p.a.	3 years	5 years	10 years
REAL INVEST Austria	4,52%	4,24%	-

### 2.3.2. Warning notice

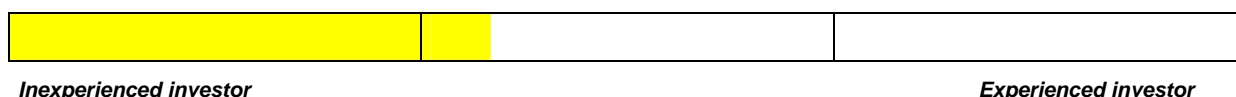
**Past performance does not give a reliable indication of the fund's future performance.**

## 2.4. Profile of the typical investor for whom the real estate fund was designed

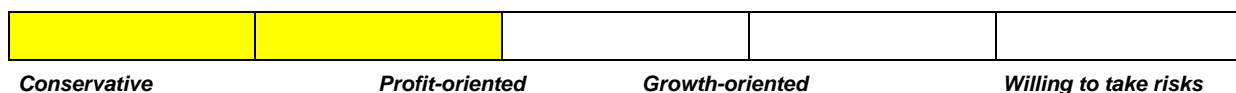
- **Recommended minimum retention period**



- **Experience of the investor**



- **Risk tolerance of the investor**



## 3. Economic information

### 3.1. Applicable tax regulations for resident taxpaying investors in Austria

The real estate fund itself is not subject to income or profit taxes in Austria.

The real estate fund's annual profit (management profit, 80 % of revaluation surplus, liquidity profit) after relevant costs is subject to a general automatic withholding tax deduction in Austria of 25 %. Income tax obligations are considered settled after this withholding tax deduction (final tax).

A detailed description of the treatment of tax for private and business investors can be found in the Complete Prospectus.

Inheritance tax and gift duties no longer apply to free of charge acquisitions after 31.7.2008.

Units of REAL INVEST Austria are suitable for securities coverage for pension payments according to Section 14 Income Tax Act (EStG) as well as for SME sponsorship according to Section 10 EStG.

### **Foreign countries/ non-resident taxpayers:**

Tax treatment of profits from the real estate fund for the relevant investor for unit sales abroad or to non-resident taxpayers in the domestic country is subject to the relevant national tax. We suggest contacting a tax expert.

### 3.2. Entry and exit commissions

**Costs that the unit holder is directly charged for on issue or redemption of the unit certificate.**

Issue surcharges to reimburse issue costs amount to 3 % of the unit value.

**3.3. Any other commissions and fees, even though it is necessary to distinguish between those payable by the unit holder and those that will be paid out of the real estate fund's special assets.**

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

Fee-Sharing Agreements: agreements according to which remuneration received by one party – directly or indirectly – from the real estate fund assets must be shared with another party and as a result of which this other party is compensated for fees which would normally – directly or indirectly – be paid out of the real estate fund's assets.

Soft Commissions: any type of economic benefit – excluding clearing and execution services – which an investment management company receives in conjunction with the payment of commission for transactions that involve securities in the fund portfolio.

Total Expense Ratio (TER): represents the relationship of real estate fund's total costs to the real estate fund's average total assets. It is calculated at least once a year ex post based on the data from the real estate fund's audited statement of accounts.

**3.3.2. Any other commissions and fees paid out of fund assets**

**Total Expense Ratio (TER):** ..... 0.86 %\*

The Total Expense Ratio comprises all costs charged to the real estate fund, excluding costs incurred in the context of acquisition, encumbrance and sale of assets. The TER is calculated based on the data of the last audited statement of accounts. The TER is determined based on the provisions of Appendix 1.

Charges calculated based on a specific percentage in relation to the value of fund assets:

Management fee of the real estate investment management company (from 1.10.2008):.....0.9 %  
Expenditure of the depository bank:.....0.1 %

Costs not included in the TER including transaction costs:

Remuneration of real estate investment management company for services in the context of transaction processes in connection with real estate, ..... up to 1 % of the purchase or sales price  
for services in the context of project developments, ..... up to 2 % of acquisition costs

Please refer to the details in the annual statement of accounts (Section on real estate and equivalent rights) for information regarding ancillary costs incurred for the relevant real estate transactions.

Apart from expenses for management, the management fee also covers any possible selling costs and third-party management services.

**3.3.3. Other commissions and fees to be paid by the unit holder**

The investor's custodian bank charges him a deposit fee for the safekeeping of his units. The investment advisor of the depository bank will provide information regarding these fees.

\* TER as at 30.9.2008, the current TER can be found under [www.realinvest.at](http://www.realinvest.at).



## **4. Information relating to trade**

### **4.1. Procedure of acquiring units**

The number of units that may be issued and of the corresponding unit certificates is generally not limited. The units may be acquired at the offices of the paying and submission agents listed under 1.5. The real estate investment company reserves the right to temporarily or entirely discontinue issuing units.

### **4.2. Procedure of selling units**

The unit holders may at any time request redemption of their units by presenting the unit certificates or by giving redemption instructions to the UniCredit Bank Austria AG. The real estate investment company is obliged to accept these units at the relevant applicable redemption price corresponding to the value of a unit for account of the fund.

The payment of the redemption price and the calculation and publication of the redemption price may be temporarily postponed (up to 24 months after the unit certificate is presented) and be made dependent on the sale of the assets of the investment fund and the receipt of the sale proceeds if the Austrian Financial Market Authority is notified at the same time and if there are extraordinary circumstances according to which this becomes necessary in order to protect the rightful interests of the unit holders.

REAL INVEST Austria can generally also be acquired via a mutual fund investment plan.

### **4.3. Frequency and location as well as procedure of the publication or provision of the unit prices**

#### **Publication of Issue and redemption prices**

Issue and redemption prices are determined by the depository bank for every stock market day and published in the "Investment fund supplement to the Quotations List of the Vienna Stock Exchange", in the daily newspapers "Die Presse" and "Der Standard" as well as online under [www.realinvest.at](http://www.realinvest.at) .

## **5. Additional information**

### **5.1. Please note that the Complete Prospectus as well as the annual and half-annual reports may be requested free of charge before and after the contract conclusion.**

The Simplified Prospectus contains a summary of the most important information regarding the real estate fund. The Complete Prospectus contains more detailed information. Any interested investor must be provided with the Simplified Prospectus in its applicable version free of charge before or after the contract conclusion.

Additionally, the interested investor can obtain the Complete Sales Prospectus and the General Fund Conditions in conjunction with the Special Fund Conditions free of charge before and after the contract conclusion. The Complete Sales Prospectus is supplemented by the relevant last statement of accounts. If the date of the statement of accounts is more than eight months ago, the interested investor may also obtain the half-annual report free of charge.

The sales prospectuses and reports mentioned here are also available to the interested investor under [www.realinvest.at](http://www.realinvest.at).

### **5.2. Relevant supervisory body**

Financial Market Authority, Praterstrasse 23, 1020 Vienna.

### **5.3. Contact details (person/department; times etc.) for obtaining additional information if required**

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

Phone: +43 (0)1 33171 DW 9000

Fax: +43 (0)1 33171 DW 9099

Email: [service@realinvest.at](mailto:service@realinvest.at)

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

### **5.4. The investment management company has delegated the following activities to third parties:**

The Bank Austria Real Invest Immobilien-Kapitalanlage GmbH has not delegated any activities to third parties.

### **5.5. Publication date of the sales prospectus**

28.1.2009

Subject to setting and printing errors

## Total Expense Ratio (TER):

### 1. Included/excepted cost items:

- 1.1. The total costs comprise all costs relating to fund management and which are deducted from the real estate fund assets. They can be found in the statement of accounts on a pre-tax basis (gross amount of costs);
- 1.2. They contain all legal expenditure of the real estate fund, independent of its calculation basis (i.e. e.g. flat fees, asset-based, transaction-based,... insofar as allowable), such as e.g.:
  - Management fees including performance-based fees
  - Administrative costs
  - Depository bank fees
  - Audit costs
  - Legal fees
  - Selling and redemption costs insofar as charged to the real estate fund
  - Registration, monitoring and similar fees
  - any additional remuneration for the real estate investment management company (or other third parties) due to particular fee-sharing agreements (see Section 3. below)
- 1.3. The following are not included:
  - Transaction costs such as brokerage fees and taxes and charges relating to this as well as the transaction's influence on the market taking account of the brokerage fee and the liquidity of affected investments
  - Interest on borrowings
  - Payments linked to derivative instruments
  - Issue/redemption surcharges or other fees directly paid for by the investor;
  - Soft Commissions (see Section 3. below)
  - Transaction costs relating to real estate companies

### 2. Calculation method:

The Total Expense Ratio /TER) of a real estate fund is calculated as follows:

$$\text{TER} = \text{Total costs} * 100 / \text{average total fund assets}$$

The TER is determined on the basis of the NAV. In order to determine the average net assets, the relevant net asset values must be used, for instance the daily net asset values for daily calculations. Circumstances or events that might lead to misleading figures must be taken into account. Any possible tax reductions must be taken into account.

### 3. Fee-Sharing Agreements and Soft Commissions:

Fee-Sharing Agreements regarding fees not contained in the TER mean that the real estate investment management company (or a third party) is compensated for fees in part or in total that should normally be contained in the TER. These costs shall therefore be taken into account when calculating the TER by attributing to the total costs any payments made to the investment management company (or to a third party) based on such fee-sharing agreements.

Fee-sharing agreements relating to costs already contained in the TER do not require special treatment. Similarly, soft commissions do not require special treatment.

Therefore:

a) Payments made to a real estate investment management company in the context of a fee-sharing agreement relating to transaction costs or due to an agreement with another management company (if they are not already contained in the composite (synthetic) TER or have already been included in direct costs to the TER via other charges to the real estate fund) should in any case be included in the TER;

b) On the other hand, payments made to a real estate investment management company in the context of a fee-sharing agreement with a real estate fund should not be taken into account.

#### **4. Performance Fees:**

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

#### **5. Investments in investment management funds:**

For investments of more than 10% of the NAV in other fund unit certificates for which a TER is calculated according to the provisions of the Content of Prospectus Regulation, Federal Law Gazette (BGBl) II No. 237/2005 in its applicable version, a "synthetic TER" must correspondingly be calculated for the relevant investment.

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

Issue and redemption surcharges of the target fund must be included in the TER, this must be expressly shown.

If one of the target funds does not calculate a TER according to the provisions of the Contents of Prospectus Regulation, Federal Law Gazette (BGBl) II No. 237/2005 in its applicable version, then the costs must be disclosed in the following way:

- a. It must be stated that a synthetic TER cannot be determined for this part of the investment;
- b. The maximum percentage management fee of the target fund must be provided;
- c. A composite (synthetic) value must be provided for the total expected costs.

A synthetic TER is calculated for this purpose which includes the TER for all target funds whose TER is determined based on this appendix – weighted according to their percentages of the investment – and issue and redemption reductions/surcharges are added for each of the other target funds plus as precise as possible a valuation of the upper limit of the costs relevant to the TER. This should include the maximum or the most recently calculated management fee and the current performance-based management fee available for this investment fund – weighted according to their percentages of the investment.

**Rent default rate**

The rent default rate (income default rate) of a real estate fund is calculated as follows:

$$\text{Rent default rate \%} = \text{Rent defaults} * 100 / \text{target net rents}$$

Rent defaults are vacancy losses (valued as the last rent paid) over rents, and collection losses over rents.

The published rent default rate must correspond to the period/s for which the TER is published.