



hausInvest

Open-ended real estate fund

Annual Report

2022/23 as of 31 March 2023

COMMERZ REAL



A Fund of Commerz Real Investmentgesellschaft mbH

At a glance

Key figures for hausInvest

ISIN: DE 000 980 701 6 / WKN: 980 701

in € million	As of: 31 March 2023 ¹	As of: 31 March 2022 ¹	As of: 31 March 2021 ¹	As of: 31 March 2020 ¹
Fund assets	17,485	17,187	16,617	16,096
Real estate assets	17,198	16,577	16,003	15,408
of which held directly	7,654	7,556	8,087	7,932
of which held through real estate companies	9,544	9,021	7,916	7,476
Net cash flow	101	381	348	1,385
Number of properties in the fund (direct and indirect)²	156	153	153	153
of which held through real estate companies	84	80	78	79
Number of acquisitions	6	6	1	76
Number of sales	2	6	1	20
Occupancy rate (as of reporting date)	94.8%	93.0%	93.9%	95.1%
Debt financing ratio	12.2%	11.7%	16.9%	14.6%
Redemption price per share (in €)	43.73	43.24	42.77	42.31
Issue price per share (in €)	45.92	45.40	44.91	44.43
Distributions (in € million³)	260	260	238	153
Shares in circulation (in millions of units)	400	397	389	380
Distribution on	19 June 2023	20 June 2022	14 June 2021	15 June 2020
Distribution per share (in €)	0.65	0.65	0.61	0.40
Total expense ratio⁴	0.84%	0.84%	0.84%	0.84%
Return on investment (BVI methodology)⁵	2.7%	2.6%	2.0%	2.2%
Profit / loss from real estate (equity)	4.0%	4.1%	3.5%	3.9%
Profit / loss from liquidity	0.5%	-0.4%	-0.2%	-0.2%

¹ This refers to the relevant financial year from 1 April to 31 March.

² QB Jena, which is held directly by the fund, was not included in the property count for the financial year due to the non-transfer of rights and liabilities.

³ This is based on the number of shares in circulation on the distribution date (previous years) and the reporting date (31 March 2023).

⁴ Transaction costs, property management/maintenance costs and financing costs for properties and real estate companies are not taken into account here.

⁵ This is calculated without front-end load and with distributions immediately reinvested. **Past performance is not necessarily indicative of future returns.**

To our investors



Find out more about the current and past financial year.

hausinvest.de/investment/ausschuettung-geschaeftsjahr/

Due to the way in which the figures in this report have been calculated, slight differences may arise when rounded amounts and percentages are added together.

Management report



Dear investors,

After celebrating its 50th birthday on 7 April 2022, hausInvest has successfully entered a new decade. The fund has improved its track record once again, closing the 2022/23 financial year with a return of 2.7%¹ (a slight increase compared to the previous year²). As of 31 March 2023, the fund holds around 17.5 billion euros in assets. The occupancy rate remains at a high level (94.8%), increasing by around one percentage point compared to the same period last year.³ The 692 lettings recorded in the reporting period are expected to generate around 461 million euros in rental income across the entire term of the leases. This represents an increase of around 5% compared to the previous financial year⁴ and backs up our strategy of investing in properties in top locations.

According to the independent agency Scope Ratings, hausInvest is the second largest open-ended real estate fund in Germany.⁵ As a result of the coronavirus pandemic and the turnaround in interest rates, some risk parameters have increased somewhat for real estate funds. This is reflected in Scope's rating for hausInvest, which has been downgraded slightly from "A" (AIF) to "A-" (AIF).⁶ Nevertheless, the fund is holding its own in the top group of commercial real-estate funds for private investors; according to the rating agency, the quality of hausInvest's real estate portfolio is still above average. hausInvest scores very highly in terms of its regional diversification and the quality of its locations. Scope has also highlighted our granular tenant structure and occupancy rate as positive factors that set us apart from the industry average. In addition, Scope has awarded Commerz Real Investmentgesellschaft mbH a rating of "AA" (AMR), confirming our very high quality and expertise in property management.⁷

The global economic framework remains challenging due to several critical developments: disrupted supply chains as a result of the coronavirus pandemic, extreme increases in energy costs and the turnaround in energy policy as a whole. This has been exacerbated by the turnaround in interest rates initiated by the central banks in mid-2022, which has changed the world of world of tangible assets, especially the real estate industry. The relative appeal of instruments such as term deposits and corporate bonds has increased compared to real estate funds. In addition, financing has become significantly more expensive. It is no coincidence that the investment volume for commercial real estate located in the top 7 cities in Germany fell by around 70% in the first quarter of 2023 compared to the same quarter in the previous year.⁸

Resilient in a changing market environment

The fact that hausInvest remains largely resistant to crises is the result of a long-term strategy. The fund is broadly diversified with 156 high-quality properties in very good locations spread across 18 countries and with 14 types of use.⁹ Our heterogeneous tenant structure ensures further diversification and stability. This is crucial for good rentability and marketability, especially in weaker phases of the cycle. As of 31 March 2023, around 91% of our rental income is also contractually hedged against inflation¹⁰, which continues to ensure predictable income. hausInvest combines the classic characteristics of a real estate fund whose tangible assets provide a stable anchor for any investment portfolio and tend to counter volatile equity investments with consistency.

Financial and liquidity management

Commerzbank AG's economists expect the inflation rate to continue its downward course over the coming months due to signs of stabilisation in energy prices.¹¹ However, our economists also predict that core inflation¹² will remain comparatively high for some time to come.¹³ The rise in interest rates, in turn, is affecting property markets and the fund in several ways: While the higher financing costs hardly have an impact on the total costs incurred by hausInvest, which has a debt financing ratio of 12.2%¹⁴, the potential returns to be generated from the liquidity held in the fund is increasing. The gross liquidity of around 2.14 billion euros (approx. 12.3% of the fund volume)¹⁵ is benefiting from much higher interest rates. All in all, the interest on loans is outweighed by the positive effects of higher interest on liquidity. According to our current assessments, the recent upheavals seen in the financial sector pose a rather low risk for the fund. This makes hausInvest a largely resilient capital investment with a strategy that has proven its worth even in challenging situations.

Office space in demand

When it comes to types of use, the office segment (41.8%) is by far the strongest in the fund. In fact, office space accounted for around 50% of our total rental performance in the reporting period. Modern offices are much more than just workspaces. They are becoming feel-good havens and communicative meeting points. One good example is the **Karolinen Karree**, which emerged at Karlsplatz in the middle of Munich's old town in 2007. The office building was constructed sustainably from the ground up and, with a 100% occupancy rate, its concept and top location are certainly paying off. During the reporting period, we also achieved successful lettings in international markets. In Paris, for example, we have extended our existing leases with Apple at **Place d'Iéna** and with Citigroup at **Étoile Saint-Honoré**. Both companies have also expanded their rental space. For more information on our rental management, please refer to the chapter on "Real estate activities" below.

Healthcare trends

hausInvest is fully benefiting from the rise in health and medical services. Our tenant, Eterno, is a prime example of this. As a new co-working provider for doctors, therapists and coaches, Eterno is establishing a completely new office and surgery concept in **WestendWindows** in Frankfurt am Main, bringing together different areas of expertise under one roof and digitalising processes to make them even faster. At the same time, the large-scale repositioning of **Forum City Mülheim** is progressing nicely. The shopping centre in Mülheim an der Ruhr was previously occupied solely by retail outlets, but new areas are now being created for a wide range of medical services on the upper and lower floors. These areas will make up a new "**Forum Medikum**", which will be available for health, therapy and care services.

Pioneering projects are taking shape

The **Königshöfe** project in Dresden was completed during the reporting period. This was acquired by Commerz Real Investmentgesellschaft

mbH back in 2019. Some of the new apartments are located in the renovated building of the neo-baroque fire insurance chamber, while others are in new buildings. We are quickly finding tenants thanks to the excellent location in Dresden's baroque district. New districts have also become an integral part of the hausInvest portfolio. For example, the new Seetor City Campus district in Nuremberg combines housing, work and leisure. The fund is part of the district with 97 subsidised and affordable rental apartments in the **Seetor Living** residential complex, which was completed in autumn 2022.

The **VIA UNA** project development in the historic centre of Prague has also been completed. This project included the general refurbishment of a high-quality office and retail building, where special care had to be taken with the listed structure.

The **DC Tower 2** project planned for Vienna shows that properties can – and sometimes must – be used in a way that deviates from the original plan. While the high-rise building had originally been planned purely as an office building, the DC Tower 2 will now also house apartments, shops and restaurants. It is currently under construction. A completely new visual concept has been created that also takes into account open spaces such as balconies and loggias for residents. Its completion is scheduled for the first quarter of 2026.

Added value through portfolio management

Another example of our continuous portfolio development is provided by the Millennium properties that we acquired back in 2019. For 43 of the 49 properties, we have increased the gross target rent by 6.2% since 2020. We have sold some of the properties, generating a total of 42 million euros (+14.2%) more than the original purchase price. An existing tenant has been secured for a further 15 years on the upper floor of **Neuer Wall 44**, a former warehouse in Hamburg that was built in 1908 and that has since been converted into an office and commercial building. The **Schäfergasse** property, which is also part of the Millennium portfolio, is another pioneering development project that we are carrying out in cooperation with Caritas and the city of Frankfurt

am Main. The project includes social sustainability aspects such as subsidised housing units, counselling rooms and a café, while environmental sustainability is supported through rooftop solar panels and the use of solar thermal energy for heating and hot water.

Innovation fuelled by increasing sustainability requirements

Environmental, social and corporate governance (ESG) are essential factors in our fund’s strategy for maintaining and increasing value. In August 2022, we decided to meet the stringent requirements for environmentally sustainable investments, as specified in the EU Taxonomy Regulation¹⁶, as well as the minimum requirements for sustainable investments stipulated in the EU Sustainable Finance Disclosure Regulation¹⁷. This means that the investment fund has to make sustainable investments amounting to at least 5% of the market value¹⁸ of its properties. As a result, sustainability criteria not only play an important role in every acquisition process, but also when upgrading the fund’s existing portfolio. One example is the hausInvest property on **Börsenstraße** in Frankfurt am Main, which is over 100 years old. An AI-based piece of software has been installed in the building’s existing control system, allowing us to reduce the property’s energy consumption by 16% in just ten months.

Portfolio development through acquisitions and sales

The first acquisition in the reporting period – the **1900 N Street** office property in Washington, D.C. – was made in June 2022 with the aim of strengthening hausInvest’s presence on the US market. As the property came with an LEED¹⁹ Gold certificate, it also fitted in with the fund’s sustainability strategy. The same can be said for the **Elbtower** in Hamburg, which was built largely from recycled materials and will be operated in a carbon-neutral manner in the future. A 25% stake has been acquired for the hausInvest portfolio. Once the floor slab had been erected in mid-December 2022, the

construction work began as planned in January this year.²⁰ In the summer of 2022, **A160 Barcelona**, a modern, LEED Gold-certified office building in the heart of Barcelona’s trendy 22@ district, was handed over to hausInvest. The nearby **Badojiz 97** office building is set to follow at a later date. The positive development of the local economy prompted our fund managers to invest in Spain again. Eight buildings in the new **Nockherberg NOC 2.4** residential complex in Munich followed in December 2022. Most of the 114 apartments are subsidised or inexpensive. Since acquiring the property in 2019, we have strengthened the residential segment of our portfolio.

As in every financial year, we have conducted in-depth life cycle analysis for our properties. This is the only way to ensure that they remain promising for our fund and investors. As a result of our assessments, we decided to sell the **Seven Houses** residential building in Frankfurt am Main and the **Vor den Siebenburgen** office property in Cologne, achieving a positive result in each case.

Outlook

The market environment for open-ended real estate funds continues to be shaped by a number of challenges. Over the past **51 years**, hausInvest has proven time and again that quality, adaptability and innovation provide a **steady foundation** in many different market situations. Investing in tangible assets such as real estate is still a concept that is geared towards reliability and stability of value. At the same time, our philosophy has a second level: **openness**. As a responsible company, we believe we are morally obliged to strive for progress and sustainability – and this strategy is also intended to ensure the stability of the fund. Anticipating **megatrends** such as digitalisation, sustainability, urbanisation and healthcare has proven to be the right approach and will continue to shape the hausInvest fund strategy in the future.

In light of these overarching megatrends, we have to take a holistic view of each property. We do not see a property as being permanently assigned to one specific type of use, but as an **ecosystem**

Rental management in numbers*



that can adapt its possible types of use to the needs of current or future tenants. hausInvest is open to new technologies (e.g. decarbonisation and the reduction of carbon emissions), open to new tenant concepts, open to new partnerships and cooperative projects, and open to diversifying its portfolio by introducing “renewable energy plants and systems” as a new type of use.

This will be greatly facilitated when the **German Future Financing Act** (ZuFinG) enters into force.²¹ After the draft bill was presented on 12 April 2023²², the law is expected to be passed in 2024.²³ From that point on, open-ended real estate funds will be able to invest up to 15% of their value in properties with systems for generating, transporting and storing electricity, gas or heat from renewable energies, even if they are not connected to a building.

That is exactly what we have planned for hausInvest. Once our figures suggest that we are in a position to generate **green electricity** for our entire portfolio ourselves, we will be able to offer it to our tenants at a good price. This will increase the market value and rentability of our properties, which is obviously an advantage for hausInvest. It will also improve the **environmental** and **social sustainability** of the fund.

Our openness to the world of tomorrow is also reflected in our “Rise with SAP” digitalisation project. The Commerz Real Group is the first German asset manager to gradually migrate all essential business processes to the SAP S/4HANA enterprise resource planning software.

Just like the megatrends of our time, our future growth will be driven by people with experience, expertise and foresight. Nicole Arnold, a proven expert in investment and asset management, has strengthened the fund company’s management board since 1 January 2023. She succeeds Siegfried Eschen, who has returned to Commerzbank AG.

We are looking confidently towards the future and aiming for a return of 3% in the 2023/24 financial year.²⁴

We are delighted to have you on board at hausInvest.

All footnotes are explained on p. 8.



Henning Koch
(Chairman)



Christian Horf



Nicole Arnold



Dirk Schuster



Mario Schüttauf

Footnotes for the management report

¹ This has been calculated according to the BVI methodology (without front-end load and with distributions immediately reinvested). **Past performance is not necessarily indicative of future returns.**

² As of 31 March 2022, the return was 2.6%. This was calculated according to the BVI methodology (without front-end load and with distributions immediately reinvested). **Past performance is not necessarily indicative of future returns.**

² As of 31 March 2022, the occupancy rate was 93.9%.

⁴ As of 31 March 2022, the rental income expected across the entire term of leases was reported at 441 million euros.

⁵ Source: <https://www.scopegroup.com/dam/jcr:6dc6c99a-6a1e-4b76-8802-05b2ece9da86/Scope%20Offene%20Immobilienfonds%20Gesamtmarkt-studie%202023.pdf> (published on 6 June 2023).

⁶ Scope Fund Analysis GmbH awarded hausInvest a rating of “A” (AIF) as part of a market study (Open-Ended Investment Funds – Market Study and Ratings 2023; a total of 20 open-ended real estate funds were evaluated). This means that the fund retained its “good” rating. Source: <https://www.scopeexplorer.com/news/scope-stuft-das-fondsrating-des-hausinvest-von-a-aif-auf-a-aif-herab/ac862289-52bc-4f20-a3d7-68b6c339597e> (published on 6 June 2023). **However, a rating, ranking or award is not a reliable indicator of future performance and may change over time.**

⁷ Scope Fund Analysis GmbH has awarded Commerz Real AG a score of “A” (ESG) as part of its “ESG Capability Rating”, certifying the company’s high degree of quality and expertise when it comes to implementing the current and future ESG principles. Source: <https://www.scopeexplorer.com/news/scope-bestatigt-das-esg-capability-rating-der-commerz-real-mit-a-esg/d5b0c464-71be-4191-8dec-6e44e2a91f26> (published on 31 May 2023). **However, a rating, ranking or award is not a reliable indicator of future performance and may change over time.**

⁸ Source: <https://www.asscompact.de/nachrichten/gewerbeimmobilien-investmentmarkt-bricht-ein> (published on 5 April 2023).

⁹ For an explanation of the types of use, please refer to the overview: <https://hausinvest.de/Immobilien/Portfolio>.

¹⁰ Various methods are used to hedge rental income against inflation (e.g. graduated rent, inflation indexing or points systems).

¹¹ Forecast: 5.5%; source: Commerzbank, Economic and Market Monitor – Chartbook March 2023. https://www.commerzbank.de/media/en/research/economic_research/aktuell_1/GrowthandInflation.pdf.

¹² Core inflation indicates how consumer prices develop when certain goods in the basket are not taken into account; this mostly relates to goods whose prices tend to be subject to significant fluctuations (e.g. those which are directly dependent on oil prices).

¹³ Forecast: 5%; source: Commerzbank, Economic and Market Monitor – Chartbook March 2023. https://www.commerzbank.de/media/en/research/economic_research/aktuell_1/GrowthandInflation.pdf.

¹⁴ Last updated: 31 March 2023.

¹⁵ Last updated: 31 March 2023.

¹⁶ The EU taxonomy is a classification system that defines criteria for sustainable economic activities to offer investors more transparency.

¹⁷ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

¹⁸ When calculating the market value of the properties, project developments are considered from their completion date, and the properties held by real estate companies are valued according to the size of the shareholding.

¹⁹ Leadership in Energy and Environmental Design (LEED) is an internationally recognised certification system for green building. The system uses independent third parties to certify that a building has been designed and constructed in an environmentally friendly manner.

²⁰ More information: <https://elbtower.de/>.

²¹ Source: <https://www.bundesfinanzministerium.de/Content/DE/Downloads/Finanzmarktpolitik/2022-06-29-eckpunkte-zukunftsfinanzierungsgesetz.pdf>.

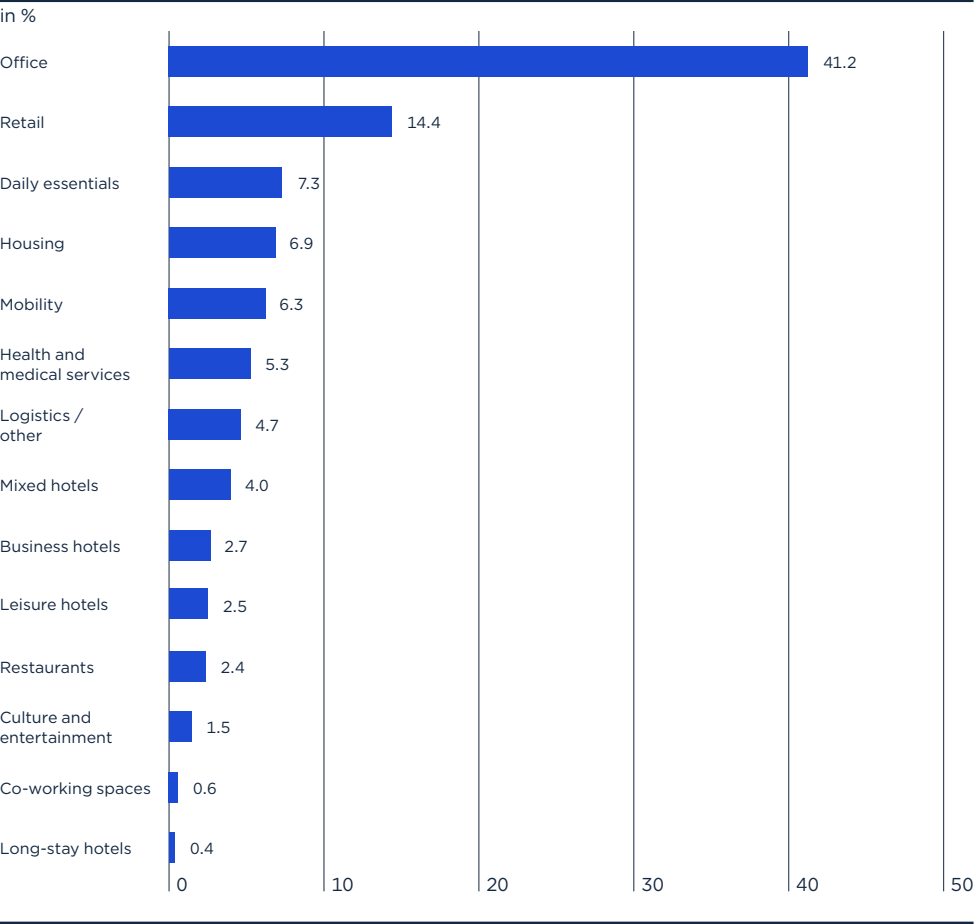
²² Source: <https://www.bmj.de/SharedDocs/Gesetzgebungsverfahren/DE/Zukue-nftsfinanzierungsgesetz.html>.

²³ Source: <https://www.boersen-zeitung.de/konjunktur-politik/wf-120z-en-twurf-zukunftsfinanzierungsgesetz-liegt-vor> (published on 12 April 2023).

²⁴ This has been calculated according to the BVI methodology (without front-end load and with distributions immediately reinvested). **Statements on targeted returns are not necessarily indicative of future returns.**

Portfolio structure

Main types of use of properties in the fund^{1, 2, 3}



Last updated: 31 March 2023.

¹ This value is proportional in relation to our stake in the properties.

² This is based on the floor space of properties held directly and indirectly.

³ More information: hausinvest.de/Immobilien/Portfolio.

Rich selection of properties

In addition to broadly diversifying our portfolio across various major business locations, we also ensure that the high-quality and profitable properties in the fund include a balanced mix of possible uses: office buildings, shopping centres, hotels and housing. hausInvest properties accommodate around 3,800 tenants from different sectors of the economy. As a result, the fund is not overly affected by the development of individual economic sectors.

As of 31 March 2023, 41.8% of our rental space is used as “offices and co-working spaces”. The proportion of rental space used for “retail”, “daily essentials” and “restaurants” is 24.1%. 9.6% of our rental space is used for “hotels” (mixed hotels, business hotels, leisure hotels and long-stay hotels), while the “housing” segment accounts for 6.9%.

Portfolio structure

Geographical distribution of properties in the fund¹

			Market value of properties ¹ in € thousand	Number of proper- ties	Total floor space in m ¹
Germany	<div></div>	44.0%	7,560,899	101	1,558,277
USA	<div></div>	17.4%	2,997,236	12	351,949
Great Britain	<div></div>	11.1%	1,901,747	6	349,583
France	<div></div>	7.4%	1,267,635	6	111,203
Italy	<div></div>	3.6%	619,900	5	149,427
Netherlands	<div></div>	2.1%	353,135	2	49,026
Finland	<div></div>	2.0%	340,800	3	48,355
Poland	<div></div>	1.7%	288,800	3	71,223
Luxembourg	<div></div>	1.6%	269,675	3	33,392
Belgium	<div></div>	1.4%	238,540	1	50,772
Spain	<div></div>	1.3%	224,000	2	50,997
Czech Republic	<div></div>	1.3%	221,625	2	71,826
Portugal	<div></div>	1.2%	202,005	2	40,157
Austria	<div></div>	1.1%	185,358	4	74,466
Japan	<div></div>	1.0%	170,412	1	16,830
Ireland	<div></div>	0.9%	153,250	1	13,701
Australia	<div></div>	0.7%	116,795	1	14,477
Turkey	<div></div>	0.5%	86,150	1	62,008
Total		100.0%	17,197,962	156	3,117,671

Last updated: 31 March 2023.

¹ This is based on the market values of properties held directly and indirectly, including properties under construction and undeveloped land.

² This value is proportional in relation to our stake in the properties.

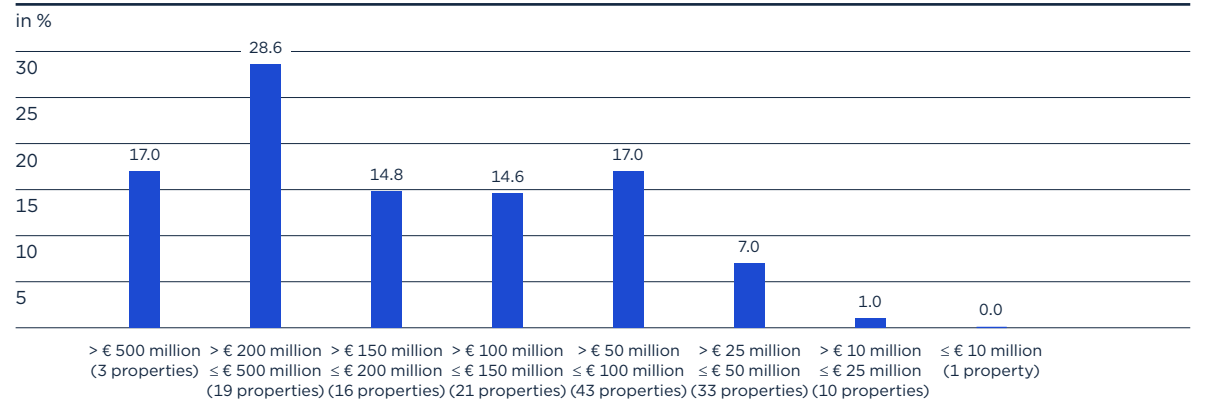
Economic age structure of properties in the fund¹

			Property market value¹ (in € thousand)	Number of properties	Total floor space in m¹
Up to 5 years	<div><div></div></div>	16.2%	2,724,646	25	338,897
5-10 years	<div><div></div></div>	14.4%	2,421,816	7	393,980
10-15 years	<div><div></div></div>	23.2%	3,907,658	28	546,324
15-20 years	<div><div></div></div>	19.2%	3,238,900	28	561,595
Over 20 years	<div><div></div></div>	27.0%	4,542,343	58	965,204
Total		100.0%	16,835,362	146	2,805,999

¹ This is based on the market values of properties held directly and indirectly, excluding properties under construction and undeveloped land.

² This value is proportional in relation to our stake in the properties.

Size classes of properties in the fund (market values)¹



¹ This is based on the market values of properties held directly and indirectly, excluding properties under construction and undeveloped land.

Real estate activities

Acquisitions

High-quality properties in prime locations are still a scarce and coveted commodity. And since mid-2022, huge increases in construction costs and the turnaround in interest rates have sometimes resulted in erratic price developments. During the reporting period, frequent changes in financing conditions made it difficult to balance the price expectations of buyers and sellers. Our fund managers are therefore keeping a close eye on the market and preparing a number of transactions.

In continental Europe, there is a huge backlog particularly in the logistics market. The demand for rental properties, which is already growing in this area, is expected to increase further as a result of the decline in construction activities. That's why hausInvest re-entered this asset class for the first time in 2022. After a purchase agreement for **LogPark Leipzig** was signed in autumn 2022, the logistics property is expected to be handed over to the fund at a later date. Just before the purchase agreement was signed, the seller had repositioned the property and expanded the rental space to around 159,000 square metres. **Silberpfeil** in Hockenheim is a newly acquired logistics property that was added to the hausInvest portfolio in December 2022. Our fund managers were attracted to this property due to its future-oriented concept and appealing purchase price.

The **Elbtower** in Hamburg is a 245-metre-high landmark property that will showcase the city's urban development. hausInvest acquired a 25% stake in August 2022. The building meets today's sustainability criteria and its smart energy concept will allow it to

be operated in an almost carbon-neutral manner.¹ Its electricity demands will be covered exclusively by renewables. Once the mixed-use high-rise building is completed (scheduled for the end of 2025), it will offer around 105,000 square metres of space for offices, hotels and restaurants. The viewing platform on the 55th floor will also immerse the people of Hamburg in a world of experiences. Over 40% of the space has already been pre-let.

The expansion of the fund's residential portfolio is progressing rapidly. Eight of the new **Nockherberg NOC 2.4** residential buildings in Munich were completed on schedule and transferred to hausInvest in December 2022. The residential complex on Regerstraße is located on the site of the former Paulaner brewery. The centrally located Au district of Munich is one of the most popular residential areas in the city. There are 114 apartments with a total of around 9,500 square metres: 74 are subsidised (based on income), 32 are let at a reduced price (Munich model for tenants) and 8 are privately financed. In addition, there are 86 underground parking spaces and two small commercial units.

The fund has reinvested in **Spain's** booming office market for the first time since 2005. The **A160 Barcelona** and **Badojiz 97** office complexes in the Catalan capital have around 13,900 and 10,000 square metres of rental space. The office ensemble is located on **Carrer de Badajoz**, the major traffic route that runs through the **22@ district** sub-market, which has established itself as a technology hub in recent years. In addition to numerous start-

ups, global companies such as Amazon, Facebook and Oracle have settled there. The office properties have been awarded an LEED Gold sustainability certificate². Their flexible design will enable them to be used by a single tenant or, alternatively, by several tenants by combining various areas from sizes of 750 or 500 square metres. **A160 Barcelona** was added to the hausInvest portfolio in July 2022, and **Badojiz 97** will be included after completion.

The expansion of our portfolio in the USA has been driven forward with another core property: The **1900 N Street** office building in **Washington D.C.** has belonged to hausInvest since June 2022. The property is located in the heart of the Central Business District. It was completed in 2019 and has been awarded the LEED² Gold sustainability certificate. In addition to its excellent location, the office building stands out for its high-quality facilities such as a gym, a spacious rooftop terrace and flexible co-working spaces with a catering kitchen. 82% of the 25,500 square metres of rental space is currently let to four renowned office tenants and two catering firms. Various authorities, government-related organisations and law firms ensure that the tenant structure on the office market in Washington D.C. remains highly resilient to crises.

¹ More information: <https://elbtower.de/nachhaltigkeit#section-bauphase>.

² Leadership in Energy and Environmental Design (LEED) is an internationally recognised certification system for green building. The system uses independent third parties to certify that a building has been designed and constructed in an environmentally friendly manner.

Real estate activities

Overview of acquisitions

Acquisitions with transfer of rights and liabilities

	Germany (€)				Spain (€)	USA (\$ converted to €) ²
Name of property	Nockherberg NOC 2.4	Silberpfeil	Silberpfeil	Elbtower	A160 Barcelona	1900 N Street
Postcode / City	81541 München	68766 Hockenheim	68766 Hockenheim	20539 Hamburg	08018 Barcelona	Washington, WA 20036
Address	Regerstraße 29	Talhausstraße 14–16	Talhausstraße 14–16	Zweibrückenstraße 12	Carrer Almogavers 160	1900 N Street
Type of use / main type of use ¹ in % of rental space	Housing: 100	Logistics: 100	Logistics: 100	U/C / Office	Office: 100	Office: 100
Floor space in m ²	9,469	44,821	21,131	111,047 ³	10,057	25,467
Type of investment	Indirect	Indirect	Indirect	Indirect	Direct	Indirect
Company	CRI Erste Wohnen GmbH & Co. KG	CRI Hockenheim Talhausstraße 16 GmbH & Co. KG	CRI Hockenheim Vierte Industriestraße GmbH	Hamburg, Elbtower Beteiligung S.à r.l.	-	CR North America Invest LLC
Company address	Friedrichstraße 25 D-65185 Wiesbaden	Lorscher Straße 4 68519 Viernheim	Talhausstraße 14–16 68766 Hockenheim	5, rue Heienhaff 1736 Senningerberg Luxembourg	-	1500 Broadway, 19th Floor, 10036 New York, New York
Stake in property	100.00%	88.00%	88.00%	25.00%	-	100.00%
Market value of property when purchased (in €)	58,610,000.00	36,704,800.00	12,104,400.00	325,000,000.00	55,750,000.00	234,786,057.58
Property purchase price in €	n/a ⁴	-	-	-	n/a ⁴	n/a ⁴
Share of purchase price in €	-	n/a ⁴	n/a ⁴	n/a ⁴	-	-
Incidental acquisition costs (in €)	4,711,519.88 ⁵	799,908.78	291,640.78	5,097,412.00	2,100,399.66	10,373,524.66
Incidental acquisition costs (in % of purchase price)	n/a ⁴	n/a ⁴	n/a ⁴	n/a ⁴	n/a ⁴	n/a ⁴
Expected depreciation (in years)	10	10	10	10	10	10
Transfer of rights and liabilities	21 December 2022	31 December 2022	31 December 2022	14 September 2022	6 July 2022	1 June 2022
Date of purchase agreement	11 October 2019	25 November 2022	25 November 2022	16 August 2022	10 October 2019 / 6 July 2022	20 May 2022

Last updated: 31 March 2023.

¹ For an explanation of the abbreviations, please refer to the list of properties.

² USD/EUR exchange rate on 1 June 2022 = 1.07155.

³ This is the planned floor space.

⁴ A non-disclosure agreement has been established with the seller / buyer regarding the purchase price.

⁵ These are the planned incidental acquisition costs.

Real estate activities

Sales

One of the most important tasks in transaction management revolves around the sale of properties that are no longer part of the fund's strategic assets in the long term. In view of the current pricing difficulties on the market, some sales have been delayed, paused or withdrawn. However, sales have been closed for two properties that were acquired in 2019 as part of the Millennium portfolio and that our asset managers had since been preparing for a profitable sale: After the **Siebenburgen** office ensemble in **Cologne** had started to attract significantly more tenants and the occupancy rate had risen to around 90% with an average of twelve years remaining on the leases, we were in a good position to generate strong sales proceeds in July 2022. In the second quarter of 2022, we closed another successful sale by using the market situation to our advantage and realising the potential for future increases in value at the **Seven Houses** residential property (Mainzer Landstraße 395 in **Frankfurt am Main**).

Overview of sales

Sales with transfer of rights and liabilities		
Germany (€)		
Name of property	Vor den Siebenburgen	Seven Houses
Postcode / City	50676 Köln	60326 Frankfurt am Main
Address	Vor den Siebenburgen 2, Paulstraße 3, 5, 7	Mainzer Landstraße 395
Type of use / main type of use ¹ in % of rental space	Office: 100	Housing: 100
Floor space in m ²	9,824	10,870
Type of investment	Direct	Indirect
Company	-	CRI Zweite Wohnen GmbH & Co. KG
Company address	-	Friedrichstraße 25 D-65185 Wiesbaden
Stake in property	-	100.00%
Market value of property when sold (in €)	48,050,000.00	78,250,000.00
Property selling price in €	n/a ²	n/a ²
Share of selling price in €	-	-
Sales profit compared to market value before incidental sales costs and sales tax (in €)	n/a ²	n/a ²
Incidental sales costs (in €)	1,267,484.07	943,827.52
Transfer of rights and liabilities	2 July 2022	8 June 2022
Date of purchase agreement	21 December 2021	6 May 2022

Last updated: 31 March 2023.

¹ For an explanation of the abbreviations, please refer to the list of properties.

² A non-disclosure agreement has been established with the seller / buyer regarding the purchase price.

Real estate activities

Construction projects

hausInvest is currently involved in a total of 18 construction projects. The fact that we have committed ourselves to high energy efficiency standards and carbon reduction targets is proving to be a great advantage here, because we are well prepared for the new challenges facing investors and tenants as a result of the energy crisis. However, one external factor that is difficult to influence revolves around the logistical complications caused by stressed supply chains in the construction industry. We will not be able to avoid some delays in the coming months. This applies as much to commercial real estate as it does to residential construction, which we are pursuing with a great deal of enthusiasm in the interest of expanding and optimising our portfolio.

Widok Towers in Warsaw were completed during the reporting period. We have already found tenants for 80% of the 33,000 square metres of office space. The high quality of the office property has been acknowledged and honoured with three awards: the “Future Project of the Year 2020”, the “Tenant Award – Building of the Year 2022” and the “Office Project of the Year 2022”.¹

¹ Sources: <https://ceeinvestmentawards.com/2020/10/30/europaproperty-completes-second-digitally-enhanced-gala-to-celebrate-the-10th-annual-cee-investment-manufacturing-awards/>, <https://eurobuildawards.com/nominees/widok-towers/>, <https://ceeinvestmentawards.com/2022/10/28/regions-top-real-estate-firms-celebrated-at-the-12th-annual-cee-investment-awards/>.

The **VIA UNA** office property in Prague was also completed during the reporting period. The property is located in the heart of Prague’s old town and has been extensively modernised. It combines a historical flair with ultra-modern office and retail space across 15,290 square metres. The property is designed to meet the needs of constantly changing working methods, featuring flexible room layouts and new entrances to the building.

One of our medium-term goals is to increase the share of residential properties in the hausInvest portfolio to up to 30%; 20 to 40% of these properties should fall into the category of subsidised and affordable housing. In January 2023, the **Königshöfe** project was completed around the Palaisplatz square in **Dresden’s** baroque district. The ensemble consists of 193 modern apartments and two commercial units. It was acquired for hausInvest in 2019 as a project development. With a total of 15,700 square metres to be rented, the buildings are designed to create new urban environments: green spaces, squares and playgrounds away from busy roads.

Kopernikushof in **Heidelberg** is already taking shape. A total of 7,900 square metres of living space and around 700 square metres of commercial space are being created in two buildings on a plot of land measuring almost 5,000 square metres. 70 of the 98 rental apartments are privately financed, while 28 housing units are subsidised based on income. The complex is expected to be handed over to hausInvest in December 2023.

Seetor City Campus, a major urban development project in **Nuremberg**, was inaugurated in September 2022. This new district includes the **Seetor Living** residential complex with 97 housing units, which was acquired for hausInvest in early 2021. Ultra-modern office, retail and hotel space – and 300 new apartments – are currently under construction on the site measuring around 19,000 square metres. The apartments are intended for tenants who fall below certain income thresholds under the Bavarian Housing Subsidies Act. The project will ensure a high quality of life for tenants and fits in perfectly with our fund strategy, which is also geared towards social sustainability.

In the summer of 2022, the **Wohnen am Mönchsberg** project was launched in **Jena**; the 13,749 square metres of rental space are expected to be completed by 2025. Other construction projects with a total of 653 housing units and a small amount of commercial space and a hotel are also largely on schedule: the **Krystallpalast-Areal** in **Leipzig**, **Wohnen am Kulturgleis** in **Dresden** and **Eliseneck** in **Jena**. These construction projects will be handed over to the fund at a later date.

The project development for the **Elbtower** in **Hamburg** is also on schedule. The 2,600 m floor slab was erected in December, and the basement levels are currently under construction. hausInvest holds a 25% stake in the Elbtower, which is scheduled for completion by 2025.

Real estate activities

Overview of real estate activities

Construction projects in 2022/23 financial year

	Use ¹	Floor space in m ¹	Completion
Properties in the portfolio completed during the reporting period			
Germany			
Dresden, Königshöfe ²	Housing	15,738	2023
Nuremberg, Seetor Living	Housing	6,628	2022
Czech Republic			
Prague, VIA UNA ²	Office	15,293	2022
	Use ¹	Floor space in m ¹ (planned)	Completion (expected)
Properties under construction in the portfolio			
Germany			
Berlin, Alexanderplatz ²	U/C/Retail	98,672	2025
Frankfurt am Main, Schäfergasse	U/C/Housing	2,227	2025
Hamburg, Elbtower ²	U/C/Office	111,047	2025
Mülheim, Forum City Mülheim	U/C/Retail	47,829	2025
Austria			
Vienna, DC Tower 2	U/C/Office	51,896	2026
Vienna, Donau City Straße 3	U/C/Other	-	-

Last updated: 31 March 2023.

¹ For an explanation of the abbreviations, please refer to the list of properties.

² These properties are held through a real estate company.

Real estate activities without transfer of rights and liabilities

Overview of pending transactions

	Use ¹	Floor space in m ¹ (partially planned)	Completion (expected)
Germany			
Dresden, Wohnen am Kulturgleis	U/C/Housing /Office	21,677	2026
Dresden, Lokschruppen	U/C/Office	1,643	2026
Dresden, Hotel de Saxe	Hotel	13,487	-
Frankfurt am Main, Terra	U/C/Hotel	8,938	2024
Heidelberg, Kopernikushof	U/C/Housing	8,590	2023
Jena, QB Jena	U/C/Housing	10,059	2024
Jena, Jena II – Wohnen am Mönchsberg	U/C/Housing	13,749	2025
Leipzig, Eliseneck	U/C/Housing	2,454	2024
Leipzig, Krystallpalast Areal	U/C/Housing /Office	17,415	2025
Leipzig, Krystallpalast Hotel	U/C/Hotel	8,998	2025
Leipzig, LogPark	Logistics	155,000	-
Spain			
Badojiz 97, Barcelona	U/C/Office	13,894	2023

Last updated: 31 March 2023.

¹ For an explanation of the abbreviations, please refer to the list of properties.

Real estate activities

Rental management

The great appeal of the hausInvest portfolio is indicated by the very positive results that are continuously achieved by our rental management team. In addition to high-quality locations in core areas, our tenants are increasingly focusing on energy efficiency.

94.8%

occupancy rate

More than 90% of our rental income is contractually hedged against inflation.¹

When it comes to securing long-term rental income, it is also increasingly important to pick up on social trends and innovative concepts. This is exemplified by the **WestendWindows** property at **Bockenheimer Landstraße 33–35** in **Frankfurt am Main**, which has been let to Eterno. This healthcare start-up provides co-working spaces for doctors, therapists and coaches, who can use their rental space for their own work while benefiting from various net-working opportunities. The concept of holistic health management also includes inviting architecture to aid patients in their recovery right from the start. The fact that hausInvest's fund managers are willing to give such ideas room to develop and flourish generally underlines how important our tenants are to us. It also fits in perfectly with our strategy of specifically attracting tenants with viable, promising concepts from the healthcare sector. The lease

¹ Various methods are used to hedge rental income against inflation (e.g. graduated rent, inflation indexing or points systems).

for just under 1,500 square metres of office and consultation space was signed in May 2022. It will run for an initial period of twelve years. There is also a new tenant at **Bockenheimer Landstraße 39** in **Frankfurt am Main**, as the law firm Addleshaw Goddard LLP moved into the fifth and sixth floors in spring 2023. A ten-year lease has been signed for 1,100 square metres of office space.

Karolinen Karree in **Munich** is a perfect example of the fact that environmentally sustainable investments make properties highly appealing to tenants in the long run. The office building, which meets all the criteria of the EU taxonomy², is fully occupied. Some tenants have extended their lease with us ahead of schedule and want to continue expanding in the property. For example, the law firm Wach und Meckes has rented an additional 847 square metres of office space that will become available in 2024. The multinational corporation law firm K&L Gates would like to expand its rental space by around 680 square metres from 2024 onwards. In addition, the investment and asset management specialists at Competo have exercised their leasing option by expanding their office space to the third floor.

France is another country with a continuously high demand for office space tailored to the modern world of work in prime locations. In the **Place d'Iéna** and **Étoile Saint Honoré** office buildings in **Paris**, we have been observing a clear trend in recent years: As soon as a smaller tenant moves out, one of the larger existing tenants immediately seizes the opportunity to rent additional space. In December 2022, for example, we extended our existing leases with Apple and Citigroup, and both companies also expanded their rental space there. The health and beauty company LPG Systems is our latest tenant in the **Place de Seine** office complex in **Paris**. This successful letting came after the main tenant moved out in 2015. The rental space was then modernised and the common

² The EU taxonomy is a classification system that defines criteria for sustainable economic activities to offer investors more transparency.

areas were upgraded; new services were developed for tenants and the property was repositioned in line with a risk-optimising multi-tenant strategy.

The hausInvest properties in the **United Kingdom** are also proving to be highly appealing to tenants – especially the **Westfield** in **London**, which is the largest shopping centre in Europe with almost 300 shops spread across 250,000 square metres. We attracted 26 new tenants from the health, fashion, jewellery, leisure and catering sectors in 2022. Together they use around 4,650 square metres of retail space in the shopping centre. Six existing tenants have also expanded their retail space, including Nike, Apple and Gucci. This development was driven by the fact that the shopping centre has been transformed into a place of urban adventure and a marketplace for all walks of life. The financial services provider Burford Capital has renewed its lease for 1,011 square metres of office space in **Paternoster House** in **London**. The building is distinguished by its very central location in the capital's business district. A central location was also the decisive factor for two new lettings in the **Victoria Square Centre** in **Belfast**, where lifestyle fashion brands Sweaty Betty and Gilly Hicks opened their first outlets in Northern Ireland with a total of around 400 square metres of retail space in the fourth quarter of 2022.

Real estate activities

Expiry of leases

Open-ended		2.3%
2023	<div></div>	9.2%
2024	<div></div>	12.1%
2025	<div></div>	10.0%
2026	<div></div>	7.3%
2027	<div></div>	8.2%
2028	<div></div>	5.1%
2029	<div></div>	4.5%
2030	<div></div>	4.9%
2031	<div></div>	3.2%
2032	<div></div>	3.5%
2033	<div></div>	29.7%

Last updated: 31 March 2023.

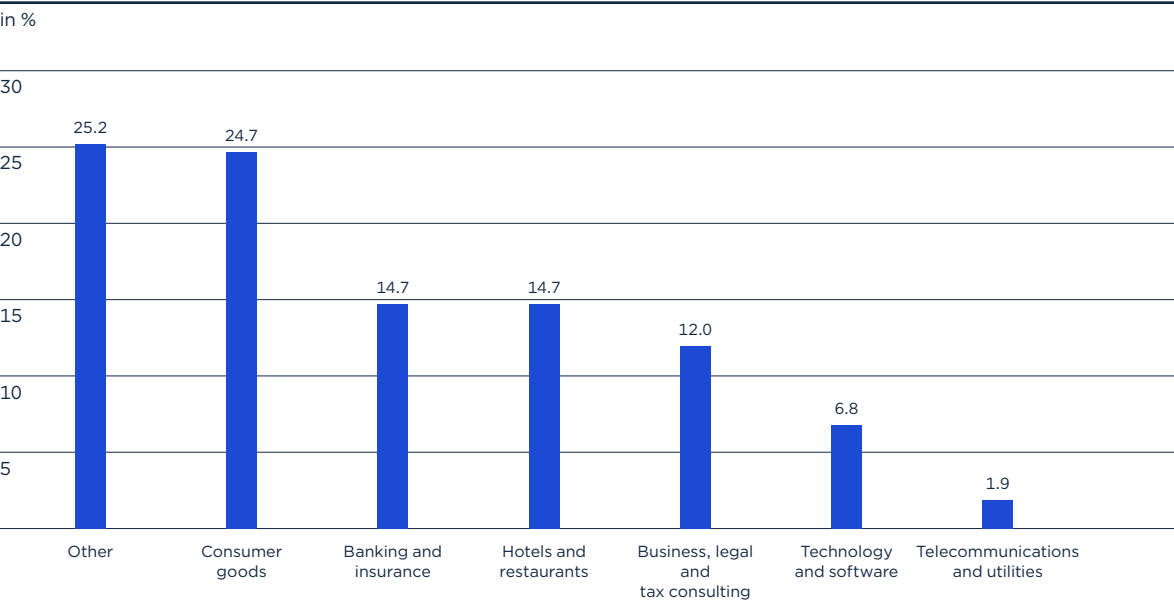
Remaining term of leases

Terms longer than

3 years	<div></div>	69.0%
5 years	<div></div>	53.2%
10 years	<div></div>	32.0%

Last updated: 31 March 2023.

Sectoral distribution of tenants according to basic net rent¹



Last updated: 31 March 2023.

¹ This value is proportional in relation to our stake in the properties. Based on rental income.

Sustainability

1. Environmental characteristics promoted by our financial products

Environmental characteristics

Since March 2021, when selecting and managing properties, hausInvest has been focusing on the environmental and/or social characteristics specified in Art. 8 of the EU Sustainable Finance Disclosure Regulation (“Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector”). We are particularly committed to ensuring that our real estate investments make a positive contribution to achieving the environmental goal of “climate mitigation” defined by the European Union.

We are committed to reducing our portfolio’s carbon footprint. Our goal is to reduce the greenhouse gas emissions of our portfolio from around 44 kg per square metre in 2019¹ to around 14 kg per square metre by 2050.² Our current progress is reflected in the figures presented in the following annex: “Regular information on the financial products specified in Art. 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Art. 6 (1) of Regulation (EU) 2020/852”.

When making liquid investments, the company refrains from investing in companies or assets that have not recognised the principles of the UN Global Compact or that are known to have significantly violated those requirements.

Measures taken to fulfil environmental characteristics

At property level, narrow eligibility criteria are important to meet the requirements of our investment strategy when selecting properties, to secure investments, to avoid climate risks and to satisfy

tenants’ needs. As part of our sustainability due diligence process, these criteria are checked and evaluated when acquiring properties and managing our portfolio. These checks not only include a general risk assessment in line with the regulatory parameters, but also a more specific evaluation in relation to hausInvest’s sustainability strategy, allowing us to reliably review and adjust our ESG specifications and align them with our long-term portfolio strategy. The results of our sustainability due diligence are taken into account when evaluating planned acquisitions.

2. Sustainability strategy

In order to align our core business with sustainability targets, we manage our portfolio according to the ESG criteria (Environmental, Social, Governance).³ As a trustee, we are committed to serving the needs of our investors and increasing the value of their investments in the long term.

Back in September 2020, Scope Ratings had awarded Commerz Real AG a score of “A-” (ESG), certifying the company’s high degree of quality and expertise when it comes to implementing the current and future ESG principles.⁴ This rating was upgraded to “A” (ESG) in December 2021.⁵ Scope confirmed the “A” (ESG) rating in May 2023.⁶

Environmental factors

In order to achieve the goals we have set, we are taking a multi-layered approach and concentrating on switching our energy supply to sustainable sources and establishing the conditions needed to reduce our energy demand. Most of the common areas and technical facilities in our German and French portfolio are

already being supplied with green electricity. In other countries, our energy supply contracts have been adjusted over the past financial year. In addition, we are working closely with our tenants to reduce consumption levels and are taking various measures to optimise energy consumption (e.g. with smart sensor technology) and control the technical facilities.

Social factors

Our commitment to driving positive social change in the real estate sector is one of the building blocks that ensures the stability and profitability of our fund. We have identified various challenges such as housing shortages and rising rents in metropolitan areas, the effects of changing consumer habits on city centres, and the digitalisation of the working world. The effects of the coronavirus pandemic have also brought about new requirements for healthcare infrastructure and digital connectivity. Our fund managers act according to the “hausInvest Social Charter”.⁷ The creation of affordable housing is an important part of the positive contribution that hausInvest wants to make. We are aiming to increase the share of residential properties in our investment fund to up to 30% in the coming years, of which 20 to 40% will be subsidised and affordable housing, particularly in metropolitan areas with a tight housing market. In addition to affordable housing, we are investing in the cross-generational expansion of the healthcare system. This is best exemplified by the **Forum City Mülheim** shopping centre, where the concept of “healing architecture” is being implemented for the first time. A meeting place for all generations has been created by adding restaurants, healthcare services and a day-care centre to the existing selection of shops.⁸

Sustainability

Corporate governance

In September 2020, the Commerz Real Group signed the UN Principles for Responsible Investment, an initiative that aims to create a greater understanding of ESG investment factors and help investors consider such issues in their investment decisions. As part of our commitment, we also have to manage activities carried out by our external service providers (e.g. by concluding contracts with our property and facility managers). We require our external service providers to comply with international social standards, labour law and sustainability reporting obligations in terms of their future stability of value.

Commerz Real AG has also been certified by the “Initiative Corporate Governance” (ICG) after setting up a value management system in line with the ICG statutes in conjunction with the “Functional Specifications Document on Compliance Management in the Real Estate Sector”.⁹ The factors named in section 2 (“Sustainability strategy”) do not constitute any of the environmental and/or social characteristics specified in Art. 8 of the EU Sustainable Finance Disclosure Regulation.

Regular information on the financial products specified in Art. 8 (1) to (3) of Regulation (EU) 2019/2088 and Art. 6 (1) of Regulation (EU) 2020/852

Information on sustainable investments pursuant to Art. 11 (1) of Regulation (EU) 2019/2088 is disclosed in the annex attached to this annual report in accordance with Art. 11 (2) of that Regulation using the template found in Annex IV of Commission Delegated Regulation (EU) 2022/1288, of 6 April 2022, supplementing Regulation (EU) 2019/2088, as amended by Commission Delegated Regulation (EU) 2023/363 of 31 October 2022.

¹ This figure stood at around 31 kg per square metre in the 2021 calendar year. As the use of certain areas and properties was restricted during the coronavirus pandemic, however, this reduction in emissions cannot be sustained when the properties are fully utilised. This figure stood at around 39 kg per square metre in the 2022 calendar year.

² Here we are referring to the CO₂ equivalent, which not only includes carbon dioxide (CO₂), but also other greenhouse gases such as methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). However, the term “CO₂” is used in this text to make it easier to read.

³ The factors named in section 2 (“Sustainability strategy”) do not constitute any of the environmental and/or social characteristics specified in Art. 8 of the EU Sustainable Finance Disclosure Regulation. The factors associated with the EU Sustainable Finance Disclosure Regulation are presented in the following annex: “Regular information on the financial products specified in Art. 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Art. 6 (1) of Regulation (EU) 2020/852”.

⁴ Source: <https://www.scopeexplorer.com/news/esg-capability-rating-commerz-real-mit-a-esg-bewertet/165127> (published on 30 September 2020). **However, a rating, ranking or award is not a reliable indicator of future performance and may change over time.**

⁵ Source: <https://www.scopeexplorer.com/news/scope-stuft-das-esg-capability-rating-der-commerz-real-von-a-esg-auf-a-esg-herauf/8ad90610-54d1-4c54-9fa6-ac6904ed359e> (published on 2 December 2021). **However, a rating, ranking or award is not a reliable indicator of future performance and may change over time.**

⁶ Scope Fund Analysis GmbH has awarded Commerz Real AG a score of “A” (ESG) as part of its “ESG Capability Rating”, certifying the company’s high degree of quality and expertise when it comes to implementing the current and future ESG principles. Source: <https://www.scopeexplorer.com/news/scope-bestatigt-das-esg-capability-rating-der-commerz-real-mit-a-esg/d5b0c464-71be-4191-8dec-6e44e2a91f26> (published on 31 May 2023). **However, a rating, ranking or award is not a reliable indicator of future performance and may change over time.**

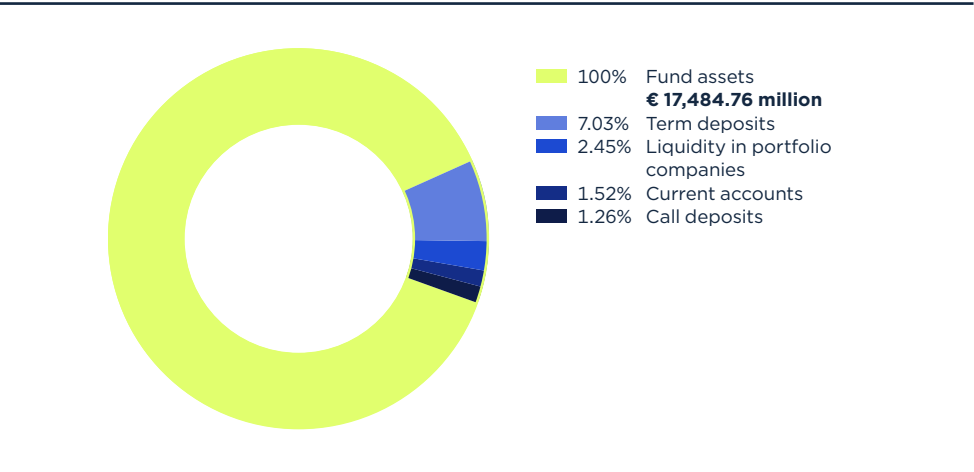
⁷ Some of the principles in the “hausInvest Social Charter” relate to the management of residential properties in the fund’s portfolio, including the creation of subsidised and affordable housing as well as the renunciation of luxury renovations to maximise profits.

⁸ Source: <https://www.commerzreal.com/pressemitteilungen/pressemeldung/commerz-real-positioniert-das-forum-city-muelheim-neu/>.

⁹ <https://www.commerzreal.com/unsere-compliance-grundsatz/>.

Liquidity management

Overview of liquidity portfolio



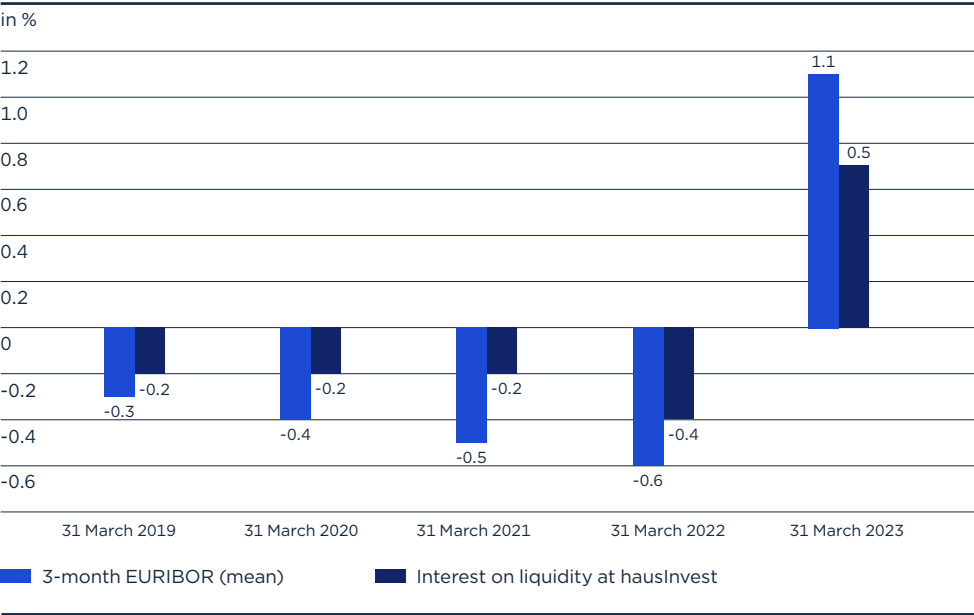
Last updated: 31 March 2023.

Composition of fund liquidity

	€ million	in % of the fund's assets
Call deposits	221.05	1.26
Term deposits	1,229.40	7.03
Current accounts	265.06	1.52
Distribution accounts	0.34	0.00
Fund liquidity	1,715.85	9.81
Liquidity in portfolio companies	428.71	2.45
Gross liquidity	2,144.56	12.26
Fund assets	17,484.76	

Last updated: 31 March 2023.

Comparison of interest on liquidity at hausInvest with 3-month EURIBOR index¹ (31 March 2019 – 31 March 2023)



Source: Bloomberg, Commerz Real AG

¹ The "Euro InterBank Offered Rate" (EURIBOR) is the interest rate for term deposits (in EUR) in interbank transactions. This bar chart shows the mean daily value of the 3-month EURIBOR, as recorded on 31 March of each year, in comparison to the annual interest rate applied to liquid assets in the hausInvest fund.

Currency management

Due to the international spread of our investment locations, currency management is becoming increasingly important for our fund. This is particularly evident in the currently volatile environment of the foreign exchange markets.

Strategy

As hausInvest makes investments in different currency areas, professional currency management is an essential part of the product’s conservative overall strategy. We take suitable measures to minimise foreign currency risks and ensure that the fund’s assets are not affected by major fluctuations or losses due to currency risks on the volatile foreign exchange markets.

Most of our foreign currency positions are hedged through the use of forward exchange contracts. When engaging in such transactions, we reduce the risk of counterparty default by selecting several contractual partners and running regular credit checks. In addition, hedging is sometimes provided by taking out debt financing in the respective national currency. As a result of our hedging measures, any changes in exchange rates only have a minor effect. Our open foreign currency positions are continuously reviewed and adjusted if necessary.

Our total assets in foreign currencies amounted to 4,920.68 million euros at the end of the financial year. 98.44% of our assets in foreign currencies (minus loans, provisions and other liabilities) were hedged by forward exchange contracts. Only 1.72% of the fund’s assets were subject to actual exchange rate fluctuations.

98.3%

of foreign currency positions are hedged as of 31 March 2023

Overview of foreign currency positions as of the reporting date

Country	Currency	Net assets in million	Forward exchange contracts in million	Unhedged position		
				in million	in million	in % of the fund’s assets
Australia	AUD	113	90	23	15	0.08%
Czech Republic	CZK	399	0	399	17	0.10%
Great Britain	GBP	1,680	1,665	15	17	0.10%
Japan	JPY	34,519	34,130	389	3	0.01%
Poland	PLN	25	0	25	5	0.03%
Sweden	SEK	0	0	0	0	0.00%
Turkey	TRY	-15	0	-15	1	0.00%
USA	USD	2,601	2,336	265	244	1.40%

Last updated: 31 March 2023.

Currency hedging transactions concluded with Commerzbank AG during the reporting period

in €					
Forward exchange contracts		Total volume (sale for €)	Number of transac- tions (sale for €)	Total volume (purchase for €)	Number of transac- tions (purchase for €)
AUD		69,500,000.00	2	0.00	0
GBP		6,206,000,000.00	130	260,000,000.00	6
JPY		67,440,000,000.00	14	0.00	0
SEK		0.00	0	0.00	0
USD		7,919,800,000.00	166	0.00	0

In relation to the total volume, 29.93% of our currency hedging transactions were concluded with Commerzbank AG during the reporting period.
Last updated: 31 March 2023.

Financing management

12.2%

Debt financing ratio
as of 31 March 2023

As of the reporting date, hausInvest has a total credit volume of 2,103.98 million euros spread over a total of 33 loans, resulting in a debt financing ratio of 12.2% based on the sum of the market values for all properties in the fund. The share of loans taken out by real estate companies with banks and other lenders amounts to 1,345 million euros. As a result of these loans granted to holdings, hausInvest is liable for 1,116.26 million euros as surety on the basis of credit mandates issued in accordance with Section 778 of the German Civil Code (BGB). 59.6% of the loans are denominated in euros and 40.4% in foreign currencies.

Overview of loans – credit volume by country

(in % of credit volume)

	Credit volume (in T€)	Share of market value of all fund properties in that country (in %)	Ø interest rate (in %)
Germany	1,017,633	13.5	2.5
USA	695,781	23.2	6.2
France	125,000	9.9	0.7
Japan	100,181	58.8	1.0
Italy	85,000	13.7	4.0
Australia	55,090	47.2	4.0
Netherlands	25,300	7.2	3.9
Total	2,103,985	12.2	3.7

Last updated: 31 March 2023.

Term of fixed interest rate by country

(in % of credit volume)

	Under 1 year	1-2 years	2-5 years	5-10 years	Over 10 years
Germany	27.9	4.8	4.8	5.6	5.3
USA	33.1	–	–	–	–
France	5.9	–	–	–	–
Japan	4.8	–	–	–	–
Italy	4.0	–	–	–	–
Australia	2.6	–	–	–	–
Netherlands	1.2	–	–	–	–
Total	79.5	4.8	4.8	5.6	5.3

Last updated: 31 March 2023.

Development of the investment fund

from 1 April 2022 to 31 March 2023

in €

I. Value of investment fund at the start of the financial year	17,187,492,722.14
1. Distribution for the previous year	-260,176,773.70
a) Distribution according to the annual report for the previous year ¹	-258,369,955.35
b) Adjustment for shares issued or redeemed up to the reporting date ²	-1,806,818.35
2. Cash inflow / outflow (net) ³	101,244,740.74
a) Cash inflows from the sale of share certificates	659,213,904.39
b) Cash outflows from the redemption of share certificates	-557,969,163.65
3. Income equalisation / expense equalisation	-1,427,672.97
4. Amortisation / depreciation of incidental acquisition costs ⁴	-27,787,541.51
a) for real estate	-17,812,185.04
b) for equity interests in real estate companies	-9,975,356.47
5. Profit / loss in the financial year ⁵	485,417,763.16
of which unrealised profits from the financial year	433,518,760.73
of which unrealised losses from the financial year	-135,933,513.47
II. Value of the investment fund at the end of the financial year	17,484,763,237.86

Notes on the development of the investment fund

The development of the investment fund shows which transactions during the reporting period have led to the new assets indicated in the overview of the fund's assets. In other words, this is a breakdown of the difference between the assets held at the start and end of the financial year.

Footnotes on the development of the investment fund

1. The **distribution for the previous year** is the amount distributed according to the annual report for the previous year (please refer to the total distribution in the "cash flow statement" presented in the annual report).
2. The **adjustment** is used to account for shares that were issued and redeemed between the end of the financial year and the distribution date. Any investors who acquire shares between these two dates participate in the distribution, even though their share purchases have not been taken into account as cash inflows during the reporting period. Conversely, any investors who sell their shares between these two dates do not participate in the distribution, even though their share redemptions have not been taken into account as cash outflows during the reporting period.
3. The **cash inflows from the issue of share certificates** and the **cash outflows from the redemption of share certificates** have been calculated by multiplying the respective redemption price on the day by the number of shares issued or redeemed on that date. The redemption price includes the income / expenses per unit, which are referred to as "income equalisation" and "expense equalisation".
4. The **amortisation / depreciation of incidental acquisition costs** indicates the amount by which incidental acquisition costs for real estate or holdings are written off during the reporting year. This item also shows the amounts derived from the transfer of cumulative incidental acquisition costs for the real estate and holdings sold during the reporting year from capital to realised profit / loss.
5. The **profit / loss in the financial year** and the unrealised profits and unrealised losses in the financial year are indicated in the profit and loss statement.

Overview of assets (as of 31 March 2023)

in €			
	Total	in % of the fund's assets	of which in foreign currency
A. Assets			
I. Real estate	7,654,414,915.96	43.78	1,637,537,691.30
1. Residential properties for letting	30,900,000.00	0.18	0.00
2. Commercial properties	7,406,992,691.30	42.36	1,637,537,691.30
3. Properties under construction	216,522,224.66	1.24	0.00
II. Equity interests in real estate companies	5,434,466,454.60	31.08	1,111,772,322.47
1. Majority holdings	5,146,302,757.64	29.43	1,111,772,322.47
2. Minority holdings	288,163,696.96	1.65	0.00
III. Liquid investments	1,715,848,638.89	9.81	187,433,005.13
1. Bank deposits	1,715,848,638.89	9.81	187,433,005.13
IV. Miscellaneous assets	4,776,122,783.17	27.32	1,983,931,812.66
1. Receivables from property management	214,708,398.86	1.23	94,929,724.62
2. Receivables from real estate companies	3,608,974,336.86	20.64	1,758,024,704.36
3. Interest claims	28,431,114.12	0.16	3,745,045.56
4. Incidental acquisition costs	226,313,887.69	1.29	35,449,389.84
a) for real estate	154,843,686.18	0.89	7,496,538.66
b) for equity interests in real estate companies	71,470,201.51	0.41	27,952,851.18
5. Others	697,695,045.64	3.99	91,782,948.28
Total assets	19,580,852,792.62	111.99	4,920,674,831.56
B. Debt			
I. Liabilities	1,477,941,135.48	8.45	146,215,737.54
1. from loans	758,980,000.00	4.34	0.00
2. from property acquisitions and construction projects	13,154,117.93	0.08	688,748.30
3. from property management	232,860,896.90	1.33	125,638,288.21
4. for other reasons	472,946,120.65	2.70	19,888,701.03
II. Provisions	618,148,419.28	3.54	152,348,242.97
Total debt	2,096,089,554.76	11.99	298,563,980.51
C. Fund assets	17,484,763,237.86	100.00	4,622,110,851.05

Last updated: 31 March 2023.

Shares in circulation (units)	399,852,908.458
Unit value (EUR)	43.73

Exchange rates as of 30 March 2023 in EUR

US Dollar (USD)	EUR 1 =	USD	1.08540
Great British Pound (GBP)	EUR 1 =	GBP	0.87885
Canadian Dollar (CAD)	EUR 1 =	CAD	1.46950
Australian Dollar (AUD)	EUR 1 =	AUD	1.61720
Japanese Yen (JPY)	EUR 1 =	JPY	143.73955
Polish Złoty (PLN)	EUR 1 =	PLN	4.68700
Swedish Krona (SEK)	EUR 1 =	SEK	11.32200
Singapore Dollar (SGD)	EUR 1 =	SGD	1.44125
South Korean Won (KRW)	EUR 1 =	KRW	1,410.09745
Czech Koruna (CZK)	EUR 1 =	CZK	23.51850
Turkish Lira (TRY)	EUR 1 =	TRY	20.80170

Notes on the overview of assets / statement of assets

Total assets in the fund

In the 2022/23 financial year, the fund's assets grew by 297.27 million euros (+ 1.73%) to 17,484,76 million euros. 2,360,669.454 shares were issued on balance, resulting in 101.24 million euros flowing into the investment fund. The distribution for the 2021/22 financial year, which was made on 20 June 2022, amounted to 259.9 million euros (0.65 euros per unit).

Acquisition and sale of real estate and holdings in real estate companies

Information on acquisitions and sales can be found on pp. 10 – 12.

A. Assets

I. Real estate

As of 31 March 2023, the fund's real estate assets include 72 properties that are held directly. Taking into account the acquisitions and sales made during the reporting period, the revaluations of the properties by our appraisers, changes in value due to the construction progress of properties and changes in exchange rates, the real estate assets have increased by 97.82 million euros (+ 1.29%) to 7,654.41 million euros since 31 March 2022. The composition of our real estate assets and detailed information on each property can be found in the list of properties from p. 24 onwards.

II. Equity interests in real estate companies

As of 31 March 2023, the fund has 70 majority holdings and 39 minority holdings in real estate companies with a total of 84 properties. An overview of all holdings in the portfolio is contained in the list of holdings on pp. 76 – 91; an overview of the properties held by those real estate companies can be found in the list of properties on pp. 43 – 75.

III. Liquid investments

The "liquidity ratio", as defined in the second sentence of Section 253 (1) of the German Investment Code (KAGB), amounts to 9.88% of the fund's assets and is therefore above the legally required minimum liquidity of 5%. 685.15 million euros in liquid assets have been tied up for interest and repayment charges over the next 24 months. In addition, 523.19 million euros have been set aside for upcoming property acquisitions, construction projects and restructuring measures, and 151.48 million euros have been reserved for our ongoing property management. A total of 259.90 million euros will be needed for the next distribution. The free liquidity amounts to 0.62% of the fund's assets.

IV. Miscellaneous assets

No. 2 – receivables from real estate companies: The receivables from real estate companies relate to shareholder loans.

No. 5.5 – other miscellaneous assets: The receivables from cash inflows relate to the sale of share certificates on 30 and 31 March 2023.

The receivables from the transfer of construction costs (2 million euros) relate to the actual and incidental construction costs that have been passed on to our joint venture partner, White City Acquisitions Ltd., for the extension of the "Westfield" property in London.

B. Debt

I. Liabilities

No. 1 – liabilities from loans: The loans are either secured by way of a mortgage, guarantees, undertakings to register a land charge or the assignment of claims for the reimbursement of expenses.

No. 4.6 – other liabilities: The liabilities from cash outflows relate to the redemption of share certificates on 30 and 31 March 2023.

Provisions for anticipated capital gains tax

Whenever real estate is sold, capital gains tax (CGT) is levied at fund level in some countries. As of 31 March 2023, 100% CGT provisions have been reserved at fund level based on the current market value of the properties. This ensures that the full tax burden – based on the current market value – has been taken into account in the fund's returns in case capital gains tax is levied on the sale of real estate.

Condensed profit and loss statement

for the period from 1 April 2022 to 31 March 2023

in €		
	Total	of which in foreign currency
I. Income		
1. Interest from liquid investments	11,073,606.59	392,901.91
2. Other income	187,104,230.51	111,262,850.08
3. Income from real estate	332,345,271.65	101,651,514.96
4. Income from real estate companies	30,305,676.50	82,907.52
Total income	560,828,785.25	213,390,174.47
II. Expenses		
1. Property management costs	125,796,049.21	50,282,653.99
2. Ground rent and land annuities (open-ended and fixed-term)	1,194,909.13	1,194,909.13
3. Tax	39,597,295.08	18,474,671.72
4. Interest on loans taken out	6,535,541.05	20,129.32
5. Annual management charge	138,793,731.16	0.00
6. Depositary fee	3,718,879.65	0.00
7. Auditing and publication costs	1,198,224.88	0.00
8. Other expenses / external evaluation fees	2,515,923.65	172,176.87
Total expenses	319,350,553.81	70,144,541.03

The income generated and expenses incurred in foreign currencies have been converted to EUR based on the monthly average exchange rates.

in €		
	Total	of which in foreign currency
III. Ordinary net income	241,478,231.44	143,245,633.44
IV. Sale transactions		
1. Realised profits	475,540,313.91	0.00
2. Realised losses	-530,613,702.42	-46,579,804.22
Profit / loss from sale transactions	-55,073,388.51	-46,579,804.22
V. Income equalisation¹	1,427,672.97	
VI. Realised profit / loss in the financial year¹	187,832,515.90	96,665,829.22
1. Net change in unrealised profits	433,518,760.73	89,353,256.77
2. Net change in unrealised losses	-135,933,513.47	-59,899,372.47
VII. Unrealised profit / loss in the financial year¹	297,585,247.26	29,453,884.30
VIII. Profit / loss in the financial year¹	485,417,763.16	126,119,713.52

The income generated and expenses incurred in foreign currencies have been converted to EUR based on the monthly average exchange rates.

¹ Income equalisation is only shown in the "Total" column.

Notes on the profit and loss statement

Expenses

1. Property management costs

Our property management costs include the property management expenses that have been passed on by the asset management company (2.12 million euros) in accordance with Section 11 (4) of the Specific Terms and Conditions of Investment (BAB).

3. Tax

This item includes 27.45 million euros in foreign taxes and 12.15 million euros in domestic capital gains tax.

5. Annual management charge

The asset management company has received a contractually stipulated fee of 138.79 million euros (0.8% of the average value of the investment fund), which was calculated from the values at the end of each month.

6. Depositary fee

The depositary fee of 3.72 million euros is the sum of the monthly fees for the financial year, which were calculated as 1/12 of 0.018% p.a. (plus non-deductible input tax) of the value of the investment fund at the end of each month.

Sale transactions

The realised profits from real estate and equity interests in real estate companies correspond to the difference between sales proceeds and book values for tax purposes. In cases where capital gains tax has been levied on the sale of foreign real estate and holdings, the realised profits have been reduced by the corresponding amount. In the case of properties sold in foreign

currencies, the realised profits include the foreign currency result for the properties. The other realised profits relate to the foreign currency result from the loans associated with the properties to be sold. The net changes reported under item VII. of the profit and loss statement have been adjusted for those foreign currency results.

The realised profits from forward exchange contracts equate to the difference between the original forward exchange rate and the spot exchange rate valid on the exercise date.

Realised losses are calculated in the same way as realised profits.

Income equalisation

Income equalisation is the income accrued since the start of the financial year that was included in the issue price for investors acquiring shares or that was reimbursed by the fund in the redemption price when share certificates were redeemed. The income equalisation shown in the profit and loss statement relates to the ordinary net income, the realised profits / losses and the profits carried forward from the previous year. As a result of the income equalisation scheme, the distributable amount per share is not affected by changes in the number of shares in circulation.

Net change in unrealised profits/losses in the financial year

The net change in unrealised profits for real estate and equity interests in real estate companies results from value adjustments, changes in market values, the allocation or reversal of anticipated capital gains tax, and other factors that have an impact on value

during the financial year. Here we record changes in market values based on the initial valuations of our external appraisers or revaluations and all other changes in the book value of our properties and holdings. To name a few examples, these changes can result from the creation or reversal of provisions, from subsequent purchase price adjustments and from the acquisition of additional small areas. In addition, fluctuations in the value of forward exchange contracts that are yet to be closed by the reporting date are also reported under the net change in unrealised profits. This item also includes the derecognition of unrealised changes in value from previous years as a result of the sale of real estate and equity interests in real estate companies in the reporting year and the expiry of forward exchange contracts in the reporting year. For the real estate and equity interests in real estate companies, these effects result from value adjustments, changes in book values, the foreign currency result for properties up to the end of the previous year and the provisions allocated for capital gains tax up to the end of the previous year. The derecognition of unrealised changes in value from previous years as a result of forward exchange contracts concluded in the reporting year includes the changes in value that had been accrued up to the end of the previous year. The other net changes in unrealised profits include the derecognition of unrealised changes in value from previous years as a result of the foreign currency effects from loans associated with the properties sold. This item also includes unrealised profits from property management companies.

The net change in unrealised losses for real estate and equity interests in real estate companies results from value adjustments and changes in market values during the financial year. The notes on changes in the value of unrealised profits apply accordingly.

Notes on the profit and loss statement

The exchange rate changes included in the net change in unrealised profits and losses correspond to the difference between the valuation of the assets in foreign currencies at the rates applicable at the start and – without the result of value adjustments – end of the reporting period. The result of value adjustments – valued at the rate applicable at the end of the reporting period – is included in the net change in unrealised profits and losses for real estate and equity interests in real estate companies. For assets acquired in the reporting year, the difference between the valuation at the time of capitalisation and the rate applicable at the end of the reporting period is indicated. Profits and losses from the settlement of ongoing transactions via foreign currency clearing accounts are also taken into account here. The aggregated exchange rate changes per country of investment are reported in either unrealised profits or unrealised losses.

Notes on foreign currency results

in €

The exchange rate changes, taking into account the result of forward exchange contracts (FECs) in the financial year, can be broken down as follows:

Realised profits from FECs	468,787,508.11	
Realised losses from FECs	-484,033,898.20	
Realised profit / loss of FECs closed and due in the financial year		-15,246,390.09
Derecognition of unrealised FEC profits from previous years	-37,405,103.45	
Derecognition of unrealised FEC losses from previous years	0.00	
Derecognition of unrealised changes in value from previous years' FECs (Correction of realised profit / loss to include the profits / losses for FECs closed and due in the reporting year that were reported in the previous year but were yet to be realised)		-37,405,103.45
Profit / loss for the financial year from FECs closed and due in this period		-52,651,493.54
Net change in unrealised profits for FECs outstanding as of the reporting date	27,697,965.80	
Net change in unrealised losses for FECs outstanding as of the reporting date	15,201,092.87	
Unrealised profit / loss in the financial year for outstanding FECs		42,899,058.67
Profit / loss from FECs in the financial year		-9,752,434.87
Exchange rate changes according to the profit and loss statement		-56,885,199.38
Exchange rate changes in realised profits / losses minus exchange rate changes in the derecognition of unrealised changes in value from previous years		0.00
Profit / loss from exchange rate changes and FECs in the financial year		-66,637,634.25

Last updated: 31 March 2023.

Investor structure

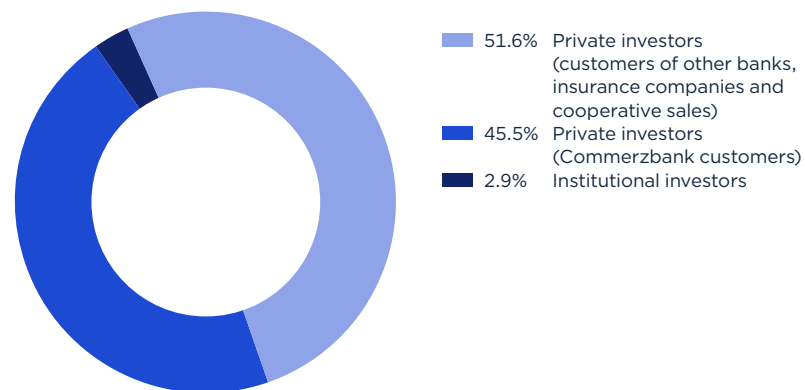
hausInvest is primarily a fund for private investors. As an expression of our security-oriented investment strategy, our fund managers have always limited institutional investors, who sometimes take a more short-term approach to investments than the average private investor, to a maximum of 10% of the fund's assets.

97.1%

private investors

97.1% of the money poured into the fund comes from private assets, reflecting the fact that hausInvest has established itself as a basic investment that is particularly appealing to private investors. As a result, the fund's assets are broadly diversified in terms of their investor structure, which makes it easier to plan ahead and maintain an adequate liquidity ratio.

hausInvest's investor structure^{1, 2}



¹ This refers to 100% of the fund's assets as of 31 March 2023. The data used to determine the investor structure is based on third-party information.

² As defined in Directive 2014/65/EU.



Commerz Real Investmentgesellschaft mbH
Friedrichstraße 25 | D-65185 Wiesbaden

hausinvest@commerzreal.com
hausinvest.de

06/2023