

MarketView German Open-Ended Funds

November 2008 Net Inflow

Compared to:

October 08 ↑

November 07 ↓

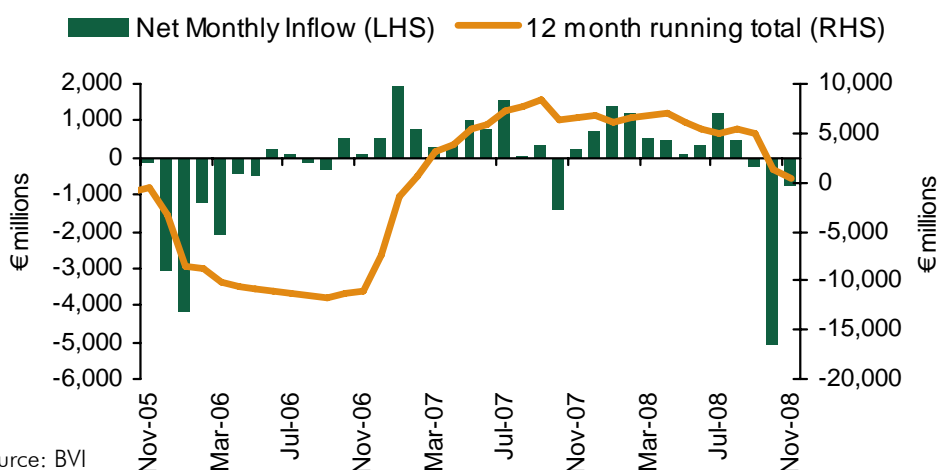
The latest BVI data shows that the net cash flows to the German Open-ended Funds in November were -€721 million. Although not as negative as the -€5.0 billion net withdrawals reported in October, the November results highlight the degree of uncertainty in investor sentiment that the German funds are facing at the moment.

Ironically it was the funds that are 'temporarily closed to redemptions' who registered positive net inflows in November. This was mainly due to the continuing flow of money from monthly payment plans – as such contracts remain unaffected by the temporary closures. In contrast, many of those funds that remained open saw net outflows in November. This highlights investor need to continue withdrawing capital – which of course would affect those funds that remain open. In turn, this makes it less likely that the 'temporarily closed funds' will choose to reopen later in

January, even if their liquidity levels allow them to do so.

The other reason for capital withdrawals is investors taking advantage of overvalued unit prices before fund managers had a chance to revalue their portfolios. KanAm Grundinvest Fonds is the first fund to announce revaluation of its entire portfolio as a one-off measure. It is now a matter of time to see if other fund managers will follow suit – as this is one of the measures to bring the portfolios (and the unit prices) to the market level.

At this time of intense strategic thinking, the GOEFs continued to be extremely active buyers in the last two months of the year. AXA completed at least €300 million worth of deals across four European markets, DEKA and its subsidiary WestInvest were also very active, whilst Union Investment announced that it expects to raise €1 billion in new investments in 2009.



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Top 5 Funds Inflow	€ 000s	Bottom 5 Funds Inflow	€ 000s
CS EUROREAL A EUR	50,948	Grundbesitz-global	-375,486
SEB ImmoInvest	24,193	HAUS-INVEST europa	-221,411
DEGI INTERNATIONAL	22,665	HAUS-INVEST global	-93,705
1Immobilienfonds	21,635	Grundbesitz-europa	-87,796
KanAm grundinvest Fonds	18,559	Unilmmo: Europa (DIGA-GRUND)	-69,401