


# MarketView German Open-Ended Funds

## August 2011 Net Inflow

Compared to:

July 11 

August 10 

### • Wider market uncertainty hinders re-opening prospects

After a couple of months of positive inflows, net investments into the German Open-ended Funds (GOEFs) turned negative again. Concerns over sovereign debt and downward revisions to economic growth forecasts brought further unwanted uncertainty, hindering the near-term prospects of regaining investor confidence in the GOEF sector. Net outflows in August reached €84 million, with eleven funds reporting negative net investments that month.

In light of this development, and with DEGI GLOBAL BUSINESS already in liquidation, the market was awaiting further announcements. November 2011 marked the end of a legal deadline by which the decision on whether to re-open or to liquidate needed to be made by two more funds - AXA Immoselect and DEGI INTERNATIONAL. The last few weeks of October saw both funds confirm that they will be dissolved, joining the other five vehicles already in liquidation. This means that a total €6.7 billion of AUM are locked in the seven funds that are liquidating, with a further €17.1 billion in those that are temporarily closed to redemptions – together representing 28% of the sector.

### • Growing pressure to sell

Considering current investor sentiment and the large number of funds that are now liquidating, there is a growing pressure to sell. Markets such as London and Paris, which typically have high allocations within the GOEFs' portfolios, are starting to see a notable increase in assets on offer from funds that are liquidating, as well as those frozen to redemptions. Overall, however, this transition period will extend over a longer period of time than many expect. Current law allows GOEFs two-to-three years to dispose of assets in order to deliver back as much shareholder value as possible. This means that even where there is a pressure to sell, they should have enough time to exit in orderly manner. Furthermore, the type of assets they hold is likely to attract strong buyer interest, although with some exceptions – such as specific weaker assets or those in markets where the fundamentals are poor.

## Contacts

Michael Haddock

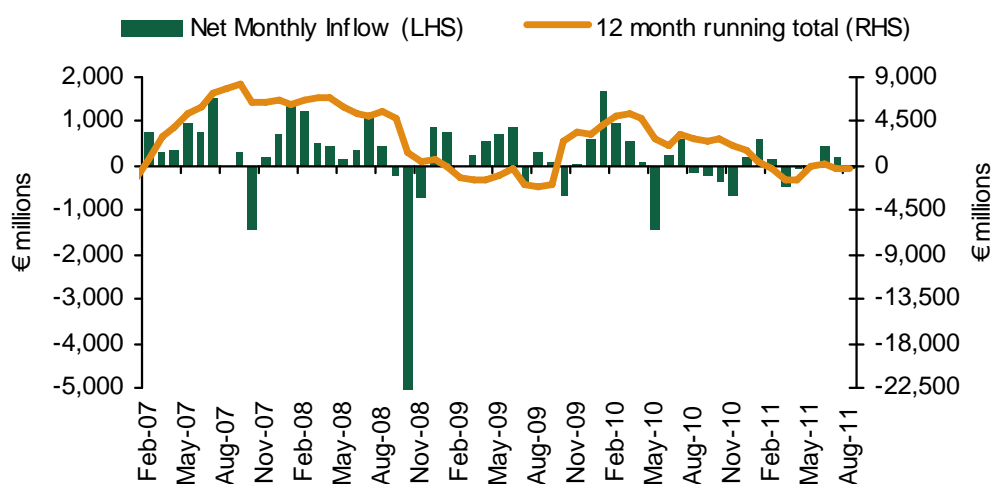
Michael.Haddock@cbre.com

Tel. +44 207 182 3274

Iryna Pylypchuk

Iryna.Pylypchuk@cbre.com

Tel. +44 207 182 3184



Source: BVI, CBRE

Top 5 Funds Inflow	€ 000s	Bottom 5 Funds Inflow	€ 000s
Unilmmo: Deutschland	31,758	HAUS-INVEST	-89,172
WestInvest InterSelect	30,956	Immo-Invest: Europa	-27,131
Grundbesitz-europa	24,374	Grundbesitz-global	-22,270
Deka-ImmobilienGlobal	7,096	Unilmmo: Europa	-19,263
Unilmmo: Global	5,933	UBS (D) Euroinvest Immobilien	-18,968