VÖIG

VEREINIGUNG ÖSTERREICHISCHER INVESTMENTGESELLSCHAFTEN

AUSTRIAN ASSOCIATION OF INVESTMENT FUND MANAGEMENT COMPANIES

ANNUAL REPORT 2011

INHALT

The Association of Austrian Investment Companies (*Vereinigung Österreichischer Investmentgesellschaften*, VÖIG) was founded on 20 January 1988, and is the umbrella organisation for all Austrian investment fund management companies and all Austrian Real Estate Investment Fund Management Companies. Consequently VÖIG represents 100% of the fund assets managed by the Austrian Investment Fund Management Companies and Real Estate Investment Fund Management Companies.

The purpose and the duty of the Association, which is organised under the law of associations, are to promote the investment industry in Austria and to provide comprehensive support to the members of the association.

VÖIG participates in the evaluation of national and international (primarily European) rules that affect the interests of its members. VÖIG is in permanent contact with ministries, authorities and the Austrian Federal Economic Chamber (WKO) and exchanges information with national and international organisations and associations.

As a member of the European Fund and Asset Management Association (EFAMA), VÖIG has voting rights in various bodies at the European level.
Moreover, VÖIG is an active member of the International Investment Fund Association (IIFA).

Since early 2005, VÖIG has been admitting information members, who have access to an exclusive, real-time information system. As of 31 December 2011, VÖIG had 39 information members.

VÖIG sees itself as a competent partner for Austrian and foreign media, and responds to inquiries about the Austrian investment industry from Austria and abroad.

The series of difficult years for the fund industry continued in 2011. However, a closer look at the statistics reveals that the results were quite mixed and not only reflect the mood of the capital markets and the clients but are also strongly marked by the condition of the distribution partners.

The year started well, the capital markets were not euphoric but friendly. Our greatest concern was not the crisis, but rather inflation and the negative impact on government bond funds, which had been low-yield before, particularly the ones with excellent ratings. The first global shock was the big earthquake and devastating tsunami in Japan, followed by a nuclear disaster. Then came Greece, and the world continued to move backwards. Especially top-rated assets experienced another astonishing rally that hardly any other asset class was able to keep up with at that time – happy are those who did not succumb to their fears of inflation. Greece, represen-ting the entire debt crisis in "Euroland", continued to be the dominating topic for the rest of the year.

But the actual debts were only part of the problem. The in part helpless, discordant attitude of European politics towards finding a solution to the crisis was at least as important. It was clear to the capital markets much earlier than politicians admitted, that there had to be a massive debt cut if Greece was to be given at least a chance to return to the markets.

As a consequence, at least institutional investors were increasingly interested in fund investments later in the year. In the case of some management companies, private clients found their way to funds again through private banking, in the case of others private clients behaved like the majority of retail clients and took refuge in passbooks or on the money market, in part thus contributing to further increases of real estate prices.

Without doubt this “split” situation also had to do with the situation of the banks, the most important distribution partners. Regularly denounced by politics as villains and the cause of every crisis of the past three years - with the exception of the earthquake - banks were at the same time restricted by numerous regulations while equity ratios were increased, which not only strongly limited the profitability of institutions but also gave rise to the increased requirements of own funds to the detriment of the sale of other products. Of course, not all banks are equally affected. In particular those banks with little or no loan business are not affected or only mildly affected, and those which primarily provide financing to states rather than private households and undertakings are also only mildly affected. In summary this means that banks which provided more money to the economy and private persons had fewer opportunities to market investment funds. And that is also exactly the result of sales statistics.

The big law-making event of the last year was the implementation of UCITS IV into domestic law. A thin “booklet” with less than thirty pages became the Investment Funds Act 2011 with more than 200 sections. In spite of the long preparation time, this naturally created not only clarity but, on the contrary, a lot of interpretation and the “Austrian” understanding (or the understanding by the Financial Market Authority) was to be figured out in order to take the necessary implementation steps afterwards. However, the high professionalism of the industry led to the smooth implementation of the requirements, which is undoubtedly exemplary: Austria is one of the few countries that did not make use of transition periods for implementation.

It is not only in this connection that the working groups of VÖIG have proved once again to be an excellent instrument to tackle challenging situations efficiently and practically. Certainly UCITS IV was the largest but by no means the only working area for VÖIG in terms of lawmaking. The Alternative Investment Fund Directive is on the horizon, and permanent bigger and smaller requirements concerning cooperation with authorities are at least equally significant. Meeting those requirements has become a vital element of the fund industry.

In this connection I would like to extend my warm thanks to all members of the working groups for their cooperation and to the companies which make this cooperation possible. Of course my special thanks are due to Dietmar Rupar and his always industrious colleagues in VÖIG, who year by year form an important pillar of the fund industry, to the Board of Directors, which especially in difficult times proves again and again how important a common approach is, and to all members, who support our common work as a matter of course.

I personally wish us all good markets, content clients and a legal environment which comes to appreciate the advantages of investment funds.

Mag. Heinz Bednar

After a good start, the year 2011 was marked by a striking series of negative factors of influence on the capital markets. Natural and nuclear disasters in Japan, political unrest in the Middle East and a dramatic escalation of the problem of public debt in Europe resulted in the fact that from the end of July, massive price erosion spread in the markets.

From that point onwards, development was characterised by a loss of confidence of many market participants in the problem-solving competence of European politics. Almost daily speculations regarding the bailout of countries in the Eurozone threatened by bankruptcy, and downgrading by rating agencies at the same time, brought hectic fluctuations in the markets, which was also nurtured by the fear of a worldwide economic decline.

This difficult market environment led to strong uncertainty among investors in Austria. During the year, approximately 5 billion Euros were withdrawn from Austrian retail funds. Such behaviour can probably also be explained by the client-friendly transparency of investment funds. Investors can follow the value of their units in the media daily and made use of daily availability to sell units. In my opinion, however, an even stronger cause was the need of liquidity of our most important distribution partners, the banks.

In a European comparison, it becomes clear that the fund business was going much better in countries with functioning, independent distribution. It also seems that André Kostolany’s metaphor of the “shaky hands” and the “steady hands” is still valid, as there was a net inflow of funds of approximately 332 million Euros among institutional investors.

Such turbulent market conditions naturally entail a strong burden on the personnel resources of the management companies. Therefore it is of special concern to me to thank all members of the working groups and task forces for their extraordinary commitment in the national implementation of UCITS IV. The text of the Investment Funds Act 2011 was submitted for review only on 11 March 2011, and VÖIG experts had to draw up their detailed opinion on this 102-page law with 200 sections within a few days. As the Investment Funds Act 2011 sets the fundamental course for the next few years, we are pleased to have successfully completed this task. This was made possible in particular because we were supported in the decisive coordination meetings by Dr. Herbert Pichler, the legal adviser of the Bank and Insurance Division of the Austrian Federal Economic Chamber, and in crucial issues by Dr. Beate Schaffer, the head of the relevant department in the Federal Ministry of Finance.

It is widely understood that UCITS IV is meant to create a level playing field in Europe; tighter national regulations would have seriously jeopardized Austria as a fund location. What was completely incomprehensible was the attempt to sanction violations of formal requirements in the Investment Funds Act 2011 with a two-year court sentence. Even the Federal Ministry of Justice clearly rejected this suggestion in its statement of opinion.

Before the Investment Funds Act 2011 came into force on 1 September 2011, the Financial Market Authority told VÖIG that it regards the quality standards of the industry as outdated. VÖIG took this as an opportunity to intensely discuss further action among its members. The result was that the quality standards will be replaced by a code of conduct that stipulates the essential principles of handling money in a fiduciary relationship in the exclusive interests of investors. Apart from that, the various working groups dealt with questions of interpretation and details of the Investment Funds Act 2011 in order to ensure a concerted view among the members.

Many eagerly awaited the decision by the Constitutional Court on capital gains tax. After an oral hearing of the representatives of the parties (where the representatives of the banks faced strong headwind), though, it already began to dawn on insiders that the hopes for these proceedings would not be fulfilled. And that's exactly what happened. The only thing repealed was when the tax would go into effect, which is something the federal government had already announced in its reply to the application. The concerns regarding the numerous individual provisions on the new investment income tax, which had been meticulously listed by the banks, were not even considered by the Constitutional Court because the parties were "not currently affected". Even though it was "not affected", VÖIG immediately started talks with the representatives of the banks, the representatives of the custodian banks, auditors, *Oesterreichische Kontrollbank* (OeKB), and representatives of *Österreichische Wertpapierdaten Service GmbH* (ÖWS) and GEOS regarding specific implementation in the area of funds. In a workshop towards the end of the year, the VÖIG implementation concept was introduced in detail to the parties affected. Later, a guide for management companies and custodian banks for completing forms to register tax data with OeKB was elaborated. I would also like to warmly thank this task force and working group for their meritorious work.

The 5th Fund Days, which took place in Pöllau, Styria, and had the motto "Setting the course for groundbreaking developments in the European fund industry", were marked by a record number of participants and the quality of the lecturers. As a representative of an industry where acting in investors' interests is a matter of course, I considered it important to give Herman Josef Tenhagen, editor-in-chief of the "Finanztest" magazine, a chance to speak. His statements showed that there is an adjustment or two that needs to be made in order to further distinguish ourselves from our competitors in positive terms.

In 2012, the Austrian investment fund industry will also have to prove itself in a difficult market environment, as risk aversion will continue against the backdrop of relatively low growth, political imponderables and budget consolidation. In the regulatory field it will be decisive that the national implementation of the AIFM Directive, which affects 45% of the Austrian fund volume, will be carried out with a sufficient period of review and that in the case of UCITS V we will be able to uphold the division of tasks between management company and custodian bank. In addition, we must vigilantly follow the discussions regarding a financial transaction tax, where reports in the media claim that the tax is intended to prevent speculation, but may actually be designed to dig into the pockets of retail investors when it comes to making financial provisions. In order to be able to complete these many tasks, the VÖIG team will be increased by one employee in the coming year, and the office premises will be adapted correspondingly.

VÖIG has been especially active in the working groups of EFAMA for many years. This is of particular significance because numerous crucial issues, such as the payment of commissions to distribution partners, are decided at the Brussels level by way of the MiFID II Directive. In order to proceed efficiently and cost-effectively, Dr. Kammel has taken over my seat in the Board of Directors of EFAMA.

Finally, I would like to thank all employees of VÖIG, the members of the working groups and the Board of Directors for their commitment. Intense participation in the activities of VÖIG is indispensable for the efficient representation of the investment fund industry. For 2012, I wish us all further exciting times. May volatility give way to steady upward development.

Mag. Dietmar Rupar

Present Situation

As of 1 September 2011, the new Investment Funds Act 2011 came into force. It is a new version of the previous Investment Funds Act 1993 which was necessary because at the European level the UCITS Directive was significantly revised by the so-called UCITS IV amendment. These new European framework conditions were supposed to be implemented into national law by 1 July 2011, but Austria missed this deadline by two months.

Concept

Looking at the Investment Funds Act 2011, it is particularly obvious that the law, having 200 sections, is 133 sections longer than the Investment Funds Act 1993, which is why the Investment Funds Act 2011 need not fear comparison with the central laws, such as the Banking Act or the Securities Supervision Act, which underscores the increasing complexity of investment funds law.

In terms of its concept, the Investment Funds Act 2011 is divided into five central parts: “General provisions”, “Management and supervision of UCITS”, “AIF”, “Taxes” and “Penal provisions, transitional provisions and final provisions”. The material focus is on Part 2, “Management and supervision of UCITS”, which is also explained by the fact that it was in particular the UCITS IV amendment that led to the new version of the Investment Funds Act 2011. In addition, it is to be noted that Part 3, “AIF”, which has far fewer sections, refers to provisions for UCITS in many instances, which is far-sighted from a lawmaking viewpoint, as this helps to maintain the congruence between UCITS and non-UCITS, i.e. AIF, known to Austrian investment funds law, to a certain extent. Furthermore, this technique also leaves open the possibility of implementing the AIFM Directive into the Investment Funds Act 2011 in the future, which will have innumerable advantages.

What is really New?

Even though given the additional 133 sections, one would expect many new aspects in the Investment Funds Act 2011, not everything which has been newly incorporated into the Investments Funds Act 2011 is that new. This is explained by the fact that, apart from the Investment Funds Act 1993, Austrian investment funds law was also determined by the self-regulatory regime of the Austrian investment fund industry, the "Quality Standards of the Austrian Investment Fund Industry 2008", and the applicability of the Standard Compliance Code (SCC) of the Austrian banking industry.

Thus, the really new aspects of the Investment Funds Act 2011 are limited to the pillars introduced by UCITS IV (notification, cross-border fund mergers, master-feeder structures, key information document (KID) and cooperation by supervisory authorities), adjustments in the area of safe custody of investment fund units, the establishment of fund-specific risk management as a core competence, the introduction of umbrella fund structures, the possibility of splitting off illiquid asset, the taxation of investment funds and the specification and extension of penal provisions.

Change of Dogma Due to European Requirements

As previously, a licence is required to operate a management company in Austria because investment business is still qualified as a banking transaction in Austria under Section 1 (1) no. 13 of the Banking Act. In this respect, Section 5 (2) of the Investment Funds Act 2011 specifies details of the activities of a management company, with the management of UCITS in the context of collective portfolio management and the management of AIF being the central activities. The scope of permitted ancillary and non-core activities is determined in Section 5 (1) second sentence.

Apart from this "simple licence", there is, as previously, an "expanded licence" pursuant to Section 1 (1) no. 13 of the Banking Act in connection with Section 3 (2) no. 2 of the Securities Supervision Act, which additionally permits a management company to manage portfolios of investments, including those owned by pension funds, in accordance with mandates given by investors on a discretionary, client-by-client basis.

A change of dogma, however, was brought about by Section 5 (5) of the Investment Funds Act 2011, which allows management companies to delegate administrative tasks in accordance with Section 5 (2) no. 1 (b) (cc) to (hh) of the Investment Funds Act 2011 to the custodian bank, if this is provided for in the prospectus. This provision, which at first sight seems inconspicuous, leads to the abandonment of the previous understanding in respect of the relationship between management company and custodian bank. Up to now, the separation between management company and custodian bank as provided for in the UCITS Directive has been executed especially cleanly in Austria, insofar as the activity of "management" was clearly attributed to the management company and that of "control" to the custodian bank. This new provision, however, determines the factual allocation of roles between a management company and a custodian bank on the basis of the use of the management company passport.

"MiFIDisation"

Not only did the management company passport result in a relinquishment of dogma in the form of Section 5 (5) of the Investment Funds Act 2011 but also in a significant "MiFIDisation" of the UCITS framework. The general organisational requirements of Section 10 (1) of the Investment Funds Act 2011, in particular, are the result of the increasing complexity brought about by MiFID. Given their focus on the type, scope and complexity of business activity, these organisational requirements at least take into account the principle of proportionality.

In addition, adequate systems and procedures to protect the security, integrity and confidentiality of data, and system extensions with regard to procedures for investor complaints but also adequate procedures in respect of conflicts of interest are required.

The "MiFID trilogy" was cemented in place with the introduction of the independent functions of compliance, internal audit and risk management in the Investment Funds Act 2011.

Custodian Bank

The requirement of a domestic custodian bank which has to fulfil the previously known tasks pursuant to Section 40 of the Investment Funds Act 2011 and must be established as a credit institution holding a licence to conduct custody business pursuant to Section 1 (1) no. 5 of the Banking Act continued to be in place in the Investment Funds Act 2011. What is new in its complexity, however, is the comprehensive regulation of the content of the agreement between a management company and a custodian bank pursuant to Section 42 of the Investment Funds Act 2011. Such agreement must contain both the processes and interfaces with regard to procedures of safe custody and their review, and rules on the exchange of information and compliance with money laundering provisions as well as the treatment of outsourcing agreements with third parties and general aspects with regard to the duration and adjustment of the agreement. In addition, the custodian bank bears the same liability as before, but according to the adjusted wording of Section 43 (1) of the Investment Funds Act 2011 for any loss caused by an unjustifiable breach of its duties.

Prospectus and Investor Information

The provision of Section 131 of the Investment Funds Act 2011 provides that the prospectus include information which enables the investor to make an informed judgement of the UCITS and, apart from the known content, give a clear and easily understandable explanation of the risk profile. As previously, the fund rules approved by the Financial Market Authority form an integral part of the prospectus pursuant to Section 131 (5) of the Investment Funds Act 2011.

Depending on the content of the information, the Investment Funds Act 2011 specifies different information modalities. For example, a key information document (KID) is to be made available on paper or in another durable medium before subscription. For the public announcement of the unit value, the complete prospectus, the fund rules, the update of the KID, the policy on best execution, the conflicts of interest policy and the policy on the exercise of voting rights, the publication modalities pursuant to Section 136 (4) of the Investment Funds Act 2011 are available. The publication alternatives of publication of the full text in the *Wiener Zeitung* newspaper, making available a printed version at the registered office of the management company, publication on the website by the management company or its intermediaries or, where appropriate, on a website operated on behalf of the Financial Market Authority are now regulated independently (i.e. without any reference to the Capital Market Act). Publication on a website without the additional requirement of initial publication in the *Wiener Zeitung* newspaper is absolutely equivalent to publication in the *Wiener Zeitung* newspaper. Annual reports and half-yearly reports must be accessible in the places indicated in the KID and the prospectus or in any other form approved by the FMA by way of regulation. After subscription, web updates of the KID pursuant to Section 138 (5), the information on risk management (investment limits, methods and recent developments) required pursuant to Section 132 (1) and (3) of the Investment

Funds Act 2011 and information on voting behaviour, and at any time the complete prospectus, the fund rules, the annual report and the half-yearly report are to be made available to the investor upon request, in all cases mentioned here in paper form or in a durable medium.

Key Information Document (KID)

As the successor model of the simplified prospectus, UCITS IV provides for the KID, which was laid down in law in Section 134 of the Investment Funds Act 2011. The client information document constitutes pre-contractual information, which must be fair, clear and not misleading as well as consistent with the relevant parts of the prospectus. The KID is to be drawn up in a common format and in non-technical language. For a standard UCITS, the KID may not exceed two A4 pages, for a structured UCITS three A4 pages.

Pursuant to Section 135 of the Investment Funds Act 2011, in terms of content, the KID must contain appropriate information on the essential characteristics of the UCITS concerned, and the identification of the UCITS, a brief description of the investment objectives and investment policy, a description of the past performance or performance scenarios, costs and associated charges, and the risk/return profile must be included as mandatory information.

AIFMD

In the AIFMD, non-UCITS are defined by the AIFM as “AIF”, which is why special funds, other portfolios of assets and pension investment funds will be covered by this framework in the future.

Penal Provisions

Besides the transitional provisions, the importance of Part 5 of the Investment Funds Act 2011 primarily lies with the penal provisions, which are subdivided into offences punishable with judicial penalties pursuant to Section 189 of the Investment Funds Act 2011 and administrative penalties pursuant to Section 190 of the Investment Funds Act 2011. The offences punishable by judicial penalties pursuant to Section 189 of the Investment Funds Act 2011 address the public offer of units of foreign investment funds in Austria if the notice required under Section 181 of the Investment

Funds Act 2011 has not been given, the waiting period required under Section 182 of the Investment Funds Act 2011 has not yet elapsed, the FMA has prohibited the commencement or the continuation of marketing activities and if any person offers such units to the public in Austria although no approval has been granted or makes incorrect favourable statements or conceals unfavourable facts. What seems more problematic is the specification of the offences punishable by administrative penalties in Section 190 of the Investment Funds Act 2011, as a result of which virtually each individual provision of the Investment Funds Act 2011 imposing a requirement or a prohibition is, in effect, “criminalised”.

Looking Ahead

The Investment Funds Act 2011 is the result of the increasing complexity of investment funds law, which primarily derives from European requirements such as the UCITS Directive. This complexity will be further escalated by the upcoming national implementation of the AIFM Directive, which is why the extensive effects of the “regulatory tsunami” will become fully visible only in the next few years.

Dr. Armin J. Kammel, LL.M. (London)

For the prospectus working group and its model revision sub-working group, the year 2011 was all about the new model fund rules, the key information document (KID) and the challenges posed by the Investment Funds Act 2011, which came into force in September, and the pertaining regulations.

After the VÖIG working group had drawn up a “basic version” of the model fund rules, which also included variants for funds eligible for the investment of money held in trust for wards and “Li-2” funds, the model was sent to the Financial Market Authority for agreement.

An agreement was soon reached on the basis principles, but some of the new provisions of the Investment Funds Act 2011 had not been immediately and completely implemented into the model so that another few adaptation rounds had to be added due to new findings. The working group had to hold correspondingly frequent meetings. At this point I would like to thank the participants who gave their time and input. Without them, such comprehensive projects could hardly be realised.

In the course of the year, work on the model prospectus was commenced in parallel to the ongoing work on the model fund rules. The ambitious goal was again to clean up and modernise, but also to manage the balancing act between comprehensive investor information and the transparency required.

The greatest challenge was posed by the new passages to be included, which had been shifted from the simplified prospectus by the UCITS IV Directive. But in this regard as well an agreement within the industry could be reached for the most part on the sometimes complex issues.

After the legal working group had suggested an additional external review of the VÖIG model prospectus, not least to have aspects of civil law and consumer protection law checked by independent experts, the required steps were taken to safeguard the quality of the model in every respect.

As a model and a model guide have been drawn up for the KID as well, corresponding fine-tuning was also required here, after the Investment Funds Act 2011 and the KID-specific regulations by the Financial Market Authority had come into force. Besides the interpretation of some ambiguities in the wording of the legal bases, the experience newly gained in practice was included in the preparations for the transition (from simplified prospectus to KID). The working group repeatedly worked through extensive lists of questions around these issues. Unfortunately it was found that the Europe-wide harmonisation of investor information documents envisaged by the KID is still a distant prospect and national differences in implementation still prevail - and will continue to prevail.

The prospectus working group was also occupied with so-called “questions of doubt” arising from the Investment Funds Act 2011. The expertise of the participants on those questions, which were mostly of a technical nature, found its expression in the corresponding VÖIG catalogue (VÖIG intranet).

In 2011, the reporting guide was again revised and updated several times. Primarily, the necessary adjustments in accordance with the Investment Funds Act 2011 and the regulations or amended regulations accompanying it were made. Some additions to the list of links, the VÖIG categorisation and information on contact details and persons, which was brought up to date in cooperation with *Oesterreichische Nationalbank* (OeNB), *Oesterreichische Kontrollbank* (OeKB) and the Financial Market Authority, are also included in the current reporting guide (version 3.0 on the VÖIG intranet).

In addition, the new chapter “Internal Reporting” was included in the guide. This chapter contains information on what is to be communicated within a management company to the supervisory board and the management (on the basis of the practical experience of VÖIG members). The new chapter was drawn up in cooperation with the legal working group.

Mag. Barbara Flor

After the Austrian banks as the parties directly affected by the introduction of an investment income tax on capital gains from securities as of 1 September 2011 had brought a complaint before the Constitutional Court in January 2011 on the grounds of general concerns under constitutional law and, in particular, because of the short implementation period, the Constitutional Court confirmed the conformity of the capital gains tax with the constitution in its decision dated 16 June 2011 (VfGH G 18/11-14). At the same time, however, the Constitutional Court found that the short period for implementation was unconstitutional. Since Austrian lawmakers had already signalled a postponement of the date of coming into force (1 April 2012) at the time the decision by the Constitutional Court was issued, the Constitutional Court did not need to set another deadline.

In the meantime, three amendments to laws have been passed which result in material changes of the capital gains tax, which was devised in 2010. The last amendment provided, among other things, that banks must offset losses ex post for each custody account each year for transactions from 1 April 2012 no later than by April 2013. Apart from offsetting realised capital gains against realised capital losses, ordinary income (interest, dividends, income from funds equivalent to distributions) must also be offset. Interest on savings deposits is exempt from the set-off of losses.

In 2011 and early 2012, VÖIG dealt very thoroughly with the capital gains tax concerning investment funds. Technically speaking, the capital gains tax for domestic and foreign funds will be designed in a way that fund management companies must send the relevant tax data to *Oesterreichische Kontrollbank* (OeKB) once a year. OeKB will then forward the data to the Austrian bank processing systems, which are to ensure the automated processing of the capital gains tax.

The following gives a more detailed description of how the new capital gains tax affects investment and real estate investment funds:

A) New tax on domestic securities funds:

I) The legal situation to date:

The taxation of domestic and foreign investment funds in Austria distinguishes between two taxation levels: the fund level and the unit certificate level.

<u>On the fund level</u>

Up until now, on the fund level, ordinary income (interest, dividends) and extraordinary income (20% of the capital gains earned from shares and share derivatives) have been taxed by the bank by withholding investment income tax (25%).
On the fund level, complete loss compensation and loss carryover mechanisms have already been in place.

<u>On the unit certificate level</u>

The taxation of dividend distributions directly corresponds with the specific income components distributed (transparency).
Following a one-year speculation period, capital gains from the sale of fund units have thus far been completely tax-exempt.
Through the 25% investment income tax withholding by banks, the fund income is considered finally taxed. The investor is not required to fulfil any further tax obligations (a tax return).

II) The new legal situation:

<u>On the fund level</u>

There are no changes in the taxation of ordinary income (interest, dividends). In the taxation of extraordinary income (actually realised capital gains and losses), the law calls for a successive extension of capital gains taxation on the fund level and a simultaneous expansion of the set-off of losses:

- For funds with financial years starting after 30 June 2011, the assessment basis of extraordinary income (shares, share derivatives) will be increased from 20% to 30%.
- For financial years starting after 31 December 2011, the assessment basis of extraordinary income (on capital gains from bonds, derivative instruments, etc.) will

be expanded and 40% of the capital gains will be subject to investment income tax.

- For financial years starting after 31 December 2012, the 25% investment income tax will be levied on 50% of all realised extraordinary income.
- For financial years starting after 31 December 2013, the 25% investment income tax will be levied on 60% of all realised extraordinary income.

The loss compensation possibilities will be expanded for financial years starting in 2013. Not only can capital losses be deducted from capital gains from other securities, but in the future, in a second step, they can also be deducted from ordinary fund income (interest, dividends, etc.).
The new law applies to old units (units purchased before 1 January 2011) as well as newly purchased unit certificates (after 31 December 2010).

<u>On the unit certificate level</u>
Dividend distributions after 1 April 2012 are fundamentally subject to a 25% investment income tax.

a) For purchases of units of investment funds on or after 1 January 2011, the speculation period will be eliminated. In the future, banks must also withhold a 25% investment income tax on the difference between the purchase and sale price of units of investment funds and withhold investment income tax upon the sale of the units of investment funds (investment income tax is to be withheld by the bank for the first time regarding sales made on or after 1 April 2012). The bank is to deduct taxes already paid by a fund unit holder during the possession period from any capital gains on the unit certificate level (in doing so, the bank will increase the purchase cost of the units by the gains already taxed, which will reduce the capital gains on the unit certificate level).

b) For purchases of units of investment funds made on or after 1 January 2011 which are sold before 1 April 2012, the speculation period will be eliminated. Any capital gains are to be recorded by way of assessment, but investment income tax does not yet have to be withheld.

c) For old units (units of investment funds purchased before 1 January 2011), the one-year speculation period still applies. After this period ends, the sale of unit certificates is tax-exempt.

B) New taxation of domestic open-end real estate investment funds:

I) The legal situation to date:

On the fund level

Up until now, on the fund level, a 25% investment income tax was withheld by the bank on securities and liquidity earnings (interest, dividends), earnings from real estate management (rent income) and profits from appreciation (80% of the realised and unrealised increase in the value of the properties per financial year). Capital gains from the maintenance of liquidity are tax-exempt. The tax impact of legal provisions on double taxation agreements (DTA) is fully applicable with regard to real estate investment funds. On the fund level, a limited loss compensation is applicable.

On the unit certificate level

Dividend distributions are fundamentally subject to the 25% investment income tax (exception: income falling under a DTA is tax-exempt). Following a one-year speculation period, capital gains from the sale of fund units have thus far been completely tax-exempt.

Through the investment income tax withheld by banks, the fund income is considered finally taxed. The investor is not required to fulfil any further tax obligations (a tax return).

II) The new legal situation:

On the fund level

The new tax regime does not lead to any changes to the legal situation to date. The impact of legal provisions on double taxation remains fully applicable with regard to real estate investment funds. The existing legal situation continues to apply to old units (units purchased before 1 January 2011) as well as newly purchased unit certificates (after 31 December 2010).

On the unit certificate level

Dividend distributions after 1 April 2012 are fundamentally tax-exempt.

a) For purchases of units of investment funds on or after 1 January 2011, the speculation period will be eliminated. In the future, banks must also withhold a 25% investment income tax on the difference between the purchase and sale price of units of investment funds and withhold investment income tax upon the sale of the units of investment funds (investment income tax is to be withheld by the bank for the first time regarding sales made on or after 1 April 2012). The bank is to deduct taxes already paid by a fund unit holder during the possession period from any capital gains on the unit certificate level (in doing so, the bank will increase the purchase cost of the units by the gains already taxed, which will reduce the capital gains on the unit certificate level).

b) For purchases of units of investment funds made on or after 1 January 2011 which are sold before 1 April 2012, the speculation period will be eliminated. Any capital gains are to be recorded by way of assessment, but investment income tax does not yet have to be withheld.

c) For old units (units of investment funds purchased before 1 January 2011), the one-year speculation period still applies. After this period ends, the sale of unit certificates is tax-exempt. For the advantages of funds, see point A, III above.

C) New tax on foreign investment funds:

The new provisions governing the taxation of domestic investment funds are essentially applicable to foreign investment funds as well. Just as with domestic funds, a distinction is made between fund units purchased before 1 January 2011 and fund units purchased after 31 December 2010. As with domestic funds, a distinction is also made between the fund level and the unit certificate level. In the future, there will only be a distinction between reporting and non-reporting funds with regard to taxation.

a) Foreign investment funds that report their income that is equivalent to distributions will be taxed like domestic investment funds (see points A and B above). However, once the system of daily crediting and reporting investment income tax is eliminated (starting on 1 April 2012), reporting for the fund is only required once per financial year, the daily reporting and thereby the deferral of investment income tax is completely nullified. Reports of tax information (dividend distributions, income equivalent to distributions, and corrections to the purchase costs of investment fund units) are to be submitted by the tax representative of the registration office, i.e. of OeKB. The Federal Ministry of Finance has transferred its previous responsibility to OeKB.

b) If no reports are filed by foreign funds, the value will be set as 90% of the difference between the first and the last net asset values set in the calendar year, but at least 10% of the value set at the end of the previous calendar year, which will be subject to a 25% investment income tax to be withheld by the bank. The safeguard tax on investment income ceases to exist starting on 1 April 2012.

Mag. Thomas Zibuschka

Necessity of Enhancing Efficiency:
Due to the increasingly complex regulatory requirements, it is indispensable for the investment fund industry to make use of ways to increase efficiency, in particular by using technology.

FundsXML

To this end, the Austrian investment fund industry began early to rely on "FundsXML". How can FundsXML be described?

It is a format which allows the fully automated exchange of data in an internationally recognised standard. It can be adapted to meet the precise individual needs of users, but can basically also be used by any data provider or even clients. Its structure enables master data, inventory data but also transaction data to be displayed in one single file, additional information (e.g. calculations of fund assets) to be provided and, all data to be displayed in standardised form. The fund data portal operated by *Oesterreichische Kontrollbank* (OeKB) also offers extremely simplified administration of users and rights and the basic validation of data to avoid formatting mistakes.

Increasing Determination as a European Standard:
The technical advantages and the easy handling of FundsXML are complemented by the fact that the format is increasingly determined as a European standard. Over the past years, the development of FundsXML has been promoted by institutions and undertakings in order to integrate various working processes in this field, including a wide range of applications, from the establishment and registration of a fund to electronic data exchange beyond the borders of undertakings and countries.

Currently, the format is used in particular in Denmark, Germany, France, Luxembourg, the Netherlands and Austria, and there is increasing interest from other countries as well. Organisationally, the format is being developed in the context of FundsXML.org, and there are also corresponding working groups, as within VÖIG.

Increasing Use of Rresources:
VÖIG has already recognised the increasing importance of FundsXML by elevating the previous sub-working group to the status of a full VÖIG working group chaired by

Mag. Boros on the one hand, and on the other hand will deploy more resources for the further development of FundsXML in the context of the VÖIG Secretariat General in the future.

Mag. Oliver BOROS, Chair of the FundsXML Working Group
Dr. Armin J. Kammel, LL.M. (London)

2011 – DIFFICULT MARKET ENVIRONMENT FOR INVESTMENT FUNDS

In 2011, the Austrian investment fund industry reported a decline of the fund volume by 7.34% or EUR 10.66 billion to EUR 134.59 billion. EUR 4.68 billion thereof were accounted for by the redemption of units, EUR 2.2 billion by distributions to holders of unit certificates, and EUR 3.79 billion by capital losses.

While in the bond sector euro bond funds (3.07%) and money market funds (1.20%) performed slightly positive, performance in the equity sector was negative for the most part (Austrian equity funds -32%, "Euroland" equity funds -19.52% and US equity funds -3%).

As of the end of December 2011, the 24 Austrian management companies managed a total of 2,159 securities funds, including 1,137 publicly offered funds, 265 funds for institutional investors and 757 special funds. 131 funds were closed, and 20 were merged. At the same time, 122 new funds were established in the past year (66 institutional funds and 56 publicly offered funds).

Due to the turbulences in the share and currency markets, private investors were increasingly made to feel insecure in the course of the year and turned their investments into savings deposits. At the same time, the banks, which need such deposits to refinance their business more than ever, additionally "motivated" retail clients by corresponding offers.

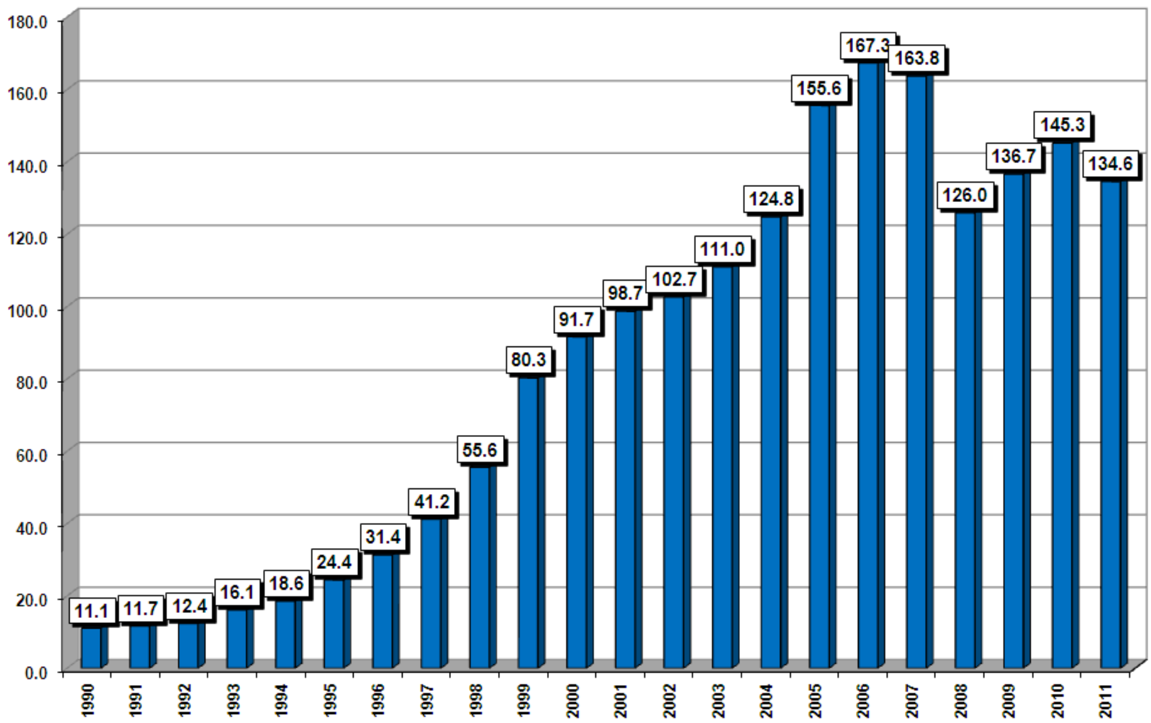
In the years to come, it will be more and more necessary to foreground the structural advantages of investment funds, such as the protection of assets in the case of bankruptcy, diversification and transparency. At the same time, an investment fund offers private investors tax benefits as well. For example, capital losses can be offset across all asset classes, and capital losses are carried over in the fund and are available to be offset against any gains in the following years.

Real Estate Investment Funds

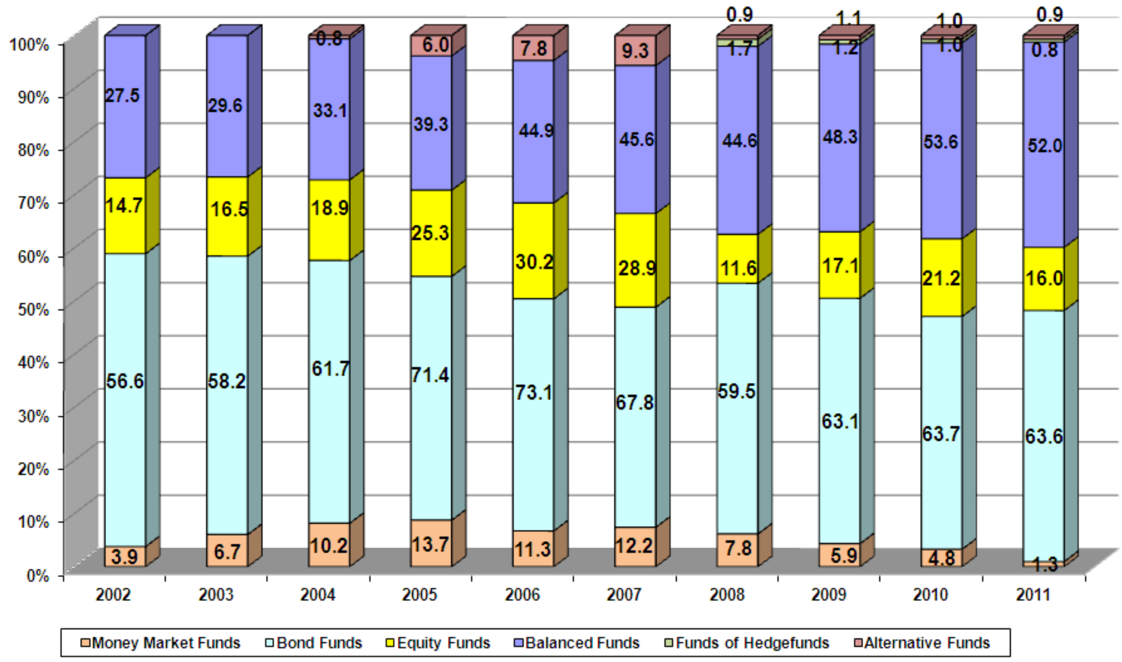
As of the end of 2011, the total fund volume of the five Austrian real estate investment fund companies grew by EUR 478.42 million to EUR 2,903.06 million. This represents an increase of approximately 20%. Dividend distributions amounted to approximately EUR 47 million, the net inflows of funds totalled approximately EUR 427 million, and capital gains reached approximately EUR 98 million.
The average annual performance was 3.1%.

Besides investment on the basis of savings deposits, retail investors focussed on physical assets. Real estate investment funds could profit very much from this trend.

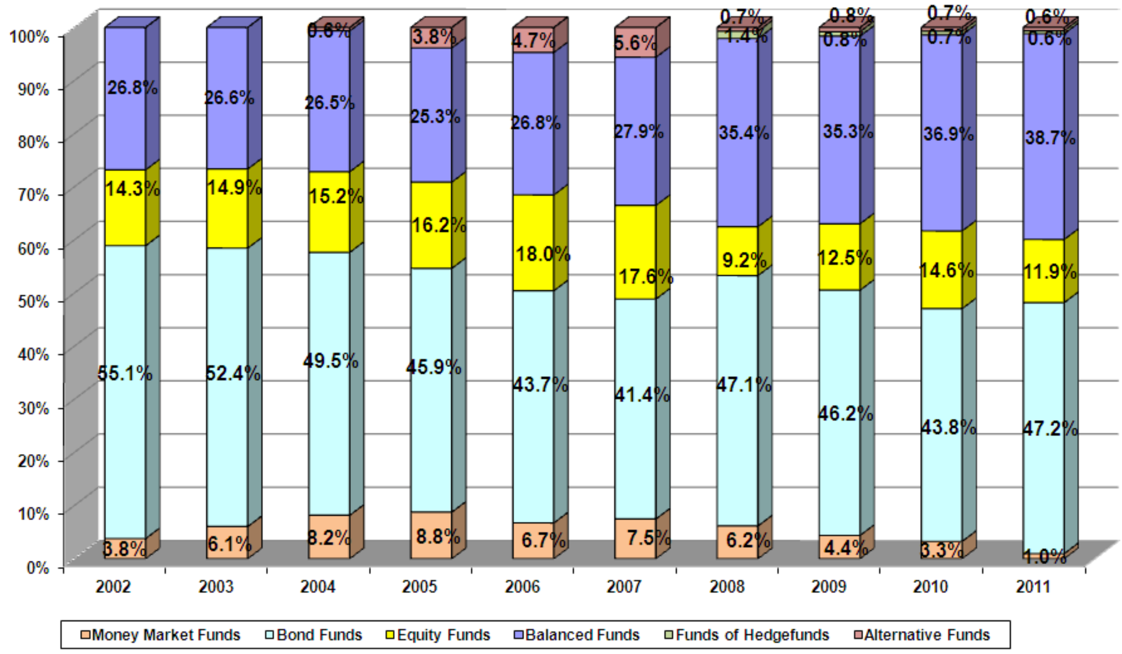
Development of Total Assets in Billion €



Fund Volumes by Asset Classes in Billion €



Fund Volumes by Asset Classes in %

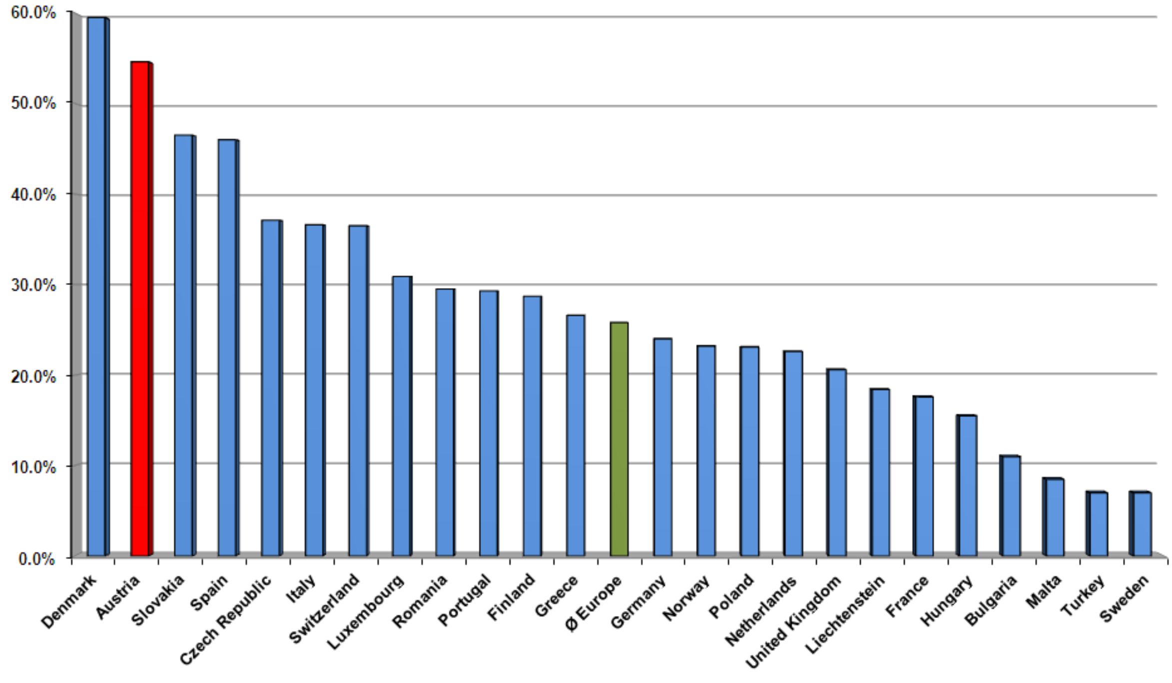


HISTORICAL DEVELOPMENT OF THE AUSTRIAN INVESTMENT FUND MARKET

year	Number of Funds	Funds Management Companies	Total Assets bn. ATS	Total Assets bn. €
1956	1	1	0.066	0.005
1957	1	1	0.063	0.005
1958	1	1	0.072	0.005
1959	1	1	0.106	0.008
1960	2	1	0.268	0.019
1961	4	1	0.735	0.053
1962	4	1	0.567	0.041
1963	5	1	0.580	0.042
1964	5	1	0.589	0.043
1965	6	2	0.625	0.045
1966	6	2	0.579	0.042
1967	6	2	0.650	0.047
1968	6	2	0.667	0.048
1969	8	2	1.392	0.101
1970	8	2	1.975	0.144
1971	9	2	2.666	0.194
1972	9	2	4.015	0.292
1973	9	2	4.112	0.299
1974	9	2	2.843	0.207
1975	9	2	3.274	0.238
1976	9	2	3.414	0.248
1977	9	2	3.414	0.248
1978	11	2	4.091	0.297
1979	12	2	5.643	0.410
1980	12	2	6.067	0.441
1981	12	2	6.017	0.437
1982	12	2	7.478	0.543
1983	13	4	9.798	0.712
1984	15	4	12.740	0.926
1985	22	7	20.238	1.471
1986	41	10	36.226	2.633
1987	76	13	68.762	4.997
1988	117	18	118.714	8.627
1989	195	21	150.645	10.948
1990	244	23	152.933	11.114
1991	295	25	161.181	11.714
1992	322	24	171.180	12.440
1993	344	23	221.910	16.127
1994	415	24	255.994	18.604
1995	473	25	336.318	24.441
1996	523	24	431.552	31.362
1997	627	24	567.551	41.246
1998	857	24	764.936	55.590
1999	1,154	24	1,104.864	80.294
2000	1,448	24	1,261.417	91.671
2001	1,747	23	1,358.275	98.710
2002	1,856	22	1,412.799	102.672
2003	1,909	23	1,527.337	110.996
2004	1,988	23	1,717.745	124.833
2005	2,083	23	2,141.164	155.619
2006	2,171	24	2,302.748	167.347
2007	2,321	24	2,253.349	163.757
2008	2,300	24	1,733.459	125.975
2009	2,174	25	1,880.486	136.660
2010	2,192	25	1,998.714	145.252
2011	2,159	24	1,581.914	134.584

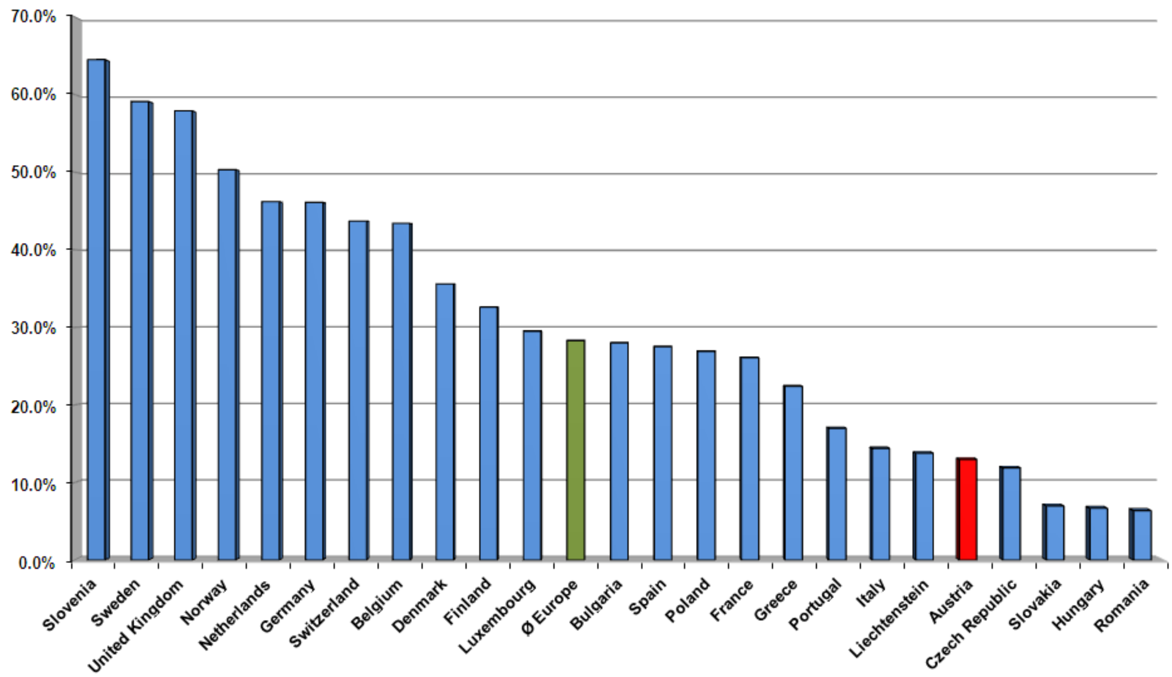
Proportion of Bond Funds
(as % of the total UCITS assets)

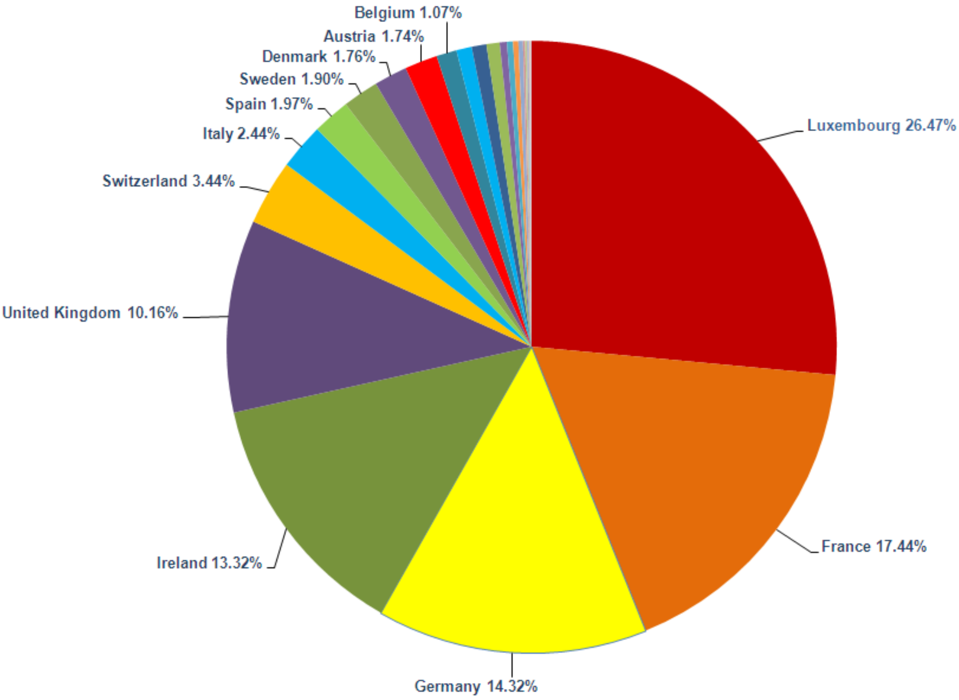
Source EFAMA



Proportion of Equity Funds
(as % of the total UCITS assets)

Source EFAMA





Country	Net Assets in bn. €	Market Share in %	Change compared to 2010 in %
Luxembourg	2,096.5	26.47	-4.66
France	1,381.0	17.44	-1.47
Germany	1,133.9	14.32	0.71
Ireland	1,055.3	13.32	9.54
United Kingdom	805.1	10.16	1.40
Switzerland	272.5	3.44	7.63
Italy	193.3	2.44	-16.70
Spain	156.4	1.97	-7.76
Sweden	150.4	1.90	-9.43
Denmark	139.0	1.76	2.63
Austria	137.5	1.74	-6.90
Belgium	85.0	1.07	-9.56
Netherland	64.5	0.81	-17.36
Norway	61.8	0.78	-2.24
Finland	55.4	0.70	-9.95
Liechtenstein	30.0	0.38	-3.54
Poland	25.3	0.32	-11.93
Portugal	22.1	0.28	-14.31
Turkey	19.1	0.24	8.56
Hungary	9.0	0.11	-33.26
Malta	8.2	0.10	
Greece	6.3	0.08	-30.93
Czech Republic	4.2	0.05	-14.04
Romania	3.4	0.04	13.93
Slovakia	3.2	0.04	-14.95
Slovenia	1.8	0.02	-20.49
Bulgaria	0.2	0.003	
TOTAL	**7,920.5**	**100.00**	**-0.01**

Members' Meetings

Members' Meeting in Spring

The members' meeting in spring, which took place on 28 April 2011, dealt with the difficult market environment, the capital gains tax and the national implementation of the UCITS IV Directive by the Investment Funds Act 2011, and underscored the great effort made by the Investment Funds Act 2011 task force, which had been brought into being for that purpose.

Members' Meeting in Autumn

The members' meeting in autumn, which took place during the Fund Days in October, focussed on dealing with questions of doubt regarding the Investment Funds Act 2011. At the same time, the members expressed the wish not to replace the quality standards, which had been declared outdated by the Financial Market Authority, by an adjusted version. Rather, general industry principles should be formulated, and internal industry standards drawn up.

President Bednar announced the result of a discussion in the preceding Board conference, which was that the team of VÖIG would be increased by one employee in the first half of 2012. Personnel costs in 2012 will be covered by VÖIG's reserves.

Board Meetings / Board Conference

In its five ordinary meetings and one Board conference, the Board discussed in detail the urgent issues of the Austrian investment fund industry. Naturally, the national implementation of UCITS IV by the Investment Funds Act 2011 and the administrative preparation for the capital gains tax were in the foreground in the reporting year.

Meetings of the VÖIG Working Groups

In 2011, a total of 73 meetings lasting a total of over 146 hours were held on topics including derivative business and risk control, FundsXML, IAS annual reports, reporting, MiFID, model revision, prospectus, quality standards, law, statistics, taxes, as well as legal and tax issues in real estate funds, and the real estate investment fund committee. Under huge time pressure, the Investment Funds Act 2011 task force performed a detailed review of the Investment Funds Act 2011. Warm thanks are extended to all colleagues who contributed.

Real Estate Investment Funds

Issues specific to real estate investment funds were discussed in 7 meetings. Special attention was given to the concrete effects of capital gains tax on real estate funds.

5th VÖIG Fund Days

The 5th VÖIG Fund Days were held at Seminarhotel Retter (Pöllau, Styria) from 13 to 14 October 2011. With approximately 120 participants, the conference room was full to the brim.

Apart from the necessary discussion of the regulatory and lawmaking "tsunami", which is in the process of being implemented, much time was dedicated to investor protection. Hermann Josef Tenhagen, editor-in-chief of the "Finanztest" magazine, and Mag. Alexander Zeh of GfK Austria presented very interesting opinions from the viewpoint of clients.

The motto of the Fund Days was "Setting the course for ground-breaking developments in the European fund industry". Due to the very informative lectures and the excellent service at Hotel Retter, the event was once again a great success.

IIFA (International Investment Funds Association)

In respect of the IIFA, the primary discussion topic was the positioning of the investment fund industry in relation to IOSCO. The industry plans to play a more active role in that regard. In spite of the challenges of common material positions within the IIFA, there is fundamental agreement that the increasing importance and the activities of IOSCO need to be addressed at an early stage and in a well-founded manner.

In addition, the IIFA successfully completed an extensive website project. The IIFA's Internet appearance at www.iifa.ca was completely overhauled. This project was meant to improve the IIFA's appearance to the outside world on the one hand and, on the other hand, to establish the website as the main communication tool for IIFA members. The project was successfully realised by a separate working group chaired by VÖIG (Dr. Kammel).

EFAMA (European Fund and Asset Management Association)

Formally, a change took place in the make-up of the EFAMA Board of Directors (BoD). Director Mag. Rupar retired from the BoD, and Dr. Kammel, who is intensely involved with EFAMA at the working group level, took over the seat for reasons of efficiency.

In addition, the BoD appointed Dr. Kammel as the chair of the important depositaries working group of EFAMA.

From a material viewpoint, VÖIG was very actively engaged at the many EFAMA meetings and found opportunities to weave the Austrian positions into European solutions. Due to the long-standing active contributions to and expertise in these bodies, VÖIG enjoys a good reputation.

CEE Initiative of the East and Southeast European Fund Aassociations – 2011 Meeting in Kiev

Started in 2009, the CEE initiative of the East and Southeast European fund associations was continued in 2011 with a meeting in Kiev, where it was possible to reinforce the previous cooperation and, in addition, to link the Ukrainian association (UAIB) with EFAMA. In establishing this link, VÖIG played an important role as an intermediary.

The topics addressed were similar concerns and core issues of the East and Southeast European fund associations, and priority was given to the dialogue and communication between the associations. In addition, specific topics are planned to be advanced as a CEE initiative on a project basis. The next meeting is planned to be held in Brussels.

FundsXML.org

Together with the German fund association, BVI, and the colleagues from Luxembourg, who joined recently, VÖIG continues to lead the way in the continued development of XML standards for the investment fund industry. In addition to the many technical specifics driven on the Austrian side by the FundsXML sub-working group and *Oesterreichische Kontrollbank* (OeKB), VÖIG has also taken a leadership position around questions of future strategic positioning, encouraging the adoption of XML standards across Europe. Furthermore, work on a new internet appearance of FundsXML.org is underway, with the particular aim to provide more information to users.

Cooperation VÖIG – Bank and Insurance Division of the Austrian Federal Economic Chamber

The regulatory and lawmaking "tsunami" requires that we speak with one voice when it comes to reviewing bills. For a relatively small interest representative such as VÖIG, coordination with the Bank and Insurance Division is indispensable. We express warm thanks to the legal adviser Dr. Pichler and his team for their support of VÖIG concerns in the lawmaking process and to the supervisory authorities. Due to the Investment Funds Act 2011 it was necessary for the management companies to join a conciliation body. The Joint Conciliation Board of the Austrian Banking Industry, domiciled at the Bank and Insurance Division, provides an appropriate and cost-efficient solution also for small management companies.

VÖIG Training Courses

Since the start of the training courses, 35 basic courses, 32 advanced courses on portfolio management, 11 advanced courses on sales and mid-office, 2 advanced courses on hedge funds, and 4 advanced courses on risk management have been held.

The courses available have been successfully completed by a total of 852 colleagues. Meanwhile, due to consistent training in the past few years, the level of penetration among employees of management companies has already become very high. This is also expressed by the number of participants. Consequently, the number of basic courses was reduced from two to one per financial year. Nevertheless it seems indispensable in the view of VÖIG to maintain the training courses. Ongoing efforts are made in cooperation with Prof. Mag. Otto Lucius and Mag. Wilhelm Stejskal as well as the scientific head, Univ. Prof. Dr. Helmut Uhlir, to adjust the courses to meet the changing needs of participants. Among the advanced courses, CRM (certified risk manager) is a topic of increasing importance.

Stock Exchange Prize 2011 – 31 May, Kursalon Hübner

As is tradition, high-ranking capital market representatives met again on 31 May for the ceremony awarding the Vienna Stock Exchange Prize 2011 at Kursalon Hübner. In front of an audience of approximately 400 invited guests, Mag. Severin, Mag. Kuras, Mag. Pinner and Mag. Rupar awarded prizes in the categories ATX, small & mid-caps, corporate bonds, corporate governance and sustainability. The corporate bond prize was awarded for the first time.

Prize recipients were selected by a jury of the Austrian Association for Financial Analysis and Asset Management (ÖVFA), which was supported by eleven investment companies. On the part of VÖIG, 3 Banken Generali Invest, Erste Sparin-

vest, Raiffeisen Capital Management and Pioneer Investments Austria participated. The speaker on this special occasion was Dr. Stepic, who presented the "Nation Branding Austria" initiative, which has the aim of improving the image that Austria has abroad as a place for doing business.

Information Members

In 2011, AmpegaGerling Investment GmbH joined as a new information member, while two members, fundinfo AG and Princeton Financial Systems, left as of the end of the year.

With a total number of 39 information members, a certain ceiling seems to have been reached. VÖIG will try to acquire an information member or two from law offices, and is very grateful for support from among the members.

Members	Board of Directors	Total Assets in bn € 31.12.11	Number of Funds
Allianz Invest Kapitalanlagegesellschaft mbH Hietzinger Kai 101-105 1130 Vienna kag@allianzinvest.at / m.ettl@allianzinvest.at / **http://www.allianzinvest.at**	Mag. Martin Maier Mag. Christian Ramberger Mag. Sonja König	10,416.35	156
Bankhaus Schelhammer & Schattera Kapitalanlagegesellschaft m.b.H. Bräunerstraße 3/2/6 1010 Vienna kag.office@schelhammer.at / johannes.koller@schelhammer.at / **http://www.schelhammer.at**	Michael Bode Mag. Gerhard Tometschek	346.84	13
BAWAG P.S.K. INVEST GmbH Georg-Coch-Platz 2 1010 Vienna invest@bawagpskfonds.at / **http://www.bawagpskfonds.at**	Mag. Dr. Peter Pavlicek Alois Steinböck	3,772.04	87
C-QUADRAT Kapitalanlage AG Stubenring 2 1010 Vienna c-quadrat@investmentfonds.at / **http://www.c-quadrat.at**	Mag. Christian Jost Mag. Thomas Rieß Mag. Markus A. Ullmer Mag. Andreas Wimmer	1,407.70	28
Erste Asset Management GmbH Habsburgergasse 2 1010 Vienna office@erste-am.com / **http://www.ersteassetmanagement.com**	Mag. Heinz Bednar, Chair Mag. Harald Gasser Dr. Franz Gschiegl Christian Schön	32.36	3
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. Habsburgergasse 1a 1010 Vienna erste@sparinvest.com / **http://www.sparinvest.com**	Mag. Heinz Bednar, Chairman Mag. Harald Gasser Dr. Franz Gschiegl	23,622.37	330
Gutmann Kapitalanlageaktien-gesellschaft Schwarzenbergplatz 16 1010 Vienna mail@gutmannfonds.at / **http://www.gutmannfonds.at**	Mag. Anton Resch Mag. Stephan Wasmayer	5,226.03	100
Julius Meinl Investment Gesellschaft m.b.H. Kärntnerring 2/Top 5/1. Stock 1010 Vienna fondsservice@meinlbank.com / **http://www.meinlbank.com**	Dr. Wolf Dietrich Kaltenegger Arno Mittermann	184.90	19
KEPLER-FONDS Kapitalanlagegesellschaft m.b.H. Europaplatz 1a 4021 Linz info@kepler.at / **http://www.kepler.at**	Dr. Robert Gründlinger,MBA Andreas Lassner	9,878.27	141

Macquarie Investment Management Austria Kapitalanlage AG Kärntner Straße 28 1010 Vienna MFGMIMVienna-Info@macquarie.com / **http://www.macquarie.at/mim**	Mag. Konrad Kontriner Dr. Johann Maurer Michael Walsh	127.37	2
MASTERINVEST Kapitalanlage GmbH Landstraßer Hauptstraße 1, Top 27 1030 Vienna office@masterinvest.at / **http://www.masterinvest.at**	Ulrich Fetz DI Andreas Müller	7,169.59	66
Pioneer Investments Austria GmbH Lassallestraße 1 1020 Vienna info.austria@pioneerinvestments.com / **http://www.pioneerinvestments.at**	DDr. Werner Kretschmer, Chairman Stefano Pregnolato Mag. Hannes Roubik Hannes Saleta	17,114.73	204
Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Schwarzenbergplatz 3 1010 Vienna kag-info@rcm.at / **http://www.rcm.at**	Mag. (FH) Dieter Aigner Mag. Gerhard Aigner Dr. Mathias Bauer, Chairman	27,696.69	346
Raiffeisen Salzburg Invest Kapital-anlage GmbH Schwarzstraße 13-15 5020 Salzburg office@raiffeisen-salzburg-invest.com / **http://www.raiffeisen-salzburg-invest.com**	Mag. Klaus Hager Rudolf Kammel Helmut Wimmer	1,345.41	39
RINGTURM Kapitalanlage-gesellschaft m.b.H. Habsburgergasse 2 1010 Vienna office@ringturmfonds.at / **http://www.ringturmfonds.at**	Mag. Karl Brandstötter Mag. Michael Kukacka Walter Schultes	3,529.79	18
Schoellerbank Invest AG Sterneckstraße 5 5024 Salzburg invest@schoellerbank.at / **http://invest.schoellerbank.at**	Mag. Thomas Meitz Mag. Michael Schützinger	2,333.00	36
Security Kapitalanlage Aktien-gesellschaft Burgring 16 8010 Graz office@securitykag.at / **http://www.securitykag.at**	DDr. MMag. Hans P Ladreiter Mag. Martin Mikulik Mag. Dieter Rom	1,750.85	59
Semper Constantia Invest GmbH Bankgasse 2 1010 Vienna invest@semperconstantia.at / **http://www.semperconstantia.at**	Mag. Elisabeth Staudner MMag. Louis Obrowsky	3,960.87	151

Spängler IQAM Invest GmbH Franz Josef Straße 22 5020 Salzburg fonds@spaengler-iqam.at / **http://www.spaengler-iqam.at**	Mag. Werner Eder Mag. Markus Ploner, CFA,MBA Dr. Thomas Steinberger	4,057.11	95	SPÄNGLER IQAM invest Wissen schafft Vermögen
Sparkasse Oberösterreich Kapital-anlagegesellschaft m.b.H. Promenade 11-13 4041 Linz office@kag.at / **http://www.s-fonds.at**	Walter Lenczuk Mag. Martin Punzenberger	2,017.87	57	Fonds Oberösterreich
TIROLINVEST Kapitalanlage-gesellschaft m.b.H. Sparkassenplatz 1 6020 Innsbruck info@tirolinvest.at / **http://www.tirolinvest.at**	Martin Farbmacher Michael Perger	543.96	15	TIROLINVEST
Valartis Asset Management (Austria) Kapitalanlagegesellschaft m.b.H. Rathausstraße 20 1010 Vienna kag@valartis.at / **http://www.valartis.at**	Gerald Diglas Franz Wilhelm	268.27	15	valartisbank
Volksbank Invest Kapitalanlage-gesellschaft m.b.H. Saturn Tower Leonard-Bernstein-Straße 10 1220 Vienna volksbankinvestments@volksbank.com / **http://www.volksbankinvestments.com**	Manfred Stagl Günter Toifl	2.794.45	55	VOLKSBANK INVESTMENTS
3 Banken-Generali Investment-Gesellschaft m.b.H. Untere Donaulände 28 4020 Linz fonds@3bg.at / **http://www.3bg.at**	Mag. Dietmar Baumgartner Dr. Gustav Dressler Alois Wögerbauer	4,987.06	124	3 Banken-Generali Investment-Gesellschaft m.b.H.

MEMBERS OF THE REAL ESTATE INVESTMENT FUND MANAGEMENT COMPANIES 2011

Members	Board of Directors	Total Assets in bn € 31.12.11	Number of Funds
Bank Austria Real Invest Immobilien-Kapitalanlage GmbH Lassallestraße 5 1020 Vienna info@realinvest.at / **http://www.realinvest.at**	Dr. Kurt Buchmann Harald Kopertz	1,808.03	2
ERSTE Immobilien Kapitalanlagegesellschaft m.b.H. Windmühlgasse 22-24 1060 Vienna alexandra.kerschbaum@ersteimmobilien.at / **http://www.ersteimmobilien.at**	Dr. Franz Gschiegl Mag. Peter Karl	308.06	1
Immo Kapitalanlage AG Kolingasse 14-16 1090 Vienna info@immokag.at / **http://www.immokag.at**	Dr. Kurt Rossmüller Dipl. BW (FH) Lars Fuhrmann MBA	237.24	1
Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H. Schwarzenbergplatz 3 1010 Vienna babette.kornholz@rcm.at / **http://www.rcm.at**	Mag. (FH) Dieter Aigner MMag. Dr. Hubert Vögel	432.43	3
Semper Constantia Immo Invest GmbH Bankgasse 2 1010 Vienna immoinvest@semperconstantia.at / **http://www.semperconstantia.at**	Ing. Gerhard Engelsberger MMag. Louis Obrowsky	117.29	1

Working Group **„LAW“** Head of WG: Dr. Robert Schredl Consultant: Dr. Armin Kammel	Working Group **„QUALITY STANDARDS"** Head of WG: Dr. Mathias Bauer Consultant: Dr. Armin Kammel
Working Group **„DERIVATIVES AND RISK MANAGE-MENT“** Head of WG: Stephan Wasmayer Consultant: Mag. Thomas Zibuschka	Project Group **„AUSTRIAN PENSION SCHEMES“** Head of WG: Dr. Heinz Macher Consultant: Mag. Thomas Zibuschka
Project Group **„ZUKUNFTS-VORSORGEEINRICHTUNG“** Head of WG: Dr. Heinz Macher Consultant: Mag. Thomas Zibuschka	Working Group **„TAX“** Head of WG: Mag. Thomas Zibuschka Consultant: Mag. Thomas Zibuschka
Working Group **„PROSPECTUS“** Head of WG: Mag. Ines Hummer Consultant: Mag. Barbara Flor	Working Group **„STATISTICS“** Head of WG: Mag. Oliver Boros Ulrike Günther Consultant: Dr. Armin Kammel
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- **Membership INTERNATIONAL**

  European Fund and Asset Management Association (EFAMA), Brussels

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- **Membership in EFAMA Organs and Committees**

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  various internal EFAMA Steering Groups

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  EFAMA General Membership Meeting

  Standing UCITS Committee

  Statistics Committee

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- **Membership in EFAMA Working Groups**

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  Corporate Governance

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  ETF

  European Fund Categorisation Forum (EFCF)

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  Financial Market Mechanisms

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KID Implementation
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- **Membership in IIFA Boards and Working Groups**
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