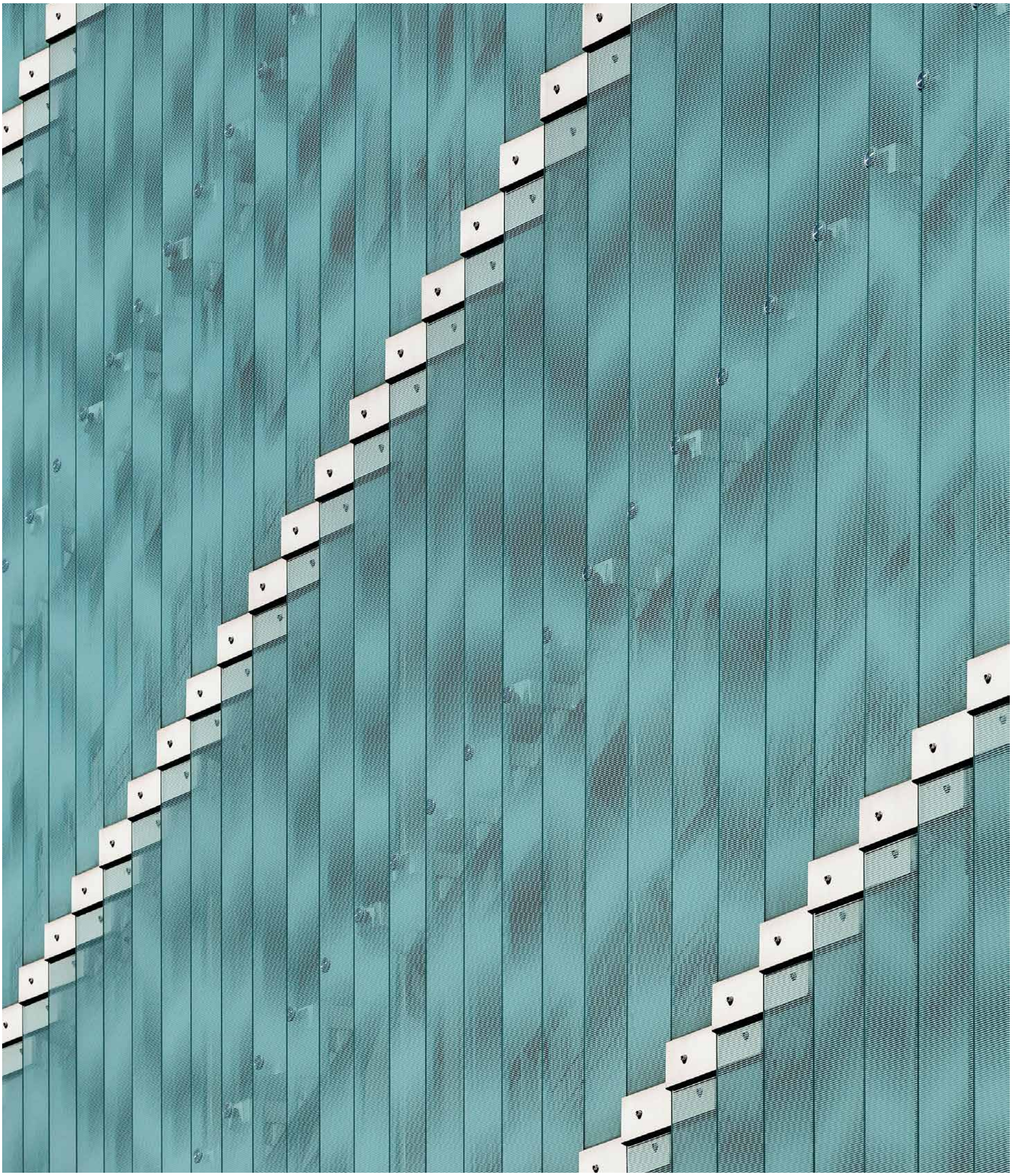
SEB ImmoPortfolio Target Return Fund

Liquidation Report as of 31 December 2020



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Note

SEB ImmoPortfolio Target Return Fund has not amended its Fund Rules in line with the *Kapitalanlagegesetzbuch* (KAGB – German Investment Code), which has been in force since 2014, due to the suspension of the issuance and redemption of units and the subsequent dissolution of the Fund. This Liquidation Report has been prepared in accordance with the provisions of the *Investmentgesetz* (InvG – German Investment Act), and in this case especially section 44 of the InvG, and of the *Investment-Rechnungslegungs- und Bewertungsverordnung* (InvRBV – German Investment Fund Accounting and Valuation Regulation). For this reason, we will continue to use the relevant InvG terminology in this Liquidation Report.

Terms used in the *Kapitalanlagegesetzbuch* (KAGB – German Investment Code)	Terms used in the *Investmentgesetz* (InvG – German Investment Act)
General Fund Rules (AAB)	General Fund Rules (AVB)
Special Fund Rules (BAB)	Special Fund Rules (BVB)
External valuers	Experts, Expert Committee
Investment company (KVG)	Investment company (KAG)
Overview of assets	Condensed statement of assets
Depositary	Custodian Bank

SEB ImmoPortfolio Target Return Fund at a Glance as of 31 December 2020

Fund assets	EUR	57.5 million
Total property assets (market values)	EUR	0.0 million
Total Fund properties		1
Interim distribution on 1 October 2020	EUR	2.3 million
Interim distribution per unit	EUR	0.35
Final distribution on 1 April 2021	EUR	15.8 million
Final distribution per unit	EUR	2.45
Total property return [1] for the period 1 January 2020 to 31 December 2020		1.1%
Liquidity return [1] for the period 1 January 2020 to 31 December 2020		–0.6%
Investment performance [2] for the period 1 January 2020 to 31 December 2020		0.5%
Investment performance [2] since Fund launch		74.8%
Unit value/redemption price	EUR	8.89
Issuing price	EUR	9.16
Total expense ratio [3]		0.28%

[1] Based on the average Fund assets
[2] Calculated according to the BVI standard for funds in dissolution; no reinvestment of distributions in fund units since notice was given to terminate the management mandate
[3] Total costs as a percentage of average Fund assets within a financial year, calculated as of 31 December 2020

German Securities Code Number: 980231 ISIN: DE0009802314

Launched as SEB ImmoSpezial I, a special fund, on 15 October 2001; transformed into a mutual fund on 1 October 2004.

Editorial

Dear investor,

In this Liquidation Report, CACEIS Bank S.A., Germany Branch (hereinafter referred to as "CACEIS") reports on changes in the financial year from 1 January to 31 December 2020 for SEB ImmoPortfolio Target Return Fund, the open-ended real estate fund.

2020 was dominated by the COVID-19 pandemic. Despite the resulting increase in economic risks, numerous official requirements and the additional measures that we ourselves took to ensure the health of our partners and employees, we managed to continue with the Fund's ongoing liquidation. Our comprehensive crisis management policy allowed us to go on performing all our business processes to the quality standards for which we are known.

SEB ImmoPortfolio Target Return Fund has not held any properties since the last sales were made in 2017. The Fund now only owns one investment vehicle in Germany, which used to hold properties in the past.

As a result, the Fund no longer generates any direct income from properties. Nevertheless, income and expense effects are still arising in relation, for example, to invoices of service costs, foreign currency measurement, administrative expenses, taxes, negative interest, and monthly and annual financial statements at company and Fund level. This resulted in an annual performance for the period between 1 January and 31 December 2020 of 0.5%. The Fund's cumulative return since its launch in 2001 was 74.8% as of 31 December 2020. This corresponds to an average return of 2.9% p.a. As in the past, this means that SEB ImmoPortfolio Target Return Fund compares well to other open-ended real estate funds that are being wound up.

Since the regular evaluation of the tax risks led to a need to increase the reserves, it was not possible to make an end-of-year distribution for the 2019 financial year in April 2020. By contrast, EUR 0.35 per unit or EUR 2.3 million in total was distributed to investors on 1 October 2020, the second regular distribution date. Since the Fund's dissolution started on 5 June 2014, investors have received a total of EUR 578 million or roughly 74% of the Fund assets at that time.

The special rules for funds in liquidation set out by legislators in section 17 of the *Investmentsteuergesetz 2018* (InvStG – German Investment Tax Act) have applied since 1 January 2018. Under these, return of capital distributions are tax-free during the tax liquidation phase in the period up to 31 December 2022. Since SEB ImmoPortfolio Target Return Fund is in liquidation, the partial exemptions do not apply. For this reason, 25% investment income tax plus the solidarity surcharge is initially retained by the custodian institution when the distribution is made. This sum is then reimbursed after the end of the year concerned, provided that the distributions made are return of capital distributions.

In addition, the basis of calculation for the taxable portion of distributions has changed with effect from 2020. Whereas previously the net asset value (NAV) as of 1 January of the year concerned formed the basis for calculation, the amortised cost has been used to determine the NAV since the beginning of 2020.

As in the past, CACEIS secured the services of Savills Fund Management GmbH to assist with the ongoing liquidation of SEB ImmoPortfolio Target Return Fund at an operational level. Consequently, CACEIS has access to the existing knowledge about the Fund and ensures in the interests of investors that the support provided for the dissolution process and the administrative tasks runs as smoothly as possible.

Information on the Continued Liquidation of SEB ImmoPortfolio Target Return Fund

SEB ImmoPortfolio Target Return Fund has been in liquidation since 5 June 2014, the date on which the investment company, Savills Fund Management GmbH, gave notice to terminate its management mandate. After expiration of the notice period on 31 May 2017, ownership of the Fund's assets, which are held in trust for investors, was transferred by law to the Fund's Custodian Bank, CACEIS Bank S.A., Germany Branch.

Since midnight on 31 May 2017, CACEIS's role has been to sell the Fund's remaining assets within three years while preserving investors' interests, in accordance with the requirements of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – the Federal Financial Supervisory Authority). The Custodian Bank's task is not to permanently manage the Fund but to wind it up and to distribute the proceeds to investors. In accordance with BaFin's requirements, the Custodian Bank is obliged to sell the assets transferred "at the best possible price that can be realised on the market" (BaFin Circular GZ WA 42-Wp-2136-2012/0039 of 27 November 2012, available in German only at http://www.bafin.de). Otherwise, however, it is not subject to any requirements with respect to the size of the proceeds to be generated. In particular, it is not bound by the most recent appraisal value.

To ensure that this task is performed efficiently, CACEIS has entrusted Savills Fund Management GmbH with certain operational subtasks. This ensures continuity of the Fund's management. The services commissioned cover the administrative tasks already performed for the Fund to date, such as property management and Fund accounting. Before the last property was sold and recorded as a disposal from the Fund in 2017, they also included providing support for the entire sales process.

Transfer of the Fund as required by law

When Savills Fund Management GmbH's right to manage SEB ImmoPortfolio Target Return Fund ended, the real estate fund was transferred by law to the Custodian Bank. Forty-four of the total of 46 properties that formed part of the Fund's asset pool as of 5 June 2014 had been sold, or sales agreements had been signed for them, as of 31 May 2017. A total of nine properties and all other assets still belonging to the Fund were transferred to CACEIS on 31 May 2017. Sales agreements already existed for seven of these nine properties. The risks and rewards associated with ownership were transferred to the buyer between August and November 2017. The last two properties have now also been sold and changed hands in September 2017. However, certain obligations and liabilities that are the Fund's financial responsibility remain in addition to property and other assets.

The transfer of the Fund to CACEIS marks the point at which the investment agreement between Savills Fund Management GmbH and the investors ended. Investors no longer have any claim against Savills Fund Management GmbH to the payment of the Fund's unit value as evidenced by the unit certificates; rather, they have a contractual claim against CACEIS for payment of the liquidation proceeds that are generated.

Remuneration payable to CACEIS

CACEIS is entitled both to be reimbursed for reasonable expenses and to be remunerated for its activities in winding up the Fund. It bases this remuneration on the work performed to date by the investment company. Since 31 May 2017, CACEIS has received remuneration of 0.90% p.a. of average Fund assets; this arrangement remains in force until further notice. CACEIS also covers the costs of the services to be provided by Savills Fund Management GmbH out of this remuneration. The Custodian Bank fee that CACEIS previously received is no longer levied.

Distributions

CACEIS has taken over responsibility for distributing the liquidation proceeds to investors in accordance with the statutory requirements. Please note in this context that it will only make distributions if and to the extent that there is no possibility of the funds belonging to the Fund still being needed to meet expenses that have been or will be incurred on the Fund's behalf.

Valuation

CACEIS will continue to publish a unit price on a daily basis.

Reporting

CACEIS will work together with Savills Fund Management GmbH to continue publishing information on the progress made in liquidating SEB ImmoPortfolio Target Return Fund online at http://www.savillsim-publikumsfonds.de. In addition, CACEIS will prepare liquidation reports, which will be granted an audit opinion by its auditor, annually and on the date on which the liquidation of the Fund ends, and will publish them in the electronic *Bundesanzeiger* (Federal Gazette).

Contact for questions

Investors can continue to address questions and comments to Savills Fund Management GmbH using the existing contact data – info@savillsim.de and the telephone infoline +49 (0)69 15 34 01 86 – as well as to the Fund's sales partners and brokers. Our staff are available to help you on Tuesdays and Thursdays between 10 a.m. and 1 p.m.

Activity Report

Risk Management

We define risk management as a continuous, integral process that covers all areas of the business, comprising all of the measures applied to systematically deal with risk. One of the key aims of this process is identifying, mitigating and managing any potential risks at an early stage.

Identifying risks early on creates room for manoeuvre that can be used to help safeguard existing potential for success over the long term and to create new opportunities. To do this, Savills Fund Management GmbH is following a risk management approach consisting of a risk strategy and the identification, analysis and assessment, operational management and monitoring, and communication and documentation of risks.

In keeping with the relevant legal provisions, a distinction is made between the following main risk types:

Counterparty risk

Counterparty risk describes the risk that the other party to an agreement will partially or fully default on its obligation. This applies to all contracts signed for the account of a fund, but particularly in connection with derivative transactions that are entered into, for example, to hedge currency risk.

Interest rate risk

The liquidity portfolio is exposed to interest rate risk and influences the Fund return. If market interest rates change in relation to the rate applicable when the investment was made, this may affect the price and yield of the investment and lead to fluctuations. However, these price movements vary depending on the investment duration. Liquidity was held in bank account balances during the reporting period. The banks charge negative interest on the current liquidity holdings, which impacts the Fund's financial position. This effect can only be partially offset by active cash management. The Fund management company may employ derivatives to reduce exchange rate and interest rate risks. Derivatives are used exclusively for hedging purposes to mitigate risk.

Currency risk

If the assets belonging to a fund are invested in currencies other than the fund currency, the fund receives the income, repayments and proceeds from such investments in the relevant currency. If the value of this currency falls against the fund currency, the value of the fund declines. In principle, foreign currency items are largely hedged as part of a low-risk currency strategy. In line with this, foreign currency items are normally hedged using forward exchange transactions.

Real estate risk

The properties owned by open-ended real estate funds are the basis for their returns. The Fund is being liquidated and now no longer holds any properties. However, risks dating from the period in which it held properties may continue to exist even following their sale. These may result from ongoing property-related claims and obligations.

Equity interests in real estate companies, i.e. indirect real estate investments, may be exposed to the risk of changes to company or tax law, particularly abroad.

Tax and warranty risks

When selling a property, the Fund may become liable for warranty claims by the buyer or other third parties, even where the most prudent business practice possible is adopted. The management recognises liquidity reserves to provide for potential warranty and guarantee claims, claims for back taxes on the part of the fiscal authorities, and Fund administration and operating costs once rental income ceases to flow following the sale of the properties. However, the amount of time needed for the tax audits of each property sold cannot be foreseen. Equally, warranty and guarantee agreements resulting from sales may entail obligations extending beyond the three-year period. The remaining liquidity can only be returned to investors once all conceivable liabilities have been met or have become time-barred; these include in particular guarantees and claims resulting from tax audits.

Liquidity risk

Depending on internal cash flows, the Fund holds liquidity over and above the minimum required by law.

Operational risk

The investment company is responsible for ensuring the orderly management of the Fund. It has made the appropriate arrangements for this and implemented risk minimisation measures for all operational risks identified. The Fund is also exposed to operational risks such as legal and tax risks.

Risks resulting from changes in global conditions

The spread of the COVID-19 pandemic was closely tracked in the past year and appropriate internal precautions taken. For example, the IT department ensured that all staff could work irrespective of their physical location.

No staff had contracted the coronavirus as of the present (28 February 2021).

Impacts on the property portfolio are being monitored closely as a result of the advanced liquidation status. The effects on the Fund, which is in liquidation, should only be minor.

The Markets – An Overview

Economic environment

The global COVID-19 pandemic triggered the most severe economic crisis since World War II in 2020. The way we live, work and do things has changed radically. A number of major central banks therefore implemented a policy of “whatever it takes” to save economies across the world, e.g. by cutting key interest rates to zero and buying up more assets on a large scale. The yield on 10-year German government bonds has been negative since May 2019, fluctuating most recently around –0.5%. 10-year US Treasuries have trended upwards since mid-2020 and broke through the 1% barrier at the beginning of 2021.

Gross domestic product (GDP) in the eurozone is expected to have contracted by more than 7% in 2020. North America and the Asia-Pacific region did somewhat better, recording declines of just under 4% and a good 1% respectively. Hardly surprisingly, the US and Chinese purchasing managers’ indices had already rebounded to above 50 in the second half of 2020, signalling economic growth. In the eurozone, the Purchasing Managers’ Index was unable to sustain the recovery seen in the middle of year and dipped below 50 again towards the year-end, pointing to a contraction in economic activity. Other indicators such as the ZEW Economic Sentiment Index support the view that the current environment is difficult but that expectations for the coming months are positive.

Economic outlook

Compared to the financial crisis, the journey back to economic recovery seems relatively short. However, current forecasts suggest that it will be at least another 12 to 18 months before the major economies regain the GDP levels seen before the financial crisis. Whereas China already achieved this last year, the United States is unlikely to do so before the end of 2021 and for the eurozone it will probably not be before the start of 2022.

The road there will probably be bumpy and uneven, with both downside and upside risks. In the downside scenario, the economic recovery could set in later, and take longer than expected if the government aid measures expire without having widespread positive effects on demand and consumption. In the upside scenario, rapid mass immunisation programmes could boost the economic recovery and consequently the property markets, especially in the second half of the year. A tangible economic upturn is expected for 2021, with a good 4% being forecast for the eurozone and North America and more than 6% for the Asia-Pacific region.

Geopolitical risks are not limited to the USA, China and the ongoing implementation of Brexit. The future – or lack – of European integration will continue to raise questions for investors in future. Other factors include ongoing political tensions, especially in South-East Asia. In addition, climate change will remain at the top of the agenda for politicians, the business community and investors alike.

Results of the Fund in Detail

Development of SEB ImmoPortfolio Target Return Fund

Comparative three-year overview

	Reporting date 31 Dec. 2017 EUR thousand	Reporting date 31 Dec. 2018 EUR thousand	Reporting date 31 Dec. 2019 EUR thousand	Reporting date 31 Dec. 2020 EUR thousand
Properties	0	0	0	0
Equity interests in real estate companies	103,264	4,593	4,459	4,389
Liquidity portfolio	66,655	79,465	66,067	62,713
Other assets	17,928	9,794	3,388	2,556
Less: liabilities and provisions	–24,882	–18,201	–14,444	–12,182
Fund assets	**162,965**	**75,651**	**59,470**	**57,476**
Number of units in circulation	6,465,095	6,465,095	6,465,095	6,465,095
Unit value (EUR)	25.20	11.70	9.19	8.89
Interim distribution per unit (EUR)	**8.00**	**3.50**	**–**	**0.35**
Date of interim distribution	13 Nov. 2017	1 Oct. 2018	–	1 Oct. 2020
Final distribution per unit (EUR)[1)]	**10.00**	**2.50**	**–**	**2.45**
Date of final distribution	3 Apr. 2018	1 Apr. 2019	–	1 Apr. 2021

1) Payable after the end of the financial year

Structure of Fund assets

SEB ImmoPortfolio Target Return Fund's assets decreased by EUR 2 million to EUR 57.5 million in the reporting period from 1 January to 31 December 2020. The number of units in circulation was unchanged, at 6,465,095.

Liquidity

Gross liquidity on the reporting date was EUR 62.7 million, or 109.1%. EUR 22.7 million of this was invested as a term deposit, which ends in March 2021. The remaining liquidity was held as overnight bank balances. The average liquidity ratio during the last 12 months, including the investment vehicles' liquid assets, amounted to 118.7% of Fund assets.

Distribution

EUR 2.3 million was paid out for SEB ImmoPortfolio Target Return Fund in financial year 2020. The interim distribution was made on 1 October 2020 and amounted to EUR 0.35 per unit. The final distribution for financial year 2020 in the amount of EUR 15.8 million (EUR 2.45 per unit) will be paid out on 1 April 2021. Further information on the distribution and the taxable results can be found on pages 28ff.

Investment performance

The Fund generated a performance of 0.5%, or EUR 0.05 per unit, during the reporting period. Its performance since its launch on 15 October 2001 amounts to 74.8%.

Unit value as of 31 December 2020	EUR	8.89
Plus distribution on 1 October 2020	EUR	0.35
Minus unit value on 1 January 2020	EUR	–9.19
Investment performance	**EUR**	**0.05**

Return according to the BVI method

	Return in %	Return in % p.a.
1 year	0.5	0.5
3 years	0.2	0.1
5 years	–30.0	–6.9
10 years	–13.0	–1.4
15 years	19.8	1.2
Since launch	74.8	2.9

Note: Calculated according to the BVI standard for funds in dissolution; no reinvestment of distributions in fund units since notice was given to terminate the management mandate. Historical performance data are no indication of future performance.

Overview of exchange rate risks as of 31 December 2020

Currency			Open currency items as of reporting date		in % of Fund assets (incl. loans) per currency zone	in % of Fund assets per currency zone
PLN (Poland)	PLN	13,888,177	EUR	3,044,851	5.2976	5.2976
USD (USA)	USD	248,525	EUR	202,597	0.3525	0.3525
Total			**EUR**	**3,247,448**	**5.6501**	**5.6501** [1]

[1] Hedges of Fund assets held in foreign currency amounted to 94.35% of Fund assets as of the 31 December 2020 reporting date.

Overview: Returns and Valuation

The return figures for the reporting period are as follows:

The Fund generated a gross return of 0.5%. After deducting costs of 0.0%, the net return was 0.5%.

The return from changes in value was 0.0%. Foreign income taxes improved the result by 0.6%. Overall, the changes in value led to income before exchange rate differences of 1.1%.

After adjustment for exchange rate differences of 0.0%, the total income in Fund currency was 1.1%. The liquidity portfolio generated a negative return (–0.6%) due to market factors. Total Fund income before Fund costs amounted to 0.5%. Total Fund income in accordance with the BVI method (after Fund costs) was 0.5%.

Key return figures (in % of average Fund assets) [1]	Total
I. Properties [2]	
Gross income	0.5
Management costs	0.0
Net income	0.5
Changes in value	0.0
Foreign income taxes	0.6
Foreign deferred taxes	0.0
Income before exchange rate differences	1.1
Exchange rate differences [3]	0.0
Total income in Fund currency	**1.1**
II. Liquidity [2]	**–0.6**
III. Total Fund income before Fund costs [2]	**0.5**
Total Fund income after Fund costs (BVI method)	**0.5**

Net asset information (weighted average figures in EUR thousand) [1]	
Total Fund assets	58,381

[1] The weighted average figures in the financial year are calculated using 13 month-end values (31 December 2019 to 31 December 2020).
[2] Based on the average Fund assets in the period under review
[3] Exchange rate differences include both changes in exchange rates and currency hedging costs for the period under review.

Changes to the Portfolio

After the final properties were sold in the 2017 reporting period, the Fund's portfolio now only comprises a single real estate company, which is simply a legal shell and no longer holds any properties. The company is to be liquidated as soon as possible.

Outlook

SEB ImmoPortfolio Target Return Fund no longer owns any properties. The last investment vehicle can probably be liquidated in the course of 2023 after the obligations under the purchase contracts for the properties have expired.

As of the reporting date and after deducting the forthcoming final distribution, the Fund held approximately EUR 51 million in liquidity either directly or via companies as reserves for potential and existing liabilities. These primarily comprise reserves for tax risks (61%), for remaining risks from property sales (2%) and for existing or future operating liabilities (37%). The tax risks relate to the following countries in which the Fund used to hold properties: Germany, Finland, France, the United Kingdom, Poland, Spain and the USA. The tax law audits that are performed following the sales are governed by the tax laws and other national rules of the countries concerned, and the processing times involved differ. Based on current assessments, they will decline on a case-by-case basis until 2023.

EUR 2.45 per unit or EUR 15.8 million in total will be distributed to investors in April 2021 as a final distribution for the 2020 financial year.

Liquidity that becomes free as reserves are released will be successively returned to investors in the course of the remaining dissolution process. We are expecting that the Fund will finally be dissolved in 2023.

The COVID-19 pandemic has increased general economic risks. Our successful crisis management policy to date will cushion the increased operating risks resulting from this. We can therefore assume that we shall be able to continue performing all our business processes to our customary quality standards in the future as well.

As in the past, information on the ongoing liquidation of SEB ImmoPortfolio Target Return Fund can be found on the Internet at www.savillsim-publikumsfonds.de. Additionally, liquidation reports are published each year as of 31 December.

We would like to offer our warmest thanks for your patience and the confidence you have shown in us. As in the past, our main goal during the remaining liquidation process is to achieve the best possible results in the interests of investors.

Thies Clemenz

Munich, March 2021

Statement of Changes in Net Assets from 1 January 2020 to 31 December 2020

	EUR	EUR	EUR
I. Fund assets at the start of the reporting period on 1 January 2020			59,469,923.29
1. Interim distribution			–2,262,783.25
2. Ordinary net income			294,120.77
3. Realised gains			
on forward exchange transactions		0.00	0.00
of which in foreign currency	0.00		
4. Realised losses			
on forward exchange transactions		–143,046.08	–143,046.08
of which in foreign currency	0.00		
5. Net change in value of unrealised gains/losses			
on equity interests in real estate companies		–70,027.41	
of which in foreign currency	0.00		
on forward exchange transactions		–9,653.01	
of which in foreign currency	0.00		
Changes in exchange rates		197,494.33	117,813.91
II. Value of the Fund at the end of the reporting period on 31 December 2020			**57,476,028.64**

Disclosures on the Statement of Changes in Net Assets

The statement of changes in net assets shows which transactions entered into during the period under review are responsible for the new assets disclosed in the Fund's statement of assets. It thus presents a breakdown of the difference between the assets at the beginning and the end of the reporting period.

The **interim distribution** was made as part of the Fund dissolution process.

The **ordinary net income** can be seen from the statement of income and expenditure.

Realised gains and losses on forward exchange transactions can be seen from the statement of income and expenditure.

The **net change in value of unrealised gains/losses** on equity interests in real estate companies is the result of changes in the carrying amounts during the reporting period. This figure includes all changes in the carrying amounts of the equity interests. These can be the result, for example, of the recognition or reversal of provisions, subsequent purchase price adjustments or cost refunds.

The net change in value of unrealised gains/losses on **forward exchange transactions** is the result of changes in market value during the reporting period.

This item also includes changes in value resulting from **exchange rate fluctuations**.

Condensed Statement of Assets and Liabilities as of 31 December 2020

		EUR	EUR	EUR	% of Fund assets
I.	**Equity interests in real estate companies** (see Statement of Assets Part I, page 18)				
	1. Majority interests		4,389,189.68		
	of which in foreign currency	0.00			
	Total equity interests in real estate companies			**4,389,189.68**	**7.64**
	Total in foreign currency	0.00			
II.	**Liquidity portfolio** (see Statement of Assets, Part II, page 18)				
	1. Bank deposits		62,712,757.11		
	of which in foreign currency	1,572,574.60			
	Total liquidity portfolio			**62,712,757.11**	**109.11**
	Total in foreign currency	1,572,574.60			
III.	**Other assets** (see Statement of Assets Part III, page 19f.)				
	1. Receivables from real estate management		1,156,472.96		
	of which in foreign currency	774,620.13			
	2. Miscellaneous		1,400,077.75		
	of which in foreign currency	636,517.21			
	Total other assets			**2,556,550.71**	**4.45**
	Total in foreign currency	1,411,137.34			
Total				**69,658,497.50**	**121.20**
Total in foreign currency		2,983,711.94			

Disclosures on the Condensed Statement of Assets and Liabilities

Fund assets decreased by EUR 2.0 million to EUR 57.5 million in the reporting period from 1 January to 31 December 2020.

The Fund no longer owns any directly held properties.

I. Equity interests in real estate companies

The **equity interests in real estate companies** item consists of the German company IPTR IV GmbH. The company does not hold any properties.

There were no shareholder loans.

II. Liquidity portfolio

The bank deposits reported under the **liquidity portfolio** item serve to meet ongoing payment obligations and the payment of future distributions to investors. EUR 2.9 million has been set aside to fulfil the statutory requirements on minimum liquidity.

III. Other assets

Receivables from real estate management comprise expenditures relating to service charges allocable to tenants in the amount of EUR 0.9 million and rent receivables totalling EUR 0.3 million. Conversely, prepayments by tenants of allocable costs in the amount of EUR 1.1 million are included in the liabilities from management item.

Germany EUR	Other EU countries EUR	USA EUR
4,389,189.68	0.00	0.00
4,389,189.68	**0.00**	**0.00**
41,427,795.14	21,284,961.97	0.00
41,427,795.14	**21,284,961.97**	**0.00**
96,838.12	1,059,634.84	0.00
387,190.44	409,240.94	603,646.37
484,028.56	**1,468,875.78**	**603,646.37**
46,301,013.38	**22,753,837.75**	**603,646.37**

The other assets disclosed under the **miscellaneous** item in the amount of EUR 1.4 million primarily represent receivables from the fiscal authorities in Germany and abroad totalling EUR 1.0 million, receivables from advance payments for operating costs due from property managers abroad in the amount of EUR 0.3 million and receivables from counterparties to forward exchange contracts in the amount of EUR 34 thousand.

Fund assets held in foreign currency are hedged against changes in exchange rates using forward exchange transactions. An overview of open currency items is given in the Statement of Assets, Part III.

Five forward exchange transactions with a volume of PLN 44.3 million and four forward exchange transactions with a volume of USD 1.4 million were entered into in the reporting period to hedge exchange rate risks.

		EUR	EUR	EUR	% of Fund assets
IV.	**Liabilities from**				
	(see Statement of Assets Part III, page 19f.)				
	1. Real estate management		1,449,392.19		
	of which in foreign currency	768,704.46			
	2. Miscellaneous		70,532.62		
	of which in foreign currency	96.28			
	Total liabilities			**1,519,924.81**	**2.64**
	Total in foreign currency	768,800.74			
V.	**Provisions**			**10,662,544.05**	**18.55**
	of which in foreign currency	1,215,104.74			
Total				**12,182,468.86**	**21.19**
Total in foreign currency		1,983,905.48			
Total Fund assets				**57,476,028.64**	**100.00**
of which in foreign currency		999,806.46			
Unit value (EUR)				**8.89**	
Units in circulation				**6,465,095**	

IV. Liabilities

Liabilities from real estate management primarily consist of EUR 1.1 million for prepaid allocable costs and advance rental payments of EUR 0.3 million.

The **miscellaneous liabilities** item includes EUR 43.9 thousand in management fee liabilities, EUR 22.4 thousand in liabilities to counterparties from forward exchange transactions and liabilities to creditors of EUR 4.2 thousand.

V. Provisions

The **provisions** of EUR 10.7 million mainly relate to provisions for Fund liquidation costs (EUR 8.9 million), maintenance costs/construction services (EUR 0.7 million), taxes (EUR 0.6 million) and non-allocable operating costs and value adjustments on rent receivables (EUR 0.4 million).

Germany EUR	Other EU countries EUR	USA EUR
0.00	1,449,392.19	0.00
70,436.33	96.29	0.00
70,436.33	**1,449,488.48**	**0.00**
9,507,070.21	**715,575.37**	**439,898.47**
9,577,506.54	**2,165,063.85**	**439,898.47**
36,723,506.84	**20,588,773.90**	**163,747.90**

Statement of Assets, Part I: Property Record as of 31 December 2020

Company	Property performance Value of the equity interest (at the reporting date) in EUR
Equity interests in real estate companies	
IPTR IV GmbH, Germany, Rotfeder-Ring 7, 60327 Frankfurt am Main Company's capital: EUR 4,222,529.92 Shareholder loans: EUR 0.00 Equity interest held: 100.00000%	4,389,190
Total equity interests in real estate companies	**4,389,190**

Statement of Assets, Part II: Liquidity Portfolio

	Market value EUR	% of Fund assets
I. Bank deposits		
Germany	41,427,795.13	
France	804,724.25	
Poland	10,851,155.09	
Finland	9,629,082.64	
Total liquidity portfolio	**62,712,757.11**	**109.11**

Statement of Assets, Part III: Other Assets, Liabilities and Provisions, Additional Disclosures

			EUR	EUR	EUR	EUR	% of Fund assets
I. Other assets							
1. Receivables from real estate management					1,156,472.96		
of which in foreign currency				774,620.13			
of which rent receivable			290,982.14				
of which advance payments for operating costs			865,490.82				
2. Miscellaneous					1,400,077.75		
of which in foreign currency				636,517.21			
of which from hedging transactions			34,032.87				
Currency	Market value sale EUR	Market value rept. date EUR	Preliminary result EUR				
PLN	–2,221,544.37	2,255,577.24	34,032.87				
Total other assets						**2,556,550.71**	**4.45**
Total in foreign currency				1,411,137.34			
II. Liabilities from							
1. Real estate management					1,449,392.18		
of which in foreign currency				768,704.45			
2. Miscellaneous					70,532.63		
of which in foreign currency				96.29			
of which from hedging transactions			22,473.12				
Currency	Market value sale EUR	Market value rept. date EUR	Preliminary result EUR				
USD	–22,473.12	0.00	22,473.12				
Total liabilities						**1,519,924.81**	**2.64**
Total in foreign currency				768,800.74			

	EUR	EUR	EUR	EUR	% of Fund assets
III. Provisions				**10,662,544.05**	**18.55**
of which in foreign currency		1,215,104.74			
Total Fund assets				**57,476,028.64**	**100.00**
of which in foreign currency		999,806.46			
Units (EUR)				**8.89**	
Units in circulation				**6,465,095**	
Exchange rates* as of 31 December 2020					
US dollar (USD)	1.2267 = EUR 1				
Polish zloty (PLN)	4.5612 = EUR 1				

* Assets denominated in foreign currencies are translated into euros at the exchange rate for the respective currency as determined during Reuters AG's midday fixing at 1.30 p.m.

Disclosures on the Measurement Policies

Forward exchange transactions were measured at their forward rate on 31 December 2020.

Bank deposits and time deposits are measured at their nominal amount plus accrued interest.

Liabilities are recognised at their repayment amount.

Provisions are recognised at their settlement amount.

Transactions Closed Out during the Reporting Period That Are No Longer Included in the Statement of Assets

	Purchases Market value EUR from 1 Jan. 2020 to 31 Dec. 2020	Sales Market value EUR from 1 Jan. 2020 to 31 Dec. 2020
USD	330,412.93	330,031.93
PLN	2,260,386.14	5,228,104.88
Total	**2,590,799.07**	**5,558,136.81**

No transactions with affiliated companies took place.

Statement of Income and Expenditure

for the period from 1 January 2020 to 31 December 2020	EUR	EUR	EUR
I. Income			
1. Income from properties		76,684.53	
of which in foreign currency	0.00		
2. Interest on liquidity portfolio in Germany		–266,345.01	
3. Interest on liquidity portfolio outside Germany (before withholding tax)		–52,971.43	
4. Other income		1,629,674.48	
of which in foreign currency	1,462,366.17		
Total income			**1,387,042.57**
II. Expenditure			
1. Management costs			
1.1 Operating costs		44,948.30	
of which in foreign currency	0.0		
1.2 Maintenance costs		0.00	
of which in foreign currency	0.0		
1.3 Other costs		730,920.90	
of which in foreign currency	555,820.68		
2. Foreign taxes		32,995.13	
of which in foreign currency	32,995.13		
3. Remuneration of Fund management		85,022.33	
4. Other expenditure		199,035.14	
of which remuneration of experts (in accordance with section 12 of the BVB)	0.00		
Total expenditure			**1,092,921.80**
III. Ordinary net income			**294,120.77**

Statement of Income and Expenditure

for the period from 1 January 2020 to 31 December 2020	EUR	EUR	EUR
IV. Disposals			
1. Realised gains			
plus unrealised changes in value from previous years			
1.1 on forward exchange transactions in the period under review	0.00		
Changes in value from previous years	0.00	0.00	
of which in foreign currency	0.00		
2. Realised losses			
plus unrealised changes in value from previous years			
2.1 on forward exchange transactions in the period under review	–164,258.83		
Changes in value from previous years	21,212.75	–143,046.08	
of which in foreign currency	0.00		
Net loss on disposals			**–143,046.08**
V. Net income for the financial year			**151,074.69**
Total expense ratio			**0.28%**
Transaction-based remuneration			**0.00%**
Transaction costs			**0.00**

Disclosures on the Statement of Income and Expenditure

Income

Income from properties primarily comprises income from the reversal of value adjustments (EUR 44 thousand) and from prepayments by tenants of allocable costs (EUR 32 thousand) resulting from invoices of service costs issued in the reporting period for properties that were sold in the past.

Interest on the liquidity portfolio in Germany and abroad consists of the negative bank interest charged to the Fund.

Other income primarily comprises income from the dissolution of provisions (EUR 1.4 million) and income from corporation tax refunds (EUR 0.1 million).

Expenditure

Management costs comprise **operating costs** (EUR 45 thousand) and **other costs** (EUR 0.7 million), which relate to sales tax expenses.

Foreign taxes relate to the USA.

The **remuneration of Fund management** item amounted to EUR 0.5 million, or 0.9% p.a. of average Fund assets. EUR 0.4 million was taken from the provisions recognised in previous years for the Fund's liquidation phase. The remaining EUR 0.1 million was recognised as an expense in the financial year.

The costs for the **audit and publication** of the liquidation reports were taken from the provisions.

Other expenditure in accordance with section 11(5) of the BVB mainly comprises bank fees, accounting costs and other costs of EUR 140 thousand. In addition, this item includes realised losses on exchange rate differences of EUR 60 thousand.

Ordinary net income amounted to EUR 0.3 million as of the reporting date.

Realised gains on forward exchange transactions represent the difference between the lower purchase prices and the prices at sale or maturity. Unrealised changes in the value of the forward exchange transactions consist of changes up to the end of the previous year in the market values of the financial instruments that matured during the financial year. Deducting the unrealised gains from the previous year results in the realised gains for the period under review.

Realised losses on forward exchange transactions represent the difference between the higher purchase prices and the prices at sale or maturity. Unrealised changes in the value of the forward exchange transactions consist of changes up to the end of the previous year in the market values of the financial instruments that matured during the financial year. Deducting the unrealised losses from the previous year results in the realised losses for the period under review.

The **net loss on disposals** (EUR 143 thousand) represents the aggregate realised gains and losses.

The **net income for the financial year** amounted to EUR 151 thousand as of the reporting date.

The **total expense ratio** (TER) shows the impact of costs on Fund assets. It takes into account management and Custodian Bank fees, the costs of the Expert Committees and other costs in accordance with section 11 of the BVB, with the exception of transaction costs. The TER expresses the total amount of these costs as a percentage of average Fund assets within a financial year, thus providing results that comply with international cost transparency standards. The method of calculation used is in line with the BVI's recommended method.

The TER for SEB ImmoPortfolio Target Return Fund calculated as of 31 December 2020 is 0.28%.

The **transaction-based remuneration** comprises the sales fee. No transaction-based remuneration was incurred during the reporting period.

Transaction costs comprise the incidental costs of sale of properties and equity interests in real estate companies that are recorded as disposals, measured at the time of the transfer of the risks and rewards of ownership in the reporting period. No transaction costs were incurred.

Application of Fund Income as of 31 December 2020

	Total in EUR	Per unit in EUR
I. Calculation of the distribution		
1. Carried forward from previous year	503,533.68	0.08
2. Net income for the financial year	151,074.69	0.02
3. Transfer from the Fund	17,447,657.63	2.70
II. Amount available for distribution	18,102,266.00	2.80
1. Carried forward to new account	0.00	0.00
III. Total distribution [1]	18,102,266.00	2.80
1. Interim distribution on 1 October 2020	2,262,783.25	0.35
2. Final distribution on 1 April 2021	15,839,482.75	2.45

[1] The account custodian or the most recent domestic paying agent is obliged to deduct investment income tax and the solidarity surcharge.

Disclosures on the Application of Fund Income

The **net income for the financial year** in the amount of EUR 151 thousand can be seen from the statement of income and expenditure (see page 21f.).

The **transfer from the Fund** in the amount of EUR 17.4 million represents a return of Fund capital made as part of the Fund's liquidation.

This means that EUR 18.1 million is available for distribution. The total distribution in the amount of EUR 18.1 million comprises the interim distribution of EUR 2.26 million that was made on 1 October 2020 and the final distribution of EUR 15.8 million to be made on 1 April 2021.

Payouts after termination of the management mandate on 5 June 2014

Payout in financial year	Payout date	Payout per unit EUR	of which return of capital distribution EUR
2014	1 October 2014	18.00	13.81
2015	15 April 2015	37.00	37.00
2016	12 August 2016	7.10	–
2017	3 April 2017	3.00	3.00
	13 November 2017	8.00	8.00
2018	3 April 2018	10.00	10.00
	1 October 2018	3.50	3.50
2019	1 April 2019	2.50	2.50
2020	1 October 2020	0.35	0.35
2021	1 April 2021	2.45	2.35

Independent Auditors’ Report

To CACEIS Bank S.A., Germany Branch, Munich

Audit opinion

We have audited the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the *Investment-Rechnungslegungs- und Bewertungsverordnung* (InvRBV – German Investment Fund Accounting and Valuation Regulation) for the SEB ImmoPortfolio Target Return Fund. This report comprised the Activity Report for the financial year from 1 January 2020 to 31 December 2020, the Statement of Assets as of 31 December 2020 plus the Condensed Statement of Assets and liabilities, the Statement of Income and Expenditure, the Application of Fund Income, the Statement of Changes in Net Assets for the financial year from 1 January 2020 to 31 December 2020, the Three-year Comparative Overview and the Transactions Closed Out during the Reporting Period, to the extent that these are no longer included in the Statement of Assets.

In our opinion, based on the findings of our audit, the accompanying Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV complies in all material respects with the provisions of the *Investmentgesetz* (InvG – German Investment Act) and permits, in compliance with these provisions, a true and fair view of the Fund’s assets, liabilities and financial position and of the changes in its net assets.

Basis for our audit opinion

We conducted our audit of the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV in accordance with section 44(6) of the InvG, in compliance with the German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (IDW). Our responsibility as set out in these provisions and standards is described in more detail in the section of this auditors’ report entitled “Responsibility of the auditors for the audit of the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV”. We are independent of CACEIS Bank S.A. Germany Branch (hereinafter referred to as the “Depositary”) as required by the provisions of German commercial law and the law governing the profession in Germany, and have complied with our other ethical obligations in Germany in keeping with these requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to serve as a basis for our audit opinion on the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV.

Other information

The Depositary's management is responsible for the other information. This other information comprises the information contained in the Liquidation Report – not including additional cross-references to external information – with the exception of the audited Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV and of our auditors’ report.

Our audit opinions on the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV do not extend to the other information, and we therefore do not express an audit opinion or any other form of assurance conclusion on this.

With regard to our audit, our responsibility is to read the other information and, in doing so, to assess whether this other information

- Contains material discrepancies to the Liquidation Report pursuant to section 16 of the InvRBV or the findings of our audit, or
- Otherwise seems to be materially misstated.

Responsibility of the management for the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV

The Depositary’s management is responsible for preparing the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV, which must comply in all material respects with the provisions of the InvG, and for ensuring that the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV provides, in compliance with these provisions, a true and fair view of the Fund’s assets, liabilities and financial position and of the changes in its net assets. Furthermore, the management is responsible for such internal controls as it deems necessary in accordance with these provisions in order to enable the preparation of a liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV that is free from material misstatements due to fraud or error.

Responsibility of the auditors for the audit of the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV

Our objective is to obtain reasonable assurance as to whether the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV as a whole is free from material misstatements due to fraud or error, and to issue an auditors' report that includes our opinion on the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV.

Reasonable assurance represents a high level of assurance but does not offer any guarantee that an audit performed in accordance with section 44(6) of the InvG in compliance with the German generally accepted standards of auditing promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect material misstatements. Misstatements may be the result of fraud or error and are deemed to be material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV.

We exercise professional judgement and maintain professional scepticism when performing our audit. Additionally

- We identify and assess the risks of material misstatements due to fraud or error in the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV, plan and perform our audit in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as the basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, deliberate failure to record transactions, intentional misrepresentations, or internal controls being overridden.

- We obtain an understanding of the internal control system relevant for the audit of the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV, in order to plan audit procedures that are appropriate under the circumstances; however, our objective is not to issue an audit opinion on the effectiveness of this system at the Depositary.

- We assess the appropriateness of the accounting policies applied by the management of the Depositary in preparing the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV and the reasonableness of the estimates made by the management and of related disclosures.

- We assess the overall presentation, structure and content of the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV, including the disclosures, and whether the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV presents the underlying transactions and events in such a manner that the Liquidation Report pursuant to section 16 in conjunction with section 5(3) of the InvRBV provides, in compliance with the provisions of the InvG, a true and fair view of the Fund's assets, liabilities and financial position and of the changes in its net assets.

Our discussions with the persons responsible for oversight include, among other things, the planned scope and timing of the audit and key audit findings, including any weaknesses in the internal control system of which we become aware in the course of our audit.

Frankfurt am Main, 12 March 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Fatih Agirman	ppa. Joanna Spassova
Wirtschaftsprüfer	Wirtschaftsprüferin

Tax Information for Investors

Taxation in Germany

Taxation of mutual funds at fund level

A non-transparent tax regime applies to mutual investment funds. The following domestic income is subject to corporation tax:

1. Domestic income from equity investments (including dividends, section 6(3) of the InvStG 2018)

2. Domestic current rental income and capital gains on the disposal of real estate, regardless of the holding period – in particular the ten-year period for private disposals in accordance with section 23(1) sentence 1 no. 1 of the *Einkommensteuergesetz* (EStG – German Income Tax Act) does not apply – (section 6(4) of the InvStG 2018)

3. Other domestic income within the meaning of section 49(1) of the EStG

The corporation tax rate is 15%, with the solidarity surcharge also being levied in the case of income from properties.

Other income such as domestic and foreign interest income, foreign dividends or foreign income from properties are not taxed at fund level, but during assessment at the investor level.

In the case of **domestic income from equity investments**, investment income tax of 15% (including the solidarity surcharge) will generally be retained by the distributing company. This retention definitively settles the fund's tax liability for this income.

As a matter of principle, all of the above-mentioned types of **domestic income** are taxable at fund level, and the mutual investment fund must be assessed for these (i.e. a corporation tax return must be submitted).

Foreign rental income is normally taxed in the country in which the property is located.

The role of partial exemptions

To offset taxation at fund level, the following partial exemption rates are applied to distributions at the investor level, provided that this has been agreed in the Fund Rules:

Partial exemption rates	
If the fund is more than 50% invested in properties or real estate companies	
Focus on Germany	60%
Focus abroad	80%

Since SEB ImmoPortfolio Target Return Fund is in liquidation, these partial exemptions do not apply. Although the fund was designed as a real estate fund, the Fund Rules do not explicitly require it to be more than 50% invested in properties and real estate companies.

Equally, the partial exemption for real estate funds provided for in section 20(4) of the InvStG 2018 cannot be applied during assessment since SEB ImmoPortfolio Target Return Fund has already sold all of its properties in the course of the liquidation process and therefore does not meet the criteria for partial exemption.

Tax treatment of distributions for funds in liquidation

Section 17 of the InvStG 2018 addresses the situation of funds in liquidation by introducing a special provision that effectively exempts return of capital distributions from taxation for a maximum period of five years as from the point in time at which the funds are transferred to the Custodian Bank, at the earliest as from 1 January 2018.

The special provision set out in section 17 of the InvStG 2018 applies to SEB ImmoPortfolio Target Return Fund until 31 December 2022.

Since the partial exemptions do not apply, 25% investment income tax plus the solidarity surcharge and, where applicable, church tax is initially retained by the custodian institution when the distribution is made. In a second step, the amount retained must be reimbursed after the end of the year in question to the extent that the distributions represent capital repayments. The paying agent (generally the unitholder's custodian institution) is responsible for making the repayment.

The *Investmentsteuergesetz* (InvStG – German Investment Tax Act) sets out that distributions made from an investment fund that is being liquidated are tax-free in the case of returns of capital. Section 17 of the InvStG defines the situations in which such a return of capital exists.

It should be noted that section 17 of the InvStG was modified by the ***Jahressteuergesetz*** **2019 (German Annual Tax Act 2019) and that the new version applies as from 1 January 2020.**

With effect from 1 January 2020, a tax-free return of capital is only possible if all gains generated by the investor have previously been taxed. For this to be the case, the last redemption price fixed during a calendar year must be lower than amortised cost.

Amortised cost is determined by deducting the tax-free return of capital distributions from the actual cost or, in the case of grandfathered legacy units, the notional cost. In addition, partial write-downs and reversals of partial write-downs must be taken into account in the case of business investors.

Under section 17(1) sentences 2 and 3 of the InvStG, the time at which the investment units were acquired determines what costs must be used as the basis for determining amortised cost. A distinction must be made between the following cases:

- Where an investor acquired the investment units before 2009 and has held them as private assets since that date, changes in value up to the end of 2017 are tax-free (section 56(6) sentence 1 number 1 of the InvStG). Therefore in these cases the basis used is not the actual cost but the notional cost as of 1 January 2018.
- Where, on the other hand, the investor acquired the investment units after the introduction of the flat tax as of 1 January 2009 or has held them as business assets, all changes in value are taxable; in this case the actual cost must be used as the basis.

Example of amortised cost for private assets used to classify a distribution in 2020:

Cost as of 1 January 2019	EUR 110
Distribution in 2019	EUR 20
Thereof tax-free return of capital in 2019	EUR 10
Amortised cost as of 1 January 2020	EUR 100
Distribution in 2020	EUR 15
Last redemption price in 2020	EUR 90

The cost must be reduced by the tax-free return of capital of EUR 10 in 2019 and taken into account when calculating the tax-free return of capital for 2020.

The last redemption price in 2020 is EUR 10 below the cost to the investor. Therefore, EUR 10 of the distribution in 2020 is a tax-free return of capital. The custodian institution must refund the investor the investment income tax and the solidarity surcharge (plus, if applicable, the church tax paid) retained on this. The investment income tax is not refunded on EUR 5.

The tax-free return of capital of EUR 10 reduces the cost. In other words, in 2021 the tax-free return of capital will be calculated not on the basis of EUR 100 but on the basis of the lower amortised cost of EUR 90.

The BMF Circular dated 18 January 2021 (reference number: IV C 1 – S 1980-1/19/10008:011) contains additional examples of how to calculate amortised cost and information on how to apply section 17 of the InvStG.

Please consult your tax advisor if you have any questions as to whether distributions by SEB ImmoPortfolio Target Return Fund are to be classified as tax-free returns of capital, or on how to calculate the amortised cost.

No requirement to withhold tax

With effect from 2018, sections 8(1) and 8(2) of the InvStG 2018 theoretically provide a mechanism for tax-favoured investors (e.g. charitable foundations, religious institutions or professional pension schemes) to be refunded the corporation tax paid on fund receipts in the case of domestic income from properties (for tax-favoured investors in accordance with section 8(2) of the InvStG 2018) and domestic dividends (for tax-favoured investors in accordance with section 8(1) of the InvStG 2018) on application at the level of the investment company.

Since all of the properties belonging to SEB ImmoPortfolio Target Return Fund have been sold and the Fund is therefore expected to only receive extremely small amounts of domestic income from 2018 onwards, it cannot make use of this application procedure.

Vorabpauschale

Investors in mutual investment funds must tax, among other things, the *Vorabpauschale* (“advance lump sum”, i.e. a notional tax base) defined in section 18 of the InvStG 2018 as investment income (section 16(1) no. 2 of the InvStG 2018). According to section 18(3) of the InvStG 2018, the *Vorabpauschale* for 2019 is taken to have accrued to investors on the first working day of the following calendar year – i.e. on 2 January 2020. The *Vorabpauschale* for 2020 is taken to have accrued on 4 January 2021.

The *Vorabpauschale* for 2019 must be determined using the basic interest rate applicable on 2 January 2019. It amounts to 0.52% (the basic interest rate in 2020 was 0.07%). The basic income is determined by multiplying 70% of the basic interest rate by the redemption price for Fund units at the start of the financial year. It is capped at the amount by which the Fund units increased in value in 2019 plus the distributions.

The *Vorabpauschale* does not apply to SEB ImmoPortfolio Target Return Fund since the distribution made by the Fund in calendar year 2019 is in excess of the basic income amount.

Equally, no *Vorabpauschale* applies in calendar year 2020 since the distribution made in 2020 exceeded the upper limit for the basic income.

Note

Please contact your tax advisor if you have any tax questions at investor level.

Tax liability in Austria

Taxation at the level of investors with limited tax liability

A limited tax liability applies in Austria in respect of the gains generated by non-Austrian resident investors from Austrian real estate held by the investment fund. No income attributable to Austrian properties was received in the Fund's 2020 financial year. Therefore no deemed distributable income was calculated for investors who have unlimited tax liability in Austria for the 2020 financial year and there is no limited tax liability in Austria in respect of the investor's interest in SEB ImmoPortfolio Target Return Fund.

Taxation at the level of investors with unlimited tax liability

Unlimited tax liability in Austria applies to individual investors who are domiciled or have their habitual residence in Austria (in the case of corporations, which are headquartered in or managed from Austria). Tax is levied on regular Fund income (gains as defined in section 14 of the *Immobilien-Investmentfondsgesetz* (ImmoInvFG – Austrian Real Estate Investment Fund Act)) and on gains from the sale of "new assets", i.e. Fund units that were purchased after 31 December 2010.

Regular Fund income comprises current profits from rental management and 80% of the appreciations in value resulting from the annual appraisals of real estate in Austria and countries with which Austria has agreed on the tax credit method for income from immovable assets under existing double taxation agreements, plus liquidity gains.

Any gains from the sale of Fund units that were purchased after 31 December 2010 are the result of the difference between amortised cost and the proceeds of sale (repayment amount). Deemed distributed income must be added to the cost, and tax-free distributions and payouts of investment income tax deducted from it. Transaction costs (e.g. front-end load) are not recognised unless the Fund units are held as business assets.

For natural persons, the rate of tax on this income in Austria is 27.5%.

- If the Fund units are held at an Austrian custodian bank, all current gains from the Fund and from the sale of Fund units, provided that the latter are held as private assets, are treated as having been finally taxed via the investment income tax that is mandatorily withheld by the investor's custodian bank. This means that taxable income from interests held in SEB ImmoPortfolio Target Return Fund no longer has to be declared in private investors' income tax returns, unless – in the case of a more favourable general tax rate – application is made to use the general tax rate (standard taxation option) or the loss offset option is exercised in accordance with section 97(2) of the EStG in cases in which investment losses were not taken into account by the custodian when deducting investment income tax. Gains from the sale of Fund units held as private assets that were acquired before 1 January 2011 are tax-free.

- In the case of Fund units held as business assets, the definitive taxation effect applies solely to current Fund income. Gains from the sale of Fund units held as business assets still have to be declared in tax assessments under the new legislation. Withheld investment income tax must be credited.

- If the Fund units are held at a foreign custodian bank, taxable income from interests in SEB ImmoPortfolio Target Return Fund (current gains from the Fund and gains from the sale of Fund units) are subject to the special tax rate of 27.5% and must be included in the investor's income tax return. In this case, too, it is possible to exercise the standard taxation option or the loss offset option.

The tax rate for corporations in Austria is 25%.

- If the Fund units are held at an Austrian custodian bank, investment income tax is generally also withheld in the case of corporations. Withholding of investment income tax by the Austrian custodian bank can be avoided by submitting a declaration of exemption to the Austrian custodian bank. The taxable income (including capital gains) from interests in SEB ImmoPortfolio Target Return Fund must be included in the corporation tax return at all events. If a declaration is not submitted, any withheld investment income tax must be offset against corporation tax.

- The tax rate for private foundations in Austria is 25%. Private foundations are exempted from the withholding of investment income tax. Current gains from the Fund in accordance with section 14 of the ImmoInvFG and taxable capital gains must be declared in the corporation tax return.

- Gains from the sale of unit certificates that were acquired before 1 January 2011 continue to be tax-free. Units acquired as from 1 January 2011 are subject to interim tax of 25% when sold.

- For investors who have unlimited tax liability in Austria, the deemed distributable income applicable to one unit of SEB ImmoPortfolio Target Return Fund that is taxable in Austria for financial year 2020 amounts to EUR 0.0010. The investor must multiply this amount by the number of Fund units held. No foreign taxes are creditable against the resulting tax amount.

- Austrian income is taxable in the year it accrues (here: 2021). Irrespective of the manner in which income is determined, the deemed distributable income is taken to have accrued when the investment income tax is paid out, but at the latest on publication of the tax data by Oesterreichische Kontrollbank AG (OeKB).

- The relevant adjustment item to the cost for Austrian tax purposes amounted to EUR 0.0362 per unit as of 31 December 2020.

Note

The information concerning taxation given above is based on the legal position and associated tax authority practice as it is known to stand at present. No assurance can be given that the tax treatment will not change as a result of legislation, court rulings or decrees issued by the tax authorities. Furthermore, we recommend that investors consult their personal tax advisors on issues concerning taxation.

Fund Bodies

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Chairman of the Board of Directors:
Jacques Ripoll

Branch management:
Thies Clemenz (Spokesman)

Anja Maiberger

Auditors

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft,
Frankfurt am Main

Competent supervisory authority:

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Marie-Curie-Strasse 24–28
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Legal notice

Savills Fund Management GmbH, the investment company that managed SEB ImmoPortfolio Target Return Fund, gave notice to terminate the management of the Fund effective 31 May 2017 and, at the same time, irrevocably suspended the issuance and redemption of unit certificates.

Consequently, the information contained in this report does not constitute an offer to enter into a contract, investment advice or an investment recommendation on the part of Savills Fund Management GmbH or CACEIS; instead, its purpose is to provide investors with summary information on the key activities performed by the Fund management during the liquidation.

Due to its simplified presentation, this document cannot provide all information and could therefore be subjective. Although the opinions it contains represent our current assessment as of the time the document was prepared, such assessment may change at any time without reference being made to this. If you would like investment advice or information on the risks associated with the acquisition of units in investment funds or the tax treatment of such funds, please contact your financial advisor or tax advisor.

The information, data, figures, statements, analyses, forecasts and simulations, concepts and other disclosures contained in this Liquidation Report are based on our knowledge and on the situation as it was known to us at the time the document was prepared. Nevertheless, unintentional errors in presentation may occur. Equally, the above-mentioned disclosures may be changed at any time without reference being made to this. No liability is assumed and no guarantee is given that the disclosures made are up to date, correct or complete.

As part of the ongoing cooperation between CACEIS and Savills Fund Management GmbH, you can continue to obtain information from:

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