

UBS (D) Euroinvest Immobilien

Monthly report



September 30, 2009

Executive Summary

Dear Investor,

In this reporting month we have sold the property Kurfürstendamm, Berlin to Nürnberger Lebensversicherung AG. The property was purchased in 2002 for UBS (D) Euroinvest Immobilien. The building is almost fully let and is central located at Kurfürstendamm 40-41. It offers a total of 7,200 sqm office and retail space.

Valuation results

A slightly higher market value was registered in the revaluation of the property Paris, "Le Diagonal" (+ EUR 0.3 m)¹.

The market value of the property Barcelona, WTC Almeda Park Phase II, Building 7 reduced (- EUR 1.0 m)¹, which is due to a decrease in the sustainable rental level. Slight falls were also recorded for the properties in Oslo, Grev Wedels Plass 9 (- EUR 0.4 m) and Paris, "Charles de Gaulle" (- EUR 0.2m)¹. There were no other changes in value to be reported from the other revaluations.

Adjustment of the peer group

During the course of a regular review, the last defined UBS (D) Euroinvest Immobilien peer group was checked. This involved the analysis of the structure of all open ended funds. The peer group was adjusted in line with the results of the analysis. As UBS (D) Euroinvest Immobilien is a Pan-European fund focussed on the office property asset class, the following three selection criteria were adopted:

1. Asset Allocation: Europe (Europe percentage of UBS (D) Euroinvest Immobilien: 100%)
2. Sector: Office percentage > 60% (UBS (D) Euroinvest Immobilien: approx. 87%)
3. Provisions for deferred taxes: at least 60% (UBS (D) Euroinvest Immobilien: 100%)

¹ After provisions for deferred taxes

Executive Summary

Overall the following funds fulfilled the selection criteria:

- hausInvest europa
- Deka-ImmobilienEuropa
- DEGI EUROPA
- WestInvest InterSelect
- INTER ImmoProfil

These five funds therefore now form the new UBS (D) Euroinvest Immobilien peer group. An overview of the new peer group can be found on page 14.



Christian Paul
(Senior Portfolio Manager)

UBS (D) Euroinvest Immobilien

Fund features

Fund's inception	28/9/1999
Currency of account	EUR
Year-end financial statements	August 31 st
Total Expense Ratio (TER) ¹	0.68% p.a.
ISIN	DE0009772616
Security no.	977261

Current data

Fund assets	2,569.26 EUR m
Net asset value	15.61 EUR
Number of properties	62
Real estate assets (gross) ²	3,288.12 EUR m
Portfolio occupancy rate	90.90%
Last distribution	1/12/2008
Yield on distribution	4.10%

Performance

	1 year	3 years	5 years	Ø p.a. 5 years
	4.03%	19.39%	30.73%	5.51%

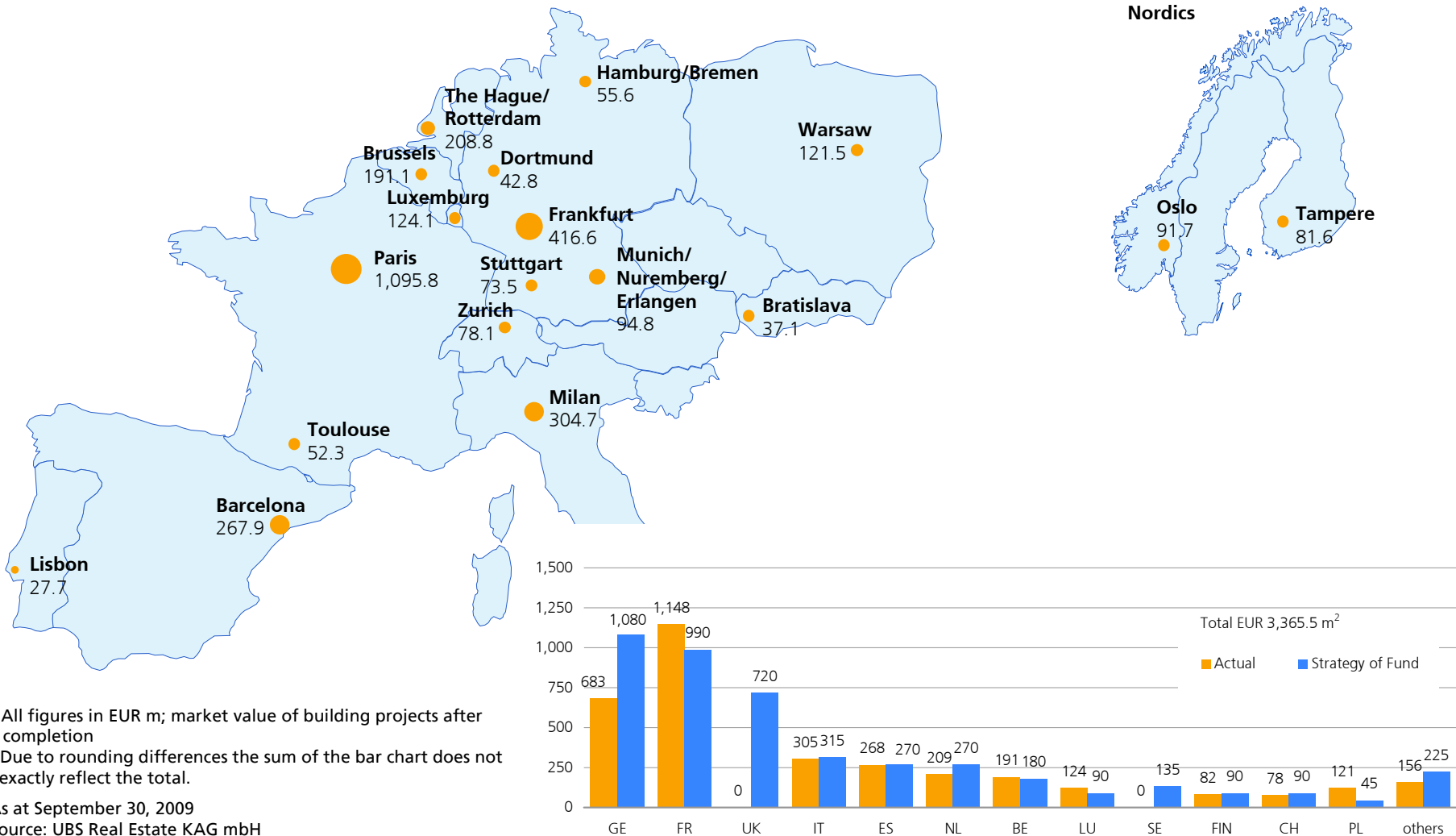
¹ For the financial year 1/9/2007-31/8/2008

² The Fund's leverage is calculated based on its total market value, with the market value of the properties and loans held by the real estate companies being calculated based on the size of equity interest.

Source: UBS Real Estate KAG mbH

Real Estate Investments

Regional distribution of property investments¹

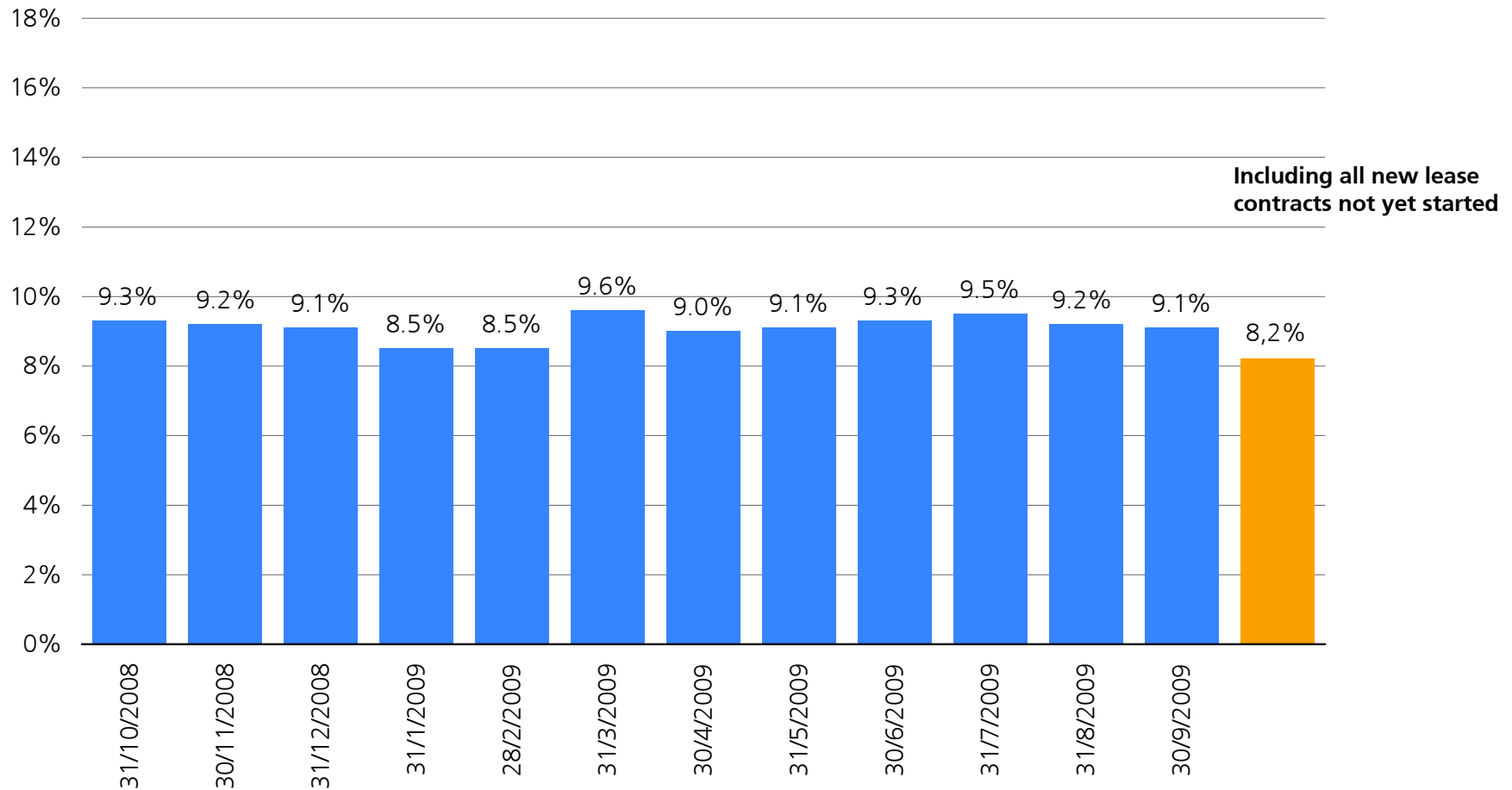


¹ All figures in EUR m; market value of building projects after completion
² Due to rounding differences the sum of the bar chart does not exactly reflect the total.

As at September 30, 2009
 Source: UBS Real Estate KAG mbH

Real Estate Investments

Vacancy ratio¹

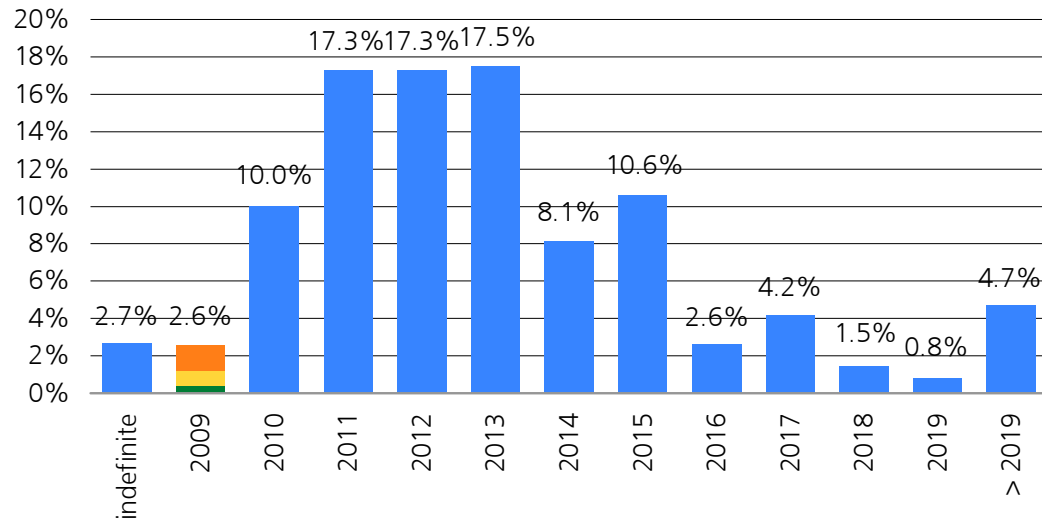


¹ As % of gross rental income (without parking space)

Source: UBS Real Estate KAG mbH

Real Estate Investments

Expiration of lease agreements in 2009¹



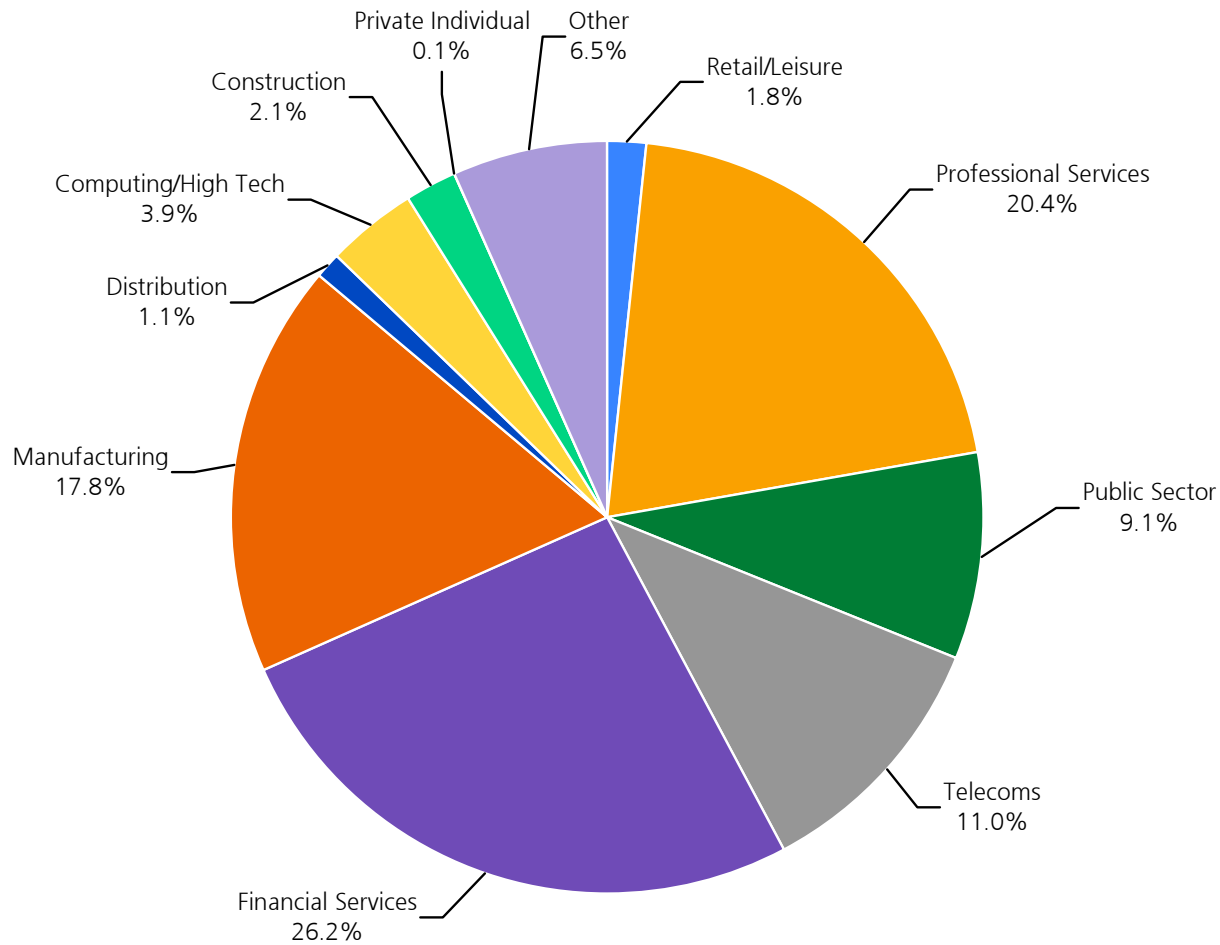
- Outstanding
- Negotiations
- Successful closing very likely

Asset	Rate 2009	Status
Mailand, Bicocca	1.4%	●
Mainz, Rheinstraße 4	0.5%	●
Barcelona, WTC Almeda Park Phase I	0.4%	●
Frankfurt am Main, Lurgiallee 6	0.1%	●
Warschau, Ilmet	0.1%	●
Sonstige Objekte	0.1%	●
Total 2009	2.6%	

¹ As % of net rental income
As at September 30, 2009
Source: UBS Real Estate KAG mbH

Real Estate Investments

Tenant structure: industries¹

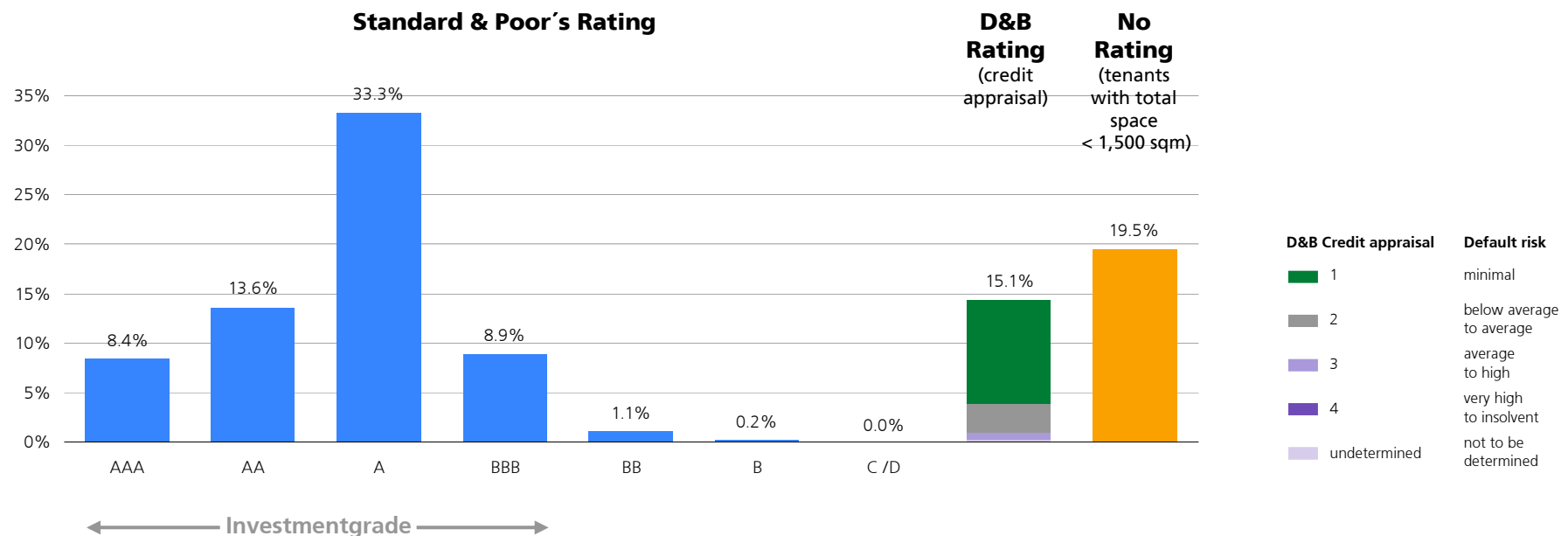


¹ Based on net rental income
As at September 30, 2009
Source: UBS Real Estate KAG mbH

Risk Reporting

Tenant structure: Rating¹

- ◆ Approx. 65% of all tenants have a S&P-Rating
- ◆ For 15% of all tenants the D&B credit appraisal has been assessed
- ◆ For approx. 20% of all tenants no analysis has been carried out since their total space is below 1,500 sqm



¹ Based on net rental income; Standard & Poor's Rating and D&B credit appraisal respectively for tenants with total space ≥ 1,500 sqm

As at September 30, 2009

Source: UBS Real Estate KAG mbH

Key financial data – Balance sheet and cash flow

Fund assets	31/8/2009		30/9/2009		Change in %
	Total EUR m	in % of FA	Total EUR m	in % of FA	
Properties	2,405.7	95	2,378.4	93	- 2
Equity interests in real estate companies	785.1	31	787.7	31	- 0
Liquidity portfolio	431.7	17	526.2	20	+ 3
Other assets	166.4	7	162.2	6	- 1
Total	3,788.9	150	3,854.5	150	+ 0
Liabilities	-1,260.4	-50	-1,285.2	-50	- 0
Fund assets (FA)	2,528.5	100	2,569.3	100	

Development of the liquidity portfolio

in EUR m	Oct. 08	Nov. 08	Dec. 08	Jan. 09	Feb. 09	Mar. 09	Apr. 09	May. 09	Jun. 09	Jul. 09	Aug. 09	Sep. 09
Gross liquidity at the beginning of the month	504	369	367	296	250	260	256	255	253	369	492	432
Inflow of funds	317	2	29	7	5	0	1	2	34	72	49	72
Outflow of funds	-465	0	-93 ¹	0	0	0	0	0	0	0	-140	-36
Investments/construction projects	-15	0	11	-64	0	0	-15	-2	-5	-4	-4	0
Sale of properties	0	0	0	0	0	0	0	0	87	0	0	26
Increase/decrease in debt capital	12	0	1	0	0	0	3	3	8	28	25	28
Other assets/other liabilities	10	-9	-26	5	-2	-8	4	-11	-16	16	-11	-2
Ordinary net income	6	5	7	6	7	4	6	6	8	11	21	6
Gross liquidity at the end of the month	369	367	296	250	260	256	255	253	369	492	432	526

¹ Disbursement

Key financial data - Performance

Performance						
	Actual Fiscal year 2008/2009		Actual 31/8/2009 - 30/9/2009		YTD 31/8/2009 - 30/9/2009	
	Value EUR m	Rate of return	Value EUR m	Rate of return	Value EUR m	Rate of return
Income from properties	150.3	6.5%	12.7	0.5%	12.7	0.5%
Net income from properties	123.3	5.3%	10.2	0.4%	10.2	0.4%
Income from equity interests in r.e. companies ¹	16.4	2.1%	0.4	0.0%	0.4	0.0%
Income from liquidity portfolio	7.6	2.0%	0.1	0.0%	0.1	0.0%
Other income	6.8	0.3%	0.0	0.0%	0.0	0.0%
Income before interest expenses and management costs	154.1	4.2%	10.7	0.3%	10.7	0.3%
Interest expenses	-43.0	4.9%	-3.4	0.3%	-3.4	0.3%
Costs of managing the Investment Fund	-22.2	0.9%	-1.8	0.1%	-1.8	0.1%
Operating income	88.9	3.6%	5.5	0.2%	5.5	0.2%
Equalization	0.3		1.8		1.8	
Operating income after equalization	89.2		7.3		7.3	
Changes in value on properties	-3.7	-0.2%	-2.5	-0.1%	-2.5	-0.1%
Changes in value on equity interests in r. e. companies	-55.3	-6.9%	1.6	0.2%	1.6	0.2%
Others and extraordinary profit/loss	76.0	3.0%	-0.3	0.0%	-0.3	0.0%
Total	17.0	0.7%	-1.2	-0.1%	-1.2	-0.1%
Total	106.2	4.3%	6.1	0.1%	6.1	0.1%

Investment performance calculated according to the BVI method			
Fiscal year	FGJ 06/07	FGJ 07/08	FGJ 08/09
Performance p.a. (BVI method)	7.4%	6.8%	4.3%
Profit distribution in %	4.7%	4.1%	

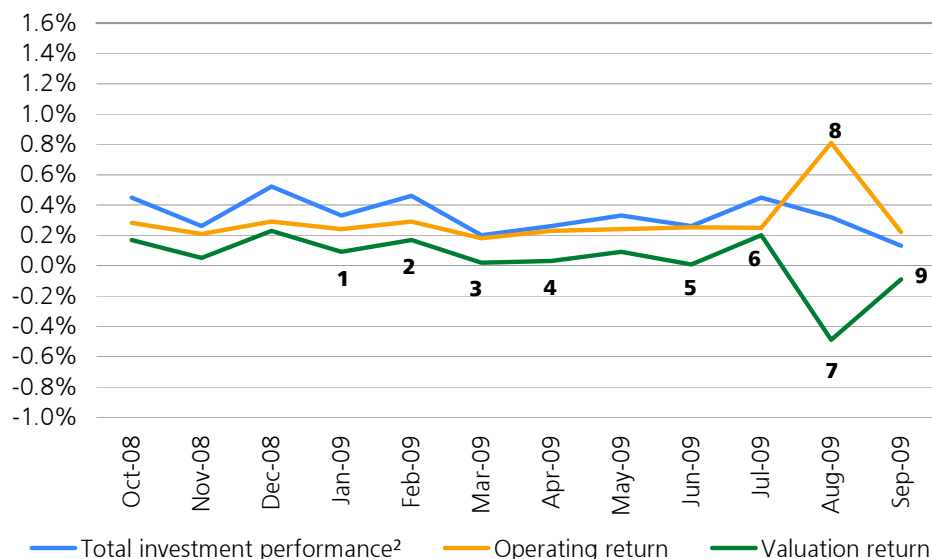
Past performance is no guarantee of future trends.

¹ including interests from shareholder loans

Key financial data - Performance

Explanations concerning the performance 1/10/2008 – 30/9/2009

1. Purchase Oslo „Grev Wedels Plass 9“: + EUR 0.4m
2. Revaluations Paris „Le Picasso“: EUR +4,4 m¹, Paris, St. Denis „Cap Pleyel I“ and „Cap Pleyel II“: EUR +0,2 m¹; Den Haag, Beatrixpark Phase III: EUR -0.3 m¹
3. Revaluations Paris „Les Portes d'Arcueil, Building A“: + EUR 0.9 m¹; Nuremberg, Mittelstandszentrum, Part A: - EUR 0.9 m; Tampere „Tulli A“: - EUR 0.4 m¹
4. Revaluations Zurich-Kloten: + EUR 0.4 m¹; Hamburg, Überseering 33a: + EUR 0.4 m; Dortmund, Märkisches Tor: + EUR 0.6 m; Frankfurt, Lurgiallee 10-12: - EUR 1.7 m
5. Revaluations Lisbon-Oeiras: - EUR 0.2 m; Brussels, „Atlantis-Corner“: - EUR 0.4 m; Frankfurt, Franklinstrasse: - EUR 0.5 m
6. Revaluations Stuttgart, Löffelstrasse: + EUR 1.1 m, Mainz, „Fort Malakoff“: + EUR 1.3 m; completion Tampere, „Tulli D“: - EUR 0.3 m
7. Revaluations Milan, „Centro Leoni“: + EUR 7.3m, Rotterdam, „De Brug“: + EUR 0.4m¹, Hamburg, Überseering 33: + EUR 0.4m, Paris, „Arc et Ciel“: + EUR 0.3m¹; completion Barcelona – San Cugat, „Vallsolana“ Building D: - EUR 0.9m; devaluation Paris, „Ex Libris“: - EUR 5.6m¹
8. Due to distribution from real estate companies (EUR 13.4m) capital return reduced in this amount, while operating income increased at the same extent
9. Revaluations: Paris „Le Diagonal“: + EUR 0.3m¹; Barcelona, WTC Almeda Park, Phase II, Bld. 7: - EUR 1.0m¹; Oslo, Grev Wedels Plass 9: - EUR 0.4m; Paris „Charles de Gaulle“: - EUR 0.2m¹



	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Total 12 month
Total investment performance²	0.45%	0.26%	0.52%	0.33%	0.46%	0.20%	0.26%	0.33%	0.26%	0.45%	0.32%	0.13%	4.0%
Operating return	0.28%	0.21%	0.29%	0.24%	0.29%	0.18%	0.23%	0.24%	0.25%	0.25%	0.81%	0.22%	3.5%
Valuation return	0.17%	0.05%	0.23%	0.09%	0.17%	0.02%	0.03%	0.09%	0.01%	0.20%	-0.49%	-0.09%	0.5%

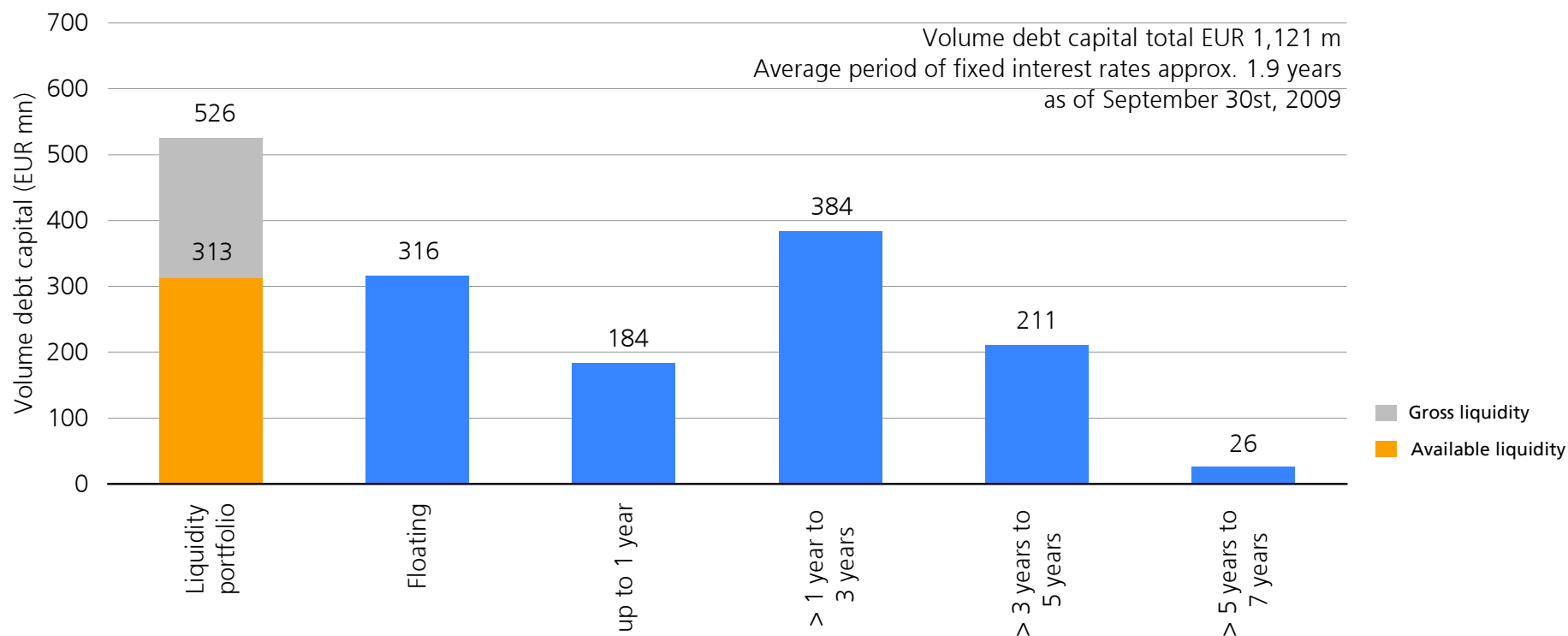
Past performance is no guarantee of future trends.

¹ After provisions for deferred taxes

² Due to roundings in each month, the sum of the single values does not exactly amount to the rolling 12-month-performance.

Source: UBS Real Estate KAG mbH

Key financial data – Interest rate and currency risk



All positions in EUR m	Assets		Hedging		Net		in % of Fund assets
		FX contracts		debt capital			
USD	0.2		0.2	0.0	0.0		0.0%
CHF	80.9		36.2	43.6	1.1		0.0%
CZK	2.2		2.2	0.0	0.0		0.0%
PLN	10.7		0.0	11.7	1.0		0.0%
NOK	91.0		89.8	0.2	1.0		0.1%
Total	185.0		128.4	55.5	3.1		0.1%

Source: UBS Real Estate KAG mbH

Investors

Investors	31/10/2008		30/9/2009	
		EUR m (approx.)		EUR m (approx.)
Siemens Pension Trusts	30%	750	31%	790
Financial service provider	21%	507	21%	531
Professional pension plan trusts	15%	374	16%	400
Insurance companies	11%	272	11%	275
Fund of funds	10%	257	8%	192
Pension trusts	5%	126	5%	128
Foundations	2%	54	4%	110
Industrial/commercial companies	3%	64	3%	85
Churches	2%	37	2%	44
Banks	1%	20	< 1%	13
Family Offices	1%	12	0%	0
	100%	2,475	100%	2,569

Disclaimer

This material has been compiled only for your personal use and for information purposes only. It has not been prepared with a view to giving you legal or tax advice. We do not assume any liability for the completeness, reliability or accuracy of the material and other information displayed to you. The accuracy of data included in this presentation on the basis of published information has been assumed, but we have not checked its veracity.

This is not a sales prospectus and also in no way represents a recommendation or offer to buy or sell securities. It reflects the views of UBS Real Estate Kapitalanlagegesellschaft mbH, and may be changed at any time without prior notice, but without any obligation of UBS Real Estate Kapitalanlagegesellschaft mbH to update.

The material contained in this document must be treated as confidential. It is made available purely as a basis for discussions held with UBS Real Estate Kapitalanlagegesellschaft mbH.

The illustrations and/or examples of real estate investments contained in this presentation are given solely to illustrate the possible composition of a fund or portfolio and should under no circumstances be understood as a guarantee of the future composition of a fund or portfolio.

Please bear in mind that past developments in values do not provide a reliable indication of future developments and that investors might under certain circumstances not redeem the full value of their original investment. Past performance is no guarantee for future results. In this document, statements that do not represent historical facts are statements referring to the future and are based on current expectations, estimates and prognoses relating to the sectors and markets in which UBS Real Estate Kapitalanlagegesellschaft mbH operates; they represent the factors underlying certain risks and uncertainties that could result in actual results deviating substantially from expectations. We have to expressly exclude any responsibility for our assumptions materializing as forecast.

This document may not - for any purpose whatsoever – be reproduced, further distributed or reissued without the written consent of UBS Real Estate Kapitalanlagegesellschaft mbH.

Disclaimer

The selling of the investment funds described in this publication may be unsuitable or illegal in different jurisdictions or for different groups of investors.

Units in the investment funds mentioned in this publication must not be offered for sale, sold or handed over within the USA.

Sales prospectuses, annual and semi-annual reports of UBS Real Estate Kapitalanlagegesellschaft mbH's investment funds may be ordered free of charge from UBS Real Estate Kapitalanlagegesellschaft mbH, Postfach 10 14 53, 80333 Munich, Germany.

Contact Information

UBS Real Estate Kapitalanlagegesellschaft mbH

Postfach 10 14 53
Theatinerstrasse 16
D-80088 München
Tel. +49-89-206 095 0

www.ubs.com

UBS Real Estate Kapitalanlagegesellschaft mbH is a subsidiary of UBS AG

