

FUND INVESTMENT SERVICES

Experience is everything.

The business segment of Fund Investment Services bundles the advisory services provided by the investment team of Deutscheeteiligungs AG to the DBAG funds. In return for these services, DBAG receives volume-related remuneration that is easy to plan for. The basis for fee income declines along with disposals during a fund's disinvestment phase; it increases when a new fund is initiated and can be closed. DBAG receives additional fees on the basis of individual transactions for the advice it provides to DBAG ECF.

THE DBAG INVESTMENT TEAM

The members of the investment team are the key to success in the Fund Investment Services business: they prepare investment decisions, support portfolio companies and advise the funds on the sale of investments.

24 MEMBERS
make up the investment team, including two members of the Board of Management who are directly involved in the transaction business

9 YEARS
is the average length of service of investment team members at DBAG

265 YEARS
of experience have the investment team members combined in the private equity business

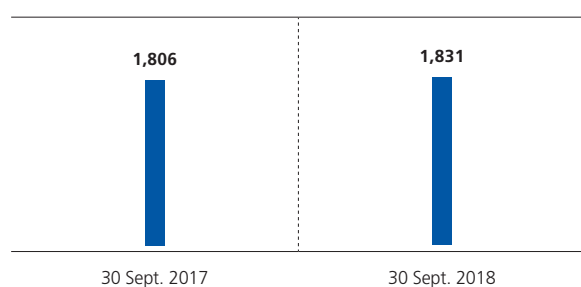
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INVESTMENT OPPORTUNITIES
 WERE ASSESSED BY THE
 DBAG INVESTMENT TEAM FOR
 THE DBAG FUNDS IN THE
 FINANCIAL YEAR 2017/2018

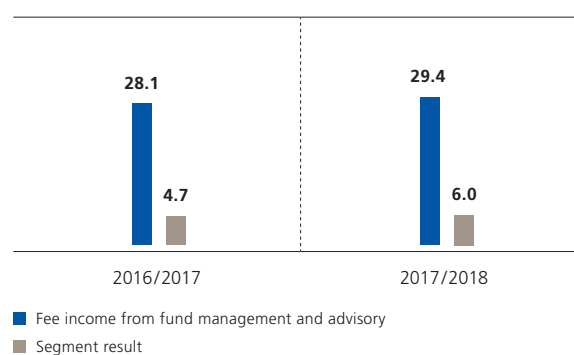


ASSETS UNDER MANAGEMENT AND ADVISEMENT

€mn

**INCOME AND EARNINGS OF FUND INVESTMENT SERVICES**

€mn

**DEVELOPMENTS IN 2017/2018**

- › Assets under management or advisement increased slightly due to the capital commitments raised for the second new investment period of DBAG ECF.
- › DBAG's outstanding capital commitments and financial resources declined in line with the investment activity in the financial year 2017/2018.
- › As investment activity progresses, outstanding capital commitments will continue to decline until a new fund is launched; they will also decline due to advisory and management expenses.

OUTLOOK

DBAG Fund VII is currently in its investment phase; more than half of the committed funds were invested at 30 September 2018. DBAG ECF is now in its second new investment phase. This means that assets under management or advisement have reached a peak for the time being. Assets can only increase if a new fund is launched or following very successful disposals, which increase DBAG's financial resources considerably.

DEVELOPMENTS IN 2017/2018

- › Income from DBAG Fund VII was collected for the full year for the first time; in the previous year, income was only collected for around nine months.
- › DBAG also received transaction-related remuneration from DBAG ECF for the first time in the financial year 2017/2018.
- › Following the disposals made in previous years, DBAG received significantly lower income from DBAG Fund V (0.6 million euros, as against 2.6 million euros in the previous year) and DBAG Fund VI (9.7 million euros, as against 11.3 million euros in the previous year).
- › Net expenses under other income/expenses are virtually unchanged in a year-on-year comparison.

OUTLOOK

Due to the investment progress made by DBAG ECF, we expect slightly higher fee income from Fund Investment Services in the current financial year 2018/2019 in a year-on-year comparison. This is because we receive remuneration for this fund on the basis of the capital invested. We are expecting a follow-on fund for DBAG Fund VII by 2020/2021, and will then expect higher assets under advisement and significantly higher fee income from Fund Investment Services than in the current financial year 2018/2019. Taking into account the costs for possible fundraising activity, we expect to see earnings drop considerably in the Fund Investment Services segment in 2018/2019.