



# BPT HANSA LUX SICAV-SIF

## QUARTERLY FUND REPORT Q3 2018

### SUMMARY

- NAV at EUR 127.84 per share
- Direct property yield (DPY) stable at 5.8%
- Occupancy rate stable at 99%

### COMMENTARY

BPT Hansa SICAV-SIF is a direct real estate fund investing in commercial properties in Northern Germany, mainly Berlin. The fund is designed for institutional investors, German and international, and should be seen as a long-term investment product.

### ACTIVITIES OVER THE QUARTER

During Q3 2018, the NAV has slightly decreased from EUR 130.54 (30 June 2018) to EUR 127.84 (30 September 2018) which was caused by – a one time – slightly lower than estimated investment property gain from the disposal of the Dahlem property as well as utilization of deferred tax assets in relation to the transaction.

In Q3 2018, the average fund occupancy maintained on the same high level as last quarter at 99%. Net rental income amounted to EUR 882 thousand in Q3 2018 (EUR 2,642 thousand YTD Q3 2018) and was above the budget (YTD) by EUR 43 thousand.

The Fund's direct property yield (DPY) was again stable at 5.8% in Q3 2018 (Q2 2018 with 5.9%).

The DPY of the Wärtsilä property in Hamburg increased to 7.6% (7.5% in Q2 2018) which is above the budget (7.4%). The DPY of the Dahlem property slightly decreased to 4.4% (compared to 4.5% in Q2 2018), while the DPY in Bessemerstraße still continues to outperform its budget (7.4%) at 8.6%. The DPY in Walsroder Straße decreased to 6.7% (Q2 2018: 7.2%) whereas remains above the budget (6.5%).

The third quarter was mainly driven by the handover of the Dahlem property to the buyer, which took place as at 30 September 2018. Part of the disposal agreement

### Fund performance

NAV per share (IFRS)	EUR 127.84
Latest dividend per share, EUR (paid out in Q4 2017)	EUR 3.0
Total return since inception	41.2%
Return since inception annualised	3.3

### Portfolio

Number of properties*	4
Average gross property value*	EUR 16.4m
Occupancy ratio (quarter average)	99.0%

\*Dahlem asset disposed as at the end of Q3 2018.

### Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2023
Status	Closed-end
Total share capital	EUR 24.3m
Net asset value	EUR 31.1m
Gross property value*	EUR 31.7m
Gross asset value (GAV)*	EUR 52.2m
Total cash and cash equivalents	EUR 16.9m
Loans	EUR 17.6m
Loan to value	55.4%
Interest coverage	193.3%

\*Disposed Dahlem asset is not included.

### Top 5 holdings

Hechtgraben Campus Hotel*	Hotel/Other	Berlin
Bessemerstrasse	Office	Berlin
Wärtsilä	Office/Industrial	Hamburg
Walsroder Strasse	Office	Hanover
Weight of total gross value		100%

Top 5 holdings based on gross property value.

\*Asset disposed as at the end of Q3 2018.

### Fees

Management fee	0.75% p.a. of GAV of the portfolio
Acquisition fee	0.3% of the total acquisition sum
Incentive fee	20% above a hurdle rate of 7% RoE
Subscription fee	max. 1.95% (depending on size)

settled among others the obligation of the fund to take care about the repair of some corroded A/C pipes in the building. The finalisation of this work is expected to be finalised during H1 2019.

Furthermore, the fund management could secure a first re-investment of the funds from the Dahlem disposal, which has been acquired in Q4 2018. The new property is a value-add office building, located in the South of Berlin. Further details will be release in the next fund management report.

## MARKET OUTLOOK

The somewhat uncertain political circumstances have so far left no traces on the German investment market. On the contrary, the transaction volume for commercial real estate increased 8% year-on-year to €42 billion in the first nine months of 2018. Never before has a third quarter performed this well, and the transaction volume of €16.4 billion also positions it as the fourth-strongest quarter in the ranking of the past five years.

Office property remains the most popular asset class, accounting for around 45%. Approximately €19 billion was invested in this type of real estate from January to September. Retail property is in second place, accounting for over 20% of the total thanks to the billion-euro department store transaction (Kaufhof/ Kartstadt transaction).

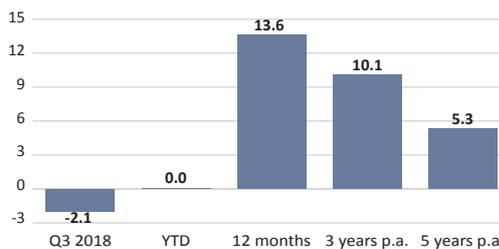
During the third quarter the office property segment, which accounts for the highest transaction volume, continued to see only moderate declines in yields for top products in the best locations. The prime yield averaged across all seven strongholds narrowed slightly to 3.20% compared to the previous quarter.

Germany's GDP grew by 1.1% in the 3rd quarter of 2018 compared to the same period of last year. Compared to the 2nd quarter of 2018, this corresponds to a contraction of -0.2%, mainly due to external developments (fewer exports and higher imports). Economic sentiment continues to improve across sectors, suggesting continued expansion in the coming quarters. For 2018 the government is projecting a growth rate of 1.8%, down from 2.3% due to increased difficulties in the international environment. The same growth is expected also for 2019 vs a previous forecast of 2.1%. The unemployment rate was 5.0%, stable from last quarter.

Inflation rose by 2.3% compared to the previous 12 months, which is more than in the last four years. The significant increase was largely attributable to increasing energy prices. The annual inflation for 2018 is expected at 1.9% in 2018 and 2.0% in 2019.

On the monetary side, interest rates in the Euro area are expected to remain unchanged at least for the next 12 months. As of today, the 10-year German Bund yields ca. 0.38%.

## Total Fund Return



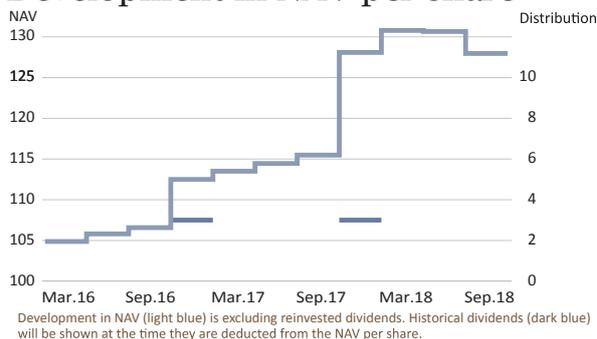
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

## Net initial yield (NIY) p.a. and direct property yield (DPY) p.a.



NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

## Development in NAV per share



Development in NAV (light blue) is excluding reinvested dividends. Historical dividends (dark blue) will be shown at the time they are deducted from the NAV per share.

## Allocation in percent\*



Allocation is calculated based on gross property value. \*Including Dahlem asset which was disposed at the end of Q3 2018.

## FUND MANAGER



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