



BPT HANSA LUX SICAV-SIF

QUARTERLY FUND REPORT Q2 2020 *

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 Q2 2020, the NAV slightly increased from EUR 149.33 (March 2020) to EUR 151.26.

The average occupancy rate further increased to 92.5%, which is related to new leases in Bessemerstraße in Berlin. The net rental income slightly increased during the quarter from EUR 546 thousand up to EUR 573 thousand.

Consequently, the Fund's direct property yield (DPY) increased from 5.8% to 6.1%.

The DPY in Bessemerstraße increased from 8.9% to 9.6% and is now above the budget (9.2%). The DPY in Walsroder Straße slightly dropped from 6.7% to 6.6%, which is as above the budget (6.0%). The DPY in Trachenbergring increased from 3.8% to 4.1%, which is as well above the budget figure (2.8%).

During the second quarter where the COVID pandemic hit the property market, the Fund could prove a strong tenant base. Due to a very good tenant mix of smaller and larger companies, the rent arrears over the past months remain stable and no larger impact of the rental income became visible in the cash flow. There were average rent arrears of approx. 8% of the total rental income, which can be related to COVID.

In 2019, the fund management team received two redemption requests. Both requests were satisfied in June 2020. The board has also decided to postpone dividend payments until summer 2020. As soon as we have a more complete picture of the long-term payment ability of our tenants, the board will deliberate on the 2020 dividend policy again.

In Trachenbergring, the second quarter was mainly used for the implementation of the CapEx-plan. Several measures were discussed and will be executed within the next months.

* This is for information purposes only

Fund performance

NAV per share (IFRS)	EUR 151.26
Latest dividend per share, EUR (paid out in 2019)	EUR 27.6
Total return since inception	99.6%
Return since inception annualised	5.7%

Portfolio

Number of properties	3
Average gross property value	EUR 18.0m
Occupancy ratio (quarter average)	92.5%

Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2023
Status	Closed-end
Total share capital	EUR 21.6m
Net asset value	EUR 32.6m
Gross property value	EUR 53.9m
Gross asset value (GAV)	EUR 59.8m
Total cash and cash equivalents	EUR 4.0m
Loans	EUR 21.5m
Loan to value	39.9%
Interest coverage	3.88

Top 3 holdings

Bessemerstrasse	Office	Berlin
Trachenbergring 93	Office	Berlin
Walsroder Strasse	Office	Hanover
Weight of total gross value		100%

Top 3 holdings based on gross property value.

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)

The construction works, respectively the permission process for the external staircase in Bessemerstraße, is in progress. The authorities declared to need some time to handover the appropriate permission. The planning is still on time and the fund management team is confident to finalize the last remaining CP of the closing process until the end of 2020.

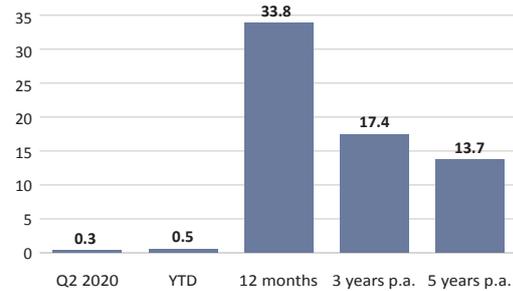
MARKET REVIEW AND OUTLOOK

During the second quarter of 2020, politicians and central banks have pumped huge amounts of money into the market to maintain liquidity. The largest economic stimulus package in Germany's entire history to date was put together in a concerted action, equating to around 4% to 4.5% of the GDP. The package consists of four large blocks: aid for consumers, companies, municipalities and investment in the future. The massive increase in government debt that accompanies these measures appears necessary because of the sheer scale of the crisis, and is also justifiable in view of the continuing low returns of German government bonds. Even though the economy, boosted by the financial aid, is slowly getting back on its feet, market participants anticipate a delayed impact on the property market. The financing environment will remain appreciably difficult until at least 2021.

According to JLL, the investment volume in Q2 2020 was EUR 14.65 billion, which contributed to 35% of the half-time volume of 2020. Of particular note is that while company acquisitions and investments dominated the first quarter, hardly any transactions of this type took place in subsequent months, also undoubtedly a result of the uncertain development and volatility on the stock markets. The largest transaction in the second quarter was the sale of 86% of Godewind to Covivo for around EUR 1 billion, including properties. The largest single transaction took place in Munich, where around EUR 240 million was paid for an office and commercial park.

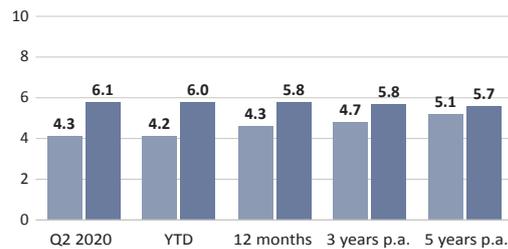
The inflation rate in June was with 0.9% lower compared to the end of the first quarter (March: 1.4%). In June 2020, the unemployment rate increased over the quarter from 5.1% to 6.2%. The effects of the Corona crisis can now be seen clearly in the current unemployment figures.

Total Fund Return



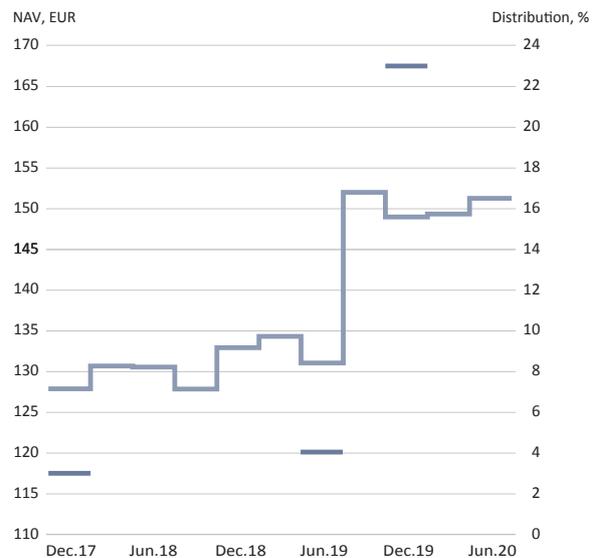
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

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 reduced from the NAV per share.

Allocation in percent



Allocation is calculated based on gross property value.

FUND MANAGER



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