



BPT HANSA LUX SICAV-SIF

QUARTERLY FUND REPORT Q3 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 Q3 2020, the NAV slightly increased from EUR 151.26 (June 2020) to EUR 152.50.

The average occupancy rate decreased to 91.5% compared to the last quarter, which is related to a termination of a lease agreement in Walsroder Straße. Negotiations with a new tenant are already in the final process. Consequently, the net rental income decreased during the quarter from EUR 573 thousand to EUR 563 thousand.

The Fund's direct property yield (DPY) slightly decreased from 6.1% to 6.0%.

The DPY in Bessemerstraße increased from 9.6% to 10.1% and is still above the budget (9.2%). The DPY in Walsroder Straße dropped from 6.6% to 5.8%, which is as now below the budget (6.0%). The DPY in Trachenbergring slightly decreased from 4.1% to 4.0%, which is above the budget figure (2.8%).

In the third quarter, the property portfolio provided again a stable cash flow to the Fund, based on a strong tenant base, mainly unaffected by COVID-19 related turnover losses. There were no larger rent arrears to be noted.

As stated in the Q2 report, the board decided to postpone dividend payments until we have a more complete picture of the long-term payment abilities of our tenants. As COVID-19 cases are increasing again all over in Europe over the past weeks, the board decided to stick to the decision for now and to discuss again during the next board meeting end of November.

* The estimated NAV provided in this report is for general information purposes only. Official NAV and the redemptions are currently temporarily suspended and no dealing will be made on the basis of the estimated NAV provided in this report

Fund performance

NAV per share (IFRS)	EUR 152.5
Latest dividend per share, EUR (paid out in 2019)	EUR 27.6
Total return since inception	101.2%
Return since inception annualised	5.6%

Portfolio

Number of properties	3
Average gross property value	EUR 18.0m
Occupancy ratio (quarter average)	91.6%

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 32.9m
Gross property value	EUR 53.9m
Gross asset value (GAV)	EUR 60.0m
Total cash and cash equivalents	EUR 4.2m
Loans	EUR 21.4m
Loan to value	39.7%
Interest coverage	4.04

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, which is the last CP before the disposal is fully closed, is still in progress. It is fair to assume that the construction works cannot be finalized until the end of 2020. Therefore, the closing is will take place in Q1 2021. Despite the delay, which is only related to the reduced speed of the permission process due to understaffed authorities' offices in COVID-19 times, the management team does not see any indicators that the process is at risk. In addition, it is not questionable at all if the construction will be allowed – just the timing is an unclear factor.

MARKET REVIEW

After a mild summer, COVID-19 infections are now rising again and Germany decided to implement a 4 weeks lockdown "light". This is why many questions about the further recovery of the economy and the duration of the recession depend are still unresolved, but looking at a few fundamental indicators might add confidence. These indicators include the government's economic support measures, developments in unemployment and corporate insolvencies and last but not least, the financial and refinancing activities of the banks. This also makes clear that in addition to liquidity, growth and innovation, crisis management by governments and authorities is more than ever becoming an investment criterion for investors. This shows how trust and stability - two unshakable principles for investment - can be created in a sound and sustainable way. And Germany seems to be well positioned in this regard.

According to JLL, the investment volume in Q3 2020 was with EUR 15.5 billion slightly higher than in Q2 2020 (EUR 14.65 billion). In the first three quarters of the year 2020 a total investment volume of about EUR 58 billion was reported, which was also slightly above the previous year's level. This result is a testament to the strength of the German real estate market and its importance for national and international investors. At the end of the quarter, the residential properties remained in first place with a total of around EUR 19 billion was invested here. Still unshakeable is the office sector for the investors; with quarterly transaction volumes ranging from EUR 4.5 billion to EUR 4.9 billion and a total volume of EUR 14.2 billion during the first three quarters, it remains the most attractive commercial asset class. Retail properties are with almost EUR 8 billion investment volume in the first three quarters number two of commercial asset classes, followed by logistic properties with a total volume of around EUR 5.8 billion.

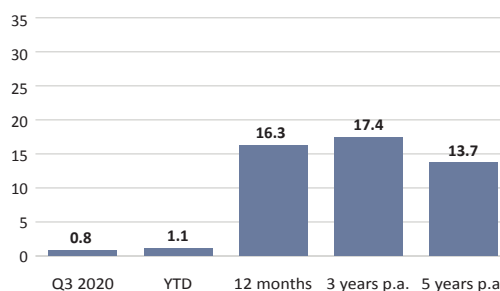
The inflation rate in September was -0.2% lower compared to the same month last year. In September 2020, the unemployment rate remains stable compared to the end of last quarter (6.2%).

FUND MANAGER



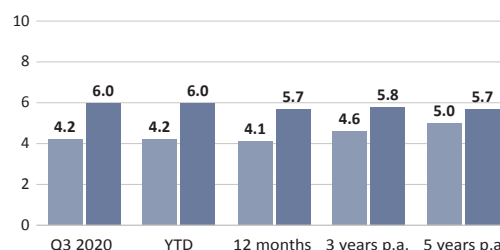
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Total Fund Return



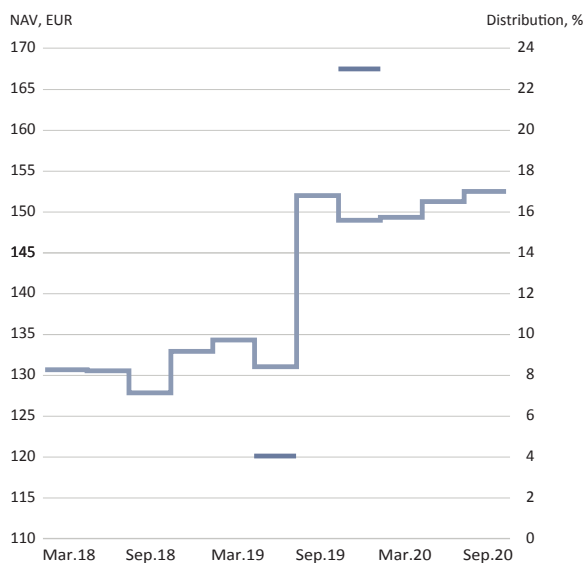
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

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



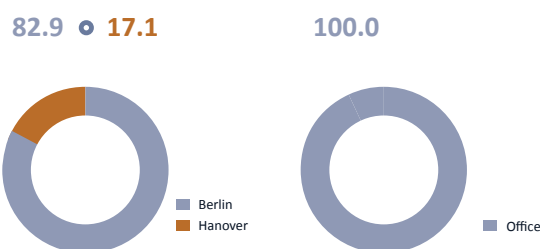
NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

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.