



BPT HANSA LUX SICAV-SIF

QUARTERLY FUND REPORT Q2 2018

SUMMARY

- NAV stable at EUR 130.54
- Direct property yield (DPY) increased to 5.9%
- Occupancy rate increased to 99.0%

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 2018, the NAV remained stable at EUR 130.54 (Q1 2018: EUR 130.67). The slight decrease was mainly caused by a one-time loan prepayment penalty due to re-financing of the Hamburg property. The net profit June YTD 2018 amounted to EUR 650 thousand and was above the budget by EUR 222 thousand, mainly due to the fact that the disposal of Seminaris hotel was already reflected in Q1 2018, however, the budget assumed that the disposal will be recognized in Q3 2018. During the quarter, the Fund has successfully refinanced Wärtsilä loan. The budget assumed the refinancing to occur in the beginning of July 2018, therefore, the mismatch between actual and budgeted figures is temporary.

The average fund occupancy increased from 98.1% to 99.0% in Q2 2018. The net rental income amounted to EUR 892 thousand in Q2 2018 (EUR 1,761 thousand YTD Q2 2018) and was above the budget by EUR 37 thousand (EUR 62 thousand YTD Q2 2018).

The direct property yield (DPY) increased from 5.7% Q1 2018 to 5.9% in 2018 Q2 and is above the budget (5.7%).

The DPY of the Wärtsilä property in Hamburg slightly decreased to 7.5% (7.6% in Q1 2018) which is still above the budget (7.4%). The Fund Management signed a refinancing loan agreement with Münchener Hypothekenbank with a fixed interest rate of 1.44% compared to

Fund performance

NAV per share (IFRS)	EUR 130.54
Latest dividend per unit (2017 Q4)	EUR 3.0
Total return since inception	44.2%
Return since inception annualised	3.5%

Portfolio

Number of properties	4
Average gross property value	EUR 17.1m
Occupancy ratio (quarter average)	99.0%

Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2023
Status	Closed-end
Target share capital	EUR 100.0m
Total share capital	EUR 24.3m
Net asset value	EUR 31.8m
Investment capacity	EUR 300.0m
Gross property value	EUR 68.2m
Gross asset value (GAV)	EUR 71.6m
Total cash and cash equivalents	EUR 1.1m
Loans	EUR 33.3m
Loan to value	48.8%
Interest coverage	176.5%

Top 5 holdings

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

Top 5 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)

previously 5.97%. This results in a monthly annuity reduced by EUR 27,700.00 EUR (-69.51%). The DPY in the Dahlem property increased to 4.5% (compared to 4.4% in Q1 2018), while the DPY in Bessemerstraße still continues to outperform its budget (7.5%) at 8.3%. The DPY in Walsroderstraße increased to 7.2% (Q1 2018: 6.7%), but remains still above the budget (6.5%).

The second half of 2018 portfolio activities will mainly focus on reinvesting the proceeds from Dahlem arguably in two other properties in Northern Germany in line with the fund's investment strategy to reposition the portfolio closer to a value-add proposition and to market opportunities. Several properties are currently under investigation.

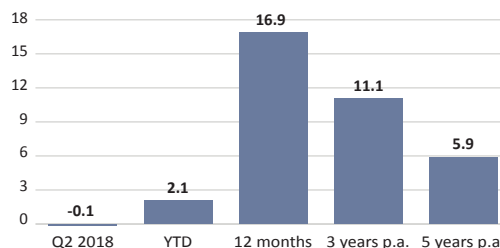
MARKET OUTLOOK

The transaction volume on the German commercial real estate market of about EUR 25.6 billion was almost identical to the volume recorded in the previous year's period (minus 1%), and thus confirmed the trend from the previous quarter. The number of transactions was also at a similar level, maintaining the underlying market dynamics. Even though Germany's reputation as a haven of political stability has suffered in recent days, no significant impact on demand for German commercial real estate is expected at least during the remainder of 2018. Experts still sticking to a full-year forecast of about EUR 55 billion.

During the second quarter, investors clearly focused on the big seven cities, which accounted for about 63% of the total German transaction volume. The transaction volume in the Big 7 increased significantly by 29% in the first six months compared to the previous year. At about EUR 11.4 billion, office properties accounted for around 45% of total investments and remained by far the most dominant usage type. Retail properties accounted for almost 18%, while the transaction volume for logistics property stabilized in the double-digit percentage range (11%). The average prime yield for office properties for all seven strongholds is 3.24%, which is virtually unchanged from the previous quarter. The 12-month comparison shows a decline of 23 basis points. However, logistics properties continue to fuel the strongest yield momentum. The average prime yield for the Top 7 logistics regions currently stands at 4.25% and is therefore 15 basis below the rate at the end of the first quarter.

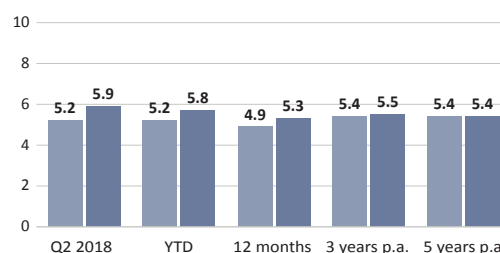
For the current year, the federal government expects a GDP growth of 2.3 % (slightly lower according to forecast in Q1 2018 of 2.4%). For 2019, an increase of 2.1% is expected. The unemployment rate again decreased in June 2018 to 5% (from 5.5% in Q1 2018). The annual inflation rate for 2018 is still expected at approx. 1.5%. 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. 0.35%.

Total Fund Return



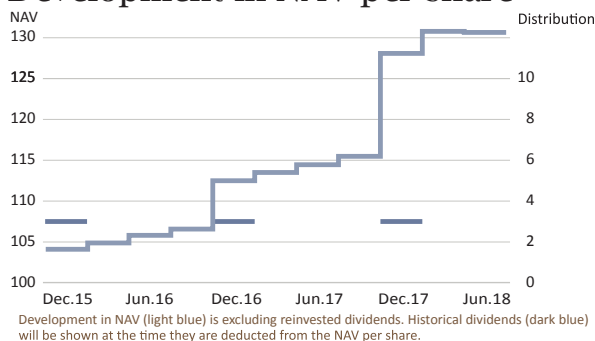
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

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



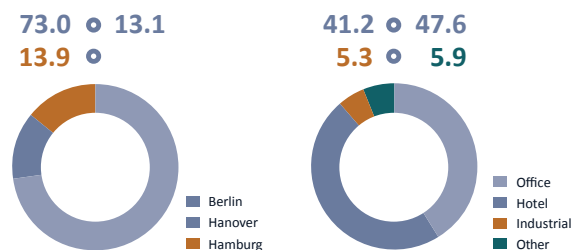
NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

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.

FUND MANAGER



Georg Haider
 Email: Georg.Haider@nh-cap.com
 Direct tel: +49 30 20 21 59 886