



BPT HANSA LUX SICAV-SIF

QUARTERLY FUND REPORT Q4 2017¹

SUMMARY

- Direct property yield (DPY) slightly decreased to 5.25%
- Occupancy rate increased to 99.0%
- NAV materially increased to EUR 127.97 per share
- Fund's gross property value significantly increased to EUR 65.5 Mio.
- Dividend payment of 3% resolved for FY 2017

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.

In 2017, the Fund could again maintain with the last years material performance improvement of the portfolio, mainly driven by proactive letting activities in Bessemerstraße and now renting out all remaining vacant space in the Dahlem property to the University Berlin. The Fund's gross property value has increased materially by EUR 4.7 million to EUR 65.5 million compared to YE 2016. The Board of Directors resolved a dividend payment of 3% for the financial year 2017 to be paid out in 2018.

ACTIVITIES OVER THE YEAR 2017

The Fund's total gross asset value (GAV) increased in 2017 to EUR 68.1 million compared to EUR 64.1 million at year end 2016. The NAV per share increased from EUR 112.47 in 2016 to EUR 127.97 in 2017. The direct property yield for the year 2017 slightly decreased from 5.57% to 5.25%. The fair value of the portfolio consisting of 4 investment properties is EUR 65.45 end of 2017 (2016: EUR 60.8).

During 2017, the average funds occupancy increased to 99.0% (2016: 96.3%).

¹ Based on unaudited figures

Fund performance

NAV per share (IFRS)	EUR 127.97
Latest dividend per unit (2017 Q4)	EUR 3.0
Total return since inception	41.4%
Return since inception annualised	3.5%

Portfolio

Number of properties	4
Average gross property value	EUR 16.4m
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 31.2m
Investment capacity	EUR 300.0m
Gross property value	EUR 65.5m
Gross asset value (GAV)	EUR 68.1m
Total cash and cash equivalents	EUR 1.2m
Loans	EUR 33.4m
Loan to value	51.0%
Interest coverage	142.9%

Top 5 holdings

Hechtgraben Campus Hotel	Other/Hotel	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.

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 performance of the Hamburg property remained excellent. When the Fund entered into this investment, the direct property yield after construction was expected to be in the range of 6.0% - 6.3%. The direct property yield remained stable in 2017 and increased to 7.4% and is in line with the budget. The property is free of any defects.

The hotel operations of the Berlin-Dahlem property have been developing excellent. Again, in 2017 the turnover of the hotel operator has increased and is showing an ongoing increasing trend for the future. As a result of the proactive asset management of the Fund Management, the Fund successfully signed in Q4 2017 a 10-year unbreakable lease agreement for the remaining vacant space with the Freie Universität Berlin. This property is now showing a 100% occupancy rate and a WALT of more than 10 years!

The local management actively maintained the letting and re-letting process in the Bessemerstraße property that have already and shall further result to increase in both the average rental income per sq. m. and the weighted average lease term. In 2017 the direct property yield increased to 8.1% and the average rental income could be increased by EUR 1.01/m² (Budget: EUR 0.50/m²) since takeover end of 2013.

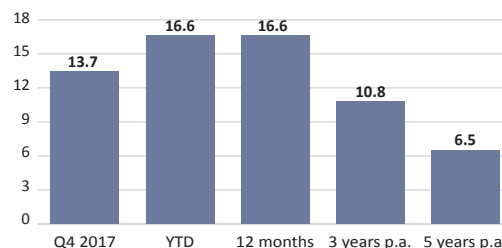
The Walsroder Strasse property showed again a strong year 2017. The office space was fully let through 2017 and the Fund Manager is recognising ongoing good market interest for this property. In 2017, the average direct property yield 2017 increased from 6.5% to 6.9% and was above the budget (6.3%).

MARKET OUTLOOK

Low interest rates and an unstable political climate have been characterizing the European landscape for the past 10 years. Notwithstanding this, Germany's economic expansion keeps momentum. Following a remarkable year of growth of 1.9% in 2016, mainly driven by a strong domestic market and an increasing export trade, Germany's GDP growth reached a six-year high of 2.2% in 2017. Economic sentiment continues to improve across sectors, suggesting continued expansion in the coming quarters. For 2018 and 2019 the government is projecting a growth of 2.3% and 2.1% respectively. Furthermore, Germany has the third lowest unemployment rates within the EU since only 5.7% of the labour force (15- to 74-year-olds) was unemployed in December 2017.

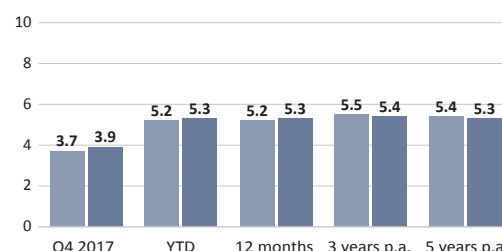
Regarding consumer prices, after an increase in 2016 of 1.7%, they kept moving at a similar pace also in 2017 (1.8%) thanks especially to the rise of energy prices. The annual inflation for 2018 and 2019 is expected at 1.6%.

Total Fund Return



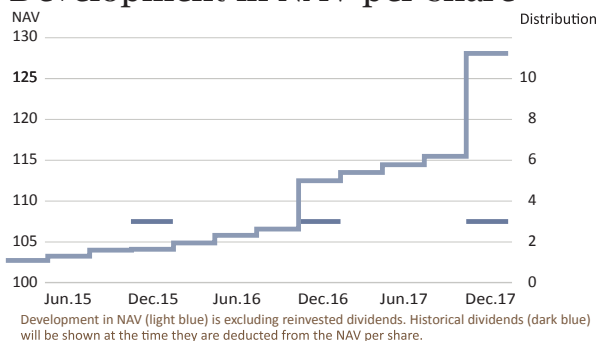
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

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



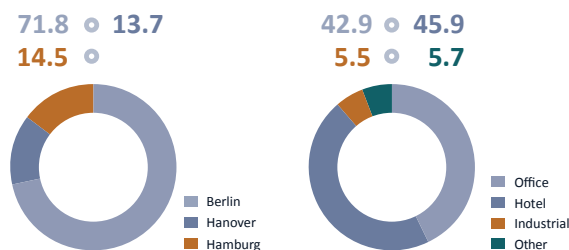
NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

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



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