



BPT HANSA LUX SICAV-SIF

QUARTERLY FUND REPORT Q2 2021

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 2021, the NAV slightly decreased from EUR 148.76 (March 2021) to EUR 146.19, which is mainly caused due to the dividend distribution in May.

The average occupancy rate slightly decreased to 85.19%. This decrease is due to the expiry of smaller tenants at Bessemerstraße. Consequently, the net rental income decreased from EUR 492 thousand to EUR 481 thousand.

Subsequently, the Fund's direct property yield (DPY) decreased from 5.2% to 5.0%.

The DPY in Bessemerstraße decreased 10.6% to 8.9% due to the above-mentioned expiry of lease agreements. The DPY in Walsroder Straße slightly decreased from 6.7% to 6.2%. The DPY in Trachenbergring increased from 1.8% to 2.6%.

The action plan for the CapEx measures at Trachenbergring hasn't been started yet. We assume that the measures in regards of the external staircase (according to fire protection) will be started in Q4 2021. The schedule has to be finally agreed with all the project participants.

In Walsroder Straße, the handover to the new tenant Region Hannover took place in July as anticipated in Q1. There will be negotiations with the largest tenant Bosch, which wants to prolong its lease but wants to decrease in space. A final outcome of the negotiations is expected in Q3 2021.

The finalization of the construction works at Bessemerstraße are set at end of August 2021. Due to delay in material supply, especially for steel, the construction companies had to reschedule some measurements. We

Fund performance

NAV per share (IFRS)	EUR 146.19
Latest dividend per share, EUR (paid out in Q2 2021)	EUR 6.0
Total return since inception	110.5%
Return since inception annualised	5.7%

Portfolio

Number of properties	3
Average gross property value	EUR 18.2m
Occupancy ratio (quarter average)	85.2%

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 31.5m
Gross property value	EUR 54.5m
Gross asset value (GAV)	EUR 57.4m
Total cash and cash equivalents	EUR 1.8m
Loans	EUR 21.1m
Loan to value	38.8%
Interest coverage	3.21

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)

also had to face an increase in constructions costs, which is split between buyer and BPT Hansa. In total, BPT Hansa's contribution is estimated to be approx. EUR 85 thousand higher than originally anticipated. The final costs for the construction works will be communicated after closing the deal. Afterwards, we will present all details in a separate newsletter.

MARKET REVIEW

According to JLL, the German investment showed some improvement compared to the first quarter of 2021. The total transaction volume of the second quarter is with EUR 17.5 billion slightly above the first quarter. At the end of the first six months, the total transaction volume amounted to EUR 34 billion, which was "only" 20% lower compared to 2020. So far this year, there has been an absence of portfolio deals that were sufficiently large enough to allow the market to continue along similar lines to previous years. In the first six months, portfolio transactions amounted to EUR 11.4 billion, which is 53% lower compared to 2020. On the other hand side, individual transactions increased significantly to EUR 22.7 billion. The residential sector with healthcare properties and student housing included, accounted for the majority of the transaction volume in the first half of the year, generating around EUR 11.9 billion (35%). At some distance, but significantly improved compared to the first quarter, office properties were next with a 29% share (EUR 10 billion). Retail properties is in third place with a volume of EUR 3.1 billion. The investor focus on security and value retention is currently reflected in the transaction figures for the Big 7. Here, almost EUR 17.4 billion was invested in the first half of the year, which equates to more than half of the total German transaction volume.

Investors should be prepared for higher financing costs owing to an increase in internal administrative costs at banks. Since this also makes it more difficult to finance value-add or opportunistic deals, alternative financiers are also becoming increasingly important for the German market. However, the market environment will remain attractive for the foreseeable future.

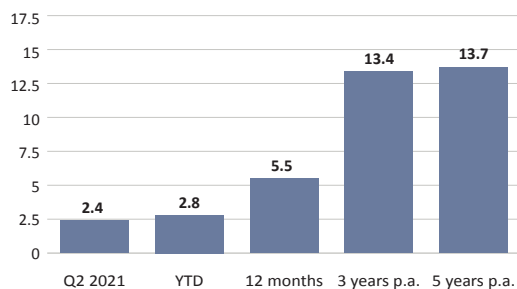
The inflation rate in June 2021 was +2.3%, which is a plus of 0.4% compared to previous month (May 2021: 1.9%). The unemployment rate fell by 0.2% (compared to June 2020) to 5.7%. Compared to June last year, the number of unemployed has decreased by 239,000.

FUND MANAGER



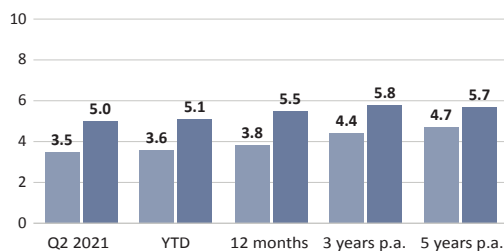
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Total Fund Return



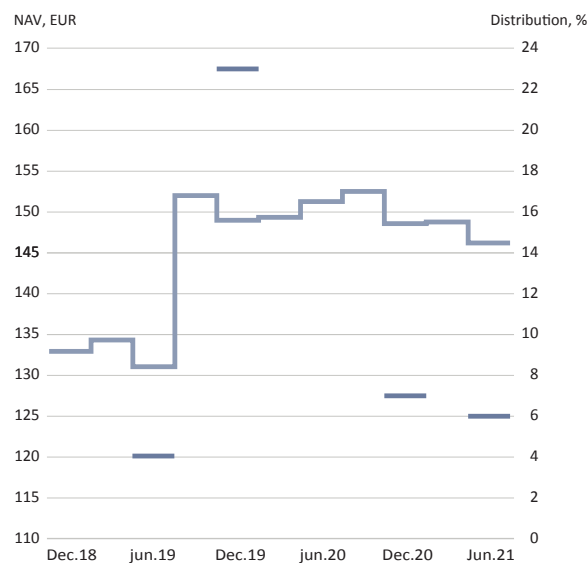
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

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



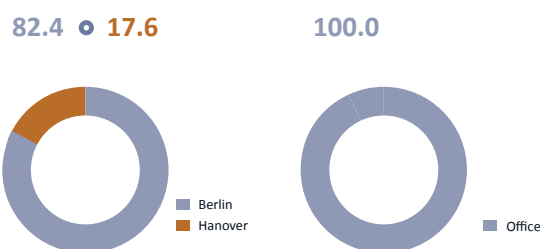
NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

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.