



# BPT HANSA LUX SICAV-SIF

## QUARTERLY FUND REPORT Q4 2019

### 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 Q4 2019, the NAV slightly decreased from EUR 151.91 (September 2019) to EUR 148.85 (December 2019). This was mainly driven by the payments of dividends following to the disposal of Schlenzigstrasse, Hamburg.

The average occupancy rate in Q4 2019 decreased from 92.5% to 89.4%, which is related to a lease expiry in Bessemerstrasse, Berlin. Net rental income amounted to EUR 473 thousand in Q4 2019 (EUR 716 thousand Q3 2019). The lower amount is caused by the loss of rental income from Schlenzigstrasse, Hamburg.

The Fund's direct property yield (DPY) decreases by from 6.2% to 5.0%.

The DPY in Bessemerstraße decreased to 8.8% (10.1% Q3 2019) and still continues to outperform its budget (7.3%). The DPY in Walsroder Straße decreased to 5.3% (7.7% Q3 2019). The DPY in Trachenbergring in Berlin is stable at 3.0% and is below the new budget (5.1%).

The closing of Bessemerstr. will be delayed due to unexpected complexity of fire protection measurements. The Fund Manager will inform about the status and the new valuations of the properties within a separate newsletter in more detail.

The fund management team has drafted a detailed CAPEX investment plan for the Trachenbergring which we believe is necessary to unlock the properties full potential. The measurements will be implemented according to the funds' liquidity, which forecast had to be adjusted due to the delayed closing mentioned above. To have full flexibility, the fund management team currently evaluates a bridge financing to avoid any delays.

### MARKET OUTLOOK

According to JLL, the German commercial transaction volume (including commercial living like healthcare, student housing, clinics) in Q4 2019 reached a new record of EUR 34m billion.

### Fund performance

NAV per share (IFRS)	EUR 148.85
Latest dividend per share, EUR (paid out in 2019)	EUR 27.6
Total return since inception	98.4%
Return since inception annualised	5.9%

### Portfolio

Number of properties	3
Average gross property value	EUR 17.9m
Occupancy ratio (quarter average)	89.4%

### Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2023
Status	Closed-end
Total share capital	EUR 24.3m
Net asset value	EUR 36.2m
Gross property value*	EUR 53.8m
Gross asset value (GAV)*	EUR 62.8m
Total cash and cash equivalents	EUR 4.7m
Loans	EUR 20.2m
Loan to value	37.6%
Interest coverage	4.25

### Top 5 holdings

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

Top 5 holdings based on gross property value.

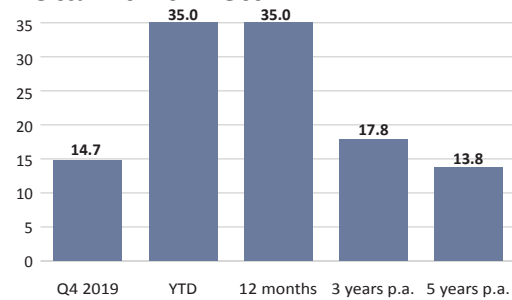
### Fees

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)

2019 was, with the transaction volume of EUR 91.3 billion, another record year in a row. At the top of the transaction list at the end of the year is the sale of Dream Global's properties to Blackstone. The proportion of German real estate is around EUR 3.2 billion. Office was, like the last years, the most requested asset class (approx. 40% of total volume), followed by commercial living with 24%. Retail properties has a historically low share of 12%. Large-volume shopping center transactions are particularly lacking. Retail market products, especially with food anchors, are still in high demand among investors. Logistic properties come with 7% in last. It is not surprising that, due to the partial strong capital pressure of investors, the big 7 still account for the majority (58%) of the transaction volume. Berlin remains the undisputed frontrunner with EUR 15.8 billion and an increase of 46% compared to 2018. But it is also a fact that cities outside the Big 7 can offer interesting opportunities. After all, around EUR 38.7 billion were invested into these markets in 2019, 17% more than in 2018.

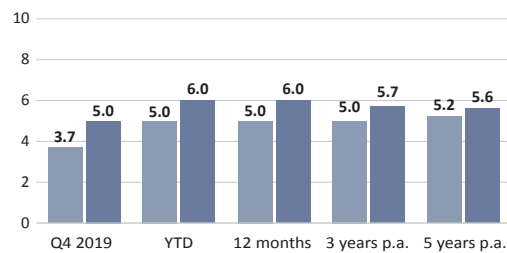
The inflation rate slightly increased from 1.2% in September to 1.5% in December 2019. In December, the unemployment rate was with 4.9% constant compared with the end of the third quarter.

## Total Fund Return



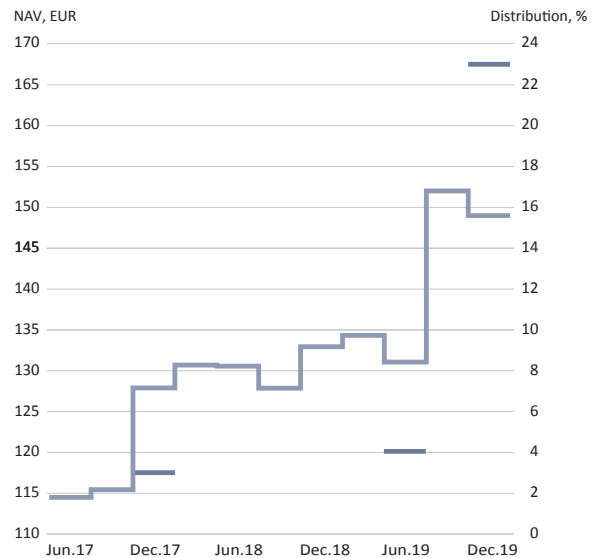
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

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



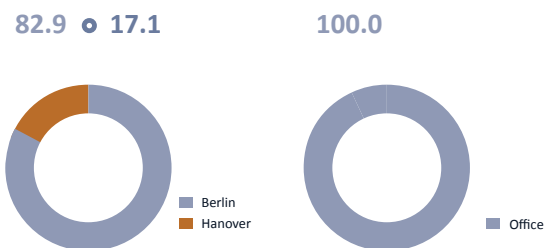
NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

## 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.

\* After disposal of Wärttilä

## FUND MANAGER



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