



BPT HANSA LUX SICAV-SIF

QUARTERLY FUND REPORT Q2 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 Q2 2019, the NAV has slightly decreased from EUR 134.31 (March 2019) to EUR 131.04 (June 2019) was mainly driven by the payout of dividends to the shareholders in June 2019.

The average occupancy rate in Q2 2019 increased slightly from 87.3% to 90.8%, which is related to new lease agreements in Berlins Trachenbergring property. Net rental income amounted to EUR 723 thousand in Q2 2019 (EUR 720 thousand Q1 2019).

The Fund's direct property yield (DPY) remains stable at 6.3% in Q2 2019.

The DPY of the Wärtsilä property in Hamburg slightly decreased to 7.5% (7.6% in Q1 2019) which is in line with the budget (7.6%). The DPY in Bessemerstraße increased to 9.4% (8.4% Q1 2019) and still continues to outperform its budget (7.3%), while the DPY in Walsroder Straße decreased to 6.2% (6.4% Q1 2019) but is in line with the 2019 budget (6.3%). The DPY in Trachenbergring in Berlin decreased to 4.2% (4.6% Q1 2019) and is below the new budget (5.1%).

The activities during the first quarter of 2019 were mainly related to the planned disposals of two properties of the fund:

The team signed an SPA to sell the Bessemerstraße, for which a very attractive off-market offer was received, which will result in a significant NAV premium compared to the latest valuation. Bessemerstraße was "managed to core+" by the asset management and is now a property with a stable income profile. However, at the same time, the team believes that the asset will not improve further, keeping in mind its WALT and the limited remaining fund lifetime. The team executed the signing of the SPA in early July with closing of the disposal in early 2020 and is confident to achieve with this an attractive result for the investors.

Furthermore, the team continues to work on the structured transaction process for the Wärtsilä property in Hamburg and

Fund performance

NAV per share (IFRS)	EUR 131.04
Latest dividend per share, EUR (paid out in Q2 2019)	EUR 4.0
Total return since inception	49.2%
Return since inception annualised	3.5%

Portfolio

Number of properties	4
Average gross property value	EUR 13.1m
Occupancy ratio (quarter average)	90.8%

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 31.9m
Gross property value	EUR 52.4m
Gross asset value (GAV)	EUR 62.3m
Total cash and cash equivalents	EUR 5.9m
Loans	EUR 25.7m
Loan to value	49.1%
Interest coverage	3.58

Top 5 holdings

Trachenbergring 93	Office	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)

aims to sign and to close the deal in August / September 2019. The property is still under exclusivity and the negotiations of the SPA are nearly finished. Again, the team is confident that it will be able to report a sale with a pricing premium compared to the latest valuation.

In addition to the transaction activities described above there are also operational news to report:

After spending more than 12 years with Northern Horizon, Stefanie Taubert has decided to take a new opportunity as of August 2019. For me, it has been a great pleasure working with Stefanie. For her next big challenge, the whole team would like to say "Thank you, good luck and farewell".

At the same time, I am happy to announce that Ulrike Neumeier joined the Berlin team as new German Asset Manager as of 15 June 2019. Ulrike is an experienced real estate management expert with a proven track record of helping various international investors and real estate owners by performing their landlord representation function, managing their commercial properties actively and build a strong net operating income. Ulrike was formerly asset manager at CBRE and at Siemens Real Estate and has already picked up the handover process from Stefanie.

The fund management also decided to work with a new property manager. As of June 1st, Kristensen Properties will take care of the Hansa real estate portfolio. Kristensen is based in Alborg (Denmark) and in Berlin. The team is confident that we have found a reliable and professional service provider and is looking forward to continue to work with our new partner.

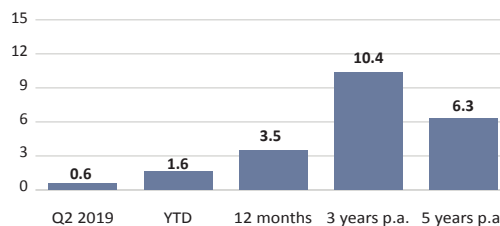
MARKET OUTLOOK

According to JLL, the commercial transaction volume (including living assets like student housing, micro living elderly care homes) remains at a similar level to last year with EUR 17 billion. Despite the persistent imbalance between supply and demand, neither a shortage of products nor rising prices seem to act as a deterrent to investors. The total transaction volume between January and June 2019 stood at approx. EUR 32.2 billion, which is 12% lower than in the same period of 2018. Overall, single-asset transactions accounted for more than two thirds of the total volume. Portfolio deals gained some ground in the second quarter, with a volume of almost EUR 10.5 billion by the end of the first half. The second quarter also did not bring about any significant change in the distribution of relative shares among the different asset classes. The focus of investors remained clearly on office property, which accounted for a share of 36%.

After a surprisingly strong development of the German economy in the first quarter, the current economic indicators point to a cautious development in the second quarter. However, a growth could be expected if the external environment calmed down again. Nevertheless, there are currently significant downside risks, not least due to trade conflicts, the Brexit and geopolitical tensions.

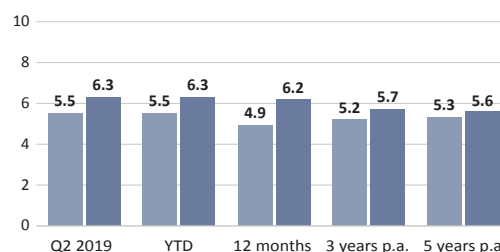
The inflation rate was at 1.6% in June 2019 (1.3% in March 2019) and the unemployment rate was at 4.9% (5.1% in March 2019).

Total Fund Return



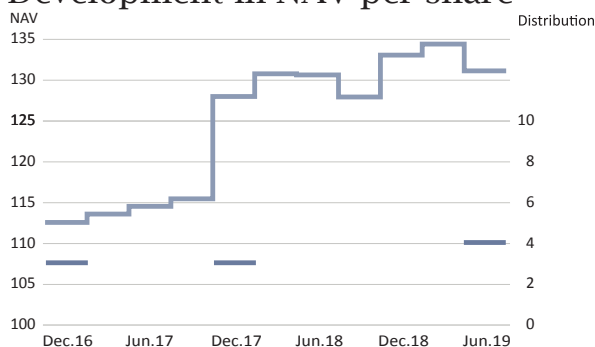
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

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



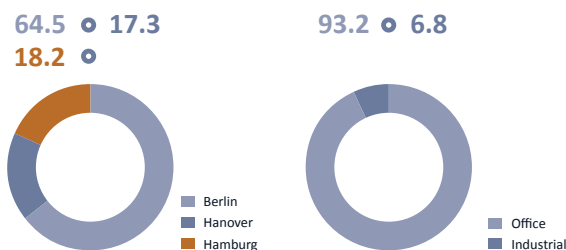
NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

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



Sebastian Russ
 Email: sebastian.russ@nh-cap.com
 Direct tel: +49 30 20 21 59 886