NORTHERN HORIZON

BPT HANSA LUX SICAV-SIF

Société d'Investissement à Capital Variable

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

AS AT 31.12.2015

nh-cap.com

General information

Business name	BPT Hansa Lux SICAV-SIF(the "Fund") Registered alternative investment fund manager ("AIFM")
Beginning of financial year	1 January 2015
End of financial year	31 December 2015
Investment Manager	Northern Horizon Capital A/S Christian IX's Gade 2, 2nd floor, DK-1111 Copenhagen K, Denmark
Custodian and Paying Agent	Banque de Luxembourg S.A. (the "BdL") 14, Boulevard Royal L-2449 Luxembourg
Fund Administrator, Domiciliary, Registrar and Transfer agent	European Fund Administration S.A. (the "EFA") 2, rue d'Alsace, P.O. Box 1725, L-1017 Luxembourg
Type of Fund	Non-public closed-ended real estate fund
Style of Fund	Core plus/ Value added
Status of Fund	Closed for new subscriptions
Market segment	Retail/ Offices/ Hotel/ Industrial
Life time	Finite (3 May 2023)
Address of the Fund	2, Rue d'Alsace, L-1122 Luxembourg, Grand Duchy of Luxembourg
Fund manager	Georg Haider
Board of Directors	Alain Heinz, Chairman (Luxembourg) Dr. Lars Christian Ohnemus (Denmark) Rüdiger Kimpel (Luxembourg)
Phone Fax	+352 48 48 80 80 +352 48 65 61 8690
Independent auditor	Ernst & Young S.A. 7, Rue Gabriel Lippman, Parc d'Activite' Syrdall 2, L-5365 Munsbach, Luxembourg
Property valuators	bulwiengesa appraisal GmbH Wallstraße 61, 10179 Berlin, Germany and Dr.-Ing. Egbert Krellmann (publicly appointed and sworn expert) Küsselstraße 13 A, 14473 Potsdam, Germany

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Definitions of key terms and abbreviations

CSSF	Luxembourg financial supervisory authority (“Commission de Surveillance du Secteur Financier”)
Fund	BPT Hansa Lux SICAV-SIF
IFRS	International Financial Reporting Standards
IFRS NAV	NAV determined in compliance with IFRS
INREV	European Association for Investors in Non-listed Real Estate Vehicles
INREV NAV	IFRS NAV, adjusted to comply with INREV guidelines
Investor(s)	Well-informed investors defined in Article 2 (1) of the SIF Law shall be any institutional investor, a professional investor or any other investor who a) has confirmed in writing that he adheres to the status of well-informed Investor, and b) (ii) invests a minimum of EUR 125,000 in the Fund, or (ii) has obtained an assessment made by a credit institution within the meaning of Directive 2006/48/EC, by an investment firm within the meaning of Directive 2004/39/EC or by a management company within the meaning of Directive 2001/107/EC certifying his expertise, his experience and his knowledge in adequately appraising an investment in the specialised investment fund
GAV	The gross asset value meaning the aggregate of the market value of investments
INREV GAV	IFRS GAV, adjusted to comply with INREV guidelines
Investment Manager	Northern Horizon Capital A/S, registered address at Christian IX’s Gade 2, 2nd floor, DK-1111 Copenhagen K, Denmark acting through its wholly owned subsidiary Northern Horizon Capital GmbH, registered address at Weinmeisterstrasse 12-14, D-10178 Berlin, Germany
Leverage	Debt financing of the Fund, corresponding to maximum 70% of GAV
NAV	Net asset value for the Fund
NAV per share	NAV divided by the amount of shares in the Fund at the moment of determination
NOI	Net operating income
Direct Property Yield	NOI divided by the total acquisition price including acquisition fees and incurred capital expenditures
Return on Equity	Ratio between Return and Average Total Equity for the relevant period expressed as a percentage
Valuation Day	31 December each year

Management statement

Today the Board of Directors have reviewed and approved the 2015 consolidated financial statements of BPT Hansa Lux SICAV-SIF and its subsidiaries.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. We consider the applied policies to be appropriate and that the consolidated financial statements provide a true and fair view of the consolidated financial position of BPT Hansa Lux SICAV-SIF and its subsidiaries as of 31 December 2015 and of their consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

We recommend that the consolidated financial statements and the annual report are approved at the annual general meeting of shareholders.

15 April 2016

Board of Directors

Alain Heinz

Chairman

Dr. Lars Ohnemus

Rüdiger Kimpel

Management Review

BPT Hansa Lux SICAV-SIF ("the Fund" or "BPT Hansa") 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. The financial objective of the Fund, when fully invested, is to provide its Investors with consistent and above average risk-adjusted return by acquiring high quality cash flow generating commercial properties with potential for adding value through active management, thereby creating a stable income stream of high yielding income combined with capital gains at exit. The strategy of the Fund did not change since the year-end 2013. However, it has to be noted that the fund size of EUR 300 million has not been reached so far.

Northern Horizon Capital A/S has been appointed by the Board and the shareholders as investment adviser and manager of the investments of the Fund (the „Investment Manager"). The Investment Manager acts as adviser for the Fund and manages the investments of the Fund in relation to its investment practices. The Investment Manager has not been granted any discretionary investment powers over the assets of the Fund. The advice relates to the placement of funds and respects the overall investment policies, risk profile, purpose and investment-related restrictions determined by the PPM.

The Investment Manager has a clear focus on corporate governance and high ethical standards and as well an internal compliance management to ensure that all Investors are treated fairly and equally. The Investment Manager follows the INREV guidelines for corporate governance and it is a longstanding principle of the Investment Manager that all its funds are transparent and that communication to Investors is accurate, direct and timely. The requirements for good corporate governance in relation to the composition of the board of directors for each fund are also adhered to, ensuring an independent and competent Board of Directors.

Investors participate in management of the Fund through General Meetings. Any regularly constituted meeting of the Shareholders of the Fund shall represent the entire body of its Shareholders. It shall have the broadest power to order, carry out or ratify acts relating to the operations of the Fund. The general meeting of shareholders shall meet upon call by the Board. It may also be called upon the request of shareholders representing at least 5% of the share capital. Notice of the General Meeting is given at least 8 days in prior to the meeting to their addresses as recorded in the register of Shareholders. Every Share carries one (1) vote at general meetings of Shareholders.

The Board of Directors consists of a minimum of three and a maximum of five members. Currently, the Board of Directors consists of three members with broad international experience (profiles and CV's of the Directors are available upon request). Any director may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting

The Fund has appointed European Fund Administration as its administrator (the "Administrator"). In this capacity, the Administrator is responsible for the computation of the NAV of the Shares, the maintenance of records and other general administrative functions as set forth under Luxembourg law. Furthermore, the administrator shall also verify that all Investors comply at all times with the status of Well-Informed Investors pursuant to article 2 of the SIF Law. European Fund Administration also acts as domiciliary, registrar and transfer agent.

The real estate property valuation policies of the Fund are determined by the Board based on market practice. Real estate properties are assessed at least annually by two independent real estate appraisers (the "Appraisers") appointed from time to time by the Board. The Appraisers are selected from professionals or companies who are licensed and who operate in the geographical area where any relevant real estate properties are located. The property valuation is based on fair market value as of 31 December each year and in principle is a single valuation signed by both independent appraisers. If the Appraisers do not reach an agreement and both opinions are credible, the Board will rely on the value that the Fund is most likely to realise from the property in a normal sale. At the end of 2015, Fund properties were valued externally by independent valuators bulwiengesa appraisal GmbH and Dr.-Ing. Egbert Krellmann (publicly appointed and sworn expert).

Each potential acquisition opportunity is subject to extensive commercial, legal, technical and financial/tax due-diligence performed by the Investment Manager in cooperation with reputable local and international advisers. The auditor of the Fund is Ernst & Young S.A. Luxembourg.

Since inception in 2008, the Fund activities are monitored on a regular basis by the CSSF, the Fund administrative agent (also domiciliary, registrar and transfer agent) European Fund Administration (the "EFA", registered address at 2 Rue d'Alsace, L-1122 Luxembourg) and Fund custodian and paying agent Banque de Luxembourg (the "BdL", registered address at 14 boulevard Royal, L-2449 Luxembourg). As from 16 August 2013 the CSSF has registered BPT Hansa as alternative investment fund manager ("AIFM") in Luxembourg under the Luxembourg Law of 12 July 2013 on alternative investment fund managers and the European Union Directive on Alternative Investment Fund Managers ("AIFMD"). In addition, Investment Manager has assessed the level of compliance with INREV's reporting, NAV and fee and expense metrics modules. The results of such self-assessment are summarised below:

Table 1: Statement of level of adoption of INREV Guidelines

INREV module	Guidelines	Level of adoption or compliance
1	Corporate Governance	The compliance with the INREV corporate governance module has been considered by the manager. The intended framework partially complies with the INREV corporate best practices. The vehicle assessed at the end of the financial year that it is currently following its intended corporate governance framework.
2	Reporting	Although not detailed in the fund documentation, the INREV reporting module has been considered. The INREV requirements are complied except that no semi-annual reporting is provided for investors.
3	Property valuation	The Fund's property valuations are carried out in line with INREV best practices. Though not separately documented, the valuation performed by the external valuator is subject to the manager's internal review.
4	Performance measurement	The Fund calculates performance measurement as per guidelines set by INREV.
5	INREV NAV	The Fund calculates INREV NAV as per guidelines set by INREV.
6	Fee and expense metrics	The Fund calculates INREV fee and expense metrics as per guidelines set by INREV. However, the forward looking ratios have not been computed and disclosed at vehicle launch.
7	Liquidity	The manager has assessed that it is currently follows the liquidity framework defined by INREV except that the Fund as a closed-end fund does not maintain a liquidity protocol document and the secondary trading policy has not been described in the Fund documentation as it is not practiced by the Fund.
8	INREV data delivery	The Fund is in compliance with the INREV data delivery module.

The Fund currently is not engaged in property development activities, joint ventures, associate investments or other non-property related investments.

All the financial information disclosed in this review coincides with the financial statements for the financial year ended 31 December 2015.

MANAGER'S REPORT

As of the end of 2015 BPT Hansa Lux SICAV-SIF (hereinafter "the Fund" or "BPT Hansa") has completed its eighth full year of operations. The net property operating income of the Fund in 2015 amounted EUR 3.2 million (EUR 3.2 million in 2014). The average direct property yield for the year was slightly higher than budgeted in all properties, Hamburg-Wärtsilä (7.3%), Berlin-Dahlem (4.2%), Walsroder Strasse (6.5%) and Bessemerstraße, Berlin (6.7%). The IFRS NAV per share increased from EUR 102.13 at year-end 2014 to EUR 104.07 at the year-end 2015.

The Fund's total gross asset value (GAV) increased in 2015 to EUR 61.2 million compared to EUR 60.5 million at year end 2014 and the direct property yield shows an average of 5.4% for the entire portfolio which is slightly above budget. In 2015, the Fund has successfully maintained performance improvement of the office tower in Bessemerstraße, refinanced the Hannover property with attractive conditions, distributed 3% to the shareholders and the Fund's gross property value increased by EUR 0.9 million capital gains to EUR 58.5 million compared to at YE 2014 EUR 57.6 million.

The remaining weighted non-breakable lease term for the properties in the portfolio was approximately 10.3 years at the end of 2015. The economic growth had a favourable impact on occupancy levels of all assets except the hotel property, and pro-active asset management of the fund manager resulted in an increase of the average lease of EUR 0.60/sqm in Bessemerstraße and a lengthening of the weighted average unexpired lease term ("WALT") of 455% within only 2 years. At the end of 2015, the portfolio of the Fund shows an occupancy rate of 94.3%.

Having closed the investment period for new subscriptions, BPT Hansa has not been faced with any legacy issues; the business concept is clear and the operating results satisfactory. In this respect, the management is proceeding to look at different investment opportunities. Buildings with no future value enhancement potential shall be disposed and the funds will be re-invested in properties having such potential according to the Fund's strategy. With this strategy, the Fund expects to be able to distribute comparable dividends to the shareholders.

Additionally, the Fund is still looking for opportunities to set up additional compartments and to amend the current structure to an umbrella fund with a clear main focus on Berlin. The ambition is to create a multi-compartment-vehicle, which primarily leads to a substantial decrease of overheads for the existing investors and provides existing and new investors with a focussed investment concept between different asset classes in Germany's exhausting capital.

MACROECONOMIC FACTORS

Following an acceptable year of growth of 1.6% in 2014, 2015 was again affected by unsteady trends in world and especially the European trade and low interest rates. Despite the ongoing weak EURO currency and European economic climate, the German growth kept expanding by 1.7% in 2015 driven largely by the domestic economy and increasing export trade supported by low interest rates and the positive development of the labour market.

The government is projecting an ongoing stable GDP growth of 1.7% in 2016 and of 1.5% in 2017. The continuous improvement of the labour market is providing a significant support for private income and an increase in private consumption. Germany has again experienced a strong rise in employment during 2014 and 2015. The 43.18 million people employed is the highest level noted ever. The total unemployment level is steadily low, and showed in December 2015 a level of only 6.1%.

After a moderate increase in consumer prices in 2014 (0.2%), 2015 showed a slightly higher average rate of 0.3%. The annual inflation for 2016 is expected at more or less the same level.

CAPITAL STRUCTURE AND VEHICLE LEVEL RETURNS

As at 31 December 2015, the Fund's paid in capital from Investors amounts to EUR 24.3 million. The maximum amount of share capital allowed in the PPM is EUR 100 million. However, the Fund's active equity raising period has ended beginning 2012 and since then the Fund is closed for new investors. All the capital contributed into Fund's account has been fully invested.

The Fund made a dividend distribution in 2015 of EUR 3.00 per unit. The NAV and INREV NAV are further detailed in the Manager's report section.

There have been no changes in the Fund's fee structure and its impact on the Fund's capital structure or vehicle level returns.

FINANCIAL REPORT

Financial position of the Fund

As at 31 December 2015 the GAV of the Fund increased to EUR 61.2 million compared to 60.5 million as at 31 December 2014.

As of 31 December 2015, the Fund NAV was EUR 25.3 million (EUR 104.07 per share), compared to EUR 24.9 million (EUR 102.13 per share) as at 31 December 2014. The increase in NAV is mainly related to the valuation adjustment of the Dahlem property (an increase of EUR 0.7 million in property value recorded and a valuation gains of Wärtsilä-Hamburg (EUR 0.2 million).

With the intention to fully comply with the requirements set in INREV guidelines, the Fund also calculated INREV NAV, which was EUR 22.4 million (EUR 91.87 per share) as at 31 December 2015 (EUR 86.75 per share as at 31 December 2014).

Though not discussed in the Fund documentation, the INREV NAV was calculated according to the principles and guidelines provided in the INREV Guidelines that were amended on 1 April 2014. The frequency of NAV calculation that is set in the PPM is

Table 2: Main macro-economic indicators for Germany

Indicator	2009	2010	2011	2012	2013	2014	2015
GDP at Market Prices (EUR bn)	2,407	2,498	2,570	2,645	2,735	2,820	3,025
Real GDP Growth (%, YOY)	-4.7	3.6	3.0	0.9	0.4	1.4	1.7
Government Balance (% of GDP)	-3.0	-3.3	-1.0	0.1	0.0	0.1	0.2
Consumer Price Inflation (%)	0.4	1.1	2.3	2.0	1.5	0.9	0.3
Unemployed rate (%)	7.9	7.4	7.1	6.8	6.8	6.7	6.1
Population (million)	81.9	81.8	80.3	80.5	80.8	81.1	81.9

Sources: Statistisches Bundesamt, Deutsche Bundesbank, Bundesagentur für Arbeit, HWWI.

as of each Valuation date, and the same terms are applied for INREV NAV calculation. The INREV NAV is calculated adjusting NAV for the items summarised in the table below:

with IFRS amounts to EUR 38.2 million. The negative adjustment of EUR 4.0 million represents the impact on INREV NAV of the measurement of this debt to its fair value.

Table 3: Adjustments for recalculating NAV to INREV NAV

No.	Item	Amounts in euros	Notes
1	**NAV as of 31 December 2015**	**25,339,922**	
2	Capitalization and amortization of property acquisition costs*	471,402	1
3	Revaluation to fair value of financial assets and financial liabilities	(4,001,671)	2
4	Estimation of tax effect of (2.) and (3.) above	558,665	3
5	**INREV NAV**	**22,368,318**	
6	Amount of units	243,484	
7	**INREV NAV per unit**	**91.87**	

* The costs are amortized during 5 years

The INREV Guidelines require that the set-up costs of the Fund would be capitalized and amortized over the first five years after the inception. The Fund set-up costs incurred at the inception of the Fund in 2008 have not been capitalized and amortised due to the 5-year amortization period set by INREV ended in 2013. Therefore, it is assumed that the residual capitalized set-up costs as at 31 December 2015 would equal to EUR 0.

Under the INREV Guidelines, the acquisition expenses of an investment property should be capitalized and amortised over the first five years after acquisition of the property. The acquisition expenses of Walsroder Strasse and Dahlem properties in 2007 and Wärtsilä property in 2008 have been capitalized according to IFRS. However, these were not amortized in INREV NAV calculation as the 5-years amortization period set by INREV NAV has already ended.

Notes to INREV NAV

1. In 2013 acquisition expenses amounting to EUR 808 thousand were incurred in relation to acquisition of Bessemerstraße property. In accordance with INREV guidelines, these acquisition expenses are capitalized and amortised over the five years after the acquisition. During 2015, the Fund amortized EUR 161 thousand, resulting in a cumulative amortization of EUR 337 thousand. The residual capitalized acquisition expenses as at 31 December 2015 amount to EUR 471 thousand.

2. Under INREV Guidelines, the financial liabilities, including debt obligations, should be at fair value for INREV NAV calculation purposes. As at 31 December 2015, the bank loans in amount of EUR 34.2 million are carried at fixed rate interest and measured at amortised cost using the effective interest method in the financial statements of the Fund. The fair value of these bank loans as determined in accordance

3. The tax effect in relation to measurement the fixed rate debt to its fair value creates a positive effect of EUR 633 thousand as at 31 December 2015. The tax effect in relation to capitalization and amortization of property acquisition costs results to a negative effect of EUR 75 thousand. The tax effect was calculated at the 15.825% tax rate applicable in Germany on the financial debt fair value adjustment and the unamortized acquisition costs relating to Bessemerstraße property in Germany.

4. The impact of revaluation of fair value of deferred taxes has not been reflected in the INREV NAV adjustments as the management aims to dispose the investment properties through the way of an asset deal.

Financial results of the Fund

In 2015, the Fund recorded net consolidated profit of EUR 1,202 thousand (EUR 1,165 thousand loss was recorded in 2014) which had a positive effect on the Fund's NAV. More details are provided in the statement of comprehensive income.

During 2015 the gross rental income earned by the Fund subsidiaries amounted to EUR 4,112 thousand (EUR 4,110 thousand during 2014). During 2015 the property related expenses in the Fund subsidiaries amounted to EUR 875 thousand (EUR 906 thousand during 2014).

Fees and expenses

The Fund fee structure is determined in the PPM that was approved by the CSSF. The Fund calculates the fee and expense metrics based on INREV guidelines as a percentage of INREV GAV and INREV NAV. The detail calculations are provided in table 4.

Table 4: Expense ratios of the Fund and Fund's subsidiaries based on INREV fee metrics guidelines

Classification	Fee/Expense Item		Amount
Management fees	Management fees		433,688
Vehicle costs	Custodian fees		50,953
	Valuation fees		21,500
	Audit fees		63,050
	Legal fees		22,263
	Other consultancy services		183,512
	Bank charges		1,933
	Administration and secretarial fees		92,473
Total vehicle costs before performance fees		**A**	**869,372**
Performance fees		**B**	-
Total vehicle costs after performance fees		**C=A+B**	**869,372**
Property expenses	Property management fees		157,460
	Property insurance		83,441
	Sales and marketing expenses		15,105
	Service charge shortfall		92,480
	Amortisation of property acquisition costs		161,624
Total property expenses		**D**	**510,110**
Total expenses before financing costs and taxes		**E=C+D**	**1,379,482**
Weighted average INREV NAV (WA INREV NAV)			
	Weighted average INREV NAV	**F**	21,440,289
Weighted average INREV GAV (WA INREV GAV)			
	Weighted average INREV GAV	**G**	56,698,282
TER before performance fees			
	Fund expenses before performance / WA INREV NAV	**=A/F**	**4.05%**
	Fund expenses before performance / WA INREV GAV	**=A/G**	**1.53%**
TER after performance fees			
	Fund expenses after performance / WA INREV NAV	**=C/F**	**4.05%**
	Fund expenses after performance / WA INREV GAV	**=C/G**	**1.53%**
REER			
	Property expenses / WA INREV NAV	**= D/F**	**2.32%**
	Property expenses / WA INREV GAV	**= D/G**	**0.90%**

The structure of fee arrangements with managers and affiliates are described below:

Fund Management Fee

The Investment Manager provides all economic and financial information which is necessary for the operations of the Fund as well as investment management of the Fund's portfolio on a day to day basis. Therefore, the Investment Manager is entitled to receive a management fee calculated at 0.75% of the GAV per annum of the real estate portfolio. The GAV of the real estate portfolio is determined on each Valuation Day on the basis of the investment value, in accordance with IAS 40. The investment value is the gross value of the real estate properties exclusive of all liabilities and not counting non-investment assets such as cars, furniture, stationary etc.

Performance Bonus Fee

The method used to compute the accrued monthly Performance Bonus Fee includes a claw back where the accrued Performance Bonus Fee can be reduced in case the annualized performance of the Fund is less than the 7% hurdle rate. The Performance Bonus Fee is calculated annually on the basis of the 3-year rolling average and is paid out 8 days following the annual general meeting of Shareholders. If the annual Return on Equity (ROE) (calculated for performance purpose) of the Fund exceeds 7% p.a., calculated as Compounded Annual Growth Rates (CAGR) of the basis on the monthly weighted equity for the last three years, the Performance Bonus Fee will amount to 20% of the return achieved above this target.

The ROE is an amount, expressed as a percentage, earned on a funds common stock for a given period. It is calculated by dividing common stock equity (net worth) at the beginning of the accounting period into net income for the point in time after preferred stock dividends but before common stock dividends. Neither in 2014 nor in 2015 has the Investment Manager been entitled to receive a performance fee.

Property Management Fee

The Investment Manager is entitled to a property management fee calculated as 0.5% and 1% of the monthly rental income of the real estates managed by the Investment Manager. The Investment Manager has signed property management agreements regarding the management of Dahlem and Wärtsilä properties. The property management fee is accrued by the Fund subsidiaries holding the real estates on a monthly basis.

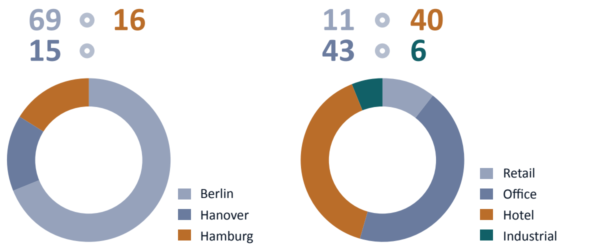
PROPERTY REPORT

During 2015 the Fund had no new acquisitions or disposals. The portfolio consists of 4 assets and has a total rentable area of 33 036 sq. m. The gross value of the total investment properties increased to EUR 58.5 million (2014: 57.6 million). The increase was materially affected by a valuation capital gain of the Dahlem hotel.

In 2015 the average direct property yield increased to 5.4% (2014: 5.3%). This is mainly driven by NOI improvement in Dahlem and Bessemerstraße. The profit from property operating income for the year remained stable at EUR 3.2 million, which is slightly below the budget. The average occupancy remains at high level of 94.3% with increasing trend for 2016 (2014: 96.9%)

The summary of the portfolio allocation by sector and geography is detailed in the picture below.

Picture 1: Fund segment and region distribution*



*based on fair value of investment properties

Property valuations

The breakdown of each property market value is shown in the table below.

As of 31 December 2015, 100% of Fund properties were valued externally by independent valuator bulwiengesa appraisal GmbH and Dr.-Ing. Egbert Krellmann (publicly appointed and sworn expert). The appraisers derive the fair value in accordance with the Practice Statements and Relevant Guidance Notes of the RICS Appraisal and Valuation and approved by both the

Table 5: Property portfolio, in million euros

Property	Market value 31 December 2015	Market value 31 December 2014
Dahlem, Berlin	29.7	29.0
Wärtsilä, Hamburg	9.4	9.2
Walsroder Strasse, Hanover	8.6	8.6
Bessemerstraße, Berlin	10.8	10.8

Acquisition fee

The Investment Manager is entitled to a one-time acquisition fee of 0.3% of the total acquisition sum (direct acquisition price plus transaction costs) of each real estate investment acquired directly or indirectly by the Fund. There is no fee payable to the Investment Manager if any properties are divested.

International Valuation Standards Committee (IVSC) and by the European Group of Valuers' Association (TEGoVA). In accordance with that basis, the market value is an estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Prior year valuations were performed by Dipl.-Ing. Gallina Günter (CIS HypCert) and Dr.-Ing. Egbert Krellmann.

The appraisers derive the fair value by applying the methodology and valuation guidelines as set out by the Royal Institution of Chartered Surveyors in the United Kingdom and in accordance with IAS 40.

The fair value of investment property in the subsidiaries is determined using recognized valuation techniques. The ranges of discount rates used by the appraisers to value the investment properties as of 31 December 2015 were in range between 5.5% and 5.8% (Discounted Cash Flow method). The valuation presumes that the properties could be realised in the ordinary course of business.

Property performance

The operating results of the Fund's properties were stable and in line with the budgeted figures. The detail performance for each property is described under each property section below.

Dahlem, Berlin

After its launch phase in 2009, the hotel operations of the Berlin-Dahlem property have been developing only at a middle pace and are still below management and hotel operator expectations. Seminaris has received only moderate turnover results, however, in 2014 for the first time since take-over with an increasing trend. The same applies for 2015.

Due to the trend of increasing new hotel projects in 2013 and 2014, the competition in Berlin dramatically has been dramatically reinforced. As a consequence, the property value of Dahlem decreased from EUR 33 million to EUR 29 million in 2014.

During 2015 the Fund Management maintained with strategies to improve the turnover and performance of the hotel operator and to close the remaining vacant space. Unfortunately, the creditworthiness of the post shop operator decreased again and to avoid an insolvency the fund entered into a court settlement and closed the current lease agreement as of 31 December 2015 in return to a payment of EUR 100,000 to be paid by instalments over the next years.

On a positive note the Berlin hotel market has improved and is booming at the moment. In reflection of this fact the property value of Dahlem property increased from EUR 29.0 million to EUR 29.7 million.

Wärtsilä, Hamburg

In the sixth full year after completion of the Hamburg property, the performance of this 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 the last quarter at 7.2% and it is in line with the budget. The property is free of any defects. The property value increased from EUR 9.2 million to EUR 9.4 million.

Walsroder Strasse, Hanover

The Walsroder Strasse property showed again a strong year 2015. The office space was fully let through 2015 and the Fund prolonged the current financing with Sparkasse Hannover with attractive conditions. The average direct property yield for 2015 was 6.5% (2014: 6.9%) and was in line with the budget.

Bessemerstraße, Berlin

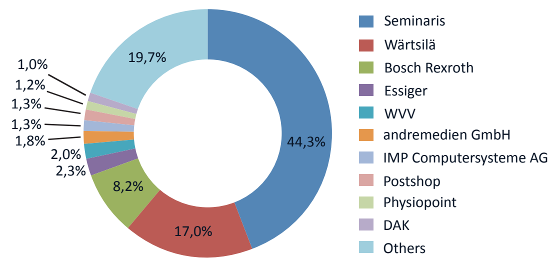
The local management is actively maintaining to enter into numerous of new lease agreements in the Bessemerstraße property that have already and shall further result to increase in both the average rental income per sq.m. and the weighted average lease term. Due to the ongoing proactive asset management and new lease agreements the direct property yield increased in Q4 2015 to 7.3% and the weighted average lease term (WALT) could be increased by material 455% and the average rental income by EUR 0.60/m² since takeover end of 2013.

Tenant Concentration in the Fund

In 2015, 80.3% of the total gross rental income was generated by the ten largest tenants of the real estate portfolio, with Seminaris representing 44.3% of the revenue of the entire property portfolio.

RISK MANAGEMENT

Picture 2: Rental concentration of 10 largest tenants of the Fund subsidiaries



The risk management function of the Fund is responsibility of the Investment Manager. The manager of the Fund is responsible for identifying the Fund's market risk portfolio, prepare proposals regarding market risk limits, monitor the limit utilization and produce overall risk analyses of the market risk. The manager maintains a list of all risk management related instructions, monitor these compared to internationally recommended best practice, and initiate changes and improvements when needed. The manager assessed at the end of the financial year that it is currently in compliance with intended risk management framework.

Principal risks faced by the Fund

Market risk

The investments are subject to the risks in relation to the ownership and operation of real estate, including risks associated with the general economic climate, local real-estate conditions, geographic or market concentration, the ability of the Investment Manager or third-party borrowers to manage the real properties, government regulations and fluctuations in interest rates.

The Fund is exposed to office, retail and hotel market in Berlin and office market in Hamburg and Hannover through its investments into investment property through subsidiaries.

Credit risk

The Fund is aiming to diversify its investments, and counterparties with low credit risk are preferred. Major acquisition and project finance credit risks are minimized by sharing these risks with banks and insurance companies. Credit risks related to the placement of liquid funds and to trading in financial instruments (counterparty credit risks) are minimized by making agreements only with the most reputable domestic and international banks and financial institutions.

Interest rate risk

In connection with the investments, the Fund has secured loans with mid and long-term fixed interest rates. The PPM allows the Fund to use hedging techniques designed to protect the Fund against adverse movements in interest rates. Currently the Fund does no use any hedging instruments. As at 31 December 2015 all loans in the portfolio are fixed interest rates. As at 31 December 2015, the average loan costs of the Fund equalled 4.81% (2014: 4.90%). Typically, interest rate risk is fixed for the whole loan term, i.e. 5 to 10 years.

Liquidity risk

Liquidity risk means the risk of failure to liquidate open position, to realise the assets by the due time at the prescribed fair price or to refinance loan obligations.

The investments are highly illiquid and there can be no assurance that the Fund will be able to exit the investments in a timely manner. By their nature, real estate investments or interests in other non-public entities are subject to industry cyclicality, downturns in demand, market disruptions and the lack of available capital for potential purchasers and are therefore often difficult or time consuming to liquidate.

The Investment Manager makes its best efforts to ensure sufficient liquidity by efficient cash management, by maintaining a "liquidity buffer" and by organizing committed and uncommitted credit lines.

In order to minimise liquidity risk, a part of the real estate fund assets may be invested in deposits of credit institutions, in short-term debt securities and in other securities with high level of liquidity. Also, derivative instruments may be used to reduce liquidity risk.

The Fund's policy is to maintain sufficient cash and cash equivalents within the Fund and its controlled entities or have available funding through an adequate amount of committed credit facilities to meet their commitments at a given date in accordance with its strategic plans.

Foreign exchange risk

Currently, the Fund's reporting currency is EUR, as well as its assets, liabilities, income and expenses. Thus, for the Fund a currency risk is currently not really existent.

Operational risk

Operational risk represents the potential for loss resulting from inadequate or failed internal processes or systems, human factors, or external events, including business disruptions and system failure. The Fund is exposed to many types of operational risk and attempts to mitigate them by maintaining a system of internal control procedures and processes that are designed to control risk within appropriate levels. Also, training and development of personnel competences, and active dialogue with investors help the company to identify and reduce risks related to its operation.

Financing structure

The Fund's target leverage is 70% of debt financing. As at 31 December 2015, the Fund level loan-to-value amounts to 58.4% (2014: 59.1%) which is below the target leverage due to amortization of bank loans. The Fund's general loan strategy is to have a selected number of strong and trustworthy banks as financing partners with focus on long-term credit facilities. The Fund maintains its current relationships with its financing partners and is consistently building up a new network by taking a proactive approach in cooperating with the banks, especially after the financial crisis when banks have increased their focus on risk management and loan performance.

There have been no significant changes in the financing structure of the vehicle since the year end 2014, except the prolongation of the financing of Walsroder Straße. Due to the entire Fund loans are carrying fixed interest rate, the Fund is currently not using any additional derivative financial instruments.

As of 31 December 2015 the Fund's subsidiaries were not breaching any of the bank loan agreements and were in compliance with the ratios monitored as specified in the contracts. It is not expected that any loan covenant will be in breach in the foreseeable future.

The key financing ratios of the loan portfolio are provided to the table below:

Table 6: The key financing ratios on the loan portfolio of Fund's subsidiaries

	31 December 2015	31 December 2014
Interest service coverage ratio	2.15	2.05
Debt Service coverage ratio	1.37	1.30
Weighted Average Cost of Debt excluding Shareholders Loans	4.81%	4.90%
Weighted Average Maturity of Debt excluding Shareholders Loans (years)	4.60	4.62
Property level Loan-to-Value	58.4%	59.1%

The key financing ratios are calculated as follows:

- **Interest coverage ratio** is based on projected NOI over the following four quarters as a ratio of projected interest payments on bank loans over the same period. The purpose of this ratio is to give an indication of the vehicle's general ability to service its debt.
- **Debt Service coverage ratio** is based on projected NOI over the following four quarters as a ratio of projected interest and scheduled amortisation payments on bank loans over the same period. The purpose of this ratio is to give an indication of the vehicle's general ability to service its debt (both scheduled payments and interests).
- **Weighted Average Cost of Debt** is calculated taking the interest rate (base rate and margin) on each external debt instrument in the vehicle weighted by the size of such instruments.
- **Weighted Average Maturity** is calculated by taking the maturity on each external debt instrument in the vehicle weighted by the size of such instruments.
- **Property level Loan-to-Value** is calculated by taking nominal value of external debt and dividing by the total fair value of investment portfolio.

OUTLOOK FOR 2015

During 2016, the Fund will concentrate on the composition and performance of the current property portfolio including, if preferable, divestment of adequate properties and reinvestment of equity into Berlin assets to allow for a better risk/return balance. In line with this strategy, a dividend distribution of capital gains may be considered by the Board of Directors.

Independent auditor's report

To the Shareholders of
BPT Hansa Lux SICAV-SIF
2, rue d' Alsace
L-1122 Luxembourg

We have audited the accompanying consolidated financial statements of BPT Hansa Lux SICAV-SIF, which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements
The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the financial position of BPT Hansa Lux SICAV-SIF as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other matter
Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Michael HORNSBY
Luxembourg, 15 April 2016

Consolidated Statement of Comprehensive Income

'000 Euro	Notes	2015	2014
Rental income		4,112	4,110
Cost of rental activities	4	(875)	(906)
Profit from property operating activities		**3,237**	**3,204**
Administrative expenses	5	(734)	(730)
Central administration and custody fees		(51)	(47)
Fund expenses		**(785)**	**(777)**
Other operating income		57	39
Other operating expenses		(85)	(26)
Gross valuation gains on investment properties	9	900	1,498
Gross valuation losses on investment properties	9	-	(4,013)
Net operating profit before financing		**3,324**	**(75)**
Financial income	6	-	239
Financial expenses	7	(1,734)	(1,719)
Net financing costs		**(1,734)**	**(1,480)**
Profit/ (loss) before tax		**1,590**	**(1,555)**
Income tax charge	8	(388)	390
Profit/ (loss) for the year		**1,202**	**(1,165)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods		**-**	**-**
Total comprehensive income/ (loss) for the year, net of tax		**1,202**	**(1,165)**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

'000 Euro	Notes	2015	2014
Non-current assets			
Investment properties	9	58,500	57,600
Deferred tax asset	8	925	1,080
Total non-current assets		**59,425**	**58,680**
Current assets			
Trade and other receivables	10	1,087	1,179
Prepayments		-	-
Cash and cash equivalents	11	640	701
Total current assets		**1,727**	**1,880**
Total assets		**61,152**	**60,560**
Equity			
Share capital	12a	24,348	24,348
Retained earnings		992	520
Total equity		**25,340**	**24,868**
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	13	33,256	33,097
Deferred tax liabilities	8	1,132	1,024
Other non-current liabilities		122	111
Total non-current liabilities		**34,510**	**34,232**
Current liabilities			
Interest bearing loans and borrowings	13	909	957
Trade and other payables	14	97	149
Income tax payable		-	39
Other current liabilities	15	296	315
Total current liabilities		**1,302**	**1,460**
Total liabilities		**35,812**	**35,692**
Total equity and liabilities		**61,152**	**60,560**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

'000 Euro	Share capital	Retained earnings	Total equity
As at 1 January 2014	**24,348**	**1,685**	**26,033**
Net loss for the year	-	(1,165)	(1,165)
As at 31 December 2014	**24,348**	**520**	**24,868**
Net profit for the year	-	1,202	1,202
Dividends paid		(730)	(730)
Total comprehensive income	**-**	**472**	**472**
As at 31 December 2015	**24,348**	**992**	**25,340**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

'000 Euro	Notes	2015	2014
Operating activities			
Profit (loss) before tax		**1,590**	**(1,555)**
Adjustments for non-cash items:			
Value adjustment of investment properties, net	9	(900)	2,515
Change in allowance for bad debts	4	(13)	(40)
Financial income	6	-	(239)
Write-off of loan administration fees	7	18	15
Financial expenses	7	1,687	1,704
Other interest expenses	7	29	-
Working capital adjustments:			
Decrease/(Increase) in trade and other accounts receivables		92	(121)
Increase in other non-current liabilities		11	98
Increase/(Decrease) in trade and other accounts payable		(52)	62
Decrease in other current liabilities		(19)	(109)
Paid income tax		(180)	(48)
Net cash flow from operating activities		**2,263**	**2,282**
Investing activities			
Capital expenditure on investment properties	9	-	(115)
Net cash flow from investing activities		**-**	**(115)**
Financing activities			
Proceeds from bank loans	13	1,000	-
Dividends distribution	12b	(730)	-
Reimbursement of bank loans	13	906	(1,371)
Interest paid		(1,688)	(1,704)
Net cash flow from financing activities		**(2,324)**	**(3,075)**
Net change in cash and cash equivalents		**(61)**	**(908)**
Cash and cash equivalents at the beginning of the year		**701**	**1,609**
Cash and cash equivalents at the end of the year	**11**	**640**	**701**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

BPT Hansa Lux SICAV-SIF was incorporated in the Grand Duchy of Luxembourg on 23 October 2006 as a “société anonyme” under the Luxembourg law on commercial companies dated 10 August 1915; amended and registered as a “société d’investissement à Capital variable” (“SICAV-SIF”) under the related law dated 13 February 2007.

The Articles of Incorporation (the “Articles”) have been published on 26 January 2007 in the Memorial C, Recueil des Sociétés et Associations (the “Mémorial”). BPT Hansa Lux SICAV-SIF is registered at the Registre de Commerce, Luxembourg, under number B122.072. The Articles of Association have been amended for the last time on 24 June 2010, published in the Mémorial on 16 August 2010.

BPT Hansa Lux SICAV-SIF is established for a limited period so as to end on 3 May 2023 but may be dissolved prior to this term by a resolution of the shareholders, subject to the quorum and majority requirements for the amendment of the Articles.

As from 16 August 2013 the Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier, the “CSSF”) has registered BPT Hansa Lux SICAV-SIF as a self-managed alternative investment fund (“AIF”) in Luxembourg under the Luxembourg Law of 12 July 2013 on alternative investment fund managers and the European Union Directive on Alternative Investment Fund Managers (“AIFMD”).

The Fund consists of BPT Hansa Lux SICAV-SIF and the subsidiaries disclosed in Note 21 (the “Fund”).

BPT Hansa Lux SICAV-SIF is the ultimate parent and controlling entity. The exclusive object of BPT Hansa Lux SICAV-SIF is to invest in securities representing risk capital in order to provide its investors with the benefit of the result of the management of its assets in consideration of the risk they incur. BPT Hansa Lux SICAV-SIF is offering an opportunity to invest in a diversified real estate investment fund focussing on the Northern German real estate market.

The consolidated financial statements of the Fund for the year ended on 31 December 2015 were authorised for issue in accordance with a resolution of the Board of Directors of 15 April 2016 and will be submitted to the annual general meeting of shareholders on 4 May 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated in the following text.

Basis of preparation
The Fund’s consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (the ‘IFRS’) as adopted for use in the European Union.

New and amended standards and interpretations
The Fund applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2015. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual consolidated financial statements of the Fund. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans.

Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Fund, since none of the entities within the Fund has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle
With the exception of the improvement relating to IFRS 2 Share-based Payment applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014. The Fund has applied these improvements for the first time in these consolidated financial statements. They include:

IFRS 2 Share-based Payment
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The clarifications are consistent with how the Fund has identified any performance and service conditions which are vesting conditions in previous periods. In addition, the Fund had not granted any awards during the second half of 2014 and 2015. Thus, these amendments did not impact the Fund's financial statements or accounting policies.

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This is consistent with the Fund's current accounting policy and, thus, this amendment did not impact the Fund's accounting policy.

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarify that:
- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment has no material impact on the group's financial reporting as transactions between the Fund and its management company have already been disclosed within the related parties notes historically.

Annual Improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these consolidated financial statements. They include:

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

The Fund is not a joint arrangement, and thus this amendment is not relevant for the Fund and its subsidiaries.

IFRS 13 Fair Value Measurement
The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial

assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Fund does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Fund has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment did not impact the accounting policy of the Fund.

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Fund is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018, when the IASB finalises their amendments to defer the effective date of IFRS 15 by one year. Early adoption is permitted. The Fund plans to adopt the new standard on the required effective date using the full retrospective method.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The impact of the adoption of the amendments can only be assessed in the year of initial application of the amendments, as this will depend on the acquisitions of joint operations that take place during that reporting period. The Fund does not intend to adopt the amendments early; therefore, it is not possible to estimate the impact adoption of the amendments will have on the Fund's financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset.

As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Fund given that the Fund has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Fund's consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Fund.

Annual Improvements 2012-2014 Cycle
These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures
(i) Servicing contracts
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements
The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits
The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting
The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated

by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments are not expected to have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative
The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Fund.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in applying the investment entities exception under IFRS 10.
The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Fund.

The significant accounting policies applied by the Fund are as follows:

2a. Presentation currency
The consolidated financial statements have been prepared in Euro (EUR), which is BPT Hansa Lux SICAV-SIF's functional and presentation currency.

Unless stated otherwise, all values are rounded to the nearest thousands of Euro. The consolidated financial statements are presented in thousands of Euro.

2b. Consolidated financial statements
The consolidated financial statements of the Fund include BPT Hansa Lux SICAV-SIF and subsidiaries (Note 21) of which BPT Hansa Lux SICAV-SIF directly or indirectly holds more than 50 per cent of the voting rights. The equity and net income attributable to non-controlling interests, if any, are shown separately in the consolidated statement of financial position and consolidated statement of comprehensive income.

The consolidated financial statements are prepared on the basis of financial statements of BPT Hansa Lux SICAV-SIF and its subsidiaries by consolidation of financial statements' items of a uniform nature. The financial statements used for consolidation have been prepared applying Fund's accounting policies.

Inter-company balances and transactions, including unrealised profits and losses, are eliminated in consolidation.

Companies acquired or sold during a year are included into the financial statements from the date BPT Hansa Lux SICAV-SIF obtains control to the date control ceases, respectively.

The purchase method is applied in the acquisition of new subsidiaries which qualify as business combination, under which the identifiable assets and liabilities and contingent liabilities of these companies are measured at fair value at the acquisition date. Cost of the acquired company consists of fair value of the paid consideration (cash or own shares). If the final determination of the consideration is conditioned by one or several future events, these are only taken into account if the relevant event is likely and the amount can be calculated reliably. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, is recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured until it is finally settled within equity.

When the transaction has not been identified as being a business combination, the transaction has been accounted for as acquisition of individual assets and liabilities where the initial purchase consideration is allocated to the separate assets and liabilities acquired, based on their relative fair values.

Assets are recognised in the consolidated statement of financial position when it is probable that future economic benefits will flow to the Fund and the value of the assets can be measured reliably.

Liabilities are recognised in the consolidated statement of financial position when they are probable and can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each financial statement item below.

Following the Private Placement memorandum (“PPM”) of BPT Hansa Lux SICAV-SIF, Northern Horizon Capital GmbH (former BPT Asset Management Germany GmbH) and/or third parties are acting as a limited partner in the SPVS and are holding minority shareholdings. In line with the PPM the Fund structure discloses the following minority shareholding in the Fund’s subsidiaries as at 31 December 2015:

- Northern Horizon Capital GmbH (former BPT Asset Management Germany GmbH) owning 6.18% participation in BPT GmbH & Co. Vermögensverwaltung KG, 0.01% participation in BPT 1 GmbH & Co. Vermögensverwaltung KG and 0.01% in BPT 3 GmbH & Co. Vermögensverwaltung KG;
- Bauwo Grundstücksgesellschaft GmbH owning 5.99% participation in BPT 3 GmbH & Co. Vermögensverwaltung KG;
- Kommunalprojekt privatepublicpartnerships GmbH owning 6% participation in BPT 2 GmbH & Co. KG.

In line with the PPM the Fund enjoys full benefit of the economic interest in these subsidiaries, thus no minority interest is recorded.

2c. Investment properties

Investment properties are real estate properties (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for the use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment property is initially recorded at cost including costs directly resulting from the acquisition such as transfer taxes and legal fees. Costs, adding new or improved qualities to an investment property compared to the date of acquisition, and which thereby improve the future yield of the property, are added to cost as an improvement. Costs, which do not add new or improved qualities to an investment property, are expensed in profit or loss under operating expenses.

Under IAS 40, investment properties are valued to fair value, as determined by independent appraisers, being the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Valuations are also undertaken on acquisitions and contributions in kind. Two independent valuators: bulwiengesa appraisal GmbH and Dr.-Ing. Egbert Krellmann have been appointed as appraisers of the Fund for the years 2014 and 2015. Their valuations are prepared in accordance with the Practice Statements and Relevant Guidance Notes of the RICS Appraisal and Valuation and approved by both the International Valuation Standards Committee (IVSC) and by the European Group of Valuers’ Association (TEGoVA) and by applying the methodology and valuation guidelines as set out by the Royal Institution of Chartered Surveyors in the United Kingdom and in accordance with IAS 40.

Valuations are prepared using the direct capitalization approach. Under the direct capitalization approach, the income and expenses of one year are stabilised and the net resulting operating income is capitalised at a capitalisation or return rate in proportion to the title to the subject property. Such income capitalisation considers the competitive return resulting from alternative instruments of investment into real estate or other property. This calculation excludes the effects of taxes and disposal costs borne by the seller, and is net of transaction costs normally borne by the purchaser. Depreciation is not provided on investment properties.

The fair value does not necessarily represent the liquidation value of the properties which would be dependent upon the price negotiated at the time net of selling costs. The fair value is largely based on estimates as described above which are inherently subjective.

The yield requirement (discount factor) is determined for each property.

Value adjustments are recognised in profit or loss under the items "Gross valuation gains on investment properties" and "Gross valuation losses on investment properties".

2d. Accounts receivable

Receivables are measured at nominal value less allowances for doubtful debts, if any. The management assesses specific provisions on a customer by customer basis throughout the year.

2e. Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

2f. Dividends

Proposed dividends are recognized as a liability at the time of declaration.

2g. Interest bearing loans and borrowings

Debts to banks and financial institutions are initially recognised at fair value less transaction costs incurred. Subsequently, these debts items are measured at amortised cost using the effective interest rate method.

The Fund classifies its financial liabilities as current when they are due to be settled within twelve months after reporting date, even if:

(i) The original term was for a period longer than twelve months; and
(ii) An agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the consolidated financial statements are authorised for issue.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognising of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2h. Other liabilities

Other liabilities, comprising payables to suppliers, guarantee deposits received from tenants and other payables, are measured at amortised cost using the effective interest rate method.

Deferred income is recognised under liabilities and includes received payments for future income.

2i. Financial assets

The Fund recognises financial assets on its consolidated statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Fund determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All “regular way” purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention are recognised at trade date (the date that the Fund commits to purchase or sell the asset), otherwise such transactions are treated as derivatives until the settlement day.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

(i) The rights to receive cash flows from the asset have expired;
(ii) The Fund has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; and
(iii) The Fund either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2j. Contingent liabilities

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow or economic benefits is possible.

2k. Subsequent events

Post-reporting date events that provide additional information about the Fund’s position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post-reporting date events that are not adjusting events are disclosed in the notes when material.

2l. Rental income

The Fund leases its buildings to customers under agreements that are classified as operating lease.

Rental income represents rents charged to customers and is recognised on a straight line basis, net of any sales taxes, over the lease period to the first break option.

Expense reimbursement income are recognised on gross basis and included in profit or loss when the company is not acting as agent on behalf of third parties and charging the commissions for the collections. Otherwise, revenue is the commissions.

2m. Expenses recognition

Expenses are accounted for an accrual basis. Expenses are charged to profit or loss, except for those incurred in the acquisition of an investment property which are capitalised as part of the cost of investment and costs incurred to acquire borrowings. Operating expenses comprise costs incurred to earn rental revenue during the financial year to cover operations and maintenance of the own properties.

2n. Administrative expenses

Administrative expenses include costs and expenses which were incurred for the management of the investment properties and the Fund during the year.

2o. Current taxation

The consolidated subsidiaries of the Fund are subject to taxation in the countries in which they operate. Current taxation is provided for at the applicable current rates on the respective taxable profits.

2p. Deferred taxation

Deferred income tax is provided using the liability method on temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised except:

i) Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when an asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2q. Fair value measurements

The Fund measures certain financial instruments such as derivatives, and non-financial assets such as investment property, at fair value at the end of each reporting period. Also, fair values of financial instruments measured at amortised cost are disclosed in the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The Fund must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2r. Significant accounting judgments, estimates and assumptions

The preparation of the Fund's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

Classification of investment property

The Fund determines whether a property qualifies as investment property. Investment in property mainly comprises the investment in land and buildings in the form of offices, commercial warehouse, retail for residential properties which are not occupied substantially for use by, or in the operations of, the Fund, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation by leasing to third parties under long term operating leases.

Operating lease contracts – Fund as lessor

Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. The Fund had determined, based on an evaluation of the terms and conditions of the arrangements that it retains all the significant risks and rewards of ownership of these properties and so accounts for these leases as operating leases.

Deferred tax

The Fund is subject to income and capital gains taxes in numerous jurisdictions. Significant judgment is required in determining the total provision for income and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain during the ordinary course of business. In particular, the effective tax rate applicable on the temporary differences on investment properties depends on the way and timing the investment property will be disposed of. The Fund recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the year in which the determination is made.

Determining whether the Fund meets the definition of an investment entity according to IFRS 10
To meet the definition of an investment entity, the following criteria must be met:
– An entity obtains funds from one or more investors for the purpose of providing those investors with investment services;
– An entity commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
– An entity measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Fund reports its investments at fair value under IFRS 40, 'Investment Properties' in the consolidated financial statements. However, the entity's key management personnel do not rely solely on fair value of the properties as the primary attribute to evaluate the performance of substantially all its investments and to make investment decisions. Instead, other indicators are used to evaluate performance and make investment decisions which comprise of prospective leases, occupancy rate, lease term, future rents, property yield, property location, net property income, tenant quality/ profile and many other variables and market conditions.

The Board of Directors of the Fund has therefore concluded that the Fund does not meet the definition of an investment entity and therefore is not exempted from consolidating its controlled entities.

Estimates and assumptions
Deferred tax assets
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Fair value of investment properties
The Fund carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Fund engaged two independent valuation specialists to determine fair value as at 31 December 2014 and 31 December 2015. The valuators used a valuation technique based on a direct capitalization approach as there is a lack of comparable market data because of the nature of the property. The determined fair value of the investment properties is the most sensitive to the estimated yield. The key assumptions used to determine the fair value of the investment property, are further explained in Note 9.

3. FUND'S RISK MANAGEMENT POLICY

3a. Risk relating to investment in real estate

Investment in real estate is subject to varying degrees of risk. The main factors which affect value of investment include:

(i) Changes in the general economic climate;
(ii) Conditions in the market in which invested real estate operate;
(iii) Government regulations and taxation;
(iv) Availability of investment opportunities in real estate;
(v) Property damage and business interruption in relation to it, third party liability.

The key elements of the Fund's risk reduction strategy shall include (described in more detail in the Fund's PPM dated 29 June 2012):

(i) At least 80% of all investments must be of a long-term nature, thereby reducing the risk of high vacancy ratios. All buildings will be maintained at a high standard to ensure that the underlying values are protected.
(ii) The Fund will own a diversified portfolio of properties that are spread across geographies and segments; once fully invested, the Fund is expected to own a portfolio of 100,000 – 150,000 square meters.
(iii) The Fund will have a key focus on managing the vacancy rate at the portfolio level by seeking to have lease agreements of different length in order for leases to expire gradually over the Fund's life, to the extent possible.
(iv) The Fund will seek to establish a diversified tenant base spread across many industries/sectors.
(v) Each major investment will be reviewed and approved by the Board of Directors. Comprehensive commercial, legal, technical and tax due diligence will be performed on each acquisition. Only reputable and independent advisers with strong track records in the field of acquisitions will be selected when assessing and evaluating
(vi) various investment opportunities.
(vii) Insurance will be organized through a national or international insurance company. Subject to location and use of the properties, insurance will include loss of rent coverage of at least 12 months in the case of terrorist attacks, fire, destruction of a particular property, or any other event that might damage the property.
(viii) Only leading national or international companies with approved track record such as Ernst & Young, PricewaterhouseCoopers, Deloitte or KPMG will provide tax, financial, and accounting advice.

To address these risks the Fund is subject to the following investment diversification policy that are described in more detail in the Fund's PPM:

(i) Following the investment period no more than 15% of the final Fund's GAV will be invested in any single real estate property;
(ii) The ten largest investments may not be more than 50% of the final Fund's GAV; and
(iii) The Fund will not invest more than 30% of its NAV in one real estate company.

As of 31 December 2015, 48.57% of Fund's GAV is invested in a single real estate property located in Takustraße 39 / Lansstraße 2, D – 14195 Berlin-Dahlem; 17.66% of the of Fund's GAV is invested in another single real estate property located in Bessemerstraße 82, D – 12103 Berlin, OT Schöneberg; 15.37% of the of Fund's GAV is invested in a third single real estate property located in Schlenzigstrasse 8, D – 21107, Hamburg.

In this respect it has to be noted, that the present portfolio size has not reached the size of EUR 1,000,000,000 initially planned. Furthermore, an extraordinary general meeting of shareholders in 2010 has decreased the targeted Fund size to EUR 300,000,000 before the investment period expired. Therefore, management sees the above mentioned "passive breach" of the Fund's diversification policy not as a Fund's compliance issue, but more as a fact, that less equity could be raised during the initial planned investment period. As a result, the initial portfolio could not be increased.

3b. Significant accounting judgments, estimates and assumptions

In 2013 the management has taken action to start disposing the properties with no future value enhancement and to re-investing the funds into (more) smaller assets with the aim that no more than 15% of the final Fund's GAV will be invested in any single real estate property, if the interest of the Fund and the shareholder so justifies. Additionally, further activities to restructure the Fund to an umbrella fund are under review, in order to open the investment possibility again for existing and new investors and to increase the Fund size.

3c. Credit risk

The Fund's procedures are in force to ensure on a permanent basis that properties are leased to customers with an appropriate credit history and do not exceed an acceptable credit exposure limit. Major acquisition and project finance credit risks are minimised by sharing these risks with banks and insurance companies. Credit risks related to the placement of liquid funds and to trading in financial instruments (counterparty credit risks) are minimised by making agreements only with the most reputable domestic and international banks and financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, if any, in the consolidated statement of financial position.

3d. Interest rate risk

The Fund is exposed to interest rate risk primarily through market value changes to the net debt portfolio (price risk) and also through changes in interest rates. Fluctuations in interest rates affect the interest expense. There is the risk management policy to secure the long-term loans to a fixed rate for their whole life. In order to achieve this, the Fund enters into fixed rate loans (Note 19b).

At 31 December 2015 and 2014 100% of the Fund's borrowings are at fixed interest rate, therefore, changes in interest rate has no impact on Fund's equity and Fund's profit before tax.

3e. Liquidity risk

The investments made by the Fund will be illiquid in nature. The ability of the Fund to liquidate its investments at attractive prices at appropriate times will depend on a number of factors that may be outside of the control of the management. The Fund's management reviews the liquidity of the assets held within the Fund based on current market conditions on a regular basis.

The Fund's objectives are to maintain a balance between continuity of funding and flexibility through the use of bank loans. Based on the carrying value of borrowings reflected in the consolidated financial statements, 2.7% of Fund's borrowings will mature in less than one year at 31 December 2015 (2014: 2.8%). The table below summarises the maturity profile of Fund's financial liabilities at 31 December 2015 and 2014.

'000 Euro	On demand	Less than 1 year	1-5 years	>5 years	Total
Year ended 31 December 2015					
Interest bearing loans and borrowings	-	2,511	28,766	8,785	40,062
Trade and other payables	-	97	-	-	97
Other liabilities	-	296	23	99	418
Total current and non-current	**-**	**2,904**	**28,789**	**8,884**	**40,577**
Year ended 31 December 2014					
Interest bearing loans and borrowings	-	2,607	33,922	4,490	41,019
Income tax payable	-	39	-	-	39
Trade and other payables	-	149	-	-	149
Other liabilities	-	315	89	22	426
Total current and non-current	**-**	**3,110**	**34,011**	**4,512**	**41,633**

3f. Foreign exchange risk

The Fund holds financial assets and financial liabilities denominated in the Euro, which is its functional currency. The Fund, therefore, has no risk from movements in exchange rates of other currencies against Euro.

3g. Capital management

The Fund monitors capital using gearing ratio, which is determined by dividing borrowings by the sum of subscribed capital and borrowings. The Fund's target gearing ratio is maximum 70% that should be reached when the Fund is fully invested.

'000 Euro	2015	2014
Interest bearing loans and borrowings	34,165	34,054
Total borrowings	**34,165**	**34,054**
Subscribed capital	24,348	24,348
Total borrowings and subscribed capital	**58,513**	**58,402**
Gearing ratio	**58.4%**	**58.3%**

4. COST OF RENTAL ACTIVITIES

'000 Euro	2015	2014
Real estate taxes	281	281
Repair and maintenance	114	125
Utilities	176	178
Property management expenses	158	157
Property insurance	83	81
Bad debt allowances	13	40
Other costs	50	44
Total cost of rental activities	**875**	**906**

In 2015, EUR 513 thousand of total rental activities costs were recharged to the tenants (2014: EUR 511 thousand). The recharged amount is included in the rental income balance.

5. ADMINISTRATIVE EXPENSES

'000 Euro	2015	2014
Management fee	434	447
External consultant expenses	209	212
Board fees and other Board related expenses	86	65
Other	5	6
Total	**734**	**730**

Northern Horizon Capital A/S is entitled to a base management fee equivalent to a percentage of the value of the Fund's investment in real estate. A quarterly management fee is based on the investment properties GAV at the end of each calendar quarter and charged 0.75% of the GAV per annum of the real estate portfolio.

6. FINANCIAL INCOME

'000 Euro	2015	2014
Other financial income	-	239
Total	**-**	**239**

7. FINANCIAL EXPENSES

'000 Euro	2015	2014
Interest on bank loans	1,687	1,704
Other financial expenses	18	15
Other interest expenses	29	-
Total	**1,734**	**1,719**

8. INCOME TAX

BPT Hansa Lux SICAV-SIF is subject to an income tax (corporate income tax and municipal business tax) at the global rate of 29.22% (2014: 29.22%). However, BPT Hansa Lux SICAV-SIF can exempt from its tax base all investment income or capital gains attributable to securities.

Real estate revenues, or capital gains derived from real estate are subject to taxes by assessment in the countries where real estate is situated. The Fund's subsidiaries depreciate their historical property cost in accordance with applicable tax regulations. Depreciation is deducted from taxable profits in determining current taxable income.

The major components of income tax for the years ended 31 December 2015 and 2014 are:

'000 Euro	2015	2014
Consolidated statement of comprehensive income		
Tax on taxable income for the year	6	(4)
Tax related prior periods*	(131)	-
Adjustment of deferred tax for the year	(263)	394
Income tax expense reported in the income statement	**(388)**	**390**
Revaluation of derivative instruments to fair value	-	-
Income tax expense reported in other comprehensive income	**-**	**-**
Income tax expense reported in the statement of comprehensive income	**(388)**	**390**

*Tax paid in relation to Weinmeister property disposal in 2013.

Deferred income tax as at 31 December 2014 and 2013 relates to following:

	Consolidated statement of financial position		Consolidated income statement	
'000 Euro	**2015**	**2014**	**2015**	**2014**
Deferred tax liability				
Investment property fair and tax value differences	(1,132)	(1,024)	(108)	(527)
	(1,132)	**(1,024)**	**(108)**	**(527)**
Deferred tax assets				
Tax losses brought forward	925	1,080	(155)	921
	925	**1,080**	**(155)**	**921**
Deferred income tax asset/ (liability), net	**(207)**	**56**		
Deferred income tax expenses/(income)			**(263)**	**394**
Reflected in the statement of financial position as follows				
Deferred tax assets	925	1,080		
Deferred tax liability	(1,132)	(1,024)		
Deferred income tax liability, net	**(207)**	**56**		

The tax losses incurred by the Fund's German entities were recognised to the extent it can be utilised in near future.

The reconciliation between tax expense and accounting profit for the years ended 31 December 2015 and 2014 is as follows:

'000 Euro	**2015**	**2014**
Profit/ (loss) before income tax	1,590	(1,165)
At Luxembourg statutory tax rate of 29.22% (2014:29.22%)	(468)	454
Effect of different tax rates in other countries	208	(64)
Adjustments related to previous year	(131)	-
Total income tax expenses	**(388)**	**390**

Summary of taxation rates by country is presented below:

	2015	**2014**
Germany	15.825%	15.825%
Luxembourg	29.22%	29.22%

The subsidiaries in Germany are not subject to the German income tax. BPT Hansa Lux SICAV-SIF is the limited tax payer in Germany on the income received from its partnership interest held in the subsidiaries at a tax rate of 15.825% in 2015 and 2014.

9. INVESTMENT PROPERTY

Investment property represents buildings, which are rented out under lease contracts.

The fair value of the investment properties was jointly appraised by two independent valuators bulwiengesa appraisal GmbH and Dr.-Ing. Egbert Krellmann (publicly appointed and sworn expert), in accordance with the Practice Statements and Relevant Guidance Notes of the RICS Appraisal and Valuation and approved by both the International Valuation Standards Committee (IVSC) and by the European Group of Valuers' Association (TEGoVA). In accordance with that basis, the market value is an estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Prior year valuations were also performed by two independent valuators bulwiengesa appraisal GmbH and Dr.-Ing. Egbert Krellmann.

The appraisers derive the fair value by applying the methodology and valuation guidelines as set out by the Royal Institution of Chartered Surveyors in the United Kingdom and in accordance with IAS 40.

Investment properties were valued on an annual basis, as required by the Fund's Private Placement Memorandum dated 29 June 2012.

'000 Euro	2015	2014
Cost		
Balance at 1 January	**60,332**	**60,217**
Additions (subsequent expenditure)	-	115
Cost at 31 December	**60,332**	**60,332**
Fair valuations		
Accumulated fair value adjustment at 1 January	**(2,732)**	**(217)**
Disposals	-	-
Net revaluation gain (loss) for the year	900	(2,515)
Accumulated fair value adjustment at 31 December	**(1,832)**	**(2,732)**
Carrying amount at 31 December	**58,500**	**57,600**

In 2009, the Fund has received a government grant of EUR 3,760 thousand for development of Berlin-Dahlem Campus, which decreased the acquisition cost of the investment property.

Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy:

'000 Euro 31 December 2015	Level 1	Level 2	Level 3	Total	Total gain or (loss) in year 2015 in the income statement
Hannover - Office	-	-	8,600	8,600	-
Berlin – Hotel/Retail	-	-	29,700	29,700	700
Hamburg – Office/Industrial	-	-	9,400	9,400	200
Berlin - Office	-	-	10,800	10,800	-
Total	**-**	**-**	**58,500**	**58,500**	**900**

There were no transfers between Levels during the year. Gains and losses recorded in the income statement for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to EUR 900 thousand and are presented in the consolidated income statement in lines 'Gross valuation gains on investment properties' and 'Gross valuation losses on investment properties'.

Description of valuation process

The real estate property valuation policies of the Fund are determined by the Board based on market practice. Real estate properties are assessed at least annually by two independent real estate appraisers (the "Appraisers") appointed from time to time by the Board. The Appraisers are selected from professionals or companies who are licensed and who operate in the geographical area where any relevant real estate properties are located. The property valuation is based on fair market value as of 31 December each year and in principle is a single valuation signed by both independent Appraisers. If the Appraisers do not reach an agreement and both opinions are credible, the Board will rely on the value that the Fund is most likely to realize from the property in a normal sale.

Valuation techniques used to derive Level 3 fair values

At 31 December 2015, valuations of investment properties were performed by two independent valuators jointly, bulwiengesa appraisal GmbH and Dr.-Ing. Egbert Krellmann (publicly appointed and sworn expert).

The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement;
- Quantitative information about the significant unobservable inputs used in the fair value measurement.

Highest and best use

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

Class of property	Fair value 31 December 2015 '000 Euro	Valuation technique	Key unobservable inputs	Range
Hannover - Office	8,600	Income capitalization	- Discount rate	6.26 %
			- Long term vacancy rate	3.10 %
			- Capitalization yield	5.75 %
			- ERV	EUR 42-126
Berlin – Hotel/Retail	29,700	Income capitalization	- Discount rate	5.83 %
			- Long term vacancy rate	0.00 %
			- Capitalization yield	5.50 %
			- ERV	EUR 152-384
Hamburg – Office/Industrial	9,400	Income capitalization	- Discount rate	5.73 %
			- Long term vacancy rate	0.00 %
			- Capitalization yield	5.50 %
			- ERV	EUR 85-145
Berlin - Office	10,800	Income capitalization	- Discount rate	6.25 %
			- Long term vacancy rate	0.00 %
			- Capitalization yield	5.50 %
			- ERV	EUR 41-73
Total	**58,500**			

Descriptions and definitions

The table in the previous page includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

Income capitalization

Valuations are prepared using the direct capitalization approach. Under the direct capitalization approach, the income and expenses of one year are stabilised and the net resulting operating income is capitalised at a capitalisation or return rate in proportion to the title to the subject property. Such income capitalisation considers the competitive return resulting from alternative instruments of investment into real estate or other property. This calculation excludes the effects of taxes and disposal costs borne by the seller, and is net of transaction costs normally borne by the purchaser.

Long term vacancy rate

Long-term vacancy rate is determined based on the percentage of estimated vacant space divided by the total lettable area.

Estimated rental value (ERV)

The rent at which space could be let in the market conditions prevailing at the date of valuation.

Capitalization yield

Average internal rate of return of the cash flow from the property.

10. TRADE AND OTHER RECEIVABLES

'000 Euro	2015	2014
Trade receivable, gross	662	674
Less allowance for doubtful receivables	(274)	(314)
Accounts receivable from limited partners	427	456
Prepaid expenses	133	159
Accrued income	1	3
Other accounts receivable	138	201
Total	**1,087**	**1,179**

Trade receivables are non-interest bearing and are generally on 30 days' terms.

As at 31 December 2015, trade receivables at nominal value of EUR 274 thousand (2014: EUR 314 thousand) were impaired and fully provided for. Allowances for doubtful receivables accounted for in 2015 are related to Bessemer property (EUR 13 thousand). The allowances for doubtful receivables accounted for in 2014 are related to Berlin-Dahlem property (EUR 301 thousand) and Bessemer property (EUR 13 thousand).

Movements in the provision for impairment of receivables were as follows:

'000 Euro	2015	2014
Balance at 1 January	(314)	(274)
Charge for the year	(13)	(40)
Amount written off	53	-
Balance at 31 December	**(274)**	**(314)**

As at 31 December, the ageing analysis of trade receivables that were past due but not impaired is as follows:

		Neither past due nor	Past due but not impaired				
'000 Euro	Total	impaired	<30 days	30-60 days	60-90 days	90-120 days	>120 days
2015	387	-	38	-	-	-	349
2014	360	-	-	67	-	-	293

11. CASH AND CASH EQUIVALENTS

'000 Euro	2015	2014
Cash at banks and on hand	640	701
Total cash	**640**	**701**

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents net of outstanding bank overdrafts. As at 31 December 2015 and 31 December 2014, the Fund had no outstanding bank overdrafts.

12. EQUITY

12a. Subscribed capital

As at 31 December 2015 and 2014, the subscribed capital of BPT Hansa Lux SICAV-SIF is represented by 243,484 ordinary shares with a par value of EUR 100 each, fully paid-in. There were no changes in number of shares and share value during 2015 and 2014.

12b. Dividends paid

'000 Euro	2015	2014
Declared and paid during the year*	730	-
Total dividends paid	**730**	**-**

* EUR 3 per share.

13. INTEREST BEARING LOANS AND BORROWINGS

'000 Euro	Maturity	Effective interest rate	2015	2014
Non-current borrowings				
Berliner Sparkasse	30 June 2019	5.32%	16,942	17,406
Münchener Hypothekenbank eG	30 September 2018	2.83%	5,921	6,057
Berliner Sparkasse	31 December 2019	5.97%	5,330	5,485
Sparkasse Hannover AG*	30 October 2022	4.77%	5,039	5,191
Sparkasse Hannover AG	30 October 2022	1.79%	1,000	-
Less capitalised loan arrangement and legal fees			(67)	(85)
Less current portion			(909)	(957)
Total non-current debt			**33,256**	**33,097**
Current portion of non-current borrowings				
Current portion of non-current borrowings			909	957
Total current debt			**909**	**957**
Total			**34,165**	**34,054**

*On 20 October 2015 the loan maturity was extended from 30 October 2016 to 30 October 2022.

For the maturity of the borrowings see Note 3d.

For the borrowings received, the Fund issued the following securities:

- Assignment of land charge for properties located at:
  - Walsroderstrasse 93/93a, Hannover, Germany, with the carrying value totalling to EUR 8,600 thousand;
  - Bessemerstrasse 82, Berlin, Germany, with the carrying value totalling to EUR 10,800 thousand;
  - Lansstrasse 2, 14195 Berlin-Dahlem, Germany, with the carrying value totalling to EUR 29,700 thousand;
  - Schlenzigstrasse 8, D-21107 Hamburg, Germany, with the carrying value totalling to EUR 9,400 thousand.
- Assignment of rights and claims of existing and future rent receivables from lease agreements of investment properties located at Walsroderstrasse 93/93a, Hannover, Germany; Bessemerstrasse 82, Berlin, Germany; Lansstrasse 2, 14195 Berlin-Dahlem, Germany and Schlenzigstrasse 8, D-21107 Hamburg, Germany.

14. TRADE AND OTHER PAYABLES

'000 Euro	2015	2014
Trade payables	97	149
Total trade and other payables	**97**	**149**

Terms and conditions of trade and other payables:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Other payables are non-interest bearing and have an average term of 3 months.

15. OTHER CURRENT LIABILITIES

'000 Euro	2015	2014
Accrued audit and accounting fees	95	96
Accrued directors fees and related taxes	20	14
Other accrued payables	98	105
Other current liabilities	83	100
Total other current liabilities	**296**	**315**

16. COMMITMENTS AND CONTINGENCIES

16a. Operating lease commitments – Fund as a lessor

The Fund leases real estate under operating leases. The terms of the leases are in line with normal practises in each market. Leases are reviewed or subject to automatic inflationary adjustments as appropriate.

The leasing arrangements entered into or in relation with Fund's investment properties portfolio which include a clause authorising tenants to terminate the leasing arrangements up to six-months' notice are as such considered as cancellable leases.

Lease payments receivable from non-cancellable lease are shown below. For the purposes of this schedule it is conservatively assu-med that a lease expires on the date of the first break option.

	2015		2014	
'000 Euro	Amount receivable	%	Amount receivable	%
Within 1 year	3,399	10%	3,380	9%
Between 2 and 5 years	11,882	34%	11,933	32%
5 years and more	19,748	56%	22,103	59%
Total	**35,029**	**100%**	**37,416**	**100%**

16b. Litigation

As at 31 December 2015, the Fund had no pending legal actions.

17. RELATED PARTIES

During the year, the Fund entered into transactions with related parties. Those transactions and related balances are presented below.

Northern Horizon Capital A/S

The Fund has entered into investment advisory agreement with Northern Horizon Capital A/S. Under the terms of the agreement, Northern Horizon Capital A/S group companies carry out asset manager's functions on behalf of the Fund and the Fund is paying management fees respectively (Note 5). In 2015 and 2014 a quarterly management fee was based on the investment properties GAV at the end of each calendar quarter and charged 0.75% of the GAV per annum of the real estate portfolio.

In addition, internal costs borne by Northern Horizon Capital A/S group related to the acquisition of properties are remunerated with an acquisition fee of 0.3% of the investment value of each acquisition made. There were no acquisitions of properties in 2015 or 2014 and respectively no acquisition fee charged.

The following table provides the total amount of the transactions, which have been entered into with related parties for the relevant financial year:

'000 Euro	2015	2014
Northern Horizon Capital A/S group		
Management fees	(434)	(447)
Property management fees	(20)	(25)

Northern Horizon Capital A/S owns 6,591 ordinary shares of the Fund (2.7%).

Entities having control or significant influence over the Fund

The shareholders owning more than 5% of the ordinary shares as of 31 December 2015:

	Number of shares	%
Danske Capital, Sampo Bank Plc clients	130,396	53.6%
Aage V. Jensen Charity Foundation	40,000	16.4%
Danske Capital Plc	26,634	10.9%
Evli Bank Plc	16,640	6.8%

Board of Directors interests in the Fund

As of 31 December 2015 the members of the Board of Directors held 3,659 ordinary shares of the Fund (1.5%).

18. REMUNERATION OF THE MANAGEMENT AND OTHER PAYMENTS

The Fund's management (Board of Directors) remuneration amounted to EUR 21 thousand in 2015 (2014: EUR 22 thousand). In 2015 and 2014, the management of the Fund did not receive any loans or guarantees; no other payments or property transfers were made or accrued.

19. FINANCIAL INSTRUMENTS

19a. Fair values

Set out below is a comparison by category of carrying amount and fair values of all of the Fund's financial instruments as of 31 December 2015 and 2014:

	Carrying amount		Fair value	
'000 Euro	**2015**	**2014**	**2015**	**2014**
Financial assets				
Trade and other receivables	1,087	1,179	1,087	1,179
Cash and cash equivalents	640	701	640	701
Financial liabilities				
Interest bearing loans and borrowings	34,165	34,054	38,166	39,137
Trade and other payables	97	149	97	149
Other current liabilities	296	316	296	316

Fair value hierarchy

Quantitative disclosures of the Fund's financial instruments in the fair value measurement hierarchy as at 31 December 2015 and 2014:

Year ended 31 December 2015				
'000 Euro	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial liabilities				
Interest-bearing loans and borrowings	-	38,166	-	**38,166**

Year ended 31 December 2014				
'000 Euro	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial liabilities				
Interest-bearing loans and borrowings	-	39,137	-	**39,137**

The management assessed that cash, trade and other receivables, trade and other payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- Trade and other receivables are evaluated by the Fund based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2015, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.
- Fair values of the Fund's interest-bearing loans and borrowings are determined by using the Discounted Cash Flow (DCF) method at prevailing interest rates.

19b. Interest rate risk

The following table sets out the carrying amount by maturity, of the Fund's financial instruments that are exposed to interest rate risk:

Year ended 31 December 2015

'000 Euro	Less than 1year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Fixed rate							
Bank loan	(164)	(195)	(198)	(202)	(205)	(4,075)	(5,039)
Bank loan*	(5)	(30)	(31)	(31)	(32)	(870)	(1,000)
Bank loan	(140)	(144)	(5,619)	-	-	-	(5,903)
Bank loan	(436)	(563)	(594)	(15,318)	-	-	(16,910)
Bank loan	(164)	(175)	(185)	(213)	(389)	(4,186)	(5,313)

*new loan taken on October 22, 2015.

Year ended 31 December 2014

'000 Euro	Less than 1year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Fixed rate							
Bank loan	(152)	(5,039)	-	-	-	-	(5,191)
Bank loan	(136)	(140)	(144)	(5,613)	-	-	(6,033)
Bank loan	(514)	(542)	(571)	(603)	(15,135)	-	(17,365)
Bank loan	(155)	(164)	(175)	(185)	(214)	(4,572)	(5,465)

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Fund that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

19c. Credit risk

There are no significant concentrations of credit risk within the Fund.

20. SUBSEQUENT EVENTS

There have been no events subsequent to the balance sheet date which require adjustment of or disclosure in the financial statements.

21. LIST OF CONSOLIDATED COMPANIES

Subsidiaries included in the consolidated financial statements

Company name	Registered office	Registration Number	Date of Acquisition	Activity	Share capital
BPT Hansa S.à r.l.	2, rue d'Alsace, L-1122 Luxembourg	B-120 957	13 November 2007	Financing company	100%
BPT GmbH & Co. Vermögensverwal-tung KG	Weinmeisterstr. 12 – 14, 10178 Berlin, Germany	HRA 42461 B	10 November 2006	Asset holding company	100% (directly 93.82%, indirectly 6.18%)
BPT GmbH	Weinmeisterstr. 12 – 14, 10178 Berlin, Germany	HRB 110698 B	10 November 2006	General partner	100%
BPT1 GmbH & Co. Vermögensverwal-tung KG	Weinmeisterstr. 12 – 14, 10178 Berlin, Germany	HRA 41318 B	20 November 2007	Asset holding company	100% (directly 99.99%, indirectly 0.01%)
BPT1 GmbH	Weinmeisterstr. 12 – 14, 10178 Berlin, Germany	HRB 113832 B	20 November 2007	General partner	100%
BPT2 GmbH & Co. KG	Weinmeisterstr. 12 – 14, 10178 Berlin, Germany	HRA 44328 B	28 July 2007	Asset holding company	100% (directly 94%, indirectly 6%)
BPT 2 Verwaltungs-gesellschaft mbH	Weinmeisterstr. 12 – 14, 10178 Berlin, Germany	HRB 126293 B	28 July 2007	General partner	100%
BPT3 GmbH & Co. Vermögensverwal-tung KG	Weinmeisterstr. 12 – 14, 10178 Berlin, Germany	HRA 42479 B	4 June 2008	Asset holding company	100% (directly 94%, indirectly 6%)
BPT3 GmbH	Weinmeisterstr. 12 – 14, 10178 Berlin, Germany	HRB 116714 B	4 June 2008	General partner	100%