



# BPT Hansa Lux SICAV-SIF Quarterly Fund Report Q3 2008



Dahlem Hechtgraben Campus Hotel, Berlin (visualization)

- Small NAV decrease to 100.2
- Optimization of property costs
- Investment strategy is to wait in spite of increasing yields

## Commentary

BPT Hansa Lux SICAV-SIF is a direct real estate fund covering commercial properties in Northern Germany. The fund is targeting institutional investors and should be seen as a long-term investment product.

This quarter's negative return and small decrease in NAV was mainly caused by the negative effect of a change in value of a hedge reserve. Occupancy slightly decreased, and to secure the yield level, active marketing for the spaces becoming available in January 2009 has started.

## Activities over the quarter

In consequence of the tense situation of the financial markets the decision was made to defer several planned acquisitions, which is currently a general behavior in the market. A sedation of the financial markets and an increase in yields is expected, and thus there are several interesting opportunities in the Hansa pipeline.

The cost of the existing properties was lower than expected due to a cost optimization program, in which all repair and maintenance contracts were reviewed. The multiple service tasks were concentrated and tendered to management companies, thereby achieving lower costs than working with several contractors.

The preliminary expansion of the Wärtsilä headquarter started in July. The development is in line with the time-frame and the calculated costs, which are secured by working with an additional construction controller. The loan agreement has been closed with very attractive conditions compared to the market. The term is in accordance

## Fund performance

NAV per share	EUR 100.20
Latest dividend per share (paid-out 2007)	N/A
Total fund return since inception	0.2%
Fund return since inception annualised	0.3%

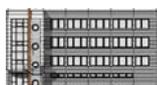
## Portfolio

Number of properties	4, hereof 2 developments
Average gross property value	EUR 15.0m (incl. developments)
Occupancy ratio	98.3%

## Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2022
Status	Closed-end, open for investments
Target share capital	EUR 300.0m
Total share capital	EUR 23.8m
Net asset value (total equity)	EUR 23.9m
Investment capacity	EUR 1,000m
Gross property value	EUR 42.5m
Gross asset value (GAV)	EUR 46.5m
Total cash and cash equivalents	EUR 3.1m
Loans	EUR 21.0m
Loan to value	49.4%
Interest coverage	99%

## Acquisitions and sales



**Wärtsilä (Hamburg)**  
Factory and Office, 4,985 sq.m.  
Acquired June 2008



**Weinmeisterstrasse (Berlin)**  
Office/Retail building, 5,210 sq.m.  
Acquired 1st of August 2007

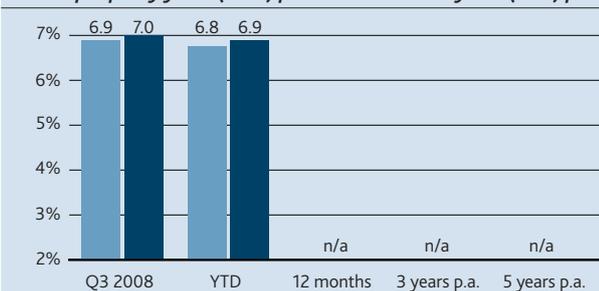


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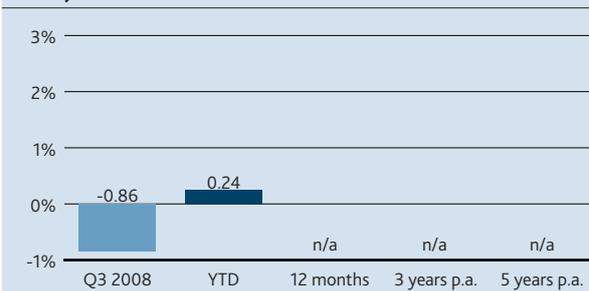


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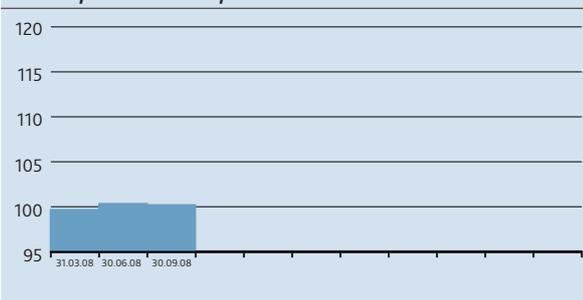
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**Direct property yield (DPY) p.a. and net initial yield (NIY) p.a.**

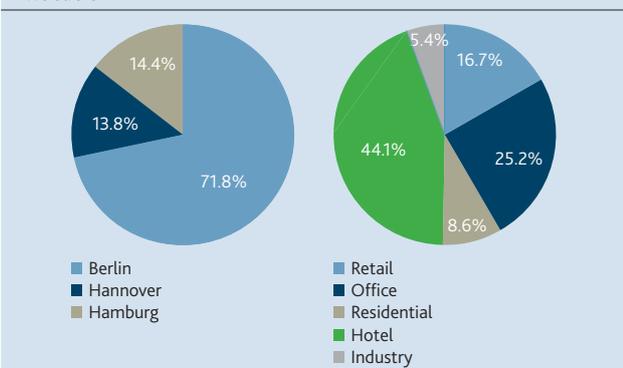
DPY (dark blue) is calculated as the net operating income divided by the acquisition costs, annualised. NIY (light blue) is calculated as the net operating income divided by gross property value, annualised.

**Total fund return**

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

**Development in NAV per share and historical dividends**

Development in NAV is excluding reinvested dividends. Historical dividends are shown at the time they are deducted from the NAV per share.

**Allocation**

Allocation is calculated based on gross property value after completion.

**Top 5 holdings**

Hechtgraben Campus Hotel	Hotel/Other	Berlin
Weinmeisterstrasse	Office/Retail	Berlin
Walsroder Strasse	Office	Hannover
Wärtsilä	Office/Factory	Hamburg
<b>Weight of total gross property value</b>		<b>100.0%</b>

Top 5 holdings is based on gross property value.

with how long the holding period and the interest rate is fixed. The topping out ceremony is expected by end 2008. The Dahlem Campus Hotel development in Berlin is in line with the expected cost and time frame. We are in advanced negotiation with Seminaris for an additional 500 sq.m. to be used for running a restaurant for conference attendees.

During Q3 the performance of the two properties Walsroderstrasse and Weinmeisterstrasse shows a small increase compared to Q2. In Weinmeisterstrasse additional storage and parking space could become leased, so our occupancy rate is 96,5%. The general leasing contract for Walsroderstrasse will be running out at the end of 2008, and thus marketing activities have started. At the beginning of next year 1.500 sq.m. office space will be vacant, but we are already in negotiations with two potential tenants for a total of 60% of the space becoming available.

**Market outlook**

The investment capacity of the fund did not increase since Q2. Due to the financial crisis it takes considerably more time than originally planned to raise new equity. Compared to the former quarters, loan conditions deteriorated significantly.

The financial crisis has also influenced the macroeconomic data. The forecast for the real growth of GDP has reduced from 1.7% in 2008 to 0.2% in 2009. Furthermore an increase in unemployment is forecasted. Nevertheless we believe that the economic situation is still robust. Especially the plans of the German Government for tax reductions and stimulation of the economic cycle support consumer confidence. Thus the present situation is worse compared to the beginning of 2008, but in our view this difficult economic situation could create good investment opportunities for the future. The strategy is still to wait, and collect new equity in order to be able to act in 2009.

**Fees**

Management fee	0.75% p.a. of GAV of the portfolio
Acquisition fee	0.3% of the total transaction sum
Incentive fee	20% of RoE in excess of 7% p.a.
Subscription fee	2.5% of the subscription price

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