



# BPT HANSA LUX SICAV-SIF

## QUARTERLY FUND REPORT Q4 2016<sup>1</sup>

### SUMMARY

- NOI YTD 2016 increased to EUR 3.3 million
- Direct property yield (DPY) increased to 5.6%
- NAV increased to EUR 112.47 per share
- Fund's gross property value increased to EUR 60.8

### COMMENTARY

BPT Hansa SICAV-SIF is a direct real estate fund investing in commercial properties in Northern Germany, mainly Berlin. The fund is designed for institutional investors, German and international, and should be seen as a long-term investment product.

In 2016, the Fund has successfully maintained performance improvement of the office tower in Bessemerstraße, refinanced and prolonged the respective financing, distributed 3% to the shareholders and the Fund's gross property value increased by EUR 2.3 million to EUR 60.8 million compared to YE 2015.

### ACTIVITIES OVER THE YEAR 2016

The Fund's total gross asset value (GAV) increased in 2016 to EUR 64.1 million, mainly due to valuation gains of investment properties at year end. Compared to the end of 2015, the NAV per share increased from EUR 104.07 to EUR 112.47. The direct property yield for the reported quarter increased from 5.4% in Q3 to 5.6%. The fair value of the portfolio consisting of 4 investment properties is EUR 60.8m end of 2016 (2015: EUR 58.5m).

During 2016, the average occupancy was 96.3% with increasing trend for 2017 (2015: 94.3%).

In the seventh 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%. During 2016, the average direct property yield remained stable at 7.2% and was in line with the budget. The property is free of any defects.

<sup>1</sup>based on unaudited figures.

### Fund performance

NAV, EUR	EUR 112.47
Latest dividend per share, EUR	EUR 3.0
Total fund return since inception	21.2%
Fund return since inception annualised	2.2%

### Portfolio

Number of properties	4
Average gross property value	EUR 15.2m
Occupancy ratio (quarter average)	96.3%

### Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2023
Status	Closed-end
Target share capital	EUR 100.0m
Total share capital	EUR 24.3m
Net asset value	EUR 27.4m
Investment capacity	EUR 300.0m
Gross property value	EUR 60.8m
Gross asset value (GAV)	EUR 64.1m
Total cash and cash equivalents	EUR 1.2m
Loans	EUR 34.5m
Loan to value	56.6%
Interest coverage	157.9%

### Top 5 holdings

Dahlem Campus Hotel	Other/Hotel	Berlin
Bessemerstrasse	Office	Berlin
Wärtsilä	Office/Industrial	Hamburg
Walsroder Strasse	Office	Hanover
Weight of total gross value		100%

Top 5 holdings based on gross property value.

### Fees

Management fee	0.75% p.a. of GAV of the portfolio
Acquisition fee	0.3% of the total acquisition sum
Incentive fee	20% above a hurdle rate of 7% RoE
Subscription fee	max. 1.95% (depending on size)

After its launch phase in 2009, the hotel operations of the Berlin-Dahlem property have been developing only at a middle pace. However, in 2016 for the second time after 2015 the hotel operator showed an ongoing increasing trend with EUR 500 thousand higher turnover compared to 2015. During 2016 the Fund Management maintained with strategies to improve the turnover and performance of the hotel operator and to close the remaining vacant space. So far, the remaining vacant space (5%) could have not be rented out to any third party. However, the increasing turnover of the hotel operator indicates interest of Seminaris to rent this remaining space as well. The fund manager is in constant dialog with the hotel operator.

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 2016 to 7.4% and the weighted average lease term (WALT) increased significantly by 455% and the average rental income increased by EUR 0.72/sq. m. since takeover end of 2013.

The Walsroder Strasse property showed again a strong year 2016. The office space was fully let through 2016 and the Fund Manager is recognising ongoing good market interest for this property. The average direct property yield for 2016 was 6.6% (2015: 6.5%) and slightly above the budget.

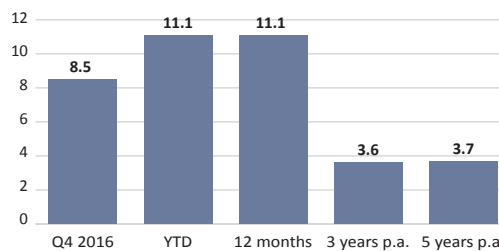
## MARKET OUTLOOK

Following a remarkable year of growth of 1.7% in 2015, 2016 was again affected by low interest rates and unsteady trends in world and especially the European trade. Despite the ongoing weak EURO currency and European economic climate, the German growth kept expanding by 1.9% in 2016 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 1.6% in 2017 and of 1.8% in 2018. 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 the last five years. The total unemployment level is steadily low, and showed in December 2016 a level of only 5.7%.

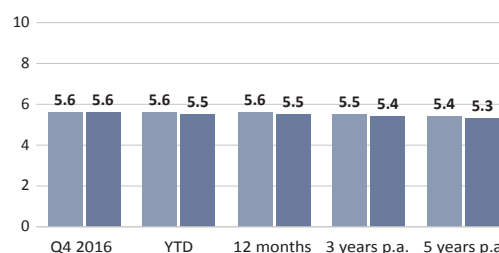
After a low increase in consumer prices in 2015 (0.3%), 2016 showed an increase of 1.7%, mainly due to the rise of energy prices. The annual inflation for 2017 is expected at roughly the same level.

## Total Fund Return



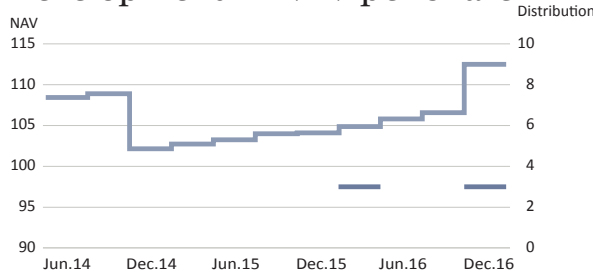
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

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



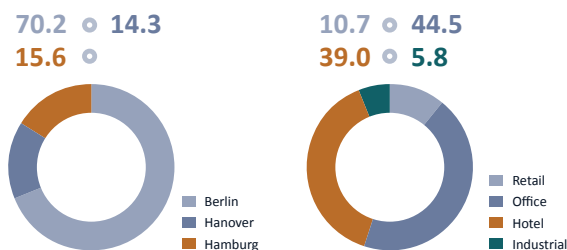
NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark blue) is calculated as the net operating income divided by the acquisition costs annualized.

## Development in NAV per share



Development in NAV (light blue) is excluding reinvested dividends. Historical dividends (dark blue) will be shown at the time they are deducted from the NAV per share.

## Allocation in percent



Allocation is calculated based on gross property value.

## FUND MANAGER



**Georg Haider**  
 Email: Georg.Haider@nh-cap.com  
 Direct tel: +49 30 20 21 59 886