Q3 2011

# BPT Hansa Lux SICAV-SIF Quarterly Fund Report


- NOI 3 % above budget
- Occupancy stable at 99%
- Temporary reduction of yield
- NAV increased to EUR 101.10 per share

## COMMENTARY

BPT Hansa Lux SICAV-SIF is a direct real estate fund, designed for German and non-domestic institutional investors.

## ACTIVITIES OVER THE QUARTER

The net rental income at the end of Q3 2011 was 3% above budget and totalled EUR 2.40m. The average direct property yield decreased by 0.7pp to 4.9% due to the Dahlem property (see details below) and is expected to increase again to 5.8% for the entire fund in 2012. The occupancy of the entire Fund was stable at an exceptional 99% (the remainder being some minor vacant archive space). The gross value of the investment properties of the entire fund has remained unchanged at EUR 59.44m.

The direct property yield of the **Hamburg-Wärtsilä** property is again 6.8% and is in line with the budget.

In the **Dahlem Campus** property negotiations with the Seminaris Group for an expansion of approx. 450 sq. m. have advanced and are expected to be closed in Q4. The discussions for the remaining 500 sq. m. are encouraging and it is expected that the space will be signed to a training institution. Only as a temporary result of a lower income from the rental guarantee caused by the settlement with the lease guarantor (cf. QFR Q2 and Q4 2010), the direct property yield decreased as expected to 3.9%. However, starting in Q1 2012 the agreed lease guarantee is fully valid and will affect a significant increase of the DPY back to approx. 5.4%.

In the **Weinmeisterstrasse** property occupancy is re-

| Fund Performance | |
|---|---|
| NAV per share | EUR 101.10 |
| Latest dividend per share | EUR 0.0 |
| Expected IRR for new commitments | 8.5% |
| Total fund return since inception | 1.11% |
| Return since inception annualised | 0.30% |

| Portfolio | |
|---|---|
| Number of properties | 4 |
| Average gross property value | EUR 14.9m |
| Occupancy ratio (quarter average) | 99.2% |

| Fund facts | |
|---|---|
| Fund inception (as of the first NAV) | January 2008 |
| Expected exit | 2022 |
| Status | Closed-end |
| Target share capital | EUR 100.0m |
| Total share capital | EUR 24.3m |
| Net asset value (total equity) | EUR 24.6m |
| Investment capacity | EUR 300m |
| Gross property value | EUR 59.4m |
| Gross asset value (GAV) | EUR 61.8m |
| Total cash and cash equivalents | EUR 1.9m |
| Loans | EUR 36.0m |
| Loan to value | 60.6% |
| Interest coverage | 117.2% |

## Contacts

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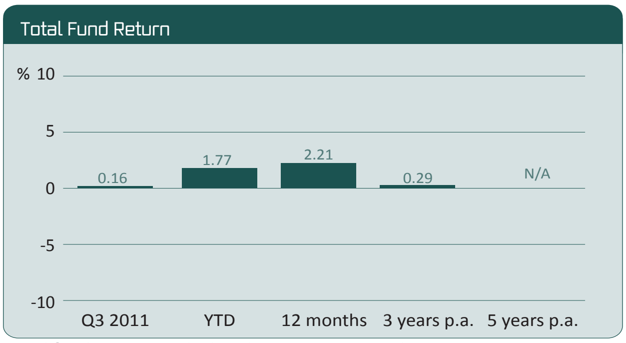
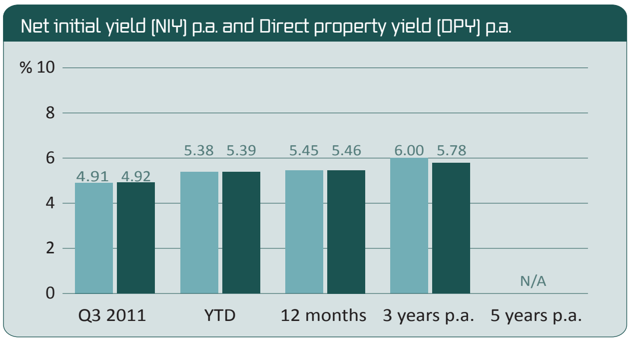



Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year.




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

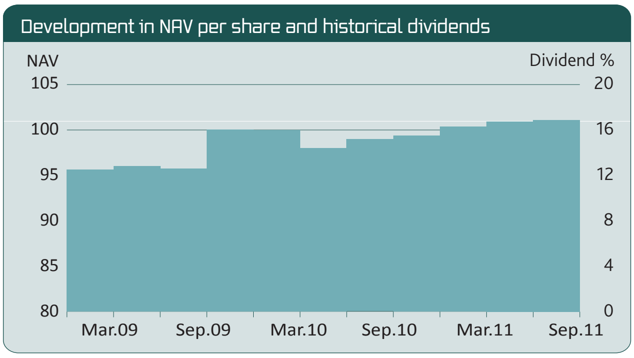
maining at a satisfactory level of 100%. The direct property yield decreased marginally to 5.9% (from 6.0% in Q2) and is in line with the budget.

The Hanover property **Walsroder Strasse** is 100% let since the end of 2010. The fit out work for the refurbishment of the dental clinic is progressing well. The performance of Walsroder Straße increased due to some deferred costs for fit-outs. The yield of 6.0% (Q2: 5.3%) is 1.3 pp above budget.

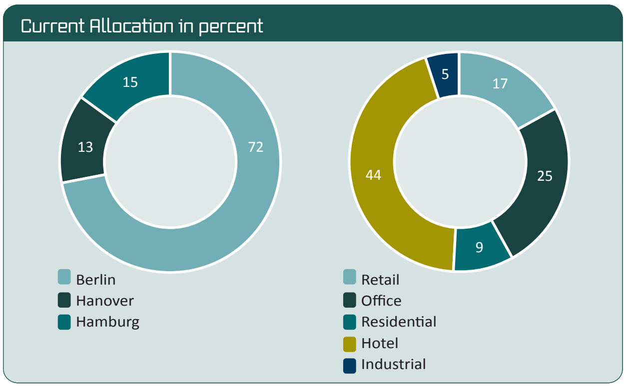
## MARKET OUTLOOK

As a result of weakening trends in world trade, the debt crisis and a lower level of business and consumer confidence, the European and world economic climate has cooled down. Despite this environment, German economy keeps expanding. Although the pace of growth has slowed, the 2011 GDP forecast has been reduced to 2.9%. The domestic economy becomes increasingly the driving force. The labour market is stabilizing the economy. The total unemployment level is steadily decreasing and reached its lowest level since 20 years. The unemployment rate decreased this quarter to 6.6% (Q3 6.9%).

Despite the sovereign debt crisis and turbulences in the financial markets, the high dynamic in the German investment market continues. Q3 with EUR 5.7bn shows again a slightly higher turnover than Q2 (5.6bn) and Q1 (5.5bn). The total of EUR 16.8bn corresponds to an increase of 37% compared to the same period in 2010. Foreign investors are sharing 39% of the turnover. Almost 50% of the turnover (approx. EUR 8.4bn) in 2011 is related to the retail sector, 5.6bn (approx. 33.5%) to the office sector. The cities with the highest turnover are Frankfurt (EUR 2.0bn), Munich (EUR 1.54bn) and Hamburg (EUR 1.53bn). For 2011, a total turnover of approx. EUR 20bn is expected. Main focus of the investors is on core and core plus properties. Due to high demand prime yields are on the same level as in Q2.




Development in NAV (light blue) is excluding reinvested dividends. Historical dividends (none so far) are shown at the time they are deducted from the NAV per share.




Allocation is calculated based on gross property value.

### Top 5 holdings

| | | |
|---|---|---|
| Hechtgraben Campus Hotel | Other/Hotel | Berlin |
| Weinmeisterstrasse | Office/Retail/Residential | Berlin |
| Wärtsilä | Office/Industrial | Hamburg |
| Walsroder Strasse | Office | Hanover |
| | | |
| There are currently four holdings in the fund | | |

Top 5 holdings is based on gross property value.

### Fees

| | |
|---|---|
| Management fee | 0.75% pa.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% |