

Q3 2010

BPT Hansa Lux SICAV-SIF Quarterly Fund Report



- Direct property yield stable at 5.5%
- Occupancy increases to 94.3%
- Increase of NAV to EUR 98.92 per share
- Increasing letting in Berlin and Hanover

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 third quarter NAV increased to EUR 98.92 per share compared to EUR 97.99 per share at the end of Q2. The net rental income at the end of Q3 amounted to EUR 2,672m, which is 1% over budget. The average direct property yield for the third quarter ended at 5.5%, which is higher than the average yield for the year 2009 of 5.4% and entirely in line with the budget. With new letting activities in Walsroder Strasse (Hanover), the occupancy of the entire portfolio increased from 93.0% to 94.3%. The gross property value of the entire fund slightly increased by EUR 0.1m, as a result of an additional capital investment in the expansion of the Seminaris hotel restaurant in Dahlem Cube.

The **Hamburg-Wärtsilä** property performed well again. The direct property yield shows only a small decrease by 0.1% to 6.6% due to follow-up on construction defects and maintenance work.

In the **Dahlem Campus** the fit-out work for the restaurant expansion of Seminaris started at the end of August. Negotiations continue for approx. 500 sq. m. of retail space, and furthermore Seminaris is asking for additional retail space with an expansion of approx. 450 sq. m. The direct property yield still remains stable at 5.4% and is in line with the budget.

Fund performance

NAV per share	EUR 98.92
Latest dividend per share	EUR 0.0
Total fund return since inception	-1.07%
Fund return since inception annualised	-0.39%

Portfolio

Number of properties	4
Average gross property value	EUR 14.8 m
Occupancy ratio (quarter average)	94.3%

Fund facts

Fund inception (as of the first NAV)	January 2008
Expected exit	2022
Status	Closed-end
Target share capital	EUR 90.0m
Total share capital	EUR 24.3m
Net asset value (total equity)	EUR 24.1m
Investment capacity	EUR 300m
Gross property value	EUR 59.3m
Gross asset value (GAV)	EUR 62.5m
Total cash and cash equivalents	EUR 2.8m
Loans	EUR 36.6m
Loan to value	61.8%
Interest coverage	75.4%

Contacts



Fund Manager Georg Haider

Email: gh@bptam.com
Direct tel. +49 30 20 21 59 886



Fund Manager Barbara Bendix

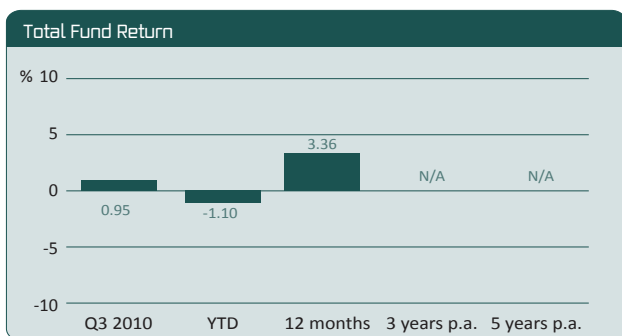
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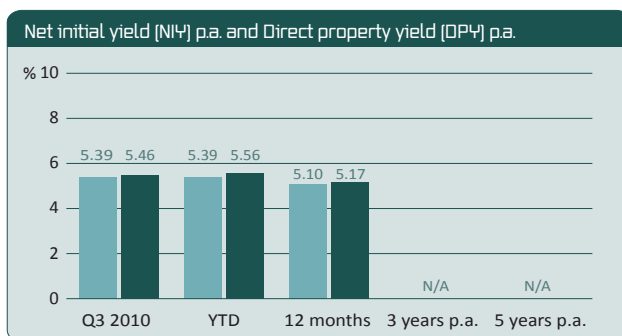
Client Support and Regulatory Manager Mikkel Krøyer

Email: mkr@bptam.com
Direct tel: +45 33 69 21 70





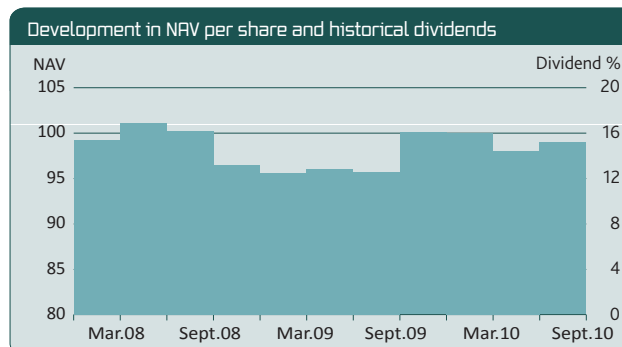
Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year.



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.

By re-letting all remaining apartments, the property **Weinmeisterstrasse** in Berlin shows an occupancy of 100% at the end of Q3. As a result of some short-term vacancies of some apartments during the quarter, the direct property yield slightly decreased from 6.1% in Q2 to 5.7% in Q3.

At **Walsroder Strasse** the occupancy increased by 4.2 percentage points to 70.5%. There was a new letting of 200 sq. m. to a construction company which started the lease in Q3. Furthermore space of 240 sq. m. was signed in October and the tenant will begin depositing lease payments in December 2010. The remaining office space of 970 sq. m. is expected to be leased out in November with tenants taking residence from the beginning of the new year. The direct property yield in Q3 decreased from 4.8% to 4.4% due to costs for repairs in Q2 and Q3, but will now show a positive improvement in the coming quarters.

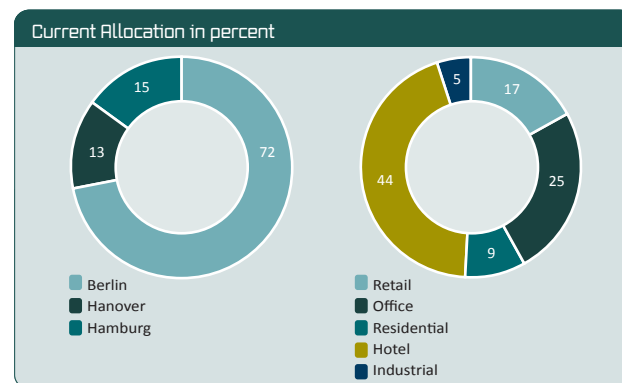


Development in NAV (light blue) is excluding reinvested dividends. Historical dividends (none so far) are shown at the time they are deducted from the NAV per share.

MARKET OUTLOOK

In Q3 the recovery of the German economy continued. The GDP increased by 0.7% compared to the previous quarter. Additionally, the growth of Q1 and Q2 became positive revised to +0.6% and +2.2%. The impulse came from both domestic demand and from strong export sales. Consumer spending increased by 0.3% and the exports rose by 4.3% in Q3. In general the recovery becomes more broad-based and solid. The growth is projected by the government to be 3.4% for 2010 and 1.8% for 2011. Respectively, the unemployment of 2,945m people is at its lowest since October 1992 and is adding to a very positive consumer sentiment.

In the first nine months of 2010, the real estate investment turnover of EUR 12.3bn doubled compared to the same period in 2009. This market surge has primarily been driven by local institutional investors. The prime yields in the office segment in most cities continue to be stable while the prime yields for retail properties decreased due to strong investor demand from both for German and foreign investors.



Allocation is calculated based on gross property value.

Property Name	Property Type	City
Hechtgraben Campus Hotel	Other/Hotel	Berlin
Weinmeisterstrasse	Office/Retail/Residential	Berlin
Walsroder Strasse	Office	Hanover
Wärtsilä	Office/Industrial	Hamburg

There are currently four holdings in the fund

Top 5 holdings is based on gross property value.

Fee Type	Rate
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)

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