

# Investeringsforeningen

## BPT Invest

Halvårsrapport 2008

Semi Annual Report 2008



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BI Management A/S is a part  
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**CVR-nr.** *CVR no.*

28 30 61 56

**Bestyrelse** *Board of Directors*

Teddy Jacobsen, formand *chairman*

Jørgen Giversen

Troels Gunnergaard

**Direktion** *Executive Board*

BI Management A/S, Christina Larsen

**Investeringsrådgiver** *Financial Advisor*

BPT Asset Management A/S

**Revisor** *Auditor*

KPMG, Statsautoriseret Revisionsinteressentskab

Borups Allé 177

DK-2000 Frederiksberg

Denmark

**Depotbank** *Custodian Bank*

Skandinaviska Enskilda Banken A/S

Vognmagergade 9

DK-1008 København K

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## Ledelsesberetning

Bestyrelsen har i dag godkendt regnskabet for perioden 1. januar – 30. juni 2008 for investeringsforeningen BPT Invest. Til sammenligning er i parentes vist regnskabstal for perioden 1. januar – 30. juni 2007.

Generalforsamlingen godkendte, at foreningen ændrede navn og vedtægter til Investeringsforeningen BPT Invest med en afdeling, BPT Nordic Real Estate (tidligere navn var BPT Nordic). Investeringuniverset for BPT Nordic Real Estate er ændret til at omfatte ejendoms- og ejendomsrelaterede selskaber noteret eller handlet på børser eller markeder beliggende i Danmark, Sverige, Norge eller Finland. Den hidtidige indeksering mod BPT Nordic Index er ophørt – BPT Nordic Index er dog fortsat benchmark for porteføljen. Efter Finanstilsynets godkendelse i juni arbejdes der hårdt på at få distributionsaftaler på plads.

Bestyrelsen har givet rådgiveren, BPT Asset Management Fondsmæglerselskab A/S, ny investeringsinstruks i henhold til ændringerne i vedtægterne og afdelingen er igang med at blive tilpasset.

### Afkast

Afkastet på afdeling BPT Nordic Real Estate blev på -24,26% for 1. halvår efter udbetaling af udbytte. Afkastet var negativt påvirket af kredittkrisen, renteutviklingen, frygt for en økonomisk afmatning med stigende tomgang samt selskabsspecifikke nyheder. Til sammenligning faldt det europæiske ejendomsindeks 21,5%.

Afdelingens indre værdi (NAV) udgjorde d. 30. juni 2008 DKK 92,86 per bevis.

Nettoresultatet udgjorde t. DKK -9.868, hvilket er en nedgang i forhold til samme periode sidste år.

### Markedsudviklingen:

I perioden har de økonomiske nøgletal udviklet sig negativt, idet den økonomiske vækst er reduceret, medens inflationsraten og renten er steget. Den europæiske centralbank – ECB – har indikeret, at der kommer en yderligere renteforhøjelse pga. inflationsstigningerne.

Rentestigningen har været kraftig for realkreditobligationer, medens renten på statsobligationer har udvist en mere behersket stigning – i Sverige er renten på den 10 årige statsobligation steget med 0,17 procentpoint og i de øvrige lande mellem 0,3 og 0,5 procentpoint. Der er således sket en stigning i risikopræmien for at investere i realkreditobligationer.

## Management Review

*Today the Board of Directors approved the financial statements of Investeringsforeningen BPT Invest for the period 1 January – 30 June 2008. For comparison purposes the accounting figures for the period 1 January – 30 June 2007 are shown in brackets.*

*The general meeting approved the association's change of name to Investeringsforeningen BPT Invest Nordic with one division, BPT Nordic Real Estate (formerly named BPT Nordic), as well as the amendments to its Articles of Association. The investment universe of BPT Nordic Real Estate has been changed to include property and property-related companies listed or traded on stock exchanges or markets situated in Denmark, Sweden, Norway or Finland. The existing indexation against the BPT Nordic Index has been discontinued – but the BPT Nordic Index remains a benchmark for the portfolio.*

*After the Danish Financial Supervisory Authority's approval in June strong efforts are being made to get distribution agreements in place, and two of these are expected to be concluded either before or immediately after the summer holidays.*

*The Board of Directors has given the adviser, BPT Asset Management Fondsmæglerselskab A/S, new investment instructions in accordance with the amendments to the Articles of Association, and the division is undergoing a process of adaptation.*

### Performance

*The return on the BPT Nordic Real Estate division was -24,26% for the first half of the year after payment of dividend. The return was negatively affected by the credit crisis, interest-rate movements, and fears of an economic slowdown with a rising vacancy rate as well as company-specific news. By comparison the European property index dropped by 21.5%.*

*On 30 June 2008 the division's net asset value (NAV) was DKK 92,36 per certificate.*

*Net profit for the period was DKK -9.868, down on the same period last year.*

### Market developments:

*In the period under review the economic key figures developed negatively with the economic growth rate going down and the rates of inflation and interest going up. The European Central Bank – ECB – has indicated that another increase in the rate of interest will be made in response to inflationary growth.*

Børsnoterede nordiske ejendoms- og ejendomsrelaterede selskaber udviklede sig i lighed med obligationskurserne volatilt og negativt gennem perioden. Efter et kraftigt fald i januar måned steg markedet frem til april, idet renten stabiliserede sig og den økonomiske vækst fortsat udviste en positiv trend. Siden april har der været en kraftig stigning i renten, dels afledt af inflationsudviklingen og dels af udmeldingen om yderligere rentestigninger fra ECB. Samtidig er marginalerne på finansieringsrenten øget, bankerne har reduceret løbetiden og øget krav til egenkapital finansiering. Stigningen i renten og dermed selskabernes finansieringsomkostninger samt prisfastsættelsen af ejendommene har medført stor fokus på overholdelse af selskabernes lånebetingelser.

Omsætningen af fast ejendom er i perioden faldet, men på velbeholdte og velholdte ejendomme er afkastkravet steget ca. 0,5%, medens mere sekundære ejendomme har set en noget større stigning.

#### **Afdelingens udvikling:**

BPT Nordic Real Estate blev ramt af det ovennævnte, men derudover påvirkede aktiespecifikke begivenheder porteføljen. Norwegian Property faldt 63% pga. manglende tillid til ledelsens dispositioner og udmeldinger. Selskabet skulle udstede nye aktier eller forsøge at sælge hotelejdendomselskabet Norgani, der blev købt sidste efterår, men med rest betaling til sommer. Selskabet underskrev et "letter of intent" om salg, men handelen blev ikke gennemført og selskabet annoncerede en garanteret aktiekapitaludvidelse til en kraftig underkurs. Også det finske ejendomsselskab Sponda var tæt på at bryde lånebetingelserne og faldt 30%. De valgte dog at udstede et lån med uendelig løbetid med ret til at førtidsindfri om 5 år og bogføre det som egenkapital, men de måtte betale 8,75% i rente. Nordicom faldt 49%, hovedsageligt pga. eksponeringen mod boligmarkedet samt en lav soliditet. Solide selskaber som Atrium Ljungberg (Sverige) var det eneste selskab med en positiv kursudvikling, medens Jeudan (Danmark) og Citycon (Finland) kun faldt marginalt.

BPT Nordic Real Estate fokuserer på de solide ejendomsselskaber, med et stærkt positivt cashflow og klar udbytte politik. Herved opnås en mere stabil defensiv porteføjlje med et løbende højt udbytte.

*The interest rate increase was high for mortgage credit bonds while the interest rate on government bonds rose more moderately – in Sweden the interest rate on the 10-year government bond rose by 0.17 percentage points and in the other countries by between 0.3 and 0.5 percentage points, reflecting an increase in the risk premium on investment in mortgage credit bonds.*

*Like bond prices Nordic exchange listed property and property-related companies developed in volatile and adverse markets. Following a heavy decline in January the market recovered until April with a stabilising interest rate and continuing economic growth. Since April the interest rate has increased strongly due partly to the inflationary trend and partly to the ECB's indication of additional interest rate increases. At the same time, the margins on the finance interest rate have gone up; the banks have reduced the term and increased their requirements relating to equity financing. As a result of the increase in the interest rate and hence the companies' finance costs and the pricing of real property, strong focus is being placed on compliance with the companies' loan terms.*

*In the period under review the volume of transactions declined. However, the return demanded on well-situated and well-maintained properties increased by approx. 0.5% while more secondary properties experienced a somewhat larger increase.*

#### **The division's development:**

*In addition to the effect of the above facts on BPT Nordic Real Estate, its portfolio was also affected by share-specific events. Norwegian Property dropped by 63%, reflecting lack of confidence in management's transactions and announcements. The company was planned to issue new shares or try to sell the hotel property company Norgani, which was bought last autumn with the final payment to be made this summer. The company signed a letter of intent concerning sale but the transaction was not completed and the company advertised an underwritten share capital increase for sale at a strong discount. Also the Finnish property company Sponda was close to breaking the loan terms and declined by 30%. However, the company elected to issue a loan with an infinite term and a right to repay the loan prematurely in five years and recognise it as equity. However, they had to pay an interest rate of 8.75%. Nordicom dropped 49%, due mainly to the exposure against the housing market and a low equity ratio. Of the sound companies Atrium Ljungberg (Sweden) was the only company showing a positive price trend while Jeudan (Denmark) and Citycon (Finland) declined marginally only.*

## Forventninger

De nordiske økonomier forventes i 2008 at udvise en lavere vækst end den kraftige vækst i de foregående år hovedsageligt pga. en nedgang i investeringerne og privatforbruget. Dette er afledt af den højere rente, den øgede inflation herunder den stigende pris på olie samt den internationale udvikling. I 2009 forventes en endnu lavere vækst. På trods af dette forventes væksten i de nordiske markeder at være højere end væksten i Euroland i både 2008 og 2009. Der vil være forskelle også i de nordiske økonomier, hvor Danmark forventes at udvikle sig svagest, medens Norge og Finland forventes at udvikle sig bedst. Baggrunden for de lavere vækstforventninger i Danmark skyldes et særdeles stramt arbejdsmarked sammenholdt med en lav tilgang af ny arbejdskraft, og dette vil sammen med rentestigningen og de faldende værdier på boligmarkedet medføre en lav vækst. Den lave vækst vil medføre en svag stigning i arbejdsløsheden i 2009 i de nordiske lande. Inflationen forventes at toppe i 2008, men det vil være afhængig af udviklingen i energi- og fødevarerpriserne. Sammenlignet med det øvrige Europa er det dog værd at nævne, at samtlige nordiske lande forventes at have overskud på de offentlige finanser samt på udenrigshandelen i såvel 2008 som i 2009.

Det forventes ikke, at afmatningen fører til recession eller en kraftig stigning i arbejdsløsheden i de nordiske lande, og dermed vil tomgangen forblive på et lavt niveau. Inflationssikringen af huslejen vil forbedre driftsresultaterne efter år med lave reguleringer. Dette overskygges dog af renteudviklingen, der foruden indflydelse på resultatet via stigende finansieringsomkostninger, også påvirker NAV og dermed soliditeten negativt.

For ejendomsrelaterede selskaber, såsom ejendomsudvikling og entreprenører mm, er påvirkningen fra en faldende ordreindgang først nu ved at slå igennem. Adskillige af disse selskaber har diversificeret sig væk fra hjemmemarkedet og de nordiske markeder, men da kreditkrisen rammer bredt globalt med få undtagelser, må en reduktion i indtjeningen forventes. Kreditkrisen eller bankernes tøven med långivning, specielt til ejendomssektoren, må forventes at være et længerevarende fænomen. Selskabernes aktier er kommet ned i kurs, men på trods heraf er det vanskeligt at se, hvornår der igen kan opnås en fremgang i ordreindgangen og indtjeningen.

Ejendomsselskaberne handler nu med en ca. 20% rabat på indre værdi mod en præmie på ca. 45% i foråret 2007, så en stor del af den hidtidige rentestigning og negative forventninger til fremtidige renteændringer er diskonteret i selskabernes priser. Mange af selskaberne har låst renten fast for en længere periode. Efter aktiekapitalforhøjelserne i Norwegian Property og Sponda er det

*BPT Nordic Real Estate focuses on sound property companies with a strong positive cash flow and a clear dividend policy to achieve a more stable defensive portfolio with high current dividends.*

## Expectations

*In 2008, the Nordic economies are expected to show growth at rates lower than the strong growth rates experienced in the preceding years. This is mainly due to a decline in investments and private consumption, driven by the higher interest rate, the high inflationary trend, including the rising price of oil, and international trends. In 2009, the rate of growth is expected to be even lower. Nevertheless, the rate of growth in the Nordic markets is expected to be higher than the growth rate in Euroland in both 2008 and 2009. There will be differences also among the Nordic economies, of which Denmark is expected to perform worst while Norway and Finland are expected to perform best. The reason for the lower growth expectations in Denmark is a very tight labour market together with a low supply of new labour. This together with the interest rate increase and the falling values in the housing market will lead to low growth. The low growth will cause a slight increase in the unemployment rate in the Nordic countries in 2009. The rate of inflation is expected to peak in 2008. However, this will depend on the development of energy and food prices. Compared with the rest of Europe, however, it is worth mentioning that all Nordic countries are expected to have a surplus on their central government finances and a foreign trade surplus in both 2008 and 2009.*

*The slowdown is not expected to lead to recession or a strong increase in the rate of unemployment in the Nordic countries, which means that the vacancy rate will remain at a low level. Inflation proofing of rent will improve operating results after years of low adjustments. However, this will be overshadowed by the interest rate trend, which, in addition to affecting results through growing finance costs, will also have a negative effect on the NAV and hence the equity ratio. As regards property-related companies such as property development companies and contractors etc the impact of lower order intakes is only now beginning to show through. Several of these companies have diversified away from the home market and the Nordic markets. As, however, the credit crisis has a broad global impact (with few exceptions) earnings must be expected to decline. The credit crisis or the banks' reluctance to lend funds to the property sector in particular is likely to be a long-lasting phenomenon. Prices of the companies' shares have gone down. Nevertheless, it is difficult to predict when it will again be possible to obtain an increase in order intakes and earnings.*

meget få af de større børsnoterede selskaber, der har behov for yderligere kapital. Det gennemsnitlige udbytte i BPT Nordic Index på historiske satser er nu oppe på 7,11%.

Vi forventer ikke yderligere markante stigninger i markedrenter, selskaberne er undervurderede og kan stige pænt på sigt. Risikoen er en fortsat rentestigning med en forøget risiko for en recession, hvilket vil medføre en højere tomgang og dermed lavere indtjening.

*The property companies are now trading at a discount of approx. 20% to the net asset value against a premium of about 45% in spring 2007, so a substantial part of the increase in the interest rate made so far and negative expectations for future interest rate changes are reflected in the companies' prices. Many of the companies have frozen the interest rate for a fairly long time. Following the share capital increases in Norwegian Property and Sponda, few of the major exchange listed companies need additional capital. The average historical dividend rate in BPT Nordic Index has now reached 7.11%.*

*We do not expect any additional significant increases in market interest rates. The companies are undervalued and may improve handsomely in the long term. The risk is another interest rate increase with an increased risk of recession, which will lead to a higher vacancy rate and hence lower earnings.*

Formue pr. 30. juni 2008	<i>Shareholders equity as of the June 30, 2008</i>	32.295
Formue ultimo 2007	<i>Shareholders equity 2007</i>	45.923
Nettoemissioner / indløsninger	<i>Issues / Redemptions</i>	3.761
Nettovæksten i afdelingens formue	<i>Net growth in shareholders equity</i>	-13.628

<b>Finansielle instrumenter</b>	<b><i>Financial Securities</i></b>	<b>30.06.08</b>	<b>30.06.07</b>
Børsnoterede finansielle instrumenter	<i>Quoted Financial Securities</i>	93,1%	99,5%
Øvrige finansielle instrumenter	<i>Other Financial Securities</i>	6,9%	0,5%

## Anvendt regnskabspraksis

## *Accounting policies*



Halvårsrapporten for Investeringsforeningen BPT Invest er udarbejdet i overensstemmelse med lov om investeringsforeninger og specialforeninger samt andre kollektive investeringsordninger m.v., samt Bekendtgørelse om finansielle årsrapporter for investeringsforeninger og specialforeninger m.v.

Anvendt regnskabspraksis er uændret i forhold til årsrapporten for 2007.

*The interim Accounts for the investment fund BPT Invest has been prepared in accordance with Act on Investment funds and Special-purpose funds and Other Collective Investment Schemes etc., and executive orders of financial annual reports for Investment funds and Special-purpose funds ect.*

*Accounting policies are unchanged from the annual report 2007.*



## Resultatopgørelse *Income statement*

		01.01.-30.06.08 (t.kr.)	01.01.-30.06.07 (t.kr.)
Renter og udbytter	<i>Net interest and Fee income</i>	1.792	2.993
Kursgevinster og -tab	<i>Currency Value Adjustments</i>	-10.932	-4.738
Administrationsomkostninger	<i>Administrative Expenses</i>	487	461
Resultat før skat	<i>Profit before Tax</i>	-9.627	-2.206
Skat	<i>Dividend Tax</i>	241	414
<b>Halvårets nettoresultat</b>	<b><i>Net profit for the period</i></b>	<b>-9.868</b>	<b>-2.620</b>

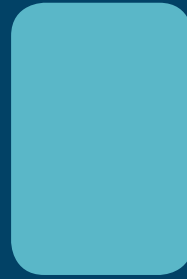
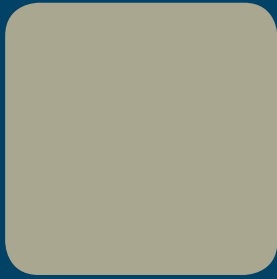
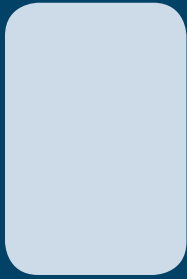
## Balance *Balance*

		30.06.08 (t.kr.)	30.06.07 (t.kr.)
<b>Aktiver</b>	<b><i>Assets</i></b>		
Likvide midler	<i>Cash</i>	2.343	279
Obligationer	<i>Bonds</i>	0	0
Kapitalandele	<i>Securities</i>	31.490	54.551
Afledte finansielle instrumenter	<i>Financial Derivatives</i>	0	0
Andre aktiver	<i>Other Assets</i>	0	399
<b>Aktiver i alt</b>	<b><i>Total Current Assets</i></b>	<b>33.833</b>	<b>55.229</b>
<b>Passiver</b>	<b><i>Capital, reserves and liabilities</i></b>		
Medlemmernes formue	<i>Shareholders Equity</i>	32.295	55.164
Afledte finansielle instrumenter	<i>Financial Derivatives</i>	0	0
Anden gæld	<i>Other Liabilities</i>	1.538	65
<b>Passiver i alt</b>	<b><i>Total Liabilities</i></b>	<b>33.833</b>	<b>55.229</b>

## Hoved- og nøgletal *Key figures and ratios*

		30.06.2008 (t.kr.)	30.06.2007 (t.kr.)	30.06.2006 (t.kr.)	30.06.2005 *) (t.kr.)
Halvårets nettoresultat (t.kr.)	<i>Net profit for the period</i>	-9.868	-2.620	4.640	6.624
Medlemmernes formue (t.kr.)	<i>Shareholders Equity</i>	32.295	55.164	49.345	28.906
Nominel værdi (t.kr.)	<i>Nominal value</i>	34.967	32.098	31.599	22.013
Indre værdi	<i>Net Asset Value</i>	92,36	171,85	156,16	131,31
Omkostninger (%)	<i>Cost ratio</i>	1,16	1,03	0,53	0,97
Halvårets afkast (%)	<i>Performance</i>	-24,26	-3,85	15,66	31,30
Sharpe ratio	<i>Sharpe ratio</i>	-0,76	-	-	-

Regnskabsperioden omfatter 27.01.-30.06.05



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