

Sparinvest Property Fund IV K/S


CVR-no. 37 12 78 76

Annual report

30 September 2015 - 30 September 2016

1st financial year

Approved at the annual general meeting on 25 January 2017

A handwritten signature in blue ink, consisting of stylized, cursive letters, positioned above a horizontal line.

Chairman

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1 Statement by the general partner and independent auditors' report

1.1 Statement by the general partner

The general partner has today considered and approved the annual report of Sparinvest Property Fund IV K/S for the period 30 September 2015 - 30 September 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act with the adjustments following the legal form and operating activities of the Company.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position as of 30 September 2016 and of the results of the Group's and the parent company's operations and the Group's cash flows for the financial year 30 September 2015 - 30 September 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters and the results of the Group's and the parent company's operations and its financial position.

We recommend that the annual report is approved at the annual general meeting.

Hellerup, 1 December 2016

Komplementarselskab SPF IV GP ApS:

Bo W. Jensen

Birger Grubbe

Peter V. Carøe

Independent auditors' report

To the limited partners and the general partner of Sparinvest Property Fund IV K/S

Independent auditors' report on the financial statements

We have audited the consolidated financial statements and the parent company financial statements of Sparinvest Property Fund IV K/S for the financial year 30 September 2015 - 30 September 2016. The consolidated financial statements and the parent company financial statements comprise accounting policies, income statement, balance sheet and notes for the Group as well as for the parent company and the Group's cash flow statements. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act with the adjustments following the legal form and operating activities of the Company.

Management's responsibility for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of the consolidated financial statements and the parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well

as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position as of 30 September 2016 and of the results of the Group's and the parent company's operations and the Group's cash flows for the financial year 30 September 2015 - 30 September 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 1 December 2016

Ernst & Young

Godkendt Revisionspartnerselskab
CVR nr. 30 70 02 28

Ole Karstensen
*State Authorized
Public Accountant*

Kaare Kristensen Lendorf
*State Authorized
Public Accountant*

2 Management's review

2.1 Company details

Sparinvest Property Fund IV K/S

Strandvejen 102E, 4th floor

DK-2900 Hellerup

Telephone: + 45 36 34 75 00

Fax: + 45 36 34 75 99

Registration no.: 37 12 78 76

Established: 30 September 2015

Registered office: Hellerup

Financial year: 1 October - 30 September

Bank: Nykredit Bank

Investor Board

Helle Ærendahl Heldbo

Nikolaj Stampe

Jørn Styczen

Erik Veedfald

Jan Henrik Willard

Anders Christian Schelde

Niels Mazanti

Søren Friedrichsen

Bo Terkelsen

Thomas Overvad

Per Skovsted

Ulrik Bülow

Management

Komplementarselskab SPF IV GP ApS, Strandvejen 102E, 4th floor, 2900 Hellerup

Auditors

Ernst & Young P/S

Godkendt Revisionspartnerselskab

Osvald Helmuths Vej 4

DK-2000 Frederiksberg

Annual general meeting

The annual general meeting is to be held on 25 January 2017

2.2 Business concept and objectives

2.2.1 *Business concept*

Sparinvest Property Fund IV K/S's business concept is investment in and management of indirect investments in foreign property via international partners.

As of 30 September 2016 Sparinvest Property Fund IV K/S has given commitments to 6 property investments and the following diversification has been obtained on the three geographic regions, measured as commitments including the effect of gearing:

Region	Current investment volume based on actual gross asset value in the investments
Europe	11,1%
Americas	71,1%
Asia	17,9%

At this early stage of SPF IV's life, the fund is still being invested and thus temporary violations to the restrictions are expected.

2.2.2 *Long-term objectives*

The Fund's objectives are to generate an attractive total rate of return of 11-13%, of this 4% in dividend.

2.3 The year at a glance

Real estate is still attractive, and high demand for real estate benefits our investments. In combination with low interest and growing economies, the future looks bright for the fund.

Over the financial year of the fund, SPF IV generated a total return of EUR 1.8 million equal to 6.0%, which is in line with the expected.

2.3.1 *Operating activities*

In the financial year 2015/2016 the Group generated a positive operating profit of EUR 2,614 thousand. The profit after foreign exchange adjustments and financial expenses is EUR 1,768 thousand.

Administrative expenses for the year and fees to the auditors appointed by the annual general meeting amount to EUR 1,799 thousand.

Financial income for the year totals EUR 1,192 thousand, whereas the financial expenses including foreign exchange losses amount to EUR 2,038 thousand.

2.3.2 *Financing*

In the financial year the investors in the Group have made capital injections (cash calls) of EUR 65.0 million.

Limited partner`s committed capital is EUR 504.8 million. Undrawn capital is EUR 439.8 million. There is not assessed to be any risk in connection with payment of the undrawn commitment.

2.3.3 *Investments*

At the end of the financial year the total commitments to investments amounted to EUR 144.7 million, equivalent to 28.7% of total commitments to the fund. Of the total commitments, the net investments made (cash calls) total EUR 74.9 million or approx 15%.

2.3.4 *Parent company*

In the financial year 2015/2016 the parent company generated a positive operating profit of EUR 1,801 thousand. The profit after foreign exchange adjustments, financial income and financial expenses is positive EUR 1,768 Thousand.

Administrative expenses for the year and fees to the auditors appointed by the annual general meeting amount to EUR 743 thousand.

Financial income for the year totals EUR 992 thousand, whereas the financial expenses including foreign exchange losses amount to EUR 940 thousand.

2.3.5 ***Uncertainties relating to recognition and measurement in investment in property investments.***

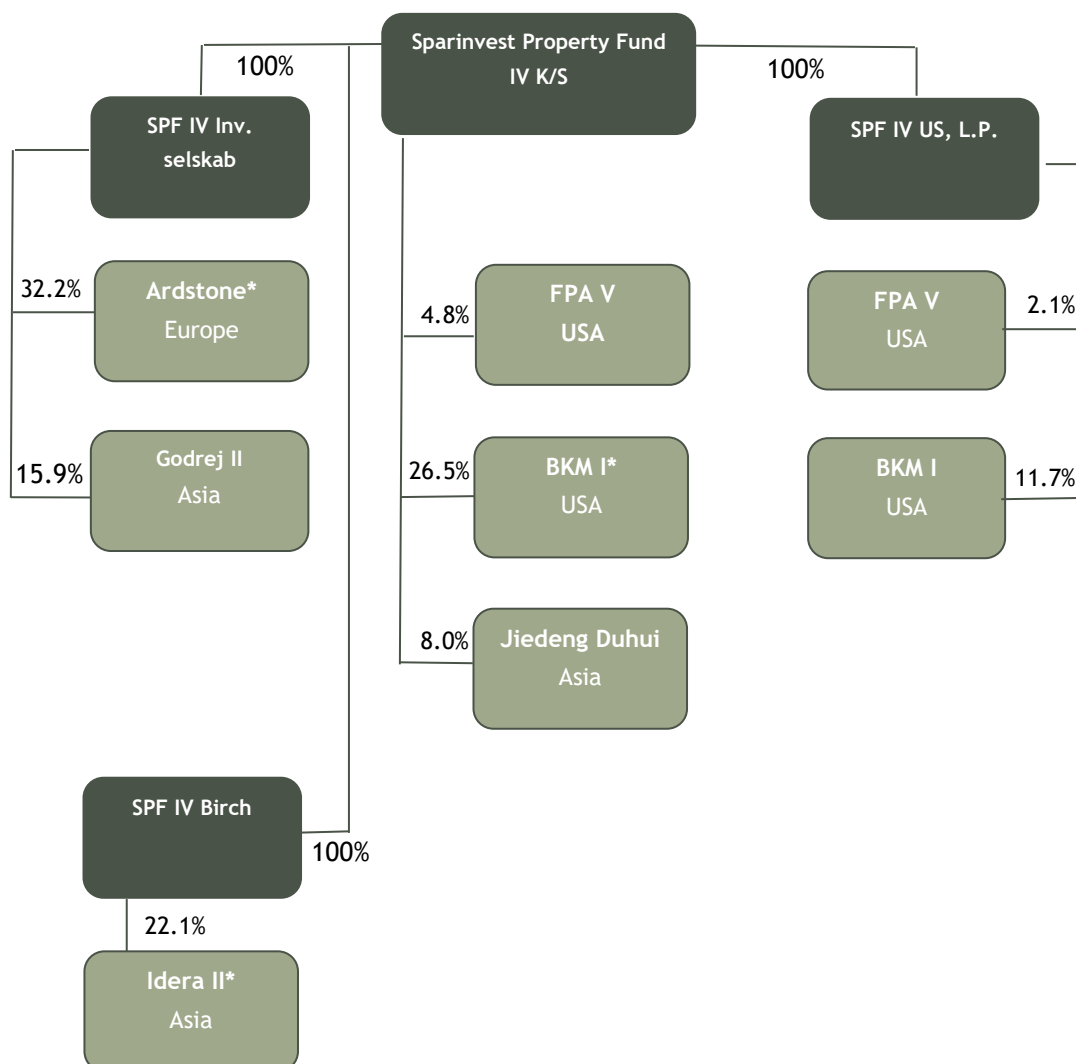
Investments in property investments and investments in subsidiaries in the mother-company are valued at their fair values. The valuation includes accounting estimates and such valuation is therefore subject to uncertainty.

2.3.6 ***Events after the balance sheet date***

No significant events have occurred after the balance sheet date.

2.3.7 ***Outlook***

Going forward we expect satisfying performance as the fund will finalize its investment program. Our expectations for the coming financial year is a total return of 10-12% before currency.



Note: The above mentioned percentages refer to Sparinvest Property Fund IV K/S' ownership shares in each of the investments. The country/region specification refers to the location of the assets.

**The Company has, as a consequence of the structure, characteristics and contractual agreement of the fund, no significant influence on the fund.*

2.5 Financial highlights

EUR 1.000	30.09.2016
Fair value adjustment of properties and liabilities	4,203
Net operating income from properties	210
Operating profit	2,614
Profit/loss from financial income and expenses	-846
Profit for the year	1,768
Investments	80,094
Total assets	80,105
Cash calls from limited partners	64,993
Equity called during the period	64,993
Total equity	66,761
Non-current liabilities	0
Current liabilities	13,344
Cash flows from operating activities	-2,474
Net cash flows from investing activities, net	-75,799
Cash flows from financing activities	64,993
Total cash flows	-13,280
Weighted rate of return in %*	6.0
* (Profit for the year/weighted investment in property investments)	
DPI	0.00
TVPI	1.03

Special risks**Operating risks**

The Company's most significant operating risks are related to the development of the property market and general economic risks. During the investment period the Company will mitigate the risk by diversified investments in the European, North American and Asian markets.

Financial risks

Apart from liabilities arising on operating activities and trading, the Company has no debt and investments are not geared. For each of the foreign property investments no investments are made with gearing - the proportion between liabilities and assets - exceeding 70%. In total the gearing for all property investments may not exceed 60%. The current gearing in the investments made in foreign property investments is 44.1%. Accordingly, the financial risk is assessed as moderate.

Foreign exchange risks

The Company makes investments in foreign property investments in foreign currency. No hedging of foreign currency risks on long-term investments is made. The Company's investors may at their own discretion decide to hedge the underlying risk on an investment.

Knowledge resources

The Company makes investments based on an overall assessment of potential property investments using a systematized selection method involving external consultants, when necessary. When selecting investments, the personal knowledge and competence of the partners are decisive. Consequently, the Company has ensured strong alignment of the partners through financial incentives.

Environmental matters

The Company's operations have no direct environmental impact, but the Company intends to contribute to a minimal environmental impact through its investment policy.

Research and development activities

The Company had no research and development activities during the financial year and none are expected in the coming financial year.

3

Accounting policies

The annual report of Sparinvest Property Fund IV K/S has been prepared in accordance with the provisions applying to medium-sized reporting class C enterprises under the Danish Financial Statements Act with the adjustments following the legal form and operating activities of the Company.

The accounting policies applied in the preparation of the annual report, as described below, are consistently used in the financial year. Since this is the first financial year of the company no comparative numbers for the year before are shown.

In order to achieve a true and fair view of operations of the limited partnership the presentation of the income has been changed compared to the reporting form shown in the Danish Financial Act. Fair value adjustment of property investments and liabilities and net operating income from properties is presented as an item under operating profit.

The cash flow statement is only for the Group according to section 86.4 in the Danish Financial Act.

Basis of preparation

The annual report has been presented in EUR, rounded to the nearest thousand.

Recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value. Equally, costs incurred to generate the year's earnings are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits from the Company is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below. In recognising and measuring assets and liabilities, expected losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Foreign currency translation

EUR is used as the functional currency. Transactions denominated in other currencies than EUR are considered transactions denominated in foreign currencies.

On initial recognition investments in property investments are translated to EUR at the exchange rates at the transaction date. Subsequent fair value adjustments of property investments are recognised in the income statement at the same historical exchange rate to the effect that exchange rate adjustments do not affect the operating profit. Differences arising between the exchange rate at the balance sheet date and the historical exchange rate are recognised in the income statement as financial items. Financial items are specified in the note for financial income and expenses on investments in foreign property investments and other items.

Receivables, payables and other monetary items denominated in foreign currencies are translated to EUR at the exchange rate or forward price at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or the exchange rate in the latest annual report is recognised in the income statement as financial income or expenses.

Investments in foreign property are translated at the exchange rate at the balance sheet date.

Consolidated financial statements

The consolidated financial statements comprise the parent company Sparinvest Property Fund IV K/S and subsidiaries in which the parent company directly or indirectly holds the majority of the voting rights or which it through shareholding or in some other way controls.

On consolidation similar items are aggregated. Intra-group income and expenses, shareholdings, dividends, balances and realised and unrealised gains on intra-group transactions are eliminated.

The parent company's investments in consolidated subsidiaries are set off against the parent company's share of the subsidiaries' equity value at the date when the subsidiary was acquired.

3.1

Income statement

Fair value adjustment of properties and liabilities

In the income statement fair value adjustment of properties and liabilities translated at the weighted historical exchange rates at the transaction date for cash calls are recognised as income.

Value adjustments due to changes in exchange rates are recognised as financial income and expenses.

Net operating income from properties

In the income statement net operation income received from properties translated at the weighted historical exchange rates at the transaction date are recognised as income.

Administrative expenses

Administrative expenses comprise expenses for management fee to Sparinvest Property Investors II A/S, transaction costs in connection to investment in the portfolio, remuneration to the general partner, success fee and audit fee.

The Company has entered a management agreement regarding the Company's activities. A fixed management fee is paid.

Financial income and expenses

Financial income and expenses comprise foreign exchange adjustments of investments in foreign property investments, other realised and unrealised foreign exchange adjustments and interest.

Tax on profit/loss for the year

Sparinvest Property Fund IV K/S is not a separate entity subject to taxation. The tax liability in respect of the Company's earnings is incumbent on the individual investors of the Company. For this reason no tax is calculated on the Company's earnings, and withholding of foreign tax on dividends from property investments is charged directly to the Company's investors.

3.2

Balance sheet

Investments in foreign property investments

On initial recognition investments in property investments are determined at the exchange rates at the transaction date and are subsequently measured at fair value translated at the exchange rate at the balance sheet date. The fair value is determined by each fund based on the fair value of the underlying properties. Liabilities in property investments are measured at fair value. On recognition in the income statement fair value adjustments are recognised at historical exchange rates, whereas value adjustments due to changes in exchange rates are recognised as financial income and expenses to the effect that exchange rate adjustments do not affect the operating profit. Investment commitments where cash calls have not been made at the balance sheet date are disclosed under contingent liabilities in the notes. Received dividends from property investments are deducted from the value of the investments.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured according to the equity method. The proportionate ownership share of the subsidiaries' equity value determined based on the fair value of the identifiable net assets at the acquisition date minus or plus unrealised intra-group gains or losses is recognised in the balance sheet as "Investments in subsidiaries".

The total net revaluation of investments in subsidiaries is transferred via distribution of profit to "Reserve for net revaluation according to the equity method" under the Sparinvest Property Fund IV K/S - Annual report 2015/16 | 16

equity. The reserve is reduced by distribution of dividends to the parent company and is adjusted by other changes in equity in subsidiaries.

Investments in joint ventures

Investments in joint ventures are recognised and measured according to the equity method. The proportionate ownership share of the joint ventures equity value determined based on the fair value of the identifiable net assets at the acquisition date minus or plus unrealised intra-group gains or losses is recognised in the balance sheet as "Investments in joint ventures".

The income statement reflects the Group's share of the results of operations of the joint venture. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the income statement and represents profit or loss after tax.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which is equivalent to nominal value less write-down for bad debt losses. Write-downs are made for bad debt losses based on an individual assessment of receivables.

Receivables from limited partners regarding cash calls receivable etc. are recognised at nominal value.

Equity

Investments by limited partners are recognised when cash calls are made. Investment commitments where cash calls have not been made at the balance sheet date are disclosed in the notes.

The reserve for net revaluation according to the equity method is determined as the total net revaluation of investments in subsidiaries minus distribution of dividends to the parent company and adjusted by other changes in equity in subsidiaries.

Dividends for the year are disclosed as a separate item under proposed distribution of the profit for the year.

Liabilities

Liabilities (current and non-current) are included when the Company, as a consequence of an event occurring no later than on the balance sheet date has a legal or constructive obligation and an outflow of economic benefits from the Company to settle the obligation is probable. Investment commitments where cash calls have not been made at the balance sheet date are disclosed in the notes.

Cash flow statement

The cash flow statement shows flow from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning of the year and the statement shows the cash position at the end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as profit/loss for the year adjusted for changes in working capital and non-cash operating items such as value adjustments. The working capital comprises current assets minus current liabilities - excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from and to property investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from and to the investors.

3.3**Accounting estimates and judgements**

The determination of the carrying amount of property investments and liabilities requires judgements, estimates and assumptions concerning future events.

The estimates and assumptions made are based on fair value calculations from property investments, historical experiences and other factors judged by Management to be reliable in the circumstances, but which by nature are associated with uncertainty and unpredictability.

The assumptions made may prove incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore the Company is subject to risks and uncertainties, which may lead to actual results differing from the estimates. Particular risks for Sparinvest Properties Fund IV K/S are mentioned in the Management's review.

It may be necessary to change previously made estimates as a consequence of changes in the circumstances on which the previous estimates were based or due to new knowledge or subsequent events.

Estimates essential to the financial reporting comprise for example determination of the value of the underlying investments in foreign property investments. Because of the measurement principles used the calculation of fair value will be subject to uncertainty.

4 Financial statements for 30 September 2015 - 30 September 2016

4.1 Income statement

		Group	Parent company
Note	EUR 1.000	2015/2016	2015/2016
1	Fair value adjustment of properties and liabilities	4,203	2,460
2	Net operating income from properties	210	84
		4,413	2,544
3	Administrative expenses	1,799	743
	Operating profit	2,614	1,801
	Profit from group enterprises		-83
4	Financial income	1,192	992
5	Financial expenses	2,038	940
	Profit for the year	1,768	1,768
Proposed distribution of the profit for the year			
	Dividend to limited partners	0	0
	Retained earnings	1,768	1,768
	Reserve for net revaluation according to the equity method	0	0
	Distributed total	1,768	1,768

4.2

Balance sheet

		Group	Parent company
Note	EUR 1.000	30. sep 2016	30. sep 2016
Assets			
Non-current assets			
Investments			
6	Investments in subsidiaries	0	15,229
7	Foreign property investments	74,217	30,034
8	Loan for foreign property investments	5,878	5,878
	Loan for subsidiaries	0	9,321
Total investments		80,094	60,378
Total non-current assets		80,094	60,378
Receivables in subsidiaries and joint ventures		0	20,176
Other receivables		11	10
Cash at bank and in hand		458	0
Total current assets		469	20,186
Total assets		80,563	80,564

		Group	Parent company
Note	EUR 1.000	30. sep 2016	30 sep 2016
	Equity and liabilities		
9	Equity		
	Investments by limited partners	64,993	64,993
	Reserve for net revaluation according to the equity method	0	0
	Retained earnings	1,768	1,768
	Total equity	66,761	66,761
	Liabilities		
	Current liabilities		
	Credit banks	13,738	13,739
	Other payables	64	64
	Total current liabilities	13,802	13,803
	Total liabilities	13,802	13,803
	Total equity and liabilities	80,563	80,564

- 10 Contingent assets, liabilities and security
- 11 Related parties
- 12 Currency and interest rate risks and use of derivative financial instruments
- 13 Events after the balance sheet date
- 14 Exemption from filing requirements

4.3 Cash flow statement

Group

EUR 1.000	2015/2016
Profit	1,768
Adjustment for non-cash operating items	
Value adjustment of property investments and loans	-4,321
Unrealised exchange adjustments of property investments and loans	26
Cash flow from operating activities before changes in working capital	-2,527
Changes in working capital	
Changes in receivables	-11
Changes in current liabilities	64
Cash flow from operating activities	-2,474
Acquisition of investments in property investments and loans	-82,203
Disposal of investments in property investments and loans	6,285
Distribution from property investments	119
Cash flow from investing activities	-75,799
External financing	
Investments by limited partners	64,993
Exits to limited partners	0
Dividend to limited partners	0
Cash flow from financing activities	64,993
Net cash flows from operating, investing and financing activities	-13,280
Cash and cash equivalents at the beginning of the period	0
Net cash flows from operating, investing and financing activities	-13,280
Cash and cash equivalents at 30 September	-13,280

5 Notes

Note	EUR 1.000	Group	Parent company
		2015/2016	2015/2016
1	Fair value adjustment of properties and liabilities		
	FPA Apartment Opportunity Fund V	-141	-9
	BKM Industrial Value Fund I	3,040	2,108
	Ardstone Residential Partners	-98	0
	Godrej Residential Partnership II	108	0
	Jiedeng Duhui Building	361	361
	Idera Residential Partnership II	933	0
	Fair value adjustment of properties and liabilities	4,203	2,460
2	Net operating income from properties		
	FPA Apartment Opportunity Fund V	205	80
	BKM Industrial Value Fund I	5	4
	Ardstone Residential Partners	0	0
	Godrej Residential Partnership II	0	0
	Jiedeng Duhui Building	0	0
	Idera Residential Partnership II	0	0
	Total net operating income from properties	210	84

Note	EUR 1.000	Group	Parent company
		2015/2016	2015/2016
3	Administrative expenses		
	Management fee	1,472	597
	Administrative expenses	327	146
	Total administrative expenses	1,799	743
No persons are employed in the company			
Fees for auditors appointed by the annual general meeting			
	Total fee for EY (incl. VAT)	25	10
Specified as follows:			
	Audit	19	10
	Other assistance	6	0
	Total	25	10

Management remuneration is settled through the fee to the General Partner amounting to EUR 14 thousand.

Note	EUR 1.000	Group	Parent company
		2015/2016	2015/2016
4	Financial income		
	Unrealised foreign exchange gains, property investments	1,192	69
	Interest income from subsidiaries	0	923
	Total financial income	1,192	992
5	Financial expenses		
	Interest losses	618	618
	Unrealised foreign exchange losses, property investments	1,218	242
		92	9
	Realised foreign exchange losses, property investments	110	71
	Other foreign exchange losses		
	Total financial expenses	2,038	940

Note	EUR 1.000	Group	Parent company
		30. sep. 2016	30. sep. 2016
6	Investments in subsidiaries		
	Acquisition cost at the beginning of the financial year	0	0
	Additions during the year	0	15,229
	Disposals during the year	0	0
	Acquisition cost at year end	0	15,229
	Value adjustments at the beginning of the financial year	0	0
	Profit for the year	0	-83
	Distributed from the profit for the year	0	0
	Value adjustments at year end	0	-83
	Carrying amount at 30 September	0	24,467

Investments in subsidiaries regard the 100% ownership in SPF IV US, L.P, which has place of residence in USA, and 100% ownership in SPF IV Birch ApS and SPF IV Investeringselskab ApS, which have place of residence in Denmark.

Note	EUR 1.000	Group	Parent company
		30. sep. 2016	30. sep. 2016
7	Foreign property investments		
	Acquisition cost at the beginning of the financial year	0	0
	Additions during the year	76,706	29,211
	Disposals during the year	-6,285	-1,084
	Acquisition cost at year end	70,422	28,128
	Value adjustments at the beginning of the financial year	0	0
	Value adjustments	3,914	1,980
	Distribution from property Fonds	-119	-74
	Value adjustments at year end	3,795	1,906
	Carrying amount at 30 September	74,217	30,034
7	Value adjustments are specified as follows:		
	Fair value adjustments of properties and liabilities	3,842	2,099
	Net operating income from properties	210	84
	Realised foreign exchange adjustment property investments	-92	-9
	Unrealised foreign exchange income, property investments	1,142	19
	Unrealised foreign exchange losses, property investments	-1,188	-212
	Total value adjustments	3,914	1,980

Foreign property investments:

Name	Region	Carrying amount at 30/9 2016	Owner- ship
FPA Apartment Opportunity Fund V	USA	7,447	4.8%
BKM Industrial Value Fund I	USA	22,587	26.5%
Jiedeng Duhui Building	Asia	5,878	8.0%
Total Parent company		35,912	
FPA Apartment Opportunity Fund V	USA	3,164	2,1%
BKM Industrial Value Fund I	USA	9,987	11.7%
Ardstone Residential Partners	Europe	18,767	32.2%
Godrej Residential Partnership II	Asia	2,806	15.9%
Idera Residential Partnership II	Asia	9,459	22,1%
Total Group		80,095	

		Group	Parent company
Note	EUR 1,000	30. sep. 2016	30. sep. 2016
8	Loan for foreign property investments		
	Loan at the beginning of the year	0	0
	Loan during the year	5,497	5,497
	Payment during the period	0	0
	Loan at the end of the year	5,497	5,497
	Value adjustments at the beginning of the year	0	0
	Value adjustments	381	381
	Distribution from loans	0	0
	Value adjustments at year end	381	381
	Carrying amount at year end	5,878	5,878
9	Equity		
	The Company's equity capital		
	Equity called at the beginning of the financial year	0	0
	Equity called during the period	64,993	64,993
		64,993	64,993
	Reserve for net revaluation according to the equity method		
	Reserve for net revaluation according to the equity method at the beginning of the financial year	0	0
	Transferred according to distribution of the profit	0	0
		0	0
	Retained earnings		
	Retained earnings at the beginning of the financial year	0	0
	Distributions, exits in foreign property investments	0	0
	Transferred according to distribution of the profit	1,768	1,768
	Total retained earnings	1,768	1,768
	Total equity	66,761	66,761

The subscribed equity capital consists of 504,752 shares of EUR 1,000 each allocated to 504,000 A Shares and 752 B Shares. The subscribed equity is specified as follows:

Total subscribed equity capital	504,752
Equity called	-64,993
Commitments for additional investments	439,759

The subscribed equity capital hasn't changed since final closing.

Limited partners holding more than 5% of the subscribed capital:

Lærernes Pension forsikringsaktieselskab
 SEB Pensionsforsikring
 Pensionskassen for Sygeplejersker og Lægesekretærer
 Juristernes- og Økonomernes Pensionskasse
 Lægernes Pensionskasse
 Pensionskassen for Socialrådgivere/-pædagoger og kontorpersonale
 Pensionskassen for Sundhedsfaglige

10 Contingent assets, liabilities and security

Million Fund	Commitment		Residual commitment	
	Currency	EUR	Currency	EUR
FPA Apartment Opportunity Fund V	USD 20,8	18,7	USD 12.5	11.2
BKM Industrial Value Fund I	USD 27.7	25.1	USD 5.4	4.9
Jiedeng Duhui Building	USD 8.0	7.1	USD 2.1	1.9
Total Parent company		50.9		18.0
FPA Apartment Opportunity Fund V	USD 9.2	8.2	USD 5.5	4.9
BKM Industrial Value Fund I	USD 12.3	11.0	USD 2.4	2.1
Ardstone Residential Partners	EUR 35.0	35,0	EUR 16.1	16.1
Godrej Residential Partnership II	USD 35.0	31.3	USD 32.0	28.7
Idera Residential Partnership II	JPY 960.0	8.3	JPY 0.0	0.0
Total		144.7		69.8

11 Related parties

Sparinvest Property Fund IV K/S has the following related parties exercising control:

SPF IV GP ApS, registration no. 37 76 90 61 is general partner in Sparinvest Property Fund IV K/S. As general partner the company has the general management responsibility for Sparinvest Property Fund IV K/S. However, a management agreement with a management company was entered when founding Sparinvest Property Fund IV K/S, see below. As general partner SPF IV GP ApS receives a fixed fee. Transactions have been made on an arm's length basis.

On behalf of SPF IV GP ApS, Sparinvest Property Investors II A/S, registration no. 32 46 88 88 has entered into an agreement with Sparinvest Property Fund IV K/S on management of Sparinvest Property Fund III K/S. As management company Sparinvest Property Investors II A/S receives a fee calculated as a percentage of obtained commitments to invest in foreign property investments. Transactions have been made on an arm's length basis. No other transactions between Sparinvest Property Fund IV K/S and Sparinvest Property Investors II A/S have taken place.

BMK Holding ApS, registration no. 29 24 30 34 owns 30% of the share capital in Sparinvest Property Investors II A/S. No transactions between the companies have taken place during the financial year.

Investor Board and partners

The Company's Investor Board does not receive any fees. The partners receive fees from the administration company in accordance with the administration agreement made with the management company.

Other related parties

The Company's other related parties comprise the Sparinvest Group. No transactions between the companies have taken place during the financial year.

The Company's other related parties comprise the owners of BMK Holding ApS and SPF IV GP ApS. These are BWJ Holding ApS, registration no. 28 48 79 32, MR ApS, registration no. 28 70 16 67, KDJ ApS, registration no. 28 70 10 04, who hold equal shares of the capital in BMK Holding ApS and SomeCapital OY who in addition to the 3 first mentioned is part owner of SPF IV GP ApS. In addition also the Groups with Sparinvest Property Fund K/S CVR nr. 29 31 60 58, Sparinvest Property Fund II K/S, CVR nr. 32 47 15 60 and Sparinvest Property Fund K/S CVR nr. 35 3/ 37 19 as mothercompanies. No transactions between the companies have taken place during the financial year.

12 Currency and interest rate risks and use of derivative financial instruments

As a consequence of its operating activities, investments and financing activities the Company is exposed to changes in foreign exchange rates and the level of interest rates. Company policy is not to hedge against the exposure to financial risks. This hedging is made independently by the Company's investors. However, active speculation in financial risks is not made. The Company's financial management is only directed at management of those financial risks arising as a consequence of the Company's operating activities.

13 Events after the balance sheet date

No significant events have occurred after 30 September 2016.

14 Exemption from filling requirements

Pursuant to section 5(1) of the Danish Financial Statements Act, no annual report for the subsidiary SPF IV US has been prepared.