



Fundo Imobiliário BTG Pactual Corporate Office Fund



FII BTG Pactual Corporate Office Fund

BRCR11

Monthly Report – June 2022



Overview

Fund's Purpose and Profile

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BC Fund is one of Brazil's largest real estate investment funds listed in the Brazilian stock market. The Fund was created in June 2007 and has, ever since, actively managed its portfolio with the main purpose of investing in corporate towers, generating income in Brazil, which are strategically located in major commercial centers, by purchasing office buildings or real estate rights.

BC Fund's active management policy is based on four pillars:

- i) efficient negotiation of lease agreements;
- ii) investment in expanding and improving properties;
- iii) efficient portfolio recycling;
- iv) positive leverage to acquire new properties and/or other FII's shares.

Main Features

Corporate Taxpayer's:

08.924.783/0001-23

Fund's IPO:

2012

Administrator:

BTG Pactual Serviços Financeiros S.A. DTVM

Administrator Fee:

0.25% p.a. on the market cap

Manager:

BTG Pactual Gestora de Recursos LTDA

Management Fee:

1.10% p.a. on the market cap as a discount (after September 9, 2022, the rate will return to 1.50%)

Number of Emissions:

7

Quantity of Quotas:

26.638.202

Trading Tickers:

BRCR11

Deadline:

Undetermined

Target Public:

Investor in general

KPI Summary

Market Cap (R\$ billion) 1.65	Market Cap (R\$/share) 61.89	Equity Value ² (R\$ billion) 2.70	Equity Value ² (R\$/share) 101.51	Monthly Earning ³ (R\$/share) ³ 0.47	Dividend Yield (12 months) 9.5%
ADTV ¹ (R\$ million/day) 1.64	Shareholders 142,363	Financial Vacancy 19.9%	Physical Vacancy 24.6%	Assets 15	A/AAA 80.4%

Latest News

Diamond Tower - Obligation

Given the macroeconomic uncertainty, in June the Fund renegotiated the extension of the original maturity of the 1st tranche of the Diamond Tower debt for another 12 months. Moreover, with the monetary tightening cycle, we renegotiated the debt remuneration rate to a more advantageous spread for the Fund. Thus, as of July 27, remuneration will change from CDI + 3.50% to CDI + 2.95%. Furthermore, the grace period for the payment of interest of one of the debt tranches was extended for another six months, and the other will follow the regular payment flow as of July.

Semiannual Reappraisal

This month, following our commitment to more transparency and visibility to our shareholders, we concluded the semi-annual portfolio reappraisal. We point out that, in May and November of every year, the Fund performs the appraisal of its portfolio, which is conducted by an independent expert. The result of this appraisal, which impacted the financial statements for May, led to a decrease of R\$63.7 million in the value of assets. Thus, the Fund's equity reached R\$2.70 billion or R\$101.51/share.

Shareholder Return

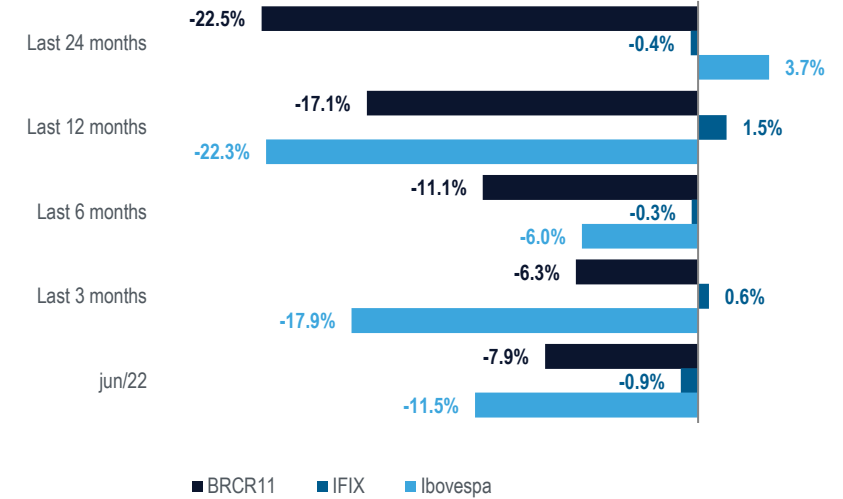
The total shareholder return, considering distributed earnings and share value, was negative by 7.9% last month, while Ibovespa fell by 11.5%. The average daily liquidity on the stock exchange (BRCR11) was R\$1.6 million in the period, and the share price in the secondary market closed the month at R\$61.89 per share. Based on the last shareholder return, the annualized dividend yield was 9.5%.

Market Indicators

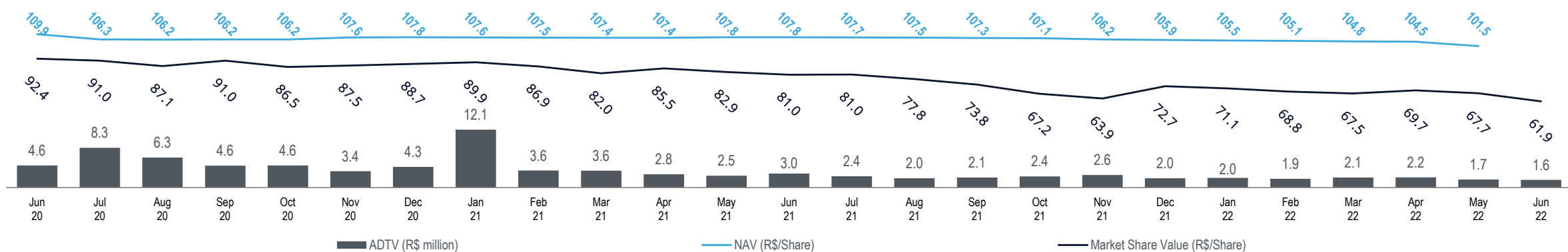
B3's Performance

		NAV	Market
Adjusted Closing Share's Market Value*	[R\$/share]	10151	6189
Discount to NAV	[%]	0.0%	-39.0%
Dividend per share	[R\$/share]	0.47	0.47
Monthly profitability	[%]	0.5%	0.8%
Annual profitability (compound)	[%]	5.7%	9.5%
Shares outstanding	[# mn]	26.6	26.6
Market cap	[R\$ mn]	2,704.0	1648.6
(+) Net debt (Cash)	[R\$ mn]	639.3	639.3
(+) Minorities stake	[R\$ mn]	56.5	56.5
Implicit value of Real Estate assets	[R\$ mn]	3,399.8	2,344.5
Contracted lease revenue	[R\$ mn]	20.4	20.4
Implicit Cap rate	[%]	6.9%	9.9%
A dj. Cap rate (incl. vacant areas)	[%]	8.6%	12.5%
Portfolio GLA	[th m ²]	239.8	239.8
Average per m ²	[R\$/m ²]	14,177	9,776
Total Volume Traded in the month	[R\$ mn]		34.5
Average Daily Trading Volume in the month	[R\$ mn]		16
% of Fund Traded in the month	[%]	#	5.0%
% of Fund Traded in the last 12 months	[%]	#	25.0%
Variation from previous month closing	[%]	#	-8.5%
Return for Shareholder (including distribution)	[%]	#	-7.9%

Return for Shareholders⁴



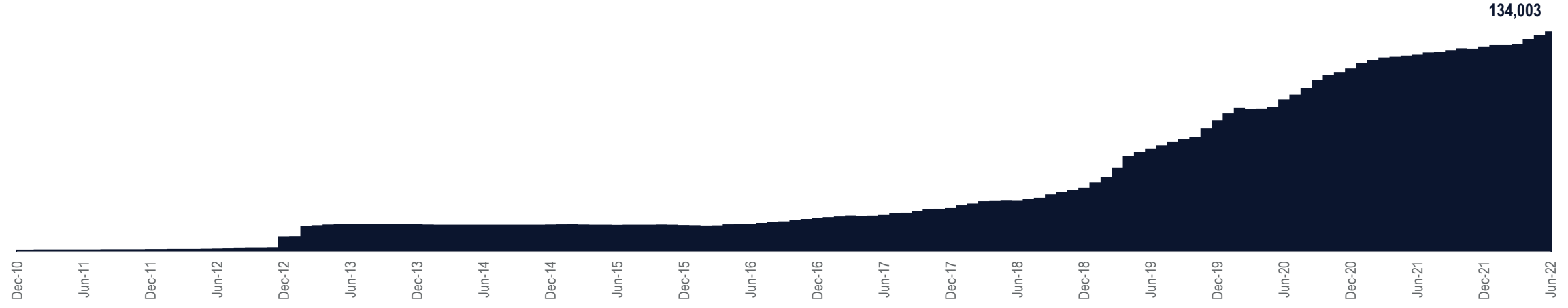
Evolution of the Share Price and Average Daily Trading Volume



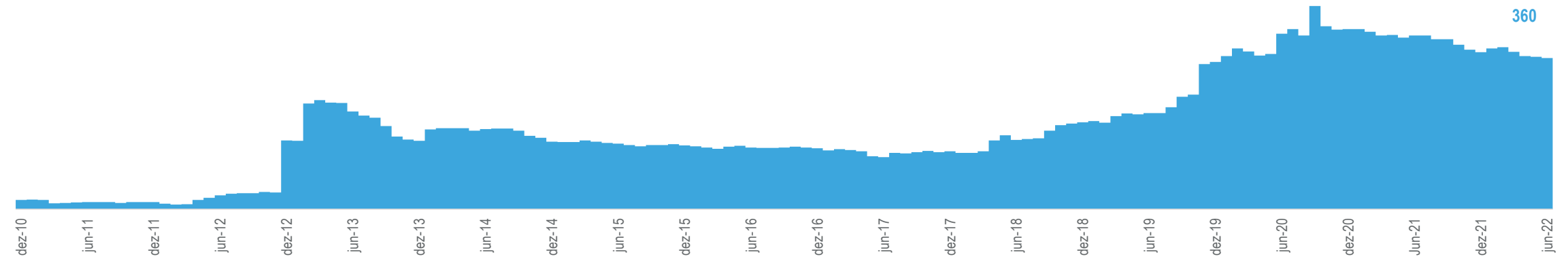
Notes: (4) Considers share appreciation in the period (closing value on the last day of the month M / closing value on the last day of the month M-1) + Yield received by shareholders in the period.

Evolution of the Number of Shareholders

Individuals



Legal Entities



Individuals currently hold 70% of the Fund's share base, while companies hold 30% of the shares

Financial and Operational Performance

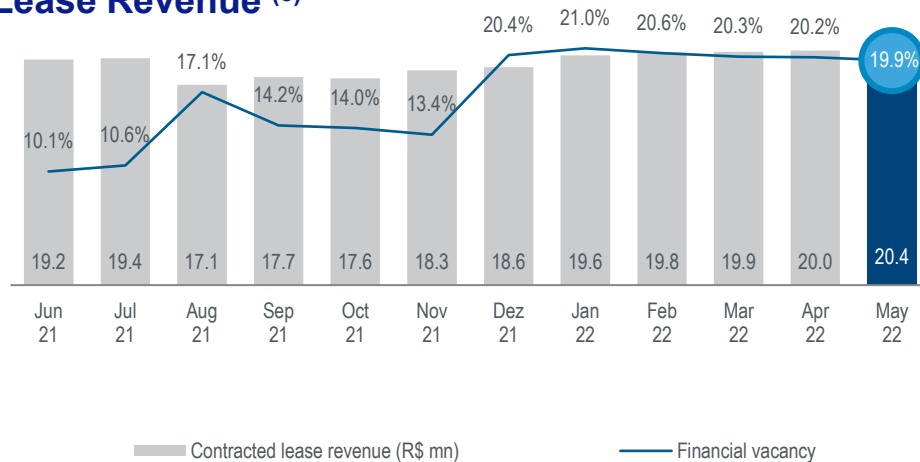
In May 2022, the financial vacancy of our portfolio accounted for 19.9% of potential lease revenue, and 24.6% of total GLA in m², lower than the previous month, given the beginning of the effectiveness of the new lease agreement of the Torre Almirante building and the new lease agreement of the Diamond Tower building. It is also worth noting that, in January, we adjusted the portfolio's GLA to refer to the actual share of BC Fund in Cenesp.

At the end of May 2022, vacancies totaled 27,498 m² in the CENESP building; 14,780 m² in the Torre Almirante building; 10,255 m² in the Diamond Tower building; 3,516 m² in the Eldorado building; 1,507 m² in the Sucupira building; 586 m² in the EZ Towers building; 525 m² in the Transatlântico building; and 274 m² in the BFC building.

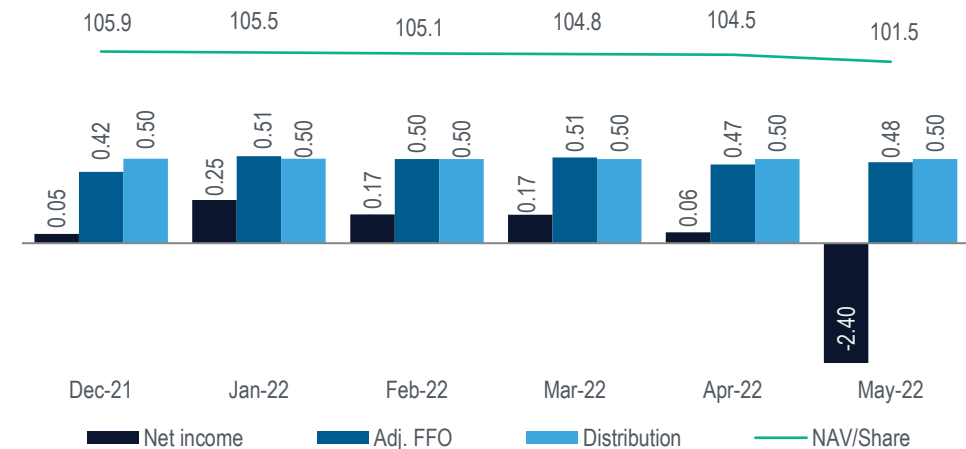
Over the next three months, 15.0% of the contract portfolio will be adjusted for inflation, while 0.5% of the contracts will be under renewal in this period.

Net income per share was negative by R\$2.40 in May 2022. Adjusted FFO(4) was R\$0.48/share, and the amount distributed as shareholder return totaled R\$0.50/share.

Evolution of the Financial Vacancy and Contracted Lease Revenue ⁽⁵⁾



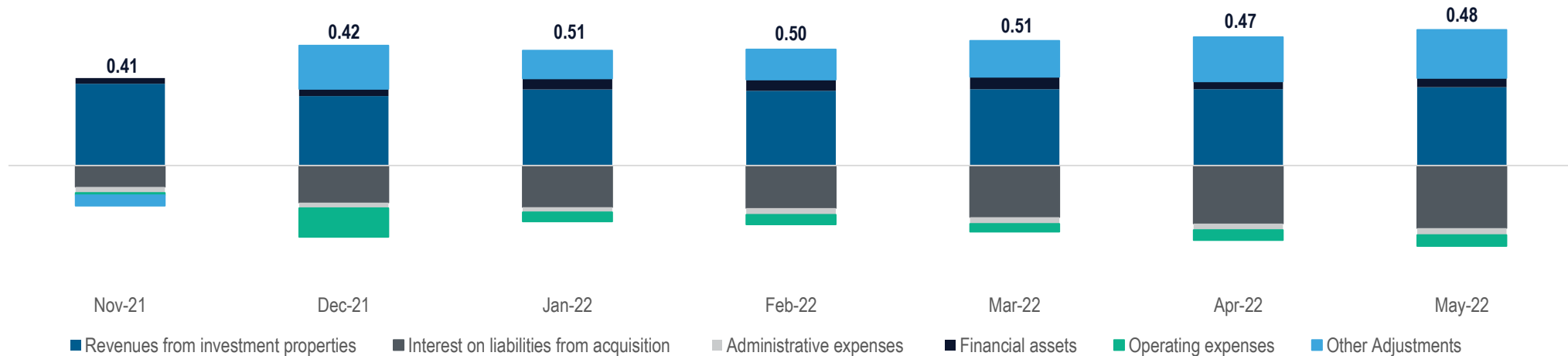
Result Indicators (R\$/Share) ^(6|7)



Notes: Adjusted track record, considering the adjustment of the GLA share in Cenesp; (5) A non-accounting measure corresponding to the total amount of lease agreements in force in the reference month, excluding discounts, grace periods, fines, and other adjustments that impact the book leasing revenue. (6) FFO is a non-accounting measure that corresponds to net income, excluding (adding) the effects of gains (losses) on the sale of investment properties, fair value gains from investment properties, non-recurring income and expenses, and non-cash financial expenses. (7) Monthly management amounts adjusted based on the result of the quarterly auditing process.

FFO Composition

FFO⁶ is a non-accounting indicator that indicates the cash flow from operations, based on the Net Income of the assets. It includes the real estate and financial revenues, deducting interest, administrative, and operational expenses; and it also excludes non-recurring revenues and expenses. In May, the Fund's FFO totaled R\$0.48/share.



Notes: (6) FFO is a non-accounting measure that corresponds to net income excluding (adding) the effects of the gain (loss) on sale of investment property, the fair value gain on investment property, non-recurring income and expenses and non-cash financial expenses. Since August, the accounting effect of the interest expense on the Diamond Tower bond has been excluded given the grace period in effect;

Financial Information

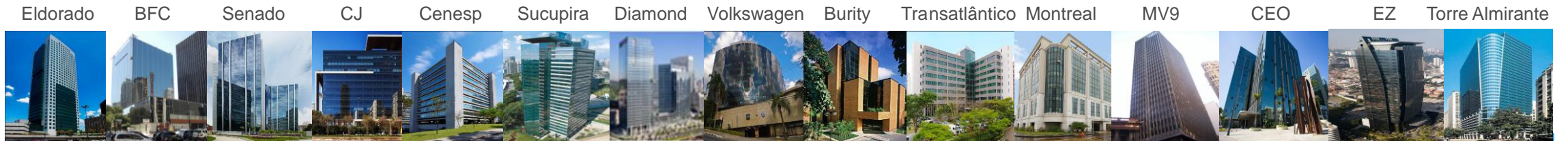
Income Statement Consolidated

<i>(R\$ thousand)</i>	Apr22	May 22	Last 12 months
Lease Revenue	18,316	18,535	211,961
Provision for impairment of trade receivables	-	-	-
Other Revenues from Properties	(681)	(451)	(3,934)
Adjustment to Fair Value	-	(63,694)	(92,946)
Financial Expenses of Properties	(13,386)	(14,443)	(98,322)
Administrative Expenses of Properties	(1,476)	(1,545)	(15,086)
Results from Properties	2,773	(61,598)	1,672
Revenues from CRI, LCI and other FII Shares	1,481	1,767	20,440
Adj. to Fair Value of CRI, LCI and other FII Shares	(467)	(1,363)	(8,896)
Other Financial Assets	303	368	2,714
Fund's Operating Income (Expenses)	(2,353)	(2,587)	(25,088)
Minority Interest ⁽⁸⁾	(56)	(541)	(836)
Net Income	1,681	(63,954)	(9,994)
Adjusted FFO	12,426	12,756	143,312
Adjusted FFO / share (R\$/Share)	0.47	0.48	5.38
Distribution to Shareholders	13,319	13,319	153,436

Financial Statements

<i>(R\$ thousand)</i>	May 22	% of Assets
Assets	3,778,476	100.0%
Properties	3,340,914	88.4%
LCI	-	0.0%
CRI	130,629	3.5%
Other FII Shares	111,393	2.9%
Lease Receivable	48,563	1.3%
Fixed Income	41,972	1.1%
Other Assets	105,005	2.8%
Liabilities	1,017,953	26.9%
Income to be Distributed	29,286	0.8%
Liabilities from Acquisition of Properties	959,414	25.4%
Other Liabilities	29,253	0.8%
Equity	2,703,974	71.6%
Minority Interest⁽³⁾	56,549	1.5%
Total Liabilities and Equity	3,778,476	100.0%

Portfolio



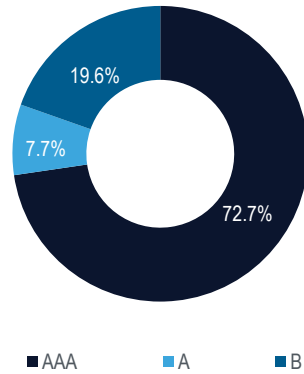
Asset	Class	Location	Acquisition	Fund Ownership	GLA (m ²)	Vacancy (m ²)	Lease (R\$ '000)	R\$/m ²	% of Potential Revenue ⁽⁶⁾	Main Tenants ⁽⁷⁾
BFC	A	São Paulo	Mar-10	23%	9,984	2.7%	1,239	127.6	5.6%	Grupo Pan, Itaú, WeWork
Burity	B	São Paulo	Apr-11	100%	10,550	0.0%	910	86.2	2.5%	Banco GMAC, Grupo Pan
CENESP ⁹	B	São Paulo	Jul-08	24%	50,319	54.6%	806	35.3	8.5%	Ernst & Young, Fidelity, BB
CEO Office	AAA	R. de Janeiro	Feb-19	27%	4,782	0.0%	443	92.6	1.6%	Tim
Cidade Jardim	AAA	São Paulo	Feb-19	50%	7,458	0.0%	1,541	206.6	5.9%	Aqua, Banco ABC, Felsberg, Patria
Diamond Tower	AAA	São Paulo	Jul-20	100%	36,918	27.8%	3,255	122.1	21.2%	Samsung, Cargill
Eldorado	AAA	São Paulo	Apr-09	34%	22,246	15.8%	3,218	171.8	16.2%	ACE Seguradora, Anbima, LinkedIn, Via Varejo
EZ Towers - B	AAA	São Paulo	Oct-20	16%	7,520	7.8%	954	126.9	4.0%	UnitedHealth, Marsh
Montreal	A	R. de Janeiro	Dec-07	100%	6,439	0.0%	333	51.6	1.7%	Estácio, Patrys
MV9	B	R. de Janeiro	Feb-19	100%	15,174	0.0%	835	55.0	4.3%	INPI
Senado	AAA	R. de Janeiro	Feb-19	20%	19,035	0.0%	3,028	159.1	8.2%	Petrobras
Sucupira	AAA	São Paulo	Nov-19	21%	7,534	20.0%	954	147.2	3.8%	Sanofi
Torre Almirante	AAA	R. de Janeiro	Dec-21	60%	25,087	58.9%	1,413	137.1	11.8%	WeWork, BankRio, Marsh
Transatlântico	B	São Paulo	Mar-08	28%	4,208	12.5%	210	57.0	1.0%	Mattel, Rockwell
Volkswagen	B	São Paulo	Jan-08	100%	12,560	0.0%	1,233	98.2	3.6%	Volkswagen
Total					239,814	24.6%	20,371	111.9	100.0%	

Notes: (9) Considering the entire asset; (10) Considers the monthly guaranteed minimum lease values for EZ Tower and the additional guaranteed lease value of Sucupira; (11) Considering the potential revenue at market for each asset, defined by the semi-annual appraisal of the Fund's property portfolio performed by Cushman & Wakefield in May 2022, except for the Torre Almirante building, acquired in December 2021; (12) Considers tenants based on the contracted lease revenue
 Note: Base date May 2022

Portfolio

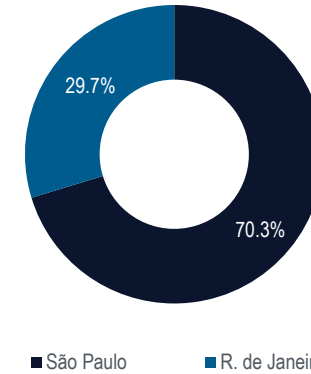
Revenue by Asset Class

(% Total Contracted Revenue)¹⁰



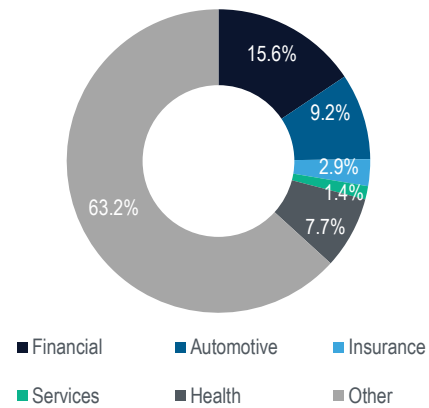
Revenue by Region

(% Total Contracted Revenue)¹⁰



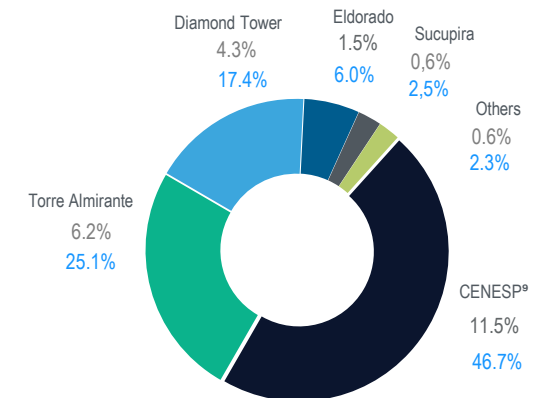
Revenue by Sector

(% Total Contracted Revenue)¹⁰



Breakdown - Vacancy by Asset

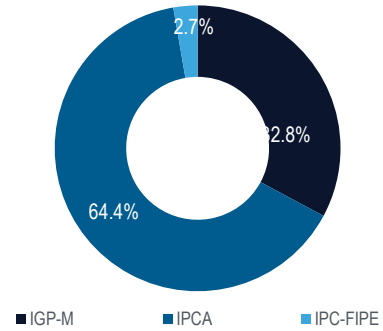
(% al Gross Leasable Area)



Portfolio

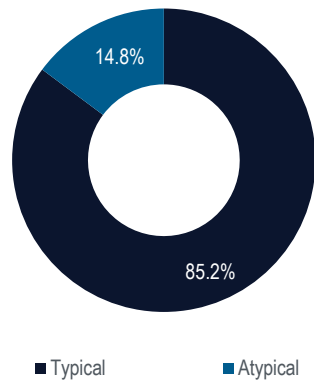
Readjustment Rates

(% Total Contracted Revenue)¹⁰



Type of Agreements

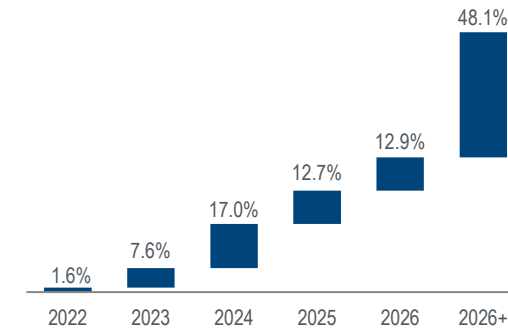
(% Total Contracted Revenue)¹⁰



Note: Base date May 2022

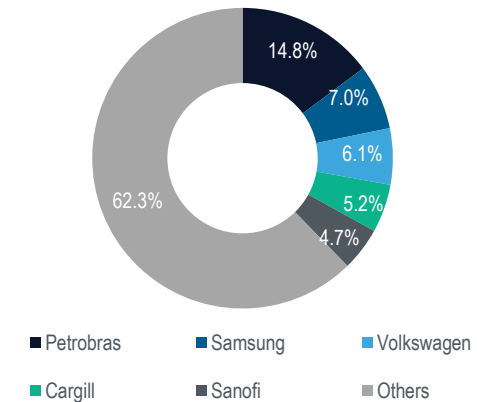
Maturity Schedule

(% Total Contracted Revenue)¹⁰



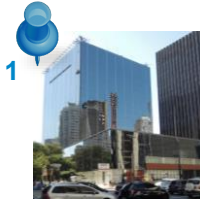
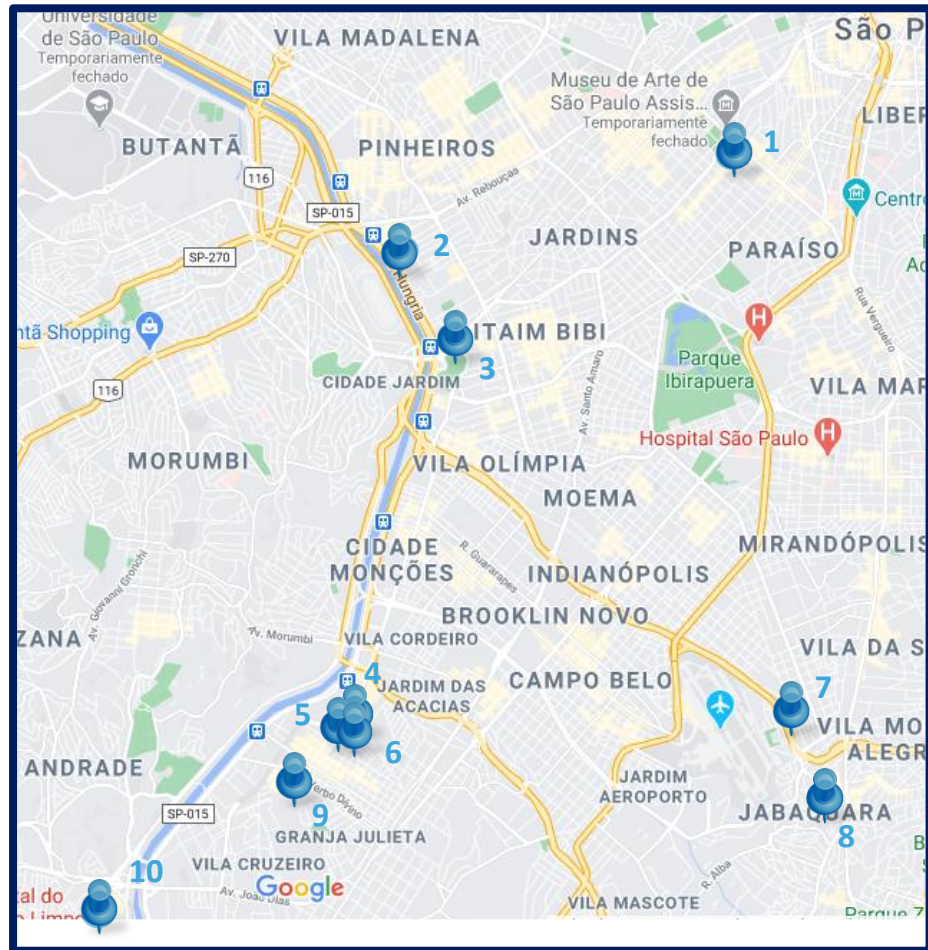
Main Tenants

(% Total Contracted Revenue)¹⁰

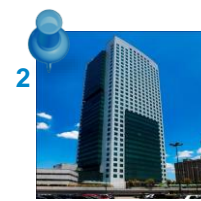


Geographical Portfolio Presentation

São Paulo



BFC
Class: A
GLA: 9,984 m²
Occupancy: 97%



Eldorado
Class: AAA
GLA: 22,248 m²
Occupancy: 84%



Cidade Jardim
Class: AAA
GLA: 9,984 m²
Occupancy: 100%



Diamond Tower
Class: AAA
GLA: 36,198 m²
Occupancy: 72%



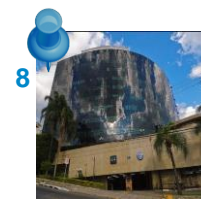
Sucupira
Class: AAA
GLA 7,534 m²
Occupancy: 80%



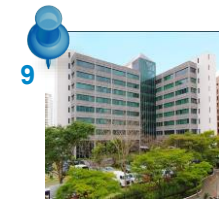
EZ Towers (B)
Class: AAA
GLA 7,520 m²
Occupancy: 92%



Burity
Class: B
GLA: 10,550 m²
Occupancy: 100%



Volkswagen
Class: B
GLA: 12,560 m²
Occupancy: 100%



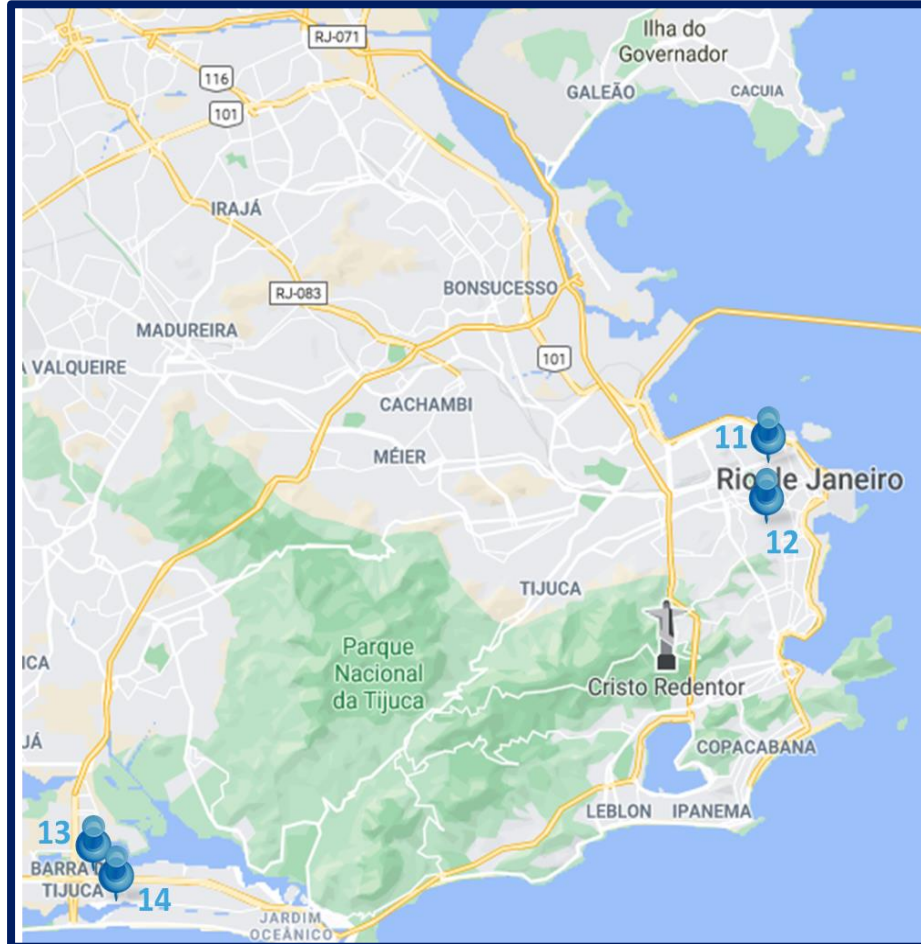
Transatlântico
Class: B
GLA: 4,208 m²
Occupancy: 88%



Cenesp
Class: B
GLA: 50,319 m²
Occupancy: 45%

Geographical Portfolio Presentation

Rio de Janeiro



11

MV9

Class: B
GLA: 15,174 m²
Occupancy: 100%



12

Senado

Class: AAA
GLA: 19,035 m²
Occupancy: 100%



13

CEO Office

Class: AAA
GLA: 4,782 m²
Occupancy: 100%



14

Montreal

Class: A
GLA: 6,439 m²
Occupancy: 100%

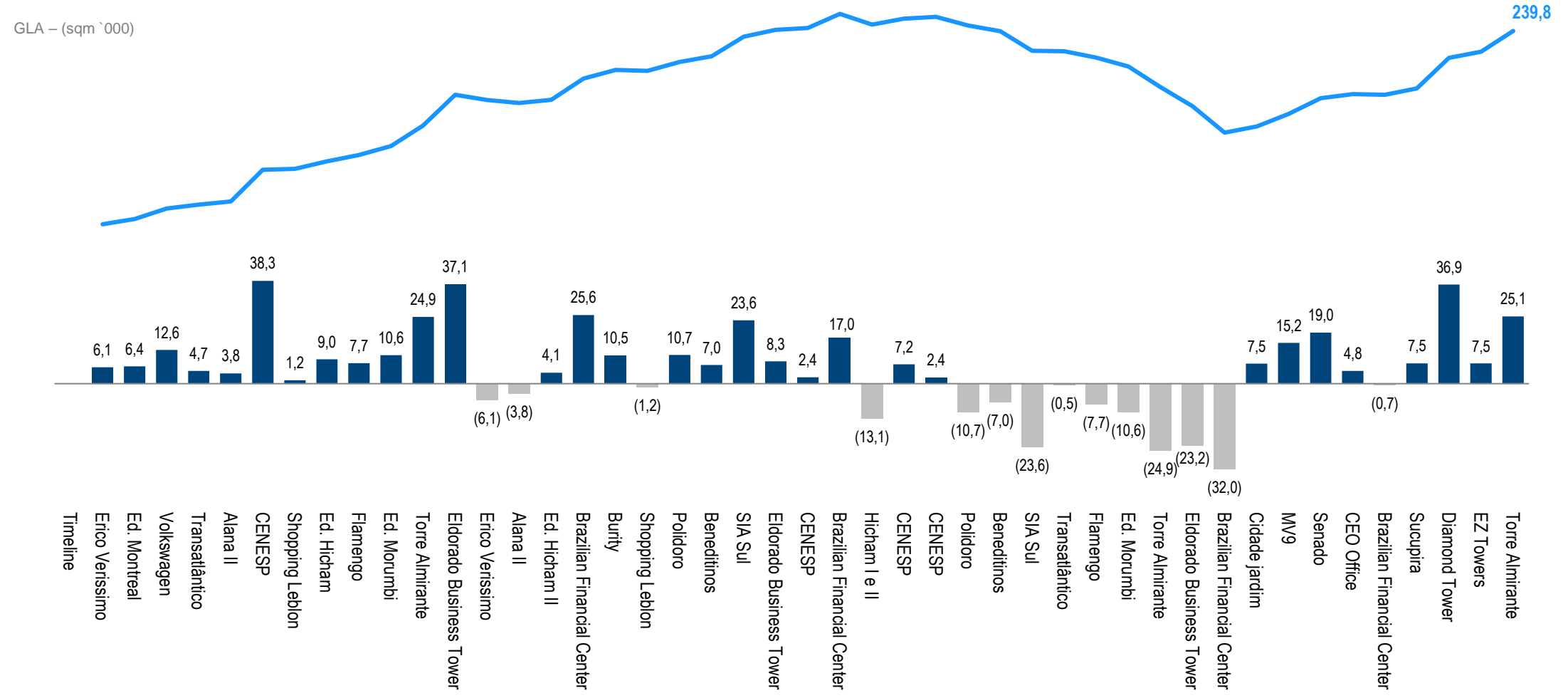


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Torre Almirante

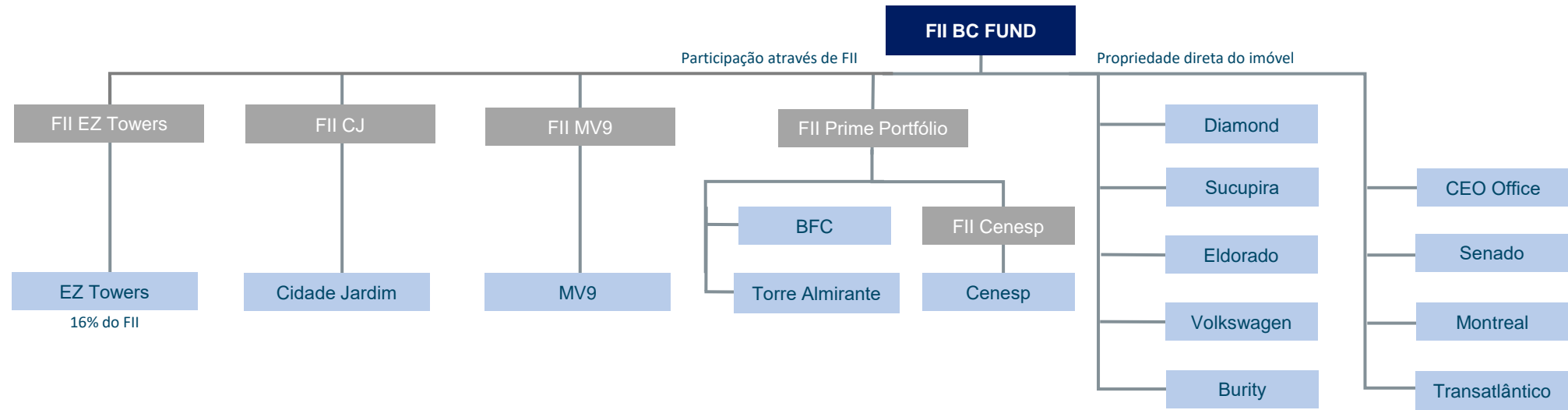
Class: AAA
GLA: 25,087 m²
Occupancy: 41%

Investments / Divestments Timeline



Note: Bars correspond to invested or divested GLA.
Base date: May 2022

Fund's Organizational Structure



Disclaimer

Real estate investment funds are not guaranteed by the fund administrator, the portfolio manager, any insurance mechanism, or the Credit Guarantor Fund (FGC). The profitability obtained in the past does not represent a guarantee of future profitability. It is recommended that investors carefully read the investment fund's prospectus and regulations when investing their funds. Investors should be prepared to accept the risks inherent to the various markets in which the investment funds operate and, consequently, possible variations in the equity invested.

The Administrator is not responsible for any errors or omissions in this material, as well as for the use of the information contained herein. Additionally, the Administrator is not responsible for investor decisions regarding the subject matter contained in this material, nor for the act or fact of professionals and experts consulted by it.

The management of all the Funds invested by the BC Fund is performed by its internal team, thus generating greater synergy for the portfolio





BC FUND

Fundo Imobiliário BTG Pactual Corporate Office Fund