



Fundo Imobiliário BTG Pactual Corporate Office Fund



FII BTG Pactual Corporate Office Fund

BRCR11

Monthly Report – October 2023



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:

08.924.783/0001-01

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 ¹ (R\$ billion) 1.43	Market Cap ¹ (R\$/share) 53.85	Equity Value ² (R\$ billion) 2.66	Equity Value ² (R\$/share) 99.91	Monthly Earning ³ (R\$/share) ³ 0.41	Dividend Yield (12 months) 9.5%
ADTV ¹ (R\$ million/day) 1.32	Shareholders 152,091	Financial Vacancy 15.6%	Physical Vacancy 21.7%	Assets 15	A/AAA 81.9%

Latest News

New Lease – Diamond Tower

In October, the Fund signed a new lease agreement with a pharmaceutical company for a half floor in the Diamond Tower building. The equivalent BOMA area is 1,026 m². We emphasize that the agreement is valid for 5 years and that its commercial conditions are in line with the latest lease agreements signed for the building, considering the high-quality differentials of this asset. We also highlight that the new lease is due to the efforts of the Manager's internal team, which continues to actively seek the absorption of the vacant area of its portfolio.

Market Analysis – 3Q23

The quarter was marked by a slightly lower absorption ratio in the City of São Paulo. Net absorption represented only 556 m², a small number compared to the 33,000 m² absorbed in the first half of the year, driven mainly by the Chucuri Zaidan region, followed by Faria Lima and Marginal Pinheiros. In Rio de Janeiro, net absorption was negative by 7,589 thousand m², driven by the vacancy of a company in the Oil and Gas sector in the city's central region.

Shareholder Return

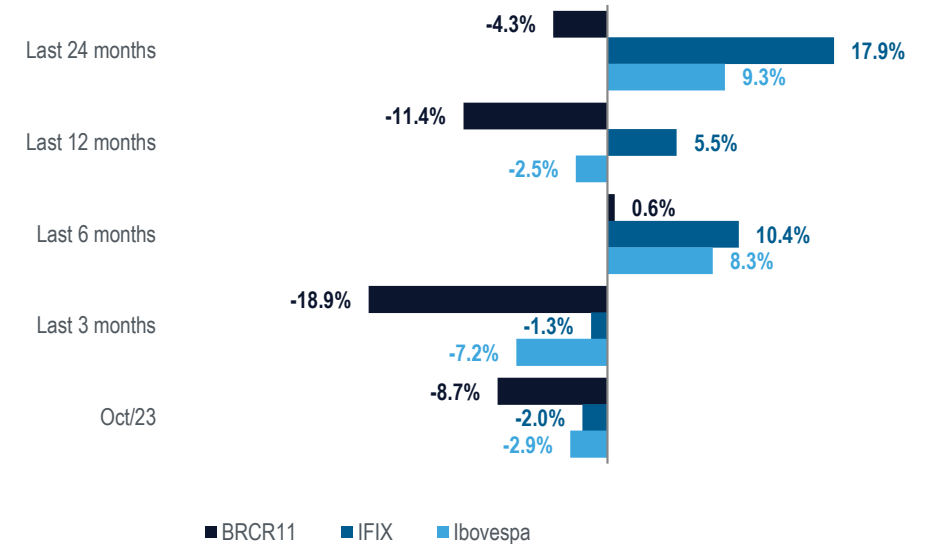
The total shareholder return, considering distributed earnings and share value, was negative by 8.7% last month, while Ibovespa fell by 2.9%. The average daily liquidity on the stock exchange (BRCR11) was R\$1.3 million in the period, and the share price in the secondary market closed the month at R\$53.85 per share. Based on the last shareholder return, the annualized dividend yield was 9.5%.

Market Indicators

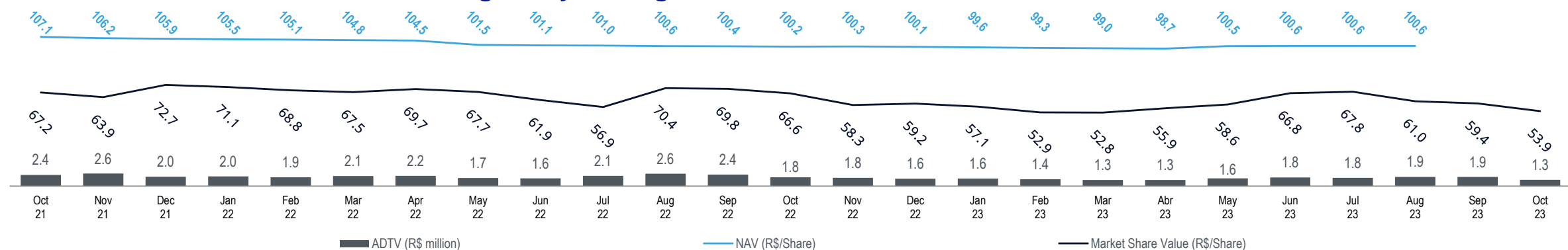
B3's Performance

		NAV	Market
Adjusted Closing Share's Market Value*	[R\$/share]	100.64	53.85
Discount to NAV	[%]	0.0%	-46.5%
Dividend per share	[R\$/share]	0.41	0.41
Monthly profitability	[%]	0.4%	0.8%
Annual profitability (compound)	[%]	5.0%	9.5%
Shares outstanding	[# mn]	26.6	26.6
Market cap	[R\$ mn]	2,680.8	1,434.5
(+) Net debt (Cash)	[R\$ mn]	762.9	762.9
(+) Minorities stake	[R\$ mn]	58.8	58.8
Implicit value of Real Estate assets	[R\$ mn]	3,502.4	2,256.1
Contracted lease revenue	[R\$ mn]	214	214
Implicit Cap rate	[%]	7.3%	11.4%
Adj. Cap rate (incl. vacant areas)	[%]	7.3%	13.5%
Portfolio GLA	[th m ²]	239.8	239.8
Average per m ²	[R\$/m ²]	14,605	9,408
Total Volume Traded in the month	[R\$ mn]		27.6
Average Daily Trading Volume in the month	[R\$ mn]		13
% of Fund Traded in the month	[%]	#	12%
% of Fund Traded in the last 12 months	[%]	#	17.1%
Variation from previous month closing	[%]	#	-9.3%
Return for Shareholder (including distribution)	[%]	#	-8.7%

Return for Shareholders⁴



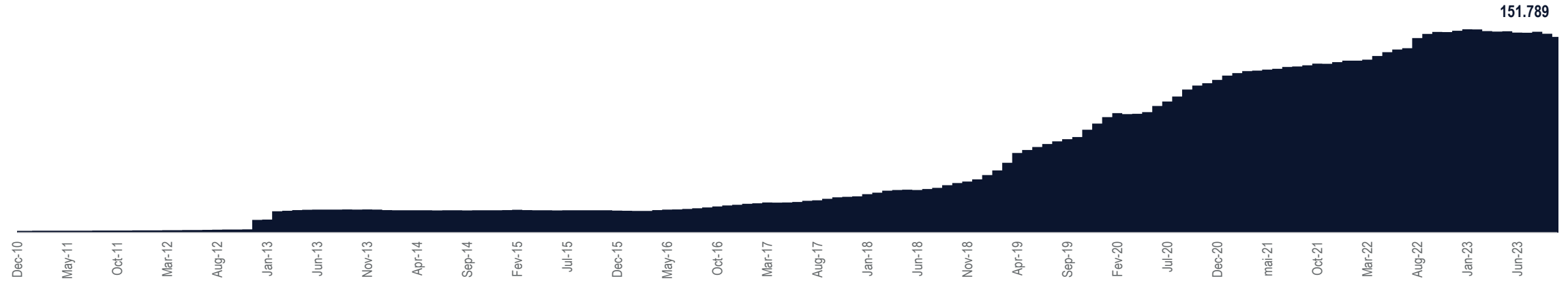
Evolution of the Share Price and Average Daily Trading Volume



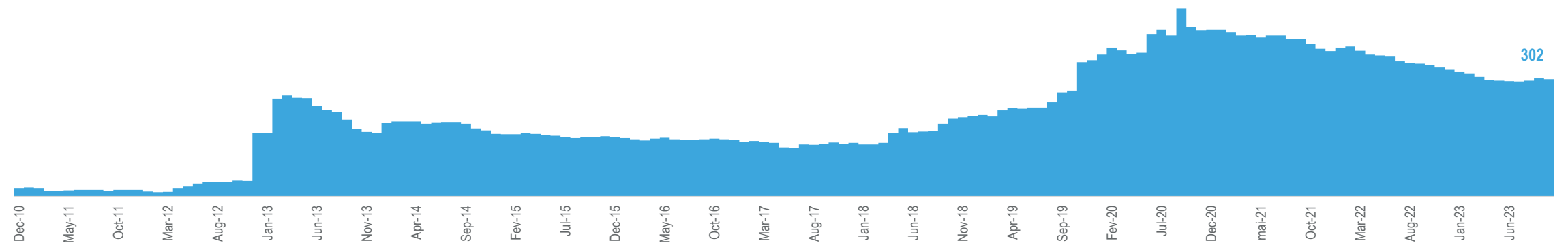
Notes: (4) Considers share appreciation in the period (closing value on the last day of the month M / closing value on the last day of the month M-1) + Yield received by shareholders in the period.

Evolution of the Number of Shareholders

Individuals



Legal Entities



Individual investors currently hold 71% of the Fund's share base, while companies hold 29% of the shares.

Financial and Operational Performance

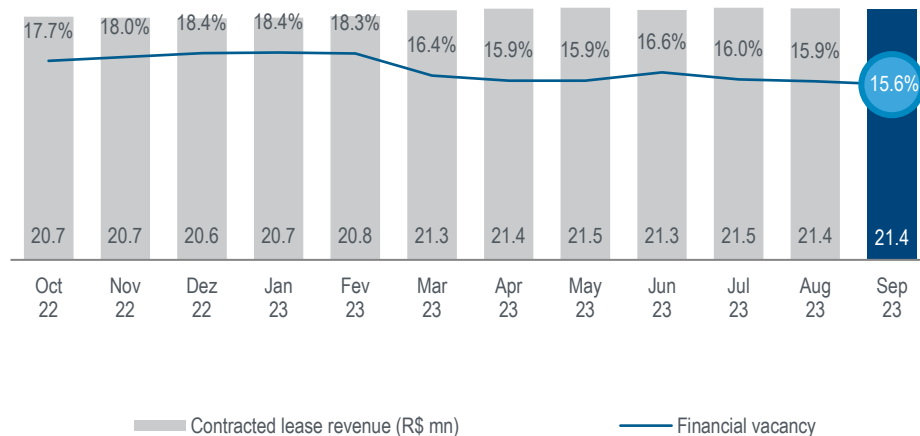
In September 2023, the financial vacancy of the portfolio accounted for 15.6% of potential lease revenue, and 21.7% of total GLA in m², lower than the previous month given the start of the new tenant of 50% of a floor of the Eldorado building.

At the end of September 2023, vacancy totaled 27,498 m² in the CENESP building; 13,886 m² in the Torre Almirante building; 3,203 m² in the EZ Towers building; 3,077 m² in the Diamond Tower building; 1,600 m² in the Burity building; 1,507 m² in the Sucupira building; 525 m² in the Transatlântico building; and 274 m² in the BFC building.

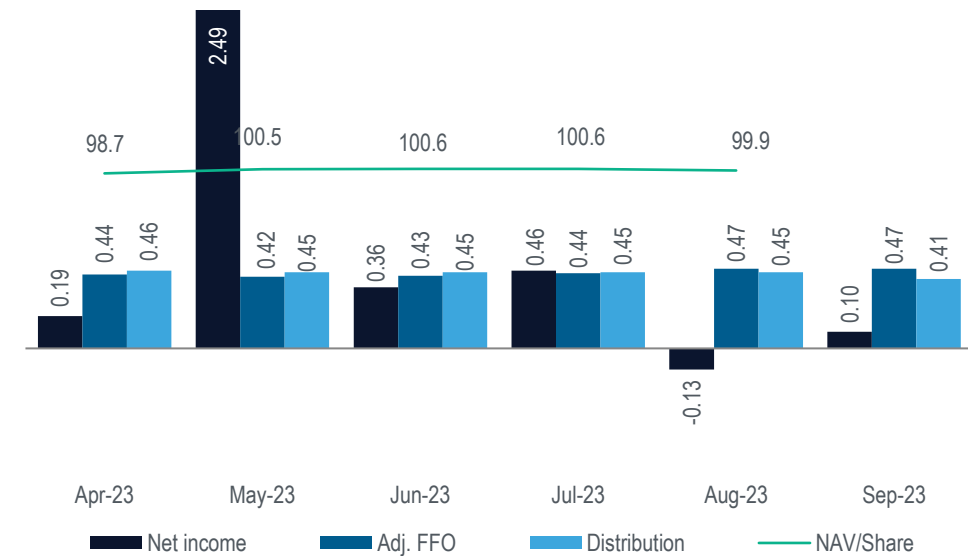
Over the next three months, 29.9% of the contract portfolio will be adjusted for inflation, while 1.2% of the contracts will be under renewal in this period.

Net income per share was positive by R\$0.10/share in September 2023. Adjusted FFO⁽⁴⁾ was R\$0.47/share, and the amount distributed as shareholder return totaled R\$0.41/share.

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



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



Notes: Adjusted history, 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 impacting the book value of leasing revenue. (6) FFO is a non-accounting metric 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) Management values adjusted based on the result of the quarterly auditing process.

Financial Information

Due to the audit of the Fund's annual financial statements, this report does not include the financial information for the previous month (September 2023). The audited financial information will be disclosed in the report for the third quarter of 2023 on a date that will be communicated to shareholders.

Portfolio

Eldorado BFC Senado CJ Cenesp Sucupira Diamond Volkswagen Burity Transatlântico Montreal MV9 CEO EZ Torre Almirante

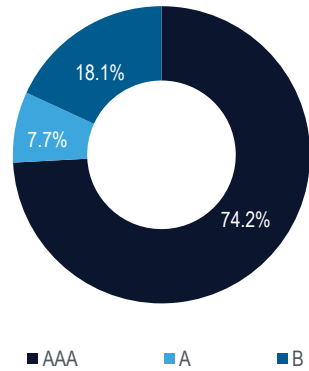


Asset	Class	Location	Acquisition	Fund Ownership	GLA (m²)	Vacancy (m²)	Lease (R\$ '000)	R\$/m²	% of Potential Revenue ⁽¹¹⁾	Main Tenants ⁽¹²⁾
BFC	A	São Paulo	Mar-10	23%	9,984	2.7%	1,322	136.2	5.1%	Grupo Pan, Itaú, WeWork
Burity	B	São Paulo	Apr-11	100%	10,550	15.2%	829	92.6	2.4%	Banco GMAC, Grupo Pan
CENESP ⁹	B	São Paulo	Jul-08	24%	50,319	54.6%	837	36.7	8.7%	Ernst & Young, Fidelity, BB
CEO Office	AAA	R. de Janeiro	Feb-19	27%	4,782	0.0%	383	80.0	1.6%	Tim
Cidade Jardim	AAA	São Paulo	Feb-19	50%	7,458	0.0%	1,748	234.3	6.2%	Aqua, Banco ABC, Felsberg, Patria
Diamond Tower	AAA	São Paulo	Jul-20	100%	36,918	8.3%	4,131	122.1	20.7%	Samsung, Cargill
Eldorado	AAA	São Paulo	Apr-09	34%	22,246	1.8%	3,766	172.4	17.3%	ACE Seguradora, Anbima, LinkedIn, Via Varejo
EZ Towers - B	AAA	São Paulo	Oct-20	16%	7,520	42.6%	560	129.6	3.9%	UnitedHealth, Marsh
Montreal	A	R. de Janeiro	Dec-07	100%	6,439	0.0%	323	50.1	1.7%	Estácio, Patrys
MV9	B	R. de Janeiro	Feb-19	100%	15,174	0.0%	883	58.2	4.1%	INPI
Senado	AAA	R. de Janeiro	Feb-19	20%	19,035	0.0%	3,222	169.3	8.2%	Petrobras
Sucupira	AAA	São Paulo	Nov-19	21%	7,534	20.0%	671	111.4	3.6%	Sanofi
Torre Almirante	AAA	R. de Janeiro	Dec-21	60%	25,087	55.4%	1,363	121.7	12.2%	WeWork, BankRio, Marsh
Transatlântico	B	São Paulo	Mar-08	28%	4,208	12.5%	197	53.5	1.0%	Mattel, Rockwell
Volkswagen	B	São Paulo	Jan-08	100%	12,560	0.0%	1,130	90.0	3.5%	Volkswagen
Total					239,814	21.7%	21,365	113.7	100.0%	

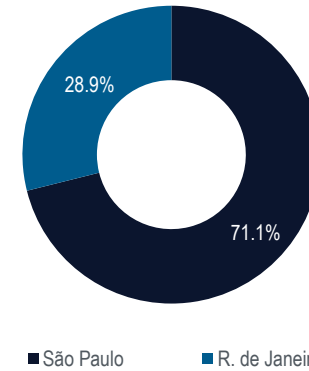
Notes: (9) Considers BC's share in total assets; (10) Considers the EZ Tower building's monthly guarantee minimum income (RMG) and the Sucupira building's supplementary guaranteed income; (11) Considers the potential market revenue for each asset determined by the Fund's semiannual reappraisal of its property portfolio conducted by Cushman & Wakefield in May 2023; (12) Considers tenants based on the contracted leasing revenue.
Base Date: September 2023

Portfolio

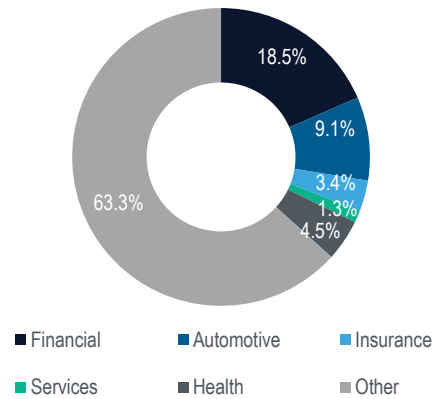
Revenue by Asset Class
(% Total Contracted Revenue)¹⁰



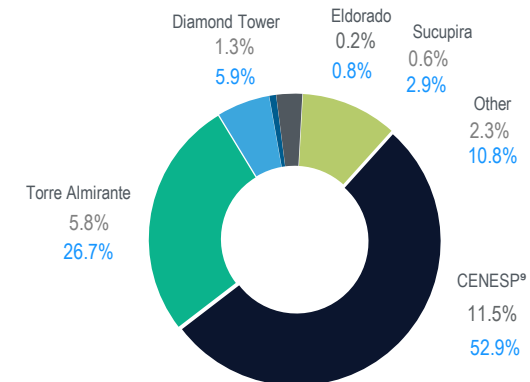
Revenue by Region
(% Total Contracted Revenue)¹⁰



Revenue by Sector
(% Total Contracted Revenue)¹⁰



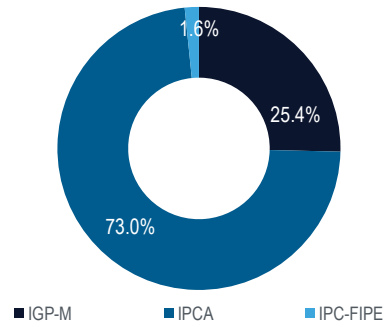
Breakdown - Vacancy by Asset
(% al Gross Leasable Area)



Portfolio

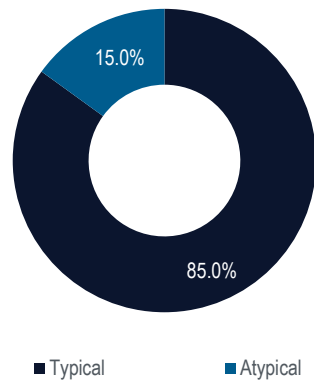
Readjustment Rates

(% Total Contracted Revenue)¹⁰



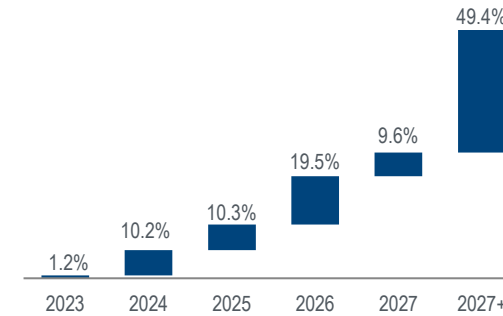
Type of Agreements

(% Total Contracted Revenue)¹⁰



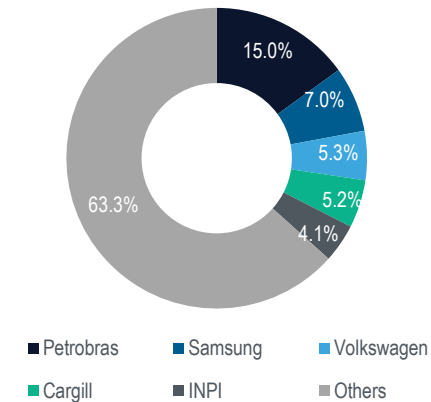
Maturity Schedule

(% Total Contracted Revenue)¹⁰



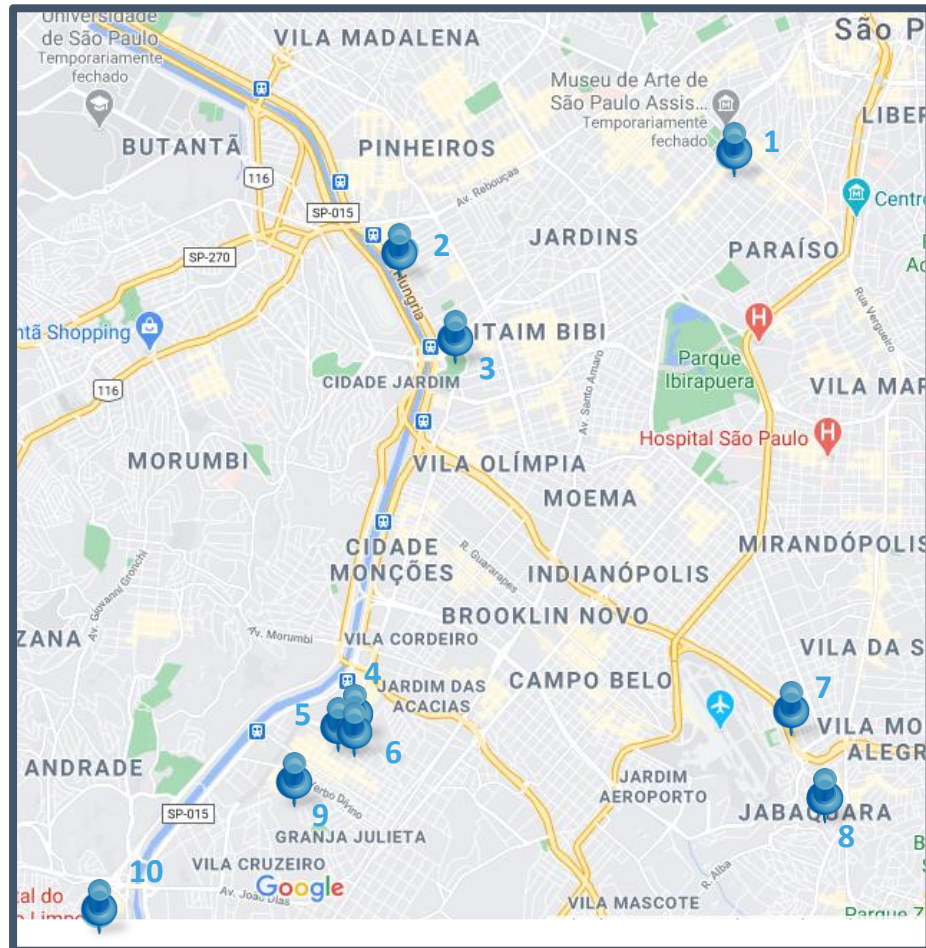
Main Tenants

(% Total Contracted Revenue)¹⁰

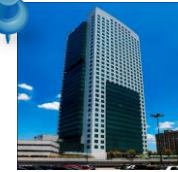


Geographical Portfolio Presentation

São Paulo



BFC
 Classe: A
 ABL: 9.984 m²
 Ocupação: 97%



Eldorado
 Classe: AAA
 ABL: 22.248 m²
 Ocupação: 98%



Cidade Jardim
 Classe: AAA
 ABL: 9.984 m²
 Ocupação: 100%



Diamond Tower
 Class: AAA
 GLA: 36,198 m²
 Occupancy: 92%



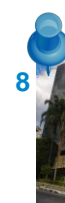
Sucupira
 Class: AAA
 GLA 7,534 m²
 Occupancy: 80%



EZ Towers (B)
 Class: AAA
 GLA 7,520 m²
 Occupancy: 57%



Burity
 Class: B
 GLA: 10,550 m²
 Occupancy: 85%



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



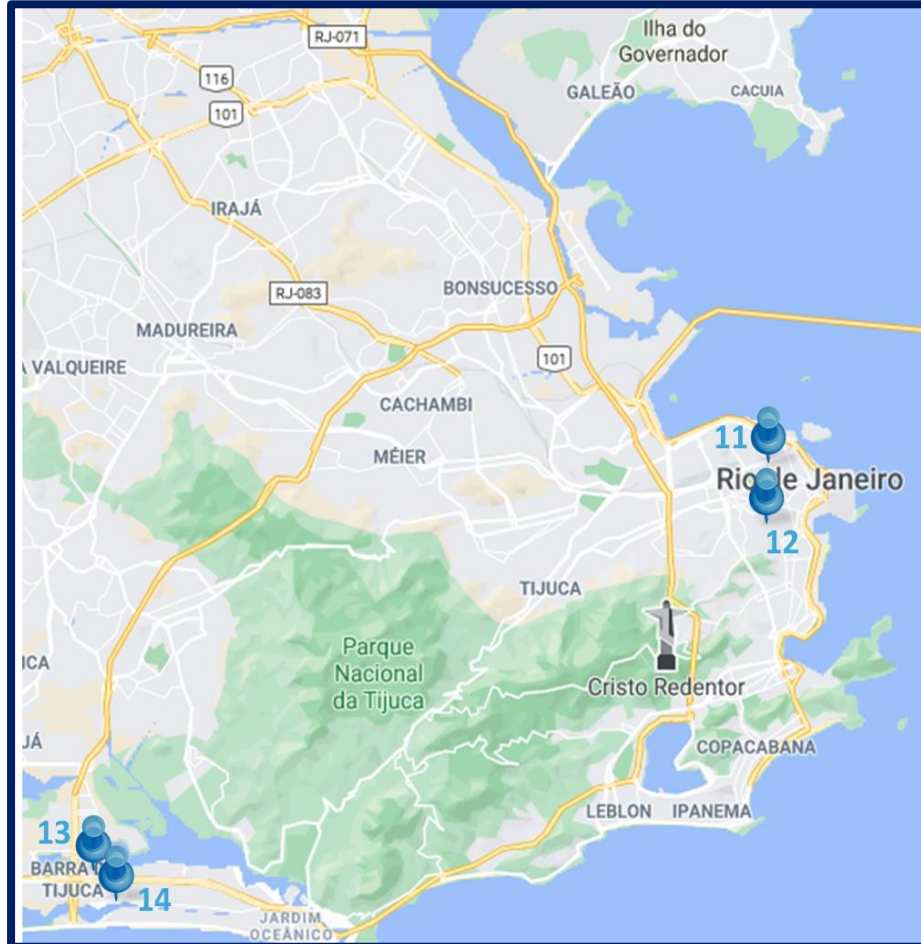
Transatlântico
 Class: B
 GLA: 4,208 m²
 Occupancy: 88%



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

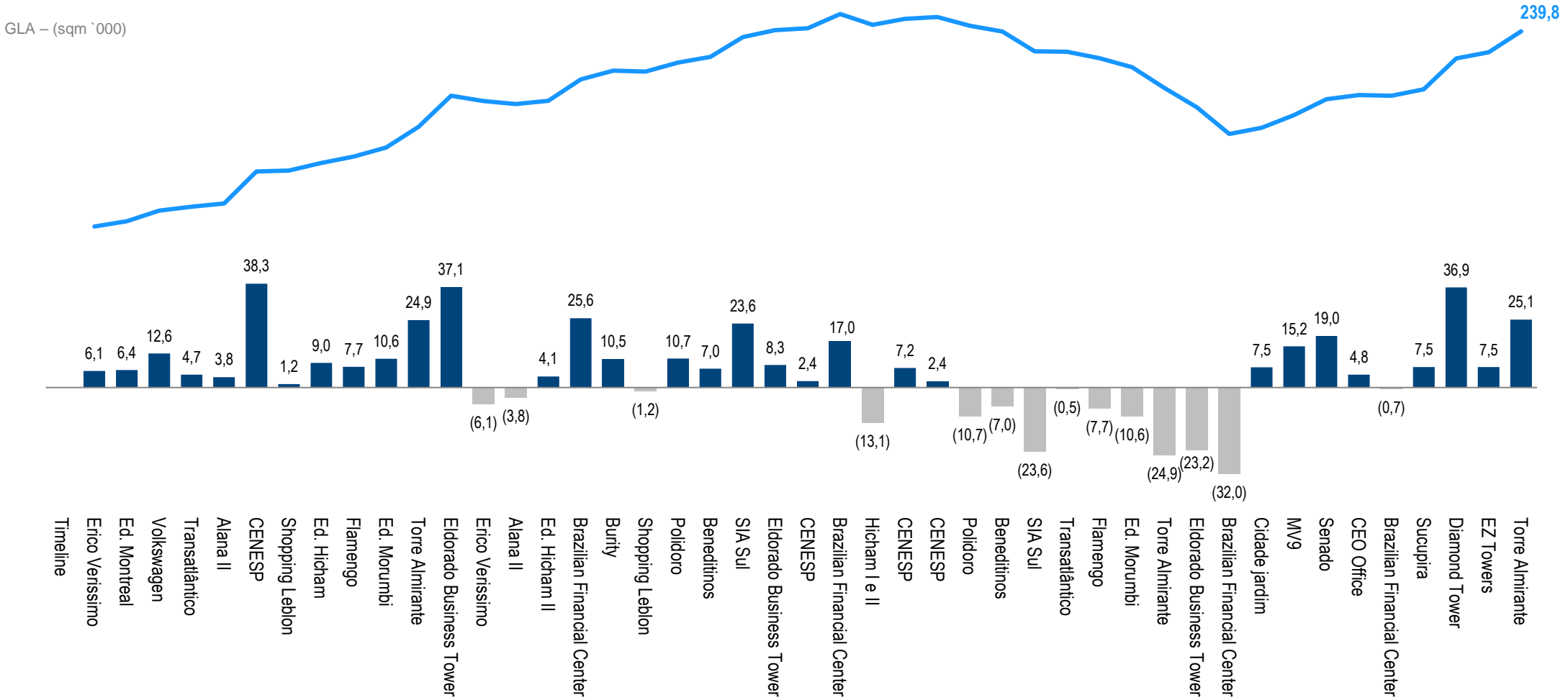
Montreal
 Class: A
 GLA: 6,439 m²
 Occupancy: 100%



15

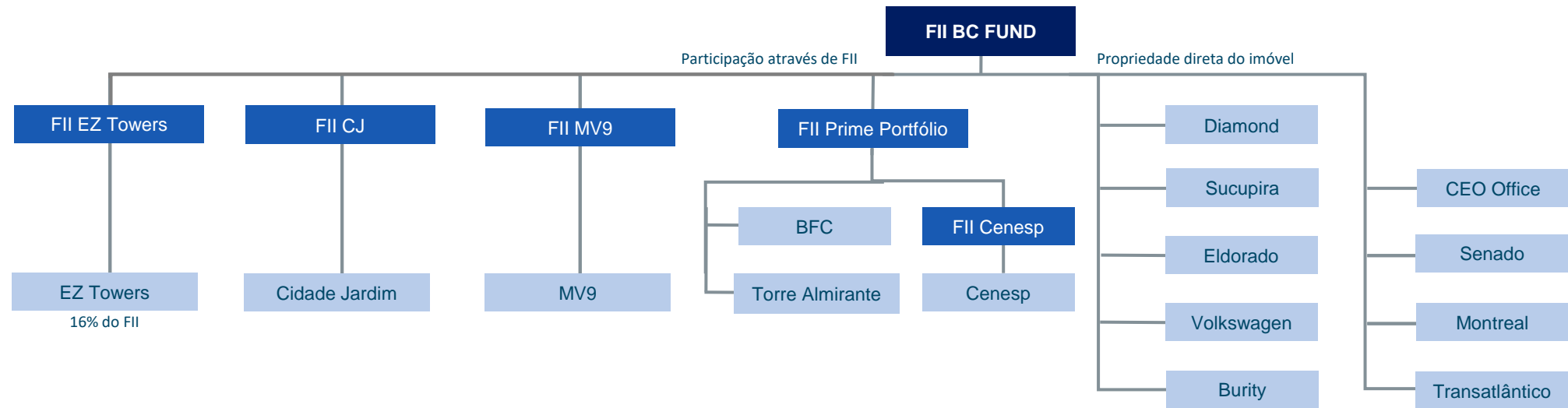
Torre Almirante
 Class: AAA
 GLA: 25,087 m²
 Occupancy: 45%

Investments / Divestments Timeline



Note: Bars match GLA invested or uninvested
Base Date: September 2023

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

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