

Recent News

On September 11, the Fund received a notification of a tenant of the Cenesp building, requesting the early termination of its lease agreement. The lessee currently occupies an area of 3,070 m², which is equivalent to one floor. Upon his departure, the Fund will be entitled to a contractual fine. It is worth noting that our commercial team continues focused on absorbing these parking spaces.

Still this month, the Fund received a notification from a lessee of the Eldorado building, requesting the early termination of part of its lease agreement (the returned area corresponds to one floor). All contractual obligations must be followed, and the Fund will be entitled to notice and the contractual fine. Our commercial team is conducting negotiations with potential tenants to lease this space.

Regarding the macroeconomic scenario, the IGP-M inflation index saw an upward trend. In August, the index showed the highest variation in the last twelve months, with an accumulated result of 13.02%. The September preview indicates an even bigger increase of 4.57%. This result will significantly boost the annual adjustments of our lease agreements, as most of them are indexed by the IGP-M.

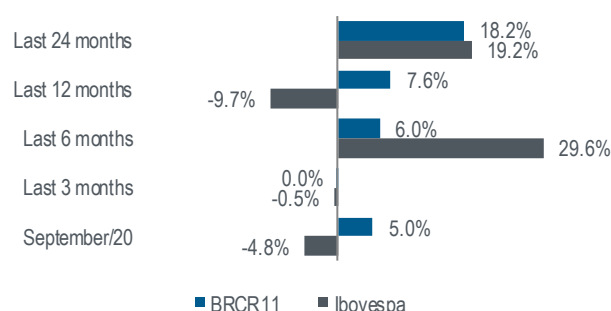
Still in September, the Fund received the last installment arising from the favorable decision regarding an action for compulsory renewal of CEF's lease agreement at the Torre Almirante building, which discussed lease amounts due at the time. As the lawsuit precedes the sale of the asset, the Fund will be entitled to approximately R\$665,000.

The total return for shareholders last month, considering distributed income and the share price, was positive by 5.0%, while the Ibovespa index fell by 4.8%. The average daily liquidity on the stock exchange (BRCR11) was R\$4.6 million in the period, and the share price in the secondary market closed the month at R\$91.00 per share.

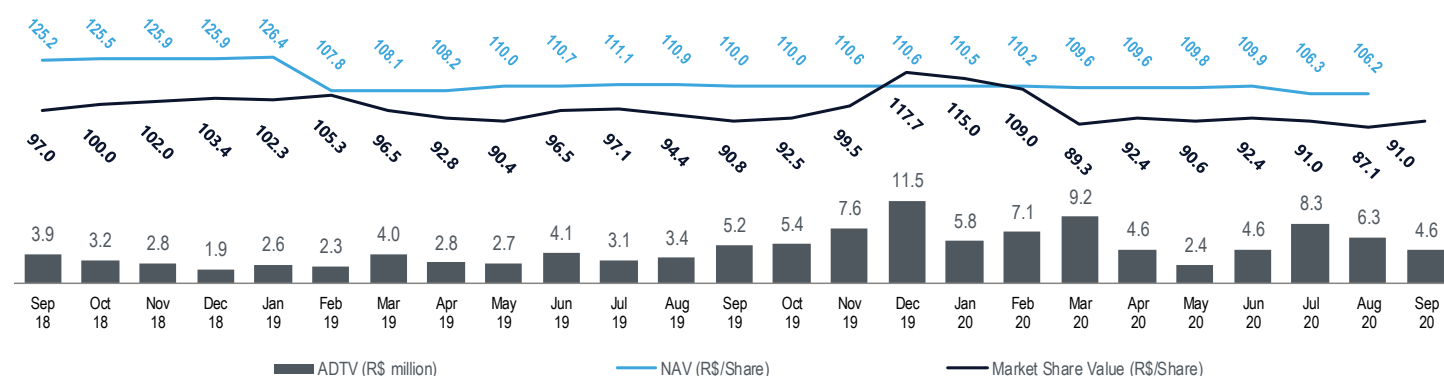
Performance on B3

		NAV	Market
Adjusted Closing Share's Market Value*	[R\$/share]	106.16	9100
Discount to NAV	[%]	0.0%	-14.3%
Dividend per share	[R\$/share]	0.46	0.46
Monthly profitability	[%]	0.4%	0.5%
Annual profitability (compound)	[%]	5.4%	6.3%
Shares outstanding	[# mn]	26.6	26.6
Market cap	[R\$ mn]	2,827.9	2,424.1
(+) Net debt (Cash)	[R\$ mn]	308.0	308.0
(+) Minorities stake	[R\$ mn]	615	615
Implicit value of Real Estate assets	[R\$ mn]	3,197.4	2,793.5
Contracted lease revenue	[R\$ mn]	18.6	18.6
Implicit Cap rate	[%]	7.0%	8.0%
Adj. Cap rate (incl. vacant areas)	[%]	7.4%	8.5%
Portfolio GLA	[th m ²]	2214	2214
Average per m ²	[R\$/m ²]	14,444	12,619
Total Volume Traded in the month	[R\$ mn]		96.7
Average Daily Trading Volume in the month	[R\$ mn]		4.6
% of Fund Traded in the month	[%]	#	3.5%
% of Fund Traded in the last 12 months	[%]	#	75.5%
Variation from previous month closing	[%]	#	4.5%
Return for Shareholder (including distribution)	[%]	#	5.0%

Return for Shareholders ⁽¹⁾



Share Price and Average Daily Trading Volume



Financial and Operating Performance – August/2020

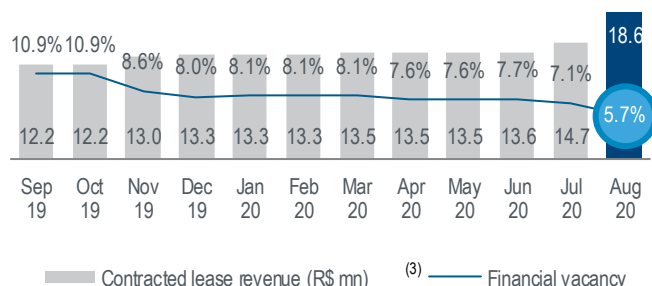
In August 2020, the financial vacancy of the portfolio accounted for 5.7% of potential lease revenue, and 13.4% of total GLA in m². The financial vacancy of the portfolio fell month over month, given that the acquisition of the Diamond Tower was made with guaranteed minimum income (RMG), ensuring full revenue in August for the first time. It is worth noting that, as the acquisition was on July 24, the Fund is only entitled to revenue corresponding to 7 of the 31 days of the month. Financial vacancy increased compared to the previous month, due to the departure of a Diamond Tower lessee, who was already under notice when the asset was acquired.

At the end of August 2020, vacancy accounted for 23,409 m² in CENESP, 3,077 m² in Diamond Tower, 1,753 m² in Montreal, 828 m² in BFC and 525 m² in Transatlântico.

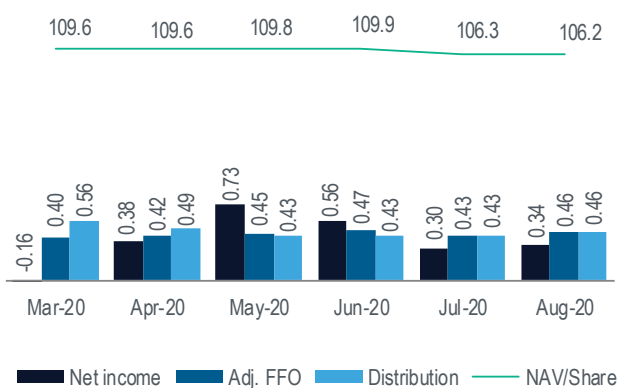
In the next three months, 34.4% of the agreement portfolio will be adjusted for inflation, and 0.3% of the agreements will be in renewal process in the same period.

Net income per share in August/20 was positive by R\$0.34. Adjusted FFO ⁽⁴⁾ was R\$0.46/share, and the amount paid as income to the shareholders was R\$0.46/share.

Financial Vacancy and Contracted Lease Revenue⁽²⁾



Results Indicators (R\$/share)⁽⁴⁾⁽⁵⁾



Consolidated Income Statement ⁽⁵⁾

(R\$ thousand)	Jul20	Aug20	Last 12 months
Lease Revenue	14,800	17,091	159,256
Provision for impairment of trade receivables	(28)	(683)	(1,748)
Other Revenues from Properties	(197)	(200)	(1,584)
Adjustment to Fair Value	-	-	86,612
Financial Expenses of Properties	(1,215)	(3,250)	(14,156)
Administrative Expenses of Properties	(486)	(766)	(8,693)
Results from Properties	12,874	12,192	219,687
Revenues from CRI, LCI and other FII Shares	665	659	10,282
Adj. to Fair Value of CRI, LCI and other FII Shares	(2,756)	(947)	(16,871)
Other Financial Assets	309	144	5,219
Fund's Operating Income (Expenses)	(2,755)	(2,882)	(30,360)
Minority Interest ⁽³⁾	(215)	(28)	(3,392)
Net Income	8,122	9,138	184,565
Adjusted FFO	11,459	12,154	117,013
Adjusted FFO / share ⁽⁴⁾ (R\$/Share)	0.43	0.46	4.39
Distribution to Shareholders	9,855	10,579	129,547

Balance Sheet ⁽⁵⁾

(R\$ thousand)	Aug20	% of Assets
Assets	3,577,929	100.0%
Properties	3,002,764	83.9%
LCI	-	0.0%
CRI	130,143	3.6%
Other FII Shares	47,278	1.3%
Lease Receivable	56,005	1.6%
Fixed Income	120,590	3.4%
Other Assets	221,149	6.2%
Liabilities	688,557	19.2%
Income to be Distributed	23,857	0.7%
Liabilities from Acquisition of Properties	639,569	17.9%
Other Liabilities	25,131	0.7%
Equity	2,827,904	79.0%
Minority Interest ⁽³⁾	61,468	1.7%
Total Liabilities and Equity	3,577,929	100.0%

Notes: (1) Includes the share's appreciation in the period (the Closing Price on the last day of the month M/Closing Price of the last day of the month M-1) + Income received by the shareholder in the period. (2) The non-accounting measure that corresponds to the total amount of the lease agreements in force for the base month, disregarding discounts, grace periods, fines and other adjustments that have an impact on the accounting revenue from leases. (3) Refers to the 23% interest of FII CIIESP held by third parties. (4) Adjusted FFO is a non-accounting measure that corresponds to the net income, excluding (adding) the effects of the gain (loss) from the sale of investment property, the gain from the fair value of the investment property, non-recurring revenues and expenses and non-cash financial expenses. (5) Monthly management figures adjusted in accordance to the quarterly audit process.

Portfolio

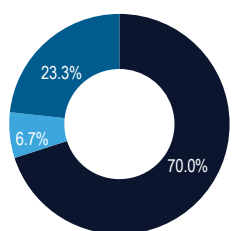
Base Date: August/2020



Asset	Class	Location	Acquisition	Fund Ownership	GLA (m²)	Vacancy (m2)	Lease (R\$ '000)	R\$/m²	% of Potential Revenue ⁽⁶⁾	Main Tenants ⁽⁷⁾
BFC	A	São Paulo	Mar-10	23%	9,984	8.3%	1,006	109.8	6.6%	Grupo Pan, Itaú, WeWork
Burity	B	São Paulo	Apr-11	100%	10,550	0.0%	679	64.4	2.5%	Banco GMAC, Grupo Pan
CENESP	B	São Paulo	Jul-08	31%	64,480	36.3%	1,613	39.3	12.7%	Ernst & Young, Actical, Wipro
CEO Office	AAA	R. de Janeiro	Feb-19	27%	4,782	0.0%	468	97.9	2.0%	Tim
Cidade Jardim	AAA	São Paulo	Feb-19	50%	7,458	0.0%	1,228	164.6	5.9%	Aqua, Banco ABC, Felsberg, Patria
Diamond Tower	AAA	São Paulo	Jul-20	100%	36,918	8.3%	4,894	132.6	25.3%	Samsung, Cargill
Eldorado	AAA	São Paulo	Apr-09	34%	22,246	0.0%	3,055	137.3	17.5%	ACE Seguradora, Anbima, LinkedIn
Montreal	A	R. de Janeiro	Dec-07	100%	6,439	27.2%	242	51.6	2.0%	Estácio, Patrys
MV9	B	R. de Janeiro	Feb-19	100%	15,174	0.0%	710	46.8	5.6%	INPI
Senado	AAA	R. de Janeiro	Feb-19	20%	19,035	0.0%	2,630	138.2	10.5%	Petrobras
Sucupira	AAA	São Paulo	Nov-19	21%	7,534	0.0%	753	100.0	4.6%	Sanofi
Transatlântico	B	São Paulo	Mar-08	28%	4,208	12.5%	211	57.3	1.3%	Mattel, Rockwell
Volkswagen	B	São Paulo	Jan-08	100%	12,560	0.0%	1,117	89.0	3.4%	Volkswagen
Total					221,368	13.4%	18,607	95.5	100.0%	

Revenue by Asset Class

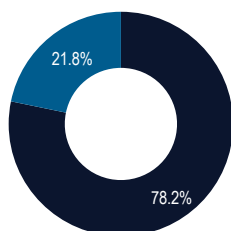
(% Total Contracted Lease Revenue)



■ AAA ■ A ■ B

Revenue by Region

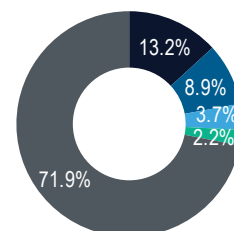
(% Total Contracted Lease Revenue)



■ São Paulo ■ R. de Janeiro

Revenue by Sector

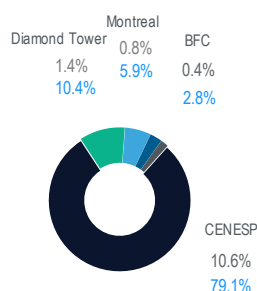
(% Total Contracted Lease Revenue)



■ Financial ■ Automotive ■ Insurance
■ Services ■ Other

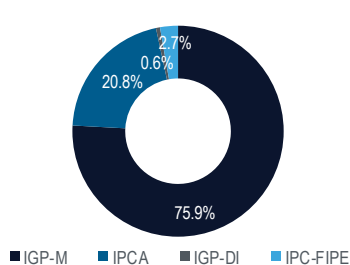
Vacancy by Asset

(% Total Gross Leasable Area)
(% Vacant Gross Leasable Area)



Adjustment Index

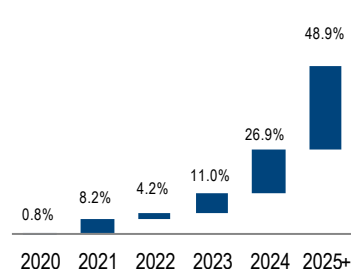
(% Total Contracted Lease Revenue)



■ IGP-M ■ IPCA ■ IGP-DI ■ IPC-FIPE

Maturity Schedule

(% Total Contracted Lease Revenue)



Notes: (6) Considers the monthly guaranteed minimum income (RMG) amounts for the Sucupira and Diamond Tower assets. (7) Considering the potential market lease revenue for each asset defined by the semiannual reappraisal of the Fund's portfolio of properties carried out by Cushman & Wakefield in May 2020. (8) Considers tenants based on the contracted leasing revenue. (9) Considers the 100% interest of FIL Cenesp in the composition.

BC Fund Overview

Administrator: BTG Pactual Serviços Financeiros
Administration fee: 0.25% of market value
Manager: BTG Pactual Gestora de Recursos
Management fee: 1.5% of market value (the fee will be 1.1% until 09/09/22, as a discount)

Number of properties: 13
Number of lease contracts: 72
Gross leasable area: 221,368 m²
(base August/2020)

Trading code: BRCR11
Number of shareholders – individuals: 110,924
Number of shareholders – legal entities: 484
(base 9/30/2020)

BC Office Fund is one of the 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 objective of investing in corporate towers generating income in Brazil, which are strategically located in major commercial centers, through the acquisition of office buildings or real estate rights, either under construction or finished. BC Fund's active management policy is based on four pillars: (i) efficient negotiation of lease agreements at market value in the minimum intervals permitted by law; (ii) investment in expansion and real estate improvements aiming higher rental values and lower vacancy; (iii) efficient recycling of the portfolio in order to increase revenue and generate capital gains and; (iv) positive leverage in the acquisition of new properties and/or shares of other real estate investment funds in order to ensure greater flexibility in regard to managing cash reserves and maximizing shareholder returns.

Current Situation

On the operational side, the main challenge has been the leasing of vacant areas of the portfolio, especially Cenesp. The São Paulo market already shows a significant improvement for well-positioned and high-quality properties such as those of the fund. At Cenesp, we have concentrated efforts on the operational part of the property, seeking to reduce condominium costs in order to make it more competitive. This has resulted in savings of over R\$10.00/m² in monthly condominium costs since January 2017.

On the other hand, Rio de Janeiro is proving to be challenging for new leases, with a low number of effective leases. However, there has been an increase in visitation to vacant areas, which may result in an improved absorption of these areas in the medium term.

Regarding new investments, BC Fund has a robust cash position to be invested in acquisition opportunities, in addition to leverage potential.

Administrator: BTG Pactual Serviços Financeiros
Ombudsman: 0800 722 0048 / SAC: 0800 772 2827

If the shareholders whose shares are held by the Fund's custodian wish to change their registration data or deposit account details, they must email us at ri.fundoslizados@btgpactual.com, or call us at (11) 3383-2469. Shareholders who acquired shares in the secondary market must contact their brokerage companies.