



Fundo Imobiliário BTG Pactual Corporate Office Fund



FII BTG Pactual Corporate Office Fund

BRCR11

Monthly Report – July 2021



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)

2.16

Market Cap
(R\$/share)

81.01

Equity Value²
(R\$ billion)

2.87

Equity Value²
(R\$/share)

107.80

Monthly
Earnings³
(R\$/share)

0.46

Dividend Yield
(12 months)

7.0%

ADTV¹
(R\$ million/day)

2.39

Shareholders

128,796

Financial
Vacancy

11.1%

Physical
Vacancy

24.1%

Assets

14

A/AAA

79.9%

Latest News

Tax Reform – Impacts on FIIs

In August, following the expectations of the main investment analysis companies in the market, the rapporteur of the tax reform proposal included in his opinion a change to the proposal presented by the Ministry of Economy regarding the taxation of Real Estate Investment Funds. In his understanding, the current rules should remain unchanged. The perspective is that the text should be approved by the Congress until the end of August, but the indication that income tax exemption should be maintained calmed down the market's mood, leading IFIX to recover well throughout the month.

Resumption of Asset-oriented Customers

At the beginning of the year, most schools tried to resume on-site classes. The second wave of Covid, aggravated in February, March and April, slowed down this action, delaying the return to on-site work at companies. This month, with the advance of vaccination to the adult population, the number of asset-oriented customers increased, especially for fixed assets. Our tenants are in constant contact with the administration team, analyzing a program to return to the offices. The flow of people was about 30% of the regular flow this month. We believe that this number is on an important upward curve, in line with the perspective of resilience of Classes AAA and A corporate market, which should have very positive net absorptions in the short to medium term.

Latest News

Diamond Tower

The beginning of the first half was marked by the lengthening of the pandemic. Therefore, seeking to preserve the Fund's financial health, we were granted a 12-month period to pay interest, with adjustment of the liability arising from the acquisition of the Diamond Tower starting in July.

Following our expectations, vaccination grew exponentially in the beginning of the second half. As previously stated, companies started the process of massive return to offices.

Shareholder Return

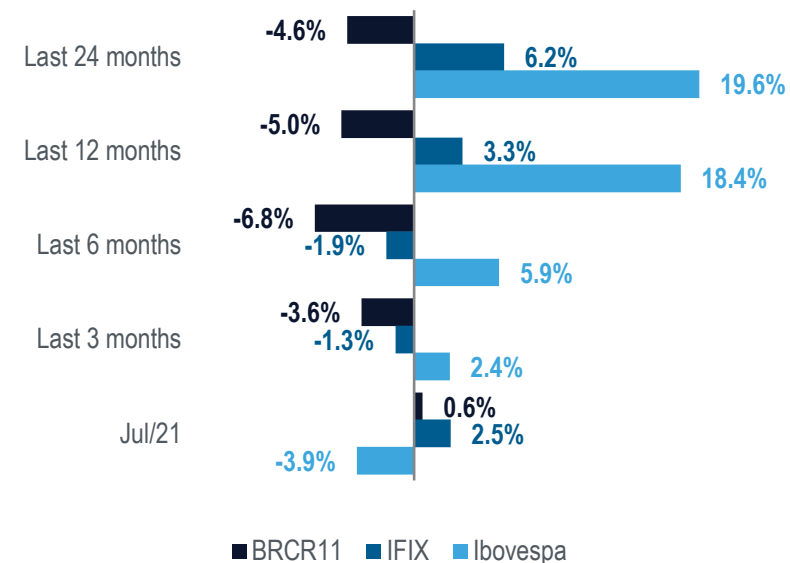
The total return for shareholders last month, considering distributed income and the share price, was positive by 0.6%, while the Ibovespa index fell by 3.9%. The average daily liquidity on the stock exchange (BRCR11) was R\$2.4 million in the period, and the share price in the secondary market closed the month at R\$81.00 per share. Annualized dividend yield based on the latest distribution was 7.0%.

Market Indicators

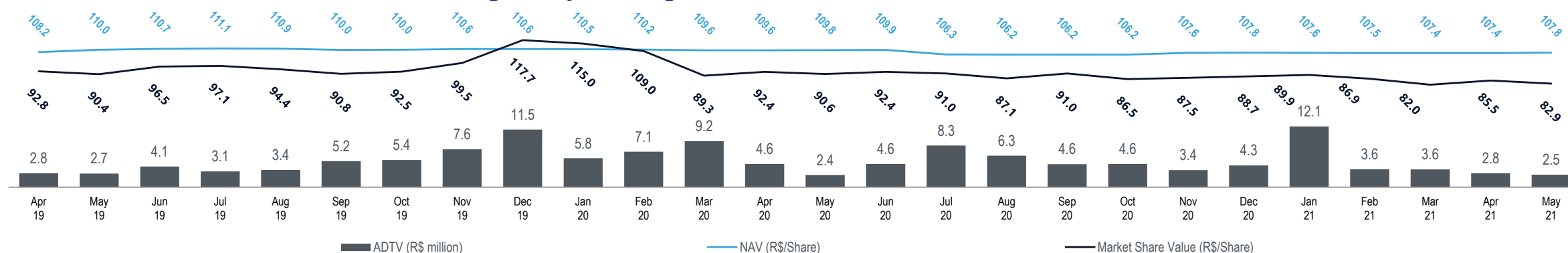
B3's Performance

		NAV	Market
Adjusted Closing Share's Market Value*	[R\$/share]	107.80	8101
Discount to NAV	[%]	0.0%	-24.9%
Dividend per share	[R\$/share]	0.46	0.46
Monthly profitability	[%]	0.4%	0.6%
Annual profitability (compound)	[%]	5.2%	7.0%
Shares outstanding	[# mn]	26.6	26.6
Market cap	[R\$ mn]	2,871.5	2,158.0
(+) Net debt (Cash)	[R\$ mn]	311.1	311.1
(+) Minorities stake	[R\$ mn]	56.5	56.5
Implicit value of Real Estate assets	[R\$ mn]	3,239.2	2,525.6
Contracted lease revenue	[R\$ mn]	19.5	19.5
Implicit Cap rate	[%]	6.9%	8.8%
Adj. Cap rate (incl. vacant areas)	[%]	7.8%	9.9%
Portfolio GLA	[th m ²]	228.9	228.9
Average per m ²	[R\$/m ²]	14,152	11,034
Total Volume Traded in the month	[R\$ mn]		50.3
Average Daily Trading Volume in the month	[R\$ mn]		2.4
% of Fund Traded in the month	[%]	#	2.0%
% of Fund Traded in the last 12 months	[%]	#	39.9%
Variation from previous month closing	[%]	#	0.0%
Return for Shareholder (including distribution)	[%]	#	0.6%

Return for Shareholders⁴



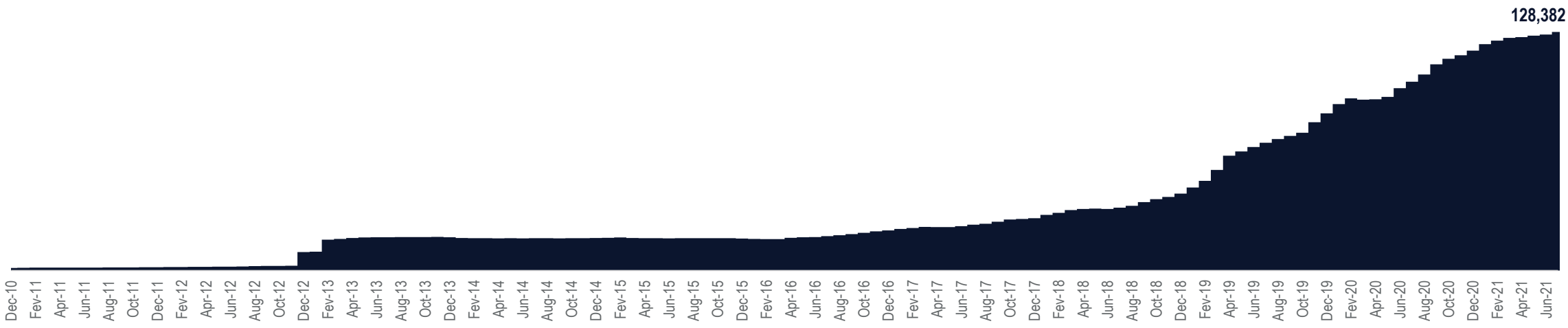
Evolution of the Share Price and Average Daily Trading Volume



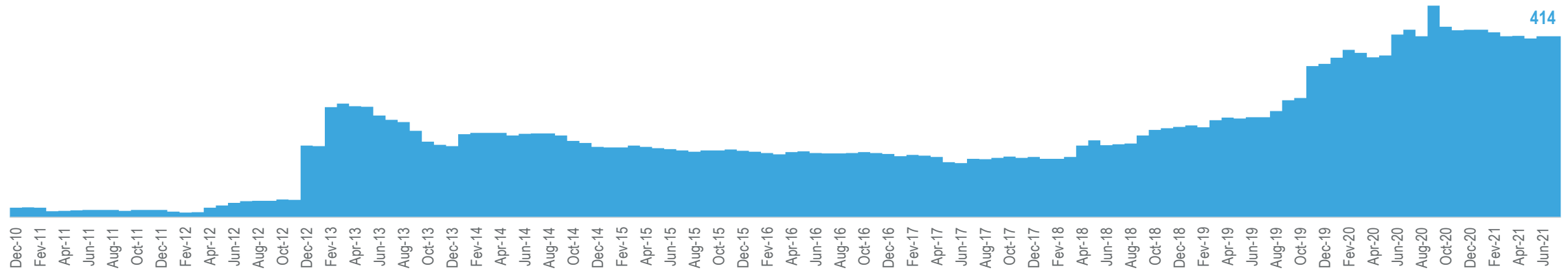
Notes: (4) Includes share's appreciation in the period (the Closing Value on the last day of the month M/Closing Value of the last day of the month M-1) + Income received by the shareholder during the period

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

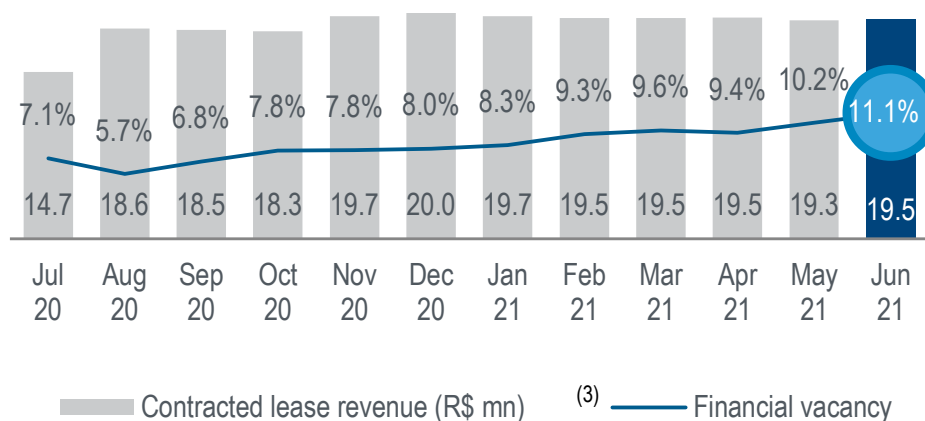
In June 2021, the financial vacancy of our portfolio accounted for 11.1% of potential lease revenue, and 24.1% of total GLA in m². The increase in vacancy over the previous month is due to a scheduled exit of Eldorado. We would like to remind you that we signed a new lease agreement at the Eldorado building in April, in effect as of September, which will significantly reduce the Fund's vacancy. We also emphasize that, as of this month, the future tenant is already responsible for condominium and IPTU expenses of the area subject of the contract, significantly reducing the Fund's vacant area carrying costs.

In late June 2021, vacancy totaled 35,891 m² in the CENESP building; 10,255 m² in the Diamond Tower building; 5,462 m² in the Eldorado building; 1,507 m² in the Sucupira building; 828 m² in the BFC building; 586 m² in the EZ Towers building; and 525 m² in the Transatlântico building.

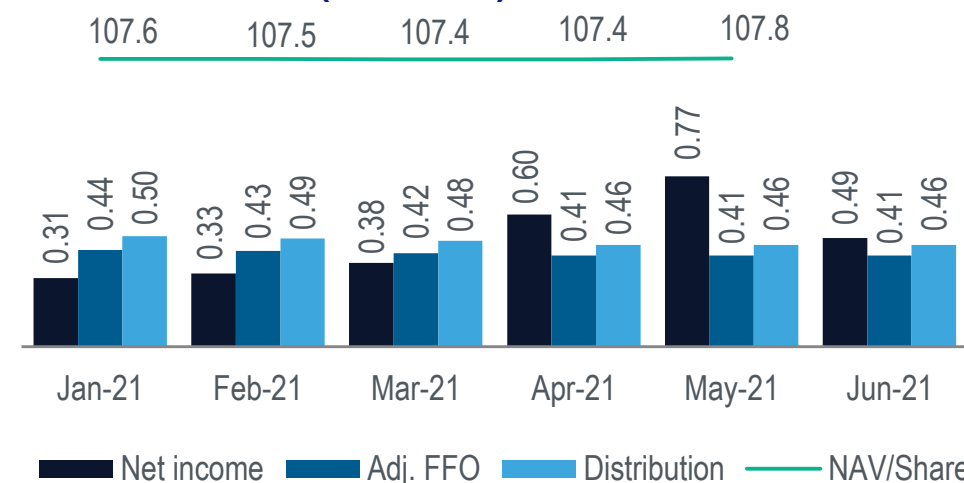
Over the next three months, 12.0% of the agreements will be readjusted for inflation, and no agreements will be renewed.

Net income per share was a positive R\$0.49 in June 2021. Adjusted FFO(4) was R\$0.41/share, and the amount distributed as return for shareholders totaled R\$0.46/share.

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



Result Indicators (R\$/Share) ⁽⁶⁾⁽⁷⁾



Notes: (5) Non-accounting measure that corresponds to the total lease agreements in force in the reference month, excluding discounts, grace periods, fines, and other adjustments that impact the lease accounting revenue. (6) Adjusted FFO is a non-accounting measure that corresponds to net income, excluding (adding) the effects of the gain (loss) on the sale of investment property, gain with fair value of investment property, non-recurring income and expenses, and non-cash financial expenses.; (7) Monthly management figures adjusted according to the result of the quarterly auditing process

Financial Information

Due to the audit of the Fund's financial statements, this report does not include the financial information for the previous month (June 2021). The audited financial information will be disclosed in the report for the second quarter of 2021 on a date that will be communicated to shareholders.

Portfolio

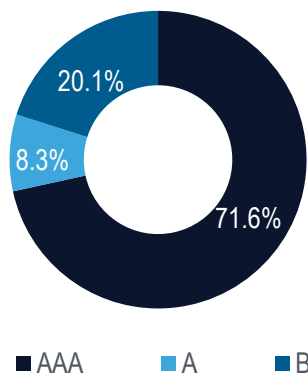
Eldorado	BFC	Senado	CJ	Cenesp	Sucupira	Diamond	Volkswagen	Burity	Transatlântico	Montreal	MV9	CEO	EZ
													
Asset	Class	Location	Acquisition	Fund Ownership	GLA (m²)	Vacancy (m²)	Lease (R\$ '000)	R\$/m²	% of Potential Revenue ⁽⁶⁾	Main Tenants ⁽⁷⁾			
BFC	A	São Paulo	Mar-10	23%	9,984	8.3%	1,288	140.6	6.4%	Grupo Pan, Itaú, WeWork			
Burity	B	São Paulo	Apr-11	100%	10,550	0.0%	794	75.3	2.7%	Banco GMAC, Grupo Pan			
CENESP ⁹	B	São Paulo	Jul-08	31%	64,480	55.7%	979	34.2	12.0%	Ernst & Young, Acticall, BB			
CEO Office	AAA	R. de Janeiro	Feb-19	27%	4,782	0.0%	406	85.0	1.7%	Tim			
Cidade Jardim	AAA	São Paulo	Feb-19	50%	7,458	0.0%	1,371	183.9	5.7%	Aqua, Banco ABC, Felsberg, Patria			
Diamond Tower	AAA	São Paulo	Jul-20	100%	36,918	27.8%	4,894	132.6	23.9%	Samsung, Cargill			
Eldorado	AAA	São Paulo	Apr-09	34%	22,246	24.6%	2,794	166.5	16.3%	ACE Seguradora, Anbima, LinkedIn			
EZ Towers - B	AAA	São Paulo	Oct-20	16%	7,520	7.8%	954	126.9	4.9%	UnitedHealth, Marsh			
Montreal	A	R. de Janeiro	Dec-07	100%	6,439	0.0%	332	51.6	1.9%	Estácio, Patrys			
MV9	B	R. de Janeiro	Feb-19	100%	15,174	0.0%	759	50.0	5.3%	INPI			
Senado	AAA	R. de Janeiro	Feb-19	20%	19,035	0.0%	2,735	143.7	10.0%	Petrobras			
Sucupira	AAA	São Paulo	Nov-19	21%	7,534	20.0%	771	120.9	4.2%	Sanofi			
Transatlântico	B	São Paulo	Mar-08	28%	4,208	12.5%	259	70.5	1.1%	Mattel, Rockwell			
Volkswagen	B	São Paulo	Jan-08	100%	12,560	0.0%	1,117	89.0	4.0%	Volkswagen			
Total					228,888	24.1%	19,454	105.1	100.0%				

Notes: (9) Considering full GLA; (10) Considers the monthly RMG values for the Diamond Tower, EZ Tower and income supplement of Sucupira; (11) Considering the potential market-to-market income for each asset determined by the semi-annual revaluation of the Fund's real estate portfolio conducted by Cushman & Wakefield, in May 2021; (12) Considers tenants based on contracted rental revenue
Base date June 2021

Portfolio

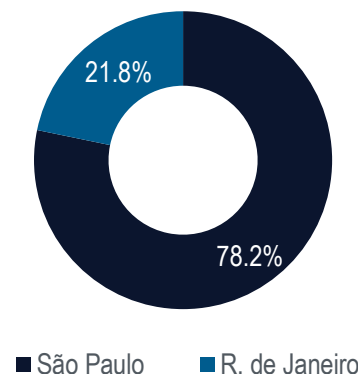
Revenue by Asset Class

(% Total Contracted Revenue)¹⁰



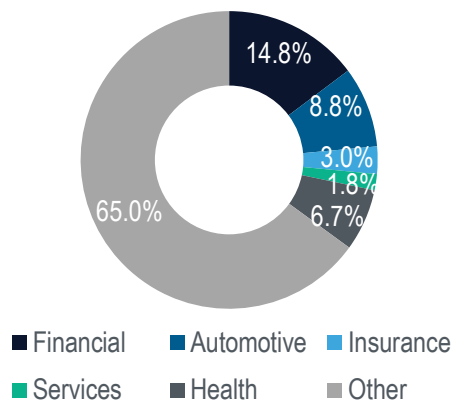
Revenue by Region

(% Total Contracted Revenue)¹⁰



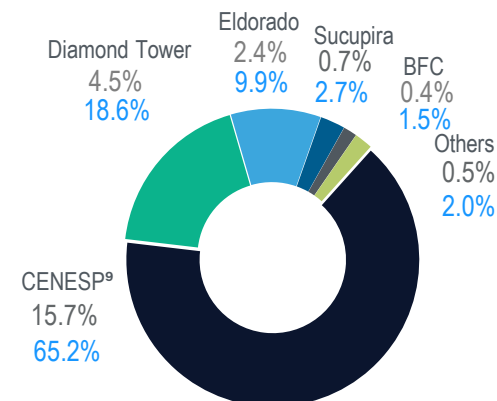
Revenue by Sector

(% Total Contracted Revenue)¹⁰



Breakdown - Vacancy by Asset

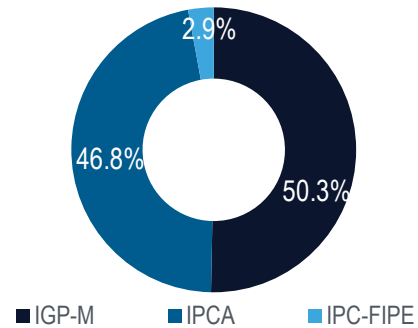
(% al Gross Leasable Area)



Portfolio

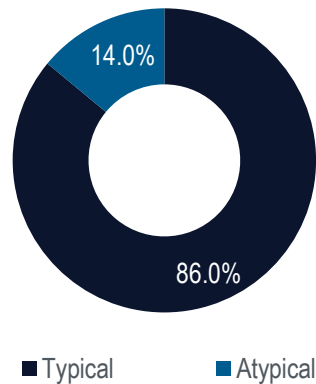
Readjustment Rates

(% Total Contracted Revenue)¹⁰



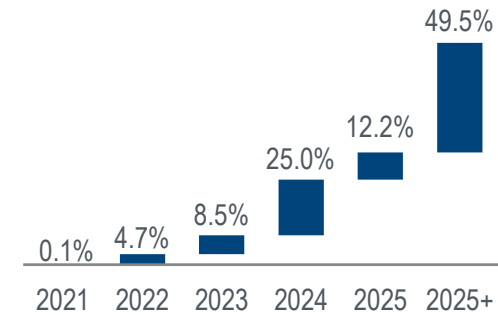
Type of Agreements

(% Total Contracted Revenue)¹⁰



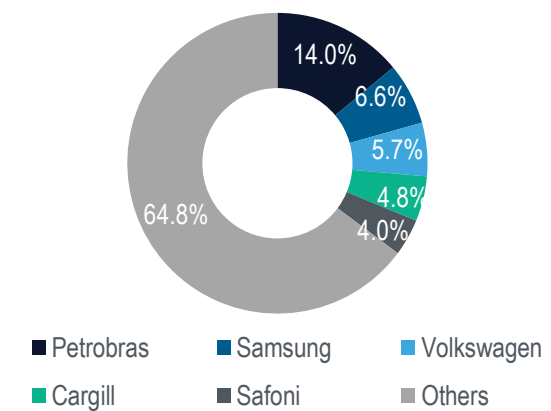
Maturity Schedule

(% Total Contracted Revenue)¹⁰



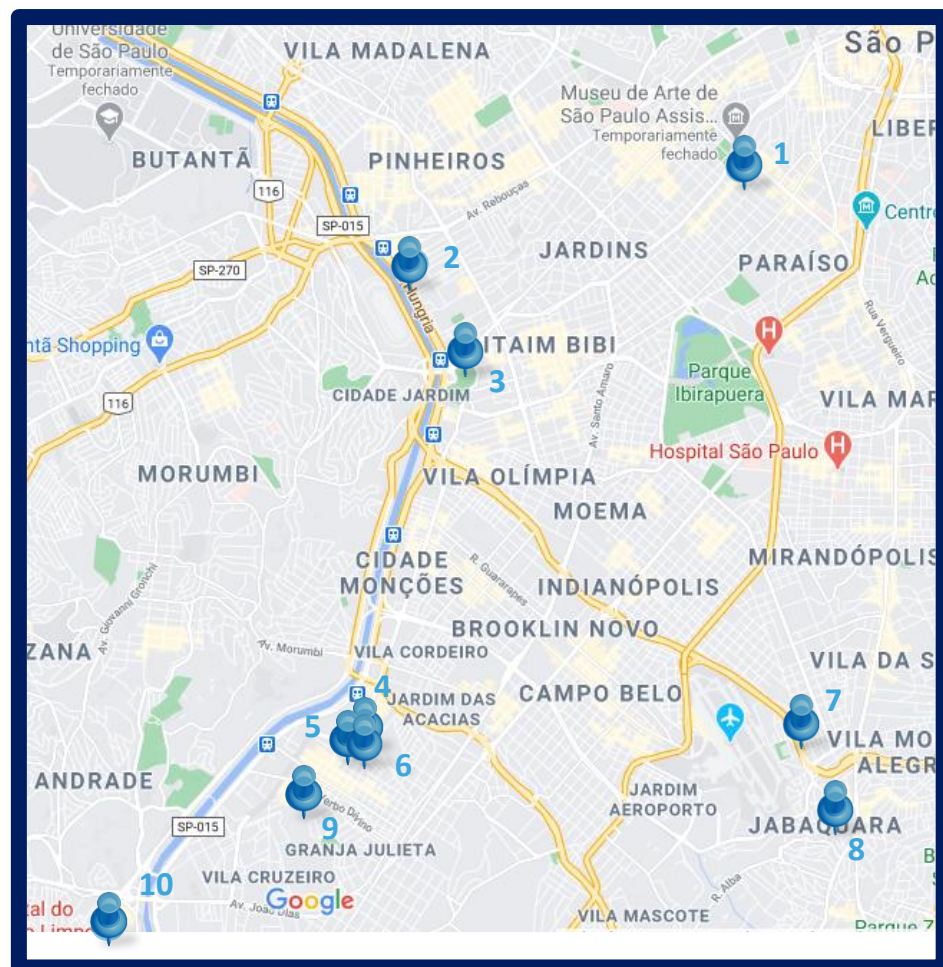
Main Tenants

(% Total Contracted Revenue)¹⁰



Geographical Portfolio Presentation

São Paulo



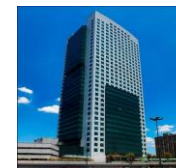
1



BFC

Class: A
GLA: 9.984 m²
Occupancy: 91,7%

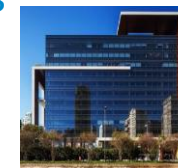
2



Eldorado

Class: AAA
GLA: 22.248 m²
Occupancy: 75,4%

3



Cidade Jardim

Class: AAA
GLA: 9.984 m²
Occupancy: 100%

4



Diamond Tower

Class: AAA
GLA: 36.198 m²
Occupancy: 72,2%

5



Sucupira

Class: AAA
GLA: 7.534 m²
Occupancy: 80,0%

6



EZ Towers(B)

Class: AAA
GLA: 7.520 m²
Occupancy: 92,2%

7



Burity

Class: B
GLA: 10.550 m²
Occupancy: 100%

8



Volkswagen

Class: B
GLA: 12.560 m²
Occupancy: 100%

9



Transatlântico

Class: B
GLA: 4.208 m²
Occupancy: 87,5%

10

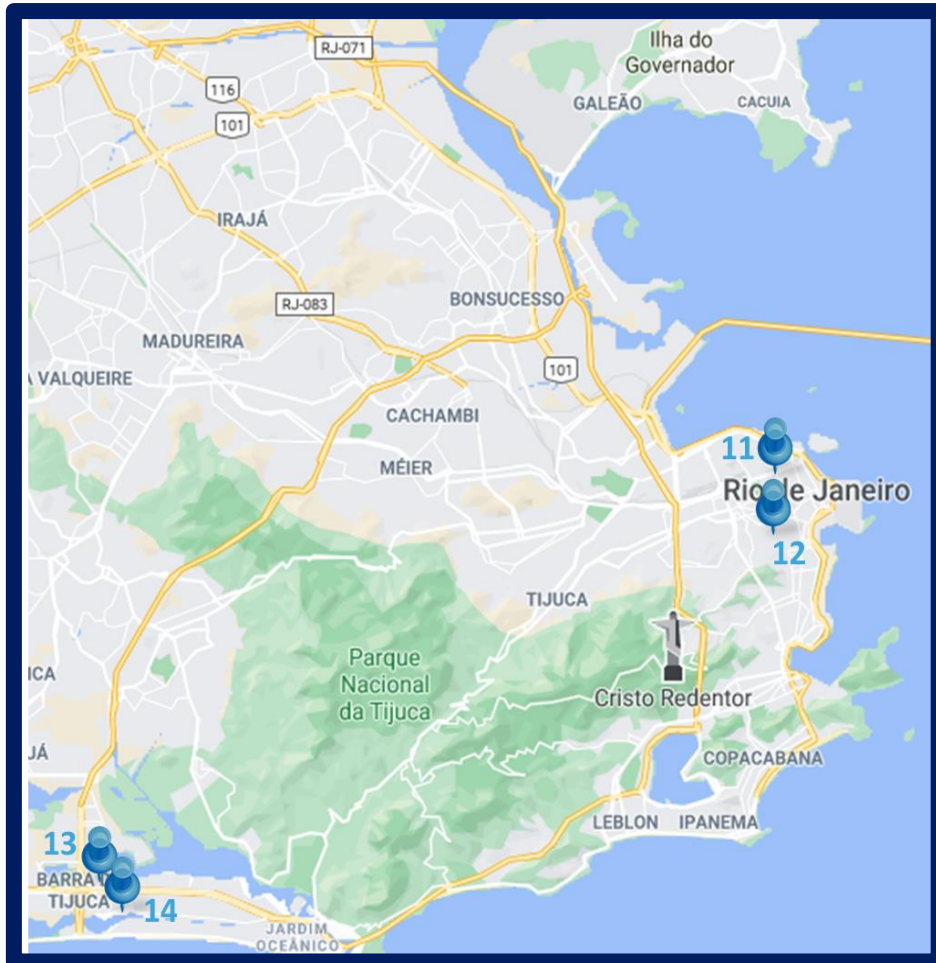


Cenesp

Class: B
GLA: 64.480 m²
Occupancy: 44,3%

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%

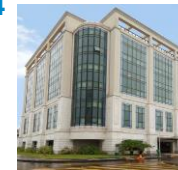
13



CEO Office

Class: AAA
GLA: 4.782 m²
Occupancy: 100%

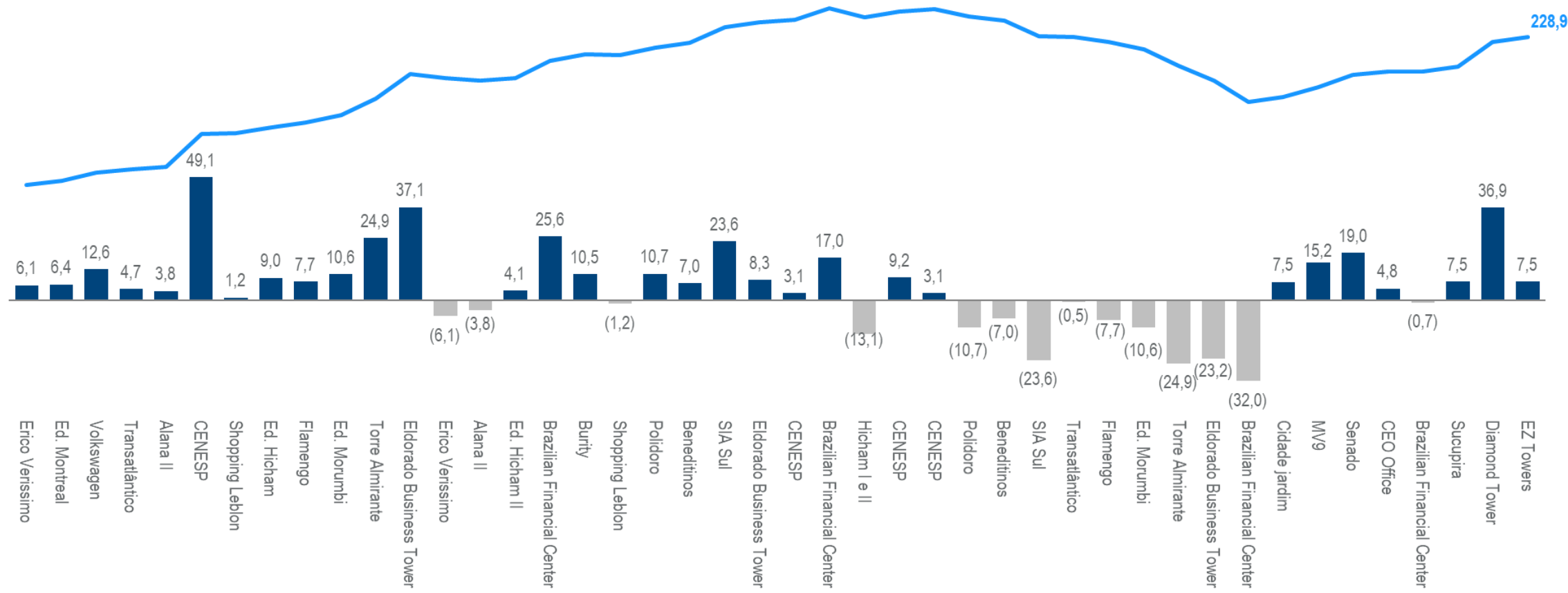
14



Montreal

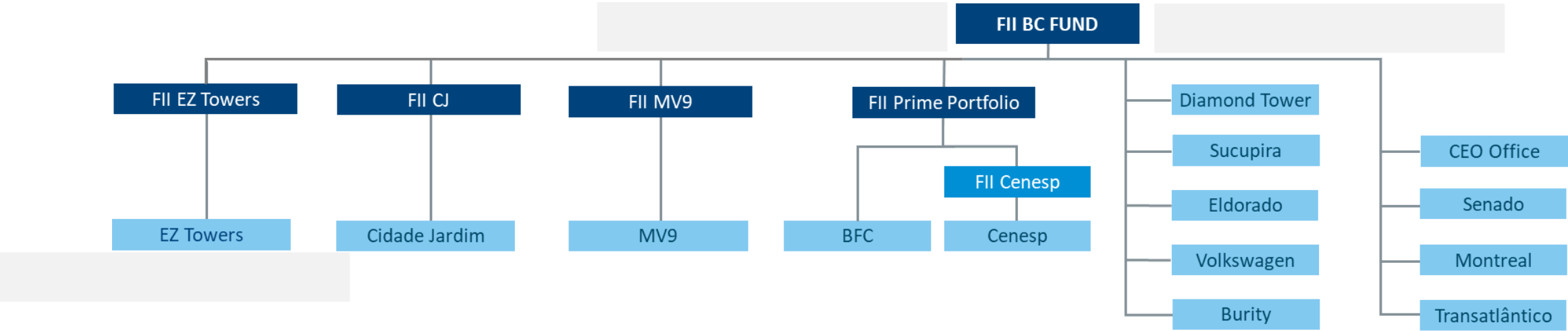
Class: A
GLA: 6.439 m²
Occupancy: 100%

Investments / Divestments Timeline



Note: Bars correspond to invested or disinvested GLA

Fund's Organizational Structure



Note: The management of all Funds invested by BC Fund is made by our internal team, generating greater synergy for the portfolio

Disclaimer

Investment funds are not guaranteed by the fund manager, portfolio manager, any insurance mechanism or by the Credit Guarantee Fund - FGC. The past yield does not guarantee future yield. We recommend carefully reading the prospectus and the investment fund's investor rules when investing your funds. Investors must be ready to accept risks inherent in the different markets in which the investment funds operate and, thus, possible variations in the invested equity. The Administrator is not responsible for errors or omissions in this material, as well as for the use of the information herein. In addition, the Administrator is not responsible for investor decisions on the subject in this material or for the act or fact of professionals and specialists consulted.

This fund is less than 12 (twelve) months old. For performance evaluation of an investment fund, it is recommended to analyze at least 12 (twelve months).

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





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