BCP

BCP PROPERTY VALUE ADD FUND

QUARTERLY FACTSHEET

This fund is a regulated open-ended Unit Trust with full discretionary mandate. It is authorised by the Central Bank of Ireland as a Qualifying Investor Alternative Investment Fund (QIAIF) and utilises equity and debt to fund real estate investments. It currently does not pay a dividend.

This is Marketing Material

30th June 2023

BCP

Market Overview

With global energy and food prices continuing to ease, domestic factors are beginning to play a more important role in the inflation outlook. Growth in the domestic economy this year is expected to be slightly stronger than previously forecast, according to the Central Bank of Ireland. Various indicators, particularly the labour market, point to the economy operating at capacity. The national unemployment rate at the end of June 2023 was 3.8%, essentially full employment. The tightening of monetary policy is beginning to feed through the economy and will contribute to dampening demand and economy wide pressures.

The market dislocation caused by high interest rates continues. The real estate investment market in Ireland remains subdued due to the wide bid-ask spread caused mainly by higher forecast debt costs imposed on potential buyers, and little pressure on vendors to sell their assets at a meaningful discount. Equity investors have emerged and are executing transactions where others are restrained by debt costs. This cohort of investors will continue to be active throughout 2023. Inflation is expected to ease in the coming months; however the Governing Council of the ECB will continue to raise interest rates until inflation eases further, with the ultimate target of 2% inflation over the medium term across the EU.

Despite the headwinds caused by inflation and high debt costs, Ireland's relative position is strong. Ireland is expected to enjoy significant budget surpluses between now and 2025, amounting to around €65bn due to one off corporation tax windfalls from a small number of large technology firms that operate here. Ireland's attractiveness is reflected in its 10-year government bond yield currently at 2.97%, ahead of France (3.1%), the US (4.1%) and the UK (4.5%). Irish exports increased by 15% in 2022, dominated by the activities of Multinational Enterprises in ICT services and Pharmaceuticals. Exports are forecast to grow by 6.3% in 2023, 7.5% in 2024, and 6.7% in 2025.

Dublin office-based employment expanded by 2.0% year on year in Q1 2023. Tech expanded at 2.5% despite the downsizing seen in many of the larger companies. With 86,000 people now employed in the tech sector in Dublin, it means that they have added and retained 20,000 jobs since Q2 2019.

Leasing activity in the Dublin office market is now characterized by smaller deals, largely driven by lease events or relocations by professional, financial or public sector occupiers. Large technology firms remain in a holding phase, and this has presented more optionality and value for occupiers in other sectors. Prime headline rents remain firm, on a nominal basis with a small adjustment to tenant incentives in the tenant's favour. The Dublin office market recorded 389,400 sq ft of take-up across 49 deals in Q2, bringing take-up in H1 to 666,000 sq ft, according to Savills. This represents a decline of 30% compared to the same period last year. All the top 5 deals were for newly developed office stock. The largest letting was to the National Transport Authority's relocation to Haymarket House, where it took 79,600 sq ft and the second largest was to KKR, taking 39,200 sq ft at Cadenza, Earlsfort Terrace, under a lease assignment from intercom.

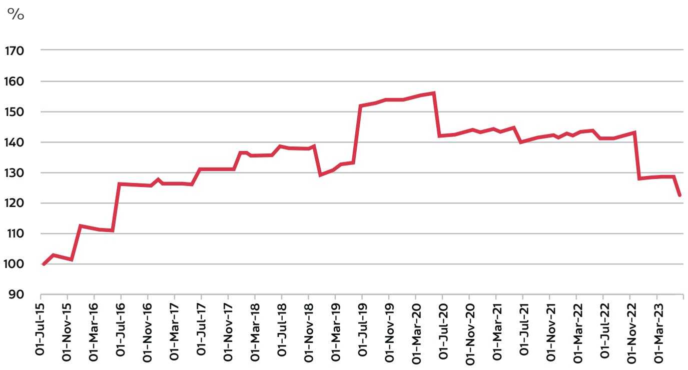
Prime office yields moved out by approximately 15 basis points in the first half of 2023 and currently stand at 4.50% according to CBRE. Secondary City Centre yields are currently 6.25%. Office investment volumes remain muted, with just €42m transacted in the quarter, well below the 10-year average of just under €400m. The bulk of the investment volumes were made up of a single transaction, 87 – 88 Harcourt Road for €34m.

Market Overview continued

FUND SNAPSHOT AS AT 30TH JUNE 2023:

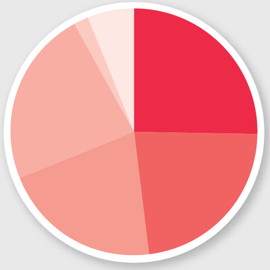
Gross Asset Value	€47.32 million
Gearing (direct & indirect)	69.76%
No. of projects	5
No. of leases	37
Rental yield	5.29%
Commencement date	June 2015

Fund Performance *(Fund Performance to 30th June 2023)*



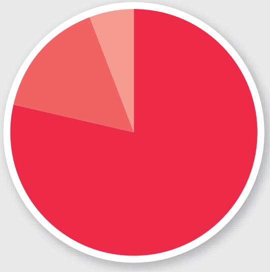
Fund exposure - Projects

25.3% Fumbally
22.8% Grafton Place
20.9% St Andrews House
23.2% Eastpoint
1.7% Morrison Chambers
6.1% Cash/Other



Fund exposure - Sectors

77.6% Office
15.5% Retail
5.5% Residential



Comparative Performance

	From launch of PVAF (June 2015)*	YTD	2022	2021	2020	2019	2018	2017	2016	H2 2015
BCP PVAF {C class units)	**22.45%**	**-4.20%**	**-9.84%**	**-0.93%**	**-6.80%**	**18.79%**	**-5.03%**	**7.44%**	**12.98%**	**12.12%**
Aviva Commercial Fund Series B	34.21%	-0.92%	-0.64%	5.40%	-12.04%	7.89%	5.93%	5.51%	11.18%	9.18%
Aviva Irish Property Fund Series B	17.03%	-0.58%	-0.48%	1.70%	-18.07%	3.97%	4.22%	10.04%	7.69%	8.90%
Irish Life Property Portfolio F	15.20%	-5.59%	-4.13%	10.75%	-9.41%	0.56%	3.98%	6.48%	7.67%	7.67%
New Ireland Property S6	12.98%	-1.62%	-4.23%	0.71%	-11.43%	4.45%	5.58%	8.23%	8.56%	8.56%

• to 30th June 2023

Source: Financial Express. The above figures are shown gross of tax and after the annual management charge applicable for each fund series (which range from 0% to 1.75%). In respect of the BCP PVAF the performance of other share classes are available on request and will be higher or lower depending on the charges applicable.

Since inception in June 2015 the PVAF C Class units are up 22.45% (CAR 2.56%)

All PVAF performance figures relate to Share Class C. They are net of costs and fund management fee but before tax.

Warning : Past performance is not a reliable guide to future performance.

BCP

Portfolio Summary

At a portfolio level, overall valuations have softened as yields push outwards by 15 to 25 basis points since the last valuations. Portfolio gearing has further exacerbated this with unit prices down approximately 4.3% in the quarter. The vacancy rate across the portfolio stood at 32% at end-June. Current vacancy is driven principally by Fumbally Square and the vacancy in St Andrews House to accommodate the future redevelopment. PVAF collected 97% of rent due for Q2 2023.

Abnormal vacancies continue in Fumbally which dragged on rent collection, added void cost, and further compressed downward the mid-year valuation. Talks with a serviced office provider have been revisited on revised terms. The aim is for the new Heads of Term's to be agreed in Q3 2023.

A lease re-gear has been agreed with Google in Eastpoint Business Park and the agreement is currently being documented with solicitors. We expect this to be finalised in the coming weeks.

At St Andrews House, we have signed a lease with a fashion retailer to take 4 South William Street. The remaining vacant units are either in terms or in legals, and we expect all the retail units to be fully occupied by the end of Q3 2023.

At 60 Dawson Street, practical completion occurred at the end of July. An agreement for lease has been signed with a leisure operator for the ground (entrance only) and basement (majority of space). Terms are agreed with a leisure operator and a retailer to take two additional units on the ground floor.

Retail lettings in the city centre have picked up materially. There are currently only 3-4 vacant units remaining on Grafton Street, with 13-14 vacancies at the same time last year.

BCP PROPERTY VALUE ADD FUND
QUARTERLY FACTSHEET

Project Updates

Fund exposure	25.3%
Floor area	83,800 sq ft
Occupancy	58%
No. of leases	23
Rental yield	4.57%
Offices	95.4%
Retail	0.0%
Residential	4.6%

Fumbally, Dublin 8:

Discussions with a serviced office provider have been revisited. Good progress has been made to come to an alternative agreement with them to take the space. Our aim is to agree commercial terms in the coming months and have terms agreed with them by September.

On the development site, while Dublin City Council have granted consent for the proposed office development on the podium site, a third-party appeal with An Bord Pleanála is ongoing.

.

BCP PROPERTY VALUE ADD FUND
QUARTERLY FACTSHEET

Project Updates *(continued)*

Fund exposure	22.8%
Floor area	190,000 sq ft
Occupancy	62%
No. of leases	2
Rental yield	n/a%
Offices	76.0%
Retail	24.0%
Residential	0.0%

60 Dawson Street, Dublin 2: The fire certificate for 60 Dawson Street was received in the first week of July while practical completion was achieved by the end of July 2023. Leases have been signed across Level 2 through Level 6 with Service Now and Pinterest totalling c.118k sq ft of office space. Negotiations regarding the first floor of office space are ongoing. Sandbox, a virtual reality entertainment business, have executed a lease for 11,033 sq ft on ground (entrance only) and basement (majority of space). Terms have been agreed with a new entrant retailer for a flagship corner unit 5,000 sq ft at ground and 5,000 sq ft at basement; whilst Heads of Terms negotiations are under way with another new entrant leisure operator to take 10,000 sq ft on ground (entrance only) and basement (majority of space).

Fund exposure	23.2%
Floor area	39,524 sq ft
Occupancy	100%
No. of leases	1
Rental yield	8.16%
Offices	100.0%
Retail	0.0%
Residential	0.0%

Block R, Eastpoint Business Park, Dublin 3: Terms have been agreed with Google to regear their lease for another 10 years (break every 2 years) at Eastpoint Business Park. We expect the agreement to be finalized in the coming weeks.

Fund exposure	20.9%
Floor area	15,762 sq ft
Occupancy	35%
No. of leases	6
Rental yield	3.79%
Offices	44.0%
Retail	37.0%
Residential	19.0%

St. Andrews House, Dublin 2: Over the first half of 2023 we have completed one lease at 4 South William Street, are in legals in two others on 32 and 34 Exchequer Street and have agreed terms for 5 South William Street. In parallel, we continue to work on the tender prices for the refurbishment of the office space across the upper levels of St Andrews House. We are also engaged with a number of tenants regarding leasing opportunities within the refurbishment office scheme.

BCP

BCP PROPERTY VALUE ADD FUND
QUARTERLY FACTSHEET

Project Updates *(continued)*

Fund exposure	1.7%
Floor area	11,469 sq ft
Occupancy	100%
No. of leases	5
Rental yield	4.91%
Offices	0.0%
Retail	100.0%
Residential	0.0%

Morrison Chambers, Dublin 2: The retail units at Morrison Chambers are fully occupied and continue to perform well.

BCP PROPERTY VALUE ADD FUND
QUARTERLY FACTSHEET

POTENTIAL RISKS AND NOTICES TO INVESTORS

The principal areas of risk for investors are as follows:

- Rents may not increase after rent reviews
- The tenants default and the properties remain vacant
- Properties that are refurbished/ redeveloped may remain vacant after completion of works
- Associated property development risks
- The property market is cyclical and a loss could occur if the assets have to be sold in a downturn
- Asset values and borrowings in the Fund may be subject to exchange rate risk
- Borrowings may in future be subject to a certain level of exposure to fluctuations in interest rate risks. Interest rates have risen sharply but may rise further in the future, which would impact fund returns
- Property is an illiquid asset class and delays could occur in realising the sale of any property assets, which in turn could delay your exit from this investment.
- REITS are listed shares, and any such holdings by the Fund could experience greater volatility than direct property holdings, which could adversely affect the unit price.

MANAGEMENT OF THE FUND

BCP Asset Management undertakes investment management of the assets held by the Fund. BCP's costs will be met from the annual management fee. As investment managers, BCP Asset Management will have sole discretion on the timing of the sale of the assets in the Fund.

YOUR INVESTMENT AND ESG

The Sustainable Finance Disclosure Regulations (SFDR) apply to this Fund which is classified as Article 6 'like'. The Fund does not have as its objective sustainable investment, nor does it promotes environmental or social characteristics. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The impact of sustainability risks on the returns of the Fund have been assessed by the AIFM, the Manager and the Investment Manager, taking due account of the nature and scale of its activities. They have elected for the time being not to consider the principal adverse impacts of investment decisions of the Fund on sustainability factors. The AIFM considers this a pragmatic and economical approach to compliance with its obligations under the SFDR.

PROFESSIONAL FINANCIAL ADVICE

Before committing to this investment, it is important that investors should consult their professional property, financial and taxation advisors, and have regard to the risks involved, their own financial circumstances and their tax position. Property is a long-term investment and consequently may not be suitable as a short or medium term investment. BCP recommend a minimum 5-7 year investment period but it cannot be guaranteed that the investment will be successful within that period and a longer holding period may be necessary. Please also note that interest rates, current tax and pensions legislation may change during the period of the investment.

Please also see the risks outlined in the Prospectus of the Fund.

The Fund is permitted to borrow and enter leverage arrangements. The Fund will not borrow to purchase a property where the resulting level of total leverage would exceed 60% of the gross assets of the Fund. Whilst borrowing gives the potential for enhanced returns, it also increases the potential impact of the risks outlined above.

Warning: Past performance is not a reliable guide to future performance. Warning: If you invest in this Fund you will not have any access to your money for at least 2 years. Warning: Where redemption requests exceed the cash in the Fund, or 10% of the NAV of the Fund, the Fund retains the right to freeze redemptions to avoid circumstances such as a forced sale of assets. Warning: The value of the property assets may fall as well as rise and it is possible that you may lose the total amount invested. The risks involved in geared property are greater than property without gearing. Warning: Your investment in this Fund may be affected by changes in currency exchange rates. Warning: Deductions for charges and expenses are not made uniformly throughout the life of the product but are loaded onto the early period. Warning: This is a capital at risk product. Warning: Forecasts are not a reliable indicator of future performance. Warning: Forecasts are not a reliable indicator of future returns.

PLEASE CONTACT YOUR FINANCIAL ADVISOR OR BCP (01 668 4688 / INVEST@BCP.IE) FOR MORE INFORMATION.

71 Upr Leeson Street, Dublin 4, D04 XK68, Ireland
+353 1 6684688 | invest@bcp.ie

bcp.ie