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

31st December 2023

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Market Overview

2023 was a challenging year in real estate in Ireland and across Europe, as tighter credit conditions and wavering occupational appetite impacted property valuations.

The effects of tighter monetary policy are expected to contribute to a gradual pace of disinflation over the next two years. The ECB Governing Council, in a data-dependent approach, assesses that interest rates are at levels that if maintained for a sufficiently long period will make a substantial contribution to a return of euro area inflation to the 2 per cent target. According to the Central Bank of Ireland, headline inflation dropped sharply in 2023, with falling energy prices having the biggest impact. As inflation continues to decline, yields in fixed-income and equity markets have also trended downwards. A continuation of this trend will support the beginning of a recovery in the real estate sector in 2024, according to CBRE.

Helpfully the labour market in Ireland continues to be remarkably resilient supporting overall consumption. While more moderate rates of employment creation and lower vacancy rates are emerging, unemployment remains relatively low. These fundamentals provide a supportive backdrop as we path through challenging capital market conditions.

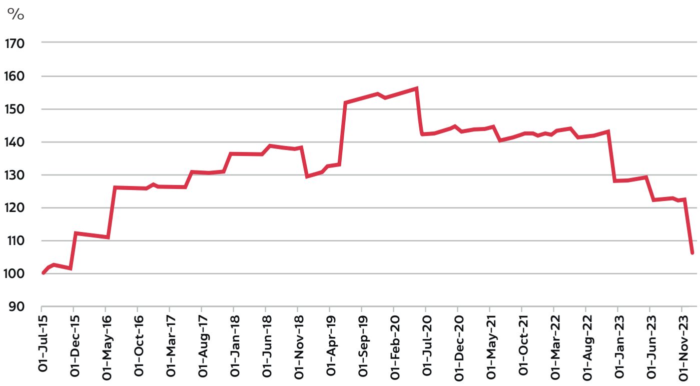
A total of €1.85bn of real estate assets traded in 2023 in Ireland, the lowest level since 2013. We expect to see an uptick in investment volumes this year but are unlikely to exceed the 10-year average of €4.3bn. Outward pressure on property yields continued in 2023, with prime office yields currently standing at 5%, out from 4% at the peak of the market.

Market Overview continued

FUND SNAPSHOT AS AT 31ST DECEMBER 2023:

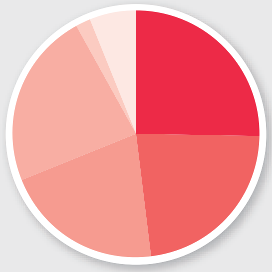
Gross Asset Value	€43.12 million
Gearing (direct & indirect)	60.2%
No. of properties	5
No. of leases	40
Rental yield	6.11%
Commencement date	June 2015

Fund Performance *(Fund Performance to 31st December 2023)*



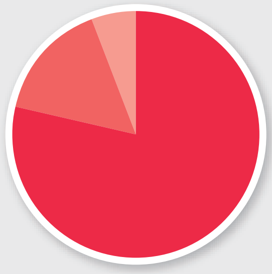
Fund exposure - Projects

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)*	2023	2022	2021	2020	2019	2018	2017	2016	H2 2015
BCP PVAF (C class units)	**6.29%**	**-16.85%**	**-9.84%**	**-0.93%**	**-6.80%**	**18.79%**	**-5.03%**	**7.44%**	**12.98%**	**12.12%**
Aviva Commercial Property Fund	30.85%	-2.93%	-0.64%	5.40%	-12.04%	7.89%	5.93%	5.51%	11.18%	9.18%
Aviva Irish Property Fund Series B	13.89%	-3.24%	-0.48%	1.70%	-18.07%	3.97%	4.22%	10.04%	7.69%	8.90%
Irish Life Property Portfolio F	16.76%	-3.61%	-4.13%	10.75%	-9.41%	0.56%	3.98%	6.48%	7.67%	7.67%
New Ireland Property S6	7.65%	-6.65%	-4.23%	0.71%	-11.43%	4.45%	5.58%	8.23%	8.56%	8.56%

• to 31st Decemberr 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.

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.

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Portfolio Summary

Challenging market conditions have resulted in a reduction in gross valuations across the portfolio which has fed into the unit price performance. Overall, the unit price of PVAF fell by 13.3% in Q4 2023. This was driven by a combination of weak year-end valuations and the geared nature of the fund.

Throughout 2023, central Dublin offices saw a total return of -17.9% while capital values were back 12.0% on Grafton Street in the same period. If we see a drop in the main financing rate by the ECB this year, we can reasonably expect valuations to stabilise.

PVAF collected 99.6% of the rent due for the year 2023. The vacancy rate across the portfolio stood at 30% at the end of December. The current vacancy in the portfolio continues to be driven by Fumbally Square and the vacancy in St Andrews House to accommodate the future redevelopment.

At 60 Dawson Street, legals are nearly complete for a tenant to take the first-floor offices, and a lease has completed for Arket at the large corner unit on the ground floor and basement.

The fund currently remains closed for redemptions.

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Project Updates

Fund exposure	25.3%
Floor area	83,800 sq ft
Occupancy	58%
No. of leases	23
Rental yield	5.12%
Offices	95.4%
Retail	0.0%
Residential	4.6%

Fumbally, Dublin 8:

Discussions with a serviced office provider have continued, and inspections are ongoing with their commercial and technical teams. We aim to agree terms with the tenant by the end of Q1 2024. A new leasing agent has been on-boarded into the scheme and viewings are being hosted with other parties for the vacant space in Fumbally Square and Fumbally Court. Continued vacancy in the scheme and thin tenant demand for offices in fringe locations have resulted in a drop in Fumbally's valuation which is in line with other assets of similar quality in similar locations in Dublin.

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Project Updates *(continued)*

Fund exposure	22.8%
Floor area	190,000 sq ft
Occupancy	71%
No. of leases	4
Rental yield	n/a%
Offices	76.0%
Retail	24.0%
Residential	0.0%

60 Dawson Street, Dublin 2:

Leases have been signed across Level 2 through Level 6 with Service Now and Pinterest totalling c.116k sq ft of office space. Service Now is expected to complete its fit-out in early March and Pinterest in mid-April. A lease is expected to be completed for the remaining first-floor office in the coming weeks.

Sandbox, a virtual reality entertainment business, has executed a lease for 11,033 sq ft on the ground (entrance only) and basement (majority of space).

Pitch, an indoor golfing experience has executed a lease for 8,500 sq ft on the ground (entrance only) and basement (majority of space).

Arket: A lease has been completed for a flagship corner unit of 5,000 sq ft at the ground and 5,000 sq ft at the basement.

The valuation of 60 Dawson Street has decreased slightly due to a revised rental outlook for the vacant retail units in the property. There are currently four vacant units remaining which are being actively marketed by the BCP team and the retail agents.

Fund exposure	23.2%
Floor area	39,524 sq ft
Occupancy	100%
No. of leases	1
Rental yield	8.41%
Offices	100.0%
Retail	0.0%
Residential	0.0%

Block R, Eastpoint Business Park, Dublin 3:

Google has signed an agreement to extend their lease by another 10 years. Block R's valuation decreased slightly due to more negative market sentiment, impacting investment values. However, this drop is less severe than other office assets in Dublin and Eastpoint Business Park, where high vacancy is prevalent.

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Project Updates *(continued)*

(File Photo)

Fund exposure	20.9%
Floor area	15,762 sq ft
Occupancy	56%
No. of leases	10
Rental yield	5.62%
Offices	44.0%
Retail	37.0%
Residential	19.0%

St. Andrews House, Dublin 2

Leases are now complete for 4 and 5 South William Street and 32/24 Exchequer Street.

4 South William Street:

Casa Craft, a fashion retailer, signed a 10-year lease.

5 South William Street:

Little Pyg, a pizza restaurant, has signed a 15-year lease. They are currently fitting out their unit.

32 & 34 Exchequer Street:

American Vintage signed a 10-year lease for both 32 and 34 Exchequer Street and are now open and trading.

The vacant offices are being actively marketed and viewings are being held with potential tenants.

The valuation of St Andrews House increased slightly due to the new lettings that were completed in the scheme. This is positive in a market where downward revisions in valuation are most common.

Fund exposure	1.7%
Floor area	11,469 sq ft
Occupancy	100%
No. of leases	5
Rental yield	5.28%
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. The valuation of Morrison Chambers fell slightly due to a fall in investment market sentiment.

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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.
- Borrowing facilities may expire and it might not be possible to refinance these facilities, which could lead to the forced sale of a property and 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