

BCP

BCP PROPERTY VALUE ADD FUND

Invest with confidence



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 2024

Market Summary

The MSCI Ireland Quarterly Property Index recorded its negative capital growth of -1.5% in Q2 2024, the eight consecutive quarter of negative capital growth for the Irish market. It is five years since the market recorded a quarter of positive capital growth.

Total Irish investment in Q2 2024 was €90m across 6 deals, accounting for 18% of all investment in Ireland. 10-year average investment volumes are c. €1.5bn, according to CBRE. 40 Molesworth Street was the first prime investment transaction since 2022, and sold for €37.5m.

Prime Dublin office yields were unchanged in Q2 at 5% but are trending weaker, while secondary Dublin city centre and suburban office yields are currently at 7.5% and 9% respectively, and are expected to trend weaker.

Valuations of secondary and suburban offices are under continued significant downward pressure. Property owners subject to higher leverage are increasingly exposed to loan defaults on their buildings. Several notable Dublin offices are currently being sold on behalf of receivers, reflecting this trend, with most of these situated in more 'fringe' areas of the city. The result of these processes will help set the tone for secondary office pricing in the city going forward.

While activity in the capital market remains sluggish, the second quarter of 2024 saw a rebound of activity in the Dublin office occupational market with a total of approximately 78,100 sqm of space taken up across 47 deals, according to Cushman and Wakefield. The HSE's acquisition of the Seamark building in Elm Park was the largest deal in the second quarter. However, other significant deals included Stripe's deal to sign for approximately 14,500 sqm in Wilton Park, and BNY Mellon's agreement to take around 7,300 sqm at the Shipping office on Sir John Rogerson's Quay.

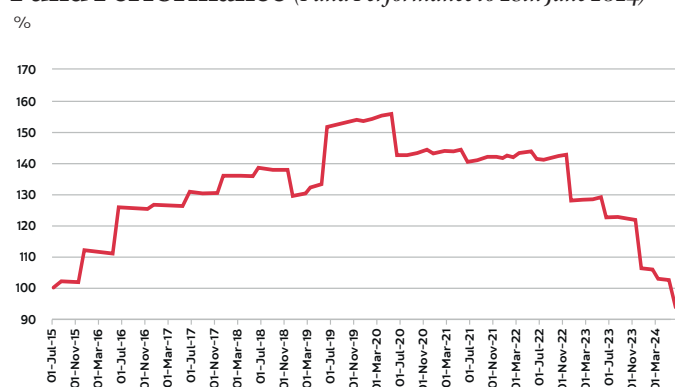
Dublin's office availability increased again in the second quarter as 2024's completion pipeline gradually delivered more space into the market. Overall available space in the Dublin market increased to approximately 697,000 sqm in Q2, which is 16% of the total market, according to Cushman and Wakefield.

Market Overview

FUND SNAPSHOT AS AT 28TH JUNE 2024:

Gross Asset Value	€39.65 million
Gearing (direct & indirect)	63.82%
No. of properties	5
No. of leases	41
Rental yield	6.6%
Commencement date	June 2015

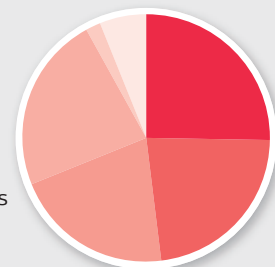
Fund Performance (Fund Performance to 28th June 2024)



Fund exposure -

Projects

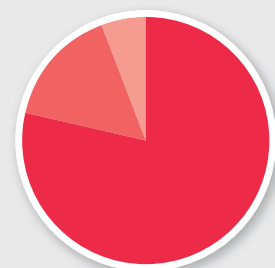
25.3%	Fumbally
22.8%	Grafton Place
20.9%	St Andrews House
23.2%	Eastpoint
1.7%	Morrison Chambers
6.1%	Cash/Other



Fund exposure -

Sectors

77.6%	Office
15.5%	Retail
5.5%	Residential



Comparative Performance

	From launch of PVAF (June 2015)*	2024	2023	2022	2021	2020	2019	2018	2017	2016	H2 2015
BCP PVAF (C class units)		-6.58%	-12.10%	-16.85%	-9.84%	-0.93%	-6.80%	18.79%	-5.03%	7.44%	12.12%
Aviva Commercial Property Fund	29.94%	-0.69%	-2.93%	-0.64%	5.40%	-12.04%	7.89%	5.93%	5.51%	11.18%	9.18%
Aviva Irish Property Fund Series B	13.01%	-0.77%	-3.24%	-0.48%	1.70%	-18.07%	3.97%	4.22%	10.04%	7.69%	8.90%
Irish Life Property Portfolio F	13.92%	-3.14%	-3.61%	-4.13%	10.75%	-9.41%	0.56%	3.98%	6.48%	7.67%	7.67%
New Ireland Property S6	7.45%	-0.12%	-6.65%	-4.23%	0.71%	-11.43%	4.45%	5.58%	8.23%	8.56%	8.56%

* to 28th June 2024

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

50% of the PVAF portfolio is weighted towards secondary offices in fringe city centre locations. This has amplified the negative value impact on the portfolio due to declining office values in Ireland and globally. As a geared fund these reductions in capital values are exaggerated and the unit price (Share Class C) has declined by 9.1% in the second quarter and -12.1% year to date.

PVAF collected 100% of the rent due for the quarter Q2 2024. The vacancy rate across the portfolio stood at 30% at the end of June. 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, Renaissance RE is expected to begin its fit-out soon on the first floor. The retail leasing strategy continues, with good interest from global retail operators in the remaining four vacant units.

The fund currently remains closed for redemptions.

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Project Updates



Fund exposure	25.3%
Floor area	83,800 sq ft
Occupancy	57%
No. of leases	22
Rental yield	5.62%
Offices	95.4%
Retail	0.0%
Residential	4.6%

Fumbally, Dublin 8:

Fumbally has been launched for sale through selling agents CBRE and this process is ongoing. Asset management of the existing tenancies continues during the sale process, however, there is thin demand for offices in Dublin 8, which has caused challenges from a leasing perspective for this asset.

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Project Updates *(continued)*



Fund exposure	22.8%
Floor area	190,000 sq ft
Occupancy	92.5%
No. of leases	6
Rental yield	n/a
Offices	76.0%
Retail	24.0%
Residential	0.0%

60 Dawson Street, Dublin 2:

The valuation of 60 Dawson Street has fallen due to a combination of high interest rates, the size of the property and declining investor demand for the sector, globally.

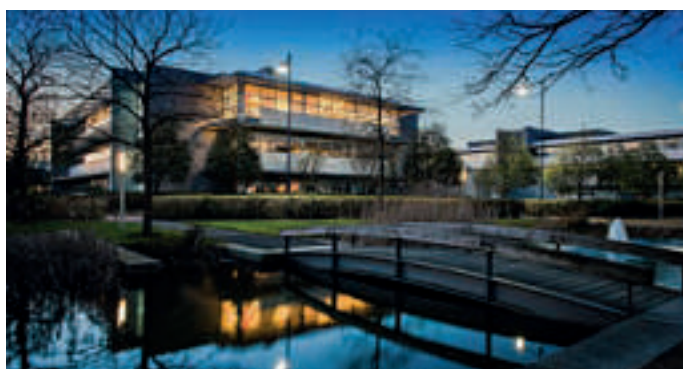
ServiceNow and Pinterest are now in occupation, while Renaissance RE expects to begin their fit-out of the first floor in the coming months. These leases had initial 'rent free' periods which are coming to an end in September 2024 and April 2025. The office leasing programme for the building is complete.

Sandbox 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*). They have started their fit out and expect to open in the coming months.

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

Terms have been agreed with a European homeware store for a large unit, with legals expected to complete in the coming months. 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	9.03%
Offices	100.0%
Retail	0.0%
Residential	0.0%

Block R, Eastpoint Business Park, Dublin 3:

Google's lease runs for 10 years with break options every two years. The structure of the deal is contributing to a drag on the valuation in today's market.

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Project Updates *(continued)*



St. Andrews House, Dublin 2

4 & 5 South William Street was marketed for sale through agents CBRE. Multiple offers were received which are now being considered by the BCP team. There has been no progress on the upper levels of St Andrew's House through Q2.

Fund exposure	20.9%
Floor area	15,762 sq ft
Occupancy	56%
No. of leases	9
Rental yield	6.02%
Offices	44.0%
Retail	37.0%
Residential	19.0%



Morrison Chambers, Dublin 2:

The retail units at Morrison Chambers are fully occupied and continue to perform well. Yields achieved in the market for city centre retail property are currently trending at 5.50% on Grafton Street reflecting a significant adjustment through this cycle.

Fund exposure	1.7%
Floor area	11,469 sq ft
Occupancy	100%
No. of leases	5
Rental yield	5.48%
Offices	0.0%
Retail	100.0%
Residential	0.0%

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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 promote 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.**