

São Paulo, November 11, 2019 – The Real Estate Investment Fund – FII BTG Pactual Corporate Office Fund (“BC Fund”) (B3: BRCCR11), the largest corporate office real estate investment fund listed on the Brazilian stock exchange, announces today its results for the third quarter of 2019 (3Q19).

3Q19 Highlights

- Leasing revenue totaled **R\$35.8 million** in the quarter.
- In 3Q19, FFO and adjusted FFO totaled **R\$24.4 million** (R\$1.27/share).
- Net income was **R\$29.5 million** (R\$1.54/share) in the quarter.
- Shareholders’ equity was **R\$2.1 billion** (R\$109.98/share) at the end of 3Q19.
- Total earnings paid out in 3Q19 was **R\$1.20/share** (R\$23.1 million), in accordance with the policy of monthly distribution of profits calculated on a cash basis.
- In the last 12 and 24 months (base of September/2019), shareholders’ profitability, considering distributed earnings and share value, was **+9.9%** and **+17.1%**, respectively.
- At the end of the quarter, the portfolio’s Gross Leasable Area (GLA) corresponded to **176,916 m²**, flat from 2Q19.
- Financial vacancy stood at **10.9%** at the end of the third quarter of 2019.
- In 3Q19, **2.8%** of the contract portfolio was reviewed or registered new leases, which led to a nominal reduction of **18.3%** in leasing revenues and a **18.9%** drop considering inflation (leasing spread). Third-quarter same-tenant contracted revenue had a nominal increase of **0.6%** compared to 2Q19.

Conference Call (Portuguese)	Conference Call (English)	Investor Relations
November 12, 2019	November 12, 2019	email: contato@bcfund.com.br
10:00 a.m. (BR)/ 8:00 a.m. (ET)	11:30 a.m. (BR)/ 9:30 a.m. (ET)	Phone: +55 11 3383 2000
Phone: +55 11 3127 4971	Phone: +1 929 378 3440	
Presentation and further information available at www.bcfund.com.br		

Recent events – 3Q19

Eldorado

New lease agreements

In July, the Fund signed 2 lease agreements in the Eldorado building. Together, these agreements represent 2,506 m² and correspond to two and a half floors. The agreements were signed with the current tenants and the terms of the new agreements were extended until 2023. One of these agreements is currently under implementation, as the leased floors were recently vacated by the former tenant and are being adapted for the entry of the new tenant. After said entry, the Eldorado building will be 100% occupied.

Tax refund

On July 23, the Fund received R\$128,133.31 related to the refund of income tax payable on the profit made from the sale of real estate investment fund shares resulting from two administrative proceedings filed in 2012 and 2018 and adjusted by the Selic rate. We also inform that, considering that the decision declaring that said refund can still be subject to revision by the tax authorities, the amount received will be retained in the Fund and allocated to assets with greater liquidity until the final decision of the Federal Revenue Office.

Annual and Extraordinary Shareholders' Meeting

On September 10, the Fund held the Extraordinary Shareholders' Meeting to resolve on the 6th issue of the Fund's shares, pursuant to CVM Instruction 476, based on the preemptive right of the current shareholders. Given that a significant number of shareholders requested the revision of Management's Proposal, the Company, in order to protect shareholders' interests, decided to cancel the agenda and call a new Extraordinary Shareholders' Meeting, which was held on October 1.

By a majority vote, the new Meeting approved the issue of the new offering, with an initial amount of just over R\$300 million, which may be increased by up to 50%. The proceeds of the offering will be preferably be used to pay the installment of the Senado building and the acquisition of certain floors of the Torre Sucupira building, following compliance with some conditions precedent.

Management Compensation

In September, the Fund made available to the market a Material Fact stating that BTG Pactual Gestora de Recursos LTDA, as manager of BC Fund, voluntarily announced that its management fee would be reduced for a further three years, from 1.50% p.a. to 1.10% p.a. over the Fund's market value, savings of 27%. The Manager understands that the voluntary reduction of the management fee at the moment is in line with its various initiatives aimed at the interest of the Fund's shareholders, given the Brazilian macroeconomic scenario.

Events after the reporting period

6th Share Issue

Preemptive right, unsubscribed shares and additional amount

During the term for the exercise of the Preemptive Right, ended on October 25, eight hundred and twenty thousand, nine hundred and eighty-six (820,986) new shares were subscribed and paid-in. In turn, during the Period for Subscription Right of Unsubscribed Shares and Additional Amount, from October 30, 2019 to November 5, 2019, one million, six hundred and twenty thousand, eight hundred and ninety-nine (1,620,899) new shares were subscribed and paid-in. The nine hundred and twelve thousand, six hundred and ninety-five (912,895) shares will be exclusively allocated to professional investors under the Restricted Offering. It is worth noting that, as provided for in the Minutes of the General Meeting, the initial Offering amount may be increased by up to fifty percent (50%), at the sole discretion of the Fund's Manager.

Cenesp

Termination of half-floor lease agreement

At the beginning of October we received a notice from a tenant requesting the early termination of the lease agreement of half a floor, or 1,422 m², of the Cenesp building. Should the termination occur, the Fund will be entitled to receive an early termination fine. We also emphasize that our team is still negotiating with said tenant and is still engaged in commercializing the area.

Sucupira Tower

In November, the Fund entered into a Preliminary Private Instrument of Purchase and Sale of autonomous units of Sucupira Tower. The operation will be carried out in the amount of R\$122,085,000.00, with a cap rate involved in the Operation of 7.41%. After the fulfillment of the foregoing conditions, scheduled to occur by November 29, the Fund will be able to provide further information to the market with the closing of the transaction.

Comments on the financial information

The preparation of the interim financial information is not required by the accounting practices adopted in Brazil applicable to real estate investment funds. In line with the practices of the companies listed on B3 and considering BC Fund's current shareholder base, the financial statements for the third quarter of 2019 were submitted to a limited audit review by PricewaterhouseCoopers, pursuant to Brazilian and international standards for the review of interim financial information.

<i>Financial Highlights (million R\$, unless otherwise indicated)</i>	3Q18	3Q19	Var.	9M18	9M19	Var.
Lease Revenue	39.7	35.8	(9.8%)	122.7	86.4	(29.6%)
Net Income	19.9	29.5	48.5%	73.4	(2.2)	n.a.
<i>Net Income per share (R\$ / share)</i>	1.03	1.54	48.5%	3.82	(0.11)	n.a.
Net Income (ex-fair value adj.)	19.9	29.5	48.5%	63.2	(35.4)	n.a.
<i>Net Income (ex-fair value adj.) / share (R\$ / share)</i>	1.03	1.54	48.5%	3.29	(1.84)	n.a.
FFO	21.0	24.4	16.4%	60.9	70.6	16.0%
<i>FFO / share (R\$ / share)</i>	1.09	1.27	16.4%	3.17	3.67	16.0%
Adjusted FFO	21.0	24.4	16.4%	60.9	70.6	16.0%
<i>Adj. FFO / share (R\$ / share)</i>	1.09	1.27	16.4%	3.17	3.67	16.0%
Total Distribution	21.1	23.1	9.3%	63.8	285.1	347.0%
<i>Total Distribution / share (R\$ / share)</i>	1.10	1.20	9.3%	3.32	14.83	347.0%
Shareholders Equity	2,407.9	2,114.2	(12.2%)	2,407.9	2,114.2	(12.2%)
<i>Shareholders Equity / share (R\$ / share)</i>	125.25	109.98	(12.2%)	125.25	109.98	(12.2%)
Gross Debt	434.2	120.0	(72.4%)	434.2	120.0	(72.4%)
Net Debt	92.1	(219.0)	n.a.	92.1	(219.0)	n.a.
Operational Highlights	3Q18	3Q19	Var.	9M18	9M19	Var.
Portfolio GLA (m2)	229,426	176,916	(22.9%)	229,426	176,916	(22.9%)
Contracted leasing revenue (R\$ million)	14.3	12.2	(15.3%)	13.8	14.3	3.7%
Financial Vacancy (EoP)	29.3%	10.9%	(18.4 p.p.)	29.3%	10.9%	(18.4 p.p.)
Delinquency	3.7%	2.4%	(0.3 p.p.)	3.7%	2.4%	(0.3 p.p.)
Same-Area Rent (SAR)	(0.3%)	0.6%	n.a.	(0.3%)	0.6%	n.a.
Leasing Spread	(16.5%)	(18.9%)	(2.3 p.p.)	(18.8%)	(27.8%)	0.5 p.p.
<i>% of portfolio (in terms of lease revenue)</i>	1.9%	2.8%	0.9 p.p.	21.0%	22.2%	0.1 p.p.
Stock Market Highlights	3Q18	3Q19	Var.	9M18	9M19	Var.
Total Number of Shares	19,224,537	19,224,537	0.0%	19,224,537	19,224,537	0.0%
Market Cap	1,864.4	1,745.6	(6.4%)	1,864.4	1,745.6	(6.4%)
<i>Share Price - End of period (R\$ / share)</i>	96.98	90.80	(6.4%)	96.98	90.80	(6.4%)
<i>Share Price - Average for the period (R\$ / share)</i>	93.37	94.19	0.9%	98.56	95.61	(3.0%)
Average Daily Trading Volume (R\$ million)	3.03	3.92	29.2%	3.01	3.35	11.3%
Number of Shareholders	36,987	72,700	96.6%	36,987	72,700	96.6%
<i>Total Individual Investors</i>	36,800	72,432	96.8%	36,800	72,432	96.8%
<i>Total Institutional Investors</i>	187	268	43.3%	187	268	43.3%
<i>% of shares held by Individual Investors</i>	80.7%	76.9%	(3.8 p.p.)	80.7%	76.9%	(3.8 p.p.)
<i>% of shares held by Institutional Investors</i>	19.3%	23.1%	3.8 p.p.	19.3%	23.1%	3.8 p.p.

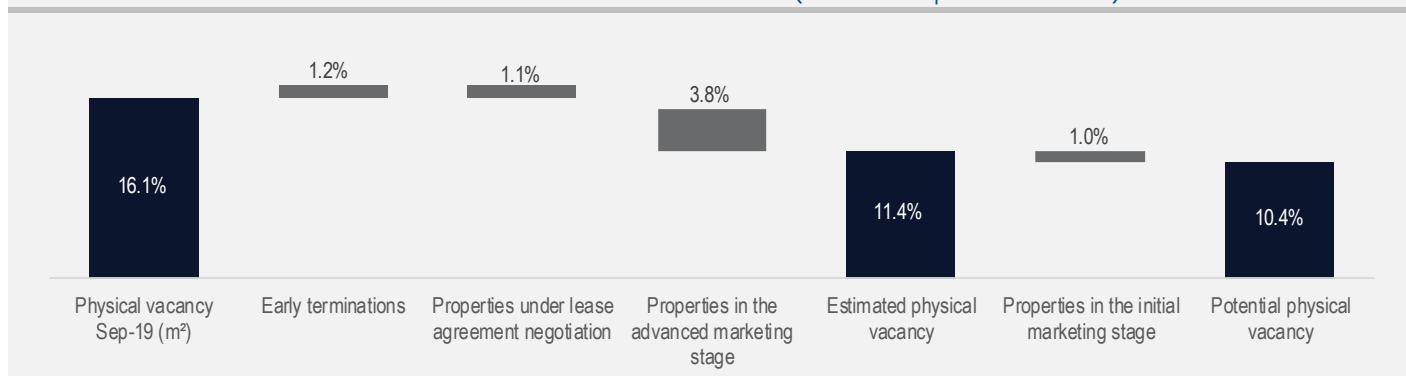
Management Comments

In line with our active portfolio recycling management, we have been analyzing a significantly robust pipeline of acquisition opportunities over the past few months. Based on the number of assets analyzed, we understand that the acquisition of the Torre Sucupira building, which is part of the Parque da Cidade complex, will be important for the Fund's portfolio, since it is located in a region that has been developing every day, thus becoming a new business reference center, where the Fund has no exposure. In addition, the floors of interest are leased by a renowned company with potential leasing growth, which will help to increase the earnings distributed to shareholders. Accordingly, we understand that we have a good opportunity and a good destination for the funds to be raised in the new share issue. It is also worth noting that the economic scenario still expects further cuts in the benchmark interest rate, which will continue to leverage prices.

Regarding leases, we emphasize the good momentum of the Fund. According to real estate research companies, the São Paulo market closed the quarter with its best vacancy indicator, at 16.8%, and is the first Brazilian market to recover from the crisis experienced in recent years. In turn, the Fund closed September with lower vacancy, with 26% of its GLA portfolio in Rio de Janeiro, which is still suffering from insufficient demand, compared to the São Paulo market, which presents a clear improvement. It is worth noting that we are revising agreements to increase leasing revenue from 15% to 20% in the most consolidated areas of the portfolio.

The Fund ended the third quarter of 2019 with a physical vacancy of 16.1%, slightly higher than at the end of 2Q19, in view of the transition period of the entry of the new tenant at the Eldorado building. With this new lease, which began in October, our share in the building is 100% occupied, strengthening the price increase in the asset's renewals and compulsory renewals, which may translate into higher revenue for the Fund in the short period. We also highlight that a tenant is expected to exit the BFC building, as previously disclosed, and half a floor at Cenesp is also expected to be vacated. In any case, we still understand that with our mapping framework of potential tenants, we have a good chance of positioning the Fund at increasingly lower vacancy levels. In addition to said lease terminations, in September we had 1.1% of the Fund's properties in the process of exchanging advanced lease agreement drafts ("Properties at the negotiation stage of commercialization"), and 3.8% of the assets in advanced commercialization stages, that is, still not ready to exchange lease agreement drafts, but already defining the commercial conditions for a potential lease ("Properties at an advanced stage of commercialization"). In this sense, considering properties at the negotiation stage of commercialization and at the advanced stage of commercialization, the Fund's vacancy rate would drop to 11.4% ("Estimated physical vacancy"). It should also be mentioned that 1.0% of the Fund's properties are in the initial stage of commercialization ("Properties in the initial stage of commercialization"). If these Properties in the initial stage of commercialization are also effectively leased, the Fund's vacancy rate would drop to 10.4% ("Potential physical vacancy"). This scenario is presented below.

Commercialization of vacant area (m² of the portfolio in %)



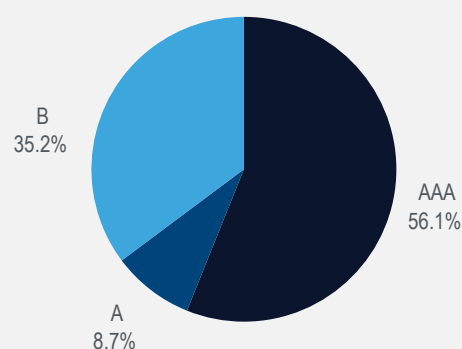
Operational performance

Breakdown of the asset portfolio

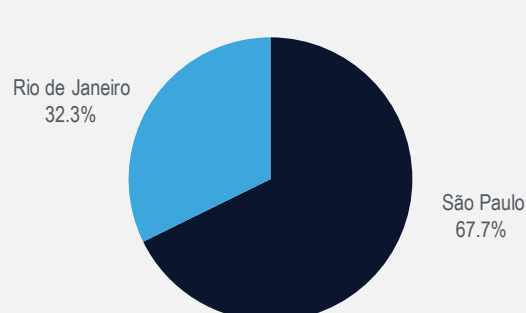
At the end of the quarter, the portfolio's GLA corresponded to 176,916 m², flat compared to 2Q19 and to previous quarters.

Asset portfolio (based on contracted leasing revenue in Sep/2019)

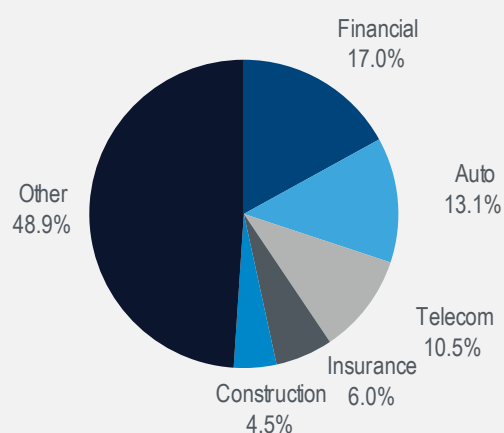
By asset type



By location



By tenants' sector of activity



By tenant concentration

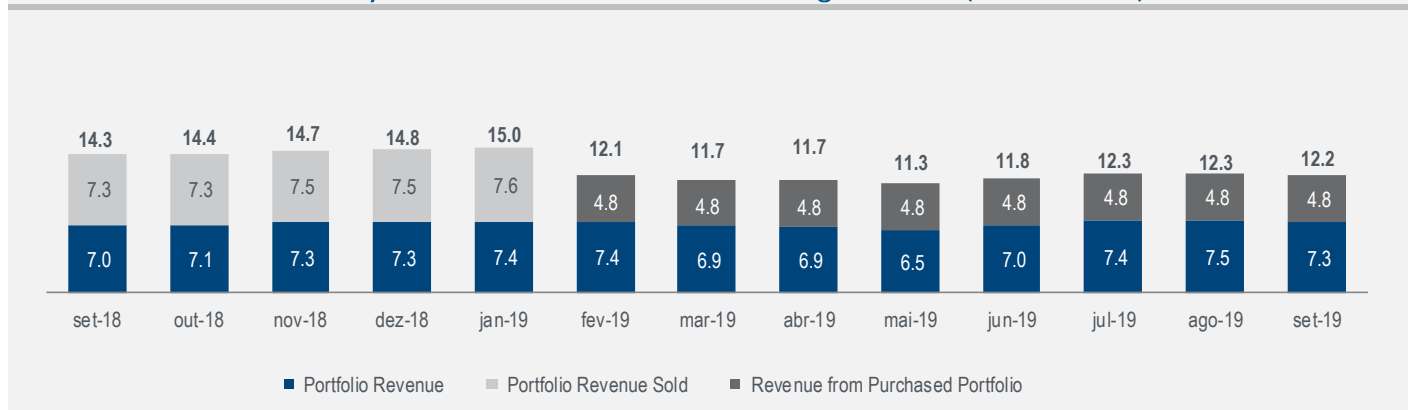
- In September 2019, the Fund's main tenant accounted for approximately 21.0% of contracted leasing revenue, which is an atypical lease agreement.
- A relevant portion of GLA concentration in Rio de Janeiro is due to the exposure of an atypical lease agreement.
- In September 2019, the Fund had 58 lease agreements.

Contracted Leasing Revenue

The monthly contracted leasing revenue totaled R\$12.2 million in September 2019, down 15.3% from September 2018, mainly due to the reduction in the Fund's GLA.

Contracted leasing revenue is a non-accounting indicator corresponding to the total value of the lease agreements in effect in the reference month, excluding discounts, grace periods, fines and other adjustments impacting the book value of the leasing revenue.

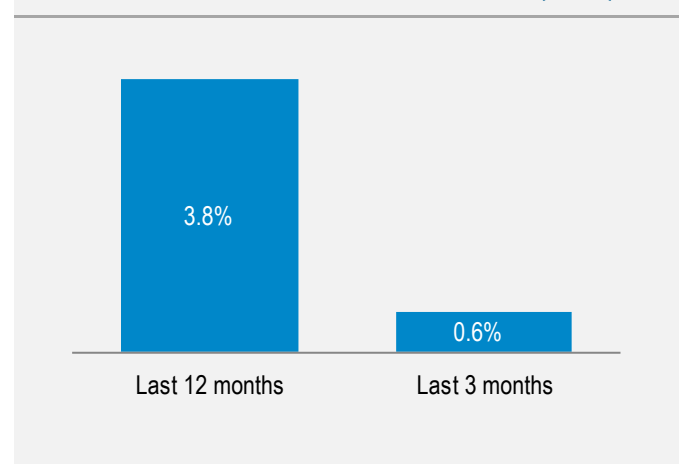
Monthly evolution of contracted leasing revenue (in R\$ million)



Same-tenant contracted revenue registered a nominal increase of 3.8% YoY in 3Q19. Compared to 2Q19, same-tenant contracted revenue increased by 0.6%.

Same-Tenant Rent (STR) is a non-accounting indicator corresponding to the total amount of lease agreements in effect in the reference month in a given area that was already leased by the same tenant at the end of the same period the year before or at the end of the previous quarter, excluding discounts, grace periods, fines and other adjustments impacting the book value of the leasing revenue.

Variation of Same-Tenant Rent (STR)



Renewals and Reviews

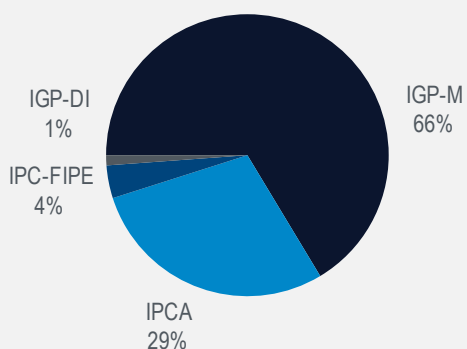
The equivalent of 2.8% of contracted leasing revenues was renewed, reviewed or came from new leases in 3Q19, resulting in a nominal reduction of 18.3%. Considering the effect of inflation, leasing spread was -18.9%.

Leasing spread was mainly impacted by a new lease at the Eldorado building that replaced a lease priced high above the market average.

Only 2.0% of the Fund's agreements mature by the end of 2019 and 5.7% by the end of 2020.

Portfolio breakdown in September/2019

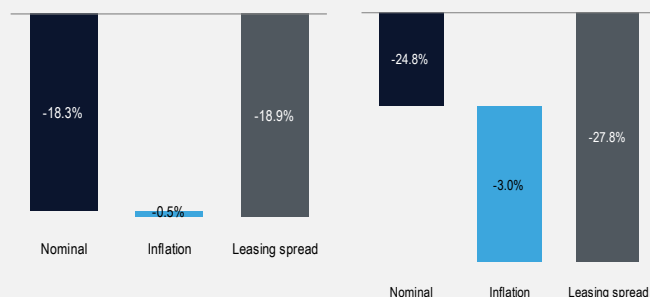
(by inflation index)



Leasing spread 3Q19 | 9M19

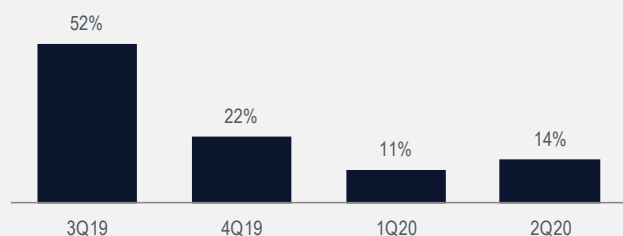
(2.8% of revenue)

(22.2% of revenue)



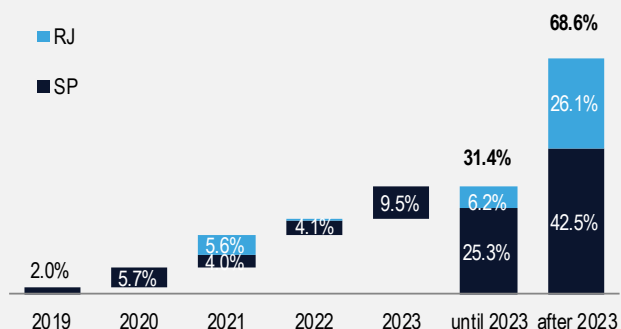
Inflationary adjustment schedule

(% of contracted revenue)

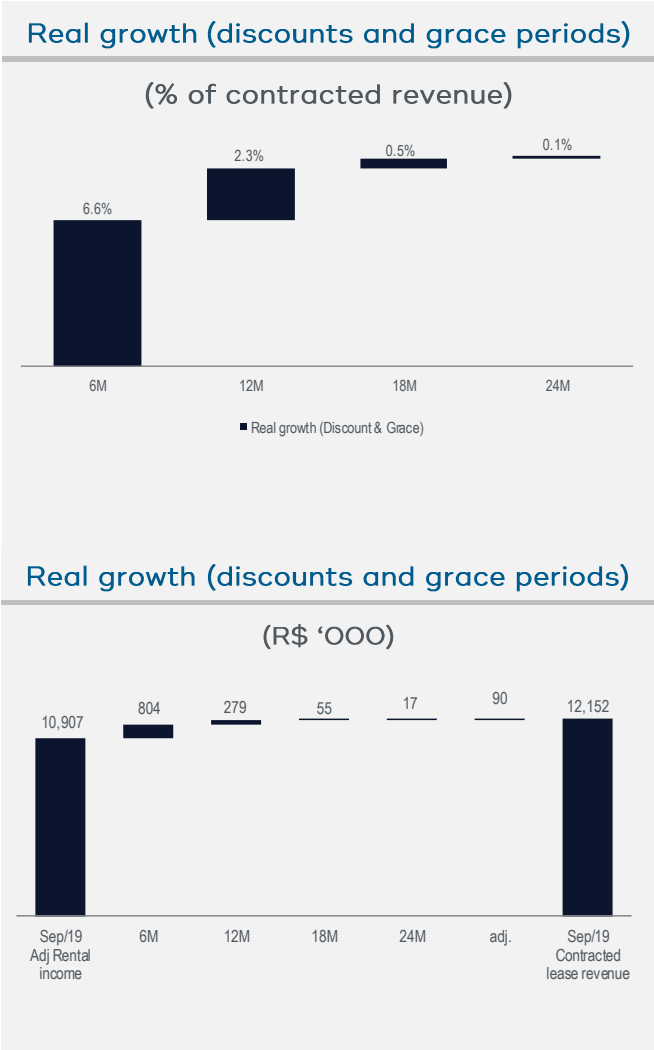
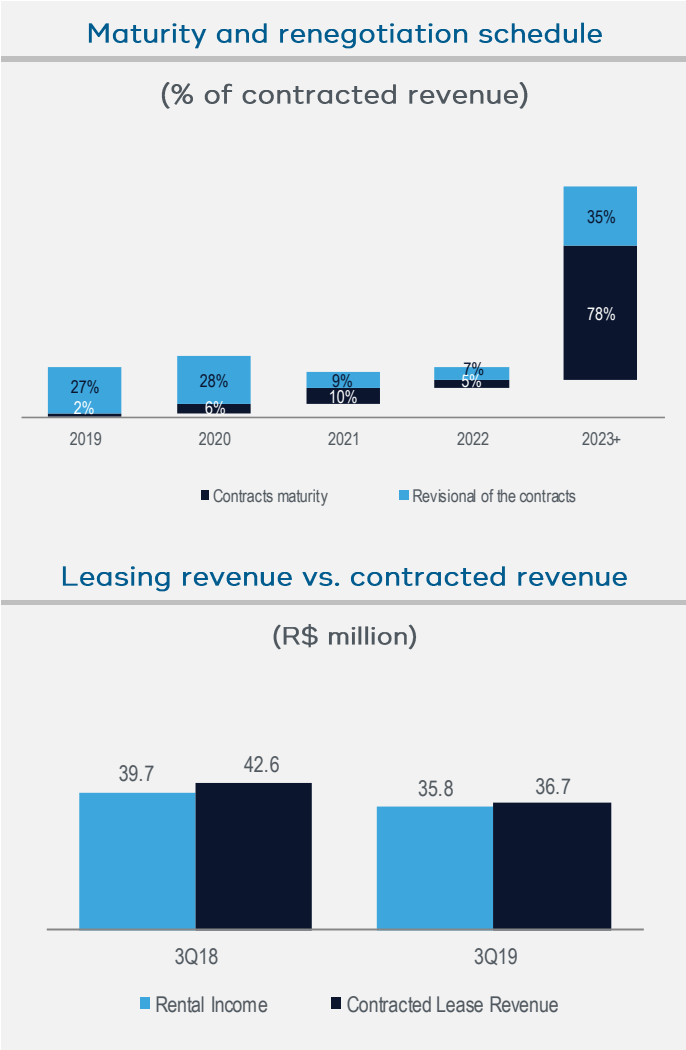


Contract maturity schedule

(% of contracted revenue)



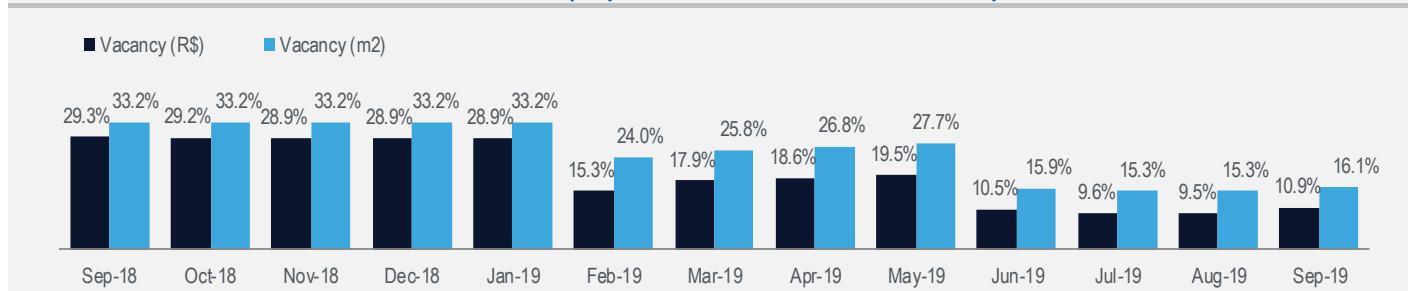
As a result of the new leases and in line with market practices, discounts or grace periods were granted to new tenants. The Fund should be impacted in the coming quarters by the conversion of contracted revenue into leasing revenue from newly closed agreements and it is estimated that, in the next 6 months, 6.6% of the current contracted revenue will be converted into leasing revenue due to the expiration of such discounts and grace periods.



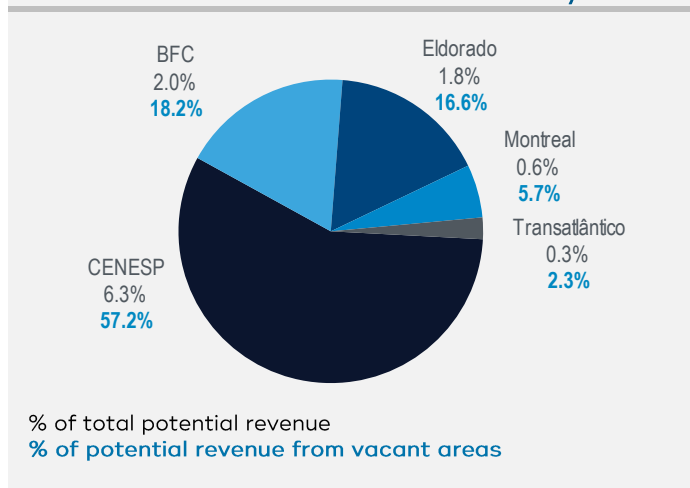
Vacancy

Financial vacancy was 10.9% at the end of 3Q19, slightly higher than in 2Q19, due to the transition of tenants at the Eldorado building. At the end of the quarter, the vacant areas corresponded to 21,874 m² at Cenesp, 2,443 m² at BFC, 1,938 m² at Eldorado, 1,753 m² at Montreal and 525 m² at Transatlântico.

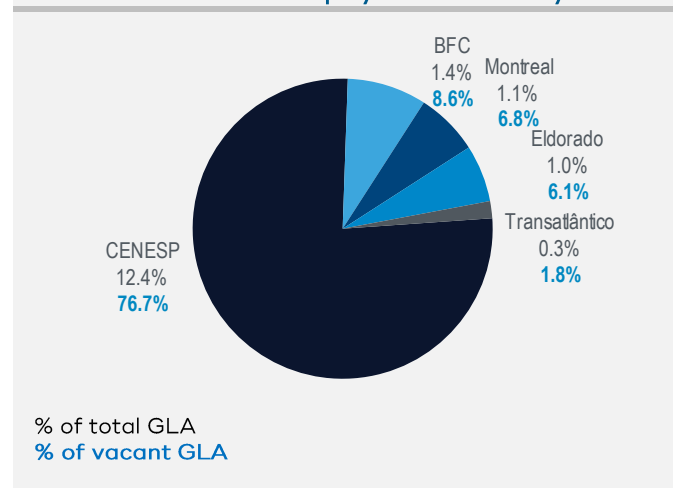
Portfolio's physical and financial vacancy



Breakdown of financial vacancy



Breakdown of physical vacancy



Delinquency

Given the high quality of our portfolio and tenants, the delinquency rate has always been historically low. However, at the end of 3Q19, provisions for doubtful accounts remained at R\$5.5 million, the greater part of which refers to a tenant who disagrees with the amounts involved in the contract renewal and a difference in rent corresponds to the default amount, not incurring credit risk. We reiterate that the Fund has been taking the necessary measures to recover this amount through legal proceedings, and the proceeding is at the stage for the manifestation of the parties regarding the expert report.

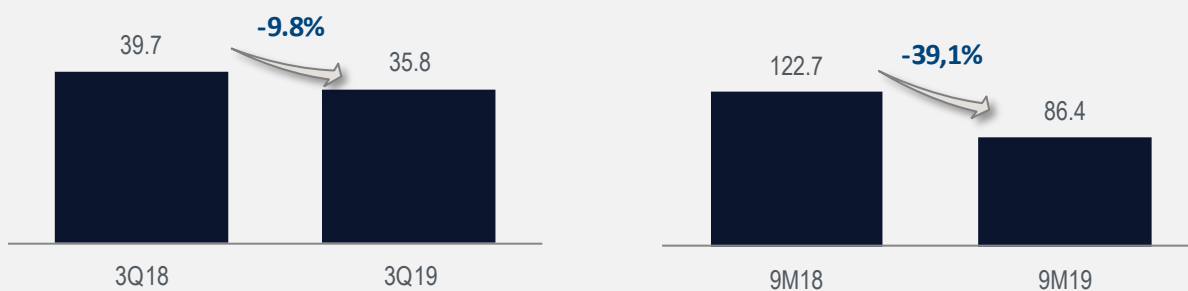
Financial Performance

Revenue

Revenue from investment properties, which includes leasing revenues, in addition to fines and interest received in the period, totaled R\$35.7 million in 3Q19 and R\$1,469.2 million in 9M19. The main events that impacted revenue were:

- The decrease in leasing revenue, as a result of the reduction in the portfolio GLA after the acquisition and sale of assets;
- The semiannual reappraisal of the portfolio's assets, which generated a positive effect in 9M18 (R\$33.2 million);
- The divestment in some assets resulting from Brookfield's transaction, which generated a revenue increase of R\$1,349.0 million.

Leasing revenue (R\$ million) ⁽¹⁾



(in R\$ '000)	3Q18	3Q19	Var.	9M18	9M19	Var.
Revenue from properties	37,701	35,528	(5.8%)	129,410	1,469,206	1035.3%
Rental income	39,658	35,776	(9.8%)	122,694	86,361	(29.6%)
(-) Provision - receivables	(1,456)	(867)	(40.5%)	(2,875)	651	n.a.
Fines and interest received	819	969	18.3%	1,744	1,037	(40.5%)
Discounts granted	(1,320)	(350)	(73.5%)	(2,280)	(1,116)	(51.1%)

Note:

(1) No distinction is made between gross and net revenue, since there is no taxation on leasing revenue or on capital gains on the sale and/or reappraisal of assets.

Costs and Expenses

(in R\$ '000)	3Q18	3Q19	Var.	9M18	9M19	Var.
Cost of Investment properties	-	-	n.a.	-	(1,454,734)	n.a.
Cost of sold investment properties	-	-	n.a.	-	(980,574)	n.a.
Reversal of adjustment at fair value of sold investment properties	-	-	n.a.	-	(474,160)	n.a.
Expenses over Properties	(4,957)	(2,005)	(59.6%)	(15,709)	(9,409)	(40.1%)
Comissions	(295)	(66)	(77.6%)	(1,649)	(559)	(66.1%)
Management of properties expenses	(81)	(59)	(27.2%)	(204)	(162)	(20.6%)
Condominium expenses	(4,500)	(1,511)	(66.4%)	(13,260)	(7,890)	(40.5%)
Maintenance	(81)	(369)	355.6%	(596)	(798)	33.9%
G&A	(8,849)	(6,517)	(26.4%)	(26,929)	(11,856)	(56.0%)
Consulting/Management fee	(5,367)	(5,427)	1.1%	(16,809)	(16,533)	(1.6%)
Administration fee – Fund	(1,206)	(1,442)	19.6%	(3,731)	(4,443)	19.1%
Property tax expenses	(2,034)	(662)	(67.5%)	(5,721)	(2,246)	(60.7%)
Other operating expenses	(242)	1,014	n.a.	(668)	11,366	n.a.

- Commission expenses are related to: (i) brokerage services for the renewal and/or review of lease agreements, (ii) brokerage fees for the commercialization of vacant areas and (iii) brokerage services for the purchase and sale of assets.

- Property management expenses are related to property management services and correspond to a percentage of the revenue generated by each property.

- Condominium, repair, maintenance and conservation expenses are incurred by the Fund to cover such expenses generated by the vacant areas of its portfolio.

- Management expenses refer to BTG Pactual's management services and correspond to 1.5% p.a. of the Fund's market value (currently at a discount, totaling 1.1% p.a.), in line with the trading price of its shares on B3, which is calculated and provisioned on a daily basis and paid monthly.

- The Fund's administration fee refers to BTG Pactual's management services and corresponds to 0.25% p.a. of the Fund's market value, based on the trading price of its shares on B3, which is calculated and provisioned on a daily basis and added to the amounts paid to the Fund's bookkeeping agent.

- Tax expenses refer to the municipal, state and federal taxes incurred by the Fund, most of which corresponds to the payment of IPTU (municipal property tax) on the portfolio's vacant areas.

- Other operating expenses/revenues are related to sundry expenses, such as utility bills related to the vacant areas, CVM inspection fees, custody expenses, B3, auditing, revaluation of assets, various taxes, legal advice services, notary fees and others.

Financial Result

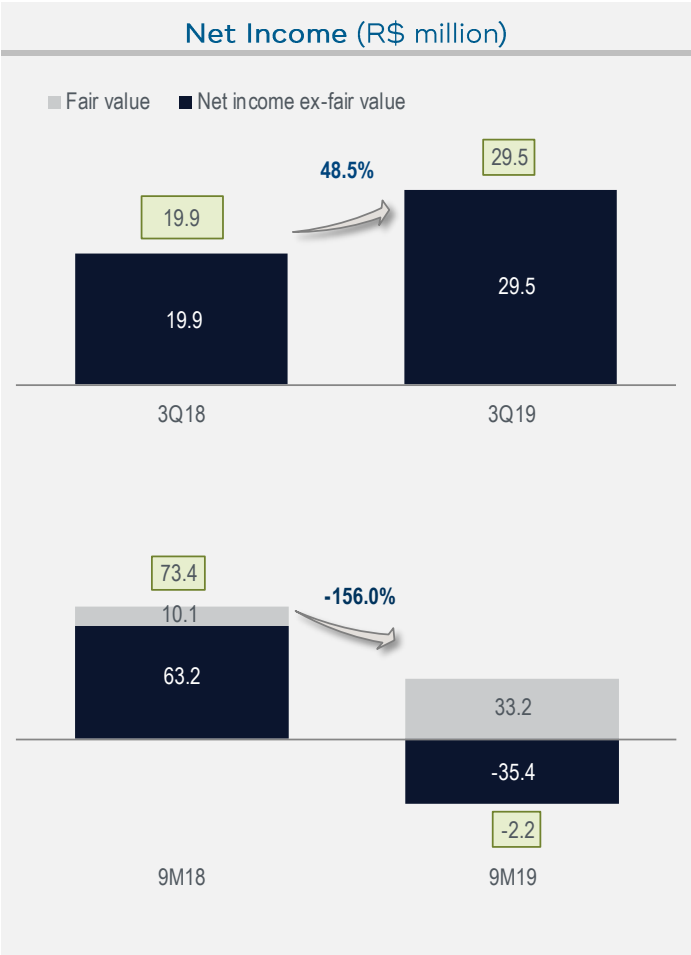
(in R\$ '000)	3Q18	3Q19	Var.	9M18	9M19	Var.
Interest and inflation indexation on liabilities	(8,907)	(3,000)	(66.3%)	(28,052)	(19,108)	(31.9%)
Interest	(8,907)	(3,000)	(66.3%)	(28,052)	(19,108)	(31.9%)
Profit from real-estate financial assets	5,087	6,238	22.6%	11,823	20,918	76.9%
Income from Mortgage Backed Securities (CRIs)	2,584	2,512	(2.8%)	7,933	7,489	(5.6%)
Income from Mortgage Notes (LCIs)	1,649	71	(95.7%)	5,147	1,118	(78.3%)
Income from FII shares	843	1,035	22.8%	2,873	3,152	9.7%
Gains on sale / MTM - CRI and other FII shares	11	2,620	23718.2%	(4,130)	9,159	n.a.
Other financial assets	360	1,318	266.1%	1,051	4,069	287.2%
Income from fixed-income fund shares	409	1,407	244.0%	1,306	4,869	272.8%
Expenses from income tax on financial investments	(49)	(89)	81.6%	(255)	(800)	213.7%
Financial income	(3,460)	4,556	n.a.	(15,178)	5,879	n.a.

Interest expenses related to funding and acquisitions totaled R\$3.0 million in 3Q19, 66.3% down from the same period in 2018, due to the pre-payment of Eldorado and BFC liabilities.

Financial revenues increased by 22.6% YoY in 3Q19, as this quarter we posted significant gains from the sale of FII shares.

Net Income

Net income totaled R\$29.5 million in 3Q19 (R\$1.54/share). In 9M19, net income was a negative R\$2.2 million, or – R\$0.11/share, when the Fund was impacted by the reversal of the adjustment to fair value of the properties sold.



FFO and Adjusted FFO

The Fund's FFO totaled R\$24.4 million in 3Q19, 16.4% up from 3Q18. FFO is not a measure recognized by accounting practices adopted in Brazil and its methodology may vary in comparison with other companies. The main items that influenced FFO this quarter, based on net income, were:

- The result of the adjustment to fair value of FII shares;
- Non-recurring revenues/expenses.

The Fund's Management believes that the accounting effect of the monetary restatement of liabilities has no cash effect. Therefore, for the analysis of cash flow of operations, managers use adjusted FFO (FFO minus non-cash effects on liabilities). In 3Q19, non-cash financial expenses were not relevant and adjusted FFO totaled R\$24.4 million, or R\$1.27/share, 16.4% higher than the same period of the previous year.

<i>(in R\$ '000, unless otherwise indicated)</i>	3Q18	3Q19	Var.	9M18	9M19	Var.
Net income	19,895	29,534	48.5%	73,367	(2,150)	n.a.
(-) Adjustment at fair value	-	-	n.a.	(10,127)	(33,237)	228.2%
(-) Gains in the sale of properties	-	-	n.a.	-	105,698	n.a.
(-) Gains on sale / MTM - CRI and other FII shares	142	(2,635)	n.a.	4,327	(9,171)	n.a.
(+) Non-recurring expenses	958	(2,455)	n.a.	(6,707)	9,484	n.a.
(=) FFO	20,995	24,444	16.4%	60,860	70,624	16.0%
FFO / share (R\$ / share)	1.09	1.27	16.4%	3.17	3.67	16.0%
(+) Non-cash financial expenses	-	-	n.a.	-	-	n.a.
(=) Adjusted FFO	20,995	24,444	16.4%	60,860	70,624	16.0%
Adjusted FFO / share (R\$ / share)	1.09	1.27	16.4%	3.17	3.67	16.0%

Debt and Cash

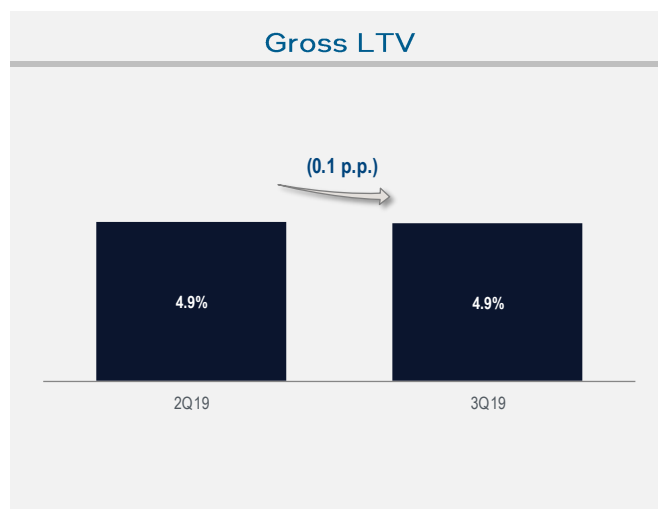
Liabilities from acquisition of properties and fundraising totaled R\$120.0 million at the end of 3Q19, while cash and cash equivalents totaled R\$339.0 million.

(in R\$ '000)	Cost	Orig. Term	Maturity	2Q19	3Q19
Liabilities from acquisition of properties				120,000	120,000
Cidade Jardim	IPCA + 6,55% p.a.	6 years	Jul/2023	120,000	120,000
Liabilities from funding				-	-
Gross Debt				120,000	120,000
(-) Cash and Financial investments				(247,218)	(276,486)
(-) Shares of Other FIs (Market)				(76,905)	(62,524)
Net Debt				(204,123)	(219,010)

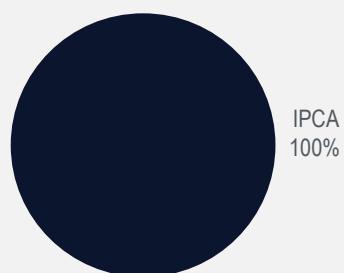
Leverage remained at a comfortable level in September 2019, with gross LTV of 4.9% and net LTV of -8.9% (the Fund should maintain net LTV below 30.0%).

All the Fund's liabilities are adjusted by fixed rates tied to the IPCA index.

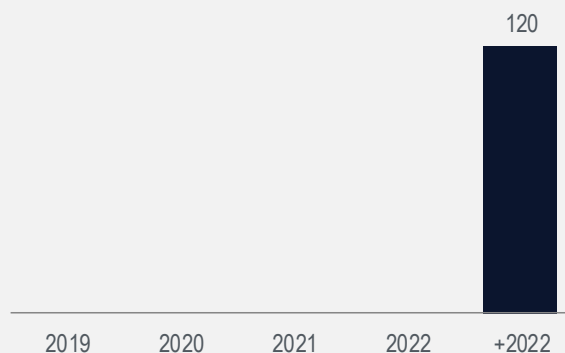
It is worth noting that with the conclusion of the asset purchase and sale transaction with Brookfield, the Fund prepaid its BFC and EBT liabilities. The Fund also hired a new debt instrument for the acquisition of the Cidade Jardim building, with principal payment only upon maturity, in July 2023.



Adjustment index



Amortization schedule (R\$ million)

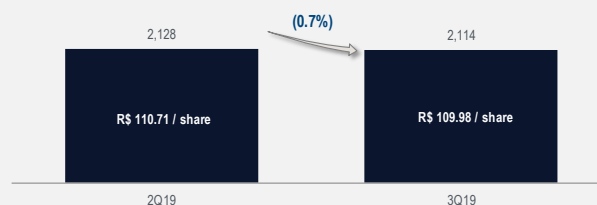


Shareholders' equity

Shareholders' equity totaled R\$2.1 billion in 3Q19, 0.7% down from the previous quarter.

The book value per share dropped from R\$110.71/share in June 2019 to R\$109.98/share at the end of September 2019.

Evolution of shareholders' equity (R\$ million)

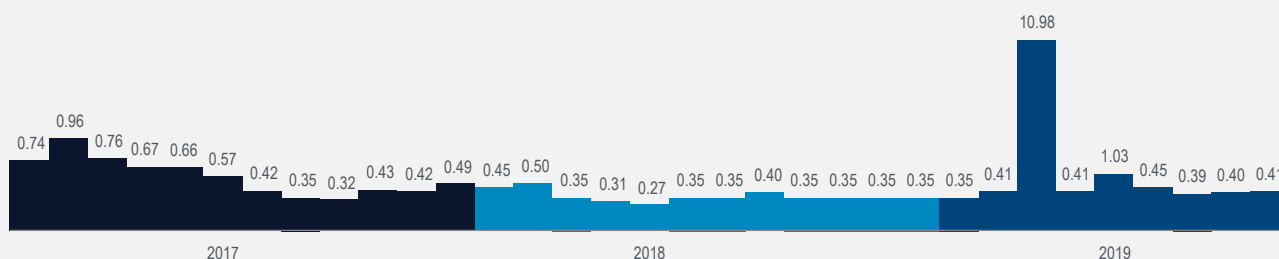


Payout

In 3Q19, the average amount distributed per share was R\$0.40/share/month, representing a payout ratio of R\$1.20/share during the quarter. The total amount distributed in 3Q19 was R\$23.1 million.

It is also worth noting that in May 2016 the Fund distributed earnings and amortized shares in the total amount of R\$400 million. After this payout, the Fund, pursuant to its regulations, began to pay out at least 95% of its earnings calculated on a cash basis. In order to mitigate the volatility inherent to this regime, which may suffer significant impacts from late payments, fines and non-recurring expenses, vis-a-vis the distribution previously conducted by the Fund corresponding to R\$1.01/share, we are distributing monthly income based on the weighted moving average of the Fund's Adjusted FFO for the six-month period and adjusting the cash effect in the last month of the current six-month period.

Monthly payout and amortization evolution (R\$/share/month)

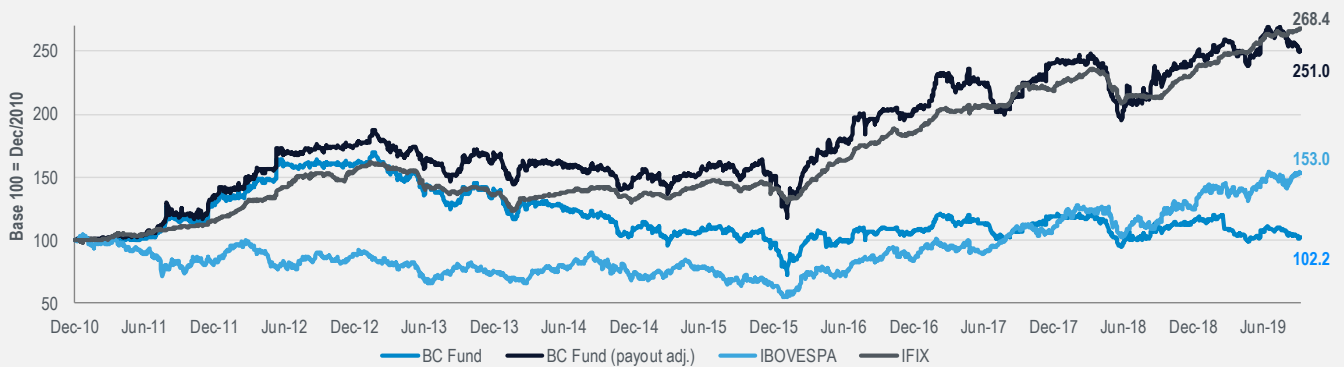


Capital Markets

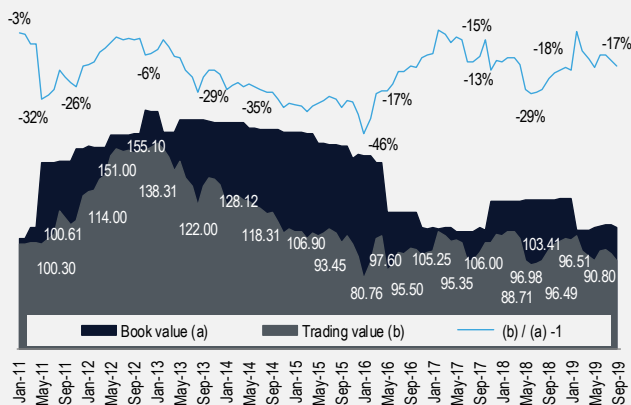
In the last 12 and 24 months (base of September/2019), the profitability of BC Fund's shares (BRCR11), considering distributed earnings and the share value, was 9.9% and 17.1%, respectively. In the same periods, the IFIX varied by 25.7% and 20.9%, respectively.

In the quarter, share profitability was a negative 4.7%, while Ibovespa and IFIX varied by 3.7% and 2.2%, respectively.

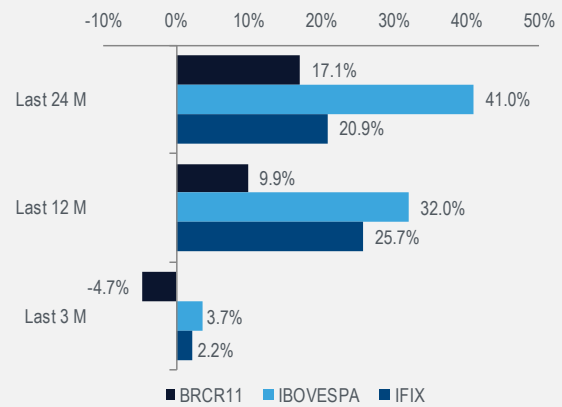
Share performance (Base 100 – December /2010)



Book value vs. Market value



Returns in the last 3, 12 and 24 months (Sep/19)



The share's closing price of R\$90.80 on September 30, 2019 represented:

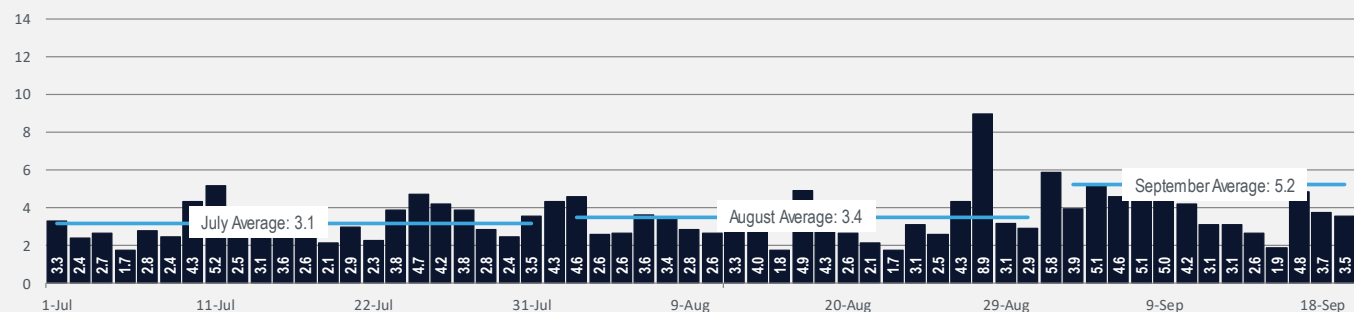
- A 17.4% discount over the book value per share.
- Distribution of annualized earnings of 5.6% p.a.
- Implied portfolio cap rate of 9.2% (considering the contracted revenue in September 2019). Considering potential revenue from vacant areas, the implied cap rate is 10.3%.
- Average GLA of R\$8,968/m².

Valuation at market prices

		Sep-19	Sep-18
NAV / share	[R\$ / share]	109.98	125.25
Share price	[R\$ / share]	90.80	96.98
Discount to NAV	[%]	(17.4%)	(22.6%)
Monthly payout	[R\$ / share]	0.41	0.35
Monthly profitability	[% p.m.]	0.45%	0.36%
Annual profitability (linear)	[% p.a.]	5.4%	4.3%
Annualized profitability	[% p.a.]	5.6%	4.4%
Shares outstanding	[#]	19,224,537	19,224,537
Market cap	[R\$ mn]	1,745.6	1,864.4
Net debt (Cash)	[R\$ mn]	(219.0)	92.1
Minorities stake	[R\$ mn]	59.9	64.0
Enterprise Value	[R\$ mn]	1,586.5	2,020.5
Contracted lease	[R\$ mn]	12.2	13.8
Implied Cap rate	[%]	9.2%	8.2%
Cap rate with vacant areas	[%]	10.3%	11.6%
Portfolio GLA	[m2]	176,916	229,426
Average per m2	[R\$ / m2]	8,968	8,807

In the third quarter of 2019, BRCR11's average daily traded volume was R\$3.9 million.

Average daily trading value on B3 (R\$ million)



Consolidated Financial Statements

Consolidated Income Statement

(R\$ '000)	3Q18	3Q19	Var.	9M18	9M19	Var.
Investment properties	37,701	35,528	(5.8%)	129,410	1,469,206	1035.3%
Rental income	39,658	35,776	(9.8%)	122,694	86,361	(28.6%)
(-) Provision for impairment of trade receivables	(1,456)	(867)	(40.5%)	(2,875)	651	n.a.
Income from fines and interest received	819	969	18.3%	1,744	1,037	(40.5%)
Revenue from the sale of investment property	-	-	n.a.	-	1,349,036	n.a.
Discounts granted	(1,320)	(350)	(73.5%)	(2,280)	(1,116)	(51.1%)
Adjustment to fair value	-	-	n.a.	10,127	33,237	228.2%
Cost of Investment properties	-	-	n.a.	-	(1,454,734)	n.a.
Cost of sold investment properties	-	-	n.a.	-	(980,574)	n.a.
Reversal of adjustment at fair value of sold investment properties	-	-	n.a.	-	(474,160)	n.a.
Interest and inflation indexation on liabilities	(8,907)	(3,000)	(66.3%)	(28,052)	(19,108)	(31.9%)
Interest on liabilities from acquisition of properties	(8,907)	(3,000)	(66.3%)	(28,052)	(19,108)	(31.9%)
Expenses over Properties	(4,957)	(2,005)	(59.6%)	(15,709)	(9,409)	(40.1%)
Commissions	(295)	(66)	(77.6%)	(1,649)	(559)	(66.1%)
Administration fee - property	(81)	(59)	(27.2%)	(204)	(162)	(20.6%)
Condominium expenses	(4,500)	(1,511)	(66.4%)	(13,260)	(7,890)	(40.5%)
Maintenance	(81)	(369)	355.6%	(596)	(798)	33.9%
Profit from investment properties	23,837	30,523	28.0%	85,649	(14,045)	n.a.
Income from Mortgage Backed Securities (CRIs)	2,584	2,512	n.a.	7,933	7,489	(5.6%)
Income from Mortgage Notes (LCI)	1,649	71	(95.7%)	5,147	1,118	(78.3%)
Income from FII shares	843	1,035	22.8%	2,873	3,152	9.7%
Adjustment to market value of other FII shares	11	2,620	23718.2%	(4,130)	9,159	n.a.
Adjustment to fair value (CRI)	(153)	15	n.a.	-	12	n.a.
Profit from real-estate financial assets	4,934	6,253	26.7%	11,626	20,930	80.0%
Profit from real-estate activities	28,771	36,776	27.8%	97,275	6,885	(92.9%)
Income from fixed-income fund shares	409	1,407	244.0%	1,306	4,869	272.8%
Expenses from income tax on financial investments	(49)	(89)	81.6%	(255)	(800)	213.7%
Other financial assets	360	1,318	266.1%	1,051	4,069	287.2%
Management expenses	(5,367)	(5,427)	1.1%	(16,809)	(16,533)	(1.6%)
Administration fee - Fund	(1,206)	(1,442)	19.6%	(3,731)	(4,443)	19.1%
Property tax expenses	(2,034)	(662)	(67.5%)	(5,721)	(2,246)	(60.7%)
Other operating expenses	(242)	1,014	n.a.	(668)	11,366	n.a.
Operating income (expenses)	(8,849)	(6,517)	(26.4%)	(26,929)	(11,856)	(56.0%)
Profit for the period (before minorities)	20,282	31,577	55.7%	71,397	(902)	n.a.
Minorities' stake	(387)	(2,043)	427.7%	1,970	(1,248)	n.a.
Net income	19,895	29,534	48.5%	73,367	(2,150)	n.a.
Number of shares	19,224,537	19,224,537	0.0%	19,224,537	19,224,537	0.0%
Earnings per share - R\$	1.03	1.54	48.5%	3.82	(0.11)	n.a.

Consolidated Balance Sheet

ASSETS (R\$ '000)	2Q19	% over Total Assets	3Q19	% over Total Assets	Var.
Current assets	490,104	19.6%	531,370	21.0%	8.4%
Financial investments	240,054	9.6%	272,137	10.7%	13.4%
Rentals receivables	29,408	1.2%	39,533	1.6%	34.4%
Other assets	10,582	0.4%	7,809	0.3%	(26.2%)
Receivable on sale of real estate	210,060	8.4%	211,891	8.4%	0.9%
Non-current assets	76,905	3.1%	62,524	2.5%	(18.7%)
Financial investments	76,905	3.1%	62,524	2.5%	(18.7%)
Investment properties	1,938,329	77.4%	1,939,369	76.6%	0.1%
Buildings	1,938,329	77.4%	1,939,369	76.6%	0.1%
TOTAL ASSETS	2,505,338	100.0%	2,533,263	100.0%	1.1%
LIABILITIES AND EQUITY (R\$ '000)	2Q19	% over liabilities and	3Q19	% over liabilities and	Var.
Current liabilities	193,445	7.7%	242,888	9.6%	25.6%
Income to be distributed	15,436	0.6%	36,019	1.4%	133.3%
Taxes and contributions payable	3	0.0%	6	0.0%	100.0%
Provisions and trade payable	17,584	0.7%	21,427	0.8%	21.9%
Liabilities from acquisition of properties	160,422	6.4%	185,436	7.3%	15.6%
Non-current liabilities	123,905	4.9%	116,204	4.6%	(6.2%)
Provisions and trade payable	7,908	0.3%	81	0.0%	(99.0%)
Liabilities from funds in guarantee	3,418	0.1%	3,460	0.1%	1.2%
Liabilities from acquisition of properties	112,579	4.5%	112,663	4.4%	0.1%
TOTAL LIABILITIES	317,350	12.7%	359,092	14.2%	13.2%
Equity	2,128,396	85.0%	2,114,231	83.5%	(0.7%)
Paid-up shares	1,659,669	66.2%	1,659,669	65.5%	0.0%
Shares placement expenses	(38,806)	(1.5%)	(38,806)	(1.5%)	0.0%
Reserve for contingencies	22,632	0.9%	11,777	0.5%	(48.0%)
Carrying value adjustment to fair value	448,480	17.9%	448,479	17.7%	(0.0%)
Accumulated profit	36,421	1.5%	33,112	1.3%	(9.1%)
Minority Stake	59,592	2.4%	59,940	2.4%	0.6%
TOTAL LIABILITIES AND EQUITY	2,505,338	100.0%	2,533,263	100.0%	1.1%

Consolidated Cash Flow

(R\$ '000)	9M18	9M19	Var %
Receipt of net rental revenues	59,290	54,244	(8.5%)
Receipt of fines and interest	121	68	(43.8%)
Receipt of demobilization	337	295	(12.5%)
Payment of commissions	(1,230)	(504)	(59.0%)
Payment/Reimbursement of IPTU	(317)	1,898	n.a.
Payments of consulting expenses	(645)	(522)	(19.1%)
Payments of management fee	(15,762)	(15,492)	(1.7%)
Payment of legal advice	(345)	(1,159)	235.9%
Payments of administration expenses - Fund	(2,563)	(3,460)	35.0%
Payments of administration expenses - Property	(276)	(171)	(38.0%)
Payment of condominium expenses	(2,371)	(1,356)	(42.8%)
Payment of maintenance and repair expenses	(629)	(831)	32.1%
Payment of tax expenses (IR on financial revenues)	(61)	(485)	695.1%
General payments	(1,134)	1,008	n.a.
Cash flows from operating activities	34,415	33,533	(2.6%)
Application for fund units fixed income and debenture	3,613	(81,543)	n.a.
Amortization of unconsolidated controlled entity	-	282,302	n.a.
Acquisition of rental properties (improvements and registration costs)	(124)	(238,440)	192190.3%
Sale of rental properties	-	537,200	n.a.
Acquisition of LCI	23,896	-	n.a.
Redemption of LCI	-	97,822	n.a.
Acquisition of CRI	-	701	n.a.
Acquisition of unconsolidated controlled entity	(9,251)	(254,075)	2646.5%
Acquisition/Sale of FII shares	5,963	10,170	70.6%
Receipt of income from real estate funds invested	2,521	2,921	15.9%
Income from unconsolidated controlled entity	25,875	81,742	215.9%
Property improvements	(33)	(21,494)	65033.3%
Amortization of mortgage backed securities	7,817	7,530	(3.7%)
Cash flows from investing activities	60,277	424,836	604.8%
Payment of interest and monetary restatement over term acquisition	(13,908)	(9,349)	(32.8%)
Payment of principal for liabilities from acquisition of properties	(17,035)	(189,140)	1010.3%
Profits distributed	(63,748)	(285,078)	347.2%
Income Tax Withheld at Source (IRRF) paid	(1)	2	n.a.
Income from CCI	-	25,196	n.a.
Net cash used in financing activities	(94,692)	(458,369)	384.1%
Changes in cash and cash equivalents	-	-	

Annex A – Asset Portfolio



Eldorado
São Paulo - SP
Area: 22.246 m²



BFC
São Paulo - SP
Area: 9.984 m²



Senado
Rio de Janeiro - RJ
Area: 19.262 m²



Cidade Jardim
São Paulo - SP
Area: 7.458 m²



Cenesp
São Paulo - SP
Area: 64.480 m²



Volkswagen
São Paulo - SP
Area: 12.560 m²



Burity
São Paulo - SP
Area: 10.550 m²



Transatlântico
São Paulo - SP
Area: 4.208 m²



Montreal
Rio de Janeiro - RJ
Area: 6.439 m²



MV9
Rio de Janeiro - RJ
Area: 15.174 m²



CEO Office
Rio de Janeiro - RJ
Area: 4.782 m²



Urbanity¹
São Paulo - SP
Area: 29.248 m²

Notas:

1. Opção de aquisição a partir de 4T21.

Annex B – About BC Office Fund

BC Office Fund (Fund) is Brazil's largest corporate office real estate investment fund. Its shares have been traded on the organized market of B3 since its December 2010 IPO, under the ticker BRCR11. The Fund was created in June 2007 and, since then, it has excelled for actively managing a portfolio with the purpose of investing in commercial income properties strategically located in the most important cities in Brazil. The target investment assets include commercial properties or real estate rights in completed properties or those in the final stages of construction.

BC Fund's current portfolio comprises 11 high-quality Grade AAA and A-class office buildings located in São Paulo and Rio de Janeiro, leased to a variety of renowned national and multinational companies such as WeWork, Volkswagen, LinkedIn, Petrobras, among others. BC Fund's investments seek to acquire a controlling interest in the projects in its portfolio, allowing it to actively manage said properties in order to make them more attractive to the occupancy of current and future tenants, as well as ensure they are updated and modern. In addition, BC Fund has investments in other assets, such as shares of other Real Estate Investment Funds (FII), Mortgage Notes (LCI) and Mortgage-Backed Securities (CRI), whose earnings are tax-exempt.

BC Fund's active management policy is based on four pillars: (i) the efficient renegotiation of lease agreements to market value in the minimum intervals permitted by law; (ii) investments in property expansions, improvements and retrofits in order to obtain higher leasing revenue and lower vacancy rates; (iii) the 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, ensuring greater flexibility in regard to managing cash reserves and maximizing shareholder returns.

FIIs are structured investment vehicles whose primary purpose is to invest in the real estate sector in order to foment and develop the sector. One of the main advantages of investing in an FII is 100% exemption from revenue and income taxes on real-estate-backed assets, ensuring potentially higher revenue than companies operating in the

same sector, which are generally subject to revenue tax of 9.25% and a real income tax rate of 34%. FII payouts to individual investors are also tax exempt, provided certain legal requirements are met.

Other advantages of investing in FII shares rather than in companies operating in the real estate sector or directly investing in properties include: (i) savings from the non-payment of taxes, labor charges and/or executive bonus payments, since FIIs are prohibited from directly hiring employees; (ii) more predictable and constant cash flows since FII revenues are mainly derived from the leasing of their properties; (iii) the predictability of and the ability to pay expenses with service providers, whose compensation is normally established as a percentage of the FII's financial performance; (iv) protected assets, in the sense that the Funds are prohibited from using their portfolio properties as collateral or acting as a co-obligor in any transaction; (v) potentially higher liquidity on stock exchange transactions and a substantially lower and widespread investment through the acquisition of shares; and (vi) greater transparency in addition to a simple information collection process.

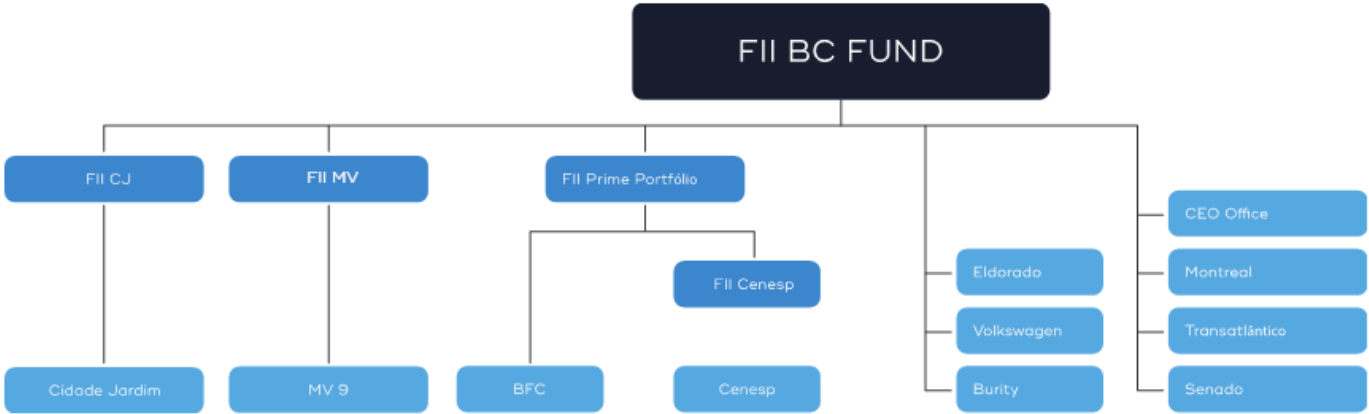
The Fund's monthly payout policy reflects management's strategic decisions, based on the macroeconomic scenario in Brazil and the prospects for the real estate sector. In 2016, when the market signaled falling interest rates, the Fund reduced its cash through capital amortization and changed its monthly distribution policy, previously based on fixed earnings. BC Fund currently pays earnings based on the legal minimum limit, currently at 95% of its six-month result, calculated on a cash basis, in accordance with the Fund's regulations and legislation in force.

Although FIIs are prohibited from taking on debt, they can still leverage their assets by buying real estate in installments or assigning future credit receivables. The guarantees offered in these transactions are not binding in relation to the shareholders nor do they result in the creation of any obligation against the Fund, which is not jointly liable for the solvency of the assigned credits.

BC Fund selects its acquisitions based on the constant monitoring of the corporate office real estate market mainly in Rio de Janeiro and São Paulo, rigorous due diligence of the properties and the ability of the fund administrator and manager (both controlled by Banco BTG Pactual) to prospect and recommend the best investment opportunities. Frequent investments in the mapping of commercial office space supply and demand allow the Fund to identify real estate acquisition opportunities with substantial appreciation potential. BC Fund's portfolio turnover demonstrates that even in periods of economic uncertainty in the real estate market, as in 2009 and 2010, BC Fund was able to identify and take advantage of good investments, and, as in 2015 and 2016, periods with a lower volume of real estate transactions, the Fund made divestments with significant capital gains to its shareholders. In 2018, with the resumption of the real estate market, the Fund also made divestitures and positive acquisitions for its portfolio.

BC Fund stands out in the FII market for its pioneering and innovative characteristics, always maintaining a close relationship with investors and mitigating asymmetries. Among the measures taken in this regard, the most important are the Fundamentals Spreadsheet, updated and made available to the market on its website on a monthly basis, and the creation of the Monitoring Committee, composed of a group of shareholders aligned for the benefit of the Fund and its close relationship with investors, who meet periodically to discuss paths and strategies for the Fund's portfolio.

BC Fund’s Organizational Structure



Annex C – Glossary

GLA – Gross Leasable Area: Corresponds to the area effectively leased and, therefore, generating revenue. It is used as a basis for calculating the metrics related to the portfolio area.

BOMA Area: The main method for measuring area adopted for the sale of space in corporate office buildings. It allows a better comparison between properties’ areas, taking into account space that is for the exclusive use of the standalone units as well as that which provides general support for the condominium.

Cap rate: Corresponds to the monthly revenue from a property on an annualized basis (12 months) divided by the value of the property.

CDB: *Certificado de Depósito Bancário* (Certificate of Deposit).

CRI: *Certificado de Recebíveis Imobiliários* (Mortgage-Backed Securities).

FFO – Funds from Operations: A non-accounting measure corresponding to net income, minus (plus) the effects of gains (losses) from the sale of investment properties, gains from the fair value of investment properties, and nonrecurring revenues and expenses. FFO is calculated by the Fund’s administrators and has no standard definition, so the BC Office Fund’s definition may not correspond to those of other funds or companies in the same industry.

Adjusted FFO: Corresponds to FFO plus non-cash financial expenses from the monetary restatement of debt.

LCI: *Letra de Crédito Imobiliário* (Mortgage Notes).

Leasing Spread: The real increase (above inflation) of the lease amount at the close of the period over the lease amount for the same area at the beginning of the period due to contract reviews or new leases.

LTV – Loan to Value (gross): Gross debt over total assets minus minority interests.

LTV – Loan to Value (net): Gross debt minus cash and cash equivalents over total assets minus cash and cash equivalents.

IGP-M: Índice Geral de Preços de Mercado: General Market Price Index, calculated and published by Fundação Getulio Vargas on a monthly basis.

IPCA – Índice Nacional de Preços ao Consumidor Amplo: Broad Consumer Price Index, announced by the IBGE (Brazilian Institute of Geography and Statistics) on a monthly basis.

IPO – Initial Public Offering: The Fund's IPO took place in December 2010.

Market Cap: Corresponds to the Fund's value in the secondary market, equivalent to the number of shares multiplied by the closing price of the share on the last business day of the corresponding period.

Contracted Leasing Revenue: A non-accounting indicator corresponding to the total amount of lease agreements in force in the reference month, excluding discounts, grace periods, fines and other adjustments impacting the book value of leasing revenue.

Same-Tenant Rent – STR: A non-accounting measure that corresponds to the total amount of lease agreements in force in the reference month in a given area that was already leased by the same tenant at the end of the same period the year before or at the end of the previous quarter, excluding discounts, grace periods, fines and other adjustments that affect the accounting leasing revenue.

Financial Vacancy: The estimated percentage representing the potential monthly leasing revenue from vacant areas over the portfolio's total monthly leasing revenue plus the potential monthly leasing revenue from vacant areas.

Book Value of the Share: Corresponds to the book value of the Fund's equity divided by the number of outstanding shares.