

Recent News

On August 6th, the Fund made its 2Q19 earnings release available to the market, and on August 7th, the earnings conference call was held, covering the first half of the year. The presentation and the webcast recording are available on our website.

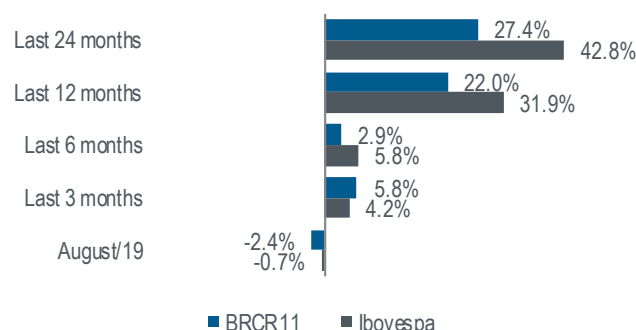
Later this month, the Fund convened the Extraordinary Shareholders' Meeting to be held on September 10th. The ESM's agenda includes resolving on the 6th issue of Fund's shares, pursuant to CVM Instruction 476, observing the preemptive right of current shareholders. The initial amount of the offer is slightly over R\$300 million and may be increased by up to 75%. The offer's proceeds will be used preferably to pay the time installment of the Senado building and to acquire certain floors of Ed. Torre Sucupira, after fulfilling certain preceding conditions.

The total return for shareholders last month, considering distributed income and the share value, was negative in 2.4%, while the Ibovespa index recorded a negative variation of 0.7%. Daily liquidity on the stock exchange (BRCR11) averaged R\$3.4 million in the period and the share price in the secondary market closed the month at R\$94.40 per share.

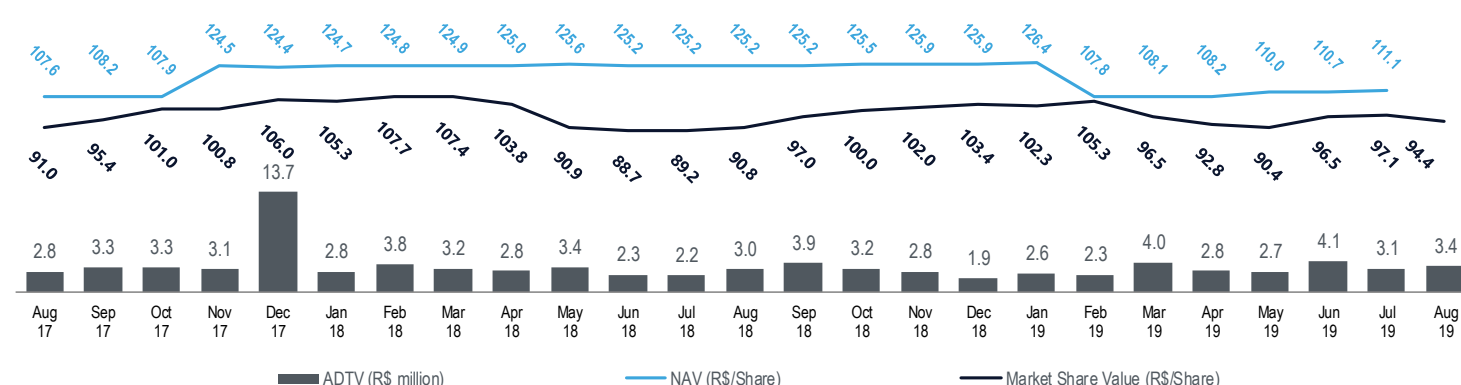
Performance na B3

		NAV	Market
Adjusted Closing Share's Market Value*	[R\$/share]	111.06	94.40
Discount to NAV	[%]	0.0%	-15.0%
Dividend per share	[R\$/share]	0.40	0.40
Monthly profitability	[%]	0.4%	0.4%
Annual profitability (compound)	[%]	4.4%	5.2%
Shares outstanding	[# mn]	19.2	19.2
Market cap	[R\$ mn]	2,135.1	1,814.8
(+) Net debt (Cash)	[R\$ mn]	(193.1)	(193.1)
(+) Minorities stake	[R\$ mn]	59.8	59.8
Implicit value of Real Estate assets	[R\$ mn]	2,001.8	1,681.5
Contracted lease revenue	[R\$ mn]	12.3	12.3
Implicit Cap rate	[%]	7.3%	8.7%
Adj. Cap rate (incl. vacant areas)	[%]	8.1%	9.7%
Portfolio GLA	[th m ²]	176.9	176.9
Average per m ²	[R\$/m ²]	11,315	9,504
Total Volume Traded in the month	[R\$ mn]	75.9	
Average Daily Trading Volume in the month	[R\$ mn]	3.4	
% of Fund Traded in the month	[%]	4.5%	
% of Fund Traded in the last 12 months	[%]	38.5%	
Variation from previous month closing	[%]	-2.8%	
Return for Shareholder (including distribution)	[%]	-2.4%	

Return for Shareholders ⁽¹⁾



Share Price and Average Daily Trading Volume



Financial and Operating Performance – July/2019

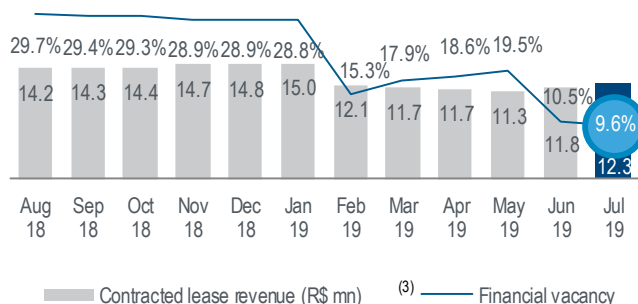
On July 2019, the portfolio's financial vacancy represented 9.6% of the potential leasing revenue and 15.3% of total GLA in m², affected in the comparison with last month due to the new lease in Ed. Eldorado, in the area vacated by Banco Pine. We also remind you that in February the portfolio exchange operation was concluded, selling the entire shareholding in Ed. Torre Almirante, the entire shareholding in Ed. Flamengo, the entire shareholding in Ed. Morumbi, 75% of the shareholding in Ed. BFC and 51% of the shareholding in Ed. EBT, purchasing 20% of Ed. Senado, 50% of Ed. Cidade Jardim and the entire shareholding of Edifício MV9.

The vacancy at the end of July 2019 amounted to 21,874m² in CENESP, 2,443m² in BFC, 1,753m² in Montreal, 462m² in Eldorado and 525 m² in Transatlântico.

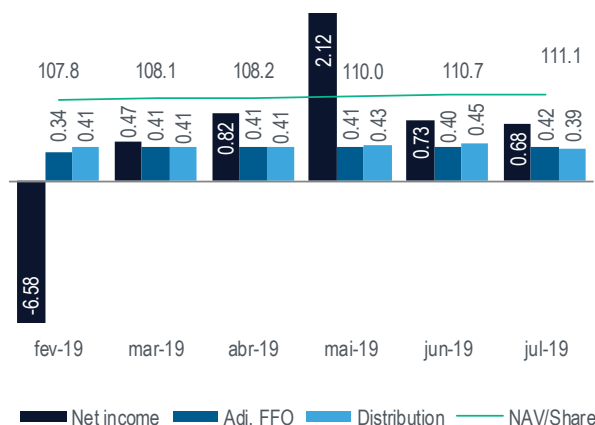
In the next three months, 8.7% of the agreement portfolio will be readjusted for inflation, and 2.0% of our agreements will be in the renewal process in this period.

Net income in July 2019 was positive by R\$0.68. Adjusted FFO (4) was R\$0.42/share, of which the distributed income to shareholders was R\$0.39/share.

Financial Vacancy and Contracted Lease Revenue⁽²⁾



Indicadores de Resultado (R\$/cota)⁽⁴⁾⁽⁵⁾⁽⁶⁾



Consolidated Income Statement ⁽⁵⁾

(R\$ thousand)	May 19	Jun 19	Last 12 months
Lease Revenue	11,074	11,982	129,853
Provision for impairment of trade receivables	853	1	1,928
Other Revenues from Properties	(129)	370	(75,733)
Adjustment to Fair Value	33,238	-	8,338
Financial Expenses of Properties	(1,534)	(800)	(32,071)
Administrative Expenses of Properties	(829)	(574)	(15,574)
Results from Properties	42,673	10,979	16,741
Revenues from CRI, LCI and other FII Shares	1,317	1,344	18,620
Adj. to Fair Value of CRI, LCI and other FII Sha	(1,971)	1,642	13,569
Other Financial Assets	453	509	4,113
Fund's Operating Income (Expenses)	(2,993)	(868)	(21,488)
Minority Interest ⁽³⁾	1,242	(465)	3,172
Net Income	40,721	13,141	34,727
Adjusted FFO	7,903	8,047	91,177
Adjusted FFO / share ⁽⁴⁾ (R\$/Share)	0.41	0.42	4.74
Distribution to Shareholders	19,755	7,498	304,042

Balance Sheet ⁽⁵⁾

(R\$ thousand)	Jun 19	% of Assets
Assets	2,509,072	100.0%
Properties	1,938,394	77.3%
LCI	5,126	0.2%
CRI	130,402	5.2%
Other FII Shares	78,538	3.1%
Lease Receivable	33,156	1.3%
Fixed Income	99,061	3.9%
Other Assets	224,395	8.9%
Liabilities	314,191	12.5%
Income to be Distributed	14,505	0.6%
Liabilities from Acquisition of Properties	273,008	10.9%
Other Liabilities	26,678	1.1%
Equity	2,135,067	85.1%
Minority Interest ⁽³⁾	59,814	2.4%
Total Liabilities and Equity	2,509,072	100.0%

Notes: (1) Includes the share's appreciation in the period (the Closing Price on the last day of the month M/Closing Price of the last day of the month M-1) + Income received by the shareholder in the period. (2) The non-accounting measure that corresponds to the total amount of the lease agreements in force for the base month, disregarding discounts, grace periods, fines and other adjustments that have an impact on the accounting revenue from leases. (3) Refers to the 23% interest of FII CIIESP held by third parties. (4) Adjusted FFO is a non-accounting measure that corresponds to the net income, excluding (adding) the effects of the gain (loss) from the sale of investment property, the gain from the fair value of the investment property, non-recurring revenues and expenses and non-cash financial expenses. (5) Monthly management figures adjusted in accordance to the quarterly audit process. (6) The total shareholders' equity is already deducted from the equity gain of the cash installment of the transaction for the purchase and sale of assets with Brookfield.

Portfolio

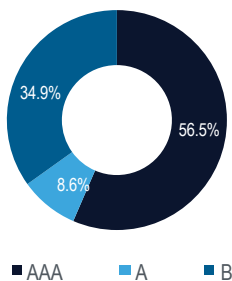
Base Date: July/2019



Asset	Class	Location	Acquisition	Fund Ownership	GLA (m²)	Vacancy (m²)	Lease (R\$ '000)	R\$/m²	% of Potential Revenue ⁽⁶⁾	Main Tenants ⁽⁷⁾
BFC	A	São Paulo	40238	23%	9,984	24.5%	833	110.5	9.7%	Grupo Pan, Itaú, WeWork
Burity	B	São Paulo	40634	100%	10,550	0.0%	644	61.0	3.7%	Banco GMAC, Grupo Pan
CENESP	B	São Paulo	39630	31%	64,480	33.9%	1,664	38.8	20.2%	Ernst & Young, Acticall, Wipro
CEO Office	AAA	R. de Janeiro	43497	27%	4,782	0.0%	443	92.7	3.1%	Tim
Cidade Jardim	AAA	São Paulo	43497	50%	7,458	0.0%	1,125	150.8	8.3%	Aqua, Banco ABC, Felsberg, Patria
Eldorado	AAA	São Paulo	39904	34%	22,246	2.1%	2,796	127.4	20.0%	ACE Seguradora, Anbima, LinkedIn
Montreal	A	R. de Janeiro	39417	100%	6,439	27.2%	224	47.8	3.3%	Estácio, Patrys
MV9	B	R. de Janeiro	43497	100%	15,174	0.0%	683	45.0	8.4%	INPI
Senado	AAA	R. de Janeiro	43497	20%	19,035	0.0%	2,557	134.3	16.0%	Petrobras
Transatlântico	B	São Paulo	39508	28%	4,208	12.5%	201	64.9	1.9%	Mattel, Rockwell
Volkswagen	B	São Paulo	39448	100%	12,560	0.0%	1,083	86.3	5.4%	Volkswagen
Total					176,916	15.3%	12,254	81.8	100.0%	

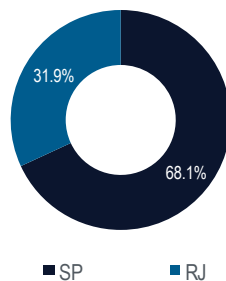
Revenue by Asset Class

(% Total Contracted Lease Revenue)



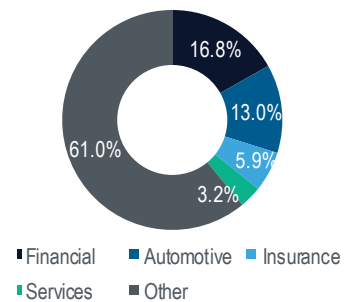
Revenue by Region

(% Total Contracted Lease Revenue)



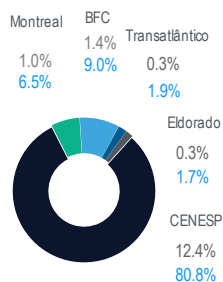
Revenue by Sector

(% Total Contracted Lease Revenue)



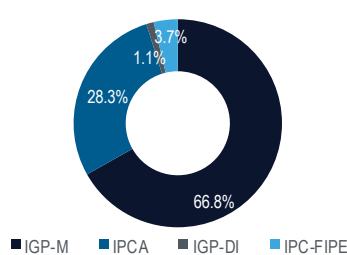
Vacancy by Asset

(% Total Gross Leasable Area)
(% Vacant Gross Leasable Area)



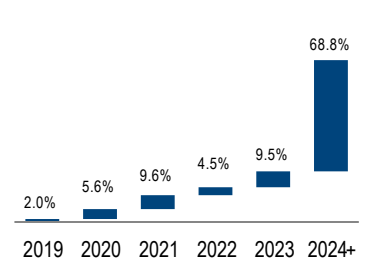
Adjustment Index

(% Total Contracted Lease Revenue)



Maturity Schedule

(% Total Contracted Lease Revenue)



Notes: (7) Considering potential revenue at market value for each asset determined by the semiannual appraisal of the Fund's portfolio conducted by Cushman & Wakefield, in November/2018. (8) Considers tenants that represent 10% or more of the asset's total contracted revenue.

BC Fund Overview

Administrator: BTG Pactual Serviços Financeiros

Administration fee: 0.25% of market value

Manager: BTG Pactual Gestora de Recursos

Management fee: 1.5% of market value (the fee will be 1.1% until Oct/19, as a discount)

Number of properties: 11

Number of lease contracts: 59

Gross leasable area: 176,916 m² (base July/2019)

Trading code: BRCR11

Number of shareholders – individuals: 70,725

Number of shareholders – legal entities: 243 (base 8/30/2019)

BC Office Fund is one of the largest real estate investment funds listed in the Brazilian stock market. The Fund was created in June 2007 and has ever since actively managed its portfolio with the main objective of investing in corporate towers generating income in Brazil, which are strategically located in major commercial centers, through the acquisition of office buildings or real estate rights, either under construction or finished. BC Fund's active management policy is based on four pillars: (i) efficient negotiation of lease agreements at market value in the minimum intervals permitted by law; (ii) investment in expansion and real estate improvements aiming higher rental values and lower vacancy; (iii) 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 in order to ensure greater flexibility in regard to managing cash reserves and maximizing shareholder returns.

Current Situation

On the operational side, the main challenge has been the leasing of vacant areas of the portfolio, especially Cenesp. The São Paulo market already shows a significant improvement for well-positioned and high-quality properties such as those of the fund. At Cenesp, we have concentrated efforts on the operational part of the property, seeking to reduce condominium costs in order to make it more competitive. This has resulted in savings of over R\$10.00/m² in monthly condominium costs since January 2017.

On the other hand, Rio de Janeiro is proving to be challenging for new leases, with a low number of effective leases. However, there has been an increase in visitation to vacant areas, which may result in an improved absorption of these areas in the medium term.

Regarding new investments, BC Fund has a robust cash position to be invested in acquisition opportunities, in addition to leverage potential.

Administrator: BTG Pactual Serviços Financeiros
Ombudsman: 0800 722 0048 / SAC: 0800 772 2827

Shareholders who wish to change their registration or deposit data should contact the bookkeeping cliente service of Itaú-Unibanco S.A. Shareholders who purchased their shares on the secondary market should seek the support of their broker. Bookkeeping agent: Itaú-Unibanco S.A. (11) 5029-7780