

Real Estate Performance Report

FPPTA Trustees School – Intermediate

January 2025

Deb Schwartz, Portfolio Manager, Barings Real Estate

Deb.Schwartz@Barings.com



Name of Account/Fund

Quarterly Report

Month Year

CONFIDENTIAL

This quarterly report contains confidential information, including trade secrets about the investment strategy and operations of the Fund and confidential commercial and financial information which, if disclosed, could cause competitive harm to the Fund and its partners. Such confidential information is exempt from disclosure under public records laws to certain Firm clients and investors, and is subject to the confidentiality requirements of the Fund's Limited Partnership Agreement.

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Overview & Highlights

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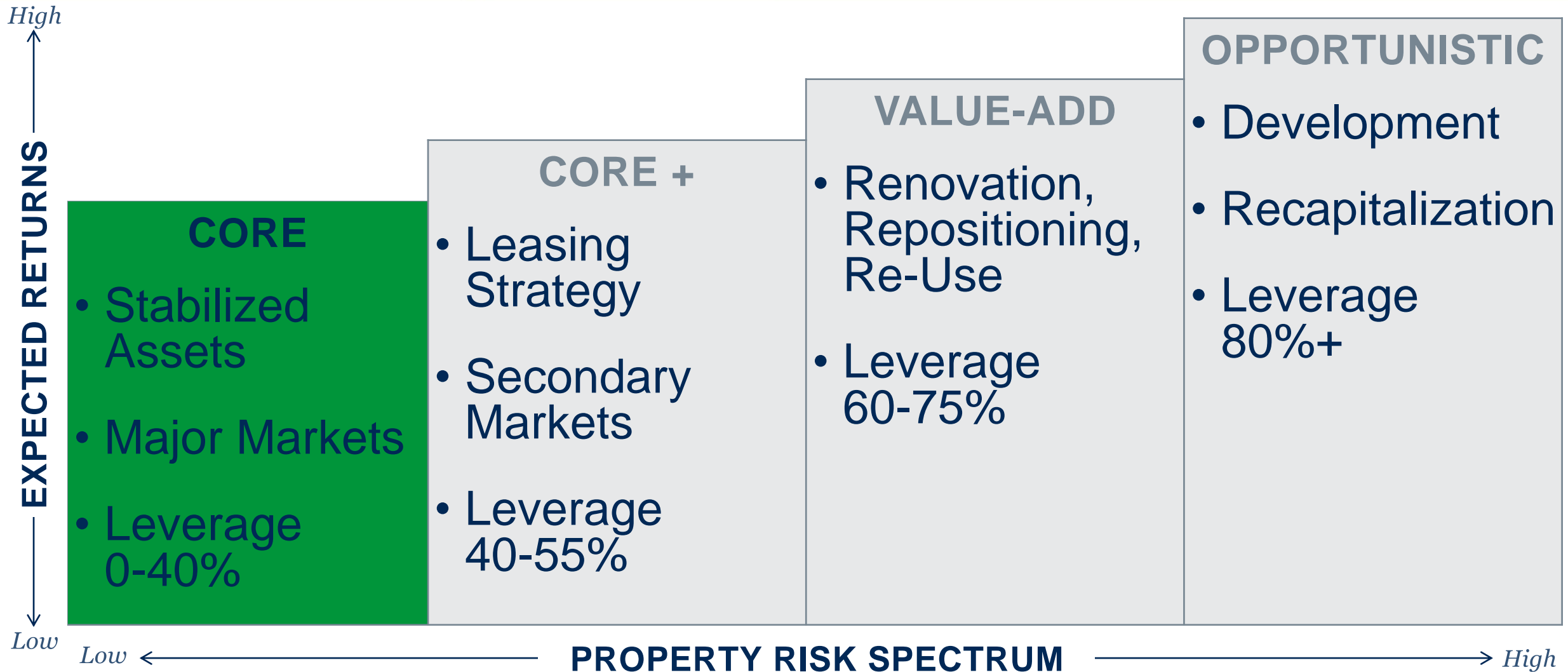
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Overview & Highlights			
OVERVIEW		HIGHLIGHTS	
Fund Currency / Geography	USD / U.S. only	TOTAL / NET ASSETS	\$3.5B / \$2.6B
Fund Structure	Open-end Commingled Fund, Structured as a Limited Partnership	MARKET VALUE OF INVESTMENTS GROSS / NET	\$3.5B / \$2.7B
Strategy/Risk Profile	Core (with up to 20% Non-Core)	NUMBER OF INVESTMENTS	43
Investment Types	Apartment, Office, Industrial, Retail, Hotel, Self-Storage	AVERAGE INVESTMENT SIZE	\$81.3M
Target Return	5% real return (before advisory fees)	CORE ASSETS ¹	93.4%
Target Leverage	20% - 25% of GAV, maximum of 35%	LEASED (CORE-COMMERCIAL)	96.3%
Benchmark	NCREIF Fund Index Open-End Diversified Core Equity (NFI-ODCE)	CASH TO GAV ²	0.8%
Inception Date	July 1, 2004	TOTAL LEVERAGE RATIO (MV DEBT/TOTAL ASSETS)	25.8%
NET AND GROSS TOTAL RETURNS			
	BCPF Net of Fees	BCPF Gross of Fees	NFI-ODCE
Q1 2020	1.24%	1.42%	0.96%
1-Year	5.58%	6.34%	4.88%
3-Year	6.54%	7.35%	6.81%
5-Year	8.05%	8.90%	8.46%
10-Year	9.83%	10.74%	11.45%
Since Inception (7.1.2004)	6.97%	7.88%	7.87%
INVESTMENT STRATEGY			
<p>The Barings Core Property Fund is managed with Barings Real Estate's belief that a return premium can be achieved through the application of our research findings along with active asset management. The barrier market focus of the Fund is a result of a Barings Real Estate Research study that indicates barrier markets have generated higher returns over time. Another research-driven strategy utilized by the Fund is that core property investment in growth markets at certain times in the cycle can provide excess return. The Fund's investment style incorporates this strategic research approach in the selection and management of assets. The Fund designates up to a 20% tactical allocation to value-added investments. Value-added strategies can include lease-up, development, repositioning, and to-be-built assets. The current Fund leverage target is 20% to 25%, with a maximum of 35% of gross asset value.</p>			
<p>1. Defined as a percentage of Net Market Value for those assets that have occupancy greater than 75%. 2. Cash as a percent of GAV excludes restricted cash and capital commitments received in advance, if any. 3. Represents the number of signed subscription agreements.</p>			
Confidential	3		

OVERVIEW	
Fund Currency / Geography 1	USD / U.S. only
Fund Structure 2	Open-end Commingled Fund, Structured as a Limited Partnership
Strategy/Risk Profile 3	Core (with up to 20% Non-Core)
Investment Types 4	Apartment, Office, Industrial, Retail, Hotel, Self-Storage
Target Return 5	5% real return (before advisory fees)
Target Leverage 6	20% - 25% of GAV, maximum of 35%
Benchmark 7	NCREIF Fund Index Open-End Diversified Core Equity (NFI-ODCE)
Inception Date	July 1, 2004

Real Estate Risk Spectrum

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For illustrative purposes only.

Core Managers

3

- Narrow real estate segment with the least risk
- Important to know how to read a quarterly report to see nuances between funds
- Some investors only have 1-2 managers for their exposure while others pair multiple funds to complement each other

NCREIF Fund Index – Open End Diversified Core Equity

- Capitalization-weighted, time-weighted quarterly return index
- Created in 2005 with 13 funds and now includes 25 funds (as of 6/30/2024)
- Size: \$284B (as of 6/30/2024)

Fund Size

8

-

10

Overview & Highlights

OVERVIEW

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Fund Structure	Open-end Commingled Fund, Structured as a Limited Partnership
Strategy/Risk Profile	Core (with up to 20% Non-Core)
Investment Types	Apartment, Office, Industrial, Retail, Hotel, Self-Storage
Target Return	5% real return (before advisory fees)
Target Leverage	20% - 25% of GAV, maximum of 35%
Benchmark	NOREIF Fund Index Open-End Diversified Core Equity (NFI-ODCE)
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NET AND GROSS TOTAL RETURNS

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HIGHLIGHTS

TOTAL / NET ASSETS

\$3.5B / \$2.6B

MARKET VALUE OF INVESTMENTS

GROSS / NET

\$3.5B / \$2.7B

NUMBER OF INVESTMENTS

43

AVERAGE INVESTMENT SIZE

\$81.3M

CORE ASSETS¹

93.4%

LEASED (CORE-COMMERCIAL)

96.3%

CASH TO GAV²

0.8%

TOTAL LEVERAGE RATIO (MV DEBT/TOTAL ASSETS)

25.8%

ONE-YEAR DIVIDEND YIELD (GROSS AS OF 3/31/20)

4.22%

SUBSCRIPTION QUEUE

\$0

REDEMPTION QUEUE (AS OF 4/1/20)

\$95.4M

NUMBER OF INVESTORS³

119

Overview & Highlights

HIGHLIGHTS

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TOTAL / NET ASSETS

\$3.5B / \$2.6B

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MARKET VALUE OF INVESTMENTS

GROSS / NET

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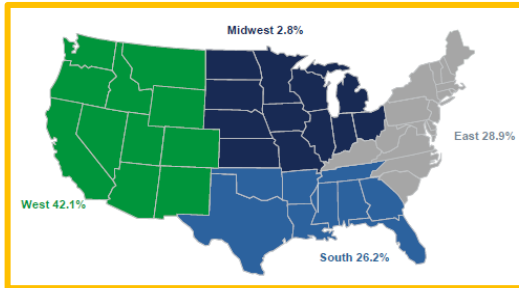
NUMBER OF INVESTMENTS

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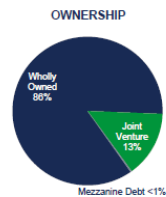
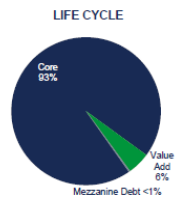
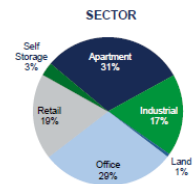
Diversification

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Portfolio Overview - Diversification



	EAST		MIDWEST		SOUTH		WEST	
NMV	\$M	% of Total	\$M	% of Total	\$M	% of Total	\$M	% of Total
Apartment	\$335.0	12.2%	\$76.0	2.8%	\$125.8	4.6%	\$111.9	11.4%
Industrial	158.7	5.7%	-	-	224.9	8.2%	94.0	3.4%
Office	261.3	9.5%	-	-	224.4	8.2%	320.3	11.7%
Retail	40.4	1.5%	-	-	134.4	4.9%	333.4	12.1%
Other	-	-	-	-	8.2	0.3%	97.0	3.5%
Total	\$793.4	28.9%	\$76.0	2.8%	\$717.7	26.2%	\$1,156.6	42.1%

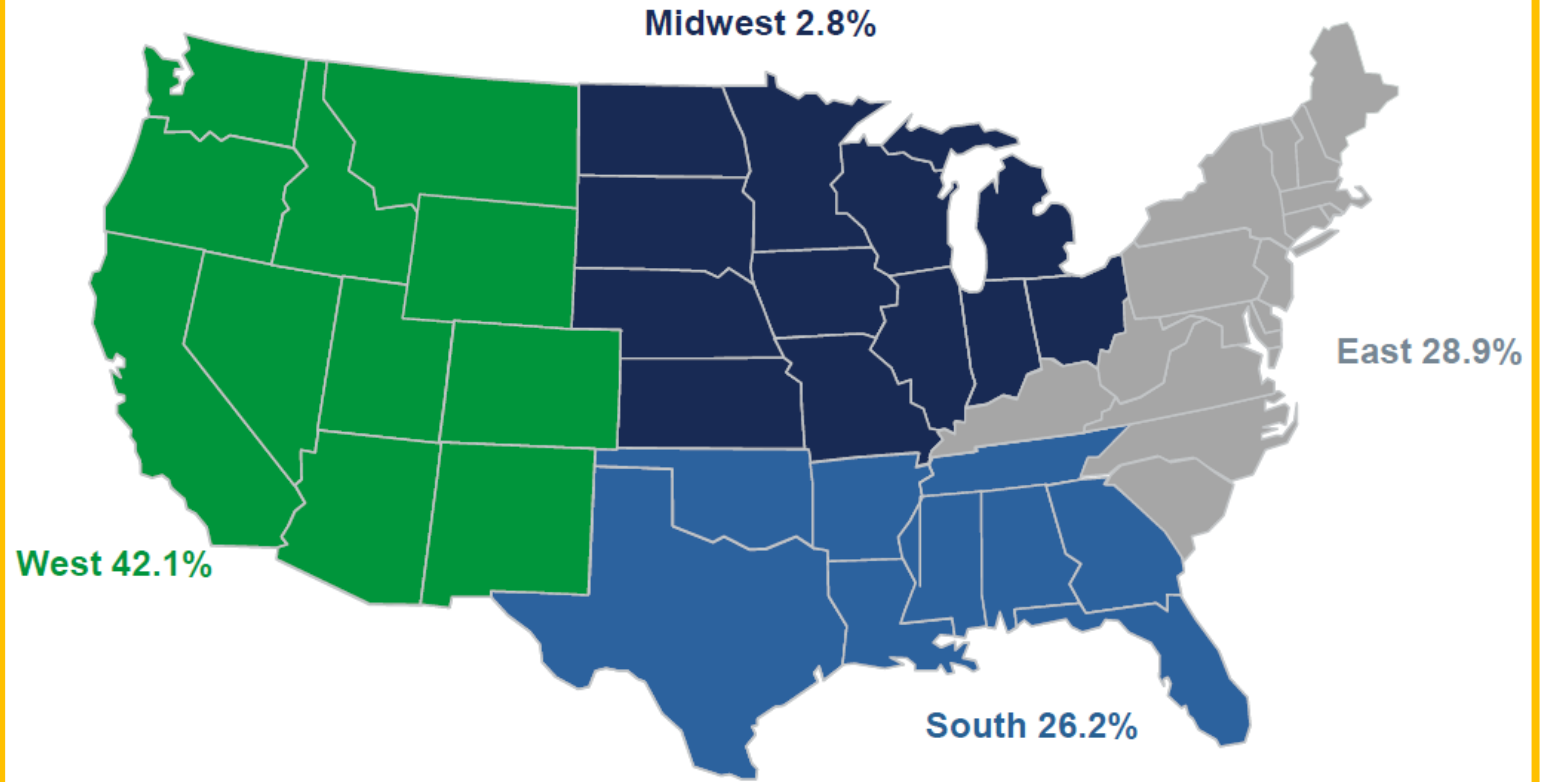


Diversification is based on Net Market Value of \$2.7 billion as of Q1 2020

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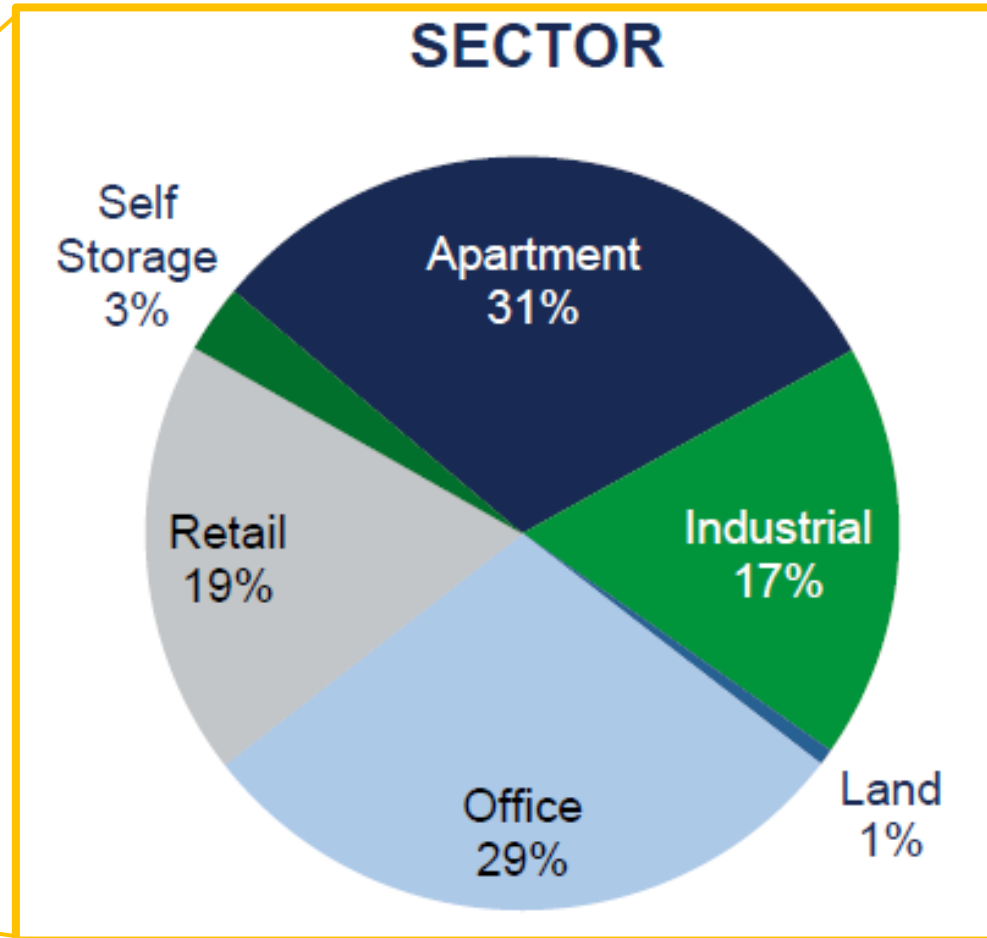
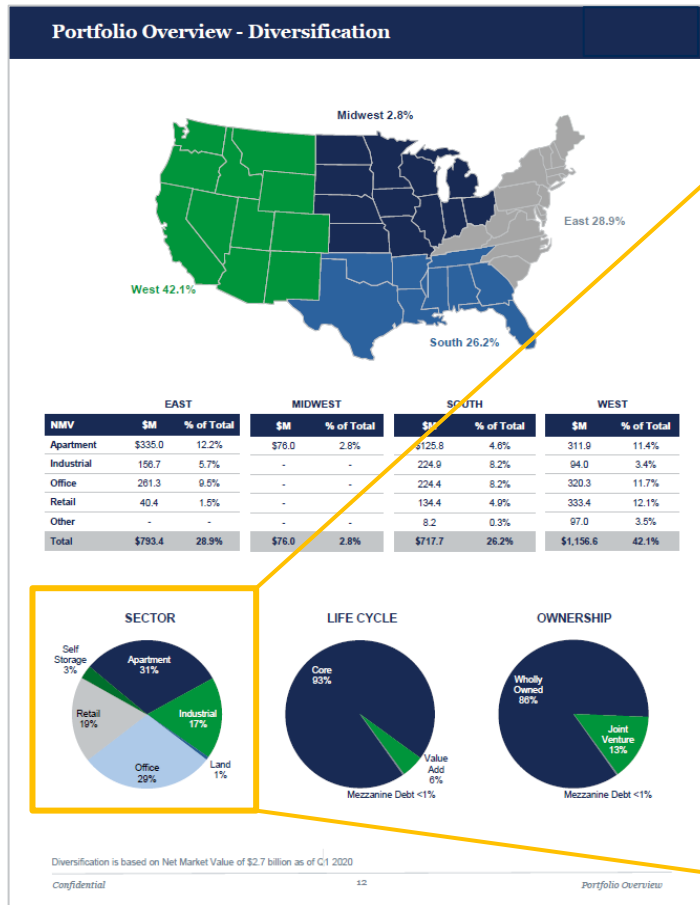
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Portfolio Overview



Diversification

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Capital Flows

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ONE-YEAR DIVIDEND YIELD

(GROSS AS OF 3/31/20)

4.22%

SUBSCRIPTION QUEUE

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REDEMPTION QUEUE

(AS OF 4/1/20)

\$95.4M

NUMBER OF INVESTORS³

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Overview & Highlights

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ONE-YEAR DIVIDEND YIELD
(GROSS AS OF 3/31/20)

4.22%

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SUBSCRIPTION QUEUE

\$0

13

REDEMPTION QUEUE
(AS OF 4/1/20)

\$95.4M

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NUMBER OF INVESTORS³

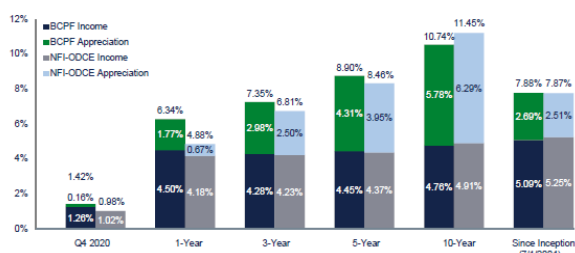
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Performance Components

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Portfolio Overview - Attribution

GROSS INCOME AND APPRECIATION



QUARTERLY PERFORMANCE BY PROPERTY TYPE

Property Type	BCPF Unleveraged	Index Unleveraged
Apartment	0.78%	1.13%
Industrial	2.32%	2.65%
Office	1.52%	1.23%
Retail	0.56%	-0.53%

QUARTERLY PERFORMANCE BY REGION

Region	BCPF Unleveraged	Index Unleveraged
East	0.68%	1.34%
Midwest	-0.77%	0.45%
South	1.43%	1.19%
West	1.82%	1.69%

Based on property-level returns, calculated using NCREIF methodology.
Index performance based on NCREIF NPI database, NFI-ODCE properties; retail includes only community center and neighborhood properties, and industrial includes only warehouse properties.

SAME STORE NOI

Property Type	Same Store Net Market Value \$ Millions	Percent Included in Same Store Calculation	TTM NOI Q1 2020	TTM NOI Q1 2019	Same Store Change
Apartment	\$668.9	79.5%	\$37.2	\$36.0	3.3%
Industrial	377.2	79.3%	18.7	16.3	14.2%
Office	806.0	100.0%	49.6	45.6	8.9%
Retail	508.2	100.0%	28.6	29.1	-1.9%
Total	\$2,360.3	86.3%	\$134.1	\$127.0	5.5%

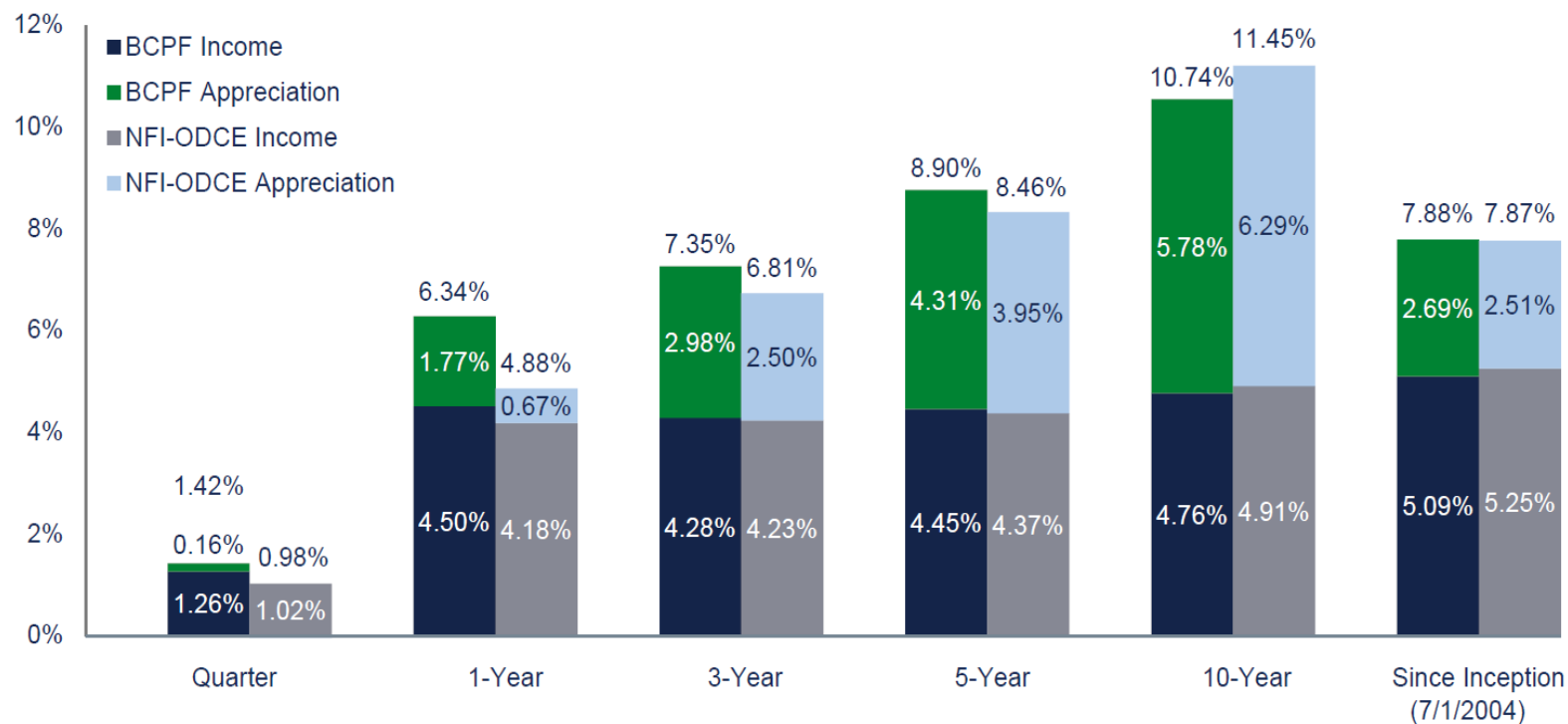
Same store portfolio includes only operating properties; TTM NOI excludes non-recurring items such as tax rebates and lease termination fees.

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Portfolio Overview

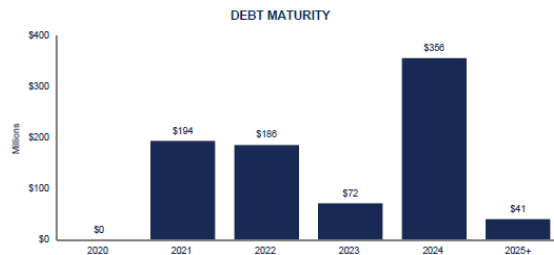
GROSS INCOME AND APPRECIATION



Leverage

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Portfolio Overview - Leverage



Debt maturity schedule reflects expiration of property-level debt and Term Loans.
Based on total outstanding principal balance of \$845.5 million which does not include the revolving Line of Credit.

- Total leverage ratio is 25.8%.
- Total weighted average interest rate of property-level debt and Term Loans is 3.6%.
- Annual debt service coverage is 4.6 times net operating income. Weighted average duration of property-level debt including Term Loans is 3.2 years.
- 88.2% of debt (excluding the revolving Line of Credit) is non-recourse.
- 23 (47.7% of NMV) properties are held unleveraged.

T1 Leverage (in thousands)

Leverage at Cost	908,588	Gross Assets	3,541,487
Plus: Fair value adjustment on assumed loan	207	Less: Non-controlling interest	(21,218)
Less: Non-controlling interest	(391)	BCPF Fund T1 Gross Assets	3,520,269
BCPF T1 Total Leverage	908,404		

T1 Leverage Calculation

BCPF Fund T1 Leverage	908,404	= 25.80%
BCPF Fund T1 Gross Assets	3,520,269	

Tier 1 (T1) leverage is defined, per NCREIF PREA reporting standards, as the Fund's economic share of total leverage divided by the Fund's economic share of total assets.

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Portfolio Overview

- Total leverage ratio is 25.8%
- Total weighted average interest rate is 3.6%
- Annual debt service coverage ratio is 4.6 times
- Weighted average duration is 3.2 years

Leasing & Occupancy

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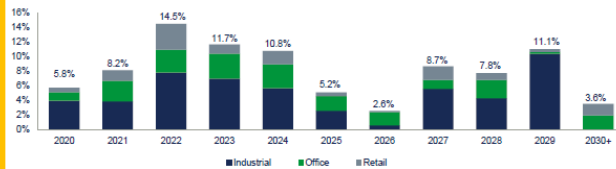
Portfolio Overview - Leasing / Tenants

PORTFOLIO OCCUPANCY BY PROPERTY TYPE

Property Type	Core Net Market Value \$M	Core Occupancy Q1 2020	Core Occupancy Q4 2019	Quarterly Same Store Occupancy Change
Apartment	\$819.5	93.6%	93.5%	0.1%
Industrial	450.0	98.4%	97.8%	0.6%
Office	784.3	90.2%	91.6%	-1.4%
Retail	508.2	94.1%	94.8%	-0.7%
Total	\$2,562.0	94.9%	95.0%	-0.1%

Same store changes exclude property sales and acquisitions. Core commercial leased includes industrial, office, and retail properties that are greater than 75% occupied.

COMMERCIAL LEASE EXPIRATIONS



TOP TEN TENANTS BY BASE RENT

Tenant	Property	Percent Of Portfolio's Base Rent	Percent Of Portfolio's S.F.
Tenant 1	215 Blair Road, Promenade at Town Center, Renaissance Creek	2.4%	4.0%
Tenant 2	Renaissance Creek, Torrance Crossroads	2.2%	2.1%
Tenant 3	Sun Valley Industrial Park	2.2%	3.9%
Tenant 4	801 South Figueroa	1.9%	1.2%
Tenant 5	811 Barton Springs	1.9%	1.1%
Tenant 6	100 Wall Street	1.7%	0.6%
Tenant 7	Chevy Chase Plaza	1.6%	0.6%
Tenant 8	33 New Montgomery, Boca Office	1.5%	0.4%
Tenant 9	Riverpark 500-800	1.4%	6.2%
Tenant 10	Chevy Chase Plaza	1.4%	0.6%
Total Top 10 Tenants		18.0%	20.7%

Source: Baring.

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Portfolio Overview

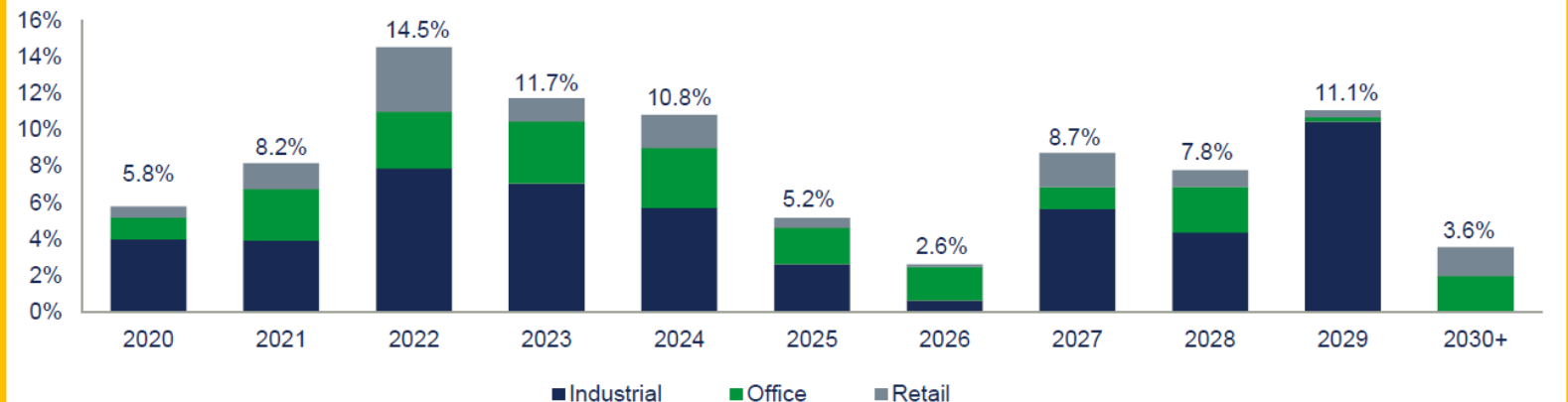
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COMMERCIAL LEASE EXPIRATIONS



Financial Statements

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Financial Statements	
<p>CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS <i>March 31, 2020 (in thousands)</i></p>	
<p>Assets</p> <p>Real estate investments at fair value (cost: \$2,856,876 and \$2,800,135, respectively)</p> <p>Loan investments at fair value (cost: \$7,344 and \$7,160, respectively)</p> <p>Cash</p> <p>Restricted cash</p> <p>Other assets</p> <p>Total assets</p>	
<p>Liabilities and Net Assets</p> <p>Liabilities:</p> <p>Mortgage loans payable at fair value (cost: \$748,472 and \$746,444, respectively)</p> <p>Revolving line of credit payable, at fair value (principal: \$60,325 and \$325, respectively)</p> <p>Term line of credit payable, at fair value (principal: \$100,000 and \$100,000, respectively)</p> <p>Fair value of interest rate swaps</p> <p>Accounts payable and other liabilities</p> <p>Capital contribution received in advance</p> <p>Security deposits</p> <p>Total liabilities</p> <p>Net assets:</p> <p>Attributed to Barings Core Property Fund</p> <p>Attributed to noncontrolling interests</p> <p>Net assets</p> <p>Units outstanding (not rounded)</p> <p>Unit value</p>	
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Financial Statements	
<p>CONSOLIDATED STATEMENT OF CASH FLOWS <i>For the Quarter Ended March 31, 2020, in thousands</i></p>	
<p>Cash flows from operating activities:</p> <p>Net investment income (loss)</p> <p>Adjustments to reconcile net investment income (loss) to net cash provided by (used in) operating activities:</p> <p>Capitalized interest on loan investments</p> <p>Amortization of assumed mortgage premium</p> <p>Changes in assets and liabilities:</p> <p>(Increase) decrease in other assets</p> <p>Increase (decrease) in accounts payable and other liabilities</p> <p>Increase (decrease) in security deposits</p> <p>Net cash provided by (used in) operating activities</p> <p>Cash flows from investing activities:</p> <p>Net proceeds from real estate investment transactions</p> <p>Additions to properties</p> <p>Net cash provided by (used in) investing activities</p> <p>Cash flows from financing activities:</p> <p>Proceeds from revolving line of credit</p> <p>Paydown of revolving line of credit</p> <p>Proceeds from mortgage loans payable</p> <p>Principal payments on mortgage loans payable</p> <p>Increase in restricted cash for capital contribution received in advance</p> <p>Contributions to Fund</p> <p>Reinvestment in Fund from distributions</p> <p>Distributions for advisory fees from Fund</p> <p>Distributions from Fund</p> <p>Redemptions from Fund</p> <p>Contributions from noncontrolling interests</p> <p>Distributions to noncontrolling interests</p> <p>Net cash provided by (used in) financing activities</p> <p>Net increase (decrease) in cash and restricted cash</p> <p>Cash and restricted cash - beginning of period</p> <p>Cash and restricted cash - end of period</p>	
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Financial Statements	
<p>CONSOLIDATED STATEMENT OF OPERATIONS <i>For the Quarter Ended March 31, 2020, in thousands (unaudited)</i></p>	
<p>Investment income:</p> <p>Income from properties</p> <p>Interest and origination fees from loan investments</p> <p>Other income</p> <p>Total investment income</p> <p>Expenses:</p> <p>Property operating expenses</p> <p>Interest and financing expenses</p> <p>Nonoperating expenses</p> <p>Total expenses</p> <p>Net investment income (loss)</p> <p>Net realized and unrealized gain (loss):</p> <p>Realized gain (loss) from sales of real estate investments</p> <p>Less: previously recorded unrealized gain (loss) on sales</p> <p>Net realized gain (loss) from sales of real estate investments</p> <p>Change from net unrealized gain (loss) on real estate investments</p> <p>Change from net unrealized gain (loss) on property incentive fee</p> <p>Change from net unrealized gain (loss) on mortgage loans</p> <p>Change from net unrealized gain (loss) on interest rate swaps</p> <p>Net change in unrealized gain (loss)</p> <p>Net realized and unrealized gain (loss)</p> <p>Increase (decrease) in net assets resulting from operations</p> <p>Less portion attributable to noncontrolling interests</p> <p>Net increase (decrease) in net assets attributable to Fund</p> <p>Amounts attributable to Fund:</p> <p>Net investment income (loss)</p> <p>Net realized gain (loss)</p> <p>Net unrealized gain (loss)</p> <p>Net increase (decrease) in net assets attributable to Fund</p>	<p>Quarter Ended March 31, 2020</p> <p>\$ 64,138</p> <p>169</p> <p>164</p> <p><u>64,471</u></p> <p>23,236</p> <p>8,208</p> <p>751</p> <p><u>32,195</u></p> <p><u>32,276</u></p> <p>2,274</p> <p>(4,350)</p> <p><u>(2,076)</u></p> <p>10,600</p> <p>633</p> <p>21</p> <p><u>(2,750)</u></p> <p><u>8,504</u></p> <p><u>6,428</u></p> <p>38,704</p> <p><u>(2,492)</u></p> <p><u>\$ 36,212</u></p> <p>32,167</p> <p>(2,076)</p> <p><u>6,121</u></p> <p><u>\$ 36,212</u></p>
Confidential	24
Financial Statements	

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