As of 30 September 2012

Q3 2012

BPT Baltic Opportunity REIF Quarterly Fund Report

Lincona Office Complex, Tallinn, Estonia

- Agreement to acquire supermarket in Riga is signed
- Post dividend NAV recorded at EUR 102.6989
- Another investment expected to be closed before year-end 2012

COMMENTARY

BPT Baltic Opportunity is a real estate fund investing in commercial real estate in Estonia, Latvia and Lithuania. The fund should be seen as a medium-term investment.

The fund's performance is currently solely related to the performance of the first investment: The Lincona Office Complex in Tallinn, Estonia. However, several additional investments are expected to close over the coming quarter.

The Q3 direct property yield for the Lincona complex was 8,4%; a slight decrease from Q2 due to property replacement costs of approx. EUR 127 000. The average lease price has slightly increased to EUR 10.1 per sq. m. /month and the uncovered cost ratio has also moved favorably from 8.5% to 7.6%. As the investment continues to generate stable net rental income the Fund's INREV NAV post-dividend has risen to EUR 102.6989.

ACTIVITIES OVER THE PERIOD

For Lincona a new lease agreement on the recently vacated retail premises on the ground floor has been signed. The 185 m2 have been rented out on market terms for the period of 10 years without a break option to an operator of R-Kiosk in Estonia. The lease agreement will commence on 1 January 2013.

100% occupancy is guaranteed by the Seller until the end of 2012 whereas de facto occupancy in the complex in Q3 has increased to 94.7%. The management team is further looking for a tenant for the 6th floor starting from 1 January 2013 as Swedbank has confirmed their intention to vacate this part of their premises by year-end. The main objective is to continue increasing the rental income of the complex. Through loan principal payments the loan to value ratio has gradually decreased to 49%.

Minor improvements have also been conducted including the reconstruction of the BO-Soft premises to complete the 240 sq. m. expansion of the lease.

Fund Performance	
NAV per share (INREV)	EUR 102.6989
NAV per share (IFRS)	EUR 101.6296
Latest dividend per unit	EUR 3.00*
Total return since inception	6.6%
Return since inception annualised	3.7%

* In July 2012, the fund paid out an interim dividend of EUR 3.00 per unit. While new units are issued based on a standard IFRS NAV, performance in this report is calculated and presented using the INREV recommended NAV calculation.

Portfolio	
Number of properties	1
Average gross property value	EUR 15.7m
Occupancy ratio (quarter average)	94.7%

Fund facts	
Fund inception (as of the first NAV)	December 2010
Expected exit	2015 with a possible 2 year extension
Status	Closed-end, open for investments
Target share capital	EUR 100.0m
Total share capital	EUR 17.1m
Net asset value	EUR 17.4m
Investment capacity	EUR 200.0m
Gross property value	EUR 15.7m
Gross asset value (GAV)	EUR 24.0m
Total cash and cash equivalents	EUR 9.5m
Loans	EUR 7.7m
Loan to value	48.9%
Loans / GAV	30.3%
Interest coverage, YTD	419.4%

Contacts

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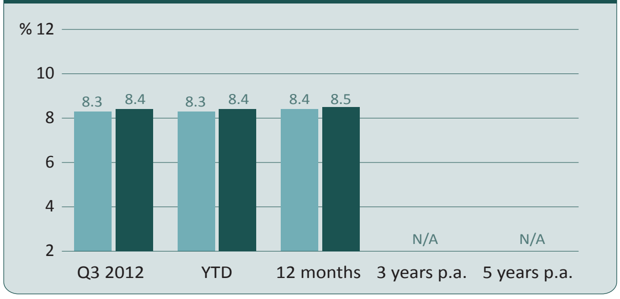
Total Fund Return

Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year

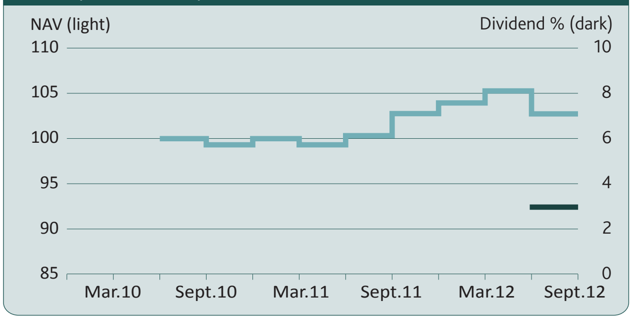
Net initial yield (NIY) p.a. and direct property yield (DPY) p.a.



NIY (light blue) is calculated as the net operating income divided by gross property value annualized. DPY (dark green) is calculated as the net operating income divided by the acquisition costs annualized.

In Q3, the management team signed the agreement to acquire a supermarket in Riga. Due to local Latvian peculiarities in making an asset deal, as well as considering the unique deal structure agreed, the deal is expected to be closed by January 2013. Moreover, the management team is in negotiations/due diligence to acquire two office buildings in Vilnius and a retail building in Tallinn. Thus, the current committed equity is expected to be fully invested before the end of 2012.

Development in NAV per share



Development in NAV (light blue) is excluding reinvested dividends. Historical dividends (none so far) will be shown at the time they are deducted from the NAV per share.

MARKET OUTLOOK

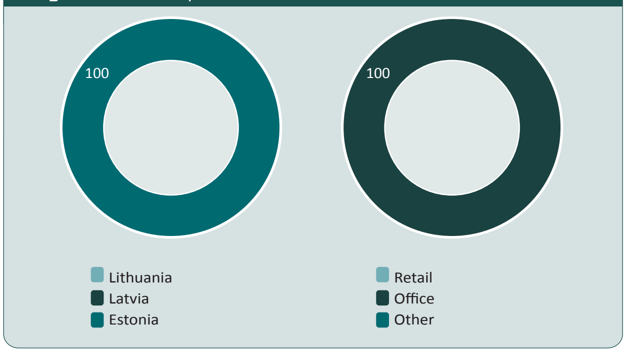
With international names such as H&M (in Tallinn and Riga) and Ikea (in Vilnius) entering the Baltic markets in 2012–2013, more and more optimism is being seen in all three countries. With gradually increasing wages and significant falls in unemployment also in Lithuania and Latvia, private consumption and retail turnovers continues to increase. The growing demand for prime retail space in Tallinn is expected to be met in the spring of 2014 by the opening of the new Panorama City shopping centre with a gross area of 60,000 sq. m.

The upward trend in rents for high-quality properties in prime locations is expected to continue, especially in Tallinn and Riga, and the yield compression is expected to continue in 2013-2014 towards a spread of 200-250 bp above the Nordics.

Macroeconomic wise, growth in the Baltic economies have slowed in 2012 due to a weakening of export demand. Still, foreign sales generally remain fit supported by the general competitiveness of the Baltics.

Although the future of the euro zone looks uncertain, economic indicators for the Baltics have remained relatively stable compared to sharply deteriorating sentiment in Western Europe. Continuous move of Nordic businesses to the Baltics, bringing about new jobs both in the manufacturing and service segments, is further supporting this trend.

Target allocation in percent



Fees

Management fee	1.9% of NAV per annum
Success fee	20% above a hurdle rate of 11% return on paid-in capital