As of 31 December 2011

Q4 2011

BPT Baltic Opportunity REIF Quarterly Fund Report

Old Town, Tallinn

- **Property performance in line with budget**
- **Year-end unaudited NAV recorded at EUR 102.7328**
- **Negotiating acquisition of retail assets in Baltic capitals**

COMMENTARY

Fund's performance is currently related to the performance of the first and only investment in the Fund - the Lincona Office Complex in Tallinn, Estonia. Actual rental income from tenants during Q4 was as expected and amounted to EUR 309 509. Until the vacancy of 5.8% is filled, the seller covers approx. EUR 15 000 per month in addition to the actual rent, as was agreed in the sales agreement, until the end of 2012.

At the end of the year the Fund has recorded an unaudited positive net result of EUR 176.064. The average direct net rental yield based on actual Q4 financial results of the Lincona office complex was 8.73%. The average net yield from the point of acquisition in July was 8,6%. At the end of 2011, 100% of the real estate assets of the Fund were located in Estonia.

As the first investment is generating good cash-flow and as the future prospects for the property have improved, the Fund's unaudited year-end NAV increased to EUR 102.7328 per unit at the end of December. Included is the scheduled year-end independent valuation by Colliers which noted a minor positive fair value adjustment of 1,25%.

ACTIVITIES OVER THE PERIOD

The focus in the fourth quarter continued to be on managing tenant relations and developing an income enhancement plan for the following 3 years. The fund management team sees good long term potential in retail rents as well as potential income from the 378 place parking house within the complex.

Timely indexation of rents was executed with approximately 1/3 of the tenants. The average monthly rental rate in general remained the same in the second half of 2011 amounting to EUR 10 per sq. m. for office areas and EUR 8.4 per sq. m. for retail areas. Supplemental utilities cost recovery at the end of the year was 91%.

Small architectural project has been initiated to convert 1st floor roof top for public use and to also increase the attractiveness of the vacant space on the adjacent second floor.

Fund Performance	
NAV per share	EUR 102.7328*
Latest dividend per share	n/a
Total return since inception	2.7%
Return since inception annualised	2.7%

* Please note, as of this report NAV is calculated using the INREV NAV 2 calculation method in compliance with recommended industry standards

Portfolio	
Number of properties	1
Average gross property value	EUR 15.6m
Occupancy ratio (quarter average)	100.0%

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
Investment capacity	EUR 200.0m
Net asset value	EUR 11 292 332
Gross property value	EUR 15 590 000
Gross asset value (GAV)	EUR 16 217 556
Total cash and cash equivalents	EUR 3 886 970
Loans	EUR 7.8m
Loan to value	50%
Interest coverage	538%

All figures in this QFR are preliminary un-audited results

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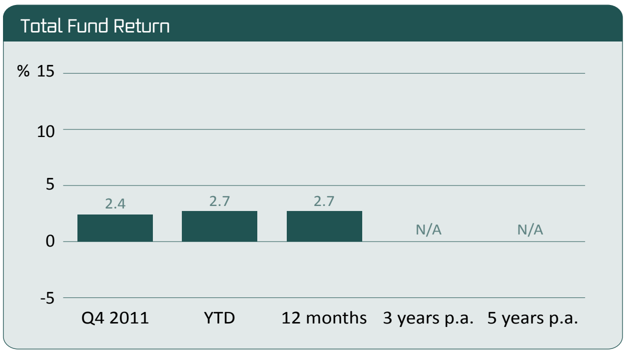
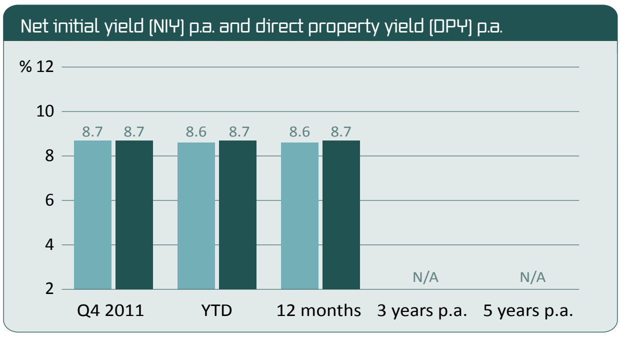


Total fund return is calculated as NAV-to-NAV taking into account distributed dividend and net capital invested for the year



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.

Year 2011 was the inauguration year for the BPT Baltic Opportunity Fund. Swedbank was successfully elected as administrator and depositary bank, Ernst & Young as auditor and qualified members were appointed to the Investment Committee.

There were a number of negotiations that took place throughout the year in order to secure top cash flow generating commercial real estate assets. Still only one of them had acceptable acquisition conditions. In regards to new investments, the management team is working on acquiring several retail objects in the Baltic capitals and is planning to close the deals in Q1 2012.

MARKET OUTLOOK

Real estate market during the course of 2011 was driven by 4 principle factors:

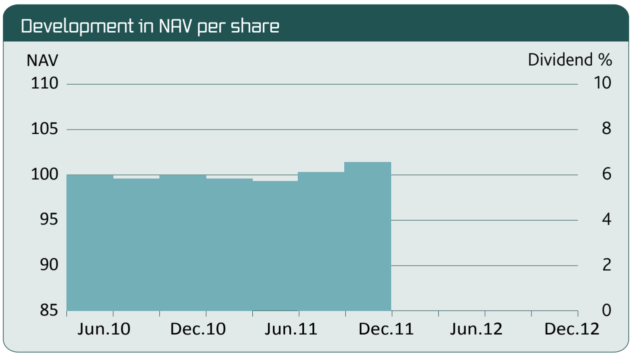
- Beginning of 2011 brought a larger supply of investment opportunities to the market whereas number of buyers remained limited, especially for objects with market values in excess of EUR 10 million
- Supermarket chains planning further expansion throughout the Baltics
- Vacancies in established commercial centers continued to drop, rental levels have remained stable
- Growing interest from companies and government institutions in sales and lease-back transactions

After strong correction in 2009, rental rates have remained stable throughout 2011. The vacancy in well established Baltic office and retail centers has been decreasing gradually but surely since 2010 and was at the end of 2011 estimated to be less than 5%, putting pressure on rents.

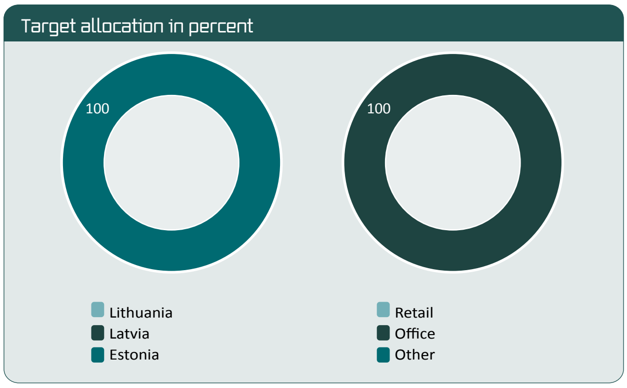
Year 2011 was a very good year for the Baltics with the economies rebounding at GDP growth rates of 6-8%. Exports have been the single most important growth engine whereas domestic demand is seen to slowly increase in importance and have a positive influence to the economies in the coming years.

Company profits have stabilized and productivity increases are by the end of the year making way for gradual salary increases. Stable government finances and low government debt levels are expected to keep the business environment competitive whereas tourism inflows are expected to remain at all time high along with cargo traffic in Baltic ports.

Inflationary pressures are expected to diminish gradually with strategic structural economic and educational reforms in discussion to support further growth.



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.



Target allocation reflects the fund once it is fully invested.

Fees

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

All figures in this QFR are preliminary un-audited results and subject to AGM approval.

The long term goal of the Baltic economies is to capitalize on the vicinity to the Nordics and Russia and together with increasingly qualified labour with serious work principles become more value added economies with a primary focus on cooperation with its regional neighbours.

All in all, the Baltic region's competitiveness has improved and its internal Imbalances have been solved creating a solid base, thus the region is expected to continue its progress up the economic ladder and do so faster than its peers in Old Europe.