

**Reconciliation of Total Equity Calculated in Accordance with Accounting Principles Generally Accepted
in the United States to Net Asset Value as of March 31, 2020**

The following table reconciles our total equity under accounting principles generally accepted in the United States (“GAAP”) to our net asset value (“NAV”) (\$ in thousands):

	March 31, 2020	
	Aggregate	Per Share/Unit*
Total stockholders’ equity	\$ 867,920	8.68
Non-controlling interests (attributable to BCI IV Operating Partnership LP)	1	0.00
Total equity	867,921	8.68
Adjustments:		
Accrued distribution fee ⁽¹⁾	36,290	0.36
Organization and offering costs ⁽²⁾	20,279	0.20
Unrealized net real estate and debt appreciation ⁽³⁾	50,149	0.50
Accumulated depreciation and amortization ⁽⁴⁾	32,481	0.32
Other adjustments ⁽⁵⁾	(1,041)	0.00
NAV	\$ 1,006,079	10.06

*Based on a “blended” share class/unit basis and calculated as the total amount presented in each row divided by the number of outstanding shares issued by BCI IV and units issued by BCI IV Operating Partnership LP. GAAP equity per share/unit is shown for illustrative purposes only and does not reflect the actual prices at which shares of our common stock may be sold. Shares of our common stock will be sold at the then-current transaction price, which is generally equal to the prior month’s NAV per share for such class, plus applicable upfront selling commissions and dealer manager fees.

The following details the adjustments made to reconcile total equity calculated in accordance with GAAP to our NAV:

- (1) Accrued distribution fee represents the accrual for the full cost of the distribution fee for Class T and Class W shares. In accordance with GAAP, we accrued the full cost of the distribution fee payable over the life of each share (assuming such share remains outstanding for the length of time required to pay the applicable maximum distribution fee) as an offering cost at the time we sold the Class T and Class W shares. For purposes of calculating the NAV, we recognize the distribution fee as a reduction of NAV on a monthly basis when such fee is paid and do not deduct the liability for estimated future distribution fees that may become payable after the date as of which our NAV is calculated.

- (2) Since January 1, 2020, we either pay directly or reimburse our advisor for offering costs as and when incurred. For periods prior thereto, our advisor incurred organization and offering costs on our behalf and, beginning January 1, 2020, we began reimbursing our advisor for all such organization and offering costs and will do so ratably over 60 months. Under GAAP, organization costs are expensed as incurred and offering costs are charged to equity as such amounts are incurred. For purposes of calculating the NAV, such costs have been recognized as a reduction to NAV as they were paid or reimbursed by us.
- (3) Our investments in real estate are presented under historical cost in our GAAP consolidated financial statements. Additionally, our mortgage notes, term loans, and line of credit (“Debt”) are presented at their carrying value in our consolidated GAAP financial statements. As such, any increases or decreases in the fair market value of our investments in real estate or our Debt are not included in our GAAP results. For purposes of determining our NAV, our investments in real estate and certain of our Debt are recorded at fair value. Our property-level mortgages and corporate-level credit facilities that are intended to be held to maturity, including those subject to interest rates hedges, are valued at par (i.e. at their respective outstanding balances).
- (4) In addition, we depreciate our investments in real estate and amortize certain other assets and liabilities in accordance with GAAP. Depreciation and amortization determined in accordance with GAAP implicitly assumes that the value of real estate diminishes evenly over a set time period. However, we believe that in reality the value of real estate will fluctuate over time based on market conditions. GAAP depreciation and amortization is not recorded for purposes of determining our NAV.
- (5) Includes (a) straight-line rent receivables, which are recorded in accordance with GAAP but not recorded for purposes of determining out NAV; (b) redeemable non-controlling interests issued as payment for the performance component of the advisory fee, which are included in our determination of NAV but not included in GAAP total equity; and (c) other minor adjustments.