BRC
Standard & Poor's
S&P Global

Colombia

Rating Report

ESTRATEGIAS INMOBILIARIAS TRUST (PEI)

Technical Committee: April 9, 2019
Minute number: 1527

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ESTRATEGIAS INMOBILIARIAS TRUST (PEI). Managed by PEI Asset Management S.A.S.

PERIODIC REVIEW				
PORTFOLIO MANAGEMENT EFFECTIVENESS		**'G aaa'**		
Figures in millions of Colombian pesos (COP) as of December 31, 2018		Rating History:		
Program's total amount:	COP 5 billon	Periodic review	Apr/18:	'G aaa'
		Periodic review	Apr/17:	'G aaa'
Total amount placed:	COP 2.9 billon			
		Initial rating	Dec/06:	'G a'
Set of assets making up PEI:	138			

I. RATING GROUNDS

BRC Investor Services S.A. SCV's Technical Committee, confirmed in its periodic review, the portfolio management's EFFECTIVENESS rating of 'G aaa' for Estrategias Inmobiliarias Trust (PEI).

The rating's confirmation is based on the following aspects:

- The fund manager, PEI Asset Management's specialized management (PeiAM). PeiAM's knowledge of the real estate sector and constant organizational strengthening have consolidated it, as one of the leaders in the country's real estate funds market.
- PeiAM's strengthening of its operations, consistently with the business's requirements, and adequate operations' control and audit mechanisms.
- PeiAM's strong responsive practices to the tenants' needs, which have allowed it to preserve the value of the real estate it manages and high lease agreements' renewal rates.
- The generation of a competitive profitability --stable and superior to the established target--, resulting from growing lease revenues and operating and financial expenses' efficiencies.

Main changes since our last review (April 2018)

At the organizational level:

- Strengthening of the vehicle's administrative capacity (53 direct employees).
    - Creation of the Legal and Corporate Affairs Management Office
    - Creation of the Investor Relations Management Office
    - Asset Management Office's strengthening: greater specialization of those directions reporting to the management, resulting from a 74% increase in the number of contracts (1978 in 2018 v. 1140 in 2017).
    - Financial and Administrative Vicepresidency's strengthening through the Treasury Direction Office's and the Financial Planning and Risk Direction Office's creation.
    - Technological tools' strengthening through a specialized third party's hiring, allowing, among others, a better network infrastructure and a more robust information, contingency plan, business continuity, and security mechanisms.

At the portfolio composition's level:

- Acquisition of seven properties worth COP $871,000 million, resulting in a portfolio valued at COP $5,43 billion, an increased presence in different cities of the country, and different types of assets in the portfolio.
  - Corporate: QBE Floor 8, Torre Alianza.
  - Shopping centers: A Unique Shopping Centers Portfolio (80%), Nuestro Montería (19,3%, consolidating a 71% share on the property).
  - Commercial premises: Divercity, Property 81-13.
  - Industrial: LG Palmira Distribution Center.

At the profitability level:

- We observed a lower profitability rate compared to the previous year (13,70% as of December 2018 v. 13,84% as of December 2017), reflecting the macroeconomic conditions existing in 2018; however, this metric continues to exceed other market real estate funds' profitability (average as of December 2018: 11,74%), in line with the vehicle's profitability target (CPI + 8% - CPI + 8,5%).
- In the secondary market, the interest rates' decline led to a decreased amount of the transactions made; however, tradability remains daily, indicating a high-level liquidity.
- The first bond issue, for COP $500,000 million, took place in August 2018.

Portfolio's Evolution

The trust's properties have constantly increased their value, reflecting their excellent quality and the manager's proper maintenance policies.

The shareholders assembly approved, on June 22, 2018, that the real estate assets appraisers' valuation of a same property can only be made for three consecutive annual periods. We believe this is a positive change, as it increases the appraisal process's transparency; nevertheless, the manager states that the appraisals made tend to be conservative compared to offers received for some of the properties. It is worth remembering that, as of to date, PEI has not sold any of its assets.

From each of the properties' acquisition date to December 2018, their average appraisal has been 47,8% and 3,5% compared to their prior year's appraisal. These values are similar to those under the last review. Likewise, we observe that a COP $14,922 million Capex was executed, mainly for renovations of the Cittium warehouse, improving the walking areas at Jardín Plaza, and carrying out the first stage of the Atlantis's renovation works. As to the properties' maintenance, we believe it is positive that the company making the technical visits exclusively for PEI, increased its personnel after the shopping centers acquisition; this is key to identify any investment needs and maintain the properties' quality standards.

The physical vacancy's rate (measured in square meters) continues to be low (4,9% as of December 2018, 4,8% as of December 2017, and 3,8% as of December 2016) compared to the vacancy increases observed in the corporate assets (11,8%), shopping centers (12.3%), and warehouses markets (14,2%) in the main cities of the country. This also reflects the good quality of the properties and their tenants, the lease agreements' adequate diversification by expiration date (see Figure 5 of the Technical Data Sheet), and an average retention rate of 89% which, although declined compared to that under latest review (92%), remains high.

As of December 2018, the economic vacancy metric was on average at 3.9%, very much in line with the average we observed a year ago. This reflects, mainly, grace periods granted to two clients during the year. We believe that the metric continues to be low compared to the vehicle's 5% forecasted vacancy rate and the international competitors' 10%

vacancy rate. Stress exercises show that increases in economic vacancy of up to 10% are required for the vehicle to generate profitability rates close to the CPI + 7,5% and 20%, so that its profitability approaches the CPI + 6,4%.

Performance of risk-adjusted relative returns

The analysis of risk-adjusted returns (*information ratio*-IR, which measures the extra return obtained by the fund, including volatility, compared to the benchmark), showed a 0,22 accumulated result from the operations' beginning until the end of December 2018 (Table 1), similar to the one shown in the previous PR (0,20). These rates demonstrate the managers' superior ability to generate competitive returns from the beginning compared to the expected profitability. Upon assessing the 6 and 12 months-horizons as of December 2018, the IR results are positive compared to those of its peers and the lower limit of the target profitability. It is important to note that PEI adjusted its current benchmark index to CPI + 8,0 - CPI + 8,5% (formerly CPI + 8,5 - CPI + 9,0%), as a result of its growth expectations given the vehicle's size and the real estate market's dynamics in Colombia.

In 2019, we expect the *information ratio*, compared to its current benchmark, to remain around 0,2, as PEI's excess returns compared to the target increase, as a result of the entry to the portfolio of highly stabilized properties and a year with stable macroeconomic conditions with an inflation forecasted at 3.2%, interest rates around 4.25%, and a gross domestic product (GDP) of 2.9%.

Table 1. Portfolio's risk-adjusted returns

	Mar. 2007 - Dec. 2018			Jul. 2018 - Dec. 2018			Jan. 2018 – Dec. 2018		
	PEI vs. CPI+8%	PEI vs. CPI+8,5%	PEI vs. CPI+9%	PEI vs. Pares	PEI vs. CPI+8%	PEI vs. CPI+8,5%	PEI vs. Pares	PEI vs. CPI+8%	PEI vs. CPI+8,5%
Information Ratio	0,22	0,20	0,19	23,98	5,30	-3,09	4,44	2,35	-0,24
Beta	0,04	0,04	0,04	0,75	0,31	0,31	0,01	0,19	0,20

Source: Financial Superintendency of Colombia and Banco de la República (Colombia's Central Bank).
Calculations: BRC Investor Services S.A., based on accumulated profitability E.A since the beginning of PEI operations.

Portfolio's composition and diversification

Unlike PEI, which calculates the portfolio's concentration limits based on the last month's revenues, as stated in its issuance prospect, BRC evaluates the portfolio's concentration limits based on the lease fees projected for 2019. We believe that both methodologies are valid and that the difference in the metrics results is not significant.

The geographical concentration measured from the lease fees has improved compared to that observed in our latest review. Bogotá, the city with the highest concentration, from representing 61% in December 2017, shifted to 55% in December 2018, mainly as a result of acquiring properties in intermediate cities. Following, Medellín, Cali, and Barranquilla had 13%, 10%, and 2% concentrations, respectively, very in line with the latest review. We did not consider Bogotá and its neighboring areas reaching the limit established in the prospectus (85% of the entire portfolio's appraisal), because the 2019-2021 procurement plan includes a larger proportion of leasable area in other cities; however, the time when these properties enter the portfolios shall be crucial on any possible changes in the metric.

The concentration per type of tenant decreased compared to December 2017. Grupo Bolívar, the largest tenant went from 11.7% to 10.13% the projected fees for 2019. This decline shows a more diversified portfolio compared to the new limit for this category: 20% of the annual income, which formerly was 40%. The following tenants --around 40--, represent less than 5% of the projected income. Almacenes Éxito, Grupo Nutresa, and Frontera Energy Colombia, among others, stand out for their larger shares.

By type of asset, we continue to observe, mainly, a concentration in corporate assets and offices (42.7%), shopping centers and commercial premises (35.2%), and warehouses (15.9%). According to the prospectus, this limit is measured in relation to the appraisal; however, under none of the two measurements types, the result exceeds (70%), showing compliance with the investment policies at the time when the assets were acquired.

Manager's Performance

PEI Asset Management has a robust organizational structure that endeavors in applying the best market standards to its daily operations. Both its business strategy and operations include several risk identification and mitigation mechanisms.

Among the aspects positively highlighted in our rating is the continuous strengthening of its organizational structure, aimed at supporting the vehicle's growth in the medium term through a greater specialization and segregation of the functions. Also, the management team's extensive experience in the real estate sector is key for investment decision making purposes and to efficiently manage the real estate. In this review, we continue to notice that the vehicle has opportunity areas in connection with its debt portfolio's management, moreover considering that its invoicing continues to grow significantly. However, the manager states that they recently hired a consultancy assessment aimed at strengthening the collection process.

We look forward to this action plan's results in our next review.

Credit risk

The asset management office, along with the financial area and the portfolio committee, are responsible for the credit risk's management. Each year, these teams assess the tenants' credit ratings, the risk factors associated with the lease fees' default, and the measures required to achieve effective recovery.

We noticed that the portfolio of debts exceeding 30 days in arrears, as of December 2018 (COP $9,311 million), continues to be high compared to that of December 2017 (COP $8,382 million). Arrearages exceeding 90 days are particularly relevant --increasing by 35%--, evidencing the difficulties to collect the oldest debts and, especially those of a client undergoing an insolvency proceeding. Although the total balance of the outstanding debt portfolio remains low compared to the vehicle's income-generation capacity (3,6%), we believe that these metrics reflect an area of opportunity in connection with the collection's management, more so considering that in 2018 the number of agreements increased by 74% (1,978 compared to 1,140 in 2017).

Market risk

We believe that PEI has robust tools to constantly assess the market risks that the vehicle is exposed to and behave conservatively for its development's sake. Particularly, we observe an experienced and stable advisory committee, acting under a solid corporate governance and a management team with extensive knowledge of the real estate market. This team has developed clear procedures in connection with the acquisition of new investments and established lease agreements with conditions that benefit the titleholders.

PEI's investments are exposed to the macroeconomic conditions, as evidenced during 2018, when investments came to a halt as the presidential elections approached. This led to the granting of grace periods to a limited number of clients whose sales decreased, reflecting on defaults in the lease fees. Variations of the real estate market prices --mainly associated with changes in market conditions related to the properties' supply and demand-- may also affect revenues. This led the manager's development of tools to better plan the vehicle financially, incorporating different vacancy scenarios, variations in asset prices, changes of the lease agreements' conditions in terms of the fees' amounts, their terms, and the inflation, among others, in order to anticipate their impact on the fund's returns. Although the results for 2018 show the impact of the macroeconomic conditions on the vehicle's performance, we believe that they remain high, allowing the vehicle's generation of returns higher than those of its peers:

- Average of agreements' term: 8,3 years (not considering shopping centers) and 6,13 years (considering shopping centers). This average term has dropped since our latest review (9,1 and 7,7 respectively), as a result of several shopping centers' entry to the portfolio, but we believe that it will remain high on average and consistent with the commercial strategy.
- Renewed contracts: 89% in 2018 v. 92% in 2017
- Preferential flow or guaranteed income schemes, mainly for projects currently under construction.

Operational risk

PEI Asset Management's organizational structure has increasingly strengthened and specialized, consistently with the requirements of the vehicle's size. It has recurring operational and technical committees that manage the operational risks on a daily basis. In particular, the operating committee meets every month to analyze the manager's financial results, approve budget adjustments, and submit the operation's metrics. The technical committee is also summoned each month, to follow up on the properties' maintenance and conservation projects, manage the annual activities schedule (technical visits and appraisals), and monitor the losses and claims submitted to insurers.

PEI Asset Management has strategic partners that support, among others, the real estate's marketing, billing, and maintenance. For the portfolio's warehouses and offices, PEI directly performs the billing, agreements' monitoring, and lease fees' collection of processes. However, in connection with the shopping centers --where the operational load increases due to the large number of existing lease agreements--, PEI benefits from Accuro's (formerly Terranum Administración), Central Control's, and Ospinas & Cía's support. These different operators have extensive experience as property managers --resulting in adequate practices for the preservation of the assets making up PEI's portfolio--, which in turn has contributed to their appraisal, with a positive effect on the fund's returns.

For this review, we positively highlight the following:

- A specialized third party was hired for the technology area, allowing an expansion of its network capacity; an improvement of the information security mechanisms, the continuity plan, and the documentation of the processes and procedures related to this area; and the parameterization of its corporate system's modules to further systematize its operation.
- The strengthening of the third party's team (Accuro) exclusively in charge of the technical visits for the vehicle and its direct hire by PeiAM
- Improvements in the coverage conditions for civil and contractual liabilities, through two additional reinsurers.

PEI continues to venture into the development of assets contributing to the generation of better profitability levels. These projects are structured under schemes seeking to mitigate the risks stemming from the purchase of non-stabilized assets, and include an appropriate selection process of construction firms; performance, civil liability, and all-risk construction insurance policies; and the properties' purchase at a fixed price under preferential flow and/or secured income schemes. These elements aim at lower exposures to the losses arising from possible delays in the works, deviations from the initially estimated budgets, or the counterparty's risk assumed from the advance payments made to the builders. By the end of December 2018, the fund had made advance payments in connection with this type of projects for a total COP $579,723 million (compared to COP $66,500 million under the periodic review 18).

In December 2018, the investors assembly approved limits on developing assets, understood as real estate assets under construction or to be built and/or trust rights whose underlying assets are properties under construction or to be built. Particularly, proposals to update the limit advance payments on the price --which shifted from 20% to 10%--, and to control this type of assets' incorporation rate into the portfolio were approved, allowing such assets to annually represent up to 15% compared to the portfolio's projected assets value, and in aggregate up to 40%. We believe that the approval of investment limits for projects under development and advance payments is positive, although PEI has always shown a conservative approach to these types of investments.

The same mentioned assembly approved the elimination of the alternate members for the advisory committee, leaving nine members as principals. We believe that this change does not affect its corporate governance guidelines or operational risk metrics, as the decisions passed by the committee will continue to be approved unanimously by the majority of its attending members.

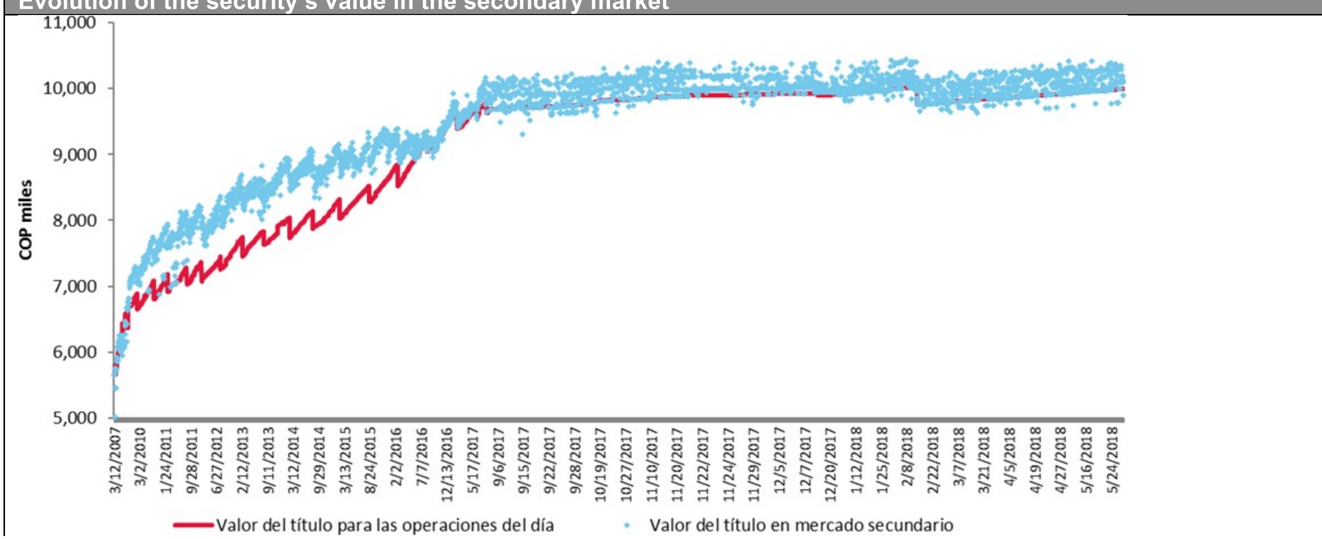
Additionally, the selection of a new investors legal representative was submitted to the investors' consideration. This proposal did not reach the votes (40% of the outstanding securities) necessary for its approval; thus, the topic will be considered in an upcoming assembly. This topic has no impact whatsoever on the operational risk, provided that the current representative continues to exercise his/her duties properly, which, in our opinion, it certainly has.

Portfolio liabilities and liquidity

The majority of PEI's investors continue to be institutional, which reflects their strength and high liquidity and profitability levels. As of December 2018, pension funds rather kept their 58% share and, individuals, their 23% share, which were slightly lower compared to 2017 (61% and 26%, respectively) due to a 5% increase of 1% in other institutional category, which mainly includes trust companies and pension fund managers (AFPs). We believe that the changes to the portfolio's composition make it possible to increase its diversification per type of investor, thereby mitigating the effects on the security's price given a departure of one of the large pension funds. From the first tranche's issuance in 2007 until the end of December 2018, PEI's investors increased from 24 to 3,495 and, as other issues are made, we expect this diversification metric to progressively increase.

As to the security's behavior in the secondary market, we observed a 33% decrease in the amount traded and a 16% decrease of the number of transactions, compared to 2018. This reflects the macroeconomic conditions for 2018, particularly the political uncertainty during the first half of the year and the interest rates' downward trend, factors which led investors to decrease the TEIS transactions in the secondary market. It worth highlighting that, despite the economic situation, the frequency of the securities' transactions maintained its level, with a 96% average of business days traded, reflecting the security's high degree of liquidity.

Graphic 1
Evolution of the security's value in the secondary market



Miles = Thousands; *Valor del título para operaciones del día* = Security's price for day transactions; Valor *del título en el mercado secundario* = Security's price in the secondary market.

We continue to observe that the security's price in this market is getting closer and closer to the reference price, a trend appearing since 2016, resulting in the payment of lower premiums and, accordingly, a less punished sale of the security. We may expect the security's price to decrease, compared to the reference price, when the TEIS begin to be traded in the equity securities market, a change expected in the early 2020.

The bonds issuance made in August 2018 for COP $500,000 million, allowed the vehicle to diversify its financing sources. Short-term loans are mainly used to acquire part of the properties, while the resources from the tranches' issues and long-term debt are used to finance the construction, acquisition, and expansion of some assets. PEI has credit facilities for COP $2.05 billion (56% of the available credit amount) with Bancolombia, Davivienda, Banco de Bogotá, Itaú and Banco de Occidente, with average interest rates of 6,69% for short-term loans and 7,19% for long-term loans (in 2017 they were 7,9% for short-term [ST] and 9,4% for long-term [LT]). This confirms the manager's good administration in terms of the interest rates' reduction, the vehicle's broad financial capacity, and the support the vehicle has from the financial sector.

As of December 2018, PEI's debt was 45% (29% as of Dec/17; 52% as of Dec/16; and 35.2% as of Dec/15) of the equity (12% in ST and 33% in LT).

II. OPPORTUNITIES AND THREATS

<u>What may lead us to confirm the rating</u>
BRC identified the following aspects that may lead us to confirm the current rating:

- PeiAM's organizational structure strengthening and the fulfillment of its purpose.
- The strength of the portfolio's investment guidelines in terms of absolute returns and compared to its benchmark and that of its peers.

<u>What may lead us to lower the rating</u>:
BRC identified the following aspects that PEI may improve and/or monitor and/or industry aspects that may affect the current rating:

- The significant and sustained decrease of the profitability levels compared to its peers within the market, resulting from PeiAM's management.
- Significant and sustained changes in the real estate assets portfolio's diversification by geographical location, type of asset, or tenant.
- Increases of the physical and economic vacancy, at levels exceeding our projections.

III. PORTFOLIO'S DEFINITION, INVESTMENT AND DIVERSIFICATION POLICIES

PEI has a medium and long-term investment profile with moderate risk. Its purpose is to obtain profits, mainly, through agreements associated to the real estate or other rights related to this type of assets. The fund focuses on investments in properties for lease, from which derive most of its investors' profitability, to proceed, in the end, to their liquidation.

The assets eligible for investments through the fund, are the following: warehouses and offices in buildings with high security and quality specifications; commercial premises for retail and wholesale activities, and entertainment; shopping centers located in high-density areas and with first-level specifications; other commercial properties showing attractive expected returns and allowing a greater portfolio's diversification (hotels, university residences, etc.).

The minimum investment for a primary issue and, in the secondary market, is one security. PEI's term of duration is 99 years.

IV. CONTINGENCIES

According to PEI's information, as of December 2018, it had no legal proceedings capable of affecting its equity position. As of February 28, 2019, PEI's management agent, Fiduciaria Corficolombiana, faced no proceedings against it before the Financial Superintendency of Colombia and the Securities Market Self-Regulator (AMV).

The technical visit for the rating process was carried out with sufficient time given the issuer's availability and for purposes of the information's delivery, within the times scheduled and complying with BRC Investor Services S.A. SCV's requirements.

BRC Investor Services S.A. SCV does not carry out auditing activities; therefore, the entity's management is fully responsible for the integrity and truthfulness of all the information provided. This report was prepared based on such information. On the other hand, BRC Investor Services S.A. SCV reviewed the publicly available information and compared it with that provided by the issuer.

If you have any questions in connection the metrics included herein, please refer to the glossary at www.brc.com.co

To see the definitions of our ratings please visit www.brc.com.co or click here.

The financial information contained in this document is based on the reports of the entity's investment portfolios as of December 2018 and other information submitted by the entity's manager.

V. TECHNICAL SHEET

SECURITIES RATING PORTFOLIO MANAGEMENT EFFECTIVENESS
ESTRATEGIAS INMOBILIARIAS TRUST (PEI)
Rating: 'G aaa'

Contacts:		Real Estate Manager: Management Agent:	Pei Asset Management S.A.S. Fiduciaria Corficolombiana S.A.
Mariana Zuluaga M.	mariana.zuluaga@spglobal.com	Last Rating Date:	April 18, 2018
Ana María Carrillo Cárdenas	ana.carrillo@spglobal.com	Follow up as of:	December 31, 2018

RATING DEFINITION

Portfolio Management Effectiveness **'G aaa'**

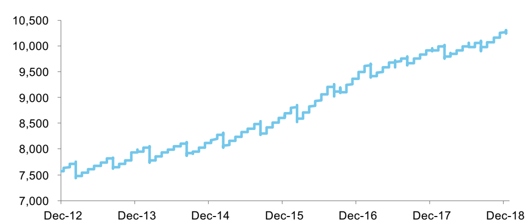
The G aaa rating is the highest rating assigned by BRC, indicating the quality of the portfolio investment processes, such as the consistency of its returns compared to the reference index or portfolios with similar investment characteristics.

SECURITY'S EVOLUTION

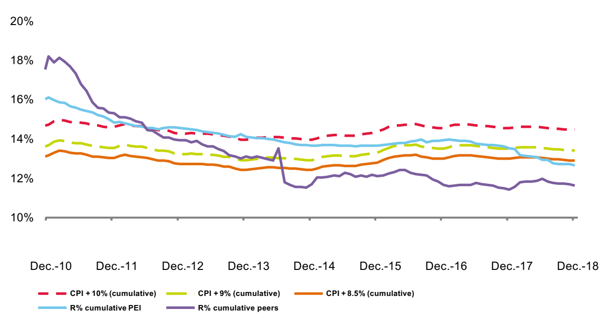
Funds Managed V. Profitability Obtained

Amount in Thousands:	**December 31, 2018**	**10,309**
Security's Value Annual Growth		4.0%
Security's Value Semestral Growth		3.3%

Graph 1. Security's Value (COP Thousands)



Graph 2. Cumulative profitability evolution v. benchmark (monthly series) / 3



Graph 3. Value of Unit (COP Thousands)

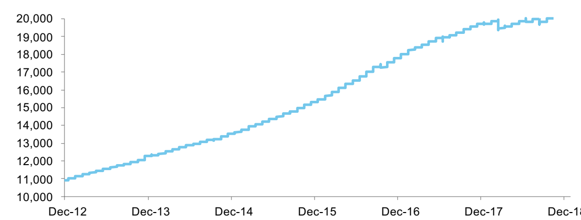


Table 1. Financial Performance

INVESTMENT VEHICLE /1	Annual	Semester	Quarter
Average Profitability	12.96%	12.75%	12.69%
Volatility	0.25%	0.09%	0.02%
PEERS /2	**Annual**	**Semester**	**Quarter**
Average Profitability	11.74%	11.70%	11.65%
Volatility	0.12%	0.07%	0.05%

Table 2. Concentration in Five Top Tenants

Tenant	Tranche I, II, III, IV, V, VI Mar 15	Tranche I, II, III, IV, V, VI Jul 15	Tranche I, II, III, IV, V, VI, VII Mar 16	Tranche I, II, III, IV, V, VI, VII, VIII Jun 16	Tranche I, II, III, IV, V, VI, VII, VIII Dec 16	Tranche I, II, III, IV, V, VI, VII, VIII, IX, X Dec 17	Tranche I, II, III, IV, V, VI, VII, VIII, IX, X, XI Dec 18
First	6.6%	6.6%	6.8%	7.4%	13.2%	11.4%	14.3%
Second	7.9%	7.9%	7.7%	6.3%	5.3%	4.9%	6.2%
Third	7.5%	7.5%	6.9%	5.6%	4.3%	4.5%	5.7%
Fourth	5.2%	6.0%	5.7%	4.7%	4.2%	4.0%	4.9%
Fifth	4.0%	5.2%	5.4%	4.4%	3.2%	3.7%	4.9%
Total	**31.20%**	**33.23%**	**32.42%**	**28.36%**	**30.25%**	**28.50%**	**35.92%**

1 / Cumulative profitability E.A Semester Period: Last 6 calendar months from the follow-up date.
2 / Comparable group established by BRC Investor Services S.A. SCV with similar characteristics in the market.
3 / The reference index of CPI + 8.5% to CPI + 9% applies to investors acquiring shares of the eighth Tranche onwards. The CPI + 9% reference index applies to investors acquiring shares of the fifth to the eighth Tranches. The CPI + 10% is maintained for investors in Tranches prior to the fifth.

RATEGIAS INMOBILIARIAS TRUST (PEI)

Rating:

'G aaa'

Contacts:
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Real Estate Manager:	Pei Asset Management S. A. S.
Management Agent:	Fiduciaria Corficolombiana S. A.
Last Rating Date:	April 18, 2018
Follow up as of:	December 31, 2018

Graph 4. Composition per type of asset

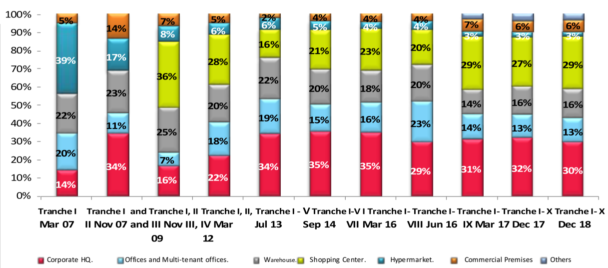


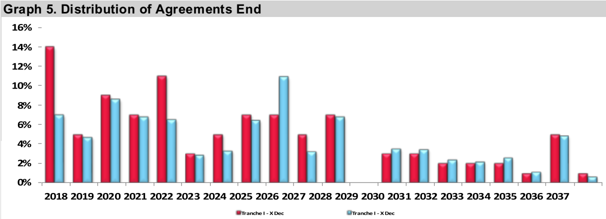
Table 3. Concentration per Investor

Date	Concentration Top Adherent	Concentration Top 10
Mar-16	26.2%	69.6%
Jun-16	26.8%	70.5%
Dec-16	28.4%	66.0%
Dec-17	13.7%	60.5%
Dec-18	15.2%	61.7%

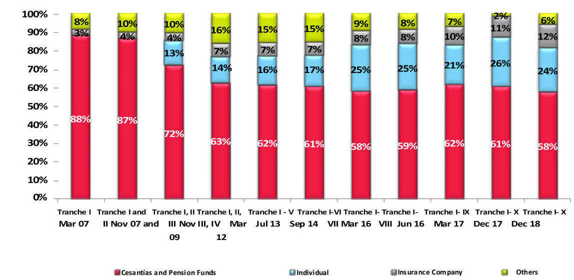
Table 4. Adjusted Returns Per Risk Level

	Jan/16 - Dec/16	Jan/17 - Dec/17	Jan/18 - Dec/18
Information Ratio /4	-1.25	0.08	-2.04
Beta /5	-0.05	1.90	0.20
Correlation with profit. target /6	-3.2%	95.2%	78.9%

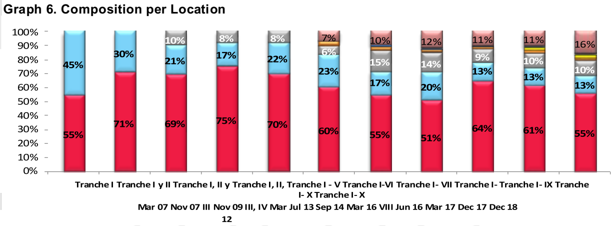
Graph 5. Distribution of Agreements End



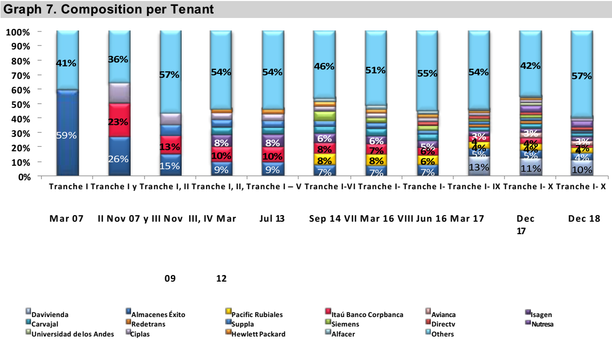
Graph 8. Composition per Investor



Graph 6. Composition per Location



Graph 7. Composition per Tenant



4/Information ratio: measures the extra return obtained by the investment vehicle as a result of the manager's ability in relation to the market, taking into account the volatility of the benchmark's excess returns. The larger the metric the larger the return than its target rate with lower volatility.
5/Beta: measures the relative volatility (risk) of the vehicle, where 1 is the target profitability's volatility. A beta above 1 means that the portfolio's volatility exceeds that of the benchmark. A beta below 1 means that the portfolio is less volatile than its target profitability.
6/Correlation: Reciprocal relationship or measure of linear association between the value of the PEI unit and the target profitability.

I. MEMBERS OF THE TECHNICAL COMMITTEE

The resumes of the Ratings Technical Committee's members are available on our website www.brc.com.co

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