

FREQUENTLY ASKED QUESTIONS

VEHICLE'S STRUCTURE

What is Pei?

PEI is an investment alternative through which investors participate in a diversified portfolio of income-generating commercial assets, through Equity Securities traded with the Colombian Stock Exchange. BRC Standard & Poor's has awarded to such Equity Securities, its highest rating: i-AAA.

PEI is a pioneer and leading real estate investment vehicle in Colombia --structured as a Real Estate Investment Trust--, replicating the international real estate trusts' model commonly known as REITs.

What does TEIS mean?

TEIS is the acronym in Spanish for *Títulos Estrategias Inmobiliarias*, which corresponds in English to Estrategias Inmobiliarias' Equity Securities: the equity securities of Pei's portfolio.

What is an Equity Security?

An equity security is a type of security that represents an interest in the results of the relevant asset under which it was issued. In the case of Pei, any investor who acquires a security (TEI) owns an interest in the Pei Trust, which in turn owns the real estate assets.

Are TEIS rated by a risk rating agency?

Yes, since the first issue in 2007, TEIS have been rated by risk rating agency BRC Standard & Poor's. Since 2011, BRC Standard & Poor's has awarded to the TEIS its highest available rating for equity securities: i-AAA.

What is the minimum investment amount?

The minimum investment amount in Pei's equity securities is the equivalent to one (1) Security. The Security's reference value is available in the following link.

Does the investment have a minimum holding period?

The investment has no minimum holding period; however, to achieve the target profitability, a medium/long investment term (over 5 years) should be considered, as it potentializes the benefits of the portfolio assets' stabilization.

What process need to be followed to invest in Pei?

Any individual, business, or company interested in investing in PEI, may do so by purchasing TEIS Equity Securities. TEIS may be acquired in a primary issue or the secondary market.

Primary issues take place whenever the vehicle issues new securities. The issue has a first round where current investors may exercise their preemption rights and maintain their interest percentage, and a second round, whose target is the general market, where both current and new investors may acquire TEIS under the same price conditions of the first round.

Pei's Securities may be also acquired in the secondary market, as they are traded through the Colombian Stock Exchange.

In either scenario, any person interested in acquiring Pei's Securities must do so through a Stock Brokerage Firm.

Who owns Pei's assets?

The Trust (Pei) owns the assets; therefore, the ultimate owners of Pei's assets are all of the Investors, in proportion to their interest percentage therein.

How many investors does Pei have?

After thirteen years of operation, Pei has managed to attract 4,555 capital investors, including mandatory pensions funds, voluntary pension funds, insurance companies, trust companies, mutual investment funds, family offices, companies, and individuals.

Which are the tax rules applying to Pei and its investors?

Pei is not subject to income tax and, because it is a trust, the tax transparency principle applies to its investors. Taxes in charge of the investors follow the Investor's tax nature.

To the extent that Pei is an income-generating vehicle, it is subject to the industry and commerce tax.

FINANCIAL

Which is Pei's profitability?

Because Pei is a long-term investment vehicle, profitability varies depending on the relevant investment's term: the longer the term, the greater the profitability. The target profitability for a 10-years period is the CPI + 8%.

Who appraises the assets?

Under Pei's prospectus, the real estate assets' appraisals must be conducted by an independent appraisal firm that must be a member of the real estate guild and need to be duly authorized by the Advisory Committee for such purposes. Pei currently works with multinational appraisal companies such as CBRE, Logan Valuation Colliers International, and Deloitte.

What is the methodology used to appraise the assets?

Pei's portfolio assets are appraised using the discounted cash flow methodology. Under this methodology, the asset's value depends on the conditions of the lease agreements associated thereto and the future flows generated by the property.

How frequently are returns paid?

Returns are paid twice a year, on the tenth business day of February and the tenth business day of August. Complying with that provided for in the prospectus, the distributable cash flows are variable and correspond to those resulting from the portfolio's operation in the relevant period.

Upon selling an asset, where are the relevant resources destined to?

Pei's Investment Policy provides that any resources from the sale of the portfolio assets may be invested in other assets within a term of up to twelve (12) months; otherwise, the available cash flow must be paid to the vehicle's investors.

Which is the amount of Pei's management fee?

The annual fee received by Pei's Real Estate Manager for its administration of the vehicle is one percent (1%) of the equity, plus one percent (1%) of the short-term liabilities, plus one percent (1%) of long-term liabilities, provided that the long-term financed assets' profitability exceeds the long-term debt's service.

REAL ESTATE PORTFOLIO

How many assets does Pei have? Where are they located?

Pei has 142 assets in over 30 cities and municipalities in Colombia.

How many tenants does Pei have?

Pei has 1,415 tenants made up, among others, by large national and multinational companies, leaders in the sectors that they belong to.

What are the types of assets in which Pei invests?

Pei invests in income-generating commercial assets with a high appreciation potential. The asset categories where Pei invests are: corporate, commercial, logistics, and specialized uses.

What are Assets Under Development?

Assets under Development are properties under construction or to be built. Pei executes a binding commitment to acquire such assets in the future, once they are capable of generating income.

What is Pei's vacancy?

Pei's assets vacancy corresponds to either the leasable area not physically occupied by any tenant, or to the economic vacancy, which refers to the income not received as a result of any given area not being occupied. The vacancy levels' evolution may be consulted in the following link:

CORPORATE GOVERNANCE

Who makes Pei's material decisions?

The Advisory Committee makes Pei's material decisions

Who are the members of Pei's Advisory Committee?

Pei's Advisory Committee has a mixed composition: independent members, the Investors
Calle 80 No. 11 – 42 Torre Sur Piso 10. Bogotá, Colombia. Tel. (571) 744 89 99

Legal Representative, and members of the Real Estate Manager.

What is Fiduciaria Corficolombiana's role in Pei?

Fiduciaria Corficolombiana S.A. acts as the Management Agent, collects the resources from the Issuance Program, makes the investments provided for in the Prospectus--with the Trust's resources--, and acts as spokesperson for the Trust before Investors and third parties.

What is Pei Asset Management's role in Pei?

Pei Asset Management is Pei's real estate manager. Pei Asset Management is in charge of managing the real estate portfolio, being responsible, among others, for the conservation, promotion, structuring, and placement of new tranches, the assessment of investment opportunities, the management of the portfolio's leasable area, the periodical communication to investors of the vehicle's performance, and any other activities provided for in the real estate management agreement.

Who are Pei Asset Management's partners?

Pei Asset Management's partners are Grupo Santo Domingo and Estrategias Corporativas.

What is Fiduciaria Colmena's role in Pei?

Fiduciaria Colmena S.A. shall act as the Investors Legal Representative under the Issuance Program and, as such, shall exercise the Investors' rights and defend their common or collective interests in accordance with that provided for in Decree 2555, the Prospectus, and the Investors Legal Representation Agreement.

Which is the authority in charge of monitoring Pei?

Because Pei is a trust, the Financial Superintendency of Colombia monitors it through the Management Agent.

Additionally, as an issuer of securities in the market, Pei is required to comply with all the applicable regulations and requirements necessary to be listed with the Colombian Stock Exchange.