

# PEI: Colombia's Premier Real Estate Investment Vehicle

May 2024

# AGENDA



## PEI: Colombia's Premier Real Estate Investment Vehicle

1

PEI AT-A-GLANCE

2

COLOMBIA MACROECONOMIC UPDATE  
AND REAL ESTATE MARKET OUTLOOK

3

PEI INVESTMENT HIGHLIGHTS

4

CORPORATE GOVERNANCE

# PEI: Colombia's Premier Real Estate Investment Vehicle



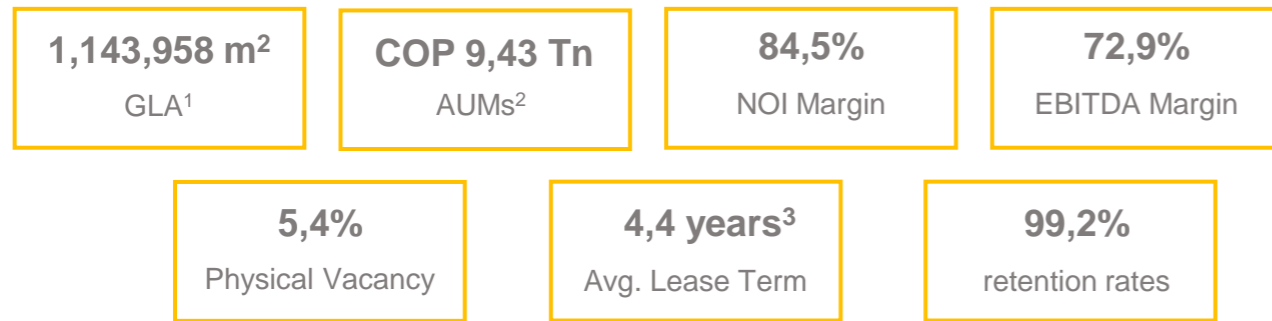
Edificio Rivana Business  
Medellín - Colombia

# 01

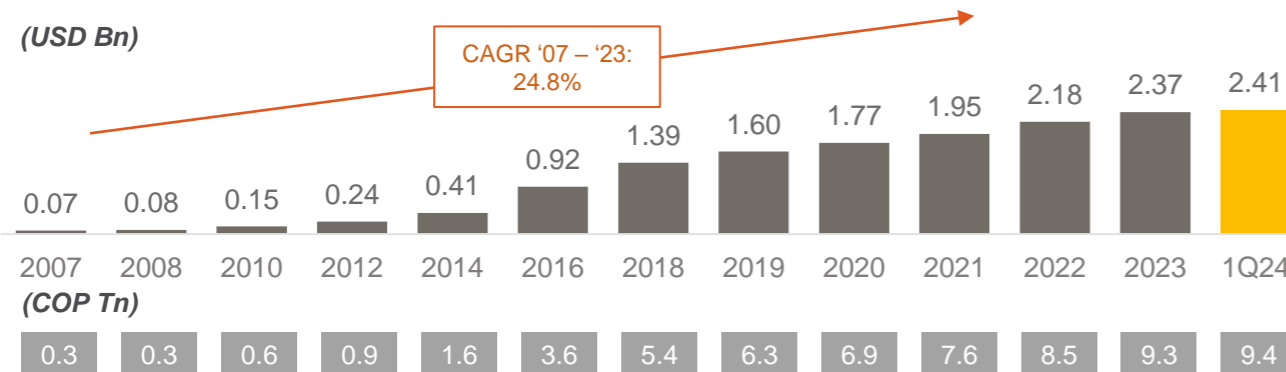
## PEI AT-A-GLANCE

PEI Asset Management S.A.S (“PEI” or the “Company”) is the largest publicly traded real estate fund in Colombia and the pioneer of REITs issuance with a proven track record of over 17 years in the acquisition and operation of stabilized assets

### 1Q 2024 KEY FIGURES

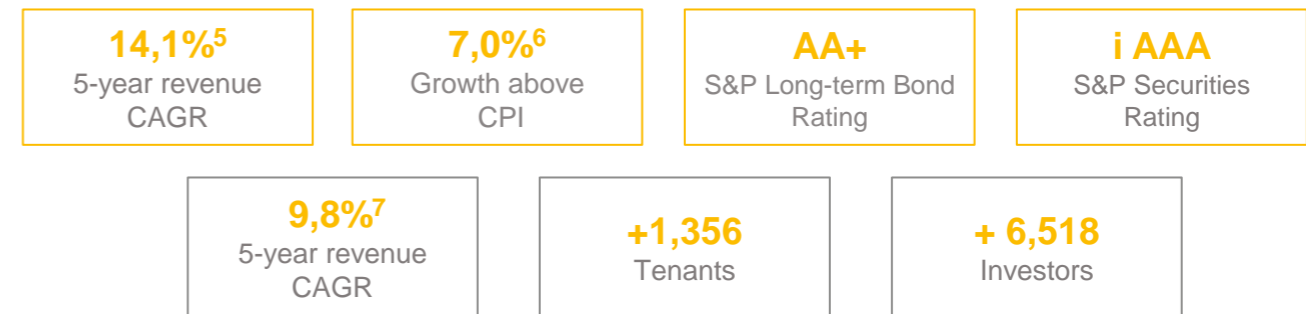


### AUMs<sup>3</sup> EVOLUTION

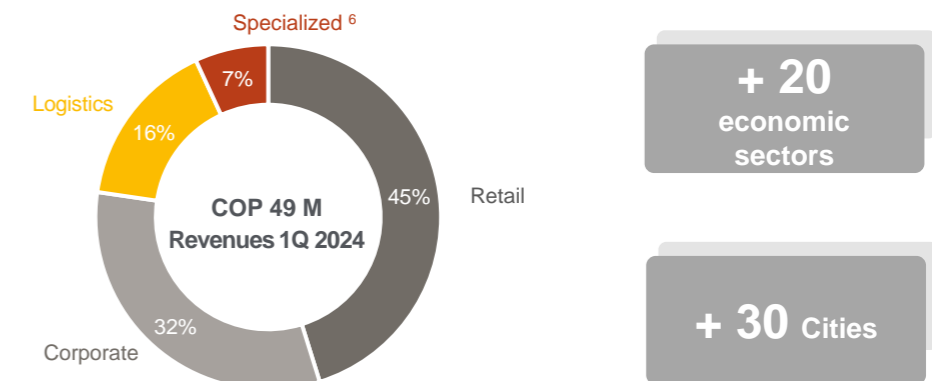


1. GLA: Gross Leasable Area. Does not include Calablanca, CityU housing, and Boho  
 2. AUMs: Assets Under Management  
 3. Duration of shopping centers is excluded  
 4. Figures converted to USD assuming a USD/COP exchange rate of 3,914.97, calculated as the daily average YTD for Q1 2024

### PORTFOLIO SNAPSHOT



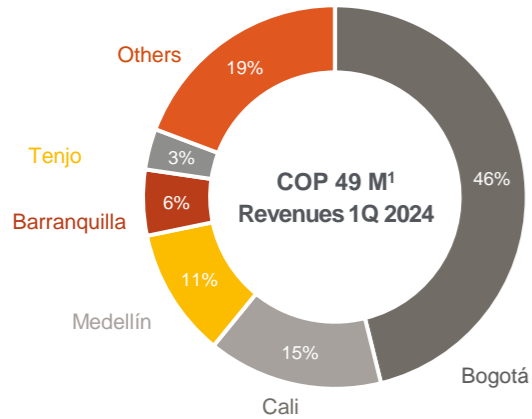
### BREAKDOWN BY SEGMENT (%)



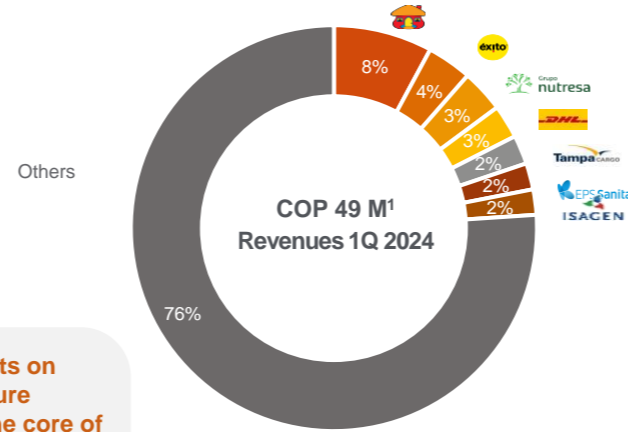
5. Revenue growth of 14.1% represents the Compound Annual Growth Rate (CAGR) of revenues from 2018 to 2023  
 6. The average increase in the Consumer Price Index (CPI) in Colombia between 2018 and 2023 was 6.6%  
 7. Calculated as the NOI divided by the market value.as of dec. 2023  
 8. Specialized assets include low complexity health care facilities, university dorms and one luxury beach hotel.

PEI's Real Estate portfolio is well diversified and includes Office, Industrial, Retail and Specialized assets, with clear geographic and concentration investment limits and high-quality tenants in a broad array of economic sectors with a 99.2% retention rate

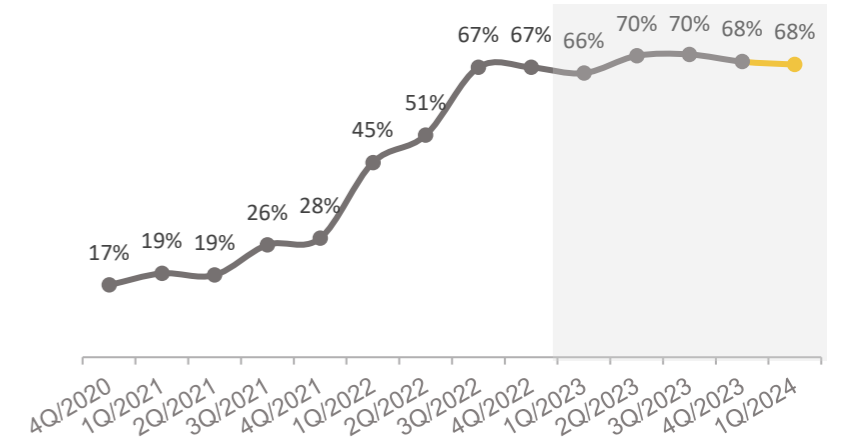
Breakdown by City(%)



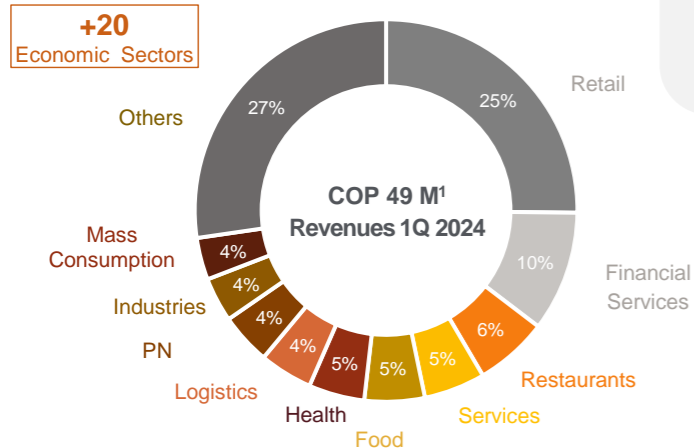
Breakdown by tenant (%)



Corporate asset traffic <sup>4</sup>



Breakdown by economic sector (%)

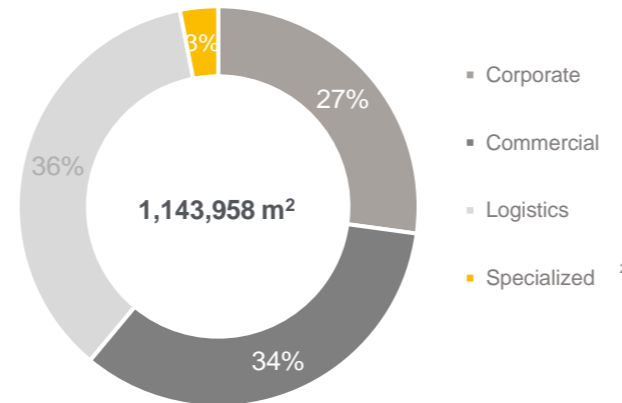


**PEI maintains clear limits on concentration to ensure diversification remains at the core of its strategy**

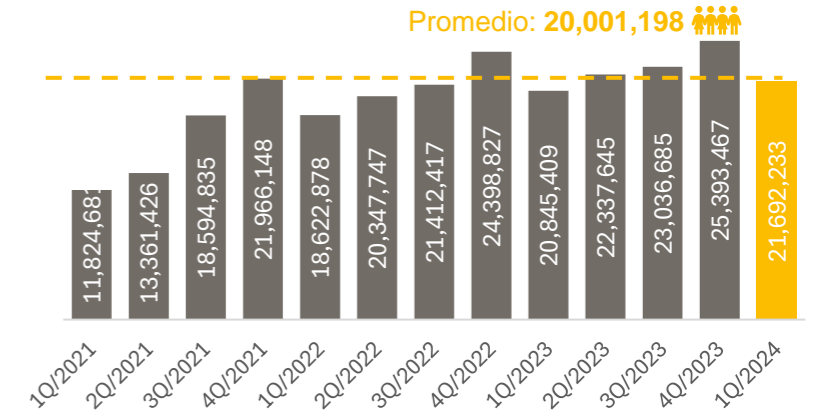
Limit by Real Estate category **70%**

Limit by a single tenant **20%**

Breakdown by GLA<sup>3</sup> (%)



Malls traffic <sup>5</sup>



Note: All breakdowns excluding GLA are calculated based on revenues.

1. Figures converted to USD assuming a USD/COP exchange rate of 3,914.97, calculated as the daily average YTD for Q1 2024.

2. Specialized assets include low complexity health care facilities and hospitality assets.

3. GLA Breakdown excludes specialized hospitality assets (City U university dorms and hotels).

4. Average office traffic per quarter.

5. Quarterly weighted average of traffic in malls.

PEI has a unique and hard to replicate nationwide footprint of high-quality real estate assets



Corporate  
**22,266 m2**



Specialized  
(Hospitality)  
**1,535 keys**



Retail  
**81,423 m2**



Logistics  
**19,168 m2**



Specialized  
(Hospitality)  
**187 keys**

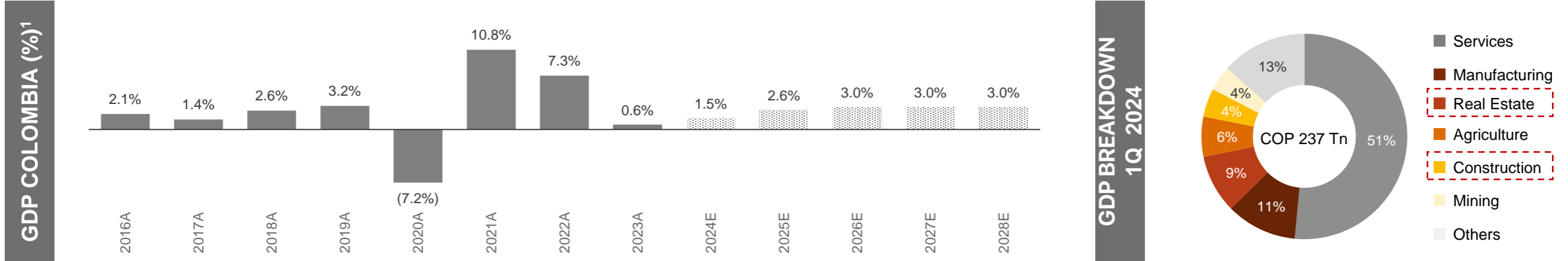
**PEI: Colombia's  
Premier Real Estate  
Investment Vehicle**



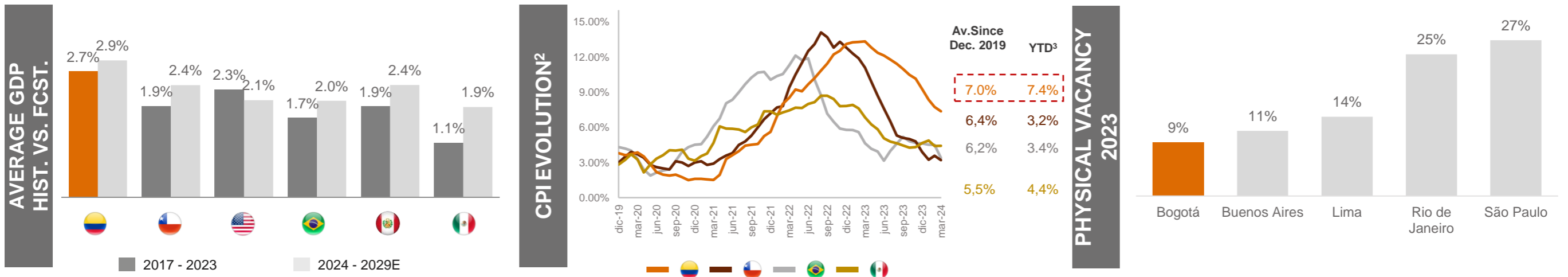
**Calablanca Barú Beach Resort Hotel**  
Barú Cartagena - Colombia

**02**  
**COLOMBIA**  
**MACROECONOMIC UPDATE**  
**AND REAL ESTATE MARKET**  
**OUTLOOK**

Colombia has a sizable economy with favorable growth fundamentals and strong diversification



Colombia is Latam's third largest economy with strong economic performance, sound growth among peers and a strengthened local currency



Source: Bloomberg, DANE, EMIS, Cushman & Wakefield Colombia

1. Historical figures taken from DANE (National Administrative Department of Statistics) and forecasts from Bloomberg

2. Figures taken from EMIS | CPI: Colombian Inflation Rate

3. Figures taken from Bloomberg as of 1Q 2024

4. YTD: Year to Date

5. Figures represent offices and warehouses vacancy for class A facilities.



- Decrease in building permits from pre-COVID highs together with the increase in construction materials costs have led to a lower supply over the years. As a result, vacancy rates have decreased significantly and rent prices are expected to increase

- Demand has been driven by the “back to the office” trend, an economic backdrop that is supportive of retail and the higher demand in BTS<sup>6</sup> facilities

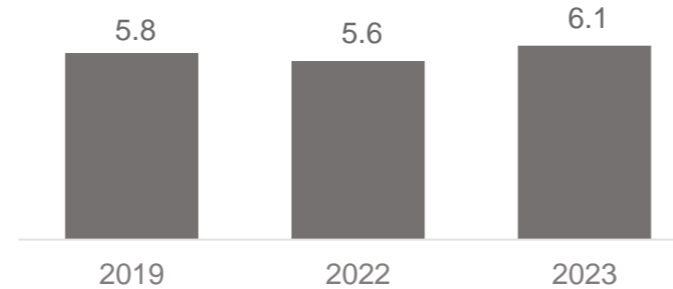
## CONSTRUCTION COST INDEX<sup>1</sup>

Annual Variation of the Main

- Items
- MATERIALS**  
+4,6% ▲
  - SERVICES**  
+1,8% ▲
  - LABOR**  
+6,7% ▲

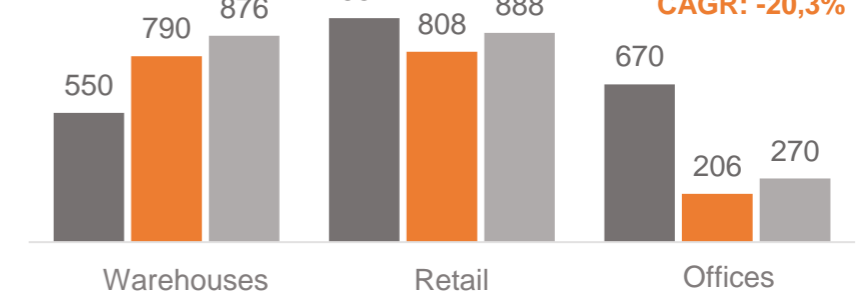
## NON-RESIDENTIAL BUILDING PERMITS<sup>2</sup>

■ Approved area  
CAGR<sup>5</sup>: +1,3%



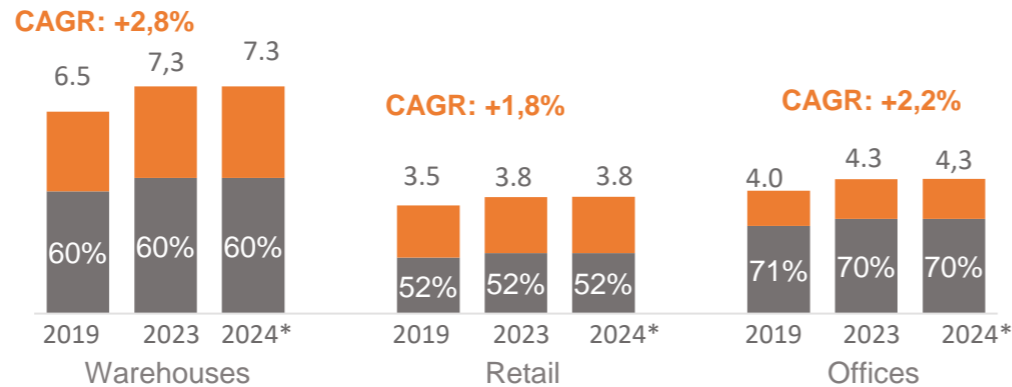
## COMPLETED CONSTRUCTION WORKS NATIONWIDE<sup>3</sup>

■ 2019 ■ 2022 ■ 2023  
CAGR: +12,4% (Warehouses), CAGR: -1,7% (Retail), CAGR: -20,3% (Offices)



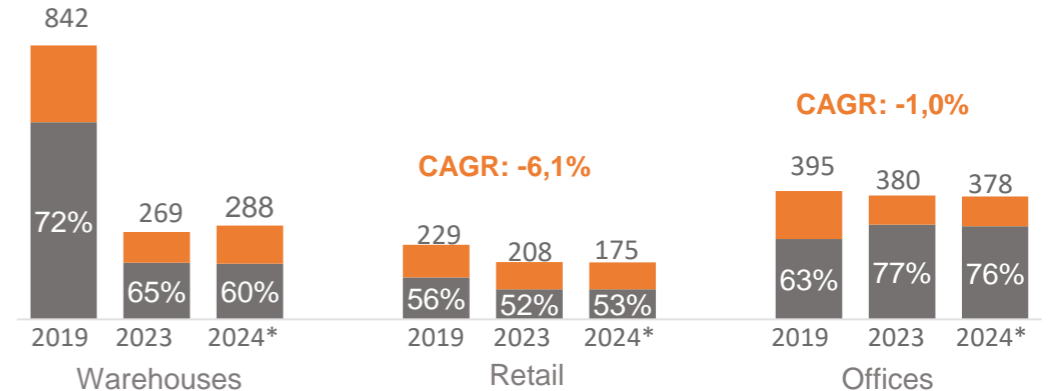
## INVENTORY IN MAJOR CITIES OF COLOMBIA<sup>4</sup>

■ Bogotá ■ Other Cities  
Millions of m²



## OFFER<sup>4</sup>

■ Bogotá ■ Other Cities  
'000 of m²



1. Source: DANE (National Administrative Department of Statistics), Index of Construction Costs for Buildings (ICOCED). The services refer to finishing services, structure, installations, among others.  
 2. Source: DANE, total licensed area as of December of each year nationwide.  
 3. Source: DANE, area surveyed by construction status as of Q4 of each year nationwide.

4. Information obtained from Colliers International, Major cities of Colombia: Bogotá, Medellín, Barranquilla, and Cali (corresponding to other cities).  
 5. CAGR: Compound Annual Growth Rate.  
 6. Built to Suit ("BTS").


**PEI: Colombia's  
Premier Real Estate  
Investment Vehicle**



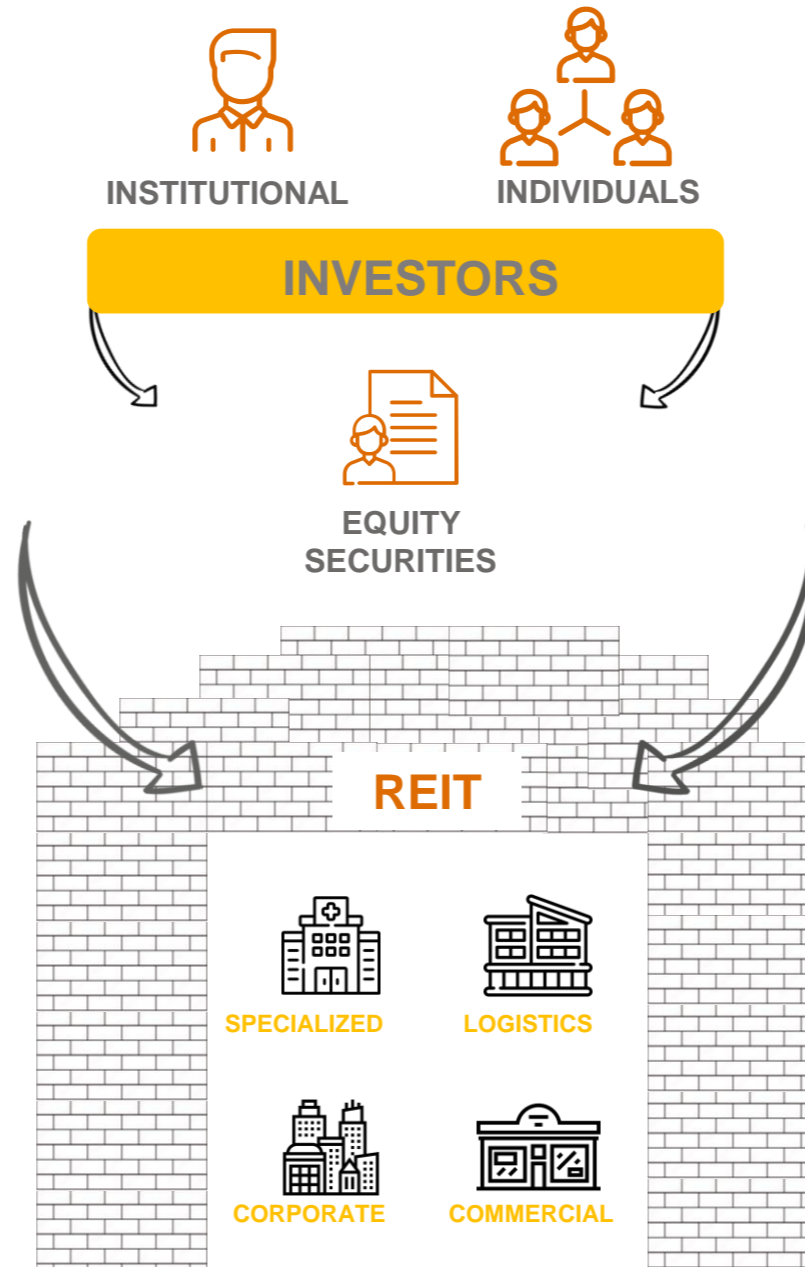
**03**

**PEI INVESTMENT  
HIGHLIGHTS**


 Investment structures listed with a stock exchange, where investments are collectively made in real estate assets underlying the relevant securities.


 Securities listed with a stock exchange provide access to a diversified portfolio of real estate assets.

 REITs are designed to distribute all the cash resulting from their operation to investors.



 Emerged in the US in 1960, so that individuals could access the real estate sector.

 In Colombia, PEI was the pioneer. PEI's first equity securities issuance in the market took place over 16 years ago, in February 2007.

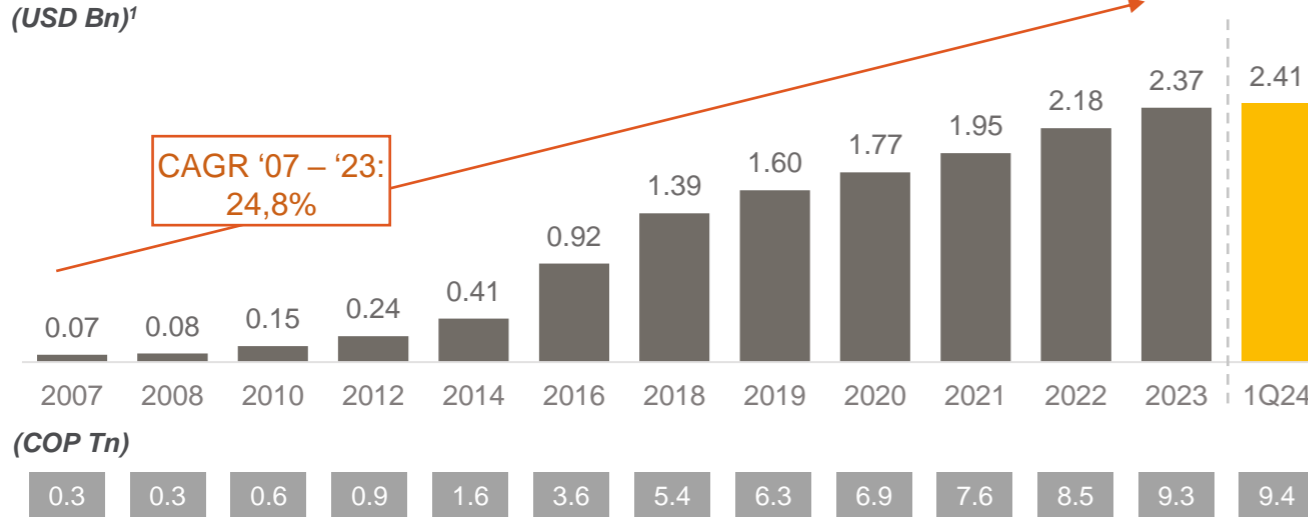
 The REITs' profits stem from two sources: the cash flow distributed to investors and the underlying assets appreciation.

<p><b>LEADING PLAYER IN THE COLOMBIAN REAL ESTATE MARKET</b></p>	<ul style="list-style-type: none"> <li>• Leader in terms of AUMs (USD2.41 bn<sup>1</sup>), GLA<sup>2</sup> (1.143 mm m<sup>2</sup>) and Revenues (USD49 mm<sup>1</sup>)</li> <li>• Proven track record of over 17 years in the Colombian Market</li> <li>• Only REIT-like vehicle in the country</li> <li>• Growing and well-diversified investor base with over 6,500 investors</li> </ul>
<p><b>DIVERSIFIED PORTFOLIO WITH HIGH QUALITY TENANTS</b></p>	<ul style="list-style-type: none"> <li>• Diversified portfolio: Office, Industrial, Retail, Health Care, and Hospitality Real Estate assets</li> <li>• Geographical diversification in more than 30 cities including Bogota, Medellin, Cali and Barranquilla</li> <li>• High quality tenants with long-term contracts</li> </ul>
<p><b>CONSERVATIVE REAL ESTATE INVESTMENT STRATEGY</b></p>	<ul style="list-style-type: none"> <li>• Focused on the acquisition and management of stabilized income-generating real estate assets</li> <li>• Lease contracts indexed to inflation</li> <li>• Unique and hard to replicate nationwide footprint of high-quality real estate assets</li> </ul>
<p><b>LONG TERM CONTRACTS AND LOW VACANCY INDEXES</b></p>	<ul style="list-style-type: none"> <li>• Portfolio average lease term of 4.4 years<sup>3</sup> and 2023 retention rate of 99.2%</li> <li>• Physical vacancy of 5.4% that stands below the industry's average</li> <li>• Strong lease profile with highly predictable and low volatility cash flows</li> </ul>
<p><b>STRONG FINANCIAL AND OPERATIONAL PERFORMANCE</b></p>	<ul style="list-style-type: none"> <li>• Well managed debt profile with an LTV below international standards</li> <li>• Solid Revenues, NOI<sup>4</sup> and EBITDA performance with respective CAGRs of 14.1%, 13.6% and 15.0% since 2018<sup>5</sup></li> </ul>
<p><b>ACCOMPLISHED MANAGEMENT TEAM AND SHAREHOLDERS</b></p>	<ul style="list-style-type: none"> <li>• Over 50 years of experience in the Real Estate and Investments industries</li> <li>• Externally managed fund with proven trajectory identifying and executing deals</li> <li>• Clearly aligned incentives for PEI's management team which is exclusively dedicated to managing the fund</li> </ul>

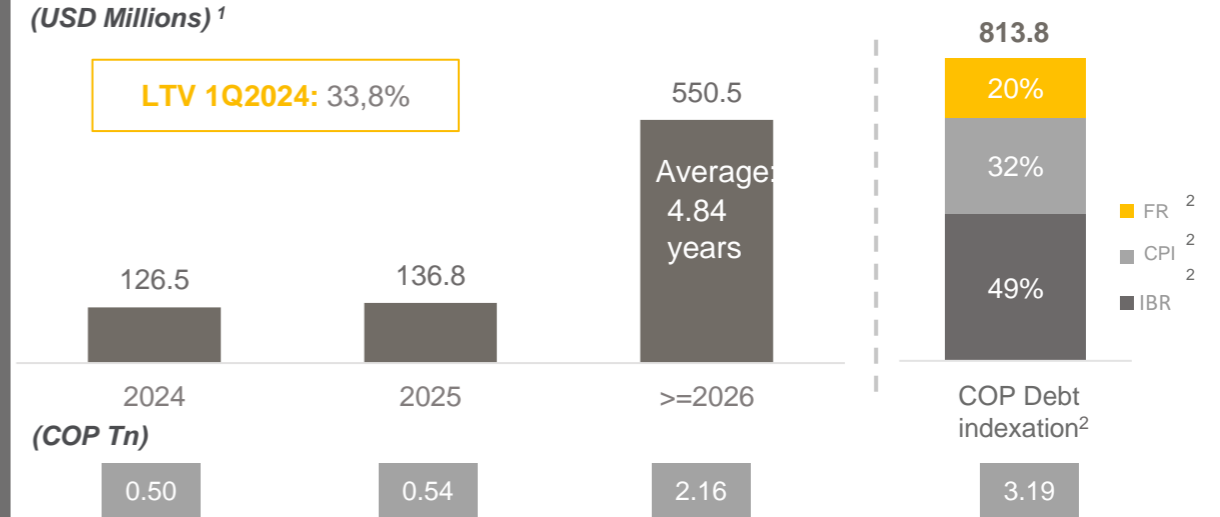
1. Figures converted to USD assuming a USD/COP exchange rate of 3,914.97, calculated as the daily average YTD for Q1 2024.  
 2. GLA: Gross Leasable Area m2.  
 3. Excluding malls.

4. NOI: Net Operating Income.  
 5. Figures represent 2018 to 2023 CAGRs.

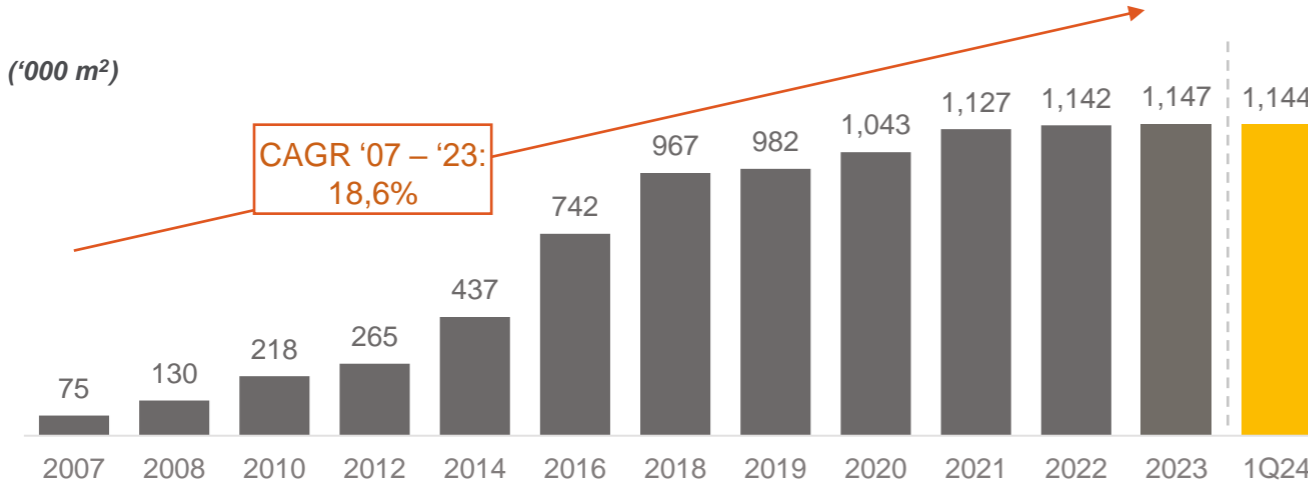
## ASSETS UNDER MANAGEMENT



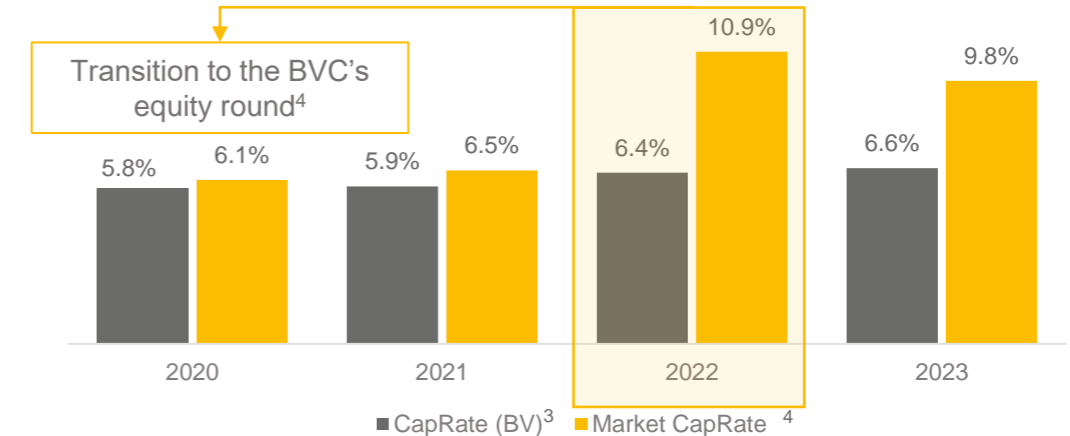
## DEBT MATURITY PROFILE



## GROSS LEASABLE AREA



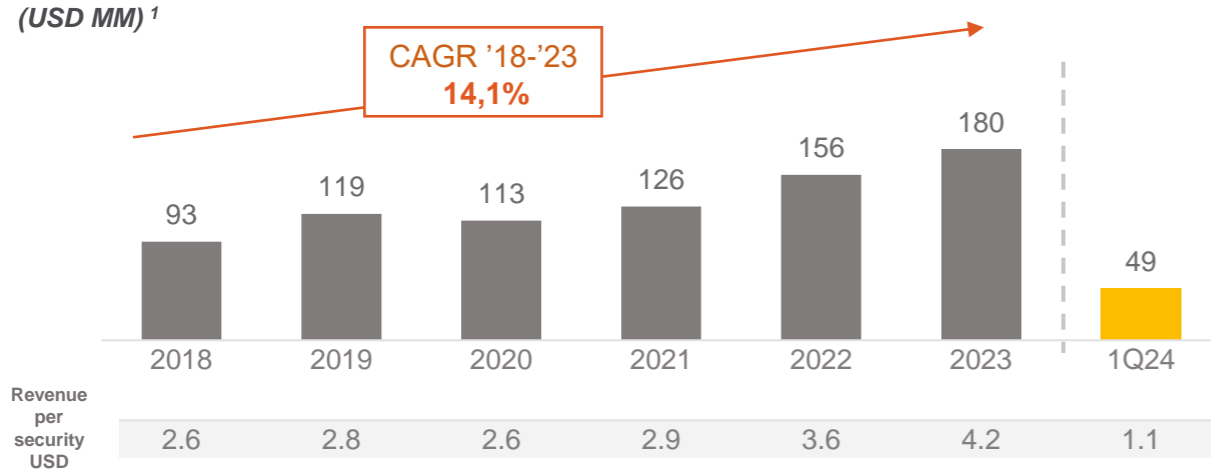
## CAP RATE (%)



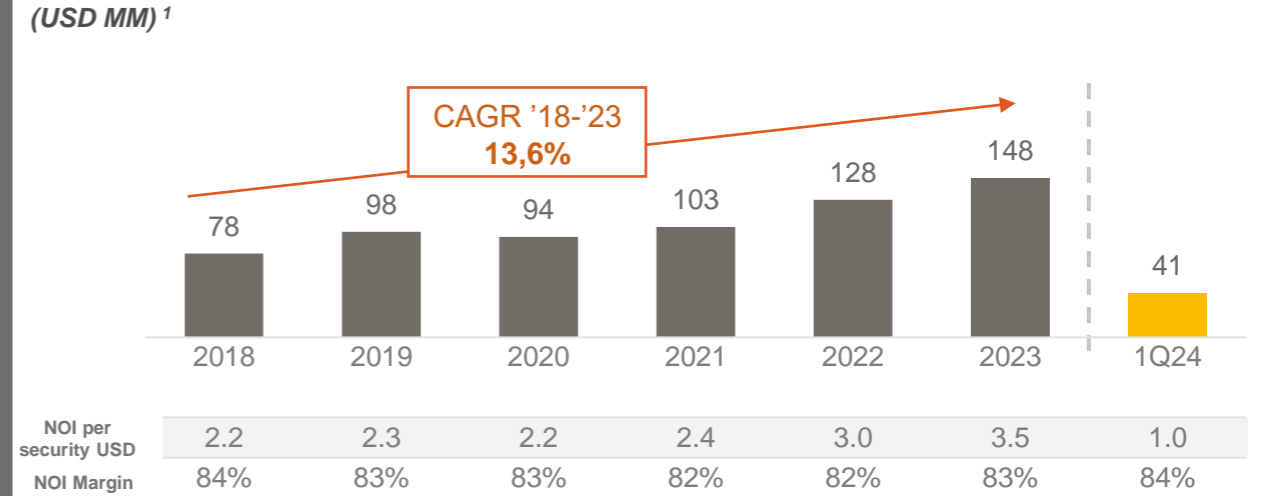
1. Figures converted to USD assuming a USD/COP exchange rate of 3,914.97, calculated as the daily average YTD for Q1 2024.  
 2. IBR: Colombian Interbank Rate | CPI: Colombian Inflation Rate | FR: Fixed Rate.  
 3. Calculated as the NOI divided by the investment property book value.

4. Calculated as the NOI divided by the market value.  
 5. On August 22nd, 2022, the transition of the securities to the BVC's equity round and the implementation of the Participative Securities split took place.

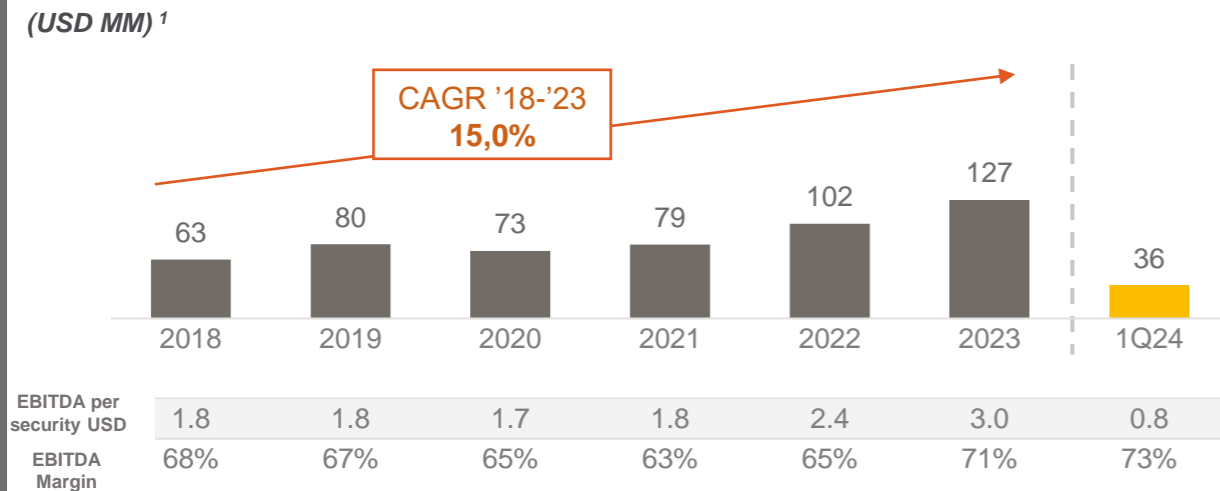
## REVENUES



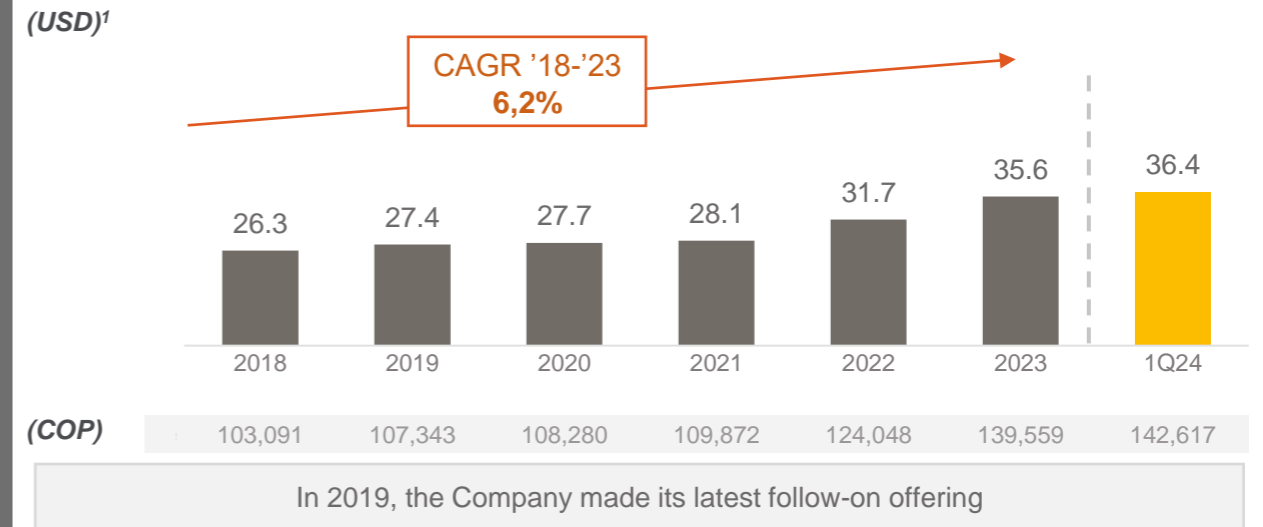
## NOI



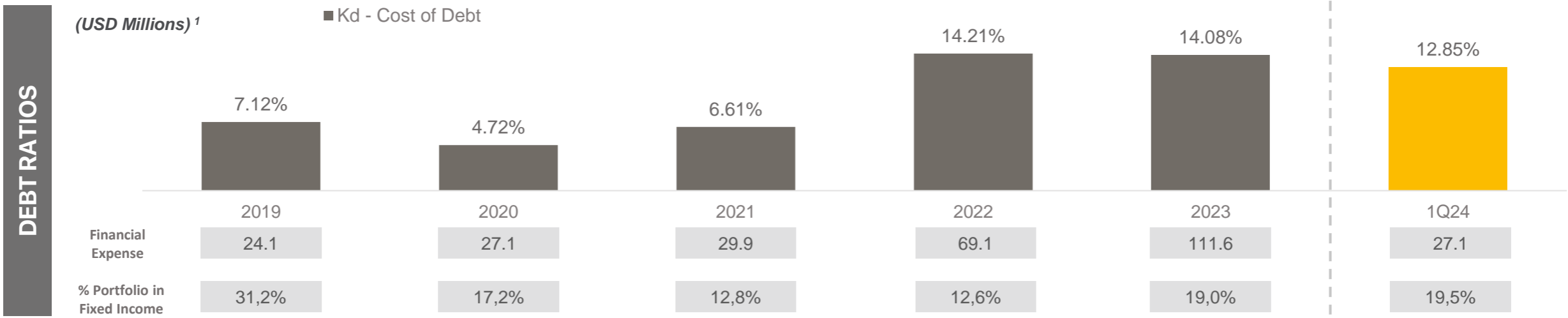
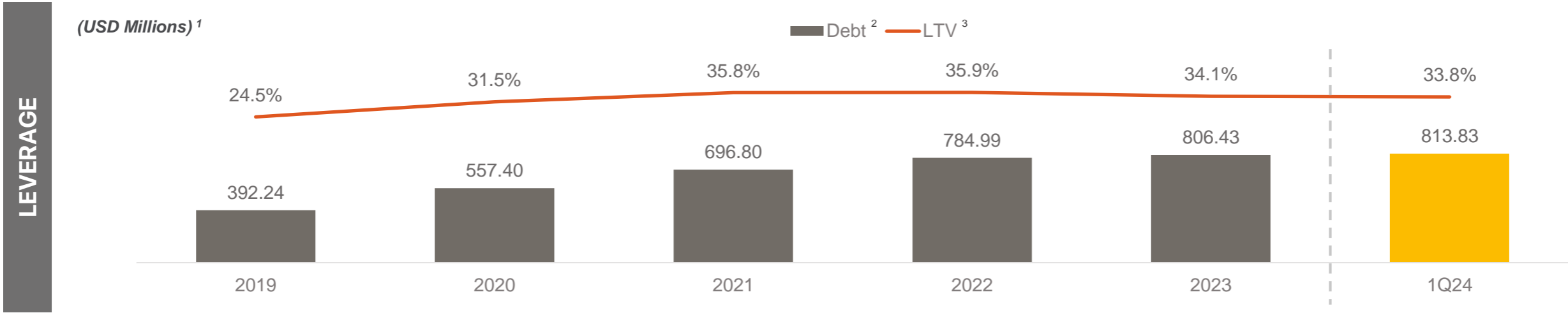
## EBITDA



## NAV PER SECURITY



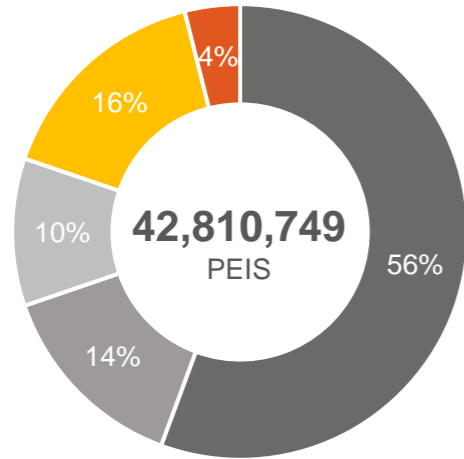
1. Figures converted to USD assuming a USD/COP exchange rate of 3,914.97, calculated as the daily average YTD for Q1 2024



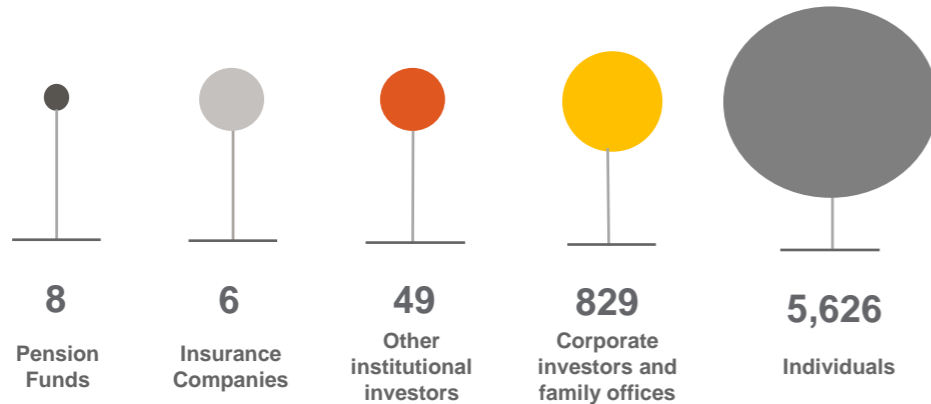
1. Figures converted to USD assuming a USD/COP exchange rate of 3,914.97, calculated as the daily average YTD for Q1 2024.  
 2. Debt: Data as of Close

3. LTV (Loan to Value) is calculated as the percentage of financial debt over the total assets under management. We have consistently managed to keep the limit below 35%.  
 4. KD: Data as of Close

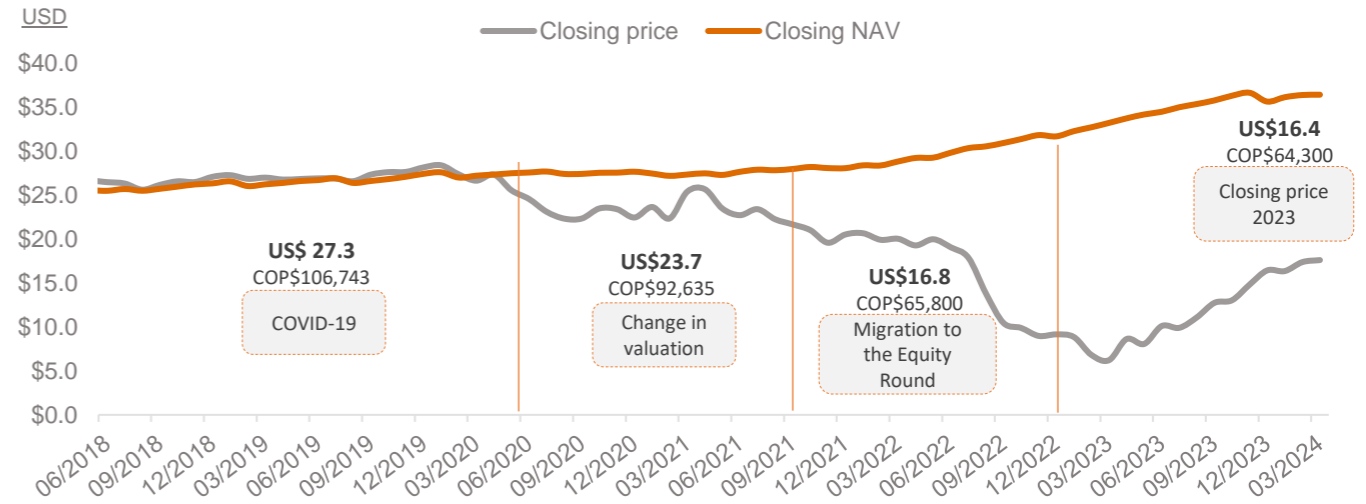
GROWING AND WELL-DIVERSIFIED INVESTOR BASE



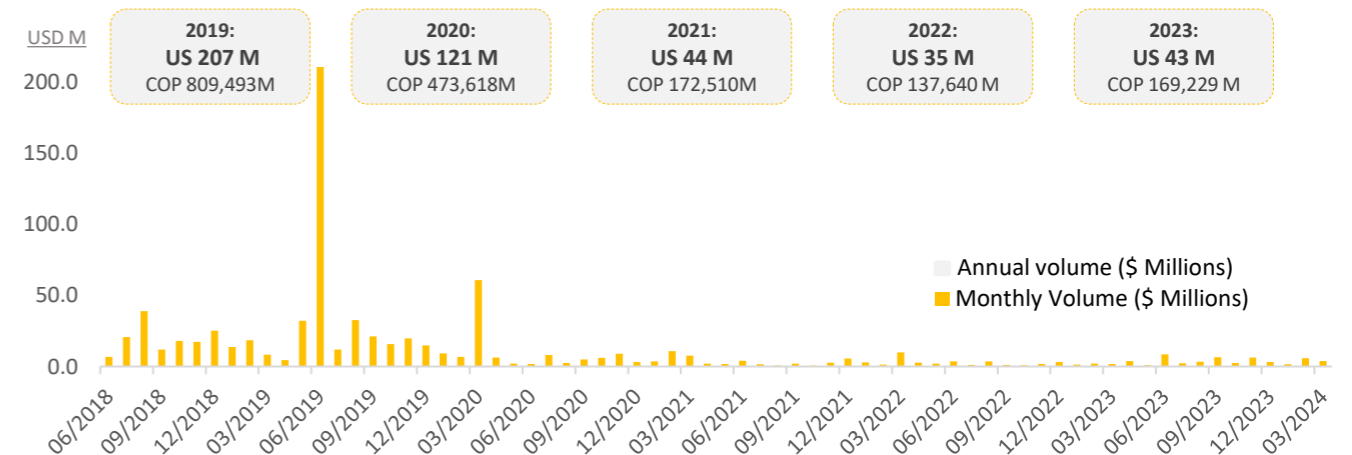
- Pension Funds
- Individuals
- Insurance Companies
- Corporate investors and family offices
- Other institutional investors



MARKET PRICE VS. NAV | 1Q 2024 - COP 68,900 (USD 17.6)



PEI TRADED VOLUME | 1Q 2024 - 45,051 MILLIONS



1. Figures converted to USD assuming a USD/COP exchange rate of 3,914.97, calculated as the daily average YTD for Q1 2024.



	2024E	Key Messages
Revenues (USD Millions)	[197 - 209]	Revenues will reflect 2022 and 2023 inflation adjustments
NOI MARGIN	[81,5%-84,5%]	Operational profit margins are anticipated to be maintained.
PHYSICAL VACANCY	[4,5%-5,5%]	The estimated levels of physical vacancy are aligned with historical levels of the PEI, given the reduction in the entry of new square meters into the market
MARKET DIVIDEND YIELD	[4,6%-5,1%]	We expect a recovery in the dividend yield due to the renegotiation of lease contracts and the gradual normalization of financial expenses.
BOOK VALUE DIVIDEND YIELD	[1,9%-2,5%]	
PROFITABILITY <sup>2</sup>	[11%-15%]	Profitability is estimated to be in the range of 11% to 15%, depending on the levels of inflation.

1. Figures converted to USD assuming a USD/COP exchange rate of 3,914.97, calculated as the daily average YTD for Q1 2024.

2. Profitability is calculated based on the cash distributed to investors and the portfolio appraisal.

**PEI: Colombia's  
Premier Real Estate  
Investment Vehicle**











Torre CCI  
Bogota - Colombia

**04**

**CORPORATE  
GOVERNANCE**

PEI has an experienced management team with over 50 years of Real Estate industry experience, with a proven track record of identifying and executing deals in Colombia. Manager rated AAA by Standard & Poor's

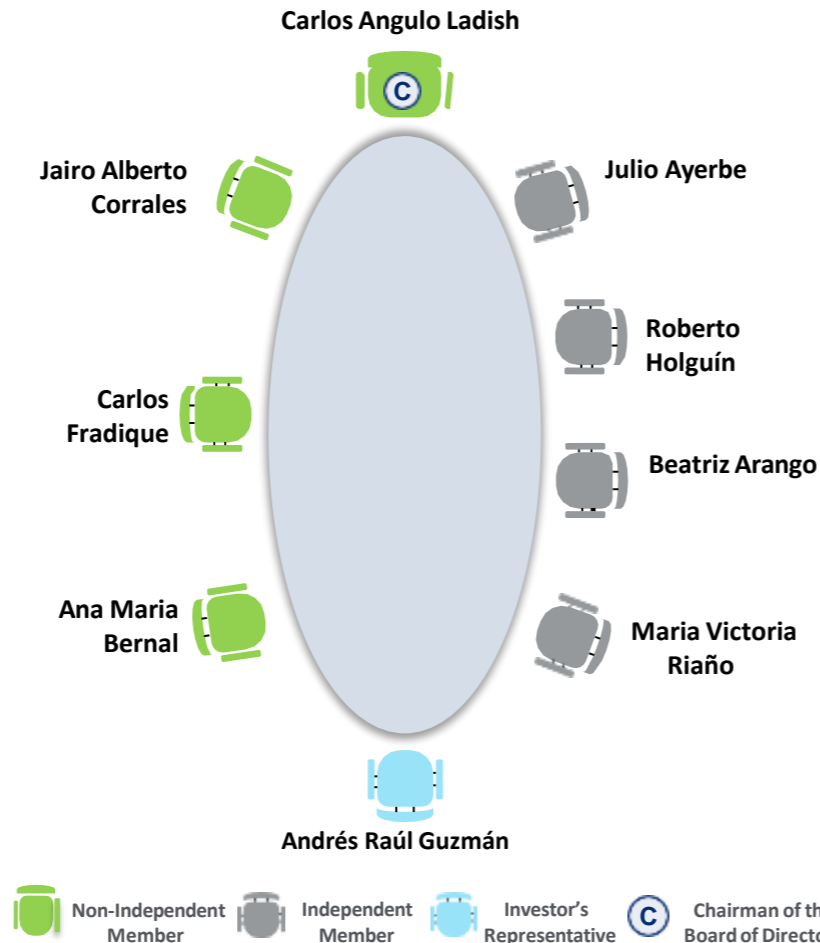
Name / Title	Description	Name / Title	Description
 <p><b>Jairo Alberto Corrales</b> <i>CEO</i></p>	<ul style="list-style-type: none"> <li>• Civil Engineer with Specialization in Finance from Universidad de los Andes</li> <li>• Diploma in Management and Marketing of International Council of Shopping Centers in Buenos Aires, Argentina</li> <li>• Years of experience: +22</li> </ul>	 <p><b>Ginna Castro</b> <i>Human Talent Manager</i></p>	<ul style="list-style-type: none"> <li>• Psychologist from Universidad del Bosque with a specialization in Human Management and Organizational Development from Universidad del Rosario</li> <li>• Certification in Change Management</li> <li>• Years of experience: +14</li> </ul>
 <p><b>Andrés Felipe Ruiz</b> <i>CFO &amp; IRO</i></p>	<ul style="list-style-type: none"> <li>• Undergraduate degree from the University of North Carolina Chapel Hill and complementary studies in Value Investing at Columbia University</li> <li>• Executive MBA from Cornell University</li> <li>• Years of experience: +18</li> </ul>	 <p><b>Ana María Bernal</b> <i>Legal and Corporate Affairs Manager</i></p>	<ul style="list-style-type: none"> <li>• Lawyer and Specialist in Capital Markets Law from the Pontificia Universidad Javeriana, specialist in Commercial Law from Universidad de los Andes</li> <li>• Master of Laws from Cornell Law School and Master of Public Administration from Harvard University. Certification in Sustainability from MIT</li> <li>• Years of experience: +16</li> </ul>
 <p><b>Jimena Maya</b> <i>Strategy and Comms Manager</i></p>	<ul style="list-style-type: none"> <li>• Industrial Engineer from Universidad de los Andes</li> <li>• MBA from INALDE Business School</li> <li>• Years of experience: +21</li> </ul>	 <p><b>María Alejandra Cardozo</b> <i>Investment &amp; New Businesses Manager</i></p>	<ul style="list-style-type: none"> <li>• Undergraduate degree from Universidad Externado de Colombia</li> <li>• MBA in IE Business School</li> <li>• Years of experience: +12</li> </ul>
 <p><b>Andres Esquivel</b> <i>Commercial Manager</i></p>	<ul style="list-style-type: none"> <li>• Economist from Universidad Central</li> <li>• Specialization in commercial intelligence and marketing from Universidad EAN</li> <li>• Years of experience: +13</li> </ul>	 <p><b>Iván Parra</b> <i>Asset Management Manager</i></p>	<ul style="list-style-type: none"> <li>• International Relations from Universidad Jorge Tadeo Lozano</li> <li>• Diploma in Management and Financial Administration and Real Estate Management</li> <li>• Years of experience: +12</li> </ul>

Clearly aligned incentives for PEI’s management team, exclusively dedicated to managing the investment vehicle, with strong oversight and defined investment policies from its Board of Directors, the Advisory Committee

## ADVISORY COMMITTEE/ BOARD OF DIRECTORS

- The Advisory Committee is made of nine (9) members, five (5) independent members and four (4) members of the Asset Manager, elected for two (2) year terms. The following shall be members of the Advisory Committee:

- A legal representative for investors
- The independent members could be re-elected up to 4 terms of 2 years



## SIMPLIFIED PEI STRUCTURE



### Board Level Committee

- The Advisory Committee shall deliberate and take decisions in the presence of and with the votes of a majority of its members
- The main role of the Board is:
  - Approve the composition of the trust asset portfolio in terms of Admissible Investments
  - Approve the Strategic Plan presented by the Administrator for the management of the Trust, which includes the issuance of new participation units
  - To designate, when necessary, a new entity to benefit from the Trust
  - To approve the accounting policies of the Trust assets
  - To approve and modify the internal policies of PEI that the Advisory Committee determines necessary.
  - To present annually to the General Assembly of Investors the Strategic Plan of the Trust

New commission structure that further aligns management and shareholders' interests

### Management Fee

+ 0.7% Monthly NOI  Last 12 Months

+ 1.0% Monthly CDI<sup>1</sup>  Last 12 Months

**Minimum** 1.1% of Annual Equity

**Maximum** 1.0% of Annual AUMs

### Follow On Structuring Fee

**1.5%** Of the total value of securities issued

### Asset Sale Fee

+ 20% Gain on Sale  Sale Price – Book Value

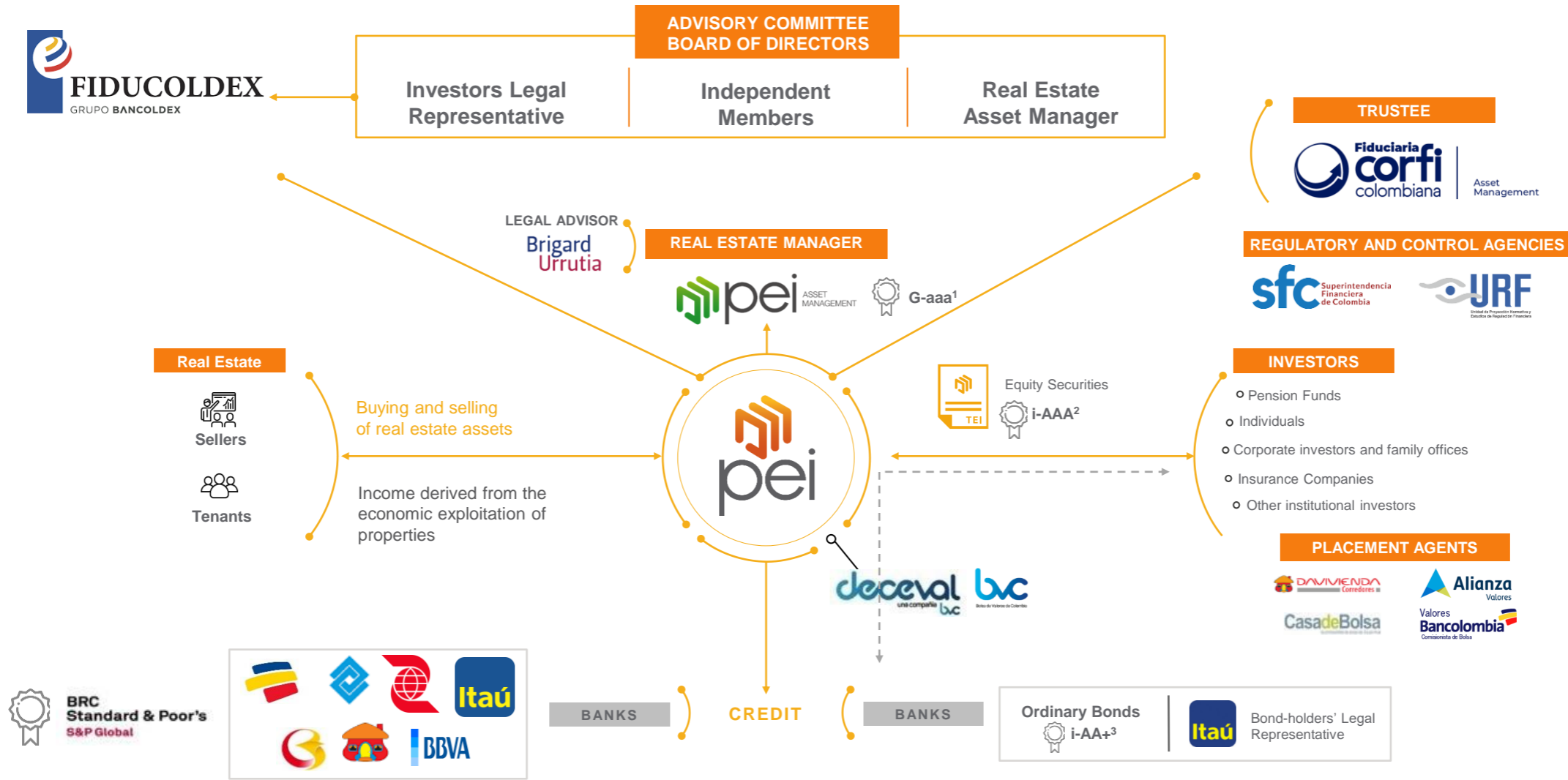
**Maximum**

**1.0% Sale Price**

Upon meeting the following conditions

1. Sale Price  $>$  Book Value
2. Appreciation of the asset during the period of ownership of the PEI  $\geq$  CPI accrued each year of the ownership period
3. Cash Distribution to Investors

1. CDI is defined as Cash Distributed to Investors.



1. Efficient Portfolio Management Rating  
Last report: March/2024

2. Equity Securities Rating  
Last report: March/2024

3. Debt Securities Rating  
Last report: April/2024

SOL BEATRÍZ ARANGO



Executive in the Latin America's real and mass consumption sectors, with over 30 years of experience in strategy, international expansions and corporate development, new business models, ESG sustainability criteria, risk management, and organizational policies to boost competitiveness. Her track record as member of boards of directors and advisor in the real, financial, retail, and educational sectors, guilds and public-private missions, make her an outstanding and round professional.

JULIO MANUEL AYERBE



Former President for Organizacion Corona S.A. and currently a partner at Ayerbe Abogados. Member of Organizacion Corona S.A.'s, Corona Industrial S.A.S.'s, Homecenter de Colombia S.A.'s, Banco Colpatría y Mercantil Compatria's boards of directors, and MAS Equity's investment committee.

MARÍA VICTORIA RIAÑO



Business Manager and MBA from Universidad de los Andes. President for Equion Energy 2011 – present and she has held important positions in companies such as Ecopetrol and Fiduciaria Previsora, among others. Throughout her career, she has been member of 13 boards of directors, including Gupo Bolívar's, Terpel's and Colgas's.

ROBERTO HOLGUÍN



Member of Banco Davivienda's, Constructora Bolívar's, and Grupo de Energía de Bogotá's Boards of Directors; Vice-chair for Universidad Jorge Tadeo Lozano de Bogotá's Council; member of Grupo Bolívar's Investment Committee.

CARLOS ANGULO LADISH

Partner at Inversiones y Estrategias Corporativas S.A., where he has been involved in transactions for over COP 3,000 MM, advising companies in Colombia and the region. His experience focuses providing advice to private sector companies on mergers, acquisitions, and their linking with financial partners. He worked for 8 years at Goldman, Sachs & Co. in New York and is currently the Chairman for PEI's Advisory Committee.



JAIRO ALBERTO CORRALES

PEI Asset Management's Presidente as of 2009, structuring the acquisition of over 500,000 m<sup>2</sup> under the different real estate categories (commercial, corporate, logistics, and specialized uses). Among others, he participated in the structuring of Isagen's Corporate Headquarters in Medellín, Plaza Central Shopping Center, and the Atrio Tower.



CARLOS FRADIQUE-MÉNDEZ

Partner at Brigard Urrutia, with over 25 years of experience advising numerous companies on Capital Markets, Banking and Finance, Foreign Exchange, Derivatives and Structured Products, Customs and Foreign Trade, and taxes.



ANA MARÍA BERNAL RUEDA

She has been involved in numerous transactions in the financial sector and the private equity fund industry. Her experience focuses in financial and corporate law. She worked with the Financial Superintendency of Colombia; as In-house Legal Counsel at Holcim, and as attorney for the Capital Markets, Banking & Finance, and M&A areas of Philippi, Prietocarrizosa, Ferrero DU & Uria and Dentons Cárdenas & Cárdenas.



# Committed with Sustainability and Responsible Investments



# THANK YOU!

Calle 28 # 13a-75 piso 34  
Bogotá, Colombia



Tel: (+57) 311 219 5779

Inversionistas@pei.com.co



[www.pei.com.co](http://www.pei.com.co)

