

## Rating report

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### PARTICIPATORY SECURITIES PROGRAM PATRIMONIO AUTÓNOMO ESTRATEGIAS INMOBILIARIAS (PEI) managed by PEI Asset Management S.A.S

*This English version is provided on request and reflects the translation from the original one provided only in Spanish by BRC Ratings – S&P Global S.A. Sociedad Calificadora de Valores on April 8, 2025, under the title “Programa de Títulos Participativos Patrimonio Autónomo Estrategias Inmobiliarias (PEI) Administrado por PEI Asset Management S.A.S.”. In case of any discrepancy between this English version and the original in Spanish, the Spanish version shall apply.*

**Contacts:**

**Lina Vélez Ramírez**

[lina.velez@spglobal.com](mailto:lina.velez@spglobal.com)

**Edgar Mauricio Robles Cifuentes**

[edgar.robles@spglobal.com](mailto:edgar.robles@spglobal.com)

# PARTICIPATORY SECURITIES PROGRAM PATRIMONIO AUTÓNOMO ESTRATEGIAS INMOBILIARIAS (PEI) managed by PEI Asset Management S.A.S

EXTRAORDINARY REVIEW			
Real Estate Participation Securities		i AAA Rating	
Figures as of December 31, 2024:		Rating history:	
Assets under management:	COP 9.72 trillion	Periodic review Mar./25:	i AAA
Total value of the Program:	COP 5.0 trillion	Periodic review Mar./24:	i AAA
Total placed value:	COP 3.7 trillion	Periodic review Mar./23:	i AAA
Group of assets that make up the PEI:	161	Initial rating Dec./06:	i AA+
Annual profitability 2024:	8.58% APR		

## Introduction

Unlike a debt instrument, the securitization of participatory securities backed by real estate does not commit to the payment of capital or interest, hence there is a particular scale for this type of instrument (i-rating). This type of issuance is made through investment vehicles that develop, buy and manage real estate assets and lease the space to tenants who subsequently pay rent. Once the instrument's expenses and obligations are covered, 100% of its distributable cash flow is distributed as returns among its investors. Additionally, the return of these vehicles includes the value of the commercial appreciation of the properties.

The rating of real estate securities is an evaluation of the probability that the vehicle can generate the projected returns and recover the investors' capital in the long term. In this way, the analysis focuses on the factors that determine the financial and operational stability of the vehicle, mainly, the lease flows, the valuation of the properties and the ability of the administrator and other related parties to comply with the guidelines of the placement prospectus.

## I. OVERVIEW

- We affirmed the rating of i AAA real estate participation securities of the Participatory Securities Program Patrimonio Autónomo Estrategias Inmobiliarias (PEI) managed by PEI Asset Management S.A.S.
- This extraordinary review includes the issuance of Tranche XII for 500 billion Colombian pesos (COP), which is associated with six assets with a commercial value totaling COP730,211 million.

- The decision stems from the portfolio's ability to meet the estimated profitability and recover the capital invested in the long term, even under stress scenarios that may impact the distributable cash flow in the short term.
- The rating also incorporates adequate diversification and asset quality backing real estate securities. This is reflected in stable cash flow growth and constant asset appreciation.

## **II. RATING ACTION:**

Bogota, April 8, 2025. The Technical Committee of BRC Ratings – S&P Global S.A., in an extraordinary review, confirmed the AAA rating of the real estate participation securities of the Patrimonio Autónomo Estrategias Inmobiliarias (PEI) Participatory Securities Program managed by PEI Asset Management S.A.S. (Programa de Títulos Participativos Patrimonio Autónomo Estrategias Inmobiliarias (PEI) administrado por PEI Asset Management S.A.S), which includes the issuance of the participating securities of the twelfth tranche.

## **III. RATING RATIONALE:**

Our assessment of the rating of participating securities is based on an analysis of two main factors: the probability of generating the projected returns and the ability to recover the capital invested by the investors. We believe that the favorable performance of these variables, along with the vehicle's operating results, asset quality, and the portfolio's geographic and category diversification, reinforce the investment's solidity and justify its consistency within the highest scale category (i AAA).

This extraordinary review focuses on the analysis of the twelfth tranche of its COP 500 billion equity program, which is expected to be issued in the first half of 2025. The funds raised will be used to repay existing debt. This strategy will not only reduce the loan to value (LTV) ratio to approximately 28%, from 33% at the end of 2024, but will also optimize PEI's financial cost, which will contribute to improving its overall financial position.

**Table 1 – Properties included in Tranche XII (millions of COP)**

Property	Type of property	Location	Latest Appraisal Value	Date of latest appraisal
Hotel Calablanca	Hotel	Cartagena	195,478	12/23/2024
Torre Alianza Bogotá	Multi-tenant Offices	Bogota	106,794	11/26/2024
Rivana	Multi-tenant Offices	Medellin	168,567	12/20/2024
Nutresa Cartagena	Distribution Center	Cartagena	62,6778	3/21/2024
Sanitas Tequendama	Medical Center	Cali	33,465	3/22/2024
City U	University residence	Bogota	163,230	12/27/2024

The main characteristics of the assets included in Tranche XII are:

- Geographic diversification by projected lease rates to 2025: Cartagena 39.2%, Bogota 34.3%, followed by Medellin and Cali with 21.9% and 4.6% respectively.
- Total value of the latest appraisals: COP 730,211 million.
- Excluding Calablanca, the asset leases have an average lease term of 6.86 years, weighted by lease fees.
- The real estate assets in the twelfth tranche are estimated to generate an annual income exceeding COP 65,266 million by 2025.

In our view, the probability of generating the projected returns and recovering the capital remains extremely high, which is consistent with the definition of the i AAA Rating. This is evidenced by the recovery in dividend yield over the past year, with an increase of 115.5% (COP 136,095 million) compared to the previous year.

Historically, we have considered securitizations to have a positive effect on projected debt levels. The issuance of Tranche XII will result in a 5% reduction in the projected overall debt for 2025, decreasing from 33% in 2024 to 28%. However, it is important to note that since the last securitization, there have been significant changes in the trading dynamics of securities, including migration to the equity market. This, combined with various market conditions such as the COVID-19 pandemic, high interest rates and inflation, have contributed to the security trading at a weighted average discount of 48.8% over the past twelve months, reaching a price of COP 70,500 as of April 3, 2025.

It is important to note that all issued securities, regardless of the tranche, are backed by all the assets of the Standalone Fund and participate pro rata in the rights, regardless of any circumstances that may affect the assets or the Standalone Fund. This includes variations in leases, contract compliance, associated costs, asset sales, and regulatory risks, among others. Regarding pricing, the Advisory Committee is responsible for this process as established in the prospectus. To do so, it evaluates various aspects, such as the value of the real estate assets and other assets of the Standalone Fund, future income projections from current lease agreements, the real estate assets to be acquired with the funds from the new issue, as well as market conditions and investor demand.

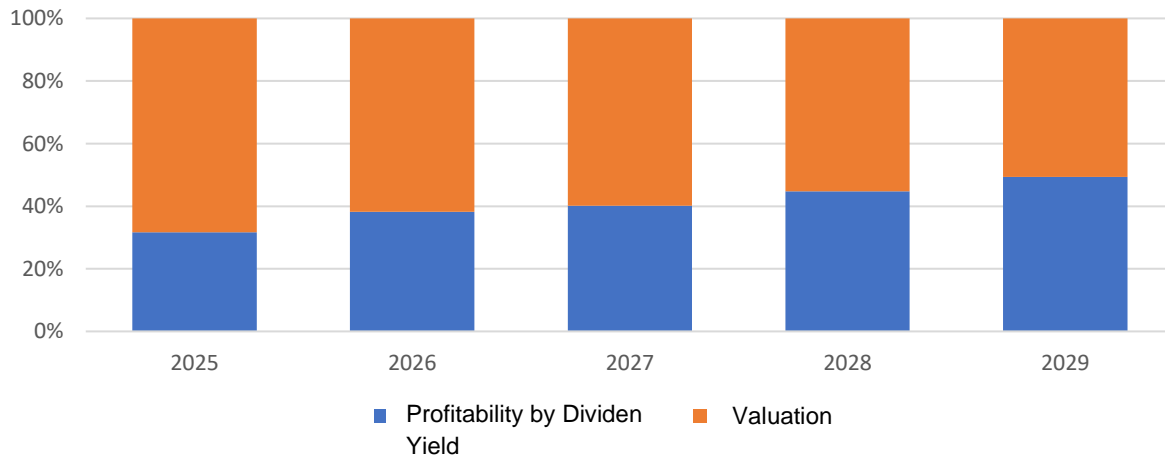
Regarding the 2024 results, PEI reported operating revenues of COP 772,712 million, a 9.8% increase compared to 2023, driven primarily by the adjustment of rents tied to the CPI. Net operating income (NOI) reached COP 641,704 million, with an 83.0% margin. In addition, EBITDA grew to COP 548,499 million from COP 498,890 million, maintaining margins of 71.0%. However, physical vacancy increased to 5.52%, surpassing the 4.33% of the previous year, primarily due to the increase in the corporate segment. Finally, it is important to highlight the 359 basis points reduction in financial costs, which went from 14.1% at the end of 2023 to 10.5% in 2024, allowing for a 115.5% increase in distributable cash flow compared to 2023.

For further details on the instrument's results at the end of 2024, please see the rating report of Patrimonio Autónomo Estrategias Inmobiliarias (PEI) Participatory Securities Program managed by PEI Asset Management S.A.S. (Programa de Títulos Participativos Patrimonio Autónomo Estrategias Inmobiliarias (PEI) administrado por PEI Asset Management S.A.S), rated AAA, published at [www.brc.com.co](http://www.brc.com.co) ).

### Profitability:

In our view, cash flow yield for 2025 is expected to reach approximately 3.88% following the issuance of the twelfth tranche of participating securities, in accordance with our S&P Global Ratings macroeconomic assumptions for Colombia. We also forecast a gradual recovery that could bring cash flow profitability close to 5% by 2029.

**Chart 1**  
**Projections of profitability by valuation and dividend yield**



Made by: BRC Ratings – S&P Global

## IV. FACTORS TO MODIFY THE RATING:

### What can lead us to affirm the rating

- The use of funds raised from the issuance of securities to pay off debt.
- The generation of stable distributable returns and the conservation of investors' capital.
- Compliance with both the acquisition plan and its financial projections.
- The constant valuation of assets above the observed CPI.

### What could lead us to downgrade the rating

- The deterioration of PEI's cash flow due to any factor associated with a decrease in revenue or an increase in expenses, which consistently affects the distribution of returns to holders of participating securities.
- Debt levels higher than the established limits.
- A steady increase in the volatility of the cash flow generated by the portfolio, accompanied by a reduction in the dividend yield paid to investors.

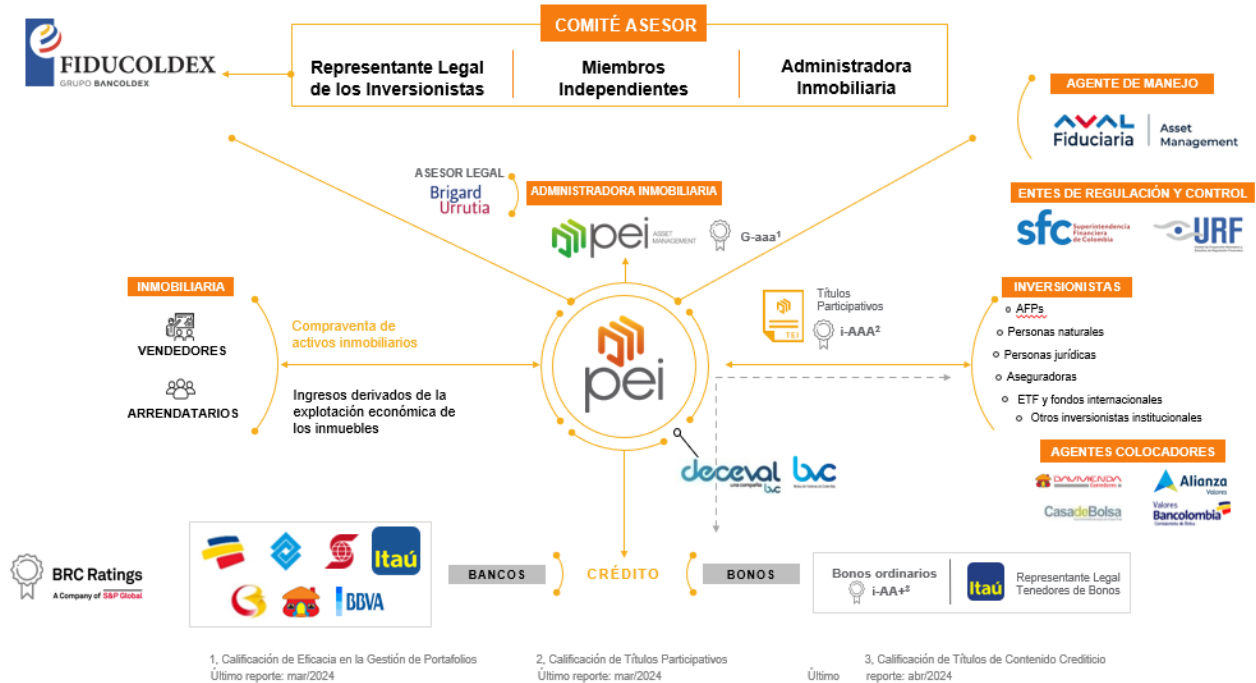
## V. DEFINITION AND STRUCTURE OF THE SECURITIZATION

The attainment of resources for the constitution of Patrimonio Estrategias Inmobiliarias begins with the issuance of securities backed by the rights and obligations of the promise of purchase and sale contracts of the real estate assets previously signed with the owners of the assets. All acquisitions of independent assets require the authorization of the Advisory Committee. This includes both leased and unleased properties, a condition that seeks to ensure stable income once the investment in the asset has been made.

The purchase and sale contracts are executed with the resources from the issue, and the assets become the property of the autonomous patrimony. These properties constitute the investment portfolio that makes up the PEI, and are managed by a professional operator, who is in charge of all the maintenance processes and the operation of the facilities (security, cleaning, administration, among others).

With the ownership of the assets, the autonomous patrimony receives as its main income the rents from the aforementioned properties, which will become --after paying all the costs and expenses of issuance, administration and operation-- the main part of the distributable returns that, in turn, together with the appreciation or devaluation of assets, will determine the profitability of investors.

Chart 2  
Securitization scheme



Source: PEI

VI. CONTINGENCIES:

According to the rated entity, as of December 2024, there were no legal proceedings that could affect its financial position.

VII. ADDITIONAL INFORMATION

Type of rating	Real Estate Participation Securities
Minute number	2728
Date of the Committee	April 8, 2025
Type of review	Extraordinary review
Administrator	PEI Asset Management S.A.S.
Members of the Committee	María Carolina Barón Buitrago
	Andrés Marthá Martinez
	Edgar Mauricio Robles Cifuentes

### *Rating history*

Periodic Review March/25: i AAA  
Periodic Review March/24: i AAA  
Initial rating December/06: i AA+

*The technical visit for the rating process was carried out with sufficient time due to the availability of the issuer and the delivery of the information was fulfilled in the foreseen times and in accordance with the requirements of BRC Ratings – S&P Global S.A. SCV.*

*BRC Ratings – S&P Global S.A. SCV does not perform auditing, therefore, the entity's management takes full responsibility for the integrity and veracity of all the information provided and that has served as the basis for the preparation of this report. On the other hand, BBRC Ratings – S&P Global S.A. SCV reviewed the available public information and compared it with the information provided by the entity.*

The financial information included in this report is based on audited financial statements for the past three years and unaudited financial statements as of December 2024.

If you have any question regarding the indicators included in this document, you can consult the glossary at [www.brc.com.co](http://www.brc.com.co)

To see the definitions of our ratings visit [www.brc.com.co](http://www.brc.com.co) or click [here](#).

## **VIII. MEMBERS OF THE TECHNICAL COMMITTEE:**

*The resumes of the members of the Technical Rating Committee are available on our website [www.brc.com.co](http://www.brc.com.co)*

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*A CREDIT risk rating issued by BRC Ratings – S&P Global SA Sociedad Calificadora de Valores is a technical opinion and it is not intended to be a recommendation to buy, sell or hold a specific investment and/or security, nor does it imply a guarantee of payment of the title, but rather an evaluation of the probability that its capital and its yields will be paid in a timely manner. The information contained in this publication has been obtained from sources believed to be reliable and accurate; therefore, we do not take responsibility for errors or omissions or of results that arise from the use of this information.*

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