

Rating report

PATRIMONIO AUTÓNOMO ESTRATEGIAS INMOBILIARIAS (PEI)

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 March 20, 2025, under the title “Patrimonio Autónomo Estrategias Inmobiliarias (PEI)”. 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

Edgar Mauricio Robles Cifuentes

edgar.robles@spglobal.com

PATRIMONIO AUTÓNOMO ESTRATEGIAS INMOBILIARIAS (PEI) managed by PEI ASSET MANAGEMENT S.A.S.

I. RATING ACTION:

BRC Ratings – S&P Global SA affirmed the G aaa rating of Patrimonio Autónomo Estrategias Inmobiliarias (hereinafter PEI).

Our portfolio management effectiveness rating is an opinion of the consistency of the portfolio's investment policies, the level of absolute returns, and the risk-adjusted returns. It is not comparable to the credit and market risk rating of a mutual fund.

II. RATING RATIONALE:

Portfolio definition, investment policies and diversification: PEI has a consistent investment policy with a moderate risk profile, supported by strategies that promote its proper execution.

PEI maintained its investment strategy at moderate risk. The investment vehicle invests in assets in segments such as commercial, corporate, logistics, specialized, and hospitality. For the inclusion of assets in the portfolio, fundamental criteria are considered, such as expected profitability and the potential for generating income or appreciation, particularly based on the location of the assets. It can also invest in trusts that are backed by real estate assets.

The expected return on the last tranche of participating securities issued in 2019 was CPI + 6.54% - CPI + 7.50% APR. Currently, the long-term target return estimated by the manager ranges between CPI + 6.82% and CPI + 7.05% APR. Compared to other real estate funds, the PEI remains one of the most competitive alternatives in terms of long-term returns.

We highlight the manager's efforts to diversify the vehicle's funding sources, which, in our view, has given it greater room to maneuver in the face of adverse economic conditions. PEI currently has the following funding options, which allow for flexibility if needed:

- Indebtedness with the financial system and multilateral organizations, up to a maximum of 35% of the value of assets under management (AUM), similar to that of other real estate investment alternatives.
- Issues of securities or bonds.
- Accounts payable associated with installment obligations for the price of real estate assets or fiduciary rights, the underlying assets of which are real estate assets acquired by the independent assets.

Evolution of the investment vehicle: Proper management and high quality of underlying assets are essential to maintain the business position in the short and medium term.

By the end of 2024, PEI had over \$9.72 trillion Colombian pesos (COP) in assets under management (AUM) and a leasable area of over 1.13 million m², consolidating its prominent position in the Colombian real estate market, with an average AUM growth of 8.7% over the last three years.

The composition of real estate assets by business line and geographic location remains similar to that recorded during the last two years, meeting the limits established by geographic diversification: 85% for Bogotá, 50% for Medellín and Cali, and 30% for medium-sized cities. The limits for each asset type are 70% for the tenant is 20%.

In 2024, the PEI distributed COP 136,095 million to its investors, resulting in a dividend yield of 2.21%, higher than the 1.12% generated in 2023. This performance is primarily due to the company's successful debt restructuring, which resulted in a COP 22.747 billion reduction in net financial expenditure between the fourth quarter of 2023 and the fourth quarter of 2024.

The portfolio's total annual return closed 2024 at 8.58% APR, explained 73.9% by equity appreciation and 26.1% by cash flow distribution. This figure represents a 37.6% decrease compared to the end of 2023, attributed to the decrease in inflation and the contribution to the appreciation of portfolio assets. The appreciation component represented a return of 6.25%, going from a price per equity security at the end of 2023 of COP139,559 to COP148,277 pesos per security (see Chart 1 of the Data Sheet).

In 2025, the vehicle plans to issue the twelfth tranche of securities, with the goal of reducing leverage to a level close to 28%, approaching the long-term target level defined by the PEI of between 25% and 30%. If this issue materializes, the resources would be used to reduce the vehicle's debt, which would mean a reduction in financial expenses in the future.

Active portfolio: PEI has maintained returns above the average of its peers since its inception; however, in recent years, the investment vehicle's profitability has been impacted by macroeconomic factors, including inflation and a more challenging competitive environment.

The portfolio's location composition, measured by lease fees and tenants, remains unchanged from the previous two years. Major cities such as Bogotá, Medellín, Cali and Barranquilla accounted for 48.8%, 12.1%, 13.6% and 5.4%, respectively, with the largest tenant, Grupo Bolívar/Davivienda, reaching a 7.82% share, while the rest accounted for less than 4% of the total portfolio. Thus, the concentrations do not exceed the limits established in the PEI regulations and we do not expect significant changes in the portfolio over the next 18 months.

According to the manager, there has been a downward trend in contract duration in recent years, especially in the corporate segment. The average contract duration at the end of 2024 was 4.44 years (without trade) and 4.13 years (with trade), up from 4.79 (without trade) and 4.48 (with trade) years in 2023. While we believe this may affect the perception of the stability of future cash flows, this situation could allow them to capture market opportunities, given the high specifications of their assets, which gives them greater resilience and flexibility to scale rents with their tenants. We will monitor the performance of this variable, especially in relation to redevelopments involving long-term leases.

In 2024, both physical and economic vacancy increased by 119 bps and 45 bps, respectively, reaching levels of 5.52% and 6.48%, attributed to the corporate segment, which has registered a relatively stable trend over the last two years. This category has the highest economic vacancy rate (11.75%), very similar to the one observed since the first quarter of 2022, following a recovery from 14% in the same period in 2021. Meanwhile, physical vacancy rate increased to 11.95% due to the termination of two temporary contracts. While the manager has demonstrated adequate commercial management, we believe that the corporate segment continues to pose a significant challenge, maintaining a level above the market (7.96% for Q3 2024). In upcoming reviews, we will monitor this behavior, especially the placement of spaces like Atrio, which are highly relevant to the portfolio.

The investment vehicle maintained a cumulative profitability of 6.28% (without distribution of returns) since the beginning of operations at the end of 2024. In addition, the risk-adjusted return (information ratio – IR), which measures the excess return over a benchmark or peer index considering the volatility of returns, performed positively over the past year compared to its peers. However, compared to its long-term benchmark, it registered negative performance, but we believe this could be mitigated in the long term by better economic conditions (see Table 2 of the Data Sheet).

In our view, although the lower spread between returns versus peers and the benchmark represents a challenge for the vehicle, the manager's proper management, long-term vision, portfolio diversification and the high specifications of the underlying asset provide the necessary tools to mitigate these effects.

Fund liabilities and portfolio liquidity: We estimate that over the next 12 to 18 months, the investment vehicle's financing mechanisms and operational generation will allow it to meet its financial obligations without exerting significant pressure on portfolio liquidity.

In 2024, the investor base remained adequately diversified, totaling 6,186. Pension funds, along with individuals and legal entities, continue to be the largest holders of equity securities, with a share of 48.6% and 35.3%, respectively. We highlight the addition of international investors during 2024, who currently hold 6.4% of the equity. This increase is due to the migration to the equity market and the split of PEI shares, as well as the inclusion of the MSCI COLCAP index, which has expanded its reach and improved liquidity in the secondary market.

Securities traded on the secondary market maintain a discount to equity value of nearly 53.8% (as of March 19, 2025), a value that has remained the same since 2024. Despite the current situation in the capital market and its illiquidity, we highlight the measures implemented by the manager to promote trading of the security as favorable. These measures include collaboration with a liquidity provider (Alianza) and inclusion in indices such as the MSCI COLCAP, which has allowed for a significant increase in trading volume over the past year. In 2024, the bond's secondary market price increased by 8.83%, reaching COP 69,980 at the end of December 2024. Average daily trading volume was approximately COP 2,956 million during the same period, representing a 4.23x increase compared to 2023 and a 5.8x increase compared to 2022, driven primarily by inclusion in the MSCI COLCAP Index.

At the end of 2024, the debt level remained at a debt-to-total asset value (LTV) ratio of 33.29% (COP3.24 trillion, including bonds and financial leases), 86.84% of which is long-term debt and the remainder is short-term debt (13.16%). Over the past year, thanks to a macroeconomic environment with lower interest rates, active debt restructuring, and PEI's close relationship with the Colombian banking sector, the fund managed to reduce its funding cost to 10.49% in 2024 from 14.08% at the end of 2023 (similar levels to

those of 2022). This factor, which we consider positive, has allowed the fund to increase its dividend yield in 2024.

The total credit limit with financial institutions totaled COP3.638 billion at the end of 2024, of which the PEI has used COP2.47 trillion, representing 76.42%. The investment vehicle's leverage level (measured as net debt to EBITDA) was 5.76x, down from 6.20x in 2023, due to a 10% increase in EBITDA generation.

Administrator management: The manager's sound management and extensive experience translate into real estate performance indicators that meet the highest industry standards.

PEI Asset Management has established an organizational structure that applies the highest market standards to its daily operations. We highly value its corporate governance practices, which include documented manuals addressing the specifics of each line of business.

The manager focuses on protecting the value generated by the vehicle through risk management, considering both the national and international environment and internal factors related to portfolio management. The organizational structure allows for identifying and evaluating the risks to which the business is exposed, analyzing investment opportunities, and generating reports for monitoring committees and investors. The governing bodies of the vehicle are composed of an assembly and an Advisory Committee.

Likewise, we highlight the practices of transparency and information disclosure. In 2024, the manager voluntarily participated in the Código País Survey, which resulted in the PEI receiving, for the third consecutive year, the Issuers Recognition - IR from the Colombian Stock Exchange, awarded to issuers with the best disclosure practices.

Credit and counterparty risk

Credit risk management includes multiple mechanisms to assess the credit quality of tenants and third parties involved in the transaction. This assessment is carried out using an internal rating model that allows for continuous monitoring of key factors, generating early warnings when necessary.

Counterparty risk management is based on the ongoing evaluation of the performance of the entities with which treasury transactions are conducted. Compliance criteria are established by the Central Securities Depository in approved settlement and clearing systems for any pending transaction.

PEI's portfolio has proven remarkable resilience throughout economic and political cycles, thanks to a diversified tenant base and close relationships with them. In 2024, the net portfolio ratio to operating income stood at 0.45% (COP 3,482 million), remaining at historic lows.

Market risk

In our view, the manager has robust tools to comprehensively assess the market risks to which the vehicle is exposed in order to make sound and timely decisions, in order to preserve value for the investor. PEI has a Financial and Capital Markets Committee, which meets periodically to continuously monitor market variables with the goal of foreseeing their potential impact on investor returns, as well as diversifying financing sources and their terms.

Operational risk

The administrator has strengthened its organizational structure to adequately meet business requirements. PEI's operational risk is mitigated through operational and technical committees that analyze the investment vehicle's financial results, evaluating and implementing relevant actions to align with its strategy and objectives in terms of profitability and real estate asset management.

PEI Asset Management collaborates with strategic partners that support marketing, billing, and property maintenance roles, among others. These partners have extensive experience managing these types of assets, which translates into appropriate practices for preserving the portfolio's properties, contributing to their appreciation and generating a positive impact on the vehicle's returns.

As part of its corporate strategy, PEI seeks to optimize its real estate portfolio through divestments, acquisitions, expansions, redevelopment, and asset conversions, all in order to improve profitability and extend the duration of long-term contracts.

Contingencies

According to the rated entity, as of December 2024, there were no legal proceedings that could affect its financial position. Likewise, PEI's managing agent, Aval Fiduciaria, was not facing any legal action before the Colombian Financial Superintendency or the Securities Market Self-Regulatory Authority (AMV).

V. FACTORS TO MODIFY THE RATING

What could lead us to confirm the rating:

- Continuity and consistency in the investment vehicle's management and investment strategy, reflected in solid and consistent real estate indicators over time.
- The robustness of the portfolio's investment guidelines in terms of absolute returns and in comparison to its benchmark index and peers.
- The manager's ability to identify and exploit investment opportunities that strengthen portfolio diversification and mitigate risks associated with changes in the economic environment.

What could lead us to downgrade the rating

- A significant and sustained decline in profitability levels compared to its peers, which would indicate a loss of competitiveness in the market.
- Significant and sustained changes in the diversification of the real estate asset portfolio, whether by geographic location, asset type, or tenant, resulting in a significant deterioration in real estate business indicators.
- Sustained increases in physical and economic vacancy that exceed our projections, which could negatively impact the vehicle's revenue streams and financial stability.

VII. ADDITIONAL INFORMATION

Type of rating	Effectiveness in portfolio management
Minute number	2723
Date of the Committee	March 20, 2025
Type of review	Periodic review
Administrator	PEI Asset Management S. A. S
Members of the Committee	María Carolina Barón
	Andrés Marthá
	Edgar Mauricio Robles

Rating history

Periodic review Mar./24: G aaa
 Periodic review Mar./23: G aaa
 Initial rating Dec./06: G a

The technical visit for the rating process was conducted in a timely manner due to the availability of the issuer or entity, and the information was delivered on schedule and in accordance with the requirements of BRC Ratings – S&P Global SA, CSociedad Calificadora de Valores.

BRC Ratings – S&P Global SA Sociedad Calificadora de Valores does not perform auditing functions; therefore, the entity's management assumes full responsibility for the integrity and veracity of all information provided and which has served as the basis for preparing this report. *On the other hand, BRC Ratings – S&P Global SA Sociedad Calificadora de Valores 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

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

VIII. DATA SHEET:

CALIFICACIÓN EFICIENCIA DE GESTIÓN DE PORTAFOLIO
PATRIMONIO AUTÓNOMO ESTRATEGIAS INMOBILIARIAS (PEI)

Calificación: **G aaa**

Contactos:
Lina Vélez Ramírez lina.velaz@spglobal.com
Edgar Mauricio Robles Cifuentes edgar.robles@spglobal.com

Administrador Inmobiliario:
Agente de Manejo:
Fecha última calificación:
Seguimiento a:
Pei Asset Management S.A.S
Fiduciaria Corficolombiana S.A.
21 de marzo de 2024
31 de diciembre de 2024

DEFINICIÓN DE LA CALIFICACIÓN

Eficacia en la Gestión de Portafolios **G aaa**
La calificación G aaa es la más alta otorgada por BRC, lo que indica que tanto la calidad de las políticas y procesos de inversión con que cuenta el Portafolio, como la consistencia de sus retornos en comparación con el índice de referencia o con portafolios de características de inversión similares son sumamente altas.

EVOLUCIÓN DEL TÍTULO

Recursos Administrados y Rentabilidad Obtenida

Valor en pesos COP: 31 de diciembre de 2024 139,559
Crecimiento Anual del valor del título 12.50%
Crecimiento Semestral del valor del título 3.36%
Volatilidad anual del valor del título 1/ 0.02%
Volatilidad semestral del valor del título 1/ 0.03%

Gráfico 1. Propiedad de inversión y valor de la unidad

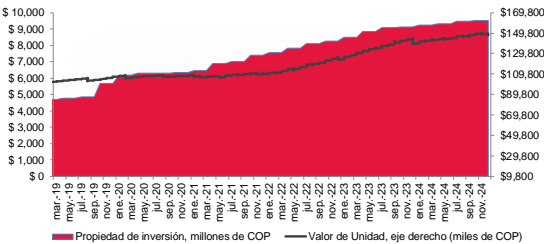


Gráfico 2. Rentabilidad E.A. promedio mensual desde inicio de operaciones vs Benchmark 2/

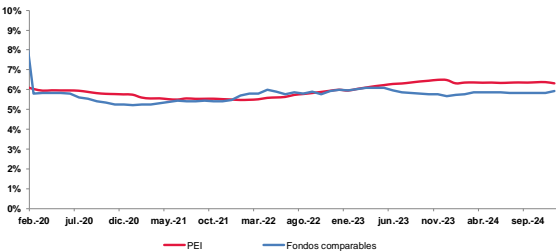


Tabla 3. Concentración en los Cinco Mayores Arrendatarios

Arrendatario	2020	2021	2022	2023	2024
Primero	10.4%	9.7%	7.3%	8.6%	7.8%
Segundo	4.6%	4.3%	3.5%	3.9%	3.4%
Tercero	4.2%	3.0%	3.3%	2.9%	2.7%
Cuarto	3.2%	2.9%	2.8%	2.5%	2.4%
Quinto	3.0%	2.8%	2.4%	2.4%	2.0%
Total	25.4%	22.7%	19.2%	20.2%	18.3%

Tabla 1. Desempeño Financiero

VEHICULO DE INVERSION	Anual	Semestre	Trimestre
Rentabilidad 1/	6.34%	6.34%	6.41%
Volatilidad 2/	0.02%	0.03%	0.08%
BENCHMARK	Anual	Semestre	Trimestre
Rentabilidad Promedio Pares 3/	5.63%	5.65%	5.65%
Volatilidad	0.05%	0.02%	0.03%

Tabla 4. Vacancia física

Segmento	2021	2022	2023	2024
Comercio	7.8%	6.1%	4.1%	12.0%
Logística	3.0%	3.5%	0.0%	2.5%
Corporativo	10.3%	8.5%	10.7%	4.1%
Vacancia total	6.9%	5.7%	4.3%	5.5%

Tabla 2. Retornos ajustados por nivel de riesgo

	Desde inicio de operaciones		Jul. 2024 – Dic. 2024		Ene. 2024 – Dic. 2024	
	PEI vs. Pares	PEI vs. IPC	PEI vs. Pares	PEI vs. IPC	PEI vs. Pares	PEI vs. IPC
Information Ratio 4/	-1.27	-1.73	5.78	-5.90	8.82	-1.77
Beta 5/	1.45	0.03	-1.69	-0.05	-0.14	0.01
Correlación con rent. objetivo 6/	65%	17%	52%	0%	-5%	6%

1/ Rentabilidad promedio anual desde el inicio de las operaciones
2/ Volatilidad: medida como la desviación de la variación porcentual diaria del valor del título para el periodo mencionado.
3/ Grupo comparable establecido por BRC Ratings - S&P Global S. A. SCV de características similares en el mercado.
4/ Information ratio: mide la rentabilidad extra obtenida por el vehículo de inversión como consecuencia de la habilidad del gestor con relación al mercado, teniendo en cuenta la volatilidad del exceso de los retornos sobre el Benchmark. Cuanto más grande es el indicador implica un mayor retorno que su tasa objetivo con una volatilidad menor.
5/ Beta: mide la volatilidad relativa (el riesgo) del vehículo, siendo 1 la volatilidad de la rentabilidad objetivo. Un beta superior a 1 significa que el portafolio tiene una volatilidad mayor que su Benchmark. Un beta inferior a 1 implica que el portafolio es menos volátil que su rentabilidad objetivo.
6/ Correlación: Relación recíproca o medida de asociación lineal entre el valor de la unidad del fondo y la rentabilidad objetivo.
La información contenida en este informe proviene de la Sociedad Administradora y la Superintendencia Financiera de Colombia; Cálculos realizados BRC Ratings - S&P Global S. A. SCV. Una calificación otorgada por BRC Ratings - S&P Global S. A. SCV a una cartera colectiva o fondo de inversión, no implica recomendación para hacer o mantener la inversión o suscripción en la cartera, sino una evaluación sobre el riesgo de administración y operacional del portafolio por una parte y sobre los riesgos de crédito y de mercado a que está expuesto el mismo. La información contenida en esta publicación ha sido obtenida de fuentes que se presumen confiables y precisas, por ello no asumimos responsabilidad por errores, omisiones o por resultados derivados del uso de esta información.

IX. MEMBERS OF THE TECHNICAL COMMITTEE:

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

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