



F U N O  
DAY 2017 | NYC

The logo for FONO DAY 2017 | NYC is displayed on the right side of the image. The word 'FONO' is rendered in large, bold, sans-serif capital letters. The 'F' is white and set within a light gray square. The 'U', 'N', and 'O' are white and set within orange squares. Below 'FONO', the text 'DAY 2017 | NYC' is written in a smaller, white, sans-serif font. A thin orange vertical line separates '2017' from 'NYC'. The background is a dark, stylized cityscape with a grid of light gray lines and faint, glowing circular patterns.



# FUNO VISION

---

BY ANDRÉ EL MANN

# FUNO IS THE UNDISPUTED REAL ESTATE LEADER IN MEXICO

- ✓ FUNO has the BEST commercial real estate portfolio in Mexico and Latin America, which is impossible to replicate

# FUNO IS THE UNDISPUTED REAL ESTATE LEADER IN MEXICO

- ✓ FUNO has the BEST commercial real estate portfolio in Mexico and Latin America, which is impossible to replicate
- ✓ The fundamental value of FUNO lies on its property, and the value of its property drives rents

# FUNO IS THE UNDISPUTED REAL ESTATE LEADER IN MEXICO

- ✓ FUNO has the BEST commercial real estate portfolio in Mexico and Latin America, which is impossible to replicate
- ✓ The fundamental value of FUNO lies on its property, and the value of its property drives rents
- ✓ FUNO rents are competitive within Mexico, a market with: (1) absolute low rent levels, (2) increasing inflation and (3) a spike in replacement costs

# FUNO IS THE UNDISPUTED REAL ESTATE LEADER IN MEXICO

- ✓ FUNO has the BEST commercial real estate portfolio in Mexico and Latin America, which is impossible to replicate
- ✓ The fundamental value of FUNO lies on its property, and the value of its property drives rents
- ✓ FUNO rents are competitive within Mexico, a market with: (1) absolute low rent levels, (2) increasing inflation and (3) a spike in replacement costs

There is significant room for rental growth

# AGENDA

- FUNO VISION
- FUNO TODAY
- WHAT'S NEXT
- FINANCIAL PROFILE
- THE FUTURE IN FIGURES
- CEO REMARKS



# FUNO TODAY

---

BY JORGE PIGEON



# FUNO'S VALUE PROPOSITION

FUNO is designed to maximize LONG-TERM value:

1. Property Value Appreciation, and
2. Increasing Cash-Flow Distributions

TOTAL RETURN FOCUS

# VALUE DRIVERS

1.

Property Value Appreciation Drivers

Land Value

+

Construction Value driven by Replacement  
Costs



Potential Cash-Flow Generation

# VALUE DRIVERS

## 1. Property Value Appreciation Drivers

### Land Value

Land value increases significantly in certain cities of Mexico mainly due to the combination of:

1. Location
2. Economic Growth
3. Demographics
4. Legal Requirements



Led to increased Scarcity...

...which leads to increases in land value well above inflation

# VALUE DRIVERS

## 1. Property Value Appreciation Drivers

### Construction Value driven by Replacement Costs

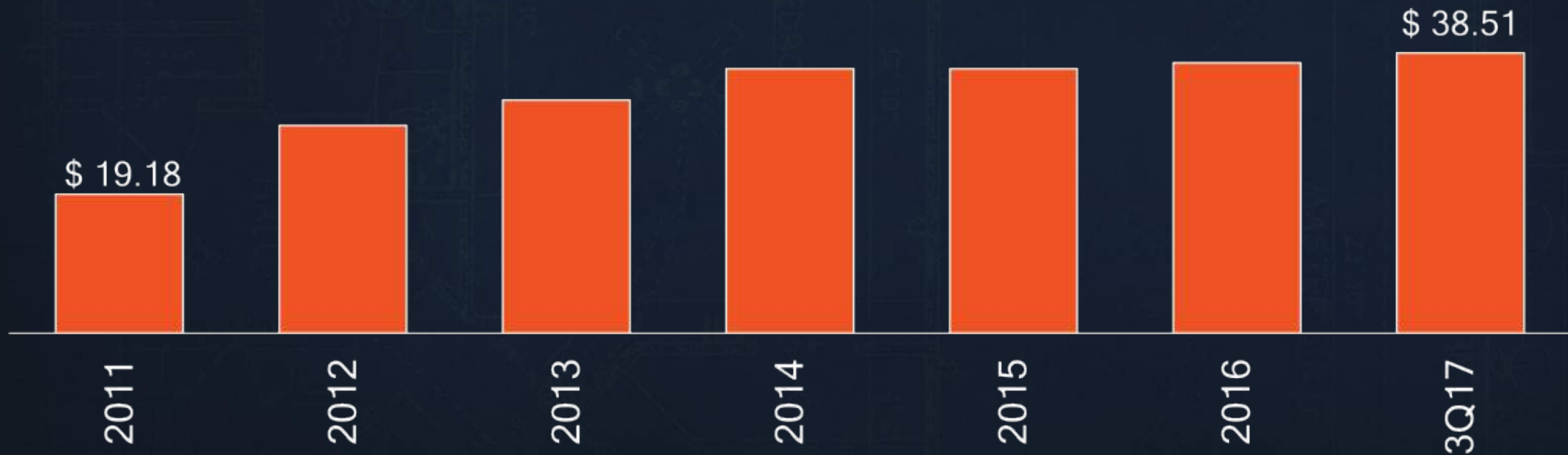
Replacement costs have increased resulting in expected higher rent levels and higher current property value:

Corrugated steel rod	+ 15.4%
Steel	+ 16.9%
Concrete brick	+ 26.1%
Cement	+ 27.6%
Cable and wiring	+ 27.1%
Glass	+ 11.4%
Aluminum laminate	+ 20.4%
Copper piping	+ 21.2%
Steel plate	+ 47.5%

# VALUE DRIVERS

## Property Value Accretion Per Share

NAV per CBFI has grown 100.8% with a CAGR of 12.9%



# VALUE DRIVERS

NOI and FFO per share has grown at a CAGR of 22.3% and 12.5% respectively



# TOTAL RETURN FOCUS

- ✓ Assuming an investment of 100% of all equity offerings
- ✓ Considering fully diluted distributions per CBF1
- ✓ Considering liquidation of company at its stated NAV

FUNO has delivered a 13.2% IRR to date

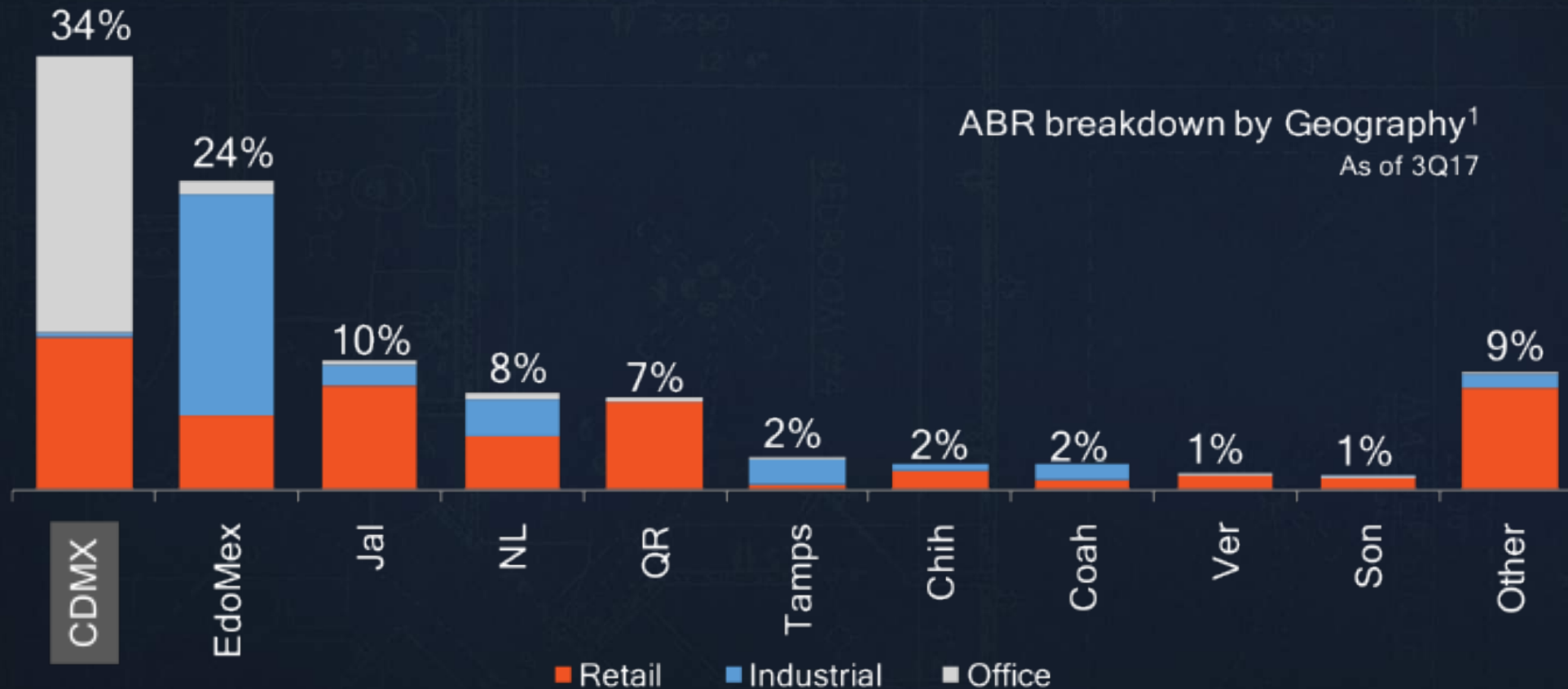
# FUNO'S BUSINESS MODEL

- 1 “Location, location, location” - always the best locations
- 2 Top-quality assets
- 3 Competitive rent levels
- 4 Tenant quality, long-lasting relationships
- 5 Diversification

Total Return Focus:  
Capital appreciation + Growing cash flows

# ASSET BASE DRIVEN BY LOCATION

✓ 83% of the total income comes from Mexico City's metropolitan area, Jalisco, Nuevo León and Quintana Roo



(1) Includes 100% of Torre Mayor's and Torre Diana's ABR

# OUR PORTFOLIO

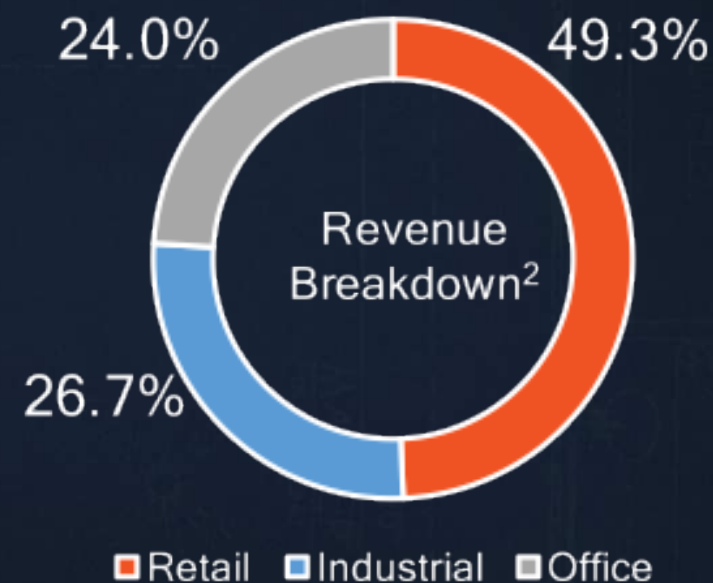
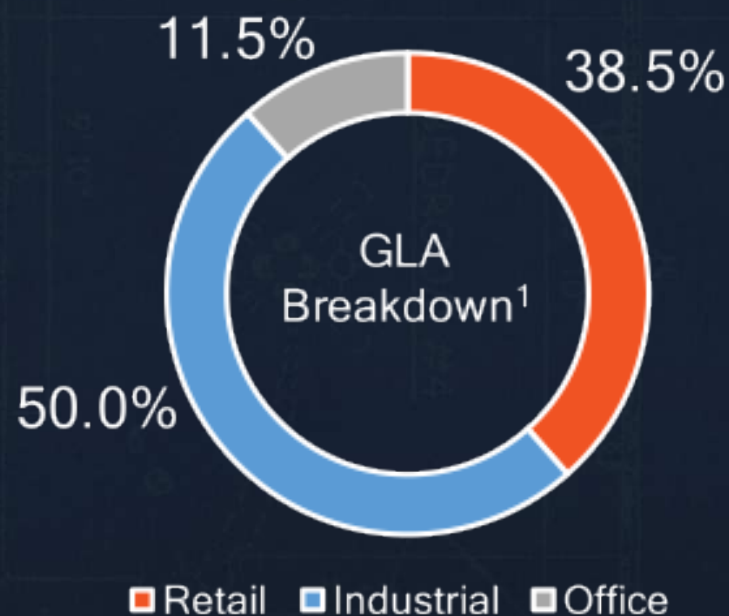
✓ The absolute best property portfolio in Mexico and LatAm, impossible to replicate...

GLA: 7,734,584 sqm

500 properties

521 operating units

93.6% occupancy



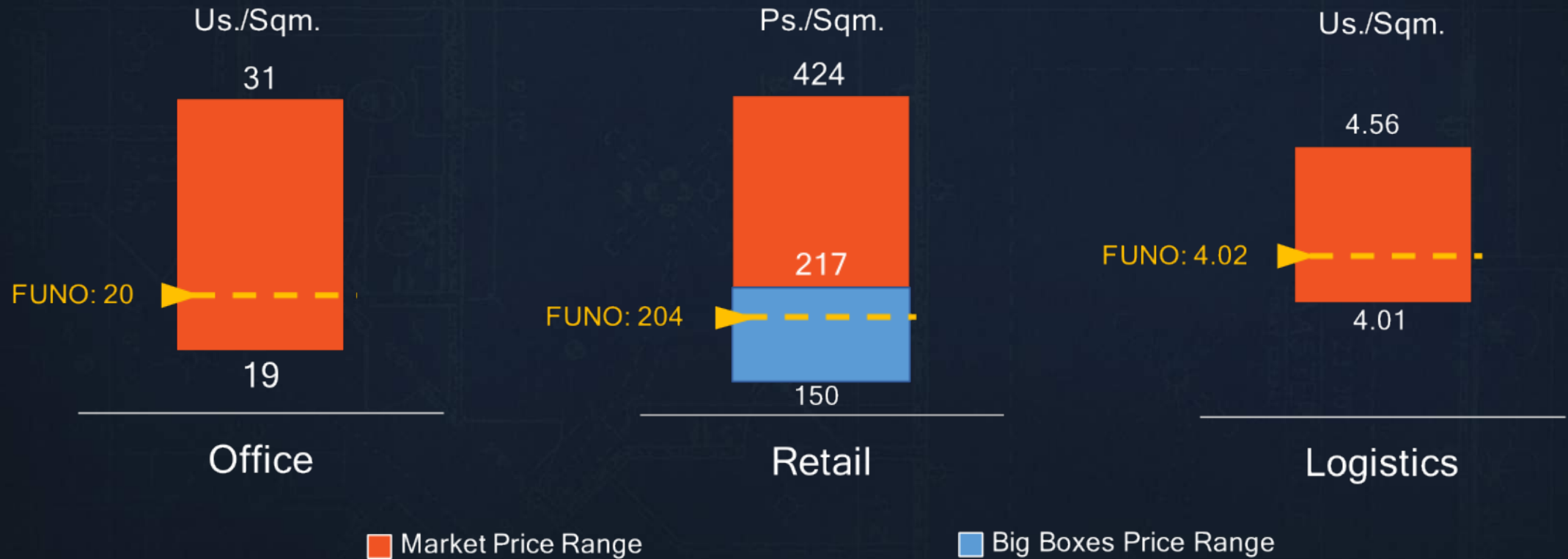
(1) Includes 100% of Torre Mayor's and Torre Diana's GLA

(2) Includes 100% of Torre Mayor's and Torre Diana's ABR

# COMPETITIVE RENTS

## Competitive Rent Drives Occupancy & Rent Growth

Weighted average Rent Price<sup>1</sup>  
(FUNO vs. Market Price Range)

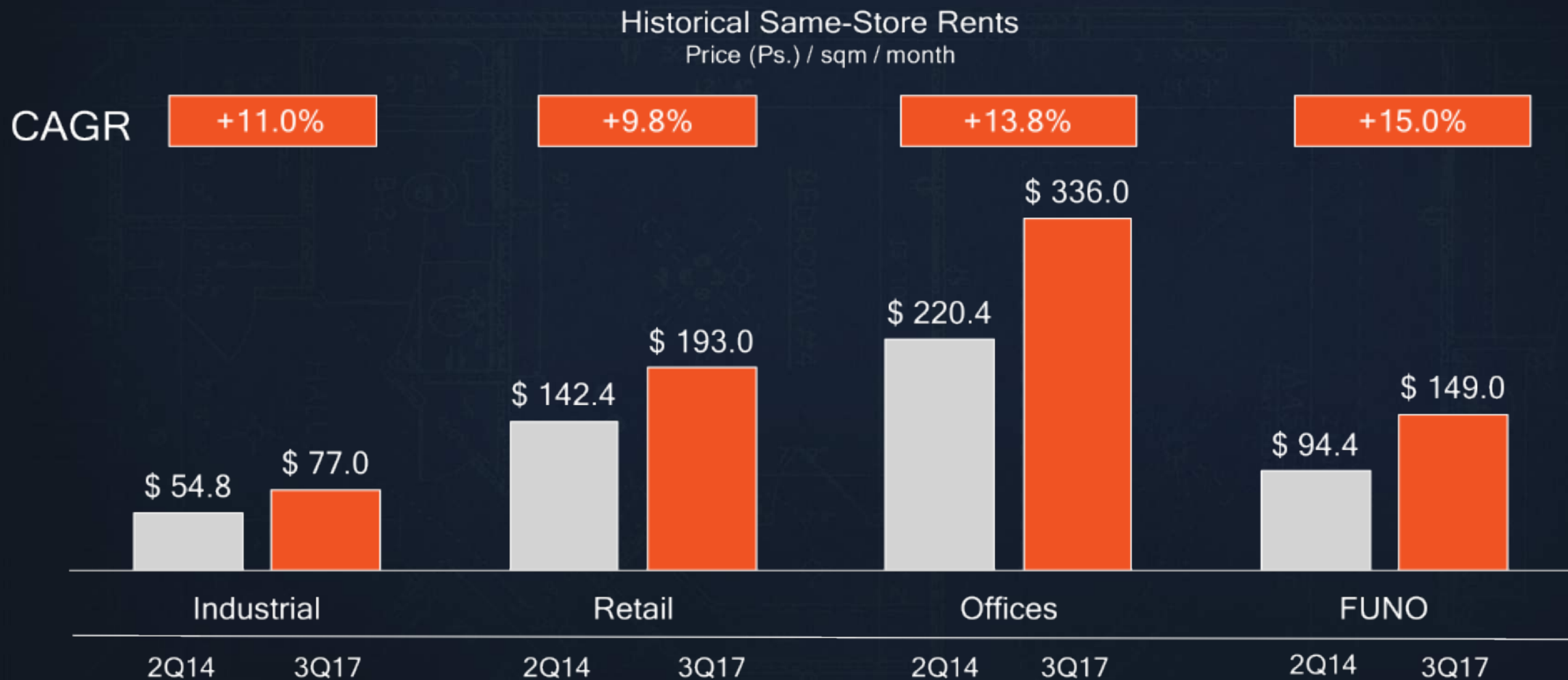


(1) Market average rent price and FUNO's average rent price calculated with FUNO's weight per subsegment.

Source: Colliers International, Mexico Office Market Report, 2Q17/ Colliers International, Mexico Retail Market Report, 1S17/JLL, Mexico Industrial Market Report, 1S17

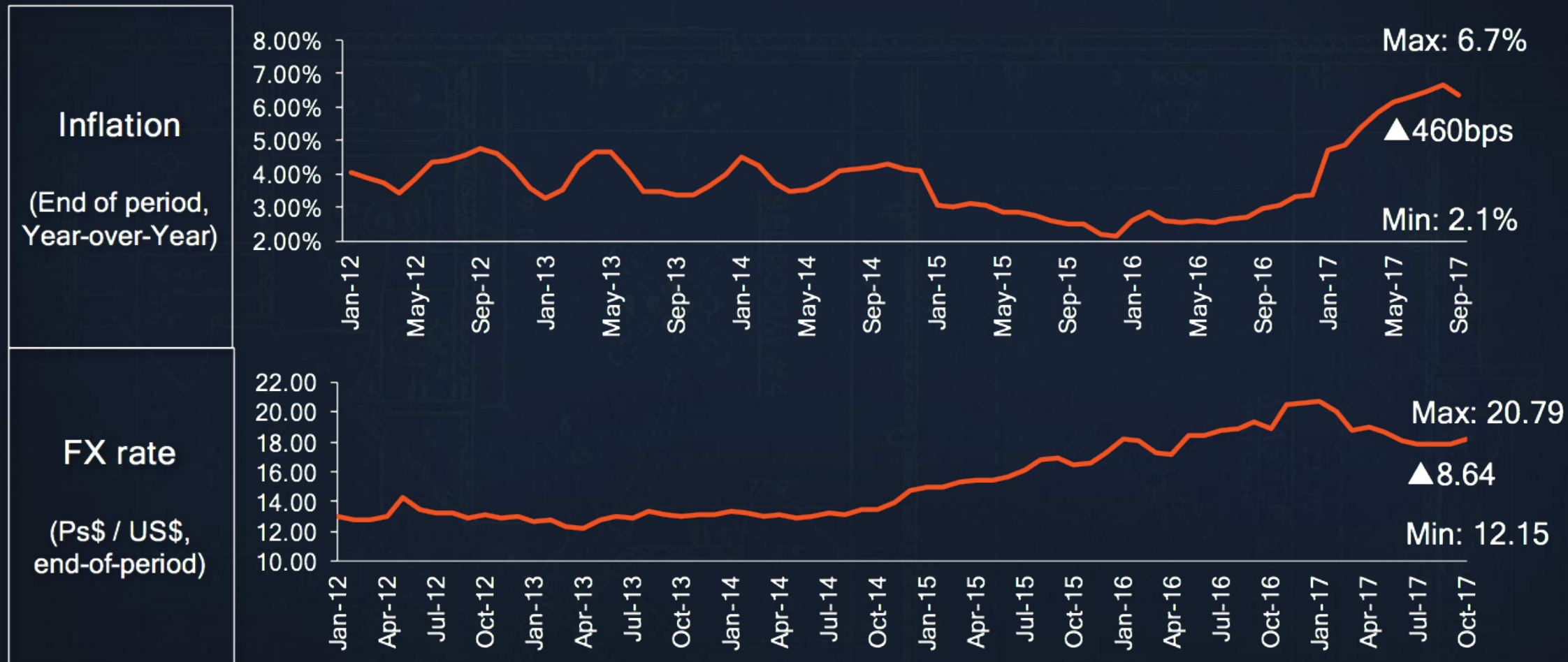
# STRATEGY RESULTS IN GROWING CASH FLOWS

- ✓ FUNO has consistently delivered Same-Store Rents growth well above avg. inflation of 3.9%



# INFLATION YET TO IMPACT MAJORITY OF CONTRACTS

✓ 60% of FUNO's contracts have yet to reflect the inflation increase

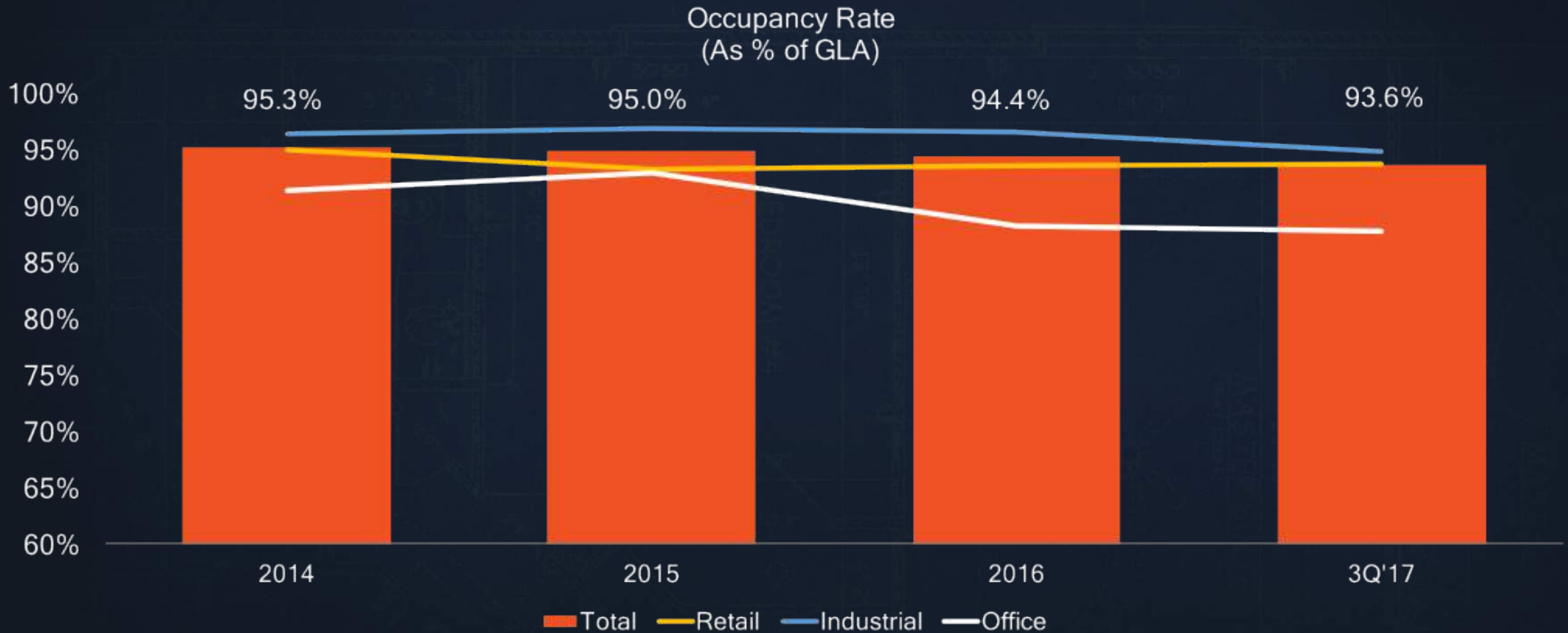


# FUNO's GLA GROWTH



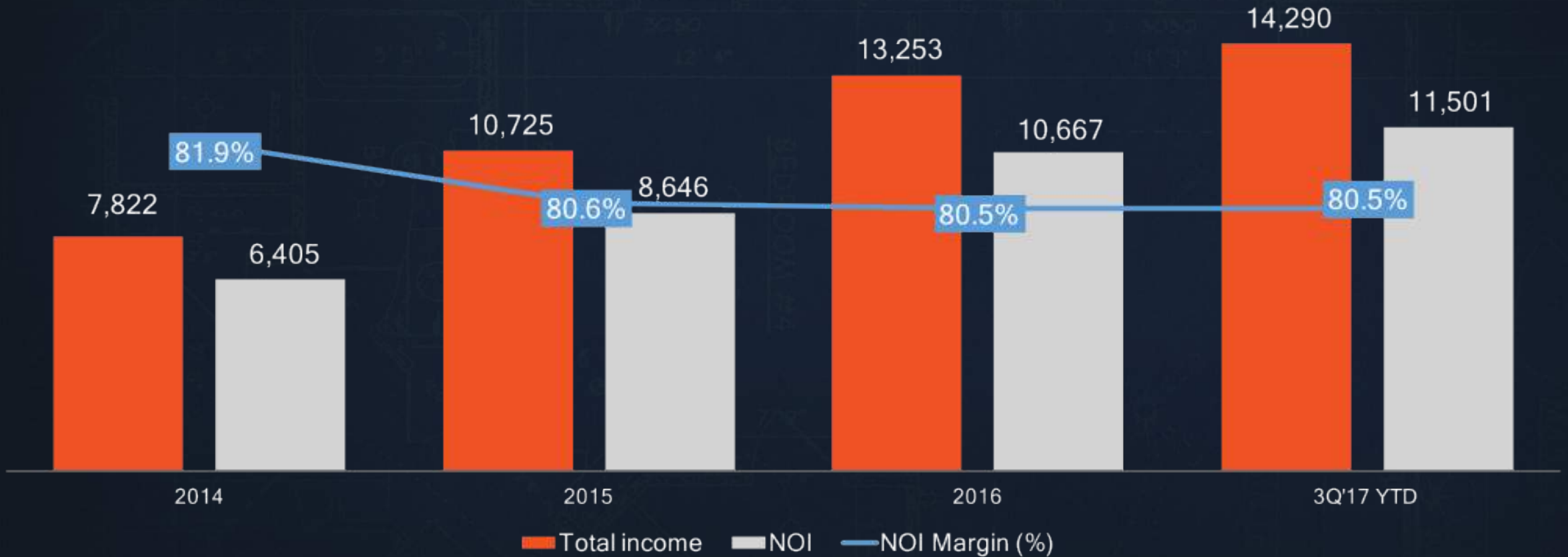
(1) Includes 100% of Torre Mayor's and Torre Diana's GLA

# PROVEN TRACK RECORD OF CONSISTENT HIGH OCCUPANCY



# PROVEN TRACK RECORD OF STABLE MARGINS

NOI vs Total Income  
(Ps.\$ mm)





# WHAT'S NEXT

---

BY GONZALO ROBINA

# DEVELOPMENT

---

# DEVELOPMENT PORTFOLIO

7 projects  
under development

452,858 sqm  
additional GLA

Ps. 1.4 bn  
expected additional  
revenues

Ps. 2.2 bn  
est. pending CapEx

11%<sup>1</sup>  
expected  
yield-on-cost

LA VIGA



PATIO TLALPAN



(1) Includes the portion of the developments that are already operational

# DEVELOPMENT PORTFOLIO

7 projects  
under development

452,858 sqm  
additional GLA

Ps. 1.4 bn  
expected additional  
revenues

Ps. 2.2 bn  
est. pending CapEx

11%<sup>1</sup>  
expected  
yield-on-cost

BEROL



TORRE CUARZO



(1) Includes the portion of the developments that are already operational

# DEVELOPMENT PORTFOLIO

7 projects  
under development

452,858 sqm  
additional GLA

Ps. 1.4 bn  
expected additional  
revenues

Ps. 2.2 bn  
est. pending CapEx

11%<sup>1</sup>  
expected  
yield-on-cost

## ESPACIO TOLLOCAN



## MARIANO ESCOBEDO



(1) Includes the portion of the developments that are already operational

# DEVELOPMENT PORTFOLIO

7 projects  
under development

452,858 sqm  
additional GLA

Ps. 1.4 bn  
expected additional  
revenues

Ps. 2.2 bn  
est. pending CapEx

11%<sup>1</sup>  
expected  
yield-on-cost

## MIDTOWN JALISCO

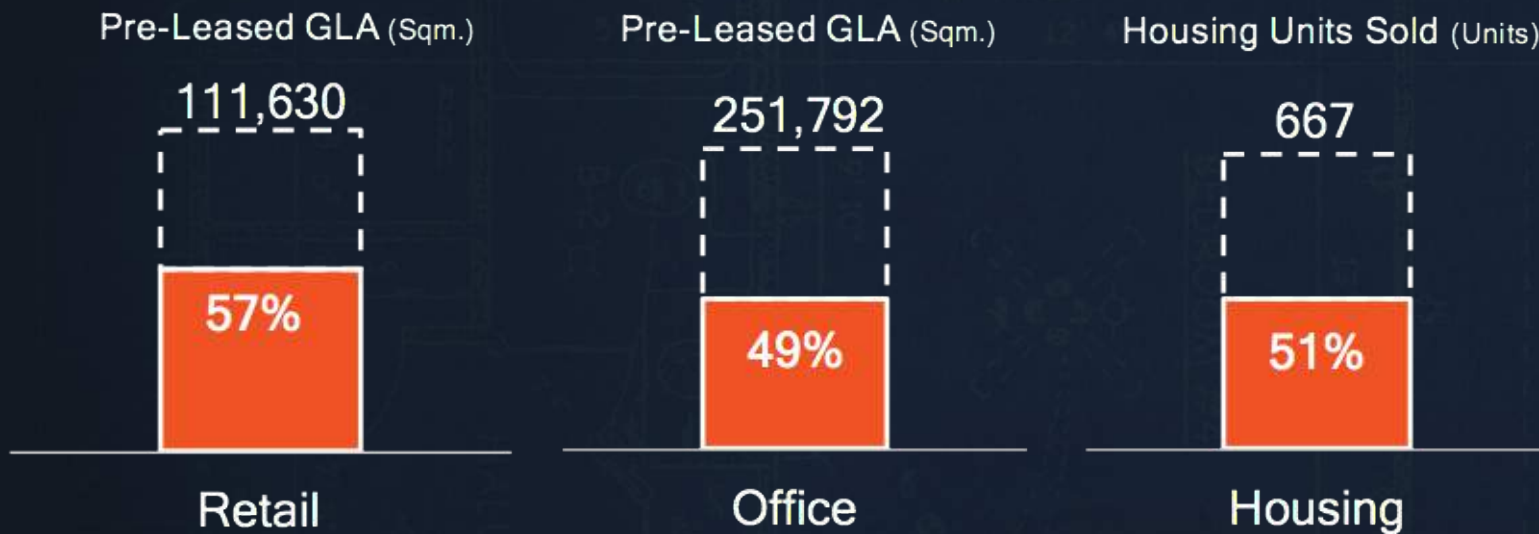


(1) Includes the portion of the developments that are already operational



# MITIKAH TODAY

- Mitikah is ahead of schedule on units sold as well as pre-leasing:



We have recently leased Universidad 1200 (Colorado Portfolio) to Mexico's Ministry of Education

MITIKAH



MITIKAH



MITIKAH



MITIKAH TODAY



MITIKAH TODAY



# ACQUISITIONS

---

# ACQUISITION PIPELINE — APOLO II PORTFOLIO

- ✓ 100% Retail portfolio located in 11 states of Mexico, consisting of 16 operating properties and 1 plot of land

## Portfolio Overview

- Price: Ps. 7,874 mm
- 67% cash / 33% debt

## Stabilized Properties

- GLA: 237,050 sqm
- Expected NOI: Ps. 570 mm (2018)
- Avg. Occupancy Rate: 93.2%

## Future Development

- Est. GLA: 60,391 sqm
- Est. NOI: Ps. 246 mm
- Est. Capex: Ps. 1,318 mm

Portal San Ángel



Portal D-10



Portal Metepec



Portal Cuautitlán



# ACQUISITION PIPELINE – APOLO II PORTFOLIO

Portal Aguascalientes



Patio Celaya



Patio Ciudad Guzmán



Patio Fresnillo



Patio Hermosillo



Patio Mazatlán



# ACQUISITION PIPELINE – APOLO II PORTFOLIO

Portal Vallejo



Portal Lomas Estrella



Portal Centro



Portal Navojoa



Patio Saltillo



Patio Tapachula

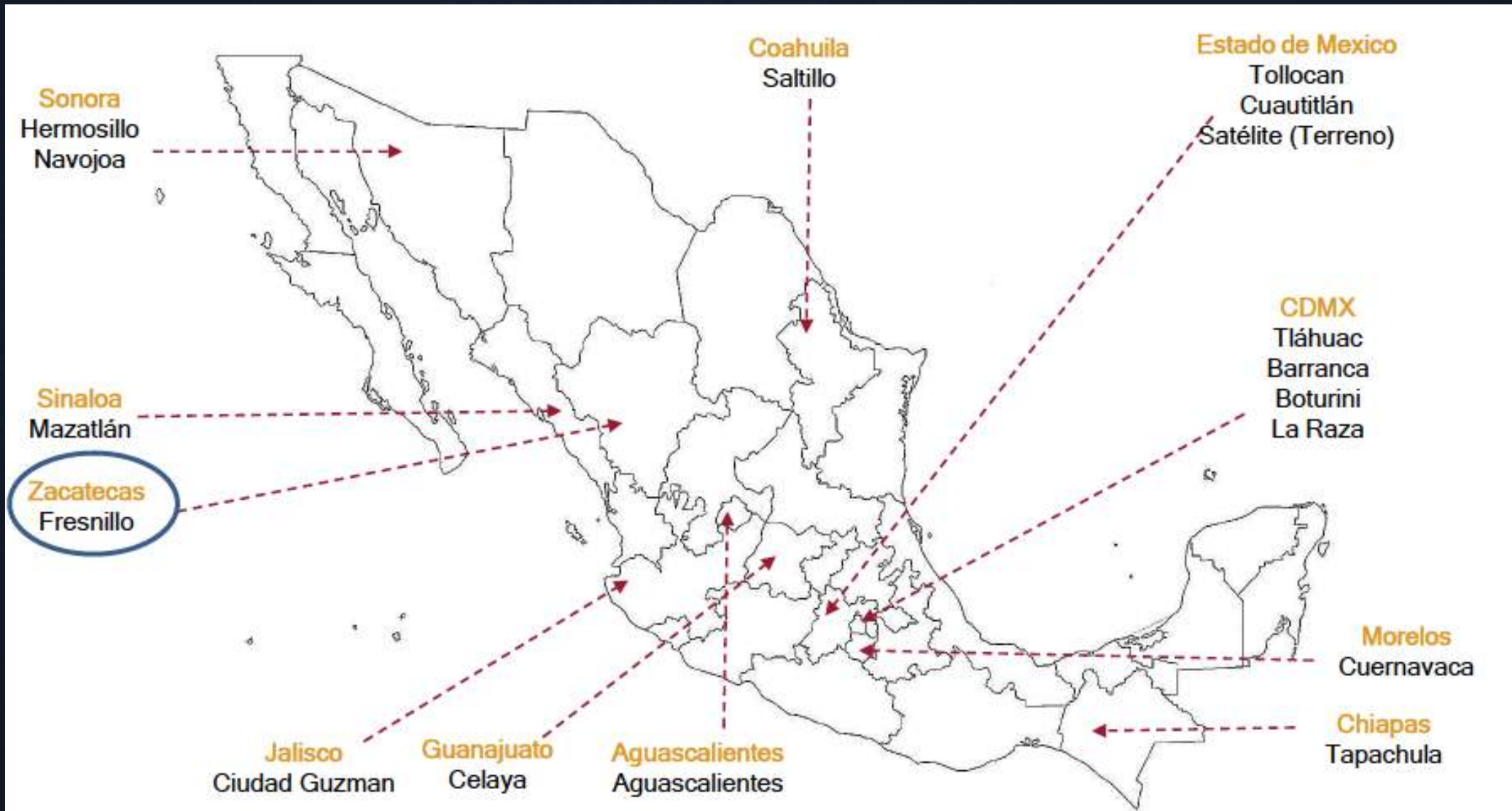


# ACQUISITION PIPELINE — APOLO II PORTFOLIO

## Portal Satélite (Under Development)



# ACQUISITION PIPELINE – APOLO II PORTFOLIO

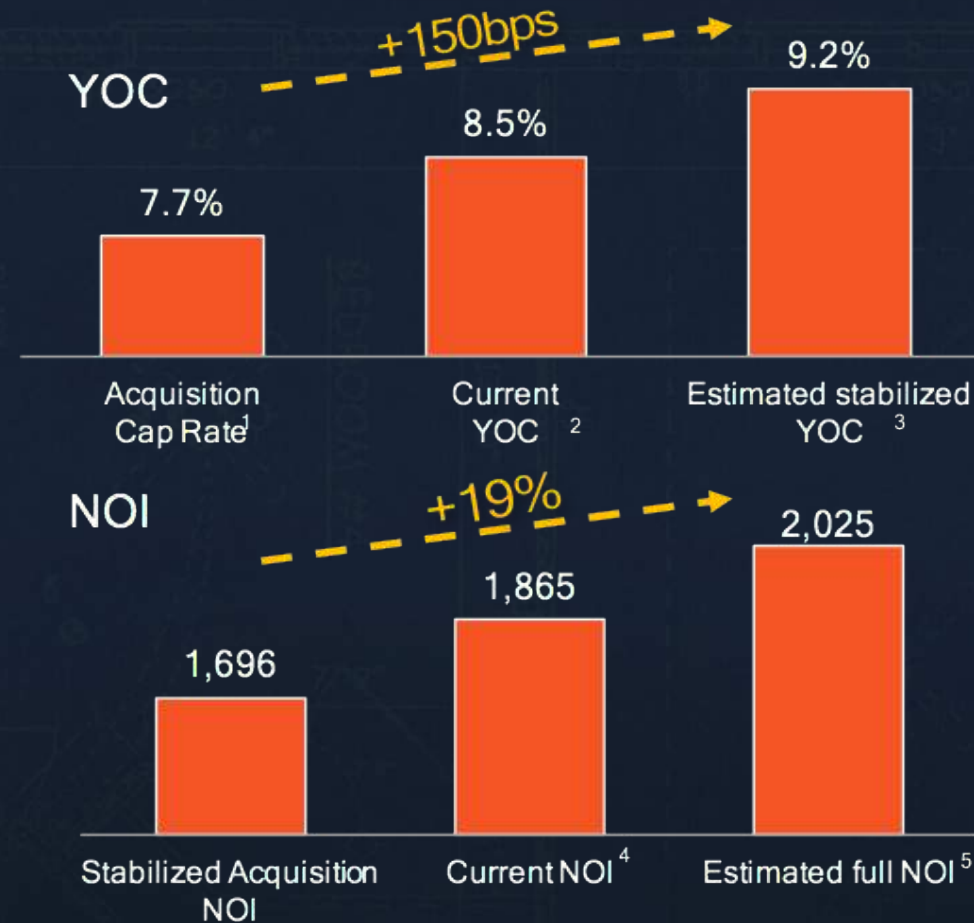


# ACQUISITION CASE STUDY – APOLO I PORTFOLIO

## Portfolio Overview

- Acquisition: December 2013
- Price: Ps. 23,155 mn
- Occupancy increase:  
93.2% to 95.1%
- Revenues increased 9% CAGR
- Three hotels have been built on malls
- Redevelopment of one mall
- Significant improvement of tenant mix

## Key Metrics



(1) Based on expected 2018 NOI of Ps 1,696 mn at acquisition  
(2) Based on current projected 2018 NOI of Ps 1,865 mn and acquisition cost  
(3) Considers NOI of 45 stabilized properties, 2 properties under stabilization and 2 land plots at acquisition cost  
(4) Current NOI: 45 stabilized properties, 2 properties under stabilization  
(5) Considers NOI of 45 stabilized properties, 2 properties under stabilization and 2 land plots

# ACQUISITION PIPELINE – TURBO PORTFOLIO

- ✓ Mixed use portfolio located in 5 states of Mexico, consisting of 18 properties: 6 industrial, 7 retail, 3 office and 2 hotels.

## Portfolio Overview

- Price: Ps. 15,805 mm
- Pending Payment: Ps. 13,328 mm
- 55% cash / 45% CBFIs
- GLA: 560,043 sqm
  - 9 Retail<sup>2</sup>: 368,693 sqm
  - 6 Industrial: 162,677 sqm
  - 3 Office: 28,673 sqm
- Expected NOI<sup>1</sup>: Ps. 1,323 mm

## Antea

- Location; Queretaro, Queretaro
- Retail Property / Subsegment: Fashion Mall
- Anchor tenants: Palacio de Hierro, Liverpool, Massimo Dutti, Zara, Alsea, Cinepolis, Crate & Barrel



(1) NOI guaranteed by the seller for 2018 and 2019. Includes Park Tower Vallarta (acquired in 2016).

(2) Hotels GLA is included in Retail.

# ACQUISITION PIPELINE – TURBO PORTFOLIO

Querétaro Park I



El Convento



Lerma



Parque Industrial Querétaro



Fiesta Inn Mérida



Punto Sur



# ACQUISITION PIPELINE – TURBO PORTFOLIO

Querétaro Park III



Querétaro Park IV



Uptown Mérida



Fashion Mall Tuxtla



Aldea Guanajuato



Patio Tollocan



# ACQUISITION PIPELINE – TURBO PORTFOLIO

Patio Tapachula



Uptown Juriquilla



Corporativo GE I



Corporativo GE II



# ACQUISITION PIPELINE – TURBO PORTFOLIO



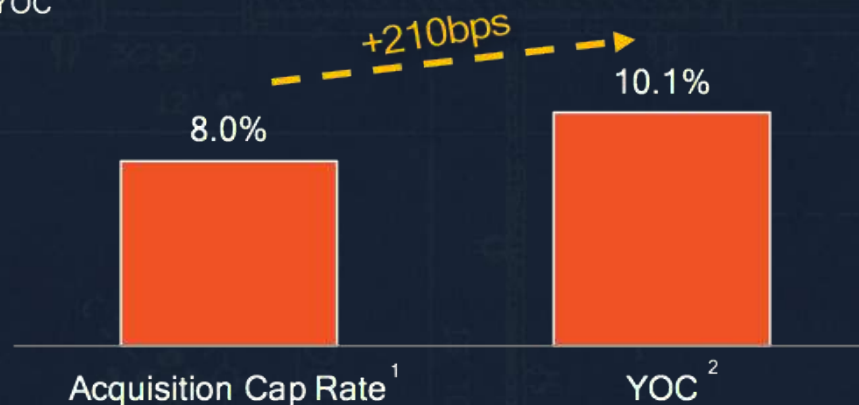
# ACQUISITION CASE STUDY – MORADO PORTFOLIO

## Portfolio Overview

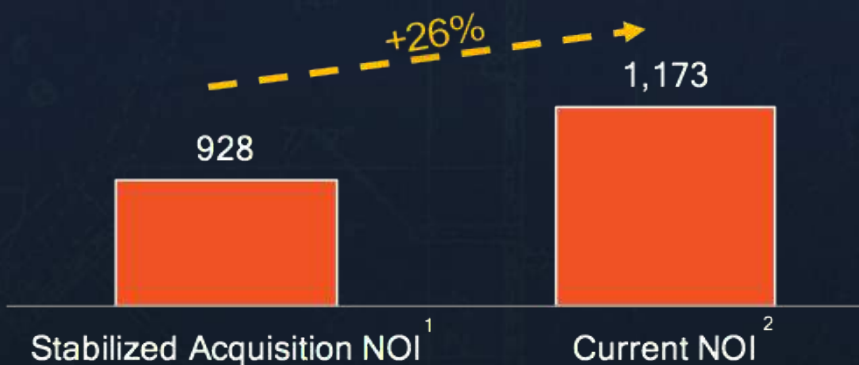
- Acquisition: July 2012
- Price: Ps 11,600 mm
- 16 properties
- GLA: 537,584 sqm
  - 8 Retail (214,318 sqm)
  - 2 Industrial (217,126 sqm)
  - 6 Office (106,140 sqm)
- Occupancy increase:  
87.0% to 90.2%
- Annual compounded revenue increase: 25%
- Expansion executed in La Isla Cancun
- Significant improvement of tenant mix

## Key Metrics

YOC

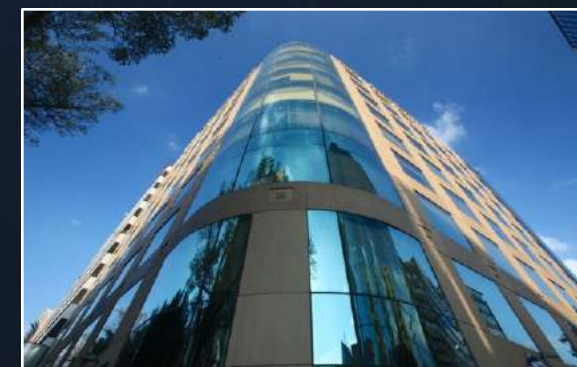


NOI



(1) Based on expected 2018 NOI of Ps 928 mn at acquisition

(2) Based on current projected 2018 NOI of Ps 1,173 mn



# ACQUISITION PIPELINE – FRIMAX TEPOZPARK

- Industrial portfolio located in Tepotzotlán, State of Mexico.



# ACQUISITION PIPELINE — FRIMAX TEPOZPARK

- ✓ Industrial portfolio located in Tepotzotlán, State of Mexico.

## Portfolio Overview

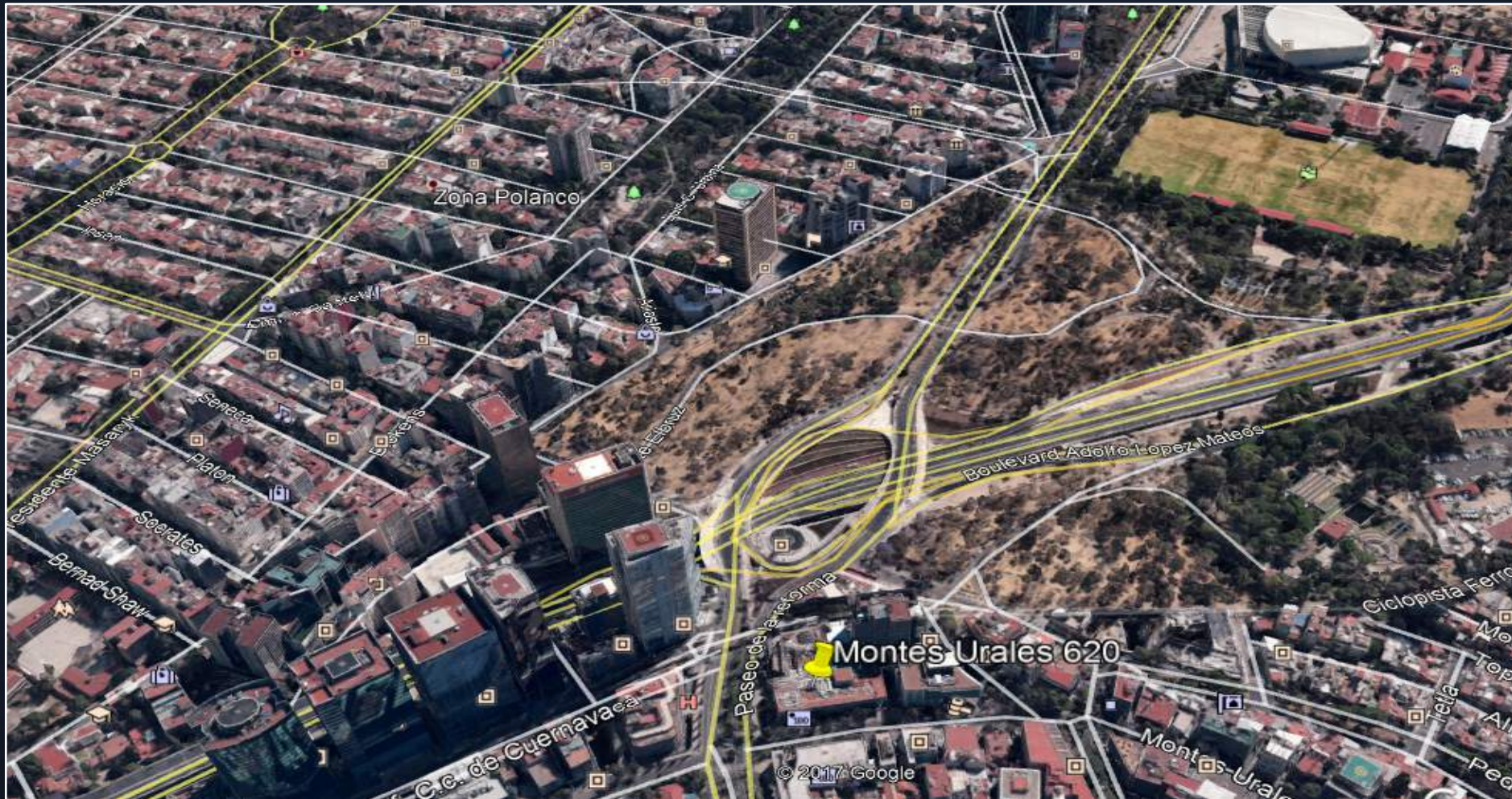
- Price: Ps. 3,749 mm
- 27% cash / 73% CBFIs<sup>1</sup>
- GLA: 370,000 sqm
- Delivered from 2Q18 to 2Q21
  - 6 phases of 50,000 sqm
  - 1 phase of 70,000 sqm
- Expected NOI: Ps. 373 mm



(1) The CBFIs will be delivered proportionally at the same time stabilized GLA is received.

# ACQUISITION PIPELINE – MONTES URALES

- ✓ Unique property located on Reforma Corridor



# ACQUISITION PIPELINE – MONTES URALES

- ✓ Unique property located on Reforma Corridor

## Property Overview

- Price: Us. 60 mm
- 100% cash
- GLA: 17,087 sqm
- Expected NOI: Us. 4.85 mm



# DIVESTMENT

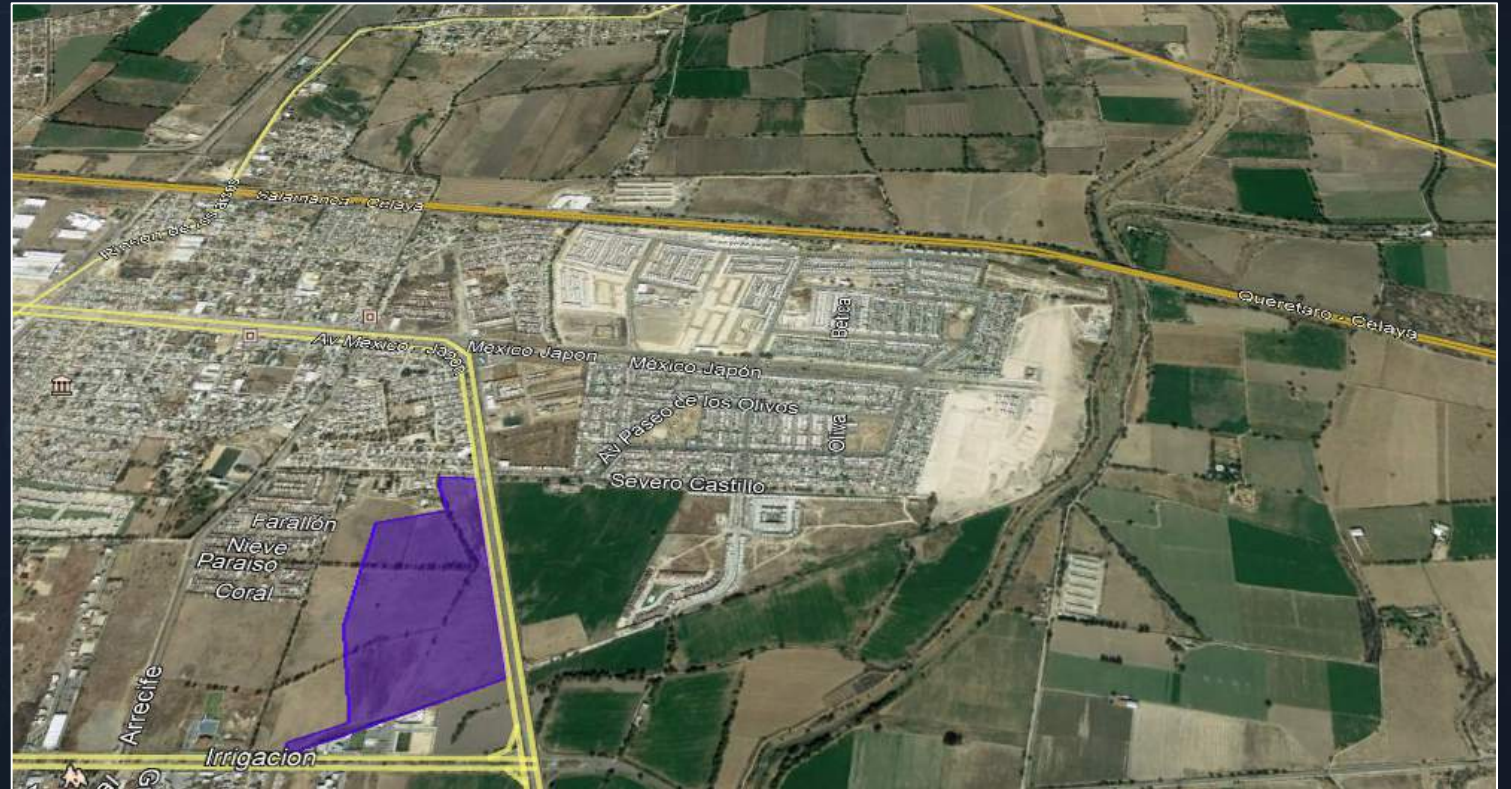
---

# DIVESTMENT – CELAYA (KANSAS PORTFOLIO)

## Property Overview

- Acquisition Date: April 2015
- Price: Ps. 113.4 mm.
- Book Value<sup>1</sup>: Ps. 113.4 mm.
- Expected Sale Date: 4Q17

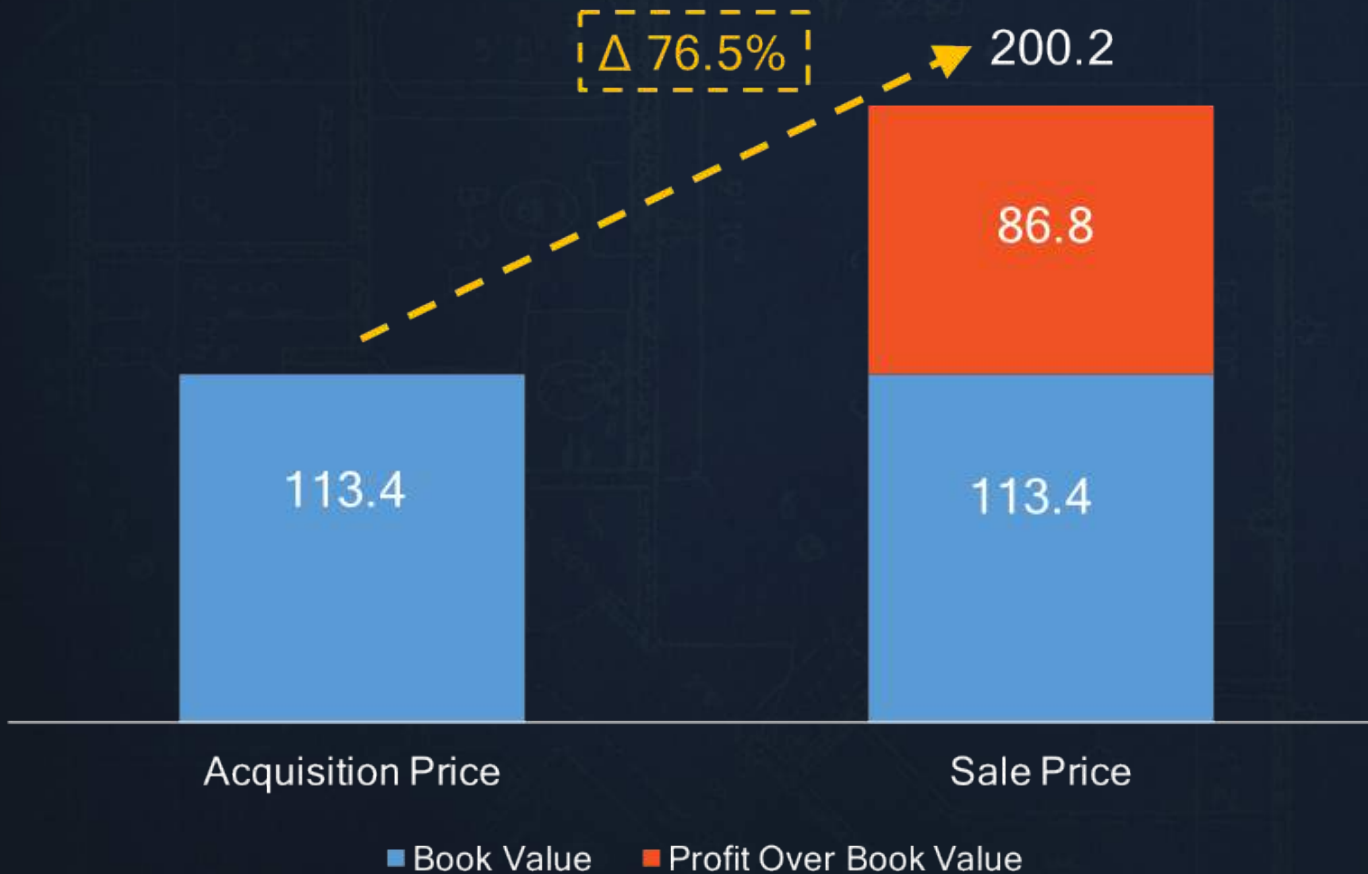
## Property Location



(1) As of December 2016

# DIVESTMENT – CELAYA (KANSAS PORTFOLIO)

Divestment Return Breakdown (Ps. mm)



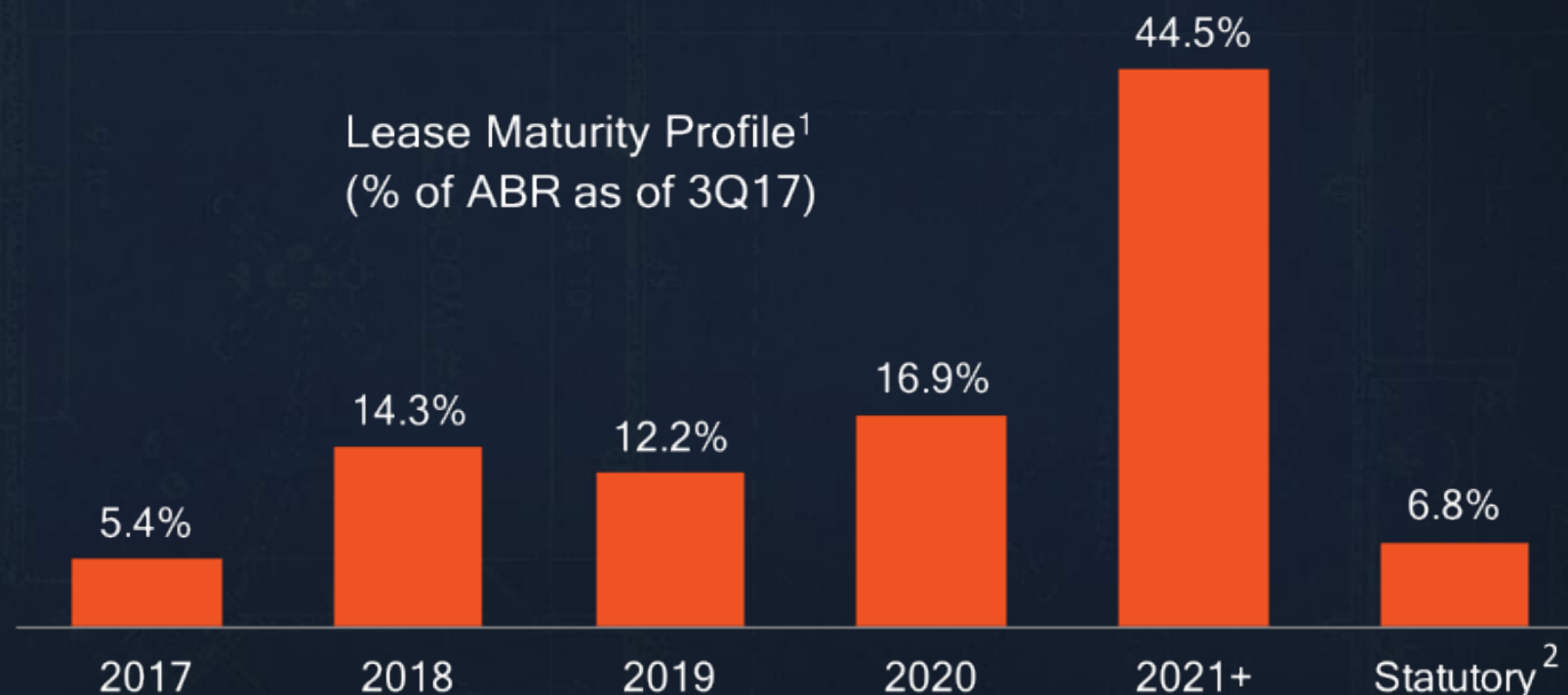
# FINANCIAL PROFILE

BY GERARDO VARGAS

# DIVERSIFIED CLIENT BASE

Top clients by ABR<sup>1</sup> as of 3Q'17

Tenant	ABR %
Wal-Mart	8.3%
ICEL	3.8%
Santander	3.2%
Cinepolis	1.8%
Copemsa	1.4%
Alsea	1.4%
Hilton	1.1%
Fiesta-Inn	1.1%
Zimag	0.8%
SAT	0.8%
<b>Total</b>	<b>23.8%</b>

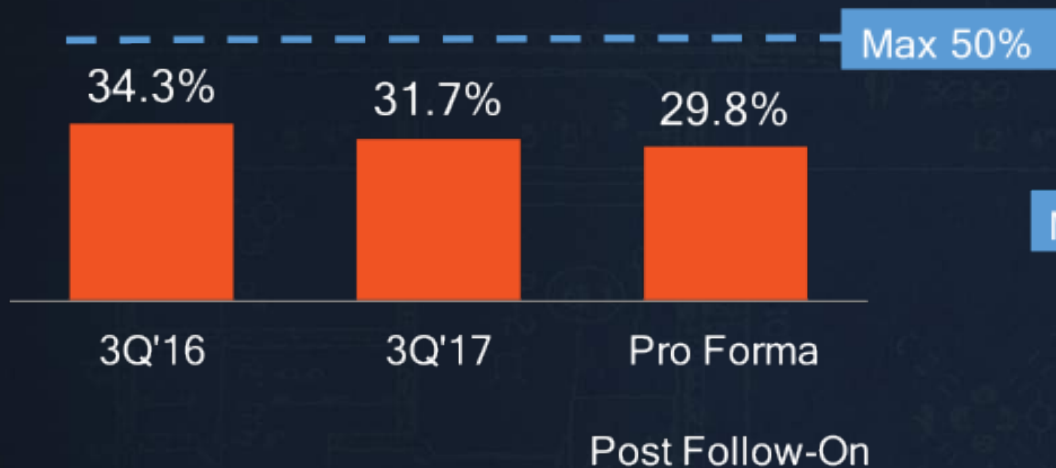


(1) Includes 100% of Torre Mayor's and Torre Diana's ABR

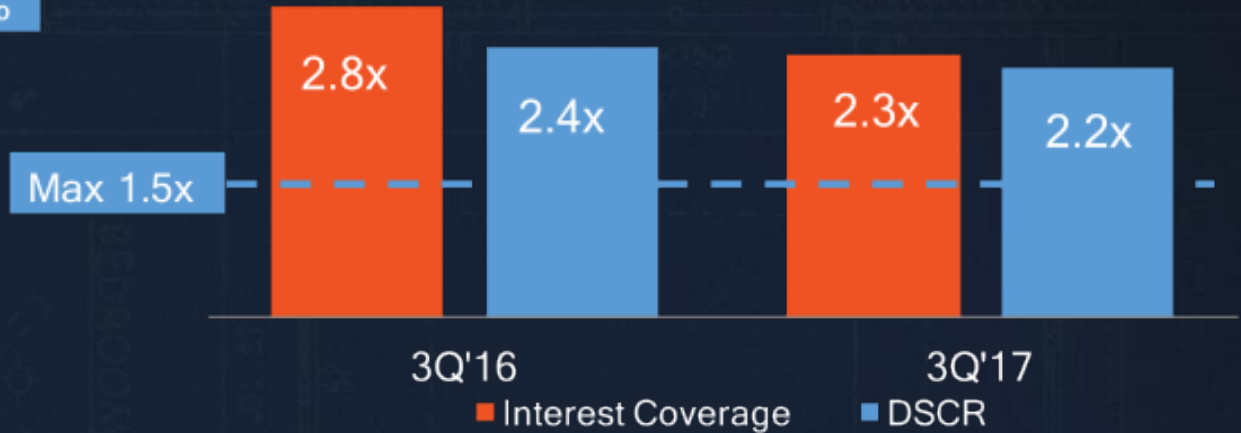
(2) Statutory leases

# STRONG CREDIT METRICS

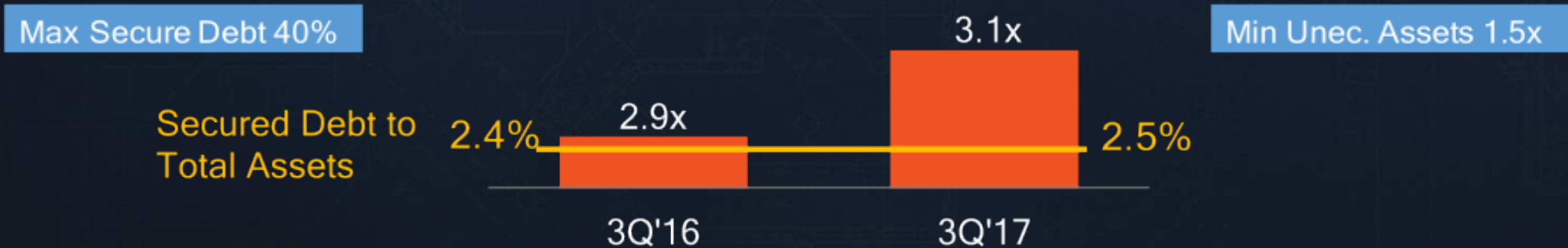
LTV (Total Debt / Total Assets)



DSCR & Interest Coverage Ratios

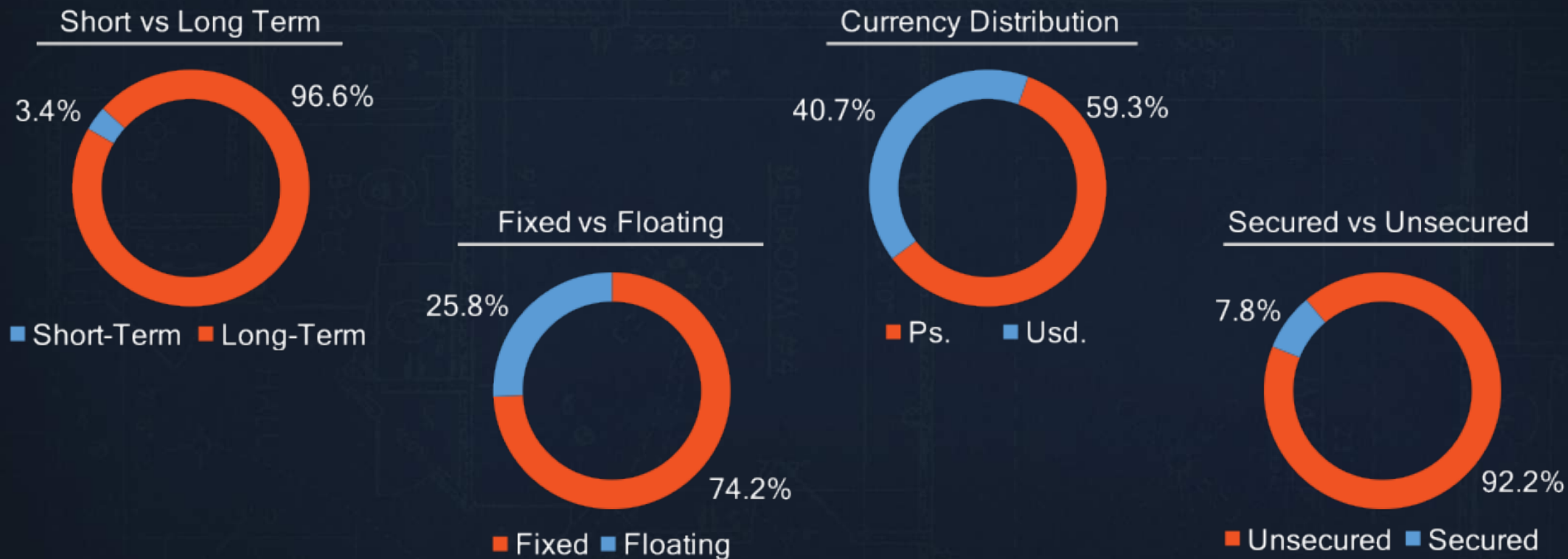


Unencumbered Assets to Unsecured Debt



# DEBT PROFILE

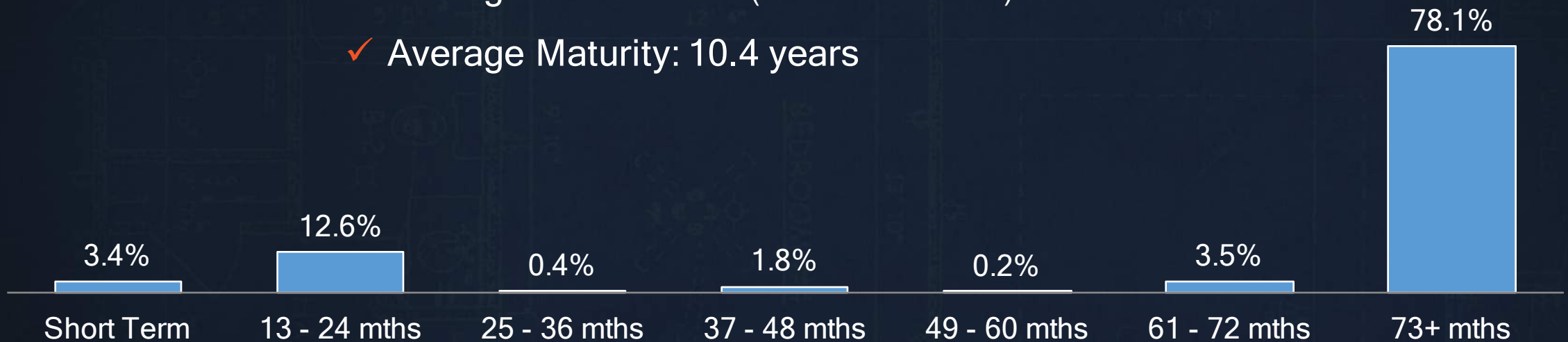
- ✓ Debt profile designed to mitigate risk: low refinancing risk & low sensitivity to changes in interest rates



FUNO has Us. 450 million in cross currency swaps

# DEBT MATURITY PROFILE

- ✓ Average Cost of Debt (with derivatives): 7.34%
- ✓ Average Cost of Debt (without derivatives): 6.60%
- ✓ Average Maturity: 10.4 years



Committed, unsecured revolving loan facility for Mxp.\$7 bn and Us. 410 million

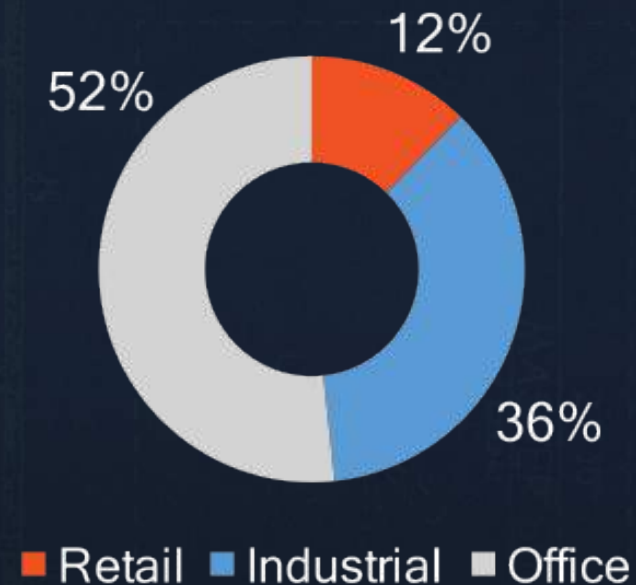
# SENSITIVITY TO FOREIGN EXCHANGE RATE

Minimum Dollar revenue to interest expense > 1.5x

ABR by Currency



Us. ABR by Segment



Projected Us. revenue to interest expense for the next 12 months = 1.9x

# ADDITIONAL FIRE POWER

Total Follow-On proceeds	Ps. 12.8 Bn.
Cash needed for Acquisition Pipeline	Ps. 7.8 Bn.
Assumed Apolo II debt	Ps. 2.6 Bn.
Commitments for Development	Ps. 3.5 Bn.
New CBFIs issued for Acquisition Pipeline	Ps. 13.2 Bn.



- Pro Forma LTV after Acquisitions: **28.6%**
- Dry Powder: **Ps. 13.6 Bn.** of additional debt @ 35% LTV



# FUNO'S FUTURE IN FIGURES

BY JORGE PIGEON

# KEY ASSUMPTIONS

## 1. General :

- ✓ Rents adjusted with inflation annually
- ✓ Average leasing spreads over inflation: Industrial 267 bps - Retail 150 bps - Office 50 bps
- ✓ Occupation stabilizes at a range of 90-95% (depending on the property/portfolio)
- ✓ Stable NOI margin at 80%
- ✓ FFO payout trends towards 95%

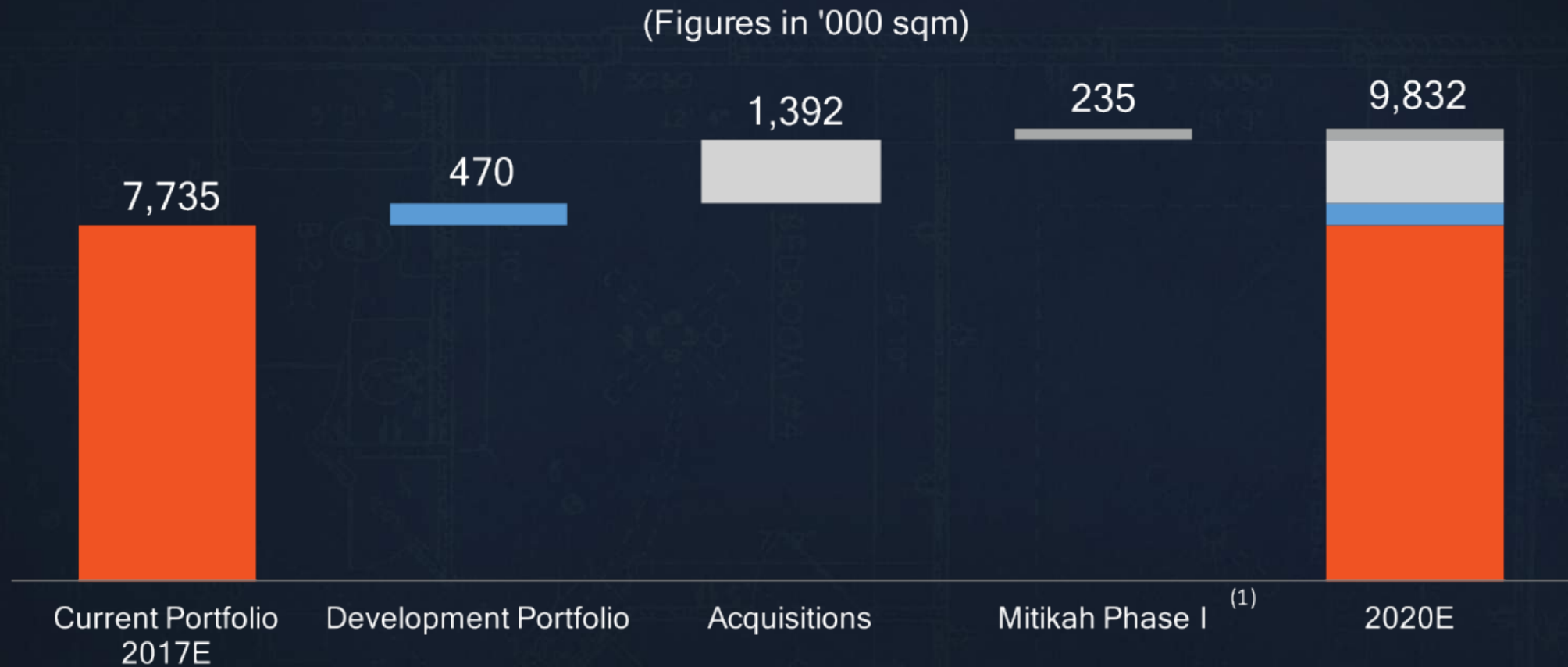
## 2. Acquisitions :

- ✓ Assumes the closing of Turbo, Apolo II and Frimax Portfolios and Montes Urales 620
- ✓ Assumes the acquisition of additional properties during 2018 for ~Ps. 7.0 Bn.

## 3. Mitikah :

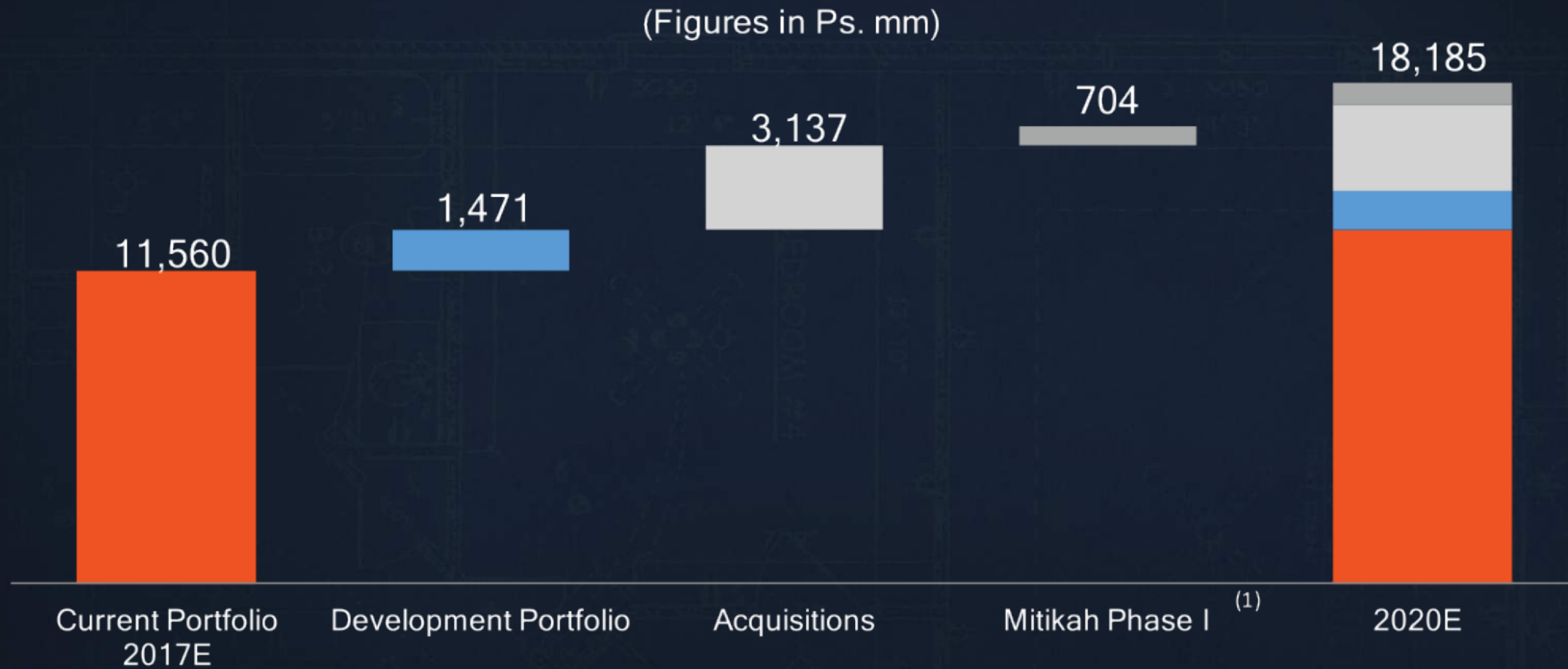
- ✓ Assumes FUNO receives it's 62% share of Mitikah's GLA and revenues

# POTENTIAL GLA BUILD UP



*(1) Considers 100% of Mitikah's first phase GLA*

# POTENTIAL NOI BUILD UP



*(1) Represents FUNO's share of Mitikah's first phase*

# FULL POTENTIAL 2020 OUTLOOK

(Figures in mm)

<u>Concepts</u>	<u>2017E</u>	<u>2020E</u>
NOI (Ps.)	11,560	18,185
GLA ( m <sup>2</sup> )	7,735	9,832
Debt (Ps.)	63,900	77,350 <sup>(1)</sup>
LTV	29.3%	26.7%
FFO (Ps.)	6,745	11,996
No. CBFIs	3,760	4,240
FFO / Share		
<i>High End</i>	2.05	2.97
<i>Low End</i>	2.02	2.76

(1) Includes the consolidation of Mitikah's Debt of Ps. 6,259 mm

The background is a dark, monochromatic image of a city skyline at night. On the left, a tall, cylindrical skyscraper is prominent. To its left, another building with a distinctive diamond-patterned facade is visible. The rest of the skyline is composed of various rectangular buildings of different heights. Overlaid on this image is a faint, light-colored grid pattern. Within the grid, there are several thin, curved lines and small arrows pointing in various directions, suggesting a technical or architectural theme.

# CLOSING REMARKS

BY ANDRÉ EL MANN

# WORLD-CLASS SUSTAINABILITY STRATEGY

- ✓ Fibra Uno is strongly committed to Mexico and the planet

2016



FUNO joined the United Nations' Global Compact

- ✓ Best international practice (Human Rights, Labor and Environment)



FUNO reports under the Global Reporting Initiative

- ✓ Best international practices



Eco-efficient properties and developments

- ✓ Reduce energy intensity
- ✓ Efficient water consumption
- ✓ Monitoring waste and emissions

**Deloitte.**

Code of Ethics & whistleblowing mechanism

- ✓ Operated by a third party

# WORLD-CLASS SUSTAINABILITY STRATEGY

- ✓ Fibra Uno is strongly committed to Mexico and the planet



2017

Fundación FUNO started operations

- ✓ Committed to aid in the construction of more than 2,000 houses in the areas affected by the recent earthquakes

FUNO is member of the Dow Jones Sustainability MILA Pacific Alliance Index

- ✓ One of only three real estate companies in the index

# ONE MORE TIME: FUNO SIMPLY THE BEST

✓ FUNO has the BEST commercial real estate portfolio in Mexico and Latin America, which is impossible to replicate

✓ The fundamental value of FUNO lies on its property, and the value of its property drives rents

✓ FUNO rents are competitive within Mexico, a market with: (1) absolute low rent levels, (2) increasing inflation and (3) a spike in replacement costs

There is significant room for rental growth



FUNKO  
DAY 2017 | NYC

The logo for Funko Day 2017 NYC is displayed on the right side of the image. It features the word "FUNKO" in a bold, sans-serif font, where the "F" is white on a grey square and the "UNO" is white on orange squares. Below this, "DAY 2017" is in white and "NYC" is in a lighter grey, separated by a vertical orange line.