



FUNO

CBFI HOLDERS' MEETING PRESENTATION

SEPTEMBER 2017

# Disclaimer

This supplemental information, together with other statements and information publicly disseminated by us, contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements reflect management's current views with respect to financial results related to future events and are based on assumptions and expectations that may not be realized and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial or otherwise, may differ from the results discussed in the forward-looking statements. Risk factors and other factors that might cause differences, some of which could be material, include, but are not limited to, our business and investment strategy; the competitive environment in which we operate; our ability to maintain or increase our rental rates and occupancy rates; the performance and economic condition of our tenants; our ability to successfully engage in strategic acquisitions of properties; our ability to successfully expand into new markets in Mexico; our ability to successfully engage in property development; our ability to lease or sell any of our properties; the timing of our acquisitions of properties; economic trends in the industries or the markets in which we operate; general market, economic and political conditions, particularly in Mexico; the effect of changes in accounting principles, intervention by regulatory authorities, government directives and monetary or fiscal policy in Mexico; our ability to obtain financing on favorable terms, or at all; changes in interest and currency exchange rates; the amount and yield of any additional investments; our ability to generate sufficient cash flows to satisfy current and future debt service obligations and to make distributions; the terms of laws and government regulations that affect us and interpretations of those laws and regulations, including changes in tax laws and regulations affecting FIBRAs, changes in environmental, real estate and zoning laws and increases in real property tax rates; our ability to maintain our qualification as a FIBRA, as well as other risks listed from time to time in our reports filed with the Comisión Nacional Bancaria y de Valores. We have no obligation to revise or update any forward-looking statements, other than imposed by law, as a result of future events or new information. Readers are cautioned not to place undue reliance on such forward-looking statements. Any securities herein discussed have not been registered under Securities Act of 1933 or any securities laws of any state and cannot be offered or sold in the United States of America absent registration or an applicable exemption thereto. Any announcement in connection with it does not constitute an offer to sell or the solicitation of an offer to buy securities discussed herein.

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- I. Advantages of a Shelf Registration Program
- II. Ordinary CBFIs' Meeting Agenda
  - Point 1 - The Shelf Registration Program
  - Point 2 - Issuance of Treasury CBFIs
- III. Rationale for the Shelf Registration Program
  - Favorable Macroeconomic Landscape in Mexico
  - Real Estate Fundamentals in Mexico Support Investment
  - FUNO's Value Creation Capability
- IV. Next Steps
  - The First Follow-On Under the Program
- V. Summary Resolutions - Convenience Translation

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# Advantages of a Shelf Registration Program

As a FIBRA (REIT), FUNO is a frequent issuer of debt and equity

- FUNO's model is designed to grow with our tenants, which requires consistent investment to meet tenants' growth needs
- During the life of the Program, FUNO will have the ability to access capital markets more effectively
- Establishing a Shelf Registration Program provides flexibility to execute both equity and debt offerings according to FUNO's financing needs and prevailing market conditions

## Advantages of the Program

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Right-sized deals at the right time

Mitigates dilution

Swift access to capital markets

Allows maximum financing flexibility

Follows US REIT capital raising models

Enables agile market "windows" issuance

Enables more efficient balance sheet management

Reduces time to market

Reduces offering costs

# Agenda

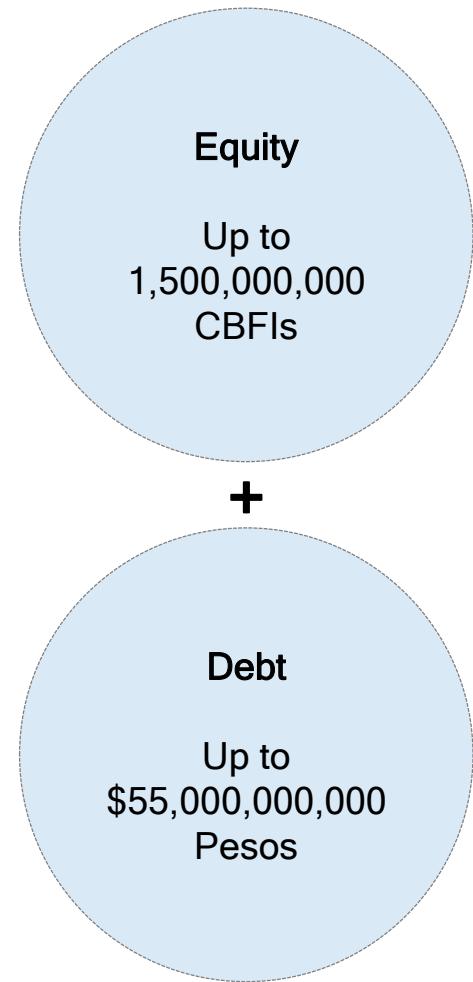
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# Point 1 - The Shelf Registration Program

## DUAL SHELF REGISTRATION PROGRAM:

- Registered in Mexico with the CNBV
- Equity + Debt
- Life of the program: 5 years
- Governing Law & Jurisdiction: MEXICO

Once the Program is authorized, FUNO's Technical Committee will approve all draw-downs under the program



# Point 1 - The Shelf Registration Program

Equity	<b>Securities</b>	Certificados Bursátiles Fiduciarios Inmobiliarios (CBFIs); Ticker: FUNO11
	<b>Maximum amount</b>	Up to 1,500,000,000 CBFIs
	<b>Type of offering</b>	Public offering in Mexico, in the understanding that each offering of CBFIs under the Program <u>may be</u> carried out as part of a global offering consisting of (i) an international public or private offering of CBFIs to investors outside Mexico, carried out in accordance with applicable legislation, and (ii) a concurrent public offering in Mexico
	<b>Use of CBFIs</b>	<ul style="list-style-type: none"> <li>▪ Equity offerings in local capital markets</li> </ul>
Debt	<b>Securities</b>	Certificados Bursátiles Fiduciarios (Cebures)
	<b>Maximum authorized amount</b>	Revolving, up to MXN 55,000,000,000 Pesos
	<b>Type of offering</b>	Public offering in Mexico, in the understanding that each offering of Cebures under the Program <u>may be</u> carried out as part of a global offering consisting of (i) an international public or private offering of the respective Cebures to investors outside Mexico, carried out in accordance with applicable legislation, and (ii) a concurrent public offering in Mexico
	<b>Currency</b>	<ul style="list-style-type: none"> <li>▪ Pesos (MXN)</li> <li>▪ Dollars (USD)</li> <li>▪ UDIs (inflation-linked units)</li> </ul>
	<b>Interest rate</b>	Fixed or floating, to be determined at each draw-down
	<b>Term of issuances</b>	Not less than 1 (one) and no longer than 40 (forty) years
	<b>Leverage guidelines</b>	The issuances of Cebures shall, at any moment, comply with FUNO's leverage guidelines
	<b>Rating</b>	Each issuance of Cebures to be made under the Program will be rated by at least two rating agencies

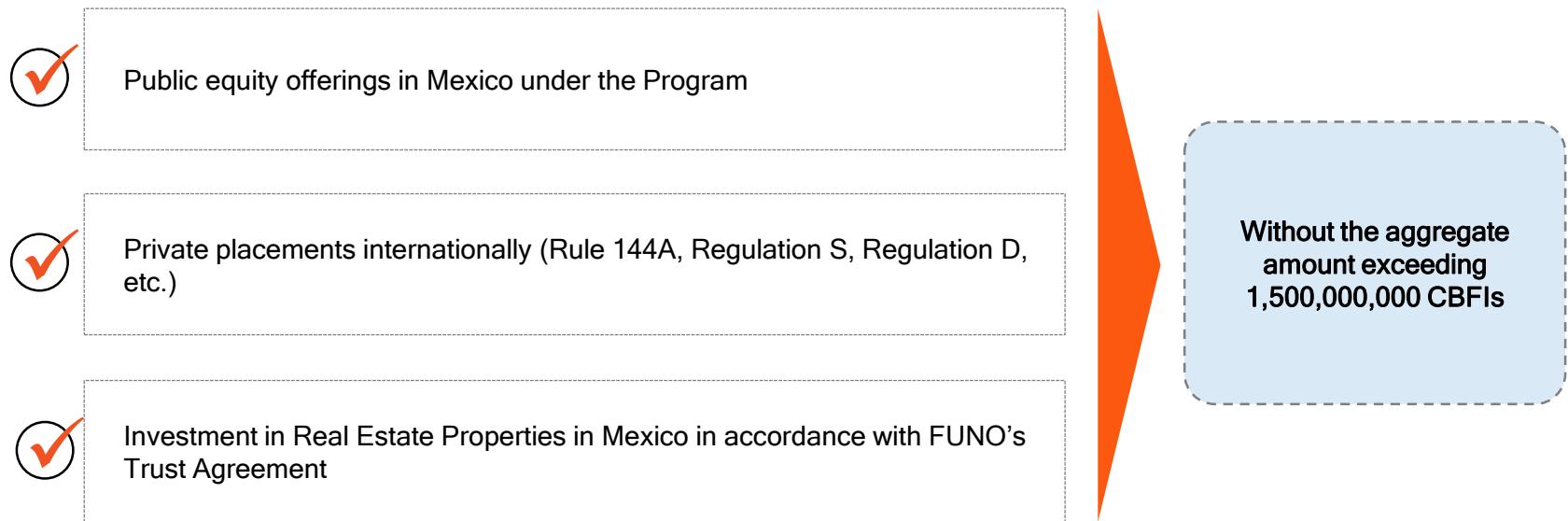
FUNO remains committed to maintain current credit ratings (BBB)

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# Point 2 - Issuance of Treasury CBFIs

Issuance of 1,500,000,000 Certificates to be used for:



FUNO's Technical Committee will authorize all draw-downs under the program

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# Favorable Macroeconomic Landscape in Mexico

Mexico's current macro landscape favors further long-term investment in Real Estate

Emerging middle-class with incipient growth in disposable income

Active consumer base substantially under-banked and under-levered

Very large informal economy transitioning to formal segment

Excellent demographic bonus

Stable interest rate environment

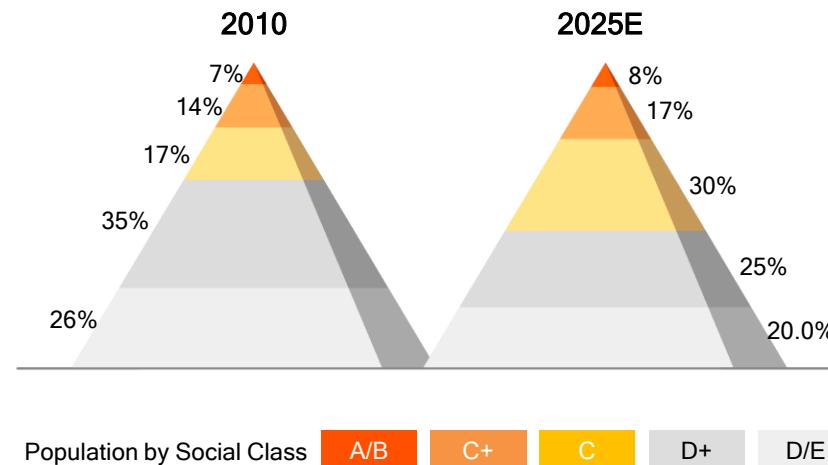
Exceptional industrial installed capacity in the region with competitive and skilled workforce

Structural reforms will impact Mexico's economy over the next 10 years

Few cities that grow fast result in increased scarcity of prime located real estate

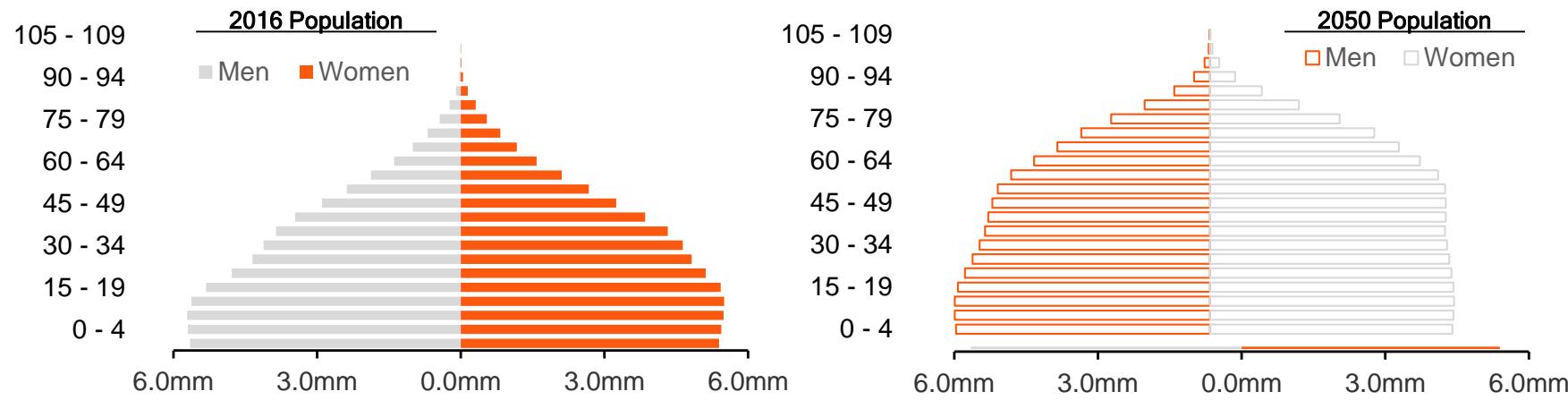
# Favorable Macroeconomic Landscape in Mexico

Continuing improvement of purchasing power



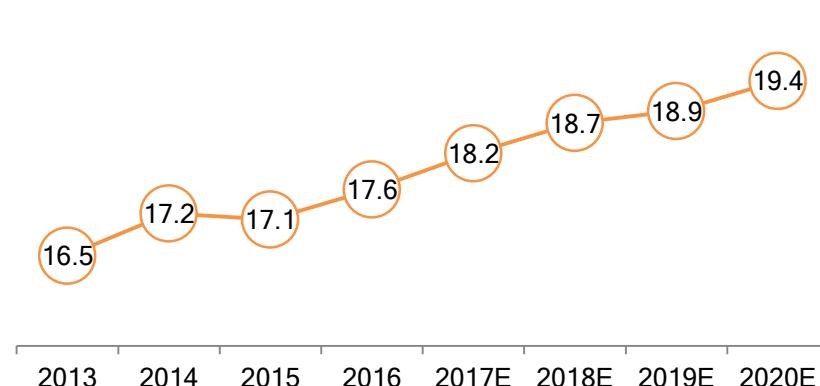
An increasing working-age population

Demographic pyramid<sup>(1)</sup>



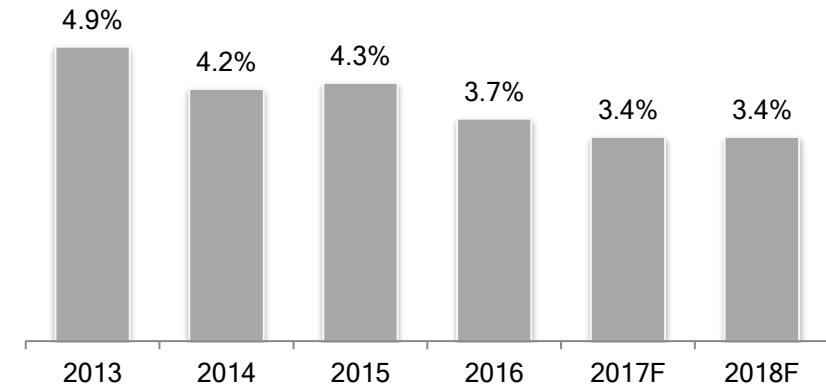
# Favorable Macroeconomic Landscape in Mexico

GDP per capita - Purchasing power parity  
(000 USD)



Mexico GDP per capita is expected to grow at a faster pace

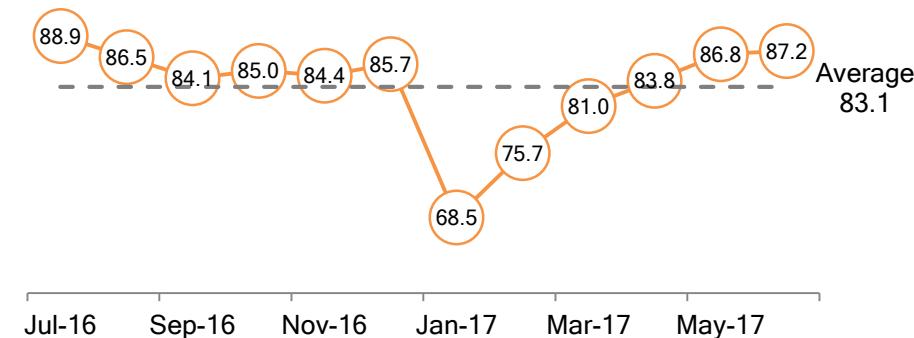
Unemployment rate  
Year-end



The lowest unemployment rate in Mexico since December 2007

Consumer confidence index

Non seasonally adjusted

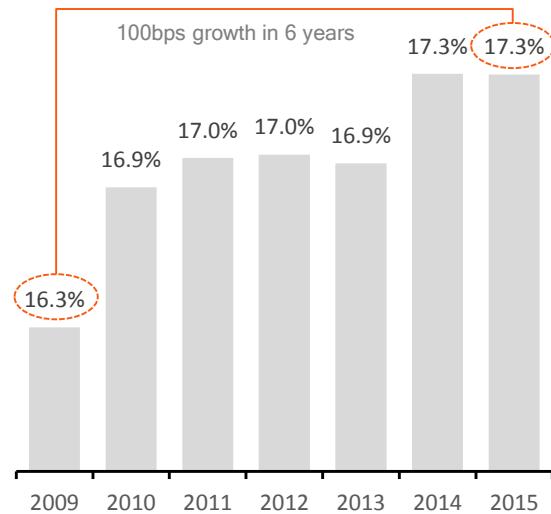


Consumers have better expectations after the drop in consumer confidence in the beginning of the year

# Favorable Macro Landscape in Mexico

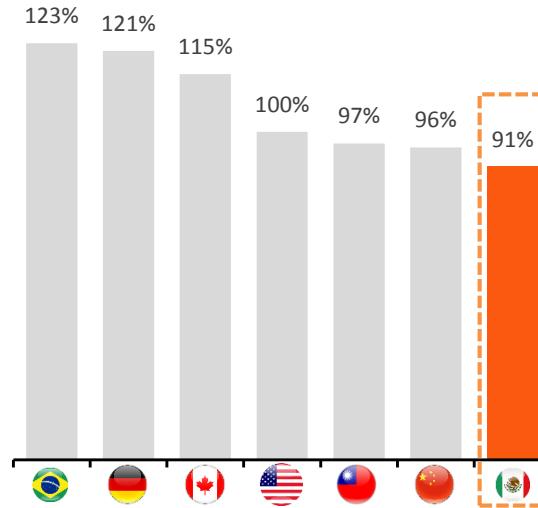
A consistently expanding...

Manufacturing Industry GDP as a % of Total GDP<sup>(1)</sup>



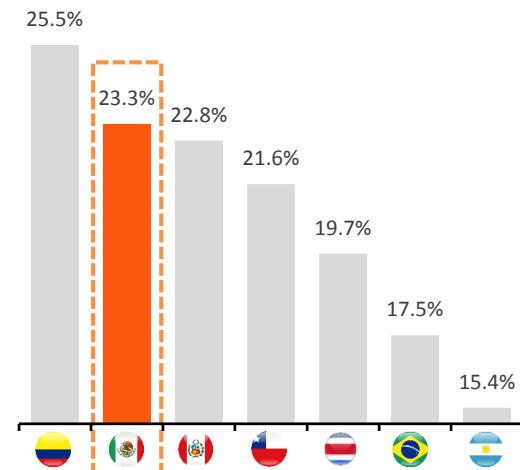
...and competitive manufacturing industry...

Manufacturing Cost Index, 2014 (U.S.=100%)<sup>(2)</sup>



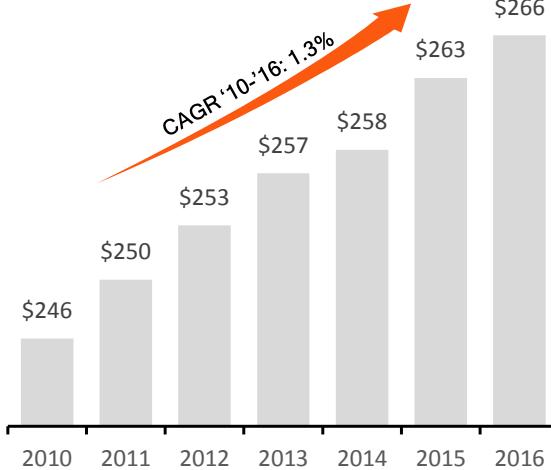
...anchored by robust total investment...

Total Investment as a Percentage of GDP<sup>(3)</sup>



...has allowed Mexico's manufacturing exports to consistently expand...

Manufacturing Exports (US\$bn)<sup>(1)</sup>



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# Real Estate Fundamentals in Mexico Support Investment

Mexico is the 15th largest economy in the world and the 2nd largest in LatAm

Mexico is expected to move from the 15<sup>th</sup> global economy to the 9<sup>th</sup> by 2030<sup>1</sup>

- ✓ Demand for high-quality real estate will continue to increase
- ✓ Good locations in high-growth cities will continue to increase in scarcity
- ✓ Scarcity will continue to drive the value of real estate also driving rent levels
- ✓ Higher replacement costs for real estate will continue to drive rent levels

Real estate continues to be an attractive sector to invest

Retail

- Severely underpenetrated segment in Mexico
- Consumption will continue to drive demand
- Mexico City is the gateway to LatAm for retailers

Mexico is still under-penetrated in real estate

Industrial

- Consistent demand continues to surpass supply
- Mexico is hyper-competitive export platform globally
- Continued infrastructure investment will maintain competitiveness

Industrial warehousing and logistics need to grow to meet demand and be prepared for e-commerce growth

Office

- Current inventory will not support GLA requirements for the 9th global economy
- Absorption has hit increasing record-high rates for the past 3 years
- Tenants continue to demand Class A+ office space

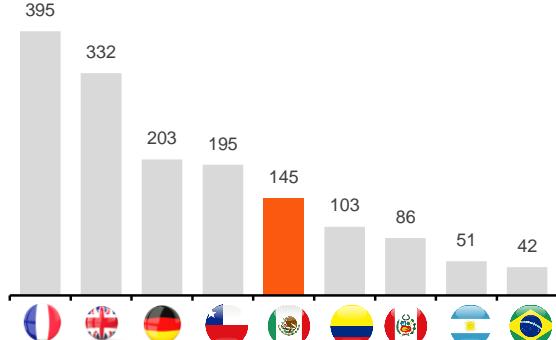
Consistent double-digit growth for companies and sectors all across the board

# Real Estate Fundamentals in Mexico Support Investment

Real Estate is still an attractive sector to continue to invest

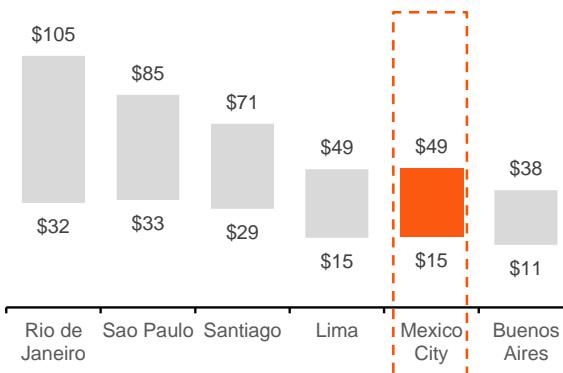
Retail is an under penetrated segment...

GLA per 1,000 inhabitants (m<sup>2</sup>) (Oct 2016)<sup>(1)</sup>



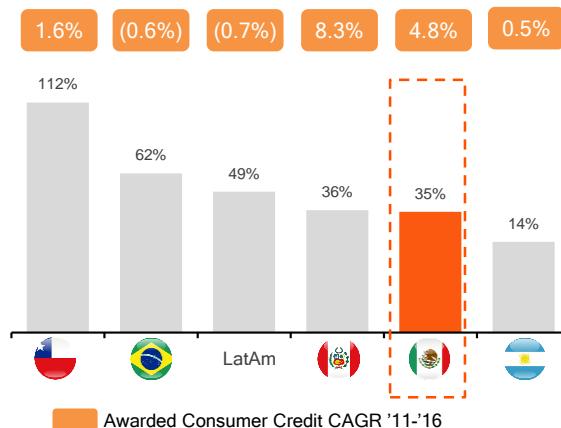
...with high demand and rent increase potential...

Rent per m<sup>2</sup> (US\$) (2016)<sup>(3)</sup>



...and still low credit penetration

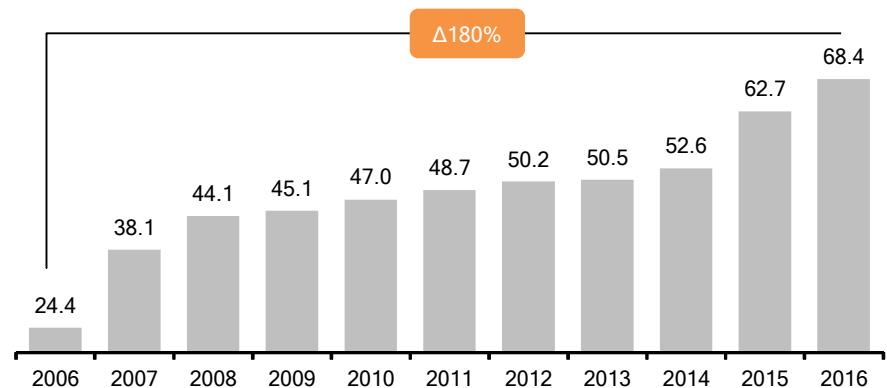
Domestic credit to private sector (% of GDP) (2016)<sup>(3)</sup>



Awarded Consumer Credit CAGR '11-'16

Significant growth in industrial space with still strong demand

Mexico Class A Industrial Space Stock (million m<sup>2</sup>)<sup>(2)</sup>



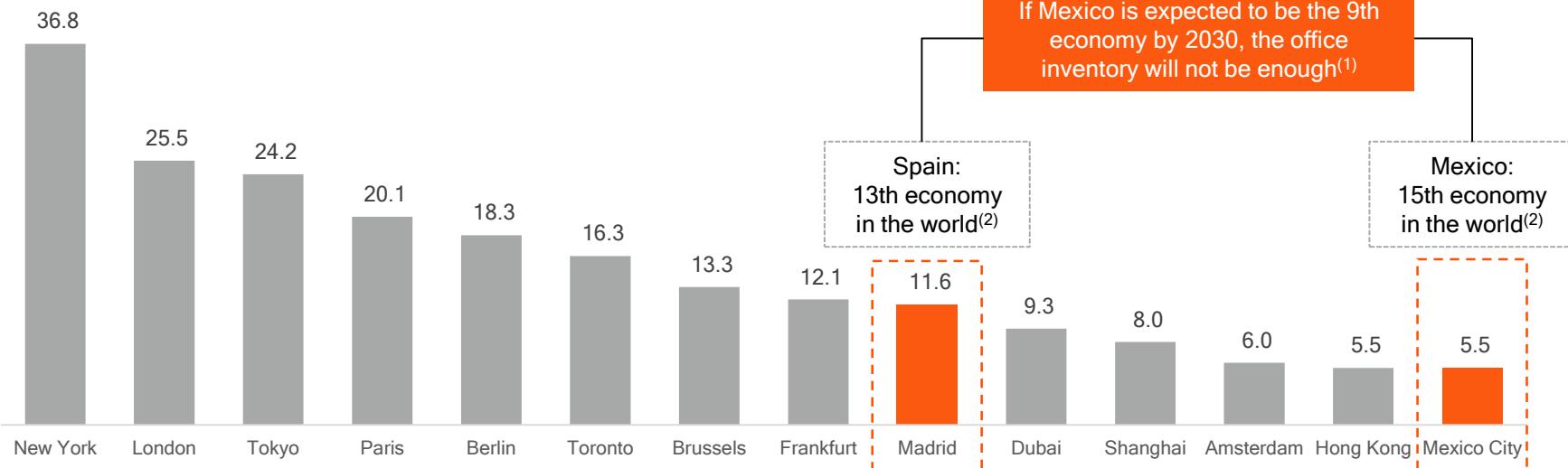
There is still an enormous growth potential despite past inventory increase:

- Logistics segment has been growing double-digits for more than 10 years
- Despite that growth, third-party logistics penetration is 20% in Mexico
- There is virtually no “back-bone” for proper e-commerce operations

# Real Estate Fundamentals in Mexico Support Investment

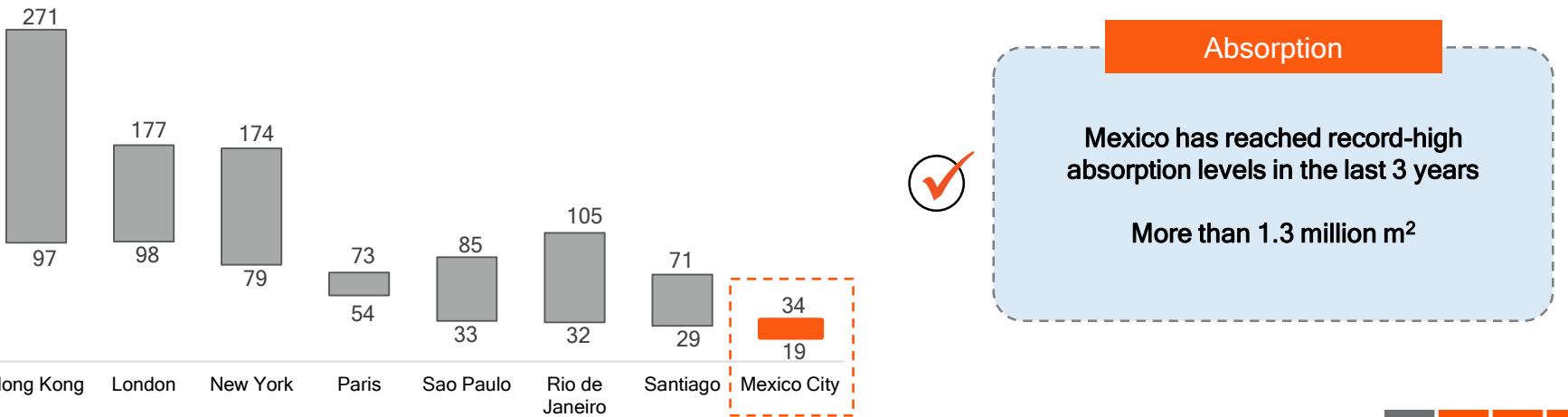
Mexico is a young and small market relative to other top ranking cities

Class A+ and A office inventory<sup>(1)</sup> (million m<sup>2</sup>)

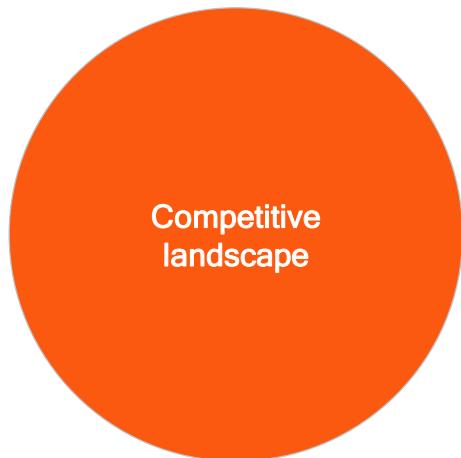


Rents in Mexico are significantly below those of top ranking cities

Price in USD per m<sup>2</sup> per month<sup>(1)</sup>



# Real Estate Fundamentals in Mexico Support Investment



- As the largest FIBRA in Mexico we feel one of our core competitive advantages is our ability to receive the first call on large real estate transactions in Mexico
- As our competitors prepare for their new growth phase, we also need to be prepared



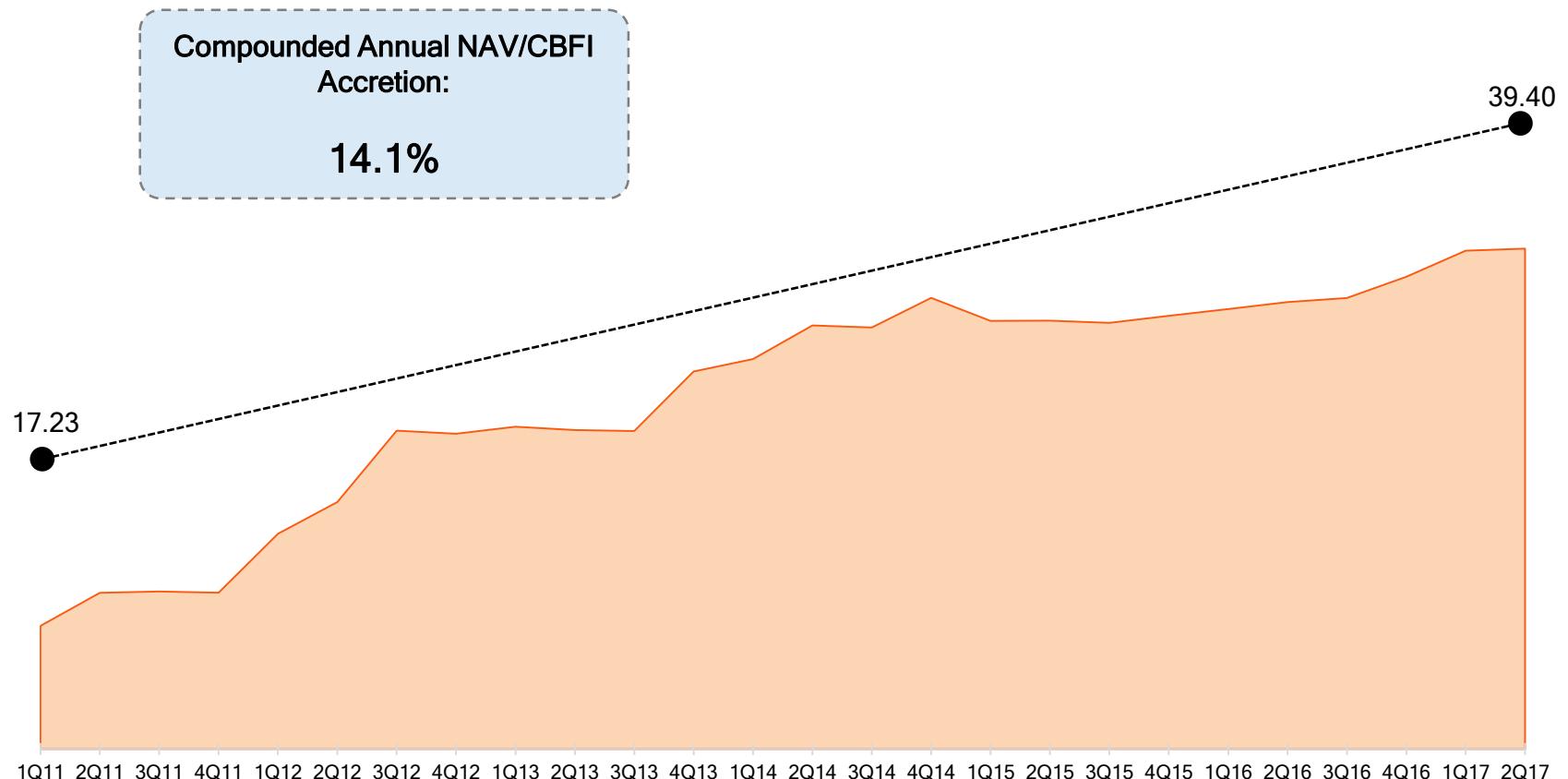
- The main driver of our value creation has been our capacity to purchase and develop (or redevelop) real estate properties
- Our NAV per share has gone from Ps. 28.7 in 1Q14 to Ps. 37.2 in 1Q17 (30% increase)
- As we need to pay out almost all the cash we received, the flexibility to access capital markets when market conditions allow is paramount to continue to create value to our shareholders, as we have done since our IPO

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# FUNO's Value Creation Capability

Since IPO, FUNO has been able to create significant NAV



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# The First Equity Follow-On Offering Under the Program

FUNO's Technical Committee has approved the first draw-down of the Program subject to: (i) the approval of the Program, (ii) the issuance of the Treasury CBFIs, and (iii) Market conditions

<b>Issuer</b>	Deutsche Bank México, S.A., División Fiduciaria, Fideicomiso F/1401
<b>Securities offered</b>	Certificados Bursátiles Fiduciarios Inmobiliarios (CBFIs)
<b>Offering structure</b>	Public equity offering in Mexico with international sales efforts under Rule 144A and RegS
<b>Listing</b>	Bolsa Mexicana de Valores
<b>Base offering</b>	Up to 500,000,000 CBFIs
<b>Control Group participation</b>	Certain members of the Control Group will subscribe Us\$200 million
<b>Greenshoe</b>	Up to 20% (100,000,000 CBFIs)
<b>Use of proceeds</b>	General corporate purposes, including investment in real estate properties, development funding, among others
<b>Lock-up</b>	90 days
<b>Timing</b>	As soon as practicable, determined by market conditions

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The agenda for the Holders' meeting is the following:

**I. PROPOSAL, DISCUSSION AND APPROVAL FOR THE ESTABLISHMENT OF A PROGRAM FOR THE PLACEMENT OF (I) REAL ESTATE TRUST CERTIFICATES "FUNO11" AND (II) DEBT TRUST CERTIFICATES.**

**General Considerations**

Mexican regulation just adopted an efficient manner for the issuers to raise equity and/or debt by implementing a frequent issuer program with a five (5) year term. Once the program is approved by the CNBV, Fibra Uno will have the right (but not the obligation) to place real estate trust certificates ("CBFIs") or debt trust certificates ("CEBURES") under such Program up to the authorized amount. Use of proceeds is determined on a case-by-case basis for each issuance under the program.

**Characteristics of the Program**

<b>Multi-securities</b>	CBFIs and/or CEBURES in Mexico
<b>Term</b>	5 (five) years One or several placements of CBFIs and/or CEBURES up to the Maximum CBFIs' Placement Amount or the Maximum CEBURES Placement Amount

**Characteristics applicable to the placement of CBFIs under the Program**

<b>Maximum CBFIs' Placement Amount</b>	1,500,000,000 CBFIs
<b>Number of CBFIs for each public offering</b>	Determined on a case by case basis, without exceeding the Maximum CBFIs' Placement Amount
<b>Placement Price</b>	Determined on a case by case basis
<b>Determination of the Placement Price</b>	Among other things, based on (i) the financial and operative situation of Fibra Uno; (ii) the potential future generation of profit; (iii) the results of comparable public companies; and (iv) the general market conditions at the time of the placement

<b>Over-allotment Option</b>	To be determined on a case by case basis by the Trust's Technical Committee
<b>Underwriters</b>	Chosen by the Technical Committee for each public offering

**Characteristics applicable to the placement of CEBURES under the Program**

<b>Maximum CEBURES' Placement Amount</b>	MXP \$55,000,000,000.00 – without exceeding 50% Loan to Value
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<b>Currency</b>	Pesos Investment Units (UDIS) Dollars Indexed to the exchange rate Others as applicable
<b>Par Value</b>	To be determined in each offering
<b>Term of the Securities</b>	No less than a year and no longer than 40 (forty) years
<b>Interest Rate</b>	Fixed or variable to be determined for each offering. The mechanism for its calculation (including the first payment of interests) will be determined at the time of each offering
<b>Interest Payment</b>	To be determined in each offering
<b>Guaranty</b>	Unsecured
<b>Underwriters</b>	Chosen by the Technical Committee for each public offering

**Approving points related to the above (among others).**

1. *The establishment of a program for the placement of (i) real estate trust certificates “FUNO11” and (ii) debt trust certificates,*
2. *The Maximum CBFIs’ Placement Amount of up to 1,500,000,000 CBFIs; in the understanding that the total amount of CBFIs to be placed under the Program cannot exceed such amount.*
3. *The Maximum CEBURES’ Placement Amount of up MXP \$55,000,000,000.00 or the equivalent amount in Investment Units (Unidades de Inversión) or dollars, legal currency of the United States of America; in the understanding that the total amount of CEBURES to be placed under the Program cannot exceed such amount and together with Fibra Uno’s outstanding debt cannot exceed 50% Loan to Value.*

**II. PROPOSAL, DISCUSSION AND APPROVAL FOR THE ISSUANCE OF ADDITIONAL REAL ESTATE TRUST CERTIFICATES TO BE HELD IN TREASURY TO BE USED IN PLACEMENTS INCLUDING THE AFOREMENTIONED UNDER SUCH PROGRAM AND ON INVESTMENTS IN REAL ESTATE PROPERTIES IN ACCORDANCE TO THE TRUST, AS WELL AS ITS RELATED REGISTRATION UPDATE IN THE NATIONAL SECURITIES REGISTRY OF THE NATIONAL BANKING AND SECURITIES COMMISSION.**

**General Considerations**

There is a window of opportunity to access capital markets and raise equity and debt; Fibra Uno’s financial model is designed to grow, which requires consistent investment to meet tenants’ growth needs.

### **Characteristics applicable to the issuance**

**Issuance of 1,500'000,000  
CBFIs to be held in  
treasury for:**

- Public equity offerings under the aforementioned Program
- Private Equity CBFIs placements internationally (Rule 144A, Regulation S, etc.)
- Investment in Real Estate Property in Mexico in accordance with FUNO's Trust Agreement

### **Approving points related to the above (among others).**

4. *The issuance of 1,500'000,000 CBFIs to be held in treasury:*
  - (i) *to be offered and placed in Mexico under the Program,*
  - (ii) *to be offered in the United States of America in accordance with Rule 144A under the Securities Act of 1933 (the “Securities Act”) or in other countries in accordance with Regulation S under such Securities Act, or*
  - (iii) *to be used for the acquisition or of real estate or leasing rights related to such real estate that complies with the Fibra Uno’s Investment Criteria (defined in the Trust Agreement as Criterios de Elegibilidad); as determined by the Trust’s Technical Committee.*
5. *The public offering and placement of such CBFIs in México under the Program.*
6. *Authorize the Trust’s Technical Committee to determine the characteristics of each offering and placement of CBFIs for the Offer of the CBFIs, including the over-allotment option.*
7. *The offering and placement of such CBFIs in the United States of America in accordance with Rule 144A under the Securities Act of or in other countries in accordance with Regulation S.*
8. *Engage with any external advisor, underwriters, common representative and any other professional services provider necessary or convenient to perform any public offering.*
9. *Execute any document, agreement or certification, make any payment or deposit, give any notice or do any other act, before any government authority or entity in Mexico or abroad, necessary or convenient to perform any public offering.*

### **III. IF SUCH THE CASE, APPOINTMENT OF THE SPECIAL DELEGATES TO THE GENERAL ORDINARY HOLDERS’ MEETING.**

This is a legal formality to appoint delegates to carry out and formalize the resolutions and the instructions adopted by the Meeting.

### **IV. DRAFTING, LECTURE AND APPROVAL OF THE RESOLUTIONS ADOPTED BY THE GENERAL ORDINARY HOLDERS’ MEETING.**

This is a legal formality to draft the Meeting.