



Real Estate Development Vehicle

March, 2015

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Why a Development Vehicle?

Rationale and Objective

FUNO is launching a real estate development vehicle to further boost its growth potential and value creation capabilities

Objective

- Maximize FUNO's development capacity, minimizing shareholder dilution and maintaining prudent leverage levels
- Create an investment vehicle for investors who seek exposure to development risk

1

Boost FUNO's development capabilities

2

Seize additional large-scale development opportunities

3

Maximize FUNO's ROIC

Benefits

FUNO enhances its capabilities by...

- FUNO **charges fees** and **collects rents capturing** the development **upside**
- FUNO acts as General **Partner** and project **co-investor**

Development project **sourcing 100% through** FUNO:

- A. FUNO;
- B. FUNO's founding partners' pipeline
- C. Third parties

Development
Vehicle

FUNO to have a **right to...**

- ... **acquire** the projects at **market price**
- ... **tag-along** on vehicle or assets sales if right to acquire is not exercised

Development vehicle's financing to **have no recourse** to FUNO

Development Vehicle Overview

Vehicle's Main Features

Vehicle Ownership

At vehicle level:

- FUNO's wholly-owned subsidiary acts as General Partner

General Partner 0%

Limited Partners 100%

At project level:

FUNO ~50%

Vehicle ~50%

FUNO's Role

- **Co-Investor:** FUNO will co-invest at least [15]% of each project
- **Vehicle manager:** FUNO will manage the vehicle through its wholly-owned subsidiary
- **Development manager:** FUNO will manage the projects, leveraging its expertise

Limited Partners

- Institutional investors; primarily Mexican pension funds
- Unrelated parties to FUNO or its founding sponsors
- Will have a preferred return of [10]%

FUNO's Fees

- **Vehicle management fee:** paid in kind as equity of development projects
- **Development management fee:** paid in kind as equity of development projects
- **Promote:** [20]% above Limited Partners' preferred return (without catch-up)
- Leasing and property management fees

Project Sourcing

Project sourcing 100% through FUNO:

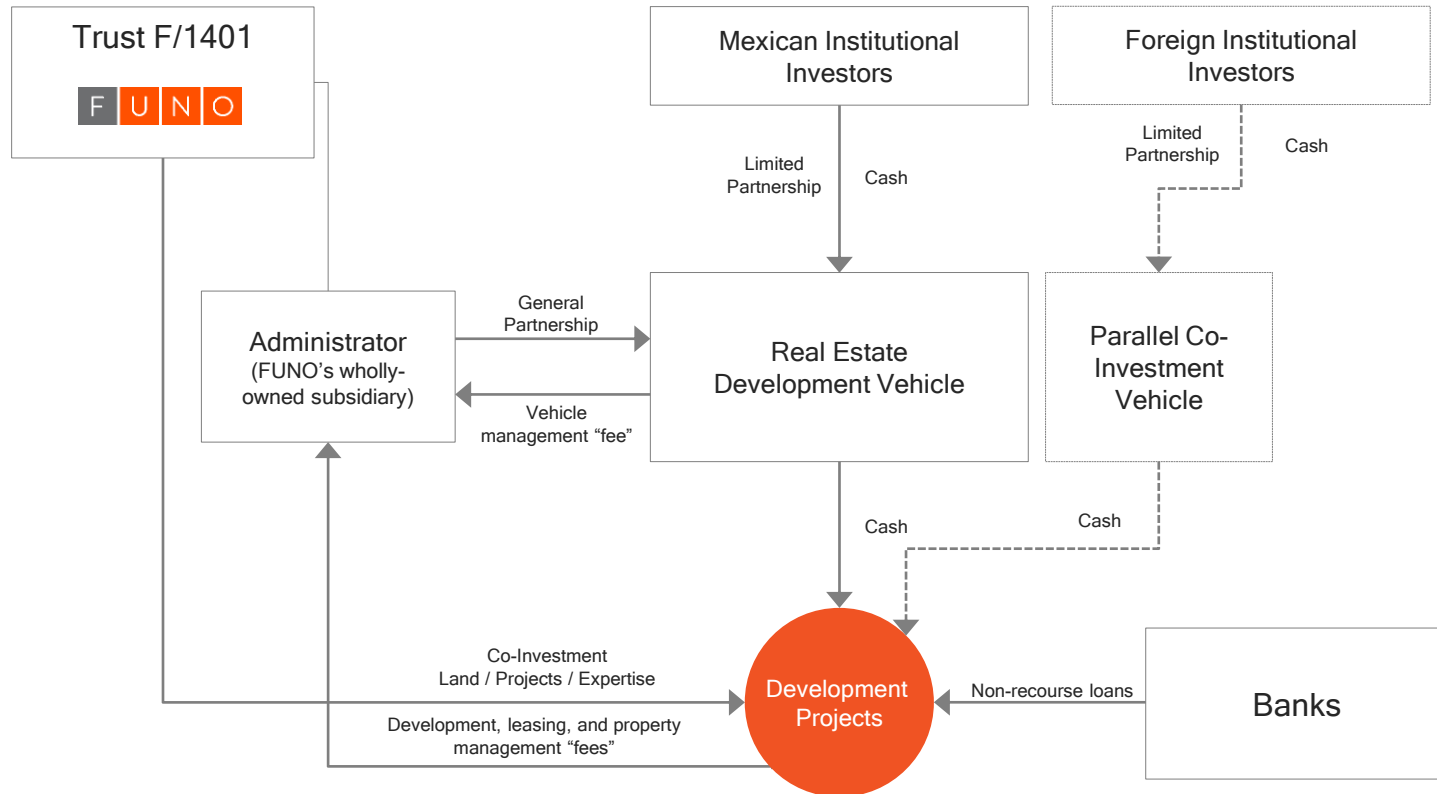
- **Through FUNO**
- By third parties **through FUNO**
- By FUNO's sponsors **through FUNO**

FUNO's Rights

- Right to acquire the projects at market Price
- Right to tag-along on sale of projects or vehicle if right to acquire is not exercised

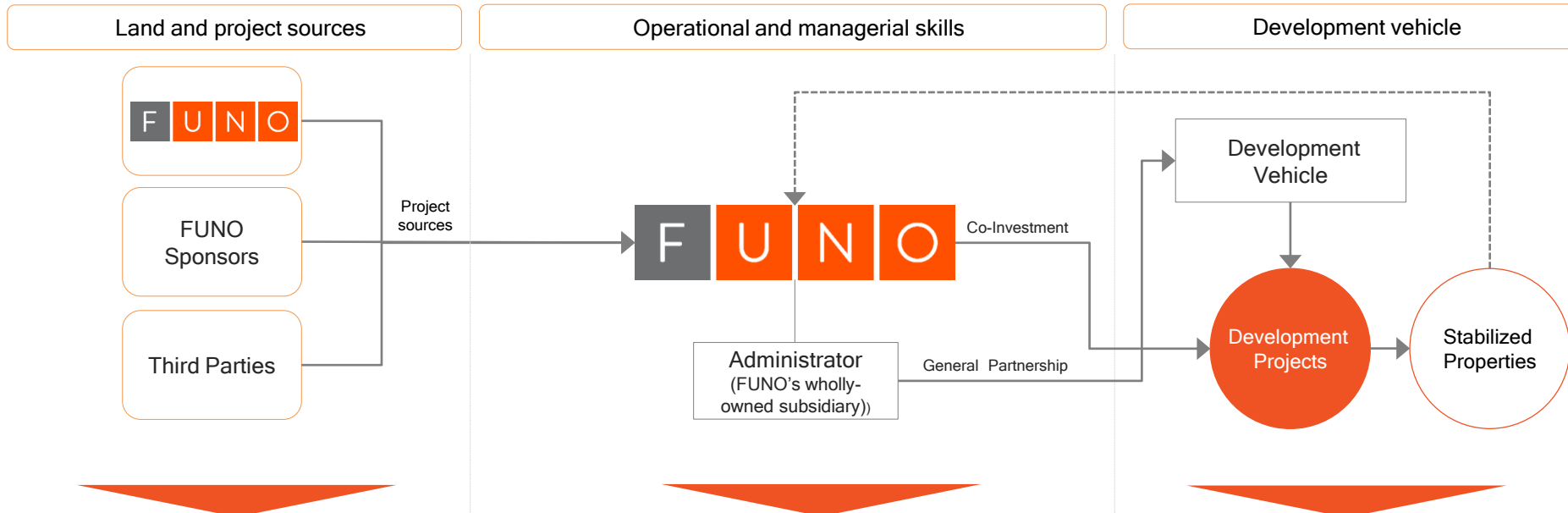
The Vehicle

The vehicle is a trust within which FUNO participates as general partner while institutional investors participate as limited partners



Vehicle Structure

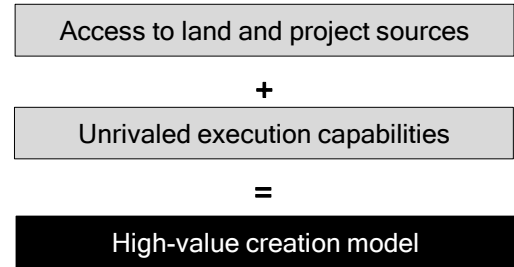
The vehicle's structure is designed to secure land, project sourcing capabilities, and development muscle through a world-class operating platform



This structure provides access to...

- ... FUNO's land reserves and other real estate-related resources
- ... FUNO's sponsors development pipeline
- ... other parties' land and/or projects

- More than 150 years of accumulated experience in real estate development and operation
- Efficient and institutional management
- First-mover advantage
- Benchmark in the Mexican market
- Sound, long-lasting relationships with tenants and key industry suppliers



Development Vehicle's Corporate Governance

FUNO co-investment commitment

- Co-investment on a project basis
- Co-investment in kind and cash
- At least [15]% of total project's investment

Institutional management

- General CBFH Holders' Meeting (will approve projects greater than 20% of vehicle's size)
- Technical Committee
- Seasoned management team

Capital calls

- Approved by Technical Committee
- Punitive dilution mechanism
- Proceeds obtained in capital calls must be deployed within [6] months

Clear exit mechanisms

- Reversion rights to re-acquire contributed assets + buildings
- FUNO has a right of preference at market prices, and tag-along rights
- Market Price defined by third-party appraisals and/or active marketing of real estate brokers
- Approval from Shareholders' Meeting for manager's related-party transactions

Impact on FUNO

High Value Added Impact on FUNO

Below we present an analysis to show FUNO's current development structure versus that of the vehicle assuming a development cap rate range of 12% - 14%, and a theoretical investment of 1,000

	Current FUNO's Development Scheme		Development Vehicle	
FUNO's invested capital	1,000		1,000	
Development & vehicle management fees ¹	-		307	
Total FUNO invested capital + fees	1,000		1,307	
Project debt ²	500		1,300	
Development Vehicle equity	-		1,300	
Total development project investment	1,500		3,907	
Target development cap rate	10%	12%	10%	12%
Expected Project NOI	150	180	391	469
FUNO's development project ownership	100%		50%	
FUNO's expected development NOI	150	180	196	235
FUNO's development cap rate	-	-	19.6%	23.5%
Development investors' cap rate	15.0%	18.0%	15.1%	18.1%

1 - See fee structure on this presentation; assumes worst case scenario for FUNO

2 - Assumes a 33.33% Loan-to-Cost ratio

3 - 3% of rents + leasing fee equivalent to 4% of NOI

High-Value Creation Model

1

Boost FUNO's development capabilities

~**4.0x** project value per
Us.\$ 1.0 of equity
invested

2

Seize additional larger-scale development opportunities

FUNO's development capabilities **increase** by approximately **2.6x**

3

Maximize FUNO's ROIC

Estimated development cap rates from **20.4%** to **24.4%**

4

Additional benefits

- Right to acquire the projects at market price
- Right to tag-along on sales of projects if right to acquire is not exercised
- No drag-along on FUNO's investment on projects

Termsheet

Issuer	Fideicomiso F/[*]
Turstee	Banco INVEX, S.A., Institución de Banca Múltiple, INVEX Grupo Financiero
Manager	F1 Administración, S.C.
Security type	Certificados Bursátiles Fiduciarios Inmobiliarios de Desarrollo (CBFIDs)
Offering structure	Public offering in Mexico under the capital calls mechanism
Issuance amount	~Ps. [5,000] mm
Offering date	March, [TBD], 2015
Maturity	15 years
Use of proceeds	Real estate development in Mexico
Expected yield	[*]% in Ps./MXN
Structuring agents	BBVA Evercore
Bookrunners	BBVA Evercore