



# FIBRA Macquarie México

Ordinary Holders' Meeting

April 24, 2019

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## Introduction

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We are holding this Ordinary Holders' Meetings to seek:

1. Approval of the 2018 FIBRA Macquarie Annual Report and audited financial statements
2. Approval of the 2019-2020 program for the repurchase of certificates
3. Consent for the renewal of the annual appointment of the independent members of our Technical Committee, Messrs. Salazar, de Garay, Aziz, De la Garza and Brennan

## FIBRA Macquarie Highlights

### Portfolio

**High Quality**  
Dual Asset  
Platform  
Leveraged to  
Mexico's  
Economic Drivers

**253**  
Industrial and  
Retail Properties.  
**83%** of NOI from  
Industrial Assets

**79%**  
of Revenues  
are Dollar  
Denominated

### Capital Allocation

Strong Record  
of Capital  
Deployment

US\$2.2B  
Deployed Since  
Inception at  
8.4% Cap Rate

Quality  
Institutional  
Manager Closely  
Aligned with  
Certificate  
Holders

### Performance And Growth

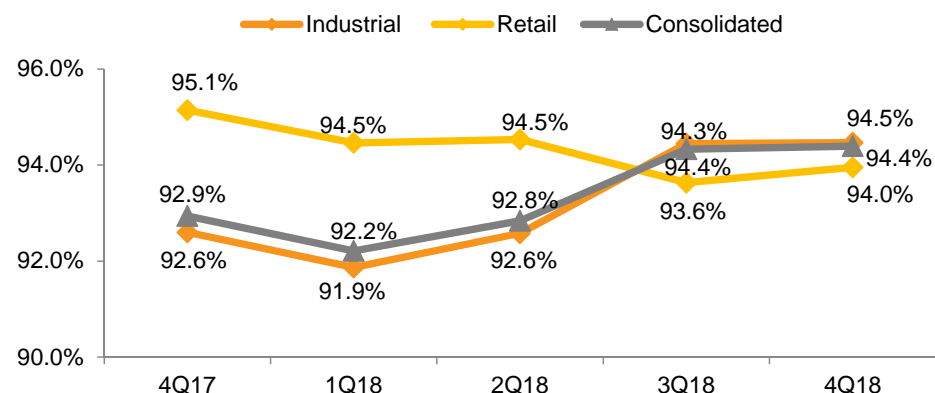
Consistent  
Operational  
and **Financial**  
Performance

Repositioned  
Capital Structure  
to Support  
**Future Growth**

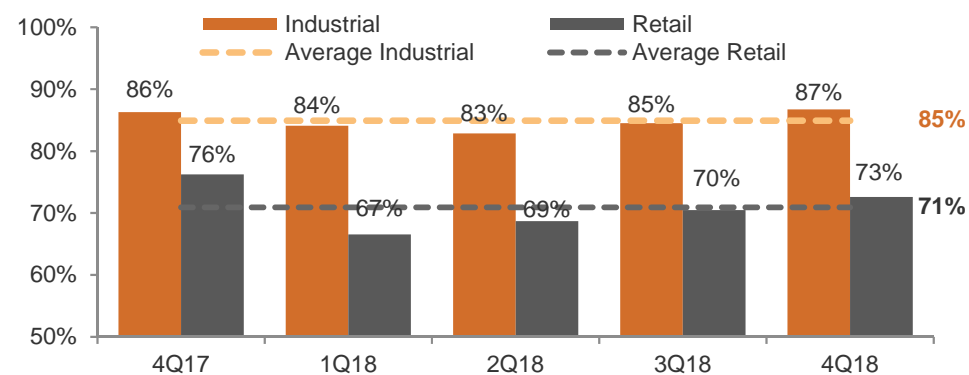
Multiple Growth  
Avenues  
**Organic,  
Development,  
Expansions and  
Acquisitions**

# 2018 Key Portfolio Metrics

## Occupancy (end of qtr)

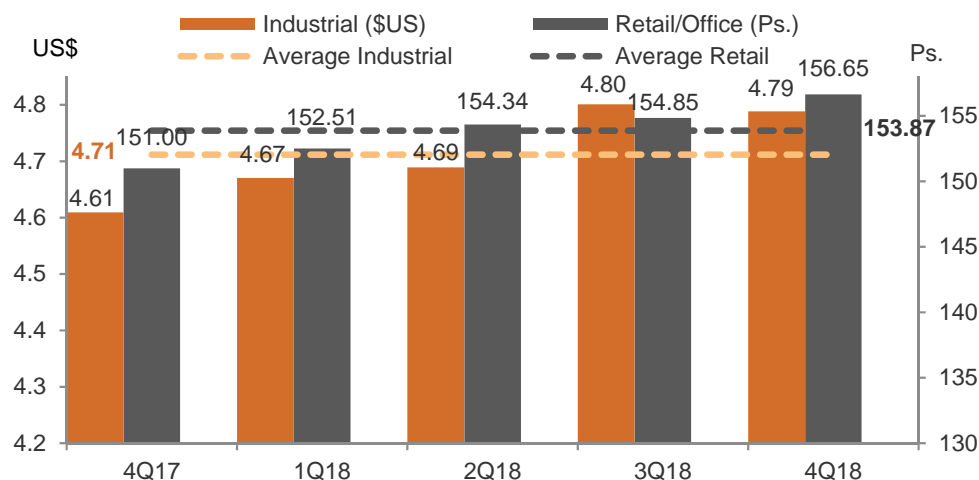


## Retention Rate<sup>1</sup> (LTM by GLA)

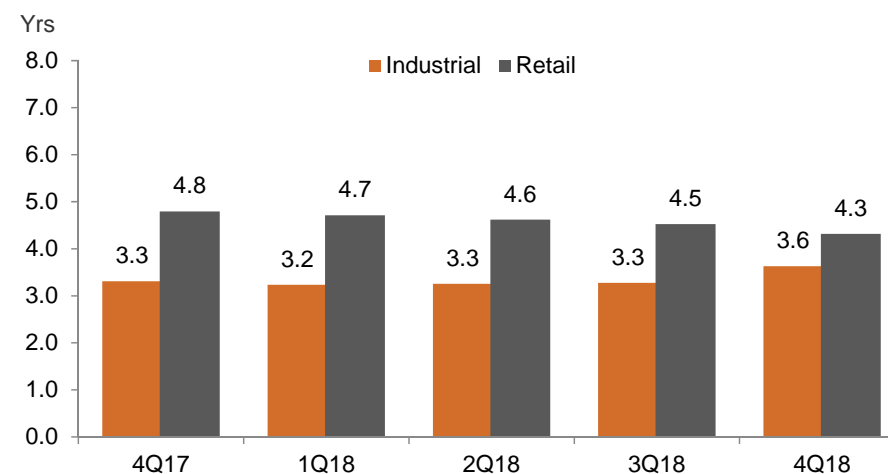


## Rental Rates

(avg mthly rent per leased sqm, end of qtr)



## Weighted Avg Lease Term Remaining (in years by annualized rent, end of qtr)



<sup>1</sup> Retention rate is calculated on the basis of renewed leases as a percentage of total expiring leases. For the purpose of this calculation, leases are deemed to expire in the period corresponding to when either the renewal lease is signed or the customer moves out, as applicable.

# 2018 Highlights



## FY18 Key Metrics



94.4%

YoY Consolidated Occupancy EoQ (4Q17: 92.9%; 3Q18: 94.3%)

Ps. 1,907.5m

(Ps. 2.4317 per certificate) Consolidated AFFO  
(2017 Ps. 1,828.2 – Ps. 2.2600 per certificate)

7.6%

FY18 YoY AFFO per Certificate Increase

50.5%

FY 2018 AFFO Margin  
(FY17 AFFO Margin 49.4%)

US\$4.79 sqm/mth

YoY Industrial Avg. Rental Rate EoQ (4Q17: US\$4.61; 3Q17: US\$4.80)

# FY18 Highlights

**Record AFFO per certificate of Ps 2.4317, up 7.6% vs FY17; Record closing occupancy of 94.4%, up 146bps YoY; Repurchased ~30m certificates; Sold 35 properties for US\$80m**

## Summary

- **Financial Performance**

- Full year AFFO per certificate increased 7.6% YoY, driven primarily by increased same store average occupancy and rental rates, and buyback activity but offset by property dispositions
- AFFO margin improved 112bps YoY to 50.5% driven by increased same store income and lower repairs & maintenance expenses, partially offset by property dispositions
- Real Estate Net LTV of 37.0% decreased 210 bps YoY primarily due to the repayment of US\$40m revolving credit lines
- FY18 Distribution: Ps. 1.60 per certificate, up 6.7% YoY, including 4Q18 distribution of Ps 0.41 per certificate; FY18 AFFO payout ratio of 65.4%

- **Operational Performance**

- Industrial and retail average rental rates EOP grew 3.9% and 3.7% YoY respectively
- Consolidated FY18 closing occupancy increased 146bps YoY to a record 94.4%; average FY18 occupancy increased 57bps YoY to 93.2%
- Industrial retention remained strong throughout FY18 at 87%

- **Strategic Initiatives**

- **Asset recycling:** sold 35 properties for US\$80.2m; the closing of another two properties under contract for sale expected to complete by mid-2019 for US\$7.2m; total of 44 properties sold to date for US\$117m, 2.2% above book value
- **Development:** purchased 9.1ha land site in Ciudad Juárez in early 2018 and held ground-breaking for construction of new 222k sqft building in late-January 2019
- **Certificate Buyback for Cancellation Program:** repurchased ~30.0m CBFIs in 2018 at average price of Ps 20.72 per CBFi; commenced new program to repurchase beyond the original 5% limit; all certificates have been cancelled or are in the process of being cancelled



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## Ordinary Holders' Meeting

# Audited Financial Statements and Annual Report

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## Audited Financial Statements

- FIBRA Macquarie presents its audited annual financial statements for 2018 for consideration at the Ordinary Holders Meeting and proposes that they be approved

## Annual Report

- FIBRA Macquarie presents its Annual Report for 2018 for consideration at the Ordinary Holders Meeting and proposes that it be approved

## Fund for the Repurchase of Certificates

**FIBRA Macquarie considers that the ability to repurchase its own certificates is an important tool to generate long-term value for certificate holders and proposes that it be approved**

### **Certain Repurchase Program Features:**

- Period: June 26, 2019 to June 25, 2020
- Limit by Amount: Ps. 1.0bn
- Cancellation: any certificates repurchased under this program will be canceled in periodic intervals following acquisition
- Policies: operational policies for the certificate repurchase program will be subject to approval by the board of our Manager

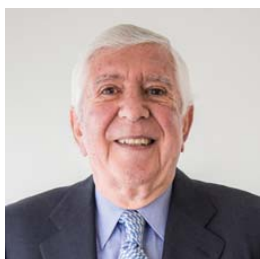
## Independent Members of the Technical Committee

### **FIBRA Macquarie recommends the reappointment of the Independent Members of the Technical**

- The consent of the Annual Ordinary Holders' Meeting is requested for the renewal of the annual appointment of each of the Independent Members of the Technical Committee appointed by the Manager. Therefore, this consent is requested during this meeting so that the five existing Independent Members continue in their position until the next Annual Ordinary Meeting of certificate holders.
- The existing Independent Members have a wide array of skills that complement each other, as well as extensive experience derived from their service on the Technical Committee.
- Each of them comply with the independence requirements according to the Trust Agreement, applicable law and the Manager's policies.
- Their biographies are included for additional information.

# Independent Members of the Technical Committee

## Mr. Juan Antonio Salazar



Mr. Salazar worked for Ford Mexico for 35 years, where he retired as Vice President of Finance and Governmental Affairs. His experience at Ford includes acting as a member of Ford Motor Company's Corporate Executive Roll, Vice President of Ford Mexico's board of directors and as its nominee director on the boards of twelve companies, including affiliates of Visa, Vitro, Nafinsa, Visteon and New Holland. Mr. Salazar has extensive international experience in NAFTA countries, as well as in Latin America and the Asia-Pacific region. He played a key leadership role in the development of Mexico's automotive policy and automotive free trade agreements with the U.S. and Canada (NAFTA) and with the European Union. He was a member, representative and leader of the Mexican Automotive Industry Association (AMIA). Since his retirement from Ford, Mr. Salazar has served as an advisor to several companies including Ford Mexico, Pilgrim's Pride in Mexico, Metalsa, Empresas Elsa and Cummins of Mexico.

Mr. Salazar holds a degree in Finance and Accounting from St. Mary's University of San Antonio, Texas and has completed post-graduate work at Harvard Business School.

## Dr. Álvaro de Garay



Dr. de Garay has held executive positions in numerous Mexican companies and organizations, such as: Regional Risk and Compliance Director in the Asset Management Division of Citigroup, Latin America; Executive Director of Credit Analysis and Strategic Planning at GBM-Atlántico Financial Group; Deputy Director of Economic Studies at Citibank México and Planning Manager at Teléfonos de México. Currently, Mr. de Garay serves as an Independent Credit Risk Adviser for the Nexxus Mezzanine Fund of Nexxus Capital in Mexico City.

Dr. de Garay is a former independent board member of the Royal Bank of Scotland (México) and independent board member of HJB Química Internacional. Dr. de Garay was formerly the Director of EGADE Business School, the graduate business school of Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) in Mexico City.

Dr. de Garay specializes in economics, corporate governance and risk management and holds a Ph.D. in Regional Development from The University of Aston in Birmingham, United Kingdom.

# Independent Members of the Technical Committee

## Mr. Luis Alberto Aziz



Mr. Aziz is a founding partner of Aziz & Kaye Abogados, S.C. and was a founding partner of SAI Derecho & Economía, remaining in the firm for 19 years. During this time, he was dedicated to advising Mexican and multinational companies in the design and negotiation of various business transactions. He was also part of the legal team during the negotiation of the North American Free Trade Agreement and founded the Mexican Arbitration Center (CAM). His areas of expertise are: Mergers and Acquisitions, Economic Competition, and Corporate Law. In his career, he has developed extensive expertise in business law, including corporate work and M&A Issues. In terms of Economic Competition, he has advised leading companies in the notification of global and domestic mergers, and in the defense of companies under investigations initiated for alleged antitrust practices in various sectors. He graduated with honors from the Universidad Nacional Autónoma de México (UNAM), and earned his Master's degrees in International Law and European Community Law at the University of Georgetown and the Collège d'Europe, respectively. He currently teaches Economic Competition courses in various universities in Mexico and serves on the board of directors of several national and foreign companies. Luis Alberto has been recognized by *Chambers magazine*, *Legal 500* and *Latin Lawyers* as one of the best lawyers in Economic Competition and Arbitration in Mexico.

In his Pro Bono work, for over 18 years he has been part of the board of JUCONI Foundation, an organization working with preventing family violence in Mexico and the world. In 2018 he received the Robert Herzstein lifetime achievement award from AppleSeed Foundation.

## Mr. Jaime de la Garza



Mr. de la Garza is the former President and Chief Executive Officer of Corporate Properties of the Americas (CPA). Prior to his role as President and Chief Executive Officer, Mr. De la Garza served CPA as its Chief Financial Officer. During his tenure, from 2003 to 2015, CPA grew from two million square feet of GLA to 33 million square feet of GLA, becoming one of the largest owners of industrial real estate in Mexico. During this period, CPA raised more than US\$1.5bn in financing and managed US\$1.0bn of equity commitments.

Prior to CPA, Mr. De la Garza's broad experience includes: Finance Director for Latin America with International Water Ltd., Investment officer for the International Finance Corporation (IFC) and Operations Manager with Schlumberger. He has also served as Independent Consultant to institutions such as the North American Development Bank, Hewlett Packard and Alterra Partners, and currently serves on several company boards. Mr. De la Garza holds a B.Sc. in Mechanical and Electrical Engineering with Honors from Tecnológico de Monterrey (ITESM) and an MBA from INSEAD.

# Independent Members of the Technical Committee

## Mr. Michael Brennan



Mr. Brennan is a Co-Founder, Chairman, and Managing Principal of Brennan Investment Group, a private investment firm with nearly US\$3.0 billion of industrial real estate assets. Mr. Brennan has orchestrated more than US\$14.0 billion in industrial real estate transactions in the course of his 33-year career. Prior to forming Brennan Investment Group, Mr. Brennan co-founded First Industrial Realty Trust (NYSE: FR) in 1994, and served as President, Chief Executive Officer and a member of the Board of Directors until late 2008. Before co-founding First Industrial, Mr. Brennan was a President and Partner in The Shidler Group, a nationally prominent real estate firm specializing in value-add real estate transactions. He is a founding investor and current member of the Board of Directors for Pacific Office Properties (AMEX: PCE), an office REIT that owns institutional quality properties in Honolulu, California, and Arizona. He began his industrial real estate career in 1984, as an Investment Specialist with CB Commercial.

Mr. Brennan earned his Bachelor's degree in Finance from the University of Notre Dame in 1979. Mr. Brennan currently serves as Executive Director of the University of Wisconsin's James A. Graaskamp Center for Real Estate, a program that is consistently ranked among the best real estate programs in the world.

# Annual Holders' Meeting

## Agenda

- I. Proposal, discussion and, if applicable, approval of the Trust's annual audited financial statements for the 2018 fiscal year, in accordance with Section 4.3(a)(i) of the Trust Agreement.
- II. Proposal, discussion and, if applicable, approval of the Trust's Annual Report for the 2018 fiscal year, in accordance with Section 4.3(a)(ii) of the Trust Agreement.
- III. Proposal, discussion and, if applicable, approval of the program for the repurchase of the Certificates, as well as the maximum amount of funds that may be allocated for during the term of the program for the repurchase of Certificates, which was authorized during the Annual Holders' Meeting on April 24, 2018, in accordance with the Purposes of the Trust as described in Section 2.4 of the Trust Agreement.
- IV. Proposal, discussion and, if applicable, consent for the renewal of the appointment of Mr. Juan Antonio Salazar Rigal as an Independent Member of the Technical Committee until the next annual Ordinary Holders' Meeting.
- V. Proposal, discussion and, if applicable, consent for the renewal of the appointment of Dr. Alvaro de Garay Arellano as an Independent Member of the Technical Committee until the next annual Ordinary Holders' Meeting.
- VI. Proposal, discussion and, if applicable, consent for the renewal of the appointment of Mr. Luis Alberto Aziz Checa as an Independent Member of the Technical Committee until the next annual Ordinary Holders' Meeting.
- VII. Proposal, discussion and, if applicable, consent for the renewal of the appointment of Mr. Jaime de la Garza as an Independent Member of the Technical Committee until the next annual Ordinary Holders' Meeting.
- VIII. Proposal, discussion and, if applicable, consent for the renewal of the appointment of Mr. Michael Brennan as an Independent Member of the Technical Committee until the next annual Ordinary Holders' Meeting.
- IX. Designation of delegates that, as needed, formalize and give effect to the resolutions adopted at the Meeting with respect to the aforementioned points.