FIBRA Macquarie México

MACQUARIE

FIBRA Macquarie México

Annual Report 2020

Letter from the Chief Executive Officer

“I am incredibly proud of the entire FIBRA Macquarie team. Together we navigated an unprecedented environment with thoughtfulness, flexibility and an unwavering commitment to FIBRA Macquarie’s core values. We continue to adhere to our key long-term objectives with a vision to maximize long-term value for certificate holders, staff and customers.”

Juan Monroy
Chief Executive Officer

Dear FIBRA Macquarie Investor,

As I am sure many would agree, 2020 was a challenging year, with the COVID-19 pandemic having a profound impact on the economy, our communities and lasting changes in the way in which we work and conduct business. The global pandemic created widespread human tragedy and commercial stresses which we sincerely hope the world does not again endure. In the face of these challenges, I could not be more proud of how our entire team performed, and I am sincerely grateful for their tremendous efforts and unwavering commitment.

Right throughout the year, FIBRAMQ was able to demonstrate the strength and resiliency of our platform, portfolio and our people. When the potential impact of the pandemic became evident, we were quick to react to navigate this environment. We entered this period with a strong balance sheet, and, out of an abundance of caution, we drew our line of credit to further shore up our cash position. We have also been working closely with our customers, supporting them as needed through this period, and helping to implement necessary health and safety measures across our properties.

These steps were prudent, and as we sit today, I am hopeful for the improving landscape and the advancement of vaccination programs in Mexico and across the globe. Throughout 2020, cash collections in our industrial portfolio were strong and rent assistance since the onset of the pandemic has meaningfully declined. In our retail portfolio, we have benefited from the defensive nature of our centers. All of our shopping centers are supermarket anchored and have remained open. However, many of our non-essential customers have continued to operate with restrictions, which has created a more difficult situation for those tenants. Nevertheless cash collections gained momentum in the fourth quarter of 2020.

While the timing of returning to normalcy is still unclear, I remain encouraged. Our performance for the year demonstrates the robustness of our industrial portfolio and our grocery anchored shopping centers. With a stabilized portfolio and positive market dynamics, we are looking towards pursuing incremental growth opportunities. We fully leased two newly developed industrial properties during the year and we anticipate starting another two industrial development projects in the first half of this year which we expect to provide income growth from 2022, and we look forward to executing on our broader development pipeline. We are encouraged by several recent thematic developments, including the rollout of the Covid-19 vaccine, increasingly stable relations between Mexico and the US, and nearshoring manufacturing and logistics demand, all of which provide for compelling longer-term tailwinds.

Year in Review

Our results for 2020 reflect the benefits of our proactive asset management and long-running, disciplined capital management strategy. After enduring more than a year of pandemic induced challenges which have impacted so many aspects of society and the broader economy, our operating performance remains strong.

The solid results in our industrial portfolio are underpinned by the sustained demand for industrial properties in the strategic markets in which we operate. While the retail environment remains more challenging, we have confidence that our defensively positioned properties can continue to navigate through the current environment.

For the full year 2020, we delivered Adjusted Funds from Operations (AFFO) per certificate of Ps. 2.5911, which supported a 6.7% year over year increase in our annual per certificate distribution to Ps. 1.90, delivering on our full year guidance that was set prior to the onset of the pandemic.

Total portfolio net operating income (NOI) grew on an annual basis by 8.5% to Ps 3,692.7 million, which was driven by a depreciation of the Mexican Peso and contracted annual rent increases in our industrial portfolio, partially offset by lower average occupancy. In our industrial portfolio average rental rates increased 2.5%; while same store retail rental rates increased 0.6% year over year.

During the year, we completed the second of the two building industrial development project in Ciudad Juarez, and fully leased both assets. These were delivered at an attractive forecasted yield of approximately 11%.

In our retail portfolio, we are positioned to benefit from a recovering retail sector and are continuing with targeted remodeling works to refresh and better position selected centers; during the year we completed work at our Coacalco Power Center and are in the process of remodeling the City Shops Valle Dorado property.

Pursing selective growth

In terms of capital deployment, we are being thoughtful in light of the current environment, but also opportunistic with select growth opportunities. As we have demonstrated throughout our history, including with our recently successfully delivered Ciudad Juarez buildings, we have a strong track record of solid execution on new developments. Continuing this approach, we have begun deploying capital toward an additional two industrial development projects, one in the Mexico City Metropolitan Area and one in Apodaca, Nuevo Leon.

In the Mexico City Metropolitan Area we acquired a land parcel with the intent of developing more than 700 thousand square feet of class A industrial logistics GLA on the site. In Monterrey, we acquired a 20.6 hectare land parcel located in Apodaca, Nuevo Leon, and we expect to develop more than 900 thousand square feet of industrial GLA.

Both of these projects have a number compelling benefits, including adding Class A sustainable facilities to our portfolio, increasing our diversification and scale, and providing for attractive risk-adjusted returns. We are commencing construction on both of these projects in the first half of 2021, and anticipate that they will help to drive growth in 2022 and beyond.

Looking ahead, we maintain an active pipeline of development opportunities in target markets such Ciudad Juarez, Monterrey, Guadalajara, Tijuana and Mexico City, all of which demonstrate attractive economic and real estate fundamentals. We will remain disciplined and measured as we pursue this growth, but are encouraged by the prospects.

Looking ahead

As we move through 2021, we will continue to focus on our core competencies of proactive asset management and disciplined capital allocation. We prioritize our customer relationships and one of our key goals for the year is to continue to strengthen and enhance our service and customer interactions. These relationships are an important factor to maintaining solid occupancy and consistent rent collections.

We expect solid underlying performance in our industrial portfolio, however given the mainly dollarized composition of our leases, our financial results will reflect sensitivity to exchange rate fluctuations. We also anticipate ongoing COVID-19 related pressures on our retail portfolio, as the recent wave of non-essential store closures will continue to be a headwind for many businesses.

Importantly, we are supported by our strong balance sheet as we have maintained a conservative approach and continue to be firmly positioned. We have ample liquidity, no maturities until 2023 and a stable net debt to EBITDA multiple.

A deep commitment to sustainability

For FIBRAMQ, sustainability is not a separate function or department; elements of sustainability are integrated into every element of our business as we believe it is not only the right thing to do, but it yields strong returns. We remain committed to protecting the environment, prioritizing governance, and developing our employees, serving our customers and the community. We are also committed to being a leader in this area and pursuing continual improvement and transparency in all of these efforts.

Particularly with our new developments, we have the opportunity to deliver buildings incorporating high levels of sustainability elements. We were awarded LEED (Leadership in Energy and Environmental Design) Silver and LEED Gold certifications for the two Ciudad Juárez industrial development projects delivered in 2019 and 2020.

As a key benchmark to measure our ongoing progress and align with leading ESG ratings agencies and reporting frameworks, FIBRAMQ participates in the Global Real Estate Sustainability Benchmark (GRESB). In 2020, we were awarded three GRESB Green Stars, an improvement of one star vs. the prior year, which recognizes FIBRAMQ for its ongoing ESG performance. Key noted areas of strength include the implementation of portfolio-wide improvement strategies to the ESG program, strong tenant engagement, incorporating sustainability requirements into design and development, and waste management during construction. In continuation of our commitment, we have a strategic program in place to pursue additional enhancements and further improve our approach to green building certifications, net carbon emissions, and key stakeholder engagements.

In conclusion, I am incredibly proud of the entire FIBRA Macquarie team. Together we navigated an unprecedented environment with thoughtfulness, flexibility and an unwavering commitment to FIBRA Macquarie's core values. We continue to adhere to our key long-term objectives with a vision to maximize long-term value for certificate holders, staff and customers.

MACQUARIE MÉXICO REAL ESTATE MANAGEMENT, S.A. DE C.V.	CIBANCO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE
SETTLOR	**TRUSTEE**

"FIBRAMQ 12"

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2020, SUBMITTED IN ACCORDANCE WITH THE GENERAL PROVISIONS APPLICABLE TO SECURITIES ISSUERS AND OTHER SECURITIES MARKET PARTICIPANTS

Ticker: FIBRAMQ 12

Type of Instrument: Real Estate Trust Certificates (CBFIs)

Trustee: CIBanco, S.A., Institución de Banca Múltiple.

Trustee's Address: Av. Paseo de las Palmas No. 215, 7th Floor, Col. Lomas de Chapultepec, 11000, Mexico City, Mexico.

Settlor: Macquarie México Real Estate Management, S.A. de C.V.

Settlor's Address: Av. Pedregal No. 24, 21st Floor, Col. Molino del Rey, 11040, Mexico City, Mexico.

Number of outstanding Real Estate Trust Certificates (*Certificados Bursátiles Fiduciarios Inmobiliarios*) ("CBFIs"): 761,623,497 (seven-hundred sixty-one million six hundred twenty-three thousand four hundred ninety-seven) as of the date of this Annual Report.

Specification of the characteristics of outstanding CBFIs: Our CBFIs are non-amortizable Real Estate Trust Certificates (*Certificados Bursátiles Fiduciarios Inmobiliarios*), without nominal value, issued by the Trustee in accordance with the Trust Agreement, the Mexican Securities Market Law (*Ley del Mercado de Valores*), the CNBV Regulations (*Disposiciones de Carácter General aplicables a las Emisoras de Valores y a otros Participantes del Mercado de Valores*), the General Law of Negotiable Instruments and Credit Transactions (*Ley General de Títulos y Operaciones de Crédito*) and other applicable laws and regulations. The CBFIs are a single class, series and type and are listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores. S.A.B. de C.V.*).

Treasury CBFIs: 97,463,920 (ninety seven million four hundred sixty-three thousand nine hundred twenty)

Duration and Maturity Date: The CBFIs issued by CIBanco, S.A., Institución de Banca Múltiple, as trustee of FIBRA Macquarie México (the "Trust") are not amortizable and therefore are not subject to a certain duration or maturity date.

Trust: The trust created under Irrevocable Trust Agreement No. F/1622, dated November 14, 2012, as amended and restated from time to time, entered into by the Settlor, the Trustee, the Manager and the Common Representative.

First Place Beneficiaries: The Persons that hold title to one or more CBFIs from time to time, collectively represented for all purposes of the Trust Agreement by the Common Representative ("Holders").

Manager: Macquarie México Real Estate Management, S.A. de C.V.

Summary of the most important characteristics of the assets or rights conferred to the Trust:

As of December 31, 2020, our portfolio consists of 236 industrial properties and 17 retail properties (9 of which are held through a 50-50 joint venture with Frisa) located in 20 cities across 16 states in Mexico, with approximately 3.2 million square meters of gross leasable area ("GLA"), with no single industrial property representing more than 3.4% of our industrial GLA and no single retail property representing more than 18.8% of our retail GLA. As of December 31, 2020, our industrial properties are 94.3% leased, in terms of GLA, to 281 tenants, and our retail properties are 91.4% leased, in terms of GLA, to 666 tenants including leading Mexican and multinational companies or their affiliates. No single industrial tenant accounts for more than 3.8% of our industrial Annualized Base Rent and no single retail or office tenant accounts for more than 17.5% of our retail Annualized Base Rent.

Distributions: The Trustee shall make Distributions to Holders (each, a "Distribution") in accordance with the prior written instructions of the Manager. Each Distribution shall be made as follows: (a) the Manager shall instruct the Trustee, at least six (6) business days in advance of the date on which the Distribution shall be made, to make the Distribution, provided that if the Distribution does not comply with the Distribution Policy, then it will be subject to the prior approval of the Technical Committee, unless said Distribution does not comply with the provisions under article 187 of the LISR and other applicable tax provisions, in which case it will be subject to the approval of the Holders Meeting, (b) for purposes of the Distribution, the Manager shall instruct the Trustee in writing to transfer the amounts to be distributed to the Distribution Account, and to make the Distribution to Holders, and (c) the payment of the Distribution shall be made pro rata among Holders on the basis of the CBFIs owned by each of them as of the record date for the Distribution.

Frequency and manner of Distributions: The current Distribution Policy is to authorize and pay Distributions on a quarterly basis. This may change in the future. The payment of cash Distributions is at all times subject to the approval of the board of directors of the Manager, the continued stable performance of the properties in the portfolio, and market conditions. The payment of Distributions will be made pro rata among Holders on the basis of the CBFIs owned by each of them as of the record date for the relevant Distribution.

Source of Distributions: The Distributions and the payments under the CBFIs will be exclusively upon the assets of the Trust Estate. The Trust Estate will also be available for paying fees, costs, expenses, obligations and payouts of the Trustee, as set forth in the Trust Agreement.

There is no obligation to make principal or interest payments to Holders: Under FIBRA regulations, FIBRAs are required to distribute, on a yearly basis, an amount equal to at least 95% of their Tax Result to the holders of the certificates issued by such FIBRAs.

Level of Indebtedness: 35.4% (calculated in accordance with applicable FIBRA regulations) as of December 31, 2020.

Debt Service Coverage Ratio: 5.7x (calculated in accordance with applicable FIBRA regulations) as of December 31, 2020.

Frequency and manner of amortization: The CBFIs are not amortizable.

Place and Manner of Payment: All cash Distributions to Holders will be made by means of wire transfer through S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V., which offices are located at Paseo de la Reforma No. 255, Piso 9, Col. Cuauhtémoc, 06500, Mexico City, Mexico.

Common Representative: Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero.

Depositary: S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V.

Tax Treatment: Prior to investing in CBFIs, investors should consider that the tax treatment relative to any applicable exemption of income tax on distributions on, and the purchase and sale of, these securities, is that provided for under Articles 187 and 188 of the LISR and other applicable tax provisions and which has been confirmed by the relevant Mexican tax authorities by way of a ruling from the SAT.

National Securities Registry: The CBFIs are registered under No. 3239-1.81-2020-020 with the National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*). Such registration does not imply a certification as to the investment quality of the securities, our solvency, or the accuracy or completeness of the information contained in this Annual Report, and does not validate acts that are contrary to applicable law.

ANNUAL REPORT PRESENTED IN ACCORDANCE WITH THE GENERAL REQUIREMENTS FOR SECURITIES ISSUERS AND OTHER SECURITIES MARKET PARTICIPANTS FOR THE PERIOD ENDED DECEMBER 31, 2020.

Additional Disclaimers:

NEITHER THE TRUST NOR THE MANAGER IS AN AUTHORIZED DEPOSIT-TAKING INSTITUTION FOR THE PURPOSES OF THE BANKING ACT OF 1959 (COMMONWEALTH OF AUSTRALIA). THE OBLIGATIONS OF THESE TWO ENTITIES DO NOT REPRESENT DEPOSITS OR OTHER LIABILITIES OF MACQUARIE BANK LIMITED ABN 46 008 583 542 (MBL). MBL DOES NOT GUARANTEE NOR OTHERWISE PROVIDE ASSURANCE IN RESPECT OF THE OBLIGATIONS OF THESE TWO ENTITIES.

THIS ANNUAL REPORT IS NOT AN OFFER FOR SALE OF SECURITIES IN THE UNITED STATES, AND SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED.

THIS DOCUMENT IS NOT FOR RELEASE IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA.

This Annual Report is not an offer or invitation for subscription or purchase or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of any investor or prospective investor. Before making an investment in the Trust, an investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Information, including forecast financial information, in this Annual Report should not be considered as a recommendation in relation to holding, purchasing or selling CBFIs, securities or other instruments in the Trust. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature are subject to uncertainty and contingencies, many of which are outside the control of the Trust. Past performance is not a reliable indication of future performance.

This Annual Report contains forward-looking statements. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding our future results of operations and financial condition; (ii) statements of strategy, plans, intentions, objectives or goals; and (iii) statements of assumptions underlying such statements. Words such as “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution investors that a number of important factors could cause actual results to differ materially from the plans, intentions, expectations and estimates expressed or implied in forward-looking statements, including, but not limited to, the following factors:

- economic, political and social conditions globally, in Mexico and in those states and municipalities where our properties are located;
- our ability to successfully implement our business and growth strategies;
- the competitive environment in which we operate;
- our ability to maintain or increase our rental rates and occupancy rates;
- the performance and financial conditions of our tenants;
- our ability to collect rents from our tenants;
- developments that impact consumer traffic at our retail properties;
- contingent liabilities arising from acquired properties;
- our ability to engage successfully in strategic acquisitions of new properties;
- our ability to obtain financing on favorable terms or at all;
- our ability to expand into new markets in Mexico;
- our ability to sell any of our properties;
- our ability to repurchase CBFIs;
- inflation, interest rates and fluctuations in the value of the Peso and the Dollar;

- natural disasters, or other conditions such as environmentally hazardous conditions, that affect our properties;
- our ability to generate sufficient cash flows to satisfy any future debt service obligations, make capital investments and any other items in respect of our properties, and to make Distributions;
- the terms of laws and government regulations that affect us and interpretations of those laws and regulations, including, but not limited to, changes in tax laws and regulations affecting FIBRAs, applicable accounting standards, real property tax rates, and environmental, real estate and zoning laws;
- economic tensions between governments and changes in international trade and investment policies, including new or higher tariffs on products imported from Mexico into the U.S., new barriers to entry or domestic preference procurement requirements, or changes to or withdrawals from free trade agreements;
- our ability, to the extent applicable, to engage in expansions of existing properties or development of new properties, and to manage potential construction delays and cost overruns;
- our ability to successfully administer our properties whether directly by our Internal Property Administrator or through contracted external property administrators;
- our dependency on the ability of our Manager to manage our business and implement our growth strategy;
- our ability to successfully administer certain of our properties owned through joint ventures;
- actual and potential conflicts of interests with our Manager, Macquarie Infrastructure and Real Assets and Macquarie Group;
- our ability to qualify as a FIBRA and to qualify our investment trusts as passive income investment trusts for Mexican federal income tax purposes;
- our and our Manager's ability to operate and manage a publicly-traded Mexican FIBRA; and
- other factors set forth under the caption "Risk Factors".

In light of these risks, uncertainties and assumptions, the forward-looking events described in this Annual Report may not occur. These forward-looking statements speak only as to the date of this Annual Report and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information or future events or developments.

Although we believe the plans, intentions, expectations and estimates reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that those plans, intentions, expectations or estimates will be achieved. In addition, you should not interpret statements regarding past trends or activities as assurances that those trends or activities will continue in the future. All written, oral and electronic forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement
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TABLE OF CONTENTS

1. GENERAL INFORMATION

a) Terms and Definitions

Terms	Definitions
“Additional CBFIs”	Means CBFIs issued through Additional Issuances.
“Additional Issuance”	Means any Issuance additional to the Initial Issuance, public or private, inside or outside Mexico, pursuant to articles 61, 62, 63, 63 Bis 1, 64, 64 Bis 1, 68 and other applicable articles of the LMV.
“Affiliate”	Means, with respect to any particular Person, the Person that controls directly or indirectly, through one or more intermediaries, is Controlled by, or is under common Control of such Person, provided, that, none of the Trust, the Trustee or Persons Controlled by the Trust or the Trustee shall be “Affiliates” of the Manager.
“Annual Cumulative Inflation Rate”	Means for any period for which such percentage is being calculated, as of any date of determination, the difference (expressed as a percentage per annum) between Inflation on such date of determination and Inflation at the start of the relevant period, as determined in good faith by the Manager.
“Annual Report”	Means the document that the Trustee will prepare and deliver or make available for each Fiscal Year, on the 30th of April, at the latest, of the next year, in accordance with the CNBV Regulations.
“Annualized Base Rent”	Means the total base rent set forth in the existing leases for the properties (without including any adjustments for taxes or insurance that may be available under the relevant contract) as of the last month prior to the applicable period, multiplied by twelve.
“Audit Committee”	Means the audit committee of the Trust.
“Base Management Fee”	In respect of a Half Year, means an amount calculated for the duration of the Half Year at the rate of 1.00% (one percent) per annum of the Market Capitalization of the Trust as at the Base Management Fee Calculation Date for the Half Year; provided, that in no event shall the Base Management Fee be reduced to an amount less than zero.
“Base Management Fee Calculation Date”	In respect of a Half Year, means the first day of the Half Year.
“Beneficiaries”	Means those Holders that own one or more CBFIs, represented, jointly for all purposes of the Trust Agreement, by the Common Representative.
“BMV”	Means the Bolsa Mexicana de Valores, S.A.B. de C.V.
“BMV Internal Regulations”	Means the Internal Regulations of the BMV, published in the BMV’s Bulletin on October 24, 1999.
“Borrowing Policy”	Means the borrowing policy of the Trust, as proposed by the Manager and approved by the Holders Meeting from time to time.

Terms	Definitions
“Business Day”	Means any day other than a Saturday, a Sunday or a day on which banking institutions in Mexico are authorized or obligated by law, regulation or executive order to close, pursuant to the calendar published by the CNBV.
"CAGR"	Means the compound annual growth rate.
“Calculation Date”	Means a Base Management Fee Calculation Date or a Performance Fee Calculation Date, as applicable.
“Carr”	Means Grupo Inmobiliario Carr, S.A. de C.V. and its affiliates
“Carr Portfolio”	Means the portfolio of the five retail properties acquired by MMREIT Retail Trust I and MMREIT Retail Trust II from Carr and its partners on November 6, 2013 and one additional retail property acquired on March 27, 2014.
“CBFIs” or “Certificados Bursátiles Fiduciarios Inmobiliarios”	Means, indistinctly, the non-amortizable real estate trust certificates (*certificados bursátiles fiduciarios inmobiliarios*), without par value, issued by the Trustee pursuant to the Trust Agreement.
“CETES”	Means Mexican government Peso-denominated treasury bills (*Certificados de la Tesoreria de la Federacion).*
“CBRE”	Means CBRE, S.A. de C.V.
“CIBanco”	Means CIBanco, S.A., Institución de Banca Múltiple, as the Trustee of the Trust Agreement.
“Claims”	Means any and all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceedings and actions, whether judicial, administrative, investigative or otherwise, of whatever nature, known or unknown, liquidated or unliquidated.
“CNBV”	Means the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*).
“CNBV Regulations”	Means the General Provisions applicable to Securities Issuers and other Securities Market Participants (*Disposiciones de Carácter General aplicables a las Emisoras de Valores y a otros Participantes del Mercado de Valores*), published in the *Diario Oficial de la Federación* on March 19, 2003 and any amendments thereto.
“Common Representative”	Means Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero in its capacity as common representative of the Holders, or its successors, assignees, or whoever is subsequently appointed as common representative of the Holders in accordance with the Trust Agreement.
“Control” and “Controlled”	Has the meaning assigned to such term in the LMV.
“Covered Person”	Means the Manager and its Affiliates; each of the current and former shareholders, officers, directors (including persons who are not directors who sit on any advisory board or other committee of the Manager), employees, secondees, members, managers, advisors and agents of the Manager and each of its Affiliates; the Trustee, the Common Representative and each of its respective officers, directors,

Terms	Definitions
	employees, agents and fiduciary delegates; each person serving, or who has served, as a member of the Technical Committee or a subcommittee thereof; and any other Person designated by the Manager as a Covered Person who provides their services at the request of the Manager on behalf of the Trust.
"CPA"	Means Corporate Properties of the Americas and its affiliates.
"CPA Portfolio"	Means the portfolio of 88 industrial real estate properties acquired by MMREIT Industrial Trust II and MMREIT Industrial Trust III from CPA.
"CUAE"	Means the *Disposiciones de carácter general aplicables a las entidades y emisoras supervisadas por la Comisión Nacional Bancaria y de Valores que contraten servicios de auditoría externa de estados financieros básicos"* as amended from time to time.
"Damages"	Means any and all Claims that may accrue to or be incurred by any Covered Person, or in which any Covered Person may become involved, as a party or otherwise, or with which any Covered Person may be threatened, relating to or arising out of the investment or other activities of the Trust, activities undertaken in connection with the Trust, or otherwise relating to or arising out of the Trust Agreement or the resulting agreements or contracts thereof, including amounts paid in satisfaction of judgments, in compromise or as fines or penalties, and counsel fees and expenses incurred in connection with the preparation for or defense or disposition of any Proceeding, whether civil or criminal.
"DCT"	Means DCT Industrial Trust Inc and its affiliates.
"DCT Portfolio"	Means the portfolio of 15 industrial properties acquired by MMREIT Industrial Trust I from DCT.
"Deutsche Bank"	Means Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria, as substituted trustee of the Trust Agreement.
"Disabling Conduct"	Means, with respect to any Person (other than a member of the Audit Committee, the Ethics and Corporate Governance Committee, the Indebtedness Committee or the Technical Committee acting in such capacity), (i) fraud, *dolo*, bad faith (*mala fe*) or gross negligence by or of such Person, or (ii) reckless disregard of duties by such Person in the conduct of such Person's office; and with respect to any member of the Audit Committee, the Ethics and Corporate Governance Committee, the Indebtedness Committee or the Technical Committee acting in such capacity, fraud, *dolo* or bad faith (*mala fe)*.
"Distribution"	Means any distribution in respect of the CBFIs made by the Trust to Holders.
"Distribution Account"	Means the segregated distribution account established and maintained by the Trustee upon the instructions of the Manager.
"Distribution Policy"	Means the Distribution Policy of the Trust, as proposed by the Manager and approved by the Technical Committee from time to time, which shall at all times comply with the provisions of Article 187 of the LISR.

Terms	Definitions
"Dollars" or "US$"	Means the lawful currency of the United States of America.
"Emisnet"	Means the *Sistema Electrónico de Comunicación con Emisoras de Valores* of the BMV.
"Environmental Law"	Means, collectively, the *Ley General del Equilibrio Ecológico y la Protección al Ambiente*, the *Ley de Aguas Nacionales*, the *Ley General para la Prevención y Gestión Integral de los Residuos*, the applicable Mexican official rules, the *Ley General de Salud*, the *Reglamento Federal de Seguridad, Higiene y Medio Ambiente en el Trabajo*, as such laws, regulations and rules have been or are amended, partially or totally, restated or otherwise modified from time to time.
"Ethics and Corporate Governance Committee"	Means the ethics and corporate governance committee of the Trust.
"External Auditor"	Means KPMG Cárdenas Dosal, S.C. or any other auditor hired by the Trust from time to time; provided that such auditor is an internationally recognized public accounting firm independent of the Manager and the Trustee.
"Extraordinary Holders Meeting"	Means an extraordinary holders meeting.
"FCM"	Means Fondo Comercial Mexicano.
"FCM Portfolio"	Means the portfolio of two retail real estate properties acquired by MMREIT Industrial Retail Trust V from companies controlled by FCM.
"FIBRA"	Means a Real Estate Investment Trust (*Fideicomiso de Inversión en Bienes Raíces*).
"FIBRA Macquarie" or the "Trust"	Means FIBRA Macquarie México.
"Fiscal Year"	Means the period from January 1 until December 31 of each calendar year, except as otherwise required by law.
"Founder's Grant"	Means an amount equal to 1.5% (one point five per cent) of the aggregate acquisition price (including any deferred consideration, earn-outs or other contingent amounts, whether or not actually paid) of the Initial Portfolio plus any and all transaction costs and taxes (excluding VAT) associated therewith (as determined by the Manager in good faith), payable to the Manager or one or more of its Affiliates.
"Frisa"	Means Grupo Frisa.
"GECREM"	Means GE Real Estate Mexico, S. de R.L. de C.V. operating commercially as GE Capital Real Estate Mexico.
"GECREM Portfolio"	Means the portfolio of 156 industrial real estate properties acquired by MMREIT Industrial Trust I from affiliates of GECREM.
"GLA"	Means gross leasable area.
"Global Offering"	Means the global offering by the Trust of 511,856,000 CBFIs, consisting of the International Offering and the Mexican Offering.

Terms	Definitions
“Global Certificate”	Means the global certificate documenting the CBFIs.
“Governmental Authority”	Means any nation, government, agency, state, municipality or other political subdivision thereof, or any other agency or entity exercising administrative, executive, legislative, judicial, monetary or regulatory functions of or pertaining to the government.
“Half Year”	Means each 6 (six) month period ending on the Half Year End Date or such shorter period of time if (a) the period ends on (i) the date of termination of the Trust Agreement or of the Trust or (ii) the date of resignation or removal of the Manager, or (iii) the date of removal of the CBFIs from registration in the RNV (or its successor) or from listing on the BMV (or its successor), (b) the period commences on the Initial Settlement Date, in which case the Initial Settlement Date will be deemed to be the first day of a Half Year, or (c) the period commences on the day after the removal of the CBFIs from registration in the RNV (or its successor) or from listing on the BMV (or its successor), in which case such day shall be deemed to be the first day of a Half Year.
“Half Year End Date”	Means each March 31, September 30 and if the effective date of termination of the Trust Agreement or of the Trust or resignation or removal of the Manager or the date of removal of the CBFIs from registration in the RNV (or its successor) or from listing on the BMV (or its successor) is another date, such date.
“Holders Meeting”	Means an Ordinary Holders Meeting or an Extraordinary Holders Meeting.
“IFRS”	Means the International Financial Reporting Standards as issued by the International Accounting Standards Board.
“Indebtedness”	Means credits, loans, financings and debt securities. Indebtedness shall not include amounts available to be borrowed or drawn under credit facilities or similar commitments that have not been so borrowed or drawn.
“Indebtedness Committee”	Means the indebtedness committee of the Trust.
“Independent Member”	Means any Person that satisfies the requirements set forth under articles 24, second paragraph, and 26 of the LMV to qualify as an Independent Person, and is appointed as an independent member at the time of their appointment as a member of the Technical Committee.
“Independent Person”	Means any Person that complies with the conditions set forth in article 24, second paragraph, and article 26 of the LMV to qualify as independent with respect to each of the Trustee, the Settlor, the Manager and any Investment Trust.
“Independent Valuer”	Means an investment bank, accounting or other independent appraisal firm that is approved by the Technical Committee; provided, that for purposes of the Trust Agreement, the following firms will be deemed to have been approved for appointment as the Independent Valuer: Colliers Lomelín, S.A de C.V., Cushman & Wakefield, Jones Lang LaSalle and CBRE México.

Terms	Definitions
“Indeval”	Means S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V.
"Inflation"	Means the price inflation in Mexico at a particular day referenced in the National Consumer Price Index (*Índice Nacional de Precios al Consumidor*) (and any index that may replace it) and published from time to time by Banco de México (or its successor).
“Initial Contribution”	Means the sum of $50,000.00 (fifty thousand Pesos 00/100) contributed to the Trust by the Settlor pursuant to the Trust Agreement.
“Initial Issuance”	Means the initial issuance of CBFIs carried out pursuant to the Global Offering.
“Initial Portfolio”	Means, collectively, the CPA Portfolio and the GECREM Portfolio.
“Initial Settlement Date”	Means December 19, 2012, the date on which the Issuance Proceeds of the Initial Issuance were received by the Trustee.
“INPC”	Means National Consumer Price Index (*Índice Nacional de Precios al Consumidor*).
“International Offering”	Means the international offering of 347,331,103 CBFIs in the United States to qualified institutional buyers as defined under Rule 144A under the Securities Act, in transactions exempt from registration thereunder, and outside Mexico and the United States to certain non-U.S. persons in reliance on Regulation S under the Securities Act, conducted through the initial purchasers thereof.
“Internal Property Administrator”	Means MPA, the internal property administrator with respect to our industrial properties.
“Investment”	Means any investment made by the Trust in Real Estate Assets or in any Investment Trust (including by the acquisition of beneficiary rights, trust certificates, or other negotiable instruments or securities issued by such Investment Trust); provided, that the Trust shall in any event comply with Article 7, section VII, sub-section (a), paragraph 1.1.1 of the CNBV Regulations.
“Investment Expenses”	Means, with respect to any Investment or potential Investment, any and all expenses related to such Investment, which may include, without limitation, (i) expenses related to the creation of the Investment Trust, if any, in which the Investment is made, and the issuance of any *certificados fiduciarios* or other securities by such Investment Trust, as applicable, (ii) expenses related to the acquisition of Real Estate Assets, including, without limitation, fees and expenses of legal, financial, tax and/or accounting advisors, public notaries, public commercial attesters, and any other advisors, consultants, contractors or agents incurred in connection therewith, (iii) expenses relating to the development, construction, maintenance and monitoring of Real Estate Assets, including, without limitation, fees and expenses of legal, financial, tax and/or accounting advisors, public notaries, public commercial attesters, and any other advisors, consultants, contractors or agents incurred in connection therewith, (iv) expenses to incur capital expenditures and carry out refurbishments of Real Estate Assets, (v) expenses relating to leverage and/or hedging related to such

Terms	Definitions
	Investment, including, without limitation, fees and expenses of legal, financial, tax and/or accounting advisors, (vi) expenses incurred by the Trustee, any Investment Trust and/or the Manager in connection with such Investment (whether consummated or not consummated) and the evaluation, acquisition, sale, financing or coverage thereof, including, without limitation, closing expenses, due diligence expenses, public notary or public commercial attester fees, registration fees, and Trustee fees and expenses, (vii) expenses derived from the payment of taxes, litigation, indemnities and expenses derived from insurance (viii) any expenses and costs derived from the appraisal of Real Estate Assets, including, without limitation, the fees of the respective appraiser, and (ix) expenses of any other nature related to such Investment or the Real Estate Assets to which such Investment relates.
“Investment Restrictions”	Means the following investment restrictions: the Trust may not make any investments, directly or through trusts, in Real Estate Assets that are zoned as residential; provided, that, in accordance with paragraph (i) of Section 4.4, the Holders Meeting may approve any changes to the Investment Restrictions and any investment that does not comply with the Investment Restrictions. Furthermore, in the event that the Trust acquires, directly or through trusts (including, without limitation, through Investment Trusts), Real Estate Assets in restricted zones, the Trustee shall request authorization from the competent Governmental Authority that is required pursuant to article 11 of the Foreign Investment Law (*Ley de Inversion Extranjera*).
“Investment Trust”	Means any irrevocable trust established in Mexico to acquire Real Estate Assets, in which the Trust holds an Investment; provided, that the purposes of such Investment Trusts shall permit it to qualify as a passive income trust for purposes of the LISR.
“ISAI”	Means the tax over the acquisition of real estate properties, whichever denomination such tax may have, in accordance with the applicable tax laws of the federal entities and/or municipalities of the different States of Mexico.
“Issuance”	Means an issuance of CBFIs by the Trust, including the Initial Issuance and any Additional Issuance.
“Issuance Expenses”	Means, in connection with each Issuance, all expenses, fees, commissions and other payments arising from such Issuance, including, without limitation, (a) all fees of the Common Representative and of the Trustee in connection with such Issuance, (b) the payment of fees for the registration and listing of the respective CBFIs in the RNV and on the BMV, respectively, (c) the payments to Indeval for the deposit of the Global Certificate representing the respective CBFIs, (d) the fees of the External Auditor and the Independent Valuer incurred in connection with such Issuance, if any, (e) the fees of other auditors, tax advisors, legal advisors and other advisors with respect to such Issuance, (f) the fees and expenses payable to any underwriters or placement agents in accordance with the underwriting agreement or placement agency agreement related to such Issuance (including documented legal expenses), (g) the out-of-pocket expenses incurred by the Trust, the Manager or the Settlor in connection with such

Terms	Definitions
	Issuance including, but not limited to, expenses of the negotiation and preparation of documents relating to such Issuance, travel expenses and printing costs and expenses, (h) expenses related to the marketing of the offering of the CBFIs related to such Issuance, and (i) any VAT amount arising in connection with the foregoing.
"Issuance Proceeds"	Means the proceeds received by the Trust from each Issuance.
"Kimco"	Means Kimco Realty Corporation and its affiliates.
"Kimco Portfolio"	Means the portfolio of nine retail properties acquired, in joint venture with Frisa, by MMREIT Retail Trust III from Kimco.
"KPMG"	Means KPMG Cárdenas Dosal, S.C.
"LIC"	Means the Credit Institutions Law (*Ley de Instituciones de Crédito*), as amended from time to time.
"LISR"	Means the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*), as amended from time to time.
"LIVA"	Means the Value Added Tax Law (Ley del Impuesto al Valor Agregado, as amended from time to time).
"LMV"	Means the Securities Market Law (*Ley del Mercado de Valores*), as amended from time to time.
"Macquarie" or "Macquarie Group"	Means Macquarie Group Limited and its Affiliates.
"Macquarie Entity"	Means Macquarie Group Limited or any of its Affiliates.
"Management Agreement"	Means the management agreement dated December 11, 2012, (as amended and restated from time to time) entered into by and between Macquarie México Real Estate Management, S.A. de C.V. and the Trustee in its capacity as trustee of the Trust.
"Management Fees"	Means the Base Management Fee and the Performance Fee.
"Manager"	Means Macquarie México Real Estate Management, S.A. de C.V., in its capacity as manager of the Trust, or its successors, assignees, or whoever is subsequently appointed as manager of the Trust in accordance with the terms of the Trust Agreement and the Management Agreement.
"Manager Expenses"	Means the costs and expenses incurred by the Manager in providing for its normal operating overhead, including salaries of the Manager's employees, rent and other expenses incurred in maintaining the Manager's place of business, costs incurred by the Manager in relation to the administration of its own corporate affairs, but not including Issuance Expenses or Trust Expenses.
"Market Capitalization of the Trust"	Means: a) If the Calculation Date is the Initial Settlement Date, the amount equal to the aggregate issuance price of the total outstanding CBFIs at close of trading in the BMV on the Initial Settlement Date (including, for avoidance of doubt, any CBFIs issued and effectively

Terms	Definitions
	listed at any time as a result of the exercise of any over-allotment option in connection with the Initial Issuance). b) If the Calculation Date is not the Initial Settlement Date, the amount calculated as follows: A x B, where: A = the average closing price per CBFI during the last 60 (sixty) Trading Days up to and including the Calculation Date; and B = the total number of outstanding CBFIs at the close of trading on the Calculation Date.
"MCMA"	Means Mexico City Metropolitan Area.
"Mexican Offering"	Means the initial public offering in Mexico of 164,524,897 CBFIs conducted by our Mexican underwriters.
"Mexico"	Means the Mexican United States (*Estados Unidos Mexicanos*).
"MetLife"	Means Metropolitan Life Insurance Company.
"Macquarie Infrastructure and Real Assets"	Means the Macquarie Infrastructure and Real Assets division of Macquarie, and any successor division (by whatever name called).
"MMREM"	Means Macquarie México Real Estate Management, S.A. de C.V.
"MMREIT Industrial Trust I"	Means the trust created under the Irrevocable Trust Agreement No. F/00923 dated September 25, 2012 referred to as "F/00923 MMREIT Industrial Trust I".
"MMREIT Industrial Trust II"	Means the trust created under the Irrevocable Trust Agreement No. F/00921 dated September 20, 2012 referred to as "F/00921 MMREIT Industrial Trust II".
"MMREIT Industrial Trust III"	Means the trust created under the Irrevocable Trust Agreement No. F/00922 dated September 20, 2012 referred to as "F/00922 MMREIT Industrial Trust III".
"MMREIT Industrial Trust IV"	Means the trust created under the Irrevocable Trust Agreement No. F/01025 dated September 26, 2013 referred to as "MMREIT Industrial Trust IV".
"MMREIT Industrial Trust VI"	Means the trust created under the Irrevocable Trust Agreement No. F/03492 dated September 2, 2020 referred to as "MMREIT Industrial Trust VI".
"MMREIT Property Administration" or "MPA"	Means MMREIT Property Administration, A.C.
"MMREIT Retail Trust I"	Means the trust created under the Irrevocable Trust Agreement No. F/1005 dated May 28, 2013 referred to as "MMREIT Retail Trust I".
"MMREIT Retail Trust II"	Means the trust created under the Irrevocable Trust Agreement No. F/1006 dated May 28, 2013 referred to as "MMREIT Retail Trust II".

Terms	Definitions
“MMREIT Retail Trust III”	Means the trust created under the Irrevocable Trust Agreement No. F/1004 dated August 9, 2013 referred to as "MMREIT Retail Trust III".
“MMREIT Retail Trust IV”	Means the trust created under the Irrevocable Trust Agreement No. F/1020 dated August 9, 2013 referred to as "MMREIT Retail Trust IV".
“MMREIT Retail Trust V”	Means the trust created under the Irrevocable Trust Agreement No. F/1023 dated August 22, 2013 referred to as "MMREIT Retail Trust V".
“MMREIT Retail Trust VI”	Means the trust created under the Irrevocable Trust Agreement No. F/1025 dated September 26, 2013 referred to as "F/1025 MMREIT Retail Trust VI".
“NAFTA”	Means the North American Free Trade Agreement.
“Net Base Management Fee”	Means the Base Management Fee actually received by the Manager, net of taxes as determined by the Manager in good faith.
“Net Founder’s Grant”	Means the Founder’s Grant actually received by the Manager and/or any of its Affiliates, net of taxes as determined by the Manager in good faith.
“Net Performance Fee”	Means the Performance Fee actually received by the Manager, net of taxes as determined by the Manager in good faith.
“Net Property Income”	Means the net property income according to IFRS.
“Nexxus”	Means affiliates of Grupo Industrial Nexxus, S.A. de C.V.
“Nexxus Portfolio”	Means the four industrial properties, two build-to-suit projects and two plots of land acquired by MMREIT Industrial Trust IV from Nexxus.
“NOI”	Means net operating income.
“Ordinary Holders Meeting”	Means an ordinary holders meeting.
“Original CBFIs”	Means the *certificados bursátiles fiduciarios inmobiliarios* issued pursuant to the Global Offering.
“Performance Fee”	In respect of a Performance Fee Period, means an amount calculated for the duration of the Performance Fee Period as follows, in each case as at the Performance Fee Calculation Date for the Performance Fee Period: (A + B – C) x 10% – D, where: A = the Market Capitalization of the Trust; B = the aggregate amount of all Distributions, increased at a rate equal to the aggregate of 5% (five per cent) per annum and the Annual Cumulative Inflation Rate from their respective payment dates; C = the aggregate issuance price of all issuances of CBFIs from time to time, minus the aggregate amount of all repurchases of CBFIs from time to time, in each case, increased at a rate equal to the aggregate of 5% (five per cent) per annum and the Annual Cumulative Inflation Rate from their respective issuance or repurchase dates (as applicable); and

Terms	Definitions
	D = the aggregate of all Performance Fees paid to the Manager in respect of prior Performance Fee Periods; provided, that in no event shall the Performance Fee be reduced to an amount less than zero.
"Performance Fee Calculation Date"	Means the last day of each Performance Fee Period.
"Performance Fee Period"	Means each 2 (two) year period ending on the Performance Fee Period End Date or such shorter period of time if (a) the period ends on (i) the date of termination of the Management Agreement or of the Trust or (ii) the date of resignation or removal of the Manager or (iii) the date of removal of the CBFIs from registration in the RNV (or its successor) or from listing on the BMV (or its successor), (b) the period commences on the Initial Settlement Date, in which case the Initial Settlement Date will be deemed to be the first day of a Performance Fee Period, or (c) the period commences on the day after the removal of the CBFIs from registration in the RNV (or its successor) or from listing on the BMV (or its successor), in which case such day shall be deemed to be the first day of a Performance Fee Period.
"Performance Fee Period End Date"	Means the second anniversary of the Initial Settlement Date and each subsequent 2 (two) year anniversary, and if the effective date of termination of the Trust Agreement or of the Trust or resignation or removal of the Manager or the date of removal of the CBFIs from registration in the RNV (or its successor) or from listing on the BMV (or its successor) is another date, such date.
"Permitted Investments"	Means securities issued by the Federal government of Mexico and registered in the RNV; provided, that such securities have a term of no more than 1 (one) year.
"Person"	Means any individual or entity, trust, joint venture, partnership, corporation, Governmental Authority or any other entity of any nature whatsoever.
"Peso", "Pesos", "Ps.", or "$"	Means the lawful currency of Mexico.
"Proceeding"	Means any investigation, action, suit, arbitration or other proceeding.
"Real Estate Assets"	Means, collectively, (a) real estate properties, with everything that corresponds thereto by law or in fact; (b) buildings and constructions on real estate properties; (c) loans made in connection with the acquisition or construction of real estate properties or buildings; and (d) rights to obtain income from lease agreements entered into in connection with any real estate properties.
"Related Party"	Has the meaning assigned to such term in the LMV.
"Related Party Transaction"	Means any transaction with Related Parties with respect to the Trustee, the Settlor, the Manager or whomever performs the functions of same, or any Investment Trust, or that otherwise represents a conflict of interest, in each case, in terms of the provisions of the CNBV Regulations.

Terms	Definitions
“Repurchase Program”	Means any program authorized and approved by the Holders Meeting from time to time that allows the Trustee to repurchase CBFIs of the Trust.
“Ridge”	Means affiliates of Ridge Property Trust II.
“Ridge Property Portfolio”	Means the two industrial properties acquired by MMREIT Industrial Trust IV from Ridge Property Trust II.
“RNV”	Means the National Securities Registry (Registro Nacional de Valores).
“Removal Conduct”	Means, (a) with respect to the Manager (i) fraud, (ii) willful misconduct, or (iii) gross negligence which has a material adverse effect on the business of the Trust Estate taken as a whole; in each case as determined by a final and non-appealable judgment issued by a court of competent jurisdiction; and (b) the Manager ceasing to be a Macquarie Entity without the prior approval of the Holders Meeting.
“SAT”	Means Servicio de Administración Tributaria, the Mexican Tax Authority
"SEC"	Means the United States Securities and Exchange Commission.
“Securities Act”	Means the U.S. Securities Act of 1933, as amended.
“Settlor”	Means Macquarie México Real Estate Management, S.A. de C.V. in its capacity as settlor of the Trust.
“SMA”	Means Separate Managed Account
“Tax Loss”	Means the result of subtracting from the cumulative income (ingresos acumulables) of the Trust, the authorized deductions, in terms of the LISR and other applicable tax provisions, when the cumulative income is lower than the authorized deductions.
“Tax Profit”	Means the result of subtracting from the cumulative income (ingresos acumulables) of the Trust, the authorized deductions, in terms of the provisions of the LISR and other applicable tax provisions, when the cumulative income is higher than the authorized deductions.
“Tax Result”	Means, for any Fiscal Year, the Tax Profit of the Trust determined as per the provision of Title II of the LISR, for such Fiscal Year, minus the Tax Losses of the Trust of previous Fiscal Years, pending to be amortized.
“Technical Committee”	Means the technical committee of the Trust.
“Ten Property Portfolio”	Means the ten industrial properties acquired by MMREIT Industrial Trust IV from an experienced institutional investor.
“Trading Day”	Means any day on which the BMV is open for trading.
“Transaction Documents”	Means, collectively, the Trust Agreement, the Management Agreement, each Global Certificate, each underwriting agreement entered into in connection with each Issuance, and any and all other agreements, instruments, documents and certificates relating thereto.

Terms	Definitions
“Trust Agreement”	Means the Irrevocable Trust Agreement No. F/1622, dated November 14, 2012, (as amended and restated from time to time) entered into by and among Macquarie México Real Estate Management, S.A. de C.V., as settlor, CIBanco, S.A., Institución de Banca Múltiple (previously Deutsche Bank as substituted trustee), Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, as common representative of the Holders, and Macquarie México Real Estate Management, S.A. de C.V., as manager.
“Trust Estate”	Means (a) the Initial Contribution; (b) the Issuance Proceeds; (c) the certificates issued by the Investment Trusts, Real Estate Assets and/or any other Investments carried out by the Trust in accordance with the terms of the Trust Agreement; (d) the amounts deposited in the Trust Accounts; (e) revenue and cash flows received by the Trustee as consideration or performance of the Investments made; and (f) such other amounts, assets and/or rights as, currently or in the future, the Trust holds or acquires in accordance with the Trust Agreement.
“Trust Expenses”	Means the costs, expenses and liabilities that are incurred by or arise out of the operation and activities of the Trust, as determined by the Manager and notified to the Trustee, including, but not limited to (a) the Base Management Fee, the Performance Fee and the Founder’s Grant; (b) the fees and expenses relating to asset management (including travel and accommodation), indebtedness (including interest thereon) and guarantees (including performance bonds, letters of credit or similar instruments), including the evaluation, acquisition, holding and disposition thereof (including any reserve, break up, termination, and other similar fees payable by the Trust, unreimbursed deposits, earnest money or commitment or other fees), to the extent that such fees and expenses are not reimbursed by an Investment Trust or other third party; (c) premiums for insurance protecting the Trust and any Covered Persons from liabilities to third parties in connection with the Trust’s Investments and other activities, including indemnity payments payable to third parties (which includes the placement agent); (d) legal, custodial, administrative, research, registration and quotation services, auditing and accounting expenses (including expenses relating to the operation of the Trust Accounts), including expenses associated with the preparation of the Trust’s financial statements, tax returns and the representation of the Trust or the Holders in respect of tax matters, including expenses paid or incurred in connection therewith; (e) banking and consulting expenses; (f) appraisal and valuation expenses and other professional advisor fees; (g) any Investment Expenses, including, without limitation, expenses related to organizing any Investment Trust through or in which Investments may be made; (h) expenses and fees of the Trustee, the board of the Manager, the Technical Committee, the Audit Committee, the Ethics and Corporate Governance Committee, the Indebtedness Committee, the Independent Valuer, the Common Representative, the External Auditor, as well as any payments of fees or other necessary costs pursuant to applicable law to maintain the registration of the CBFIs in the RNV, and the listing on the BMV and deposited with Indeval (including maintenance fees); (i) taxes and other governmental charges (such as value added taxes that cannot be recovered), fees and duties payable by the Trust; (j) Damages; (k) costs

Terms	Definitions
	of meeting with and reporting to the Holders, the CNBV, the BMV (and any other regulatory body) and of any annual or periodic meetings; (l) hedging expenses and brokerage commissions and costs; (m) the compensation to be paid to the members of the Technical Committee pursuant to Section 5.3; and (n) costs of winding up and liquidating any Investment Trust and the Trust, including the payment of any fees arising therefrom.
"Trustee"	Means CIBanco, S.A., Institución de Banca Múltiple, in its capacity as trustee of the Trust, or its successors, assignees, or whoever is subsequently appointed as trustee of the Trust in accordance with the Trust Agreement.
"Trustee Substitution Agreement"	Means the trustee substitution agreement, dated October 31, 2017, entered into by and between Deutsche Bank, as substituted trustee, and CIBanco, as substitute trustee, with the acknowledgement and consent of MMREM, as settlor, manager and second place beneficiary of the Trust Agreement.
"UMAs"	Means the Measure and Update Unit (*Unidad de Medida y Actualización*)
"United States" or "U.S."	Means the United States of America.
"USMCA"	Means the United States-Mexico-Canada Trade Agreement.
"VAT"	Means value added tax *(impuesto al valor agregado)*.
"VAT Facilities"	Means the Trust's secured VAT facilities with Macquarie Bank Limited.

Use of Certain Terms

Unless otherwise indicated or the context otherwise requires, references in this Annual Report to: (i) "our Trust," "we," "us" or similar terms are to the Trust; (ii) "our investment trusts" are to the Investment Trusts; (iii) "our Manager" are to the Manager, (iv) "our Technical Committee" are to the Technical Committee (v) "our CBFIs" are to CBFIs; (vi) "our outstanding CBFIs" are to the total outstanding CBFIs (vii) "our CBFI holders" are to Holders; and (viii) "our initial portfolio" are to the Initial Portfolio.

Non-IFRS Information

This Annual Report includes net operating income ("NOI"), Adjusted EBITDA, funds from operations ("FFO"), and adjusted funds from operation ("AFFO") which are not financial measures under IFRS.

We calculate NOI by adding to Net Property Income the following items: (i) tenant improvements amortization; (ii) leasing commissions' amortization; (iii) painting expense; and (iv) share of property income and expenses of equity-accounted investees. Starting in 2017, painting expenses were removed from NOI and included in normalized capital expenditure. We calculate Adjusted EBITDA by subtracting from NOI the following items: (i) management fees; and (ii) professional and legal expenses. We calculate FFO by adding to and subtracting from Adjusted EBITDA, respectively, the following items: (i) interest income; and (ii) interest expense (including interest income and interest payable by equity-accounted investees and excluding amortization of upfront borrowing costs). We calculate AFFO by subtracting from FFO: (i) straight line rent adjustment; (ii) normalized capital expenditures (including painting expense); and (iii) tenant improvements and leasing commissions, with a proportionate adjustment of items attributable to equity-accounted investees. Normalized capital expenditures include recurring capital expenditures required to maintain the long term value of our fund's properties and their revenue stream, and exclude capital expenditures related to expansions, developments and other one-off items. We calculate NOI margin, Adjusted EBITDA margin, FFO margin and AFFO margin by dividing NOI, Adjusted EBITDA, FFO and

AFFO, respectively, by the sum of property related income and revenues attributable to equity-accounted investees.

Currency Information

In this Annual Report, references to "Pesos", "Ps.", or "$" are to the lawful currency of Mexico and references to "US Dollars", "US$" are to the lawful currency of the United States.

This Annual Report contains translations of certain Peso amounts into US Dollars solely for the convenience of the reader. These translations should not be construed as representations that the Peso amounts represent the US Dollar amounts presented or could be converted into such US Dollar amounts. Unless otherwise indicated US Dollar amounts as of December 31, 2020 have been translated from Pesos into US Dollars at an exchange rate of Ps. 19.9487 per US$, by reference to the exchange rate in effect as of December 31, 2020, as published by the Mexican Central Bank (*Banco de México*) in the Official Gazette.

Rounding

We have made rounding adjustments to present some of the figures included in this Annual Report. As a result, numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures that precede them.

Measurement and Other Data

In this Annual Report, we present most property information in square meters (m^2). One square meter is equal to approximately 10.7639 square feet (ft^2). Annualized Base Rent for a given period means the total base rent set forth in the existing leases for the properties (without including any adjustments for taxes or insurance that may be available under the relevant contract) as of the last month prior to the applicable period, multiplied by twelve. Annualized rent for leases denominated in pesos has been converted into U.S. dollars at an exchange rate of Ps. 19.9487 per US$, by reference to the exchange rate in effect as of December 31, 2020, as published by the Mexican Central Bank (*Banco de México*) in the Official Gazette. Total leased area is calculated as the aggregate GLA multiplied by the occupancy rate. Average monthly rents per leased m^2 is calculated by dividing annualized rent for the applicable period by the total leased area in m^2, divided by twelve. Lease renewal rates are calculated by dividing actually renewed leases by total leases expiring during the applicable period, in each case based on gross leasable area. In this Annual Report, we present assets under management for Macquarie and its affiliates. Assets under management is calculated as proportionate enterprise value, calculated as the respective entity's proportionate net debt and equity value, at the most recent valuation date available.

In this Annual Report, references to "our retail properties", "our retail portfolio" and "our retail tenants" (including with respect to calculations of gross leasable area, leased area and Annualized Base Rent), unless the context otherwise requires, include our one office property and our one mixed use property, each of which were acquired from Carr and its partners.

In this Annual Report, we make reference to our Manager's requirement to invest in and hold, together with its affiliates, for as long as it is the Manager of our fund, an amount of our CBFIs equal to 5% of our outstanding CBFIs, up to a maximum investment amount of Ps. 639.82 million (based on the subscription price of the CBFIs acquired, calculated at the rate of exchange published by the Mexican Central Bank on the original date of execution of our Management Agreement). This 5% determination excludes, and will exclude, at all times in the future, any CBFIs (i) issued pursuant to the over-allotment options as part of the global offering; (ii) acquired by our Manager or its affiliates in order to purchase an amount equal to the Net Founder's Grant, as part of the global offering; and (iii) acquired by our Manager or its affiliates in order to reinvest amounts received in connection with the Net Performance Fees.

b) Executive Summary

i. Overview

We are a Mexican trust focused on the acquisition, ownership, leasing and management of real estate properties in Mexico. We were established by Macquarie Infrastructure and Real Assets ("Macquarie Infrastructure and Real Assets"), a business within the Macquarie Asset Management division of Macquarie Group. Macquarie Infrastructure and Real Assets is a global alternative asset manager with approximately US$146.5 billion in assets under management as of December 31, 2020 (based on the most recent valuations available) through specialized funds focused on real estate, infrastructure, agriculture and energy assets. We are managed by Macquarie México Real Estate Management, S.A. de C.V., which has a local management team with significant experience in the Mexican real estate sector and provides us access to Macquarie Infrastructure and Real Assets' global capabilities and its highly disciplined, institutional approach to investing and asset management.

As of December 31, 2020, our diversified portfolio consists of 236 industrial properties and 17 retail properties (9 of which are held through a 50-50 joint venture with Frisa) located in 20 cities across 16 states in Mexico, with approximately 2.8 million square meters of GLA in our industrial portfolio and approximately 425 thousand square meters of GLA in our retail portfolio. As of such date, no single industrial property represents more than 3.4% of our industrial GLA and no single retail property represents more than 18.8% of our retail GLA. As of December 31, 2020, our industrial properties are 94.3% leased, in terms of GLA, to 281 tenants, and our retail properties are 91.4% leased, in terms of GLA, to 666 tenants. Our tenants include many leading Mexican and multinational companies or their affiliates across multiple industry sectors. Moreover, as of December 31, 2020, approximately 98.2% of our industrial leases are "triple-net," based on leased area, whereby the tenant is responsible for paying or reimbursing us for property-related expenses including real estate taxes, owner and building insurance, utilities, repairs and maintenance. As of December 31, 2020, the weighted average remaining lease term for our industrial and retail properties, based on Annualized Base Rent, was 3.4 and 3.6 years, respectively. As of such date, approximately 75.5% of the leases in our portfolio, based on Annualized Base Rent, are denominated in US Dollars, including 92.7% of our industrial leases, with the leases on the remainder of our industrial properties and our retail properties denominated in Pesos.

Despite the challenges brought on by the global pandemic, we believe that we are well-positioned to capitalize on the favorable long-term economic and demographic trends in Mexico notwithstanding certain short-term macroeconomic and geopolitical challenges. According to the International Monetary Fund, Mexico is the second largest economy in Latin America and has been experiencing continued economic growth since the end of the global financial crisis of 2008-2009. We expect that the Mexican economy and manufacturing sector will continue to benefit from long-term demand drivers including economic growth in the United States and the ever more prevalent near-shoring practices, especially in light of the United States Mexico and Canada Agreement (USMCA). The country's manufacturing sector, in particular, has become more competitive globally as a result of Mexico's competitive and stable labor and freight costs, large and growing skilled labor force and geographic proximity to important consumer markets. In addition, Mexico benefits from a growing middle class and young population which is expected to drive an increase in both domestic consumption and its skilled labor force. While the retail environment remains more challenging as a result of the COVID-19 pandemic, we expect the retail real estate sector to benefit over the medium to long term from the country's favorable consumer demand dynamics, characterized by improvements in access to credit and consumer purchasing power. We believe that our portfolio, together with the significant local experience of our Manager's management team and Macquarie Infrastructure and Real Assets' institutional support, will enable us to take advantage of the attractive opportunities in Mexico's real estate market that we expect to result from the country's anticipated continued growth along with other relevant international demand drivers.

We are a real estate investment trust (*fideicomiso de inversión en bienes raíces*), or FIBRA, for Mexican federal income tax purposes. Our real estate assets are held by our investment trusts, which from a tax perspective, qualify as passive income investment trusts that are effectively treated as pass-through entities for Mexican federal income tax purposes.

Mexican Real Estate Market Opportunity

The depth and extent of the impact of COVID-19 will have on Mexico and in other key economies remains uncertain. Despite the short-term challenges, we believe Mexico's global competitiveness, favorable demographic profile, geographic location, and robust demand for industrial and retail real estate provides the foundation for ongoing real estate investment opportunities. Mexico's long-term competitive fundamentals in terms of skilled labor and extensive network of trade agreements remain strong in our view. The outlook for GDP growth for 2021 published on 4Q2020 by the Mexican Central Bank was adjusted upwards from 3.3% in the 3Q 2020 report to 4.8% in the current one, while expectations for 2022 were adjusted from 2.6% to 3.3% in the same comparison. The unemployment rate remained largely flat, marginally increasing from 3.4% in December 2019 to 3.6% in December 2020. Mexico continues to benefit from a relatively young population, with over 60% of the population under the age of 35 as of the latest population census in 2020. We maintain a cautiously optimistic long-term outlook as the country faces macroeconomic uncertainty with respect to the impact of COVID-19 on key economies and consumer markets. In addition, on the local political front, there is uncertainty regarding the legislative agenda of the current Mexican presidential administration.

Industrial

We believe that Mexico's manufacturing sector continues to be highly competitive due to relatively low costs combined with high productivity, especially compared to other large emerging economies such as China, India and Brazil. year's

The shift of global production from lowest labor-cost, offshore production strategies to strategies focused on geographic proximity to consumer markets is expected to give Mexican manufacturers a significant advantage over Asian manufacturers in respect of goods sold into the U.S. market, which we believe will continue to drive additional investment in the country. New rules under USMCA set the minimum threshold of North American-produced parts to 75% of each car's value, a 12.5% increase from former NAFTA rules. We are confident that this will provide a strong incentive for the manufacturing industry to relocate production from competing countries to Mexico. We have already observed in our portfolio the renewal of long-term contracts securing activity around some of the country's main plants. Despite improving trends in 2H20, Mexico experienced a 20.2% YoY decline in annual auto production, dropping to 3.0m units in FY20 (vs 3.8m units in FY19), the lowest output since 2009. Auto exports were down 20.9% to 2.7m units, the lowest level since 2014. Additionally, we expect over the longer-term increased demand for industrial space across different markets from emerging industries such as e-commerce driven logistics and distribution, electronics, and medical device manufacturing.

Retail

Despite a softening in the global brick and mortar retail environment, we believe positive economic trends in Mexico, including increased per capita income, access to credit and growing consumer spending, continue to provide a sound backdrop for the retail real estate sector. We expect the Mexican retail market to continue its progression from informal to formal retail and, beyond the COVID-19 pandemic, demand for quality retail spaces will continue growing over the longer term. In response to the pandemic and the softening economic environment, the Bank of Mexico reduced Mexico's benchmark interest rate by 250 basis points to 4.50% and pledged support for the financial markets as part of more aggressive measures to support the economy from the impacts of COVID-19. In making this monetary policy action, the Bank of Mexico noted there was heightened uncertainty about the inflation outlook, with risks both on the downside and the upside, along with increased slack in the economy.

Leading up to an expected COVID-19 driven economic downturn commencing in the second quarter of 2020, there were positive signs in Mexican consumption patterns, with growth in real wages, record high levels of remittances and strong consumer confidence. We believe these trends provide a solid landscape for a stabilization of the retail sector once risks related to the pandemic have eased following the rollout of the vaccination program against COVID-19 and herd immunity is achieved.

Macquarie Group

Founded in 1969, Macquarie Group is a global provider of fund management, banking, financial, advisory and investment services. As of December 31, 2020, Macquarie Group operates in 31 markets and employs approximately 16,000 personnel, Macquarie Group's diverse range of services includes fund and asset management, corporate finance and advisory, equity research and brokerage, commercial banking, foreign exchange, fixed income and commodities trading, lending, leasing and private wealth management. Macquarie Group Limited is listed on the Australian Securities Exchange under the symbol MQG.

Macquarie Infrastructure and Real Assets is a business within the Macquarie Asset Management division of Macquarie Group and a global alternative asset manager focused on real estate, infrastructure, agriculture and energy assets. Macquarie Infrastructure and Real Assets has significant expertise over the entire investment lifecycle, with capabilities in investment sourcing, investment management, investment realization and investor relationships. Established in 1996, Macquarie Infrastructure and Real Assets managed approximately $US146.5 billion in assets that are essential to the sustainable development of economies and communities, including; 149 portfolio businesses, approximately 490 real estate properties and 4.7 million hectares of farmland.

Our fund is managed by Macquarie México Real Estate Management, S.A. de C.V., a corporation which operates within Macquarie Infrastructure and Real Assets. Our Manager has a local management team with significant expertise in the Mexican real estate sector. Our Manager's board of directors also includes senior global Macquarie Infrastructure and Real Assets executives with expertise in managing real estate assets around the world.

ii. Our Competitive Strengths

Highly Disciplined, Institutional Manager. Our Manager is part of Macquarie Infrastructure and Real Assets' longstanding global asset management platform. Our Manager follows Macquarie Infrastructure and Real Assets' highly disciplined and institutional approach to fund management. In addition to the corporate governance requirements under our Trust Agreement, which include approvals by our Technical Committee (with non-independent members abstaining from voting) in the event of Related Party Transactions, our Manager has adopted a set of policies relating to, among other things, conflicts of interest, environmental and social responsibility, risk management and staff securities trading that are integral components of the overall corporate governance framework of similar Macquarie Infrastructure and Real Assets funds globally. We believe that this institutional approach to sourcing, structuring, executing, managing and, to the extent applicable, exiting investments provides us with a competitive advantage in the Mexican real estate sector and we expect that it will allow us to maximize value for our investors.

Experienced Global and Local Teams with Access to the Macquarie Group Platform. Through our Manager, we have access to Macquarie Infrastructure and Real Asset's broader real estate investment and fund management expertise, as well as Macquarie Group's global network. Our Manager's Board of Directors is comprised of senior global Macquarie Infrastructure and Real Assets executives, which maximizes our ability to draw upon Macquarie Infrastructure and Real Assets' capabilities in the real estate sector from around the world. In addition to the Board of Directors, the senior management team of our Manager has a strong track record of experience in real estate investment, including acquiring and selling, financing and management of real estate in Mexico.

Arm's Length Acquisitions and Aligned Interests with our Manager. We have acquired and intend to continue to acquire properties from third parties unrelated to Macquarie Infrastructure and Real Assets (which does not currently own real estate in Mexico). As with the acquisition of our current portfolio, the terms of any future acquisitions will be negotiated with the objective of maximizing value for our fund. Furthermore, our Manager has strongly aligned interests with our investors as a result of its commitment, under our Management Agreement, to invest in and hold (together with its affiliates), for as long as it is the Manager of our fund, an amount of our Real Estate Trust Certificates (*Certificados Bursátiles Fiduciarios Inmobiliarios*), or CBFIs, equivalent to Ps.639.8 million (approximately US$50.0 million at the time of investment), based on the subscription price of the CBFIs acquired. In addition to this required investment, our Manager (together with its affiliates) made an additional Ps.275.7 million (approximately US$21.4 million at the time of investment) investment in our CBFIs in our initial global offering in connection with the investment of an amount equal to the Net Founder's Grant in accordance with our Management Agreement. As of the date of this Annual Report, our Manager, together with its affiliates, holds 4.8% of our outstanding CBFIs. This alignment of interests is further strengthened by the structure of our Manager's fees, which includes a base fee linked to our market capitalization and a performance fee, and by the obligation of our Manager, together with its affiliates, to reinvest in CBFIs, for the first ten years of the existence of our fund, subject to approval by our CBFI holders, amounts equal to any Net Performance Fees.

Large Scale and Geographically Diversified Portfolio. We have established a national platform of properties in the industrial, retail sectors of the Mexican real estate market. We believe that the scale of our portfolio offers us significant advantages, such as increased negotiating leverage for services, operating efficiency and extensive tenant relationships. In addition, our portfolio is highly diversified in terms of geography, with, as of December 31, 2020, 236 industrial and 17 retail properties (9 of which are held through a 50-50 joint venture with Frisa), located in 20 cities across 16 states in Mexico, which we believe mitigates risks to any particular region. Moreover, we believe our portfolio will enable us to capitalize not just on national real estate demand dynamics but also local and regional demand dynamics. We believe that our portfolio is among the largest in Mexico, and that our portfolio is, due to its scale, very difficult for competitors to replicate.

High-Quality, Diverse Tenant Base

Industrial Portfolio

Our industrial properties are distinguished by high-quality tenants, including many leading Mexican and multinational companies or their affiliates. Approximately 70.6% of our industrial tenants, as of December 31, 2020, in terms of industrial leased area, are industrial manufacturers, which we believe tend to have higher relocation expenses as compared to other types of tenants, such as distribution and logistics, and therefore higher retention rates. In addition, our tenant base is diversified in terms of tenant composition. Our top ten largest industrial tenants (based on Annualized Base Rent) represent 21.2% of our industrial leased area and 25.8% of our industrial Annualized Base Rent, with no single property representing more than 3.4% of our industrial GLA and no single tenant representing more than 3.8% of our industrial Annualized Base Rent, as of December 31, 2020. Our portfolio also provides diversified industry exposure in Mexico, including tenants operating in more than seven industry sectors, including the automotive, electronics, logistics, consumer products, medical devices, food and beverage industries, among others.

Retail Portfolio

Our retail portfolio provides investors exposure to a diversified tenant base of 666 tenants, including supermarket operators, prominent retail anchor tenants and sub-anchor tenants, food and beverage outlets, specialty retailers and the government sector. Our retail tenants include high-quality tenants comprising many leading Mexican and multinational companies or their affiliates, with strong brand recognition in the Mexican market. We believe these types of tenants tend to have strong credit quality, and, consequently, more stable lease payment histories. Our top ten largest retail tenants (based on Annualized Base Rent and in aggregate across the entire retail portfolio) represented 55.6% of retail leased area and 43.7% of retail Annualized Base Rent, with no single property representing more than 18.8% of retail GLA and no single tenant (in aggregate across the entire retail portfolio) representing more than 17.5% of retail Annualized Base Rent, as of December 31, 2020.

Strong and Stable Cash Flows. Our portfolio is highly stabilized, which we believe provides for visibility of future earnings. Our industrial portfolio and retail portfolio have occupancy rates of 94.3% and 91.4%, respectively, in terms of GLA, as of December 31, 2020. In addition, the diversification of our portfolio by geography, property size, tenant and sector should reduce the risk of revenue volatility. As of December 31, 2020, our industrial portfolio had a total Annualized Base Rent of US$159.1 million and our retail portfolio had a total Annualized Base Rent of US$36.2 million. Approximately 75.5% of the leases in our portfolio, based on Annualized Base Rent, are denominated in US Dollars, including 92.7% of our industrial leases, with the leases on the remainder of our industrial properties and our retail properties denominated in Pesos. In addition, the majority of our retail and industrial lease agreements contain annual contractual increases in rent, in most cases tied to inflation, with the applicable index based on the lease currency. Moreover, as of December 31, 2020, approximately 98.2% of our industrial leases are “triple-net,” based on leased area. As of December 31, 2020, the weighted average remaining lease term for our industrial and retail properties, based on Annualized Base Rent, was 3.4 and 3.6 years, respectively. Furthermore, we believe that our strong and stable projected cash flows have allowed us to secure favorable financing terms, which should further enhance the equity yield on our investments.

Proven Track Record of Sourcing Capital. We have demonstrated our ability to raise significant capital through both equity capital markets and loan markets. On December 19, 2012, we completed our initial global offering and listing on the Mexican Stock Exchange, raising Ps.14.2 billion (approximately US$1.1 billion at such time) in gross proceeds (including the proceeds from the subsequent exercise of a related over-allotment option), the second largest ever offering for a Mexican FIBRA, which was complemented with a subsequent equity follow-on offering and a private placement totaling Ps.5.9 billion (approximately US$443.4 million at such time) in aggregate. In addition, we have raised and refinanced in excess of US$2.6 billion of debt across a diversified range of Mexican and foreign lending institutions, including banks, strategic investors and insurance firms.

Established Internal Property Administrator. We have established an internal property administrator, MMREIT Property Administration, A.C. (our “Internal Property Administrator”), that is wholly owned by our fund and has a team of 73 people across 10 offices in Mexico. Headquartered in Monterrey, in close proximity to a substantial number of our assets, our Internal Property Administrator allows us to remain closer to our tenants and assets through a direct approach to the property management, leasing, engineering, workplace health and safety and accounting services for our industrial portfolio. In addition, our Internal Property Administrator provides a means of direct communication with our tenants, vendors, authorities and consultants and allows for a timelier and more responsive operating environment. Our Internal Property Administrator benefits from the oversight of our highly disciplined and institutional manager who has established policies and procedures relating to among other things, workplace health and safety, environmental and social responsibility, risk management and corporate governance. The platform provides an opportunity that we believe allows us to derive economies of scale and scalability through the centralized procurement and administration of the management of our industrial portfolio, which is designed to accommodate our fund's growth and acquisition strategy. Moreover, the direct management allows us to exercise increased discipline, visibility and control over the operation of our industrial portfolio along with allowing us to improve and implement best practices with respect to the day–to-day management of our properties.

Sourcing of Acquisition Pipeline to Drive Growth. We have access to an ongoing pipeline of acquisition opportunities through our Manager's market knowledge and relationships in Mexico as well as Macquarie Infrastructure and Real Assets' global sourcing capabilities and network. So long as our Manager is an entity within Macquarie Infrastructure and Real Assets, our fund will have priority over other Macquarie Infrastructure and Real Assets-managed funds with respect to investment opportunities sourced by Macquarie Infrastructure and Real Assets that fall within our investment objective and comply with our investment restrictions. We also believe that our scale, market presence and our focus on acquiring stabilized, income producing properties make us an attractive option for real estate developers and investors in Mexico seeking to complete the investment cycle in respect of their real estate holdings. Since our fund's creation in November 2012, we have completed eleven portfolio or asset acquisitions for an aggregate consideration of approximately US$2.3 billion, which demonstrates our ability to deploy capital through accretive investments. These acquisitions have been sourced from listed entities, real estate investment trusts, fund managers, private investors and developers.

iii. Our Strategy

Our business objective is to continue to generate attractive, stable returns through acquisition and long-term ownership of a diversified portfolio of real estate assets in Mexico. We are pursuing the following strategies to achieve our objective:

Investment Strategy

We have invested in a large scale, diversified portfolio of primarily high-quality, stabilized, income-producing properties within the industrial, retail sectors in Mexico in order to provide attractive and stable returns. Going forward, we intend to pursue growth and diversification through selective acquisitions, whether as sole investor or as co-investors in the industrial, retail real estate sectors in the country consisting primarily of stabilized, income-producing properties. We also intend to pursue growth through the development of industrial properties as well as select expansions to our industrial and retail properties. We intend to focus primarily on markets in Mexico we believe have the following characteristics: (i) high barriers to entry; (ii) dense population; (iii) attractive risk-adjusted returns; (iv) limited supply of high-quality properties; and (v) complementary to our portfolio and overall investment strategy. When investing jointly, we select our co-investment partners on the basis of their relevant experience and capabilities in the investment, administration and development of real estate. We believe these co-investment partners provide an alignment of interest, including in the case where they are the administrators of the properties, as well as potentially providing access to pipeline opportunities.

Asset Management Strategy

Our asset management strategy seeks to optimize the overall value and performance of our properties, including by (i) maintaining high retention rates with existing tenants; (ii) increasing occupancy and rental rates; (iii) controlling operating expenses; (iv) maintaining our properties to high standards; (v) prudently investing in our buildings; and (vi) selectively recycling capital through the disposition of certain assets we no longer deem strategic based on certain factors including property location, condition or specifications. In December 2013, we established our Internal Property Administrator, which is wholly-owned by our fund. Moreover, we have engaged experienced, large-scale, high-quality third-party property administrators to administer our retail properties, with close oversight from our Manager.

Growth Strategy

We intend to pursue growth through the execution of our investment strategy, as demonstrated by our acquisitions, expansions and development since our inception. We will seek to leverage our Manager's market knowledge and relationships to continue identifying and executing on acquisition opportunities. We will seek to position our fund as a complementary source of liquidity to Mexican real estate developers, investors and owners seeking to complete the investment cycle with respect to their real estate holdings or generate liquidity through a sale of their real estate holdings. We may also explore selective joint venture and development opportunities where we perceive demand and market rental rates will provide attractive financial returns.

As part of our objectives, we believe we can: (i) further position our fund to participate in the continued institutionalization of the real estate sector in Mexico; (ii) further diversify our portfolio and allow us to take advantage of key growth trends in the Mexican economy; and (iii) continue gaining scale to increase our market access and take advantage of operating leverage through our internal property administration platform.

Financing Strategy

Under our Trust Agreement, we and our investment trusts may not incur future additional indebtedness if it would result in our failure to comply with the statutory leverage limit and minimum debt service coverage ratio applicable to FIBRAs. As of December 31, 2020, we and our investment trusts had approximately US$818.7 million aggregate principal amount of borrowings outstanding. We seek to maintain a sound financial profile and achieve an optimal cost of capital in order to enhance our profitability and maintain our ability to pay Distributions.

We expect to fund future growth and acquisitions through a combination of cash flow from operations, proceeds from asset sales, future issuances of CBFIs subject to favorable market conditions and additional borrowings in compliance with our leverage restrictions. When appropriate, we also evaluate issuing Additional CBFIs as payment in order to acquire properties from sellers seeking a participation in our fund. We analyze funding alternatives for our acquisitions on a case-by-case basis.

iv. Investment Approach

We have established a diversified portfolio across the industrial, retail segments of the Mexican real estate market. We continue to target acquisitions of stabilized, income-producing properties as well as select development opportunities located in densely populated markets where supply is constrained, or markets with high barriers to entry where there is an expectation of long-term capital appreciation. Our investment approach is characterized by the following key elements:

Focused investments. We intend to continue investing primarily in core properties (as described below) with a lower risk profile and to focus on adding long-term value to our portfolio through efficient asset management and by implementing efficient capital strategies. We define “core properties” as well-located, stabilized, income-producing properties with high occupancy rates and quality tenants in primary markets, and, in selected secondary markets.

Select development opportunities. In addition to our focus on accretive acquisitions, we intend to continue making investments in development in target markets where demand for Class A product continues to outpace supply. We believe development is attractive when there is an environment where pricing of existing assets trading in the market doesn’t reflect quality and the risk-return profile is attractive vis-à-vis stabilized acquisitions.

Key markets. For industrial acquisitions, we intend to continue to focus on key manufacturing as well as logistics and distribution markets that complement our current industrial portfolio. For retail acquisitions, we intend to continue to focus on Mexico’s key urban markets of Mexico City, Monterrey and Guadalajara and key regional centers and growing urban markets. For office acquisitions, we intend to continue to focus on Mexico City, Monterrey and Guadalajara on a selective basis with an acute focus on the underlying office market fundamentals.

Diversified Target Sectors. Subject to appropriate supply-demand dynamics, we believe that there is an opportunity to invest in quality properties in the industrial, office and retail sectors. Our specific sector focus is as follows:

> **Industrial.** Our goal is to use our current industrial portfolio as a platform to capitalize on the potential for economies of scale. This includes leveraging our market presence and our relationships with existing tenants to create operating efficiencies and expand our portfolio.
>
> **Retail.** Our objective is to maintain a high-quality portfolio of diverse retail properties that is reliable during less favorable market conditions and provides superior rental growth and performance during more favorable market conditions. We are focused on acquiring properties in urban locations with strong

demographics. We intend to have an appropriate balance of assets anchored by necessity-based (primarily vendors of basic household consumables such as supermarkets and drugstores), value-based (primarily discount retailers) and lifestyle-based (namely quality department stores, upscale and specialty stores, cinemas, gym operators and restaurants) tenants.

Office. Should we see an improvement in the underlying office market fundamentals, we intend to focus on acquiring office properties primarily in Mexico City, Monterrey and Guadalajara. These markets tend to have higher barriers to the creation of new supply of office properties, including scarcity of land in desirable locations. We intend to focus on assets that have the potential to attract a higher quality pool of prospective tenants in various industries and a diverse economic base.

Proactive Approach. As part of a proactive investment strategy we generate transactions by negotiating directly with real estate developers and investors. We believe that our disciplined investment process positions us to offer a higher level of certainty to sellers in terms of transaction execution capability. In addition, our Manager's investment team has substantial experience in developing financial, tax and legal structures that best meet the needs of the parties involved in transactions such as these.

v. Investment Process

Our Manager has developed a comprehensive process for identifying and analyzing potential acquisitions, as well as prospective development opportunities. Our Manager's investment process is as follows:

Phase	Description
Investment Sourcing	Access to deal flow is one of the key factors of successful real estate investing. Our Manager's investment opportunities come from a broad range of sources, including: • relationships that our Manager's senior staff maintain with industry participants and other sources; • active dialogue with leading brokers and other professional advisors; and • inbound opportunities brought to our Manager as a result of Macquarie's broader relationships.
Investment Screening	After identifying a potential investment opportunity, our Manager reviews the key characteristics of the potential investment to determine whether the opportunity merits further consideration. Our Manager assesses, where applicable: • the stability of the forecast cash flows and factors influencing the future revenue and cash flow generation (including product offering, competitive dynamics, legal and regulatory framework); • the current financial position and operating and capital expenditure requirements; • current financial structure and potential optimization opportunities; • tax considerations and treatment; • forecast cash flows, free cash flow, yield and internal rate of return (IRR), as well as opportunities to improve the cash flows; and • assessment of key investment risks and mitigants.
Due Diligence	Our Manager conducts a detailed review of key business plan assumptions and material risks as part of its due diligence process. Our Manager also draws from Macquarie Infrastructure and Real Assets' investment experience gained from managing similar assets in North America and globally, including input from in-house personnel with expertise operating real estate assets. Our Manager engages subject matter experts to review key diligence areas, including legal, tax, accounting, insurance, environmental and technical matters relevant to the investment.

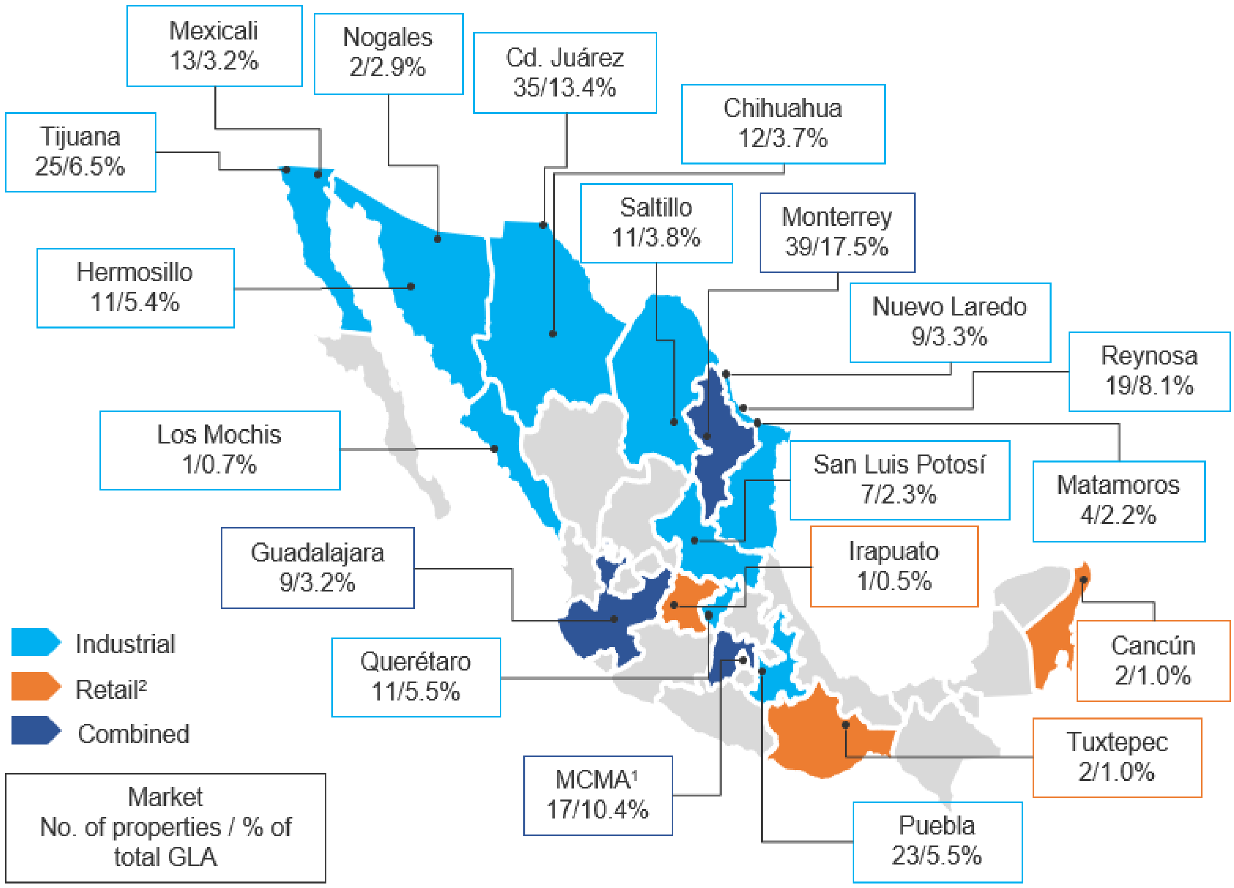
Phase	Description
Detailed Financial Analysis	Our Manager then incorporates due diligence findings into a detailed investment business plan and financial forecast based on a long-term ownership period. Assumptions are made by our Manager based on due diligence and the experience and expertise of its team in managing similar assets. Scenario and sensitivity analyses are conducted on key value drivers to quantify risks and confirm that the risks associated with the investment are consistent with the Trust's investment objective and that the financing structure for the investment is appropriate. In addition, the forecasts reflect the proposed legal and tax structure for the investment and key commercial initiatives that our Manager intends to implement.
Negotiation of Transaction Documents and Financing	Our Manager, in conjunction with external advisors, negotiates all key legal, financing and other documents required to consummate each investment.
Investment Approval and Execution Process	Our Manager prepares an investment proposal outlining key aspects of the transaction, including overview of the asset, due diligence and financial forecasts and an investment recommendation for consideration by our Manager's board of directors. Subject to the approval of our Technical Committee and CBFI Holders, if required, our Manager determines whether to make the proposed investment. Where approved, our Manager moves forward to complete the transaction within the parameters approved by our Manager's board of directors and, if applicable, our Technical Committee and CBFI Holders.
Financing Activities and Asset Management	Our Manager actively manages our financing activities and our real estate assets. Our Manager believes that one of its competitive strengths is its ability to access global capital markets to identify the most efficient sources of capital to finance investments. Our Manager monitors global capital markets to identify opportunities to improve the capital structure of our portfolio and maximize value to our holders.

vi. Our Properties

Our current portfolio is diverse both in terms of real estate sector, geographic distribution and property size, which mitigates risks to a particular sector, property or region within Mexico. Most of these properties were developed by leading Mexican industrial property developers such as Intermex, FINSA and CPA in the case of our industrial portfolio, and Carr and Frisa, along with their partners, in the case of our retail portfolio.

Our properties, as of December 31, 2020 are located in 20 cities across 16 states in Mexico. Our portfolio consists of a combination of industrial, retail properties. As of December 31, 2020, approximately 70.6% (69.6% and 70.6% for the same period corresponding to 2019 and 2018, respectively) of our industrial tenants, in terms of leased area, are involved in manufacturing, and 27.3% (28.5% and 27.4% for the same period corresponding to 2019 and 2018, respectively) are involved in distribution and logistics. As of December 31, 2020, our retail properties have approximately 666 tenants (737 and 740 for the same period corresponding to 2019 and 2018, respectively), which comprise approximately 38.0% anchor tenants (32.2% and 32% for the same period corresponding to 2019 and 2018, respectively); 35.2% small retail vendors (33.2% and 31% for the same period corresponding to 2019 and 2018, respectively); and 14.0% sub-anchor tenants (11.7% and 12% for the same period corresponding to 2019 and 2018, respectively), in each case in terms of retail Annualized Base Rent. Our retail properties have strong brand-name anchor tenants that include Liverpool, Wal-Mart, Cinepolis, Chedraui, HEB, Cinemex and The Home Depot.

The following map shows the locations of our properties in Mexico.



The table below sets forth the geographic distribution by city of our industrial portfolio as of December 31, 2020.

Industrial Property Distribution by City as of December 31, 2020									
City	Total Number of Properties	Total Number of Tenants	Occupancy	GLA (thousands ft2)	GLA (thousands m2)	% Industrial GLA	Annualized Base Rent (US$ million)	% Annualized Base Rent	**Average Monthly Rent per Leased m2 (US$)**
Monterrey	38	42	87%	5,683	528	19.0%	28.8	18.1%	5.21
Ciudad Juarez	35	37	94%	4,616	429	15.4%	23.4	14.7%	4.82
Reynosa	19	24	97%	2,792	259	9.3%	15.5	9.7%	5.11
Tijuana	25	35	100%	2,232	207	7.4%	12.6	7.9%	5.07
Queretaro	11	12	100%	1,914	178	6.4%	8.9	5.6%	4.17
Puebla	23	32	97%	1,899	176	6.3%	11.1	7.0%	5.40
Hermosillo	11	14	100%	1,880	175	6.3%	12.2	7.7%	5.85
Chihuahua	12	11	92%	1,264	117	4.2%	6.0	3.8%	4.66
Matamoros	4	4	100%	744	69	2.5%	3.6	2.3%	4.38
Saltillo	11	9	75%	1,313	122	4.4%	5.4	3.4%	4.91
Mexicali	13	24	97%	1,091	101	3.6%	5.0	3.1%	4.22
Nuevo Laredo	9	10	100%	1,125	105	3.8%	6.4	4.0%	5.07
Guadalajara	8	7	94%	961	89	3.2%	5.4	3.4%	5.36
Nogales	2	2	100%	1,004	93	3.4%	6.3	3.9%	5.61
San Luis Poto	7	7	100%	778	72	2.6%	4.5	2.8%	5.16
MCMA	7	10	83%	424	39	1.4%	2.4	1.5%	6.11
Los Mochis	1	1	100%	235	22	0.8%	1.6	1.0%	6.07
Total	236	281	94.3%	29,955	2,783	100%	159.1	100%	5.05

The table below sets forth the geographic distribution by city of our retail portfolio as of December 31, 2020.

Retail Property Distribution by City as of December 31, 2020

City	Total Number of Properties	Total Number of Tenants	Occupancy	GLA (thousands ft2)	GLA (thousands m2)	% Retail and Office GLA	Annualized Base Rent (US$ million)	% Annualized Base Rent	**Average Monthly Rent per Leased m2 (US$)**
MCMA	10	383	91.9%	3,182	296	69.5%	26.0	71.8%	7.98
Monterrey	1	81	85.7%	373	35	8.1%	3.6	9.9%	10.11
Cancun	2	78	90.1%	360	33	7.9%	2.1	5.7%	5.70
Tuxtepec	2	65	89.4%	355	33	7.8%	2.4	6.7%	6.81
Irapuato	1	20	97.8%	165	15	3.6%	1.2	3.2%	6.52
Guadalajara	1	39	97.6%	143	13	3.1%	1.0	2.7%	6.30
Total	17	666	91.4%	4,577	425	100.0%	36.2	100.0%	7.76

The table below sets forth information regarding the ten largest properties in our industrial portfolio, based on Annualized Base Rent as of December 31, 2020.

10 Largest Industrial Properties as of December 31, 2020

City	Industry	GLA (thousands ft2)	GLA (thousands m2)	% Industrial GLA	Annualized Base Rent (US$ million)	% Annualized Base Rent	Average Monthly Rent per Leased m2 (US$)	Remaining Lease Term (based on leased area)
Monterrey	Consumer Goods	1,011	94	3.4%	$ 4.9	3.1%	$ 4.32	8.0
Nogales	Electronics	607	56	2.0%	4.0	2.5%	5.88	6.0
Hermosillo	Automotive	630	59	2.1%	3.9	2.5%	5.57	6.8
Reynosa	Consumer Goods	564	52	1.9%	3.1	2.0%	4.97	1.1
Monterrey	Electronics	329	31	1.1%	3.1	1.9%	8.46	3.2
Hermosillo	Automotive	424	39	1.4%	3.0	1.9%	6.31	5.0
Monterrey	Electronics	308	29	1.0%	2.9	1.8%	8.46	3.2
Queretaro	Food & Beverage	853	79	2.8%	2.6	1.6%	2.70	9.0
Nogales	Consumer Goods	397	37	1.3%	2.3	1.4%	5.20	2.9
Juarez	Medical	238	22	0.8%	2.1	1.3%	7.87	9.4
Total		**5,361**	**498**	**17.9%**	**$ 31.8**	**20.0%**	**$ 5.33**	**6.0**

The table below sets forth information regarding the ten largest properties in our retail portfolio, based on Annualized Base Rent as of December 31, 2020.

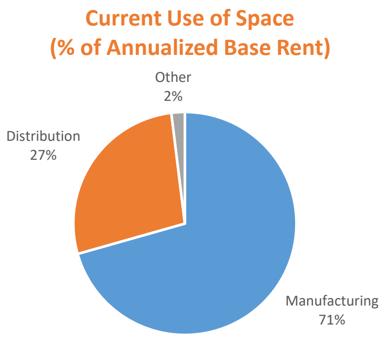
10 Largest Retail Properties as of December 31, 2020

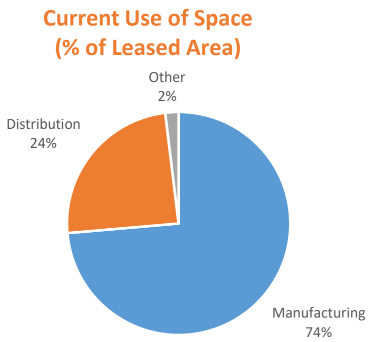
City	Property	Occupancy	GLA (thousands ft2)	GLA (thousands m2)	% Retail and Office GLA	Annualized Base Rent (US$ million)	% Annualized Base Rent	Average Monthly Rent per Leased m2 (US$)	Average Monthly Rent per Leased m2 (US$)
MCMA	Valle Dorado	89.5%	445	41	9.7%	$ 4.89	13.5%	$ 11.00	5.6
MCMA	Tecamac	99.1%	862	80	18.8%	4.74	13.1%	4.97	6.1
MCMA	Multiplaza Arboledas	80.1%	384	36	8.4%	3.98	11.0%	11.62	5.4
MCMA	Multiplaza Lindavista	85.7%	373	35	8.1%	3.60	9.9%	10.11	7.4
MCMA	Coacalco	87.2%	640	59	14.0%	3.56	9.8%	5.71	5.3
Monterrey	Magnocentro 26	87.3%	255	24	5.6%	2.73	7.5%	10.99	10.9
MCMA	Del Valle	99.2%	169	16	3.7%	2.54	7.0%	13.55	6.0
MCMA	Multiplaza Ojo de Agua	99.7%	244	23	5.3%	1.68	4.6%	6.19	5.0
Tuxtepec	Multiplaza Tuxtepec II	86.1%	196	18	4.3%	1.45	4.0%	7.73	5.9
MCMA	Multiplaza Cancun	87.7%	258	24	5.6%	1.30	3.6%	5.17	3.7
Total		**90.6%**	**3,827**	**356**	**83.6%**	**$ 30.5**	**84.1%**	**7.88**	**4.7**

Our Tenants

Our industrial portfolio has a stable and diversified tenant base. As of December 31, 2020, these properties were 94.3% leased (95.9% as of December 31, 2019 and 94.5% as of December 31, 2018), in terms of GLA, to 281 tenants (283 as of December 31, 2019 and 283 as of December 31, 2018), including leading Mexican and multinational companies. No single property accounted for more than 3.4% (4.1% as of December 31, 2019 and 3.4% as of December 31, 2018) of our industrial GLA and no single tenant accounted for more than 3.8% of our industrial Annualized Base Rent as of such date.

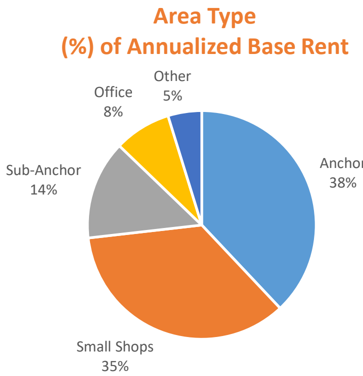
Approximately 70.6% (69.6% as of December 31, 2019 and 70.6% as of December 31, 2018), in terms of industrial leased area, or 73.6% (72.8% as of December 31, 2019 and 74.3% as of December 31, 2018), in terms of annualized industrialized rent, of our industrial tenants are manufacturers, which tend to be long-term tenants due to a number of factors, including high relocation costs. These tenants typically make capital improvements to their facilities that are expensive and time-consuming to relocate or replicate elsewhere. In addition, relocation often requires the interruption of production and a potential loss of at least a portion of a tenant's skilled workforce. For these reasons, we believe manufacturing tenants are often inclined to stay in the buildings where they establish their operations.

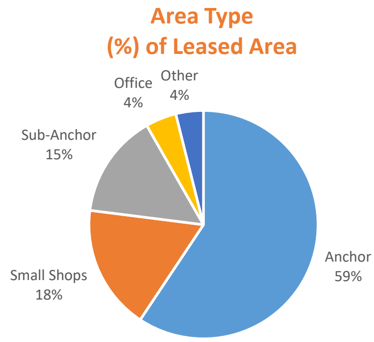




Our retail portfolio has a stable and diversified tenant base. As of December 31, 2020, these properties were 91.4% leased (93.8% as of December 31, 2019 and 94.0% as of December 31, 2018), in terms of GLA, to 666 (737 as of December 31, 2019 and 740 as of December 31, 2018) tenants, including anchor tenants from leading Mexican and multinational brands. No single property accounted for more than 18.8% of our retail GLA (17.7% as of December 31, 2019 and 94.5% as of December 31, 2018) or 13.5% of our retail Annualized Base Rent (11.9% as of December 31, 2019 and 11.9% as of December 31, 2018). Associated brands of Wal-Mart, our largest tenant, represented approximately 24.3% of total retail leased area (24.4% as of December 31, 2019 and 25.2% as of December 31, 2018) and 17.5% of retail Annualized Base Rent as of December 31, 2020 (14.7% as of December 31, 2019 and 16.0% as of December 31, 2018).

Our retail portfolio includes anchor tenants operating both in the grocery and other retail categories. Anchor stores are vital to a shopping center's effort to attract consumers. As of December 31, 2020, our anchor tenants represented approximately 38.0% of our retail Annualized Base Rent (32.2% as of December 31, 2019 and 32% as of December 31, 2018).





Our Leases

Approximately 98.2% of the leases related to our industrial properties are "triple-net" (92.6% as of December 31, 2019 and 92.0% as of December 31, 2018). Most of these leases contain contractual increases in rent at rates that are either fixed or tied to inflation (generally based on the U.S. Consumer Price Index if the rental payments are denominated in US Dollars or based on the official Mexican Consumer Price Index if the rental payments are denominated in Pesos). Approximately 92.7% of our industrial leases in terms of Annualized Base Rent, as of December 31, 2020, were denominated in US Dollars, with the remainder in Pesos (92.0% as of December 31, 2019 and 91.6% as of December 31, 2018). In addition, most of these leases are guaranteed by a guarantor or secured by a letter of credit, a *fianza* (a security bond under Mexican law) or a security deposit. Most of these leases have additional protections, including, without limitation, prohibitions on subleases and assignments without our consent, requirements for the tenants to obtain or maintain required licenses and permits and requirements to comply with Environmental Laws.

Industrial

As of December 31, 2020, the weighted average remaining lease term, in terms of industrial Annualized Base Rent across our industrial portfolio was approximately 3.4 years (3.3 as of December 31, 2019 and 3.6 as of December 31, 2018). The table below sets forth a summary of industrial lease expirations for leases in place as of December 31, 2020, assuming no exercise of renewal options or early termination rights.

Outstanding Industrial Leases - Year of Expiration as of December 31, 2020

Year	Number of Leases Expiring	Total Area of Expiring Leases (thousands m2)	% Total Expiring Area	Annualized Base Rent (US$ million)	% Annualized Base Rent	Average Monthly Rent per Leased m^2 (US$)
In regularization[1]	16	85.1	3.2%	$ 5.1	3.2%	5.00
2021	71	478.5	18.2%	28.5	17.9%	4.96
2022	39	303.8	11.6%	17.3	10.9%	4.74
2023	50	492.2	18.8%	31.2	19.6%	5.28
2024	37	346.1	13.2%	22.6	14.2%	5.43
2024 and thereafter	68	918.4	35.0%	54.5	34.3%	4.95
	281	**2,624.1**	**100.0%**	**$ 159.1**	**100.0%**	**$ 5.05**

(1) Corresponds to leases in which tenants continue making lease payments on a month-to-month basis

Retail

Many of the leases related to our retail properties include the provision for a proportionate recovery of property maintenance, building insurance and repairs. In addition, most of these leases are guaranteed by a guarantor or secured by a letter of credit, a *fianza* (a security bond under Mexican law) or a security deposit. Most of these leases have additional protections, including, without limitation, prohibitions on subleases and assignments without our consent, requirements for the tenants to obtain or maintain required licenses and permits.

Most of these leases provide for rent on a fixed basis, and some leases have a component of rent based on sales in addition to base rent. As of December 31, 2020, 0.2% of the revenues from our wholly-owned retail properties were derived from variable rental income (2.0% as of December 31, 2019 and 3.0% as of December 31, 2018). Most of these leases contain contractual increases in rent at rates that are either fixed or tied to inflation (based on the official Mexican Consumer Price Index). Substantially all of our retail leases are denominated in Pesos.

As of December 31, 2020, the weighted average remaining lease term across our retail portfolio was approximately 3.6 years (4.1 years as of December 31, 2019 and 4.3 years as of December 31, 2018), based on Annualized Base Rent. Our anchor tenants of our retail properties, which tenants typically have longer-term leases, had a weighted average remaining lease term across our retail portfolio of approximately 6.3 years (7.5 years as of December 31, 2019 and 7.9 years as of December 31, 2018), based on Annualized Base Rent. The table below sets forth a summary of retail lease expirations for leases in place as of December 31, 2020, assuming no exercise of renewal options or early termination rights.

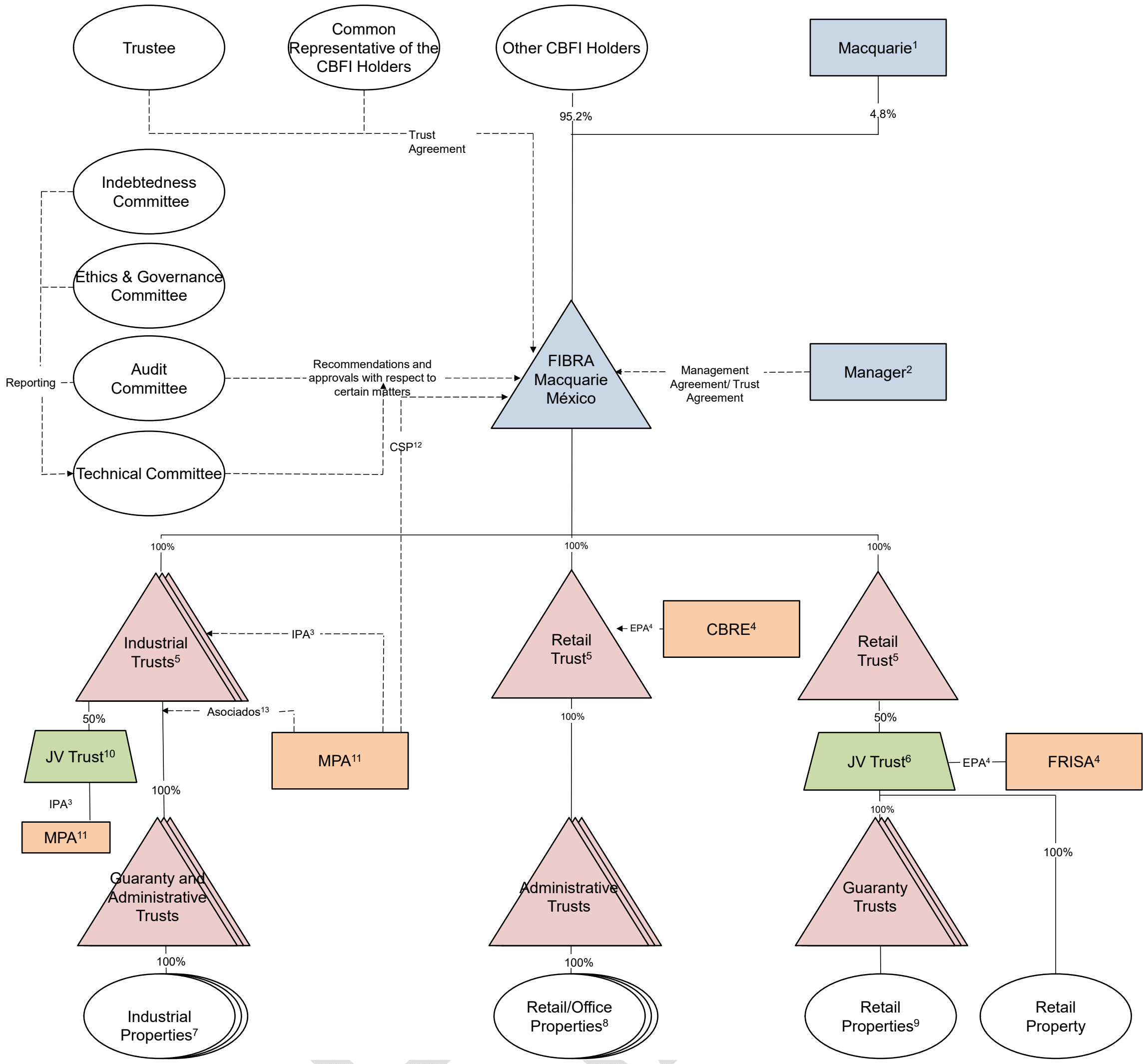
Outstanding Retail Leases - Year of Expiration as of December 31, 2020

Year	Number of Leases Expiring	Total Area of Expiring Leases (thousands m2)	% Total Expiring Area	Annualized Base Rent (US$ million)	% Annualized Base Rent	Average Monthly Rent per Leased m2 (US$)
In regularization[(1)]	139	29.6	7.6%	$ 4.7	13.0%	$ 13.20
2021	193	38.4	9.9%	6.2	17.0%	13.34
2022	141	42.8	11.0%	4.1	11.3%	7.99
2023	103	49.7	12.8%	5.4	14.8%	8.99
2024	36	50.4	13.0%	4.6	12.8%	7.64
2023 and thereafter	54	177.8	45.7%	11.3	31.1%	5.29
	666	**389**	**100.0%**	**$ 36.2**	**100.0%**	**$ 7.76**

(1) Corresponds to leases in which tenants continue making lease payments on a month-to-month basis.

vii. Our Structure

We were established as an irrevocable trust under Mexican law on November 14, 2012. Our interests in our portfolio of properties are held, directly or indirectly, by our investment trusts, in which we hold all or majority equity and voting interests. These properties, and the cash flows deriving therefrom, are in some cases held in security trusts for the benefit of lenders. As of December 31, 2020, our fund has the following structure:



(1) Corresponds to our Manager together with its affiliates as of December 31, 2020.
(2) Our Manager is Macquarie México Real Estate Management, S.A. de C.V., a corporation within Macquarie Infrastructure and Real Assets, a business division within the Macquarie Asset Management division of Macquarie Group.
(3) IPA refers to Internal Property Administrator. Our Internal Property Administrator is the property administrator with respect to our industrial properties.
(4) EPA refers to External Property Administrators. Our investment trusts are party to property administration agreements with (a) CB Richard Ellis ("CBRE"), which is our property administrator with respect to our wholly-owned retail properties and (b) Frisa, which is our property administrator with respect to the Frisa JV Properties.
(5) Our real estate assets are held by our investment trusts, which qualify as passive income investment trusts for Mexican federal income tax purposes.
(6) Corresponds to two investment trusts, each of which is 50% owned by Frisa.
(7) Corresponds to 236 industrial properties. 49 and 16 of these properties and the cash flows deriving therefrom, are currently held in a guaranty trust for the benefit of the lender, MetLife, under a credit facility of US$210 million and US$75 million, respectively, in order to secure our investment trusts' repayment obligations thereunder.
(8) Corresponds to eight wholly owned retail properties.
(9) Corresponds to nine retail Frisa JV Properties. Eight of these properties, and the cash flows deriving therefrom, are held in a guaranty trust for the benefit of the lender, MetLife, under a credit facility in order to secure the JV trust's repayment obligations thereunder. The remaining property is held directly by the corresponding investment trust
(10) Corresponds to an industrial land acquire for its future development in Joint Venture with Inmobiliaria Alamedida.
(11) MPA refers to MMREIT Property Administration, our Internal Property Administrator, which is a civil association incorporated under Mexican law.
(12) CSP refers to Corporate Service Provider. MPA has entered into a service agreement with FIBRA Macquarie Mexico, in relation to certain fund-level corporate and accounting services.
(13) Industrial trusts are the sole associates of MPA.

viii. Manager

Our Manager is Macquarie México Real Estate Management, S.A. de C.V., an entity within Macquarie Infrastructure and Real Assets. Under our Management Agreement, subject to decisions requiring the approval of our CBFI holders, our Technical Committee and/or our Audit Committee pursuant to our Trust Agreement, our Manager is responsible for the day-to-day management and decisions related to our fund, including, without limitation, with respect to issuances of our CBFIs, portfolio and asset management, investments, divestments, Distributions, borrowings and the exercise of all rights in respect of our interests in our investment trusts. Certain matters, including, without limitation, Related Party Transactions and acquisitions and dispositions in excess of certain thresholds, are subject to the approval or favorable recommendation, as applicable, of (i) our Technical Committee, currently comprised of six members, of which five members are independent; (ii) our Audit Committee; and/or (iii) our CBFI holders, as applicable.

Fees to the Manager:

- Base management fees, payable to our Manager every six months in advance in April and October, in an amount equal to 1.00% per annum of our market capitalization.
- Net Performance Fees, equal to 10% of the amount, if any, by which total returns to our CBFI holders (based on our market capitalization, prior issuances and repurchases of our CBFIs and prior Distributions to our CBFI holders at such time) exceeds a 5% hurdle rate (adjusted for inflation based on the official Mexican Consumer Price Index (*Índice Nacional de Precios al Consumidor*)) payable to our Manager every two years. During the first ten years of operations, our Manager, together with its affiliates, is required to reinvest an amount equal to the Net Performance Fees in our CBFIs (subject to the approval of our CBFI holders) and is required to hold this reinvestment for a minimum of one year from the date of acquisition thereof.

Our Manager is also required to hold, together with its affiliates, for as long as it is the Manager of our fund, an amount of our CBFIs equivalent to Ps. 639.8 million (approximately US$50.0 million at the time of investment), based on the subscription price of the CBFIs acquired). In addition to this required investment, our Manager, together with its affiliates, made an additional Ps.275.7 million (approximately US$21.4 million at the time of investment) investment in our CBFIs in our Global Offering, being a reinvestment of an amount equal to the Net Founder's Grant (in accordance with our Management Agreement). As of December 31, 2020, our Manager, together with its affiliates, holds 4.8% of our outstanding CBFIs.

Executive Officers of our Manager

The following sets forth certain information with respect to each of the executive officers of our Manager as of the date of this report:

Name	Position	Gender	Age	Time in position[1]
Juan Monroy	Chief Executive Officer	Male	46	5.5 years
Simon Hanna	Chief Financial Officer	Male	43	7.2 years
Thomas Heather	Chief Legal Officer	Male	38	Less than 1 year

(1) As of December 31, 2020.

To the best of our knowledge, as of the date of this Annual Report, (i) there is no relation by blood, marriage or law among the executive officers of the Manager; and (ii) no executive officer of the Manager holds more than 1% but less than 10% of the outstanding CBFIs.

Juan Monroy. Mr. Monroy began working at Macquarie in 2012 and has more than 20 years of real estate investment and development experience. Prior to joining Macquarie, Mr. Monroy was a partner in real estate investment platforms focused on residential and retail real estate development, primarily in Mexico City. Mr. Monroy is a former director of acquisitions at Acadia Realty Trust, a real estate investment trust focused on the ownership, acquisition, development and management of real estate properties. Previously, Mr. Monroy was vice president of international operations at Loews Cineplex Entertainment. Mr. Monroy has also served as a private equity professional at Onex Investment Corp. Both at Onex Investment Corp. and Loews Cineplex Entertainment, Mr. Monroy was involved in several mergers and acquisitions and real estate transactions in North America, Europe and Asia.

Mr. Monroy received his BA in Business and Finance from the *Instituto Tecnológico de Estudios Superiores de Monterrey* (ITESM) where he graduated with honors. He received his MBA from NYU Stern Business School and completed the Real Estate Management Program at Harvard Business School. Mr. Monroy has also served as a Professor at ITESM.

Simon Hanna. Mr. Hanna was appointed as chief financial officer for FIBRA Macquarie on July 2013. Mr. Hanna previously served as chief financial officer of the Macquarie Russia & CIS Infrastructure Fund from March 2010. Before that, he was head of the Macquarie European Infrastructure Fund Finance operations in London from 2004 to 2010. Mr. Hanna joined Macquarie Group in its Sydney office in 1999, where he supported the Corporate Asset Finance division, a business focusing on leasing and lending activities.

Mr. Hanna holds a Bachelor of Commerce from the University of New South Wales and is a qualified member of the Institute of Chartered Accountants (Australia).

Thomas E. Heather. Mr. Heather was appointed as legal director for FIBRA Macquarie on December 2, 2020. Prior to joining Macquarie, Mr. Heather was a senior associate at González Calvillo, S.C. in Mexico City, where he practiced in the firm's energy and infrastructure department with a focus on M&A, financing, and project-development transactions. Prior to that, he was a counsel at Haynes and Boone, L.L.P. in the Houston and Mexico City offices, where he practiced in the firm's energy and projects and corporate departments, with a focus on Latin America. Mr. Heather represented private equity funds, oil and renewable-power companies, EPC contractors, and financial institutions.

Mr. Heather earned a *Juris Doctor* from Northwestern University Pritzker School of Law in 2010 and a law degree from the Escuela Libre de Derecho in Mexico City in 2006.

Remuneration of Executives of our Manager

The remuneration of executives of our Manager (including the Chief Executive Officer, Chief Financial Officer and Legal Director of our fund and other staff, including those whose actions have a material impact on the risk profile of our fund) is not disclosed because these executives are employed by Macquarie Group and not by our fund or by our Manager directly. The remuneration of these executives is determined and paid by Macquarie Group and is not recharged to our fund.

Macquarie Group's approach to employee remuneration, which is detailed in the Macquarie Group Annual Report, produces a strong alignment of interest between our fund management executives and our investors. As detailed in that report, Macquarie Group's remuneration system ensures that a significant amount of remuneration is at risk and solely dependent on performance. The remuneration package of all Macquarie Group executives consists of a base salary and an annual profit share allocation. The base salary is reviewed annually and the profit share allocation, which is not guaranteed, is based on performance. Performance assessment of Macquarie Group employees takes place half-yearly.

The levels of base salary for senior executives take into consideration the role of the individual and market conditions. However, the levels of base salary can be low compared to similar roles in other companies. The profit share allocations to executives provide substantial incentives for superior performance but low or no participation for less satisfactory outcomes. Profit share allocations are therefore highly variable and can comprise a high proportion of total remuneration in the case of superior performance. The level of profit share received by members of our fund's management team is driven predominantly by their individual contribution to the performance of our fund, taking into account the following elements:

- Our fund's overall performance as a listed entity
- Management and leadership of our fund and the management of our fund's investments
- Effective risk management and capital management
- Maintenance of Macquarie's reputation and track record in respect of its branded funds.

There is no formulaic approach to determining the profit share allocation of our Manager's management team. It is completely discretionary and takes into account factors outlined above. Deferral and restriction arrangements apply to a portion of allocated profit share to encourage a long-term perspective and commitment from Macquarie employees. This approach to remuneration is not intended to in any way encourage excessive risk-taking.

Working inclusion policies without gender distinction

Macquarie Group is committed to diversity in the workplace, recognizing that it is fundamental to organizational success and has implemented certain diversity policies across the organization, including with respect to the Macquarie Group employees that manage our fund. We believe our fund benefits from effective management requiring geographically diverse, high-caliber, global expertise which the Manager provides.

We define diversity as a broad range of experiences, skills and views. In particular, we believe that differences arising through characteristics such as gender, age, ethnicity, cultural background, physical ability and sexual orientation should not be a barrier to career success. FIBRA Macquarie understands that diversity is enhanced through workforce representation across a spectrum of backgrounds; however, it has not adopted specific policies with respect to inclusion without gender distinction.

Board of Directors of our Manager

The following sets forth certain information with respect to the Board of Directors of our Manager as of the date of this report:

Name	Position	Gender	Age	Time in Position[1]
Matthew Banks	Chairman and Director	Male	59	8.0 years
Jonathan Davis Arzac	Director	Male	68	8.0 years
Nick O'Neil	Director	Male	42	8.0 years
Brett Robson	Director	Male	52	Less than a year
Eric Wurtzebach	Director	Male	47	Less than a year

(1) As of December 31, 2020

To the best of our knowledge, as of the date of this Annual Report, (i) there is no relation by blood, marriage or law among the members of the Board of Directors of the Manager and (ii) no member of the Board of Directors of the Manager holds more than 1% but less than 10% of the outstanding CBFIs.

Matthew Banks. Mr. Banks provides input and oversight to the global team which manages real estate funds, associated investments along with active real estate projects and platforms across Australia, Asia, Europe and the Americas. Mr. Banks sits on the Boards of Macquarie managed funds across the globe including GLL (Germany), a wholly owned investment management business operating across Europe and the Americas. Mr. Banks is also a member of the MIRA Real Estate Committee (REC) which oversees key real estate activity across the globe. Since joining Macquarie's Real Estate Group in November 2001 Mr. Banks has led various business divisions during a period of global expansion. During Matthew's 30+ year career in the real estate industry he has been involved across all the major real estate sectors including commercial, retail, residential and industrial. His experience includes establishing joint venture and associated capital structures through to development, project management and construction activity. Previously Mr. Banks was Chief Executive Officer for the Real Estate Investment businesses in the United States, Asia and Australia of Lend Lease Corporation.

Jonathan Davis Arzac. Mr. Davis is the chairman of Macquarie Mexican Infrastructure Fund. Since 2009, Mr. Davis has extensive experience and relationships with private and public sector companies and entities in Mexico. Mr. Davis worked previously as executive director for Mexico and the Dominican Republic at the Inter-American Development Bank (IDB) in Washington D.C., as President of the CNBV (The National Banking and Securities Commission), and as Treasurer of Mexico at the Ministry of Finance and Public Credit. Mr. Davis also serves on various boards of Directors such as Corporation Actinver (Financial Group), BIVA (Bolsa Institucional de Valores), The Mexico Fund (listed in the NY stock exchange), and has been appointed a financial expert to the audit committee of Vitro (the largest glass maker company in LATAM). Mr. Davis earned his Undergraduate Degree in Economics from the National Autonomous University of Mexico (UNAM), where he graduated with honors, he also earned a Masters Degree in Development Economics at the University of Sussex in the United Kingdom.

Nick O'Neil. Mr. O'Neil is currently the Chief Financial Officer for Macquarie Infrastructure Corporation. Prior to taking up this position, Mr. O'Neil led Macquarie Infrastructure and Real Assets' business in Mexico and Macquarie Infrastructure and Real Assets' expansion in Latin America across infrastructure and real estate. He led the establishment of Macquarie Infrastructure and Real Assets' first fund in Latin America, Macquarie Mexican Infrastructure Fund in 2009, and the establishment of our fund, one of Mexico's first listed REITs, in 2012. Mr. O'Neil serves on the boards of several Macquarie Infrastructure and Real Assets portfolio companies. Through these and previous roles, he has extensive alternative asset fund management experience including formation, investment and asset management. Mr. O'Neil holds both a Bachelor of Arts and Bachelor of Laws from Bond University, Australia.

Brett Robson. Mr. Robson leads Macquarie Infrastructure and Real Assets global real estate business, which encompasses funds and asset management, platform and direct real estate investment and private capital markets transaction services. MIRA Real Estate has a 30+ year history in investment and asset management and, through its listed and unlisted funds, has over $A16 billion of assets under management comprising a portfolio of over 400 retail, commercial, residential and industrial properties around the world. Mr. Robson has over 30 years of experience including 18 years in corporate finance with Macquarie providing financial advisory and capital raising services, together with merchant banking investing activities across a broad range of real estate operating platforms. Prior to Macquarie, Mr. Robson spent 12 years at Lendlease, in roles spanning fund, asset and development management.

Eric Wurtzebach. Mr. Wurtzebach is the Head of the Americas and a Senior Managing Director in the North American real estate arm of Macquarie Infrastructure and Real Assets. He joined the firm in 2008 and is part of a global real estate advisory team that has raised over $63 billion in equity commitments for a range of private real estate transactions since 2003. With over 26 years of experience, Mr. Wurtzebach spends the majority of his time helping clients access long-term, flexible private global capital from sovereign and global pensions for a variety of transactions, as well as leading Macquarie's real estate principal investment and asset management initiatives. Since 2013, Mr. Wurtzebach has advised on transactions raising over $5.0bn of equity for US multifamily across development, core and value-add strategies for clients including Greystar Real Estate Partners and Lennar Multifamily Communities, as well as Macquarie Capital principal investments, including partnerships with Logistics Property Company, Greystar Real Estate Partners and RHP.

There were six meetings of the Board of Directors of the Manager held during fiscal year 2020, all of which were regularly scheduled. We require each Director to make a diligent effort to attend all Board and committee meetings. During fiscal year 2020, no incumbent Director attended fewer than 83% of the aggregate of the total number of meetings of the Board of Directors and its committees of which they were a member.

Sustainability Committee

In 2018, a Sustainability Committee was established by the Board of Directors of our Manager to ensure that FIBRA Macquarie is a sustainable business delivering long-term value to investors. The Committee comprises board members, management, asset managers, and sustainability experts. The duties of this Committee include:

- Review and monitor our sustainability strategy

- Oversee the implementation of sustainability-related policies and systems
- Monitor progress and evaluate performance of sustainability policies, initiatives, goals, and targets

Workplace Health, Safety and Environment Committee

In July 2020, a Workplace Health, Safety and Environment Committee was established by the Board of Directors of our Manager to ensure that FIBRA Macquarie adopts workplace health, safety and environment (WHSE) practices in a structed and integrated manner across the platform. The Committee comprises board members, management, asset managers, and WHSE experts. The duties of this Committee include:

- Review and monitor our WHSE system strategy
- Oversee the implementation of WHSE-related policies and systems
- Monitor progress and evaluate performance of WHSE policies, initiatives, goals, and targets
- Ensure compliance with laws and regulations associated with health, safety, and environmental matters

Members of the Technical Committee

As of the date of this report, our Technical Committee consists of six members, in each case appointed by our Manager and, in the case of the independent members, with the consent of our Holders. Five of these members are independent members, as set forth below:

Name	Position	Gender	Age	Time in Position[1]
Juan Monroy	Chief Executive Officer of FIBRA Macquarie	Male	46	8.0 years
Dr. Álvaro de Garay	Independent Member	Male	71	8.0 years
Juan Antonio Salazar	Independent Member	Male	80	8.0 years
Luis Alberto Aziz	Independent Member	Male	54	8.0 years
Jaime de la Garza	Independent Member	Male	59	3.5 years
Michael Brennan	Independent Member	Male	63	2.8 years

(1) As of December 31, 2020.

To the best of our knowledge, as of the date of this Annual Report, (i) there is no relation by blood, marriage or law among the members of the Technical Committee; and (ii) no member of the Technical Committee holds more than 1% but less than 10% of the outstanding CBFIs.

The following sets forth biographical information for Dr. de Garay, Mr. Salazar, Mr. Aziz, Mr. de la Garza and Mr. Brennan. Biographical information for Mr. Monroy is set forth under “Executive Officers of our Manager”.

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 Pretmex. 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.

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 Alfa, 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.

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 19 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. In 2018 he was awarded by the Mexican Government the *Premio Nacional de Acción Voluntaria y Solidaria (honorific mention)* which is the national prize recognizing voluntary work.

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 CEO, 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. During the last five years, Mr. De la Garza has advised multiple clients on real estate and private equity investments and served on multiple boards both in Mexico and the USA.

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.

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 34-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 former 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.

Compensation to the Technical Committee members

As of December 31, 2020, the total compensations paid to the members of the Technical Committee was the amount of Ps. 3,739,000.

Authority, Meetings of the Technical Committee

Each member of the Technical Committee is entitled to one vote unless they are required to abstain from voting due to a conflict of interest or as otherwise required under our Trust Agreement, as set forth below. In order for the meetings of the Technical Committee to be deemed validly convened, a majority of its members or their respective alternates must be present. Resolutions of the Technical Committee are adopted by a majority vote of the members present and entitled to vote. Our Technical Committee may also adopt unanimous resolutions outside of a meeting. The independent members of our Technical Committee currently receive (i) a fixed yearly compensation of Ps. 460,000 covering a total of four ordinary and two extraordinary meetings; and (ii) a fixed compensation of Ps. 23,000 per additional meetings.

The duties and responsibilities of the Technical Committee include, without limitation:

- approving any acquisition or disposition or sale of assets, properties or rights by us that, disregarding any amounts to be applied to the payment of VAT, represents 5% or more (but less than 20%) of the value of our Trust Estate, based on the value of the Trust Estate at the end of the immediately preceding quarter, in a single transaction or a series of related transactions over a twelve-month period;
- with the prior written approval of our Audit Committee, approving our policies on Related Party Transactions, in each case, with respect to our investment trusts, the settlor or the Manager, and discussing and, if applicable, approving any Related Party Transaction; provided that (i) the favorable vote of the majority of the independent members of the Technical Committee will be required to approve such matter, and (ii) in the understanding that the members of the Technical Committee designated by the settlor and/or the Manager, and/or that have a conflict of interest will be required to abstain from voting, without the latter affecting the required installation quorum of such Technical Committee meeting, and (iii) any Related Party Transaction must be entered into on market terms;
- approving the appointment, removal and replacement of our Independent Valuer who will carry out the valuation of our assets (unless those appraisers are pre-approved under our Trust Agreement), provided that only those members of the Technical Committee that are independent members will be entitled to vote on such matter;
- approving the appointment of the members of our Audit Committee, our Indebtedness Committee and our Ethics and Corporate Governance Committee;
- with the prior written favorable recommendation of the Audit Committee, approving our applicable accounting policies and any changes thereto;
- with the prior written favorable recommendation of the Audit Committee, approving the presentation of our financial statements to our CBFI holders for approval;
- approving any changes to our Distribution Policy proposed by our Manager, and any Distributions to our CBFI holders proposed by our Manager that do not comply with our Distribution Policy, so long as any such changes are in compliance with Article 187 under the LISR and, if not in compliance with such article, pursuant to the prior approval of our CBFI holders;
- approving the appointment or removal of any property administrator of some or all of our real estate assets, the commencement of any claims against any property administrator, and any material amendments to any property administration agreement; reviewing (at least quarterly) information and reports regarding the performance of each property administrator under its respective property administration agreement; and requesting any other information and reports that it determines necessary, in its discretion, to facilitate its oversight of the property administrators;
- approving any other matters brought before it by our Manager;
- approving the creation of any liens over the assets, property or rights of our Trust Estate or the estate of our investment trusts that, either individually or together with a series of related transactions during a twelve-month period, represent 5% or greater (but less than 20%) of the value of our Trust Estate; and
- in the event we fail to comply with the statutory leverage limit and minimum debt service coverage ratio applicable to FIBRAs, approve the report that will have to be delivered to the CBFI holders meeting informing them of such situation, and approving a corrective plan within the 20 business days following

the date such failure is made public, in the understanding that such report and corrective plan require the prior approval of the majority of the independent members of the Technical Committee.

There were six formal meetings of the Technical Committee held during fiscal year 2020, all of which were regularly scheduled. We require each member of the Technical Committee to make a diligent effort to attend all meetings of the Technical Committee and every sub-committee. During fiscal year 2020, no incumbent member of the Technical Committee attended fewer than 100% of the aggregate of the total number of Technical Committee meetings and its sub-committees of which he was a member.

Audit Committee

As of the date of this report, our Audit Committee consists of three members, who are appointed by our Technical Committee, and who are required to be independent members. The current members of our Audit Committee are Jaime de la Garza (chair), Juan Antonio Salazar and Luis Alberto Aziz. The members of our Audit Committee currently receive compensation of Ps. 23,000 per meeting.

The duties and responsibilities of the Audit Committee include, without limitation:

- evaluating our external auditor's performance, analyzing the opinions, reports and documents prepared by our external auditor, holding at least one meeting per fiscal year with our external auditor;
- approving the appointment, removal and/or substitution of our external auditor; provided, that our current external auditor is KPMG Cárdenas Dosal, S.C., and provided, further, that any substitute external auditor will be an accounting firm with international standing independent from the Manager and our Trustee;
- reviewing our draft financial statements and recommending that our Technical Committee approve our financial statements for submission for the approval of our CBFI holders;
- receiving comments or complaints by the CBFI holders, creditors, members of our Technical Committee and other interested third parties in connection with our approved guidelines, policies, internal controls and audit practices, and investigating possible violations to these guidelines and policies, internal controls and practices;
- meeting as appropriate with the relevant officers of our Manager, the Common Representative of the CBFI holders and Trustee;
- discussing and, if applicable, recommending to the Technical Committee the approval of our accounting policies and any changes thereto;
- investigating any possible breaches of the operations, policies, guidelines or internal auditing procedures and accounting registry;
- expressing an opinion on Related Party Transactions, including transactions with our Manager or its related parties; and
- recommending that our Technical Committee request from our Manager and our Trustee any information that may be necessary or convenient so that our Technical Committee may comply with its duties.

The Audit Committee has approved procedures with respect to the receipt, retention and treatment of messages from certificate holders FIBRA Macquarie's policies, internal controls or audit practices. Communications regarding such matters may be made by contacting the Chairman of the Audit Committee via email at auditcommittee@fibramacquarie.com.

FIBRA Macquarie México
Attention: Chairman, Audit Committee
c/o Jaime de la Garza
Pedregal 24, piso 21
Col. Molino del Rey, C.P. 11040
Mexico City, Mexico

You may submit your concern anonymously or confidentially by postal mail. You may also indicate whether you are a shareholder, customer, supplier, or other interested party.

There were five formal meetings of the Audit Committee held during fiscal year 2020, all of which were regularly scheduled. We require each member of the Audit Committee to make a diligent effort to attend all meetings of the

Audit Committee. During fiscal year 2020, no incumbent member of the Audit Committee attended fewer than 100% of the aggregate of the total number of Audit Committee meetings.

Indebtedness Committee

As of the date of this report, our Technical Committee appointed Álvaro de Garay (chair), Juan Antonio Salazar, Jaime de la Garza and Juan Monroy to form our Indebtedness Committee, which must be comprised of a majority of independent members. The independent members of our Indebtedness Committee currently receive compensation of Ps. 11,500 per meeting.

Biographical information for Dr. de Garay, Mr. Salazar, and Mr. de la Garza is set forth under “Members of the Technical Committee”. Biographical information for Mr. Monroy is set forth under “Executive Officers of our Manager”.

Our Indebtedness Committee has the following responsibilities:

- to monitor the establishment of internal controls and mechanisms in order to verify that each incurrence of indebtedness by our fund is compliant with the applicable rules and regulations of the CNBV; and
- to provide the Technical Committee with timely information about our financing activities and any failure to comply with the applicable rules and regulations of the CNBV.

There were four formal meetings of the Indebtedness Committee held during fiscal year 2020, all of which were regularly scheduled. We require each member of the Indebtedness Committee to make a diligent effort to attend all meetings of the Indebtedness Committee. During fiscal year 2020, no incumbent member of the Indebtedness Committee attended fewer than 100% of the aggregate of the total number of Indebtedness Committee meetings.

Ethics and Corporate Governance Committee

As of the date of this report, our Ethics and Corporate Governance Committee consists of three members, who are appointed by our Technical Committee, and who are required to be independent members. The current members of our Ethics and Corporate Governance Committee are Luis Alberto Aziz (chair), Álvaro de Garay, and Michael Brennan. The independent members of our Ethics and Corporate Governance Committee currently receive compensation of Ps. 11,500 per meeting.

Biographical information for Mr. Aziz, Dr. de Garay, and Mr. Brennan is set forth under “Members of the Technical Committee”.

The responsibilities of the Ethics and Corporate Governance Committee include:

- To regularly review the Corporate Governance Statement, Code of Conduct and other corporate governance documents and policies and recommend to the Manager such revisions as it deems appropriate or necessary to ensure that they remain consistent with the objectives of FIBRA Macquarie;
- To review the minimum ownership guidelines and recommend to the Manager and the Technical Committee such revisions as it deems appropriate and necessary;
- To recommend to the Technical Committee, in conjunction with the Manager, the appointment of Members to the Audit Committee, Indebtedness Committee, and Ethics and Corporate Governance Committee;
- To periodically report to the Technical Committee on any significant developments in the law and practice of corporate governance and other matters relating to the duties and responsibilities of Members in general; and
- To lead the annual performance self-evaluation of the Technical Committee.

There were four formal meetings of the Ethics and Corporate Governance Committee held during fiscal year 2020, all of which were regularly scheduled. We require each member of the Ethics and Corporate Governance Committee to make a diligent effort to attend all meetings of the Ethics and Corporate Governance Committee. During fiscal year 2020, no incumbent member of the Ethics and Corporate Governance Committee attended fewer than 100% of the aggregate of the total number of Ethics and Corporate Governance Committee meetings.

Code of Conduct

The Code of Conduct of FIBRA Macquarie Mexico (the "Code of Conduct") applies to all members of the Technical Committee, members of the Board of Directors of the Manager, the Manager and employees, suppliers and advisors of Macquarie Group Limited and its related entities who act as officers or provide management and advisory services to FIBRA Macquarie Mexico (collectively, the "FIBRA Macquarie Staff").

The Code of Conduct provides information about the business's laws, regulations and conduct principles that guide the behavior of the persons to whom it applies and describes the resources available to obtain advice and conduct confidential reporting of legal and regulatory compliance issues as well as business conduct issues, including anti-corruption and anti-money laundering policies. The Code of Conduct is based on our corporate principles of Opportunity, Responsibility and Integrity. It is our policy to maintain the highest standards of ethical and legal conduct in all our business activities, avoiding acts that could lead to improper business conduct.

For more details, please refer to the following link:
https://www.fibramacquarie.com/assets/fibra/docs/FIBRAMQ%20-%20Code%20of%20Conduct.pdf

ix. Property Administration

As of the date of this Annual Report, the day-to-day administration of our properties is administered as follows (i) our industrial properties are administered by our internal property administration, leasing, engineering and accounting services platform which was established by, and is a wholly-owned subsidiary of, our fund; (ii) our retail properties acquired in 2013 and 2014 (excluding the Frisa JV Properties) are administered by CBRE; and (iii) the nine Frisa JV Properties are administered by Frisa.

Our Internal Property Administrator was established by our fund in December 2013, and its executive officers and senior staff have considerable experience and expertise with respect to property administration in the real estate industry in Mexico. We believe that an integrated property administration platform, through our Internal Property Administrator, deepens our industrial tenant relationships, streamlines our leasing and management process, more effectively identifies and addresses areas of improvement in our properties and their administration, provides for better delivery and management of capital expenditure and maintenance for our properties, and facilitates the flow of information to management.

CBRE and Frisa are external property administrators contracted by our investment trusts, and we believe that CBRE and Frisa (which has experience in the administration of the respective Frisa JV Properties prior to our acquisitions of a 50% interest therein, and which is the owner of the remaining 50% interest in the investment trusts that hold the Frisa JV Properties) are well-positioned to continue to provide property administration services. Our property administration agreements with CBRE are ongoing and may be terminated by either party upon reasonable notice and our property administration agreements with Frisa expire in March 2024 but automatically renew for successive five-year periods, subject in each case to certain termination rights. We may in the future contract with additional third-party property administrators, whether or not on an interim basis, in connection with potential future acquisitions, if we deem the terms and conditions to be favorable to our fund.

x. FIBRA Status

We qualify as a FIBRA for Mexican federal income tax purposes at December 31, 2020. The real estate assets in which we invest are held by our investment trusts, which qualify, from a tax perspective, as passive income investment trusts and therefore are effectively treated as pass-through entities for Mexican federal income tax purposes. Under FIBRA regulations, FIBRAs are required to distribute, on a yearly basis, an amount equal to at least 95% of their Tax Result to the holders of the certificates issued by such FIBRAs. In most cases, the distributed Taxable Result is subject to a 30% income tax, which is withheld by the Mexican financial intermediaries through which our CBFIs are held and should be creditable by the holders.

xi. Distribution Policy

In accordance with our Trust Agreement, we make Distributions to holders of our CBFIs pursuant to the Distribution Policy adopted from time to time by our Technical Committee (unless otherwise approved by our Technical Committee). Our Distribution Policy is to distribute on an annual basis an amount determined by the Manager, not to exceed 85% of the Trust's estimated Cash Available for Distribution; provided that, in any case, (i) the annual

Distribution shall be equal to at least 95% of the Trust's annual Tax Result for the immediately preceding fiscal year and (ii) the Trust shall make such Distributions as are necessary to comply with the requirements contained in Articles 187 and 188 of the Mexican Income Tax Law (Ley del Impuesto Sobre la Renta) and other applicable tax provisions. "Cash Available for Distributions" is defined as the Trust's adjusted funds from operations, as disclosed in the Trust's periodic reports. The Trust intends to pay four Distributions per year. Although we believe that this definition of cash available for Distribution is reasonable, our fund may require additional cash expenditures and we cannot assure you that this definition will accurately reflect our ability to make Distributions. As a result, actual Distributions may be significantly different from expected Distributions.

As we have done since the first quarter of 2015, we use adjusted funds from operations ("AFFO") as a basis for determining our cash available for Distribution. We derive AFFO by subtracting from funds from operations (FFO) straight line rent adjustment, normalized capital expenditures (including painting expenses), tenant improvements and leasing commissions, with a proportionate adjustment of items attributable to equity-accounted investees. Normalized capital expenditures include recurring capital expenditures required to maintain the long-term value of our fund's properties and their revenue stream, and exclude capital expenditures related to expansions, developments and other one-off items. AFFO has limitations as an analytical tool, and such measures should not be considered either in isolation or as a substitute for other methods of analyzing our results as reported under IFRS. Because not all companies use identical calculations, the presentation of AFFO may not be comparable to other similarly titled measures of other companies. We believe AFFO more closely aligns with the sustainable cash generation of our portfolio of properties over the long term.

In the first quarter of 2017, we reduced our payout ratio in favor of positioning ourselves to act on attractive value-creating building expansion opportunities. Management believes pursuing such opportunities is, among other things, consistent with its view that both Mexican and sector fundamentals remain strong and, combined with FIBRAMQ's track record of deploying capital effectively, will deliver attractive unlevered NOI and AFFO yields as well as an increase in NAV per certificate.

	Ordinary Distribution Ps. /Certificate	AFFO Payout Ratio (%)	Distribution Record Date	Distribution Payment Date
4Q20	Ps. 0.4750	74.7%	11-Mar-21	12-Mar-21
3Q20	Ps. 0.4750	77.6%	27-Jan-21	28-Jan-21
2Q20	Ps. 0.4750	74.7%	24-Sep-20	25-Sep-20
1Q20	Ps. 0.4750	63.1%	11-Jun-20	12-Jun-20
4Q19	Ps. 0.4550	70.4%	9-Jan-20	11-Mar-20
3Q19	Ps. 0.4550	68.0%	23-Jan-20	24-Jan-20
2Q19	Ps. 0.4450	69.7%	24-Sep-19	25-Sep-19
1Q19	Ps. 0.4250	67.6%	13-Jun-19	14-Jun-19
4Q18	Ps. 0.4100	68.5%	12-Mar-19	13-Mar-19
3Q18	Ps. 0.4100	64.6%	8-Nov-18	9-Nov-18
2Q18	Ps. 0.3900	64.0%	9-Aug-18	10-Aug-18
1Q18	Ps. 0.3900	64.7%	9-May-18	10-May-18

The timing, form, frequency and amount of Distributions is determined by our Manager in accordance with the then-applicable Distribution Policy (unless otherwise approved by our Technical Committee), based upon a variety of factors, including:

- our earnings and financial condition;
- our future prospects and our expected financial performance as well as working capital and capital expenditure needs;
- any restrictions in financing arrangements;
- legal requirements to retain our qualification as a FIBRA;
- any changes to general economic, business conditions or applicable laws and regulations; and
- other factors that our Manager may deem relevant from time to time.

Our Distribution Policy may change in the future, subject to the approval of our Technical Committee. Our Distributions in the future will depend upon many factors, some of which are beyond our control, which could result in future Distributions differing materially from our current expectations and/or prior Distributions.

In order to maintain our FIBRA status, the LISR requires us to distribute to our CBFI holders, on a yearly basis, an annual amount equal to at least 95% of our Tax Result. We intend that our Distribution Policy will be sufficient to ensure our compliance with this requirement under the LISR. As of December 31, 2020, we had a carry-forward taxable result of Ps. 440.4 million.

xii. Summary Financial Information

Consolidated Statements of Comprehensive Income

The following sets forth the income statement of the Fund representing the financial year ended December 31, 2020, December 31, 2019 and December 31, 2018.

	2020 Ps. 000	2019 Ps. 000	2018 Ps. 000
Property related income	**4,028,100**	3,657,565	3,566,487
Property related expenses	**(619,487)**	(532,043)	(500,044)
Net property income	**3,408,613**	3,125,522	3,066,443
Management fees	**(186,839)**	(164,908)	(168,155)
Transaction related expenses	**(7,273)**	(25,234)	(1,626)
Professional, legal and other expenses	**(67,575)**	(53,157)	(50,756)
Total expenses	**(261,687)**	(243,299)	(220,537)
Net unrealized foreign exchange gain/(loss) on investment property	**1,912,458**	(1,464,048)	(83,711)
Unrealized revaluation (loss)/gain on investment property measured at fair value	**(1,157,936)**	(605,080)	6,967
Finance costs	**(1,002,153)**	(921,102)	(893,803)
Interest income	**21,210**	26,469	21,123
Share of (losses)/profits from equity-accounted investees	**(316,958)**	155,013	64,579
Net foreign exchange (loss)/gain on monetary items	**(843,917)**	630,606	24,658
Loss on disposal of investment property	**-**	-	(3,453)

Goodwill written off in respect of properties disposed	**-**	-	(41,144)
Net unrealized (loss)/gain on interest rate swaps	**(172,923)**	(162,183)	12,438
Current and deferred income tax[1]	**633**	(5,582)	(13,282)
Net profit after tax for the year	**1,587,340**	536,316	1,940,278

(1) The current and deferred taxes are in relation to our vertically integrated subsidiaries.

Consolidated Statements of Financial Position

The following sets forth the statement of financial position representing the financial year ended December 31, 2020, December 31, 2019 and December 31, 2018.

	Dec 31, 2020 $'000	Dec 31, 2019 $'000	Dec 31, 2018 $'000
Current assets			
Cash and cash equivalents	**889,571**	693,209	555,591
Trade receivables, net	**53,901**	473,142	102,078
Other assets	**62,010**	61,555	72,597
Investment properties held for sale	**-**	-	147,622
Total current assets	**1,005,482**	1,227,906	877,888
Non-current assets			
Restricted cash	**16,512**	15,598	-
Other receivables	**-**	15,701	424,411
Other assets	**233,925**	200,652	187,849
Equity-accounted investees	**1,186,526**	1,544,250	1,152,560
Goodwill	**841,614**	841,614	841,614
Investment properties	**41,119,827**	38,799,138	40,132,961
Derivative financial instruments	**-**	-	124,011
Total non-current assets	**43,398,404**	41,416,953	42,863,406
Total assets	**44,403,886**	42,644,859	43,741,294
Current liabilities			
Trade and other payables	**1,132,815**	870,879	398,314
Tenant deposits	**15,818**	17,205	33,182
Other liabilities	**3,523**	4,239	-

Total current liabilities	**1,152,156**	892,323	431,496
Non-current liabilities			
Interest-bearing liabilities	**15,684,178**	14,804,370	15,537,190
Tenant deposits	**310,676**	318,175	304,610
Derivative financial instruments	**211,095**	38,172	-
Trade and other payables	**128,717**	-	-
Other liabilities	**14,088**	16,968	-
Deferred income tax	**22,557**	24,486	19,178
Total non-current liabilities	**16,371,311**	15,202,171	15,860,978
Total liabilities	**17,523,467**	16,094,494	16,292,474
Net assets	**26,880,419**	26,550,365	27,448,820
Equity			
Contributed equity	**17,311,749**	17,394,792	17,497,483
Retained earnings	**9,325,095**	9,155,573	9,951,337
Total controlling interest	**26,636,844**	26,550,365	27,448,820
Non-controlling interest	**243,575**	-	-
Total equity	**26,880,419**	26,550,365	27,448,820

xiii. Relevant Information for the Period

Changes, Breaches or Legal Proceedings

Other than as disclosed through public releases (*eventos relevantes*), there have been no material changes to previously filed information, including our Trust Agreement, our Management Agreement, our Property Administration Agreements, or any other material agreements relevant to our operations. Moreover, there have been no material breaches of contract with respect to the aforementioned agreements.

There are no material legal proceedings against the Manager, the Property Administrators, the Trustee, or any other third parties liable to the Trust or CBFI Holders, in each case in such capacities.

Certificate Repurchase for Cancellation Program

FIBRA Macquarie´s Technical Committee, through unanimous resolutions dated June 25, 2017, resolved to ratify and approve, for purposes of Section 5.4(b)(xi) and any other applicable provisions of our Trust Agreement, the announcement, commencement and execution of a program to repurchase CBFIs (the "2017-2018 Repurchase Program") exclusively for the CBFIs subsequent cancellation, under the instructions of the Manager; provided, that the cancellation of the CBFIs in the National Securities Registry shall be carried out in accordance with the provisions of article 108 of the LMV, applying consistently to FIBRA Macquarie and its respective governance bodies, as provided for in Section 3.9 of our Trust Agreement.

At FIBRA Macquarie's annual general meeting held on April 24, 2018, CBFI holders resolved to approve an additional program to repurchase CBFIs (the "2018-2019 Repurchase Program") exclusively for the CBFIs subsequent cancellation, on the same terms as the 2017-2018 Repurchase Program. The 2018-2019 Repurchase Program was approved with a limit of the lower of (a) Ps 1.2 billion and (b), together with all the CBFIs repurchased under the 2017-2018 Repurchase Program, 5% of the CBFIs in circulation or the maximum number permissible under the applicable law or regulation. The 2018-2019 Repurchase Program has an expiration date of June 25, 2019.

At FIBRA Macquarie's annual general meeting held on April 24, 2019, CBFI holders resolved to approve an additional program to repurchase CBFIs (the "2019-2020 Repurchase Program") exclusively for the CBFIs subsequent cancellation, on the same terms as the 2018-2019 Repurchase Program. The 2019-2020 Repurchase Program was approved with a limit of Ps 1 billion. The 2019-2020 Repurchase Program has an expiration date of June 25, 2020.

At FIBRA Macquarie's annual general meeting held on April 23, 2020, CBFI holders resolved to approve an additional program to repurchase CBFIs (the "2020-2021 Repurchase Program") exclusively for the CBFIs subsequent cancellation, on the same terms as the 2019-2020 Repurchase Program. The 2020-2021 Repurchase Program was approved with a limit of Ps 1 billion. The 2020-2021 Repurchase Program has an expiration date of June 25, 2021.

Since commencing the 2017-2018 Repurchase Program and the subsequent 2018-2019 Repurchase Program, the 2019-2020 Repurchase Program and the 2020-2021 Repurchase Program, and up until December 31, 2020, FIBRA Macquarie has repurchased 49.7 million CBFIs for a total value of Ps. 1,057.5 million. As at December 31, 2020, the maximum remaining repurchases permissible through June 25, 2021 was Ps. 1billion. The timing and amounts of future repurchases will depend upon prevailing market prices, general economic and market conditions and other considerations, including investment alternatives and leverage.

As of this date, FIBRA Macquarie has cancelled 45.7 million CBFIs repurchased pursuant to the 2017-2018 Repurchase Program, 2018-2019 Repurchase Program, 2019-2020 Repurchase Program and 2020-2021 Repurchase Program. The total amount of CBFIs registered in the RNV as of this date is 859,087,417.

Amendment to the Trust Agreement

On November 1, 2019, Macquarie México Real Estate Management, S.A. de C.V., as settlor, CIBanco, S.A., Institución de Banca Múltiple, as trustee, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, as common representative of the Holders and Macquarie México Real Estate Management, S.A. de C.V., as manager, entered into an amendment and restatement agreement whereby certain sections of the Trust Agreement were modified to conform them to new regulations, current market practice and FIBRA Macquarie's structure and corporate governance.

Such amendments include, among other matters, (i) (a) that in the context of the repurchase program, the Technical Committee's approval is not required and that the Holders' Meeting's approval shall be required regarding the term and amount of any CBFIs repurchase program, as well as (b) the elimination of the requirement to cancel repurchased CBFIs within the twelve months following their acquisition; (ii) to include safeguards for the Trust in the event of a future change of control of the Trustee; including the assignment of the administration of the Trust Accounts in favor of the Manager; and, (iii) amendments corresponding to corporate governance issues.

Public Releases

Below is a summary of the public releases (*eventos relevantes*) published by the Trustee on behalf of the Trust from January 1, 2020 through March 31, 2021 in accordance with the CNBV Regulations (all Ps. and US$ amounts have been converted, where required, with reference to the exchange rate disclosed in the respective public release):

- On March 12, 2021, the Trustee issued a public release announcing that on such date it will allocate 100% of the Ps. 0.4750 per CBFI as return of taxable income for the cash Distribution announced on February 4, 2021, for the period from October 1 to December 31, 2020. The Distribution was paid on March 12, 2021.
- On February 4, 2021, the Trustee issued a public release announcing FIBRA Macquarie's supplementary information for the fourth quarter of 2020.
- On February 4, 2021, the Trustee issued a public release announcing FIBRA Macquarie's results and operations for the quarter and the year ended on December 31, 2020.

- On January 28, 2021, the Trustee issued a public release announcing the allocation of taxable income and return of capital in respect of its declared 3Q2020 cash Distribution of Ps. 0.4750 per CBFI as follows: 98.3% taxable income (Ps. 0. 46682874 per CBFI) and 1.7% return of capital (Ps. 0. 00817126 per CBFI). The Distribution will be paid in cash on January 27, 2021.
- On January 25, 2021, the Trustee issued a public release announcing that FIBRA Macquarie would host an earnings conference call and webcast presentation on February 5, 2021, during which management will discuss FIBRA Macquarie's financial results from the fourth quarter of 2020, which would be released on February 4, 2021 after the close of market.
- On January 15, 2021, the Trustee issued a public release announcing that FIBRA Macquarie filed amended versions of the annual report for the year ended December 31, 2018 and December 31, 2019 to address technical requests made by the CNBV.
- On December 2, 2020, the Trustee issued a public release announcing that FIBRA Macquarie appointed Mr. Thomas E. Heather as legal director of FIBRA Macquarie.
- On October 27, 2020, the Trustee issued a public release announcing FIBRA Macquarie's supplementary information for the first quarter of 2020.
- On October 27, 2020, the Trustee issued a public release announcing FIBRA Macquarie's supplementary information for the first quarter of 2020.
- On October 27, 2020, the Trustee issued a public release announcing FIBRA Macquarie's third quarter's results of 2020.
- On October 21, 2020, the Trustee issued a public release announcing that, outside of the uncertainties related to the COVID-19 virus which are impacting global markets, it was not aware of any relevant event that caused such day's increased trading of CBFIs, and that such movement was considered to be due to market conditions. Based on the procedures established by FIBRA Macquarie in compliance with applicable regulations, it was not aware of any members of its technical committee or relevant officers, having been involved in such movements. Finally, it announced that FIBRA Macquarie did not repurchase CBFIs the previous day as part of its buyback program.
- On October 14, 2020, the Trustee issued a public release announcing that, outside of the uncertainties related to the COVID-19 virus which are impacting global markets, it was not aware of any relevant event that caused such day's increased trading of CBFIs, and that such movement was considered to be due to market conditions. Finally, it announced that FIBRA Macquarie did not repurchase CBFIs the previous day as part of its buyback program.
- On October 5, 2020, the Trustee issued a public release announcing that FIBRA Macquarie would host an earnings conference call and webcast presentation on October 28, 2020, during which management will discuss FIBRA Macquarie's financial results from the third quarter of 2020, which would be released on October 27, 2020 after the close of market.
- On September 21, 2020, the Trustee issued a public release announcing the allocation of taxable income and return of capital in respect of its declared 2Q2020 cash Distribution of Ps. 0.4750 per CBFI as follows: 25.0% taxable income (Ps. 0.11875 per CBFI) and 75.0% return of capital (Ps. 0.35625 per CBFI). The Distribution was paid in cash on September 25, 2020.
- On August 19, 2020, the Trustee issued a public release announcing that FIBRA Macquarie had published its 2019 Sustainability Report.
- On August 19, 2020, the Trustee issued a public release announcing the expiration of its market maker services contract with BTG Pactual Casa de Bolsa, S.A. de C.V. (BTG Mexico).
- On July 27, 2020, the Trustee issued a public release announcing FIBRA Macquarie's supplementary information for the second quarter of 2020.
- On July 27, 2020, the Trustee issued a public release announcing FIBRA Macquarie's second quarter's results of 2020.
- On July 17, 2020, the Trustee issued a public release announcing that the minutes for the Annual Ordinary Holders' Meeting held on June 23, 2020 have been published by the Common Representative, Monex, through the Mexican Stock Exchange.
- On July 6, 2020, the Trustee issued a public release announcing that FIBRA Macquarie would host an earnings conference call and webcast presentation on July 28, 2020, during which management will discuss FIBRA Macquarie's financial results from the second quarter of 2020, which would be released on July 27, 2020 after the close of market.

- On June 23, 2020, the Trustee issued a public release announcing the results of FIBRA Macquarie's Annual Holders' Meeting held on June 23, 2020. More than 80% of the certificate holders represented participated in the meeting.
- On June 10, 2020, the Trustee issued a public release announcing that on such date it will allocate 100% of the Ps. 0.4750 per CBFI as return of capital for the cash Distribution previously announced for the period from January 1, 2020 to March 31, 2020. The Distribution was paid in cash on June 12, 2020.
- On June 5, 2020, the Trustee issued a public release announcing that, outside of the uncertainties related to the COVID-19 virus which are impacting global markets, it was not aware of any relevant event that caused such day's increased trading of CBFIs, and that such movement was considered to be due to market conditions. Based on the procedures established by FIBRA Macquarie in compliance with applicable regulations, it was not aware of any members of its technical committee or relevant officers, having been involved in such movements. Finally, it announced that FIBRA Macquarie did not repurchase CBFIs the previous day as part of its buyback program.
- On May 29, 2020, the Trustee issued a public release announcing that, outside of the uncertainties related to the COVID-19 virus which are impacting global markets, it was not aware of any relevant event that caused such day's increased trading of CBFIs, and that such movement was considered to be due to market conditions. Based on the procedures established by FIBRA Macquarie in compliance with applicable regulations, it was not aware of any members of its technical committee or relevant officers, having been involved in such movements. Finally, it announced that FIBRA Macquarie did not repurchase CBFIs the previous day as part of its buyback program.
- On May 29, 2020, the Trustee issued a public release announcing that FIBRA Macquarie would hold an Annual Ordinary Meeting of holders on June 23, 2020. The purposes of such meetings were: (i) to seek approval of the Trust's annual audited financial statements for the 2019 fiscal year; (ii) to seek approval of the Trust's Annual Report for the 2019 fiscal year; (iii) to seek approval of the extension of the Repurchase Program for an additional year, as well as the maximum amount of funds that may be allocated during the term of such Repurchase Program; (iv) to seek the approval of the compensation scheme in favor of the Independent Members of the Technical Committee and the delegation to the Manager of the authority to implement changes to the compensation of the Independent Members of the Technical Committee within the terms of such scheme; (v) to seek 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; (vi) to seek 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; (vii) to seek 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; (viii) to seek 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; (ix) to seek 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; and (x) to seek the designation of delegates that formalize and give effect to the resolutions adopted at the Meeting to the aforementioned points.
- On May 12, 2020, the Trustee issued a public release announcing FIBRA Macquarie's supplementary information for the first quarter of 2020.
- On May 12, 2020, the Trustee issued a public release announcing FIBRA Macquarie's first quarter's results of 2020.
- On May 8, 2020, the Trustee issued a public release announcing that, outside of the uncertainties related to the COVID-19 virus which are impacting global markets, it was not aware of any relevant event that caused such day's increased trading of CBFIs, and that such movement was considered to be due to market conditions. Based on the procedures established by FIBRA Macquarie in compliance with applicable regulations, it was not aware of any members of its technical committee or relevant officers, having been involved in such movements. Finally, it announced that Fibra Macquarie did not repurchase CBFIs the previous day as part of its buyback program.
- On April 22, 2020, the Trustee issued a public release announcing that FIBRA Macquarie would host an earnings conference call and webcast presentation on May 13, 2020, during which management will discuss FIBRA Macquarie's financial results from the first quarter of 2020, which would be released on May 12, 2020 after the close of market.

- On April 22, 2020, the Trustee issued a public release announcing that FIBRA Macquarie provided an update on a number of actions it was taking to mitigate the impact of COVID-19 on Fibra Macquarie, its people, portfolio an operations.
- On March 31, 2020, the Trustee issued a public release announcing that the Technical Committee approved the appointment of the external auditor, KPMG Cárdenas Dosal S.C., for the revision of FIBRA Macquarie's financial statements for the year ending December 31, 2020.
- On March 26, 2020, the Trustee issued a public release announcing that, outside of the uncertainties related to the COVID-19 virus which are impacting global markets, it was not aware of any relevant event that caused such day's increased trading of CBFIs, and that such movement was considered to be due to market conditions. Based on the procedures established by FIBRA Macquarie in compliance with applicable regulations, it was not aware of any members of its technical committee or relevant officers, having been involved in such movements.
- On March 13, 2020, the Trustee issued a public release announcing that it was not aware of any relevant event that caused such day's increased trading of CBFIs, and that such movement was considered to be due to market conditions. Based on the procedures established by FIBRA Macquarie in compliance with applicable regulations, it was not aware of any members of its technical committee or relevant officers, having been involved in such movements. Finally, it announced that on March 12, 2020, FIBRA Macquarie repurchased 74,544 CBFIs at an average price of Ps.23.27 per certificate as part of its buyback program.
- On March 4, 2020, the Trustee issued a public release announcing that it was not aware of any relevant event that caused such day's increased trading of CBFIs, and that such movement was considered to be due to market conditions. Based on the procedures established by FIBRA Macquarie in compliance with applicable regulations, it was not aware of any members of its technical committee or relevant officers, having been involved in such movements. FIBRA Macquarie did not repurchase CBFIs on such day as part of its buyback program.
- On March 4, 2020, the Trustee issued a public release announcing that on such date it will allocate 74.5% of the Ps. 0.4550 per CBFI as taxable income for the cash Distribution previously announced on January 30, 2019 for the period from October 1, 2019 to December 31, 2019. The Distribution was paid in cash on March 11, 2020.
- On January 30, 2020, the Trustee issued a public release announcing FIBRA Macquarie's supplementary information for the quarter and the year ended on December 31, 2019.
- On January 30, 2020, the Trustee issued a public release announcing FIBRA Macquarie's results and operations for the quarter and the year ended on December 31, 2019.
- On January 20, 2020, the Trustee issued a public release announcing that on such date it will allocate 100% of the Ps. 0.4550 per CBFI as taxable income for the cash Distribution previously announced on October 24, 2019 for the period from July 1 to September 30, 2019. The Distribution was paid in cash on January 24, 2020.
- On January 15, 2020, the Trustee issued a public release announcing the execution of a lease for the first phase of its recently completed industrial development in Ciudad Juárez, Chihuahua.
- On January 9, 2020, the Trustee issued a public release announcing that FIBRA Macquarie would host an earnings conference call and webcast presentation on January 31, 2020, during which management will discuss FIBRA Macquarie's financial results from the fourth quarter of 2019, which would be released on January 30, 2020 after the close of market.

xiv. Judicial, Administrative or Arbitration Processes

There are no judgments or relevant administrative procedures that may have a significant impact on the Trust.

To date, the Trust is not in any of the circumstances set out in Articles 9 and 10 of the Bankruptcy Act, and has not declared itself, does not plan to declare itself, and has not been declared bankrupt (*en concurso mercantil*). As far as we are reasonably aware, there is no relevant litigation that may have a significant impact on our portfolio.

c) Risk Factors

An investment in our CBFIs involves a high degree of risk. In addition to other information in this Annual Report, you should carefully consider the following risks before investing in our CBFIs. The occurrence of any of the following risks could materially and adversely affect our financial performance. As a result, the trading price of our CBFIs may decline, and you may lose part or all of your investment.

i. Risks Related to Our Business and the Mexican Real Estate Industry

Our financial performance and the value of our real estate assets are subject to general economic conditions and risks associated with such assets.

Real estate investments are subject to various risks and fluctuations and cycles in demand and value, many of which are beyond our control. If our real estate assets do not generate sufficient income to meet operating expenses, including debt service, management and property administration fees and capital expenditures, then our financial performance will be materially and adversely affected. In addition, there are significant expenditures associated with an investment in real estate assets (such as debt payments, real estate taxes and maintenance costs) that generally do not decline when adverse business, economic or other circumstances reduce rental income. Income from and the value of our real estate assets may be adversely affected by:

- weakening of global, Mexican or local economic conditions, including as a result of the current global economic uncertainty;
- reduction in the level of attractiveness of our properties to potential tenants;
- changes in supply of or demand for similar or competing properties;
- greater-than-expected tenant turnover;
- vacancies or our inability to rent space on favorable terms;
- inability to collect rents from tenants, including as a result of financial difficulties or lease defaults by our tenants;
- increase in interest rates or reduction in the availability of financing on attractive terms, which may render the purchase or sale of properties difficult or unattractive;
- increases in operating costs and expenses without an ability to increase rents so as to offset such increases;
- our inability to attract and maintain well-known anchor tenants at our retail properties;
- competition faced by our retail properties from other shopping centers or other types of retail stores and other retail channels, such as e-commerce;
- negative perception by consumers regarding the convenience and attractiveness of our retail properties;
- increase in costs of compliance with governmental regulations, including due to changes in tax, environmental and zoning laws;
- an inability to provide or arrange adequate property maintenance;
- increases in crime and violence which affect consumer traffic in areas where our retail properties are located;
- increases in the cost or reduction in the availability of insurance;
- unanticipated increases in costs associated with known or unknown adverse environmental conditions; and
- general overbuilding or excess supply in the market.

Our operating results may also be affected by adverse economic developments which may result in an economic slow-down in Mexico as a whole or in the local markets where our properties may be located, including the following:

- poor economic conditions may result in tenant defaults under leases;
- re-leasing may require concessions or reduced rental rates under new leases due to reduced demand or increased supply; and
- constricted access to credit may result in tenant defaults, non-renewals under leases or inability of potential buyers to acquire properties for sale.

In addition, to the extent we purchase real estate assets in an unstable market, we are subject to the risk that if the real estate market ceases to attract the same level of demand, or the number of companies seeking to acquire real estate assets decreases, our rental income may be adversely affected or the value of our investments may not appreciate or may decrease significantly. The length and severity of any economic slow-down or downturn cannot be predicted, and our financial performance could be materially and adversely affected to the extent that an economic slow-down or downturn is prolonged or becomes severe.

Actions by our competitors may decrease, or prevent increases in, the occupancy and rental rates of our properties or may affect our ability to grow our portfolio.

We compete with other owners, operators and developers of real estate properties in Mexico, some of which own properties similar to ours in markets in which our properties are located. In recent years, the real estate sector in Mexico has become more institutionalized, including the entry into the market of additional FIBRAs and other real estate companies. As a result, we may increasingly find ourselves in competition with large institutions that have greater resources than we do. Some of our competitors may have greater financial resources than we do and may be able or willing to accept more risk than we are. In the future, competition from these entities may reduce the number of suitable investment opportunities available to us or increase the bargaining power of property owners seeking to sell. With respect to our retail properties in particular, the opening of new shopping centers near our shopping center properties may require unplanned investments and may hinder our ability to renew our store leases or to lease them to new tenants. Depending on available resources, our competitors may have more flexibility than we do in their ability to offer rental concessions to attract tenants. If our competitors offer space at rental rates below current market rates or below the rental rates, we charge our tenants, we may lose tenants, and we may be pressured to reduce our rental rates in order to retain tenants. In addition, some competing properties may be newer, better located or otherwise more attractive than ours. As a result, our financial performance could be materially and adversely affected.

A significant portion of our properties have leases that expire within the next few years, and we may be unable to renew leases, or we may only be able to renew leases at rental rates that are less than the rental rates in expiring leases.

The properties in our industrial portfolio are approximately 94.3% occupied and in our retail portfolio are approximately 91.4% occupied, in terms of GLA, as of December 31, 2020. As of December 31, 2020, the weighted average remaining lease term for our industrial and retail properties based on Annualized Base Rent was 3.4 and 3.6 years, respectively. As of December 31, 2020, approximately 4.4% of our industrial leases and 4.0% of our retail leases, in terms of Annualized Base Rent, were scheduled to expire by December 31, 2021. In addition, tenants with leases that have expired but continue to occupy space and make rental payments to us on a month-to-month basis represent 3.2% of the occupied industrial properties and 13.0% of the occupied retail properties, based on Annualized Base Rent as of December 31, 2020. We cannot assure you that our leases will be renewed, or that we will be able to find tenants for vacated space at rates equal to or above our existing rental rates, in a timely manner or at all, or that substantial rent abatements, tenant improvements, early termination rights or tenant-favorable renewal options will not need to be offered to attract new tenants or retain existing tenants. Moreover, our retail properties compete over a limited amount of demand in Mexico for retail real estate, and we cannot assure you that there will be sufficient tenants interested in occupying an anchor store or other leasable space in our shopping center properties, and if we are unable to lease or continue to lease space to an attractive anchor tenant, the attractiveness of the respective shopping center, as a whole, would decline, with respect to other potential tenants. In addition, in 2020 we acquired two plots of undeveloped land and we intend to acquire undeveloped or partially occupied properties in the future as part of our growth strategy. We cannot assure you that we will be able to lease any such unoccupied or undeveloped space on favorable terms or at all. To the extent that our properties, or portions of our properties, remain vacant for extended periods of time, we may receive reduced or no revenue from such properties. Furthermore, the sale value of a property could be diminished because the market value of a particular property depends significantly upon the value of the leases of such property.

Our financial performance depends upon our ability to maintain and increase occupancy at our properties, while also maintaining or increasing rental rates. Various factors, including competitive pricing pressure in our markets, may cause our rental rates that we charge tenants to decline, and our ability to maintain our current rental rates or increase those rates in the future may be limited. Rental rates for expiring leases may be higher than those we are able to charge for new leases and we may also be required to offer greater concessions than we have previously. Accordingly, we cannot assure you that our properties will be re-leased at rental rates equal to or above our existing rental rates or that substantial rent abatements, tenant improvements, early termination rights or tenant-favorable renewal options will not be offered to attract new tenants or retain existing tenants. If we are unable to obtain sufficient rental rates across our portfolio, our financial performance would be adversely affected.

We may be required to make significant capital expenditures to improve or maintain our properties in order to retain and attract tenants, causing a decline in our financial performance.

We may be required to make rent or other concessions to tenants, accommodate requests for renovations, build-to-suit remodeling or other improvements, make repairs or fund or provide additional services in order to retain tenants whose leases expire and to attract new tenants in sufficient numbers and maintain our properties in a reasonable state of repair. As a result, we may have to make significant capital or other expenditures in order to retain tenants whose leases expire and to attract new tenants in sufficient numbers. Additionally, we may need to raise debt or equity financing to make such expenditures, which may not be available on favorable terms, or at all. If we are unable to make required expenditures, we may not be able to retain tenants upon expiration of leases or attract new tenants, which would adversely affect our financial performance.

Our inability to collect rents from tenants on time or at all may negatively impact our financial performance.

Substantially all of our income is derived from our property leases. Therefore, our financial performance materially depends on our ability to lease space in our properties on economically favorable terms which in turn is affected by the financial stability of our tenants, any of which may experience a change in their business at any time. Tenants may become or continue to be delinquent in their rental payments, delay lease commencements, and decline to extend or renew a lease upon its expiration or on terms favorable to us, or exercise early termination rights, if available. The financial condition and results of operations of our retail tenants in particular are substantially linked to our retail tenants' sales, which are in turn dependent on various factors related to consumer spending and other factors that affect consumer income, including prevailing economic conditions in Mexico and in the specific markets in which our shopping centers are located. A reduction in the customer flow to our shopping centers as a result of any of these factors, or as a result of increased competition in the proximity of our shopping centers or from online retailers, could result in a decline in sales volumes, which could adversely impact the capacity of our retail tenants to pay rent. For the year ended December 31, 2020, 0.2% of retail revenues from our wholly-owned retail properties were comprised of variable components (based on tenant sales). We address tenant delinquencies on a case-by-case basis. However, if a number of our tenants are unable to make their rental payments to us on time or at all and otherwise fail to meet their lease obligations, our financial performance would be adversely affected. In addition, the bankruptcy (*concurso mercantil*), liquidation or insolvency of our tenants may adversely affect the income produced by our properties. Although most of our leases are partially or fully secured by guarantees, letters of credit or security bonds or deposits, liquidation or tenant bankruptcy (*concurso mercantil*) could result in the termination of the tenant's lease, which could affect our financial performance. Any liquidation or bankruptcy (*concurso mercantil*) or bankruptcy filings by our tenants could also impede or eliminate our ability to collect past due balances and future rent payments.

We may be unable to timely evict a tenant upon termination of our leases.

Historically in Mexico, leasing laws have generally favored the tenant. Under the civil codes of all of the states of Mexico in which our properties are located, notice is required for eviction at the end of a lease. However, if despite the landlord's notice, a tenant remains in possession of the leased property after the termination of the respective lease agreement, there are no self-help remedies afforded to the landlord under the applicable civil codes of the states of Mexico in which our properties are located, and the landlord would have to initiate a legal proceeding before a Mexican court in the jurisdiction in which the leased property is located. A trial and enforcement in Mexico of a final resolution for termination of a lease agreement, eviction of property and collection of rents may be a costly and time-consuming process which may take up to several years. Our inability to evict our tenants in a timely manner and substitute them with new tenants would adversely affect our financial performance.

Real estate investments are not as liquid as other types of assets, which may reduce returns to investors.

Real estate investments are not as liquid as other types of investments, and this lack of liquidity may limit our ability to react promptly to changes in economic, market or other conditions. Therefore, our ability at any time to sell assets may be restricted and this lack of liquidity may limit our ability to make changes to our portfolio promptly, which could materially and adversely affect our financial performance. In addition, FIBRA regulations may limit our ability to sell properties when we would otherwise choose to do so, due to market conditions or changes in our strategic plan.

While our business objectives consist primarily of acquiring and deriving operating income from real estate assets, we expect that at times we will deem it appropriate or desirable to sell or otherwise dispose of certain of our real estate assets. Our ability to dispose of real estate assets on advantageous terms depends on factors beyond our control, including competition from other sellers, demand from potential buyers and the availability of attractive financing for potential buyers. We cannot predict the various market conditions affecting real estate investments which will exist at any particular time in the future. Due to the uncertainty of market conditions which may affect the future disposition of our real estate assets, we cannot assure you that we will be able to sell our real estate assets at a profit in the future. Accordingly, the extent to which we will realize potential appreciation on our real estate investments will be dependent upon fluctuating real estate market conditions. Furthermore, we may be required to make expenditures to correct defects or to make improvements before a property can be sold, and we cannot assure you that we will have funds available to correct such defects or to make such improvements or that doing so will not have an adverse impact on the profitability of the dispositions. We have made customary, but limited representations and warranties to the purchasers of our disposed assets and we expect to do so with respect to future dispositions. Although the representations and warranties survive only for specified periods, and are subject to specified deductibles or thresholds and caps, as applicable, we may in the future be subject to claims under the applicable indemnity, which could adversely affect the profitability of the disposition.

Our portfolio is concentrated in the industrial real estate sector, particularly in the automotive sector, and our business would be adversely affected by an economic downturn in that sector.

As of December 31, 2020, 86.7% of our portfolio, in terms of GLA, and 81.5% of our portfolio, in terms of Annualized Base Rent, was made up of industrial properties. This concentration may expose us to the risk of economic downturns in the Mexican industrial real estate sector to a greater extent than if our properties were more diversified across other sectors of the real estate industry. As of December 31, 2020, our ten largest industrial tenants represented 21.2% of industrial leased area and 25.8% of industrial Annualized Base Rent.

In addition, leases to tenants in the automotive industry represent approximately 36.1% of our total leased area and 37.2% of our Annualized Base Rent for our industrial properties as of December 31, 2020. To the extent governments in various regions erect or intensify barriers to imports or implement currency policy that advantages local exporters selling into the global marketplace, there may be a significant negative impact on our tenants particularly in the automotive industry.

In addition, the automotive industry is subject to risks that could result in downturns which could adversely affect our tenants who are involved in this industry, including as a result of fluctuations in global oil prices or any economic deterioration in the United States. If our tenants in this industry are unable to withstand such a downturn, they may fail to meet their lease obligations, seek rental concessions or be unable to enter into new leases. In such event, if we are unable to re-lease these spaces to tenants on favorable terms, our financial performance would be materially and adversely affected.

Events or occurrences that affect areas in which our real estate assets are geographically concentrated may impact our financial performance.

In addition to regional, national and international economic conditions, our operating performance is impacted by the economic conditions of the specific markets in which we have concentrations of real estate assets. The following states accounted for the following percentages of our industrial GLA as of December 31, 2020: Nuevo Leon (19.0%), Chihuahua (19.6%); and Tamaulipas (15.6%). The following states accounted for the following percentages of our retail GLA as of December 31, 2020: Estado de Mexico (61.8%); Mexico City (7.7%); and Nuevo Leon (8.1%). As a result of the geographic concentration of properties in these states, we are particularly exposed to potential downturns in these local economies, other changes in local real estate market conditions, social instability (such as crime) and natural disasters that occur in those areas (such as hurricanes, floods, earthquakes and other events). In particular, Chihuahua and Tamaulipas have, in recent years, experienced high levels of violent crime, which could adversely affect our tenants, our financial performance and the value of our properties. In the event of adverse economic or other changes in these states, our financial performance may be materially and adversely affected.

Our retail properties depend on anchor tenants or other major tenants to attract shoppers and could be adversely affected by the loss of, or a store closure by, one or more of these tenants.

Our retail shopping center properties are typically anchored by large, nationally recognized tenants. At any time, our retail tenants may experience a downturn in their business that may weaken significantly their financial condition. As a result, our retail tenants, including anchor or other major tenants, may fail to comply with their contractual obligations to us, seek concessions in order to continue operations or declare insolvency or bankruptcy, any of which could result in the termination of such tenants' leases and the loss of rental income attributable to the terminated leases. In addition, certain of our retail tenants may cease operations while continuing to pay rent, which could decrease customer traffic, thereby decreasing sales for our other tenants at the applicable retail property. In addition to these potential effects of a business downturn, mergers or consolidations among large retail establishments could result in the closure of existing stores or duplicate or geographically overlapping store locations. Moreover, our retail properties are subject to significant tenant concentration, with the largest retail tenant, Wal-Mart and associated stores, representing 24.3% of our retail leased area and 17.5% of our retail Annualized Base Rent as of December 31, 2020.

Loss of, or a store closure by, an anchor tenant or other major retail tenant could significantly reduce our occupancy level or the rent we receive from our retail properties, and we may not have the right to re-lease vacated space or we may be unable to re-lease vacated space at attractive rents or at all. Moreover, in the event of a default by an anchor tenant or other major retail tenant, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties. The occurrence of any of the situations described above, particularly if it involves an anchor tenant with leases in multiple locations, could adversely affect our financial performance.

Our retail properties are subject to risks that affect the general retail environment, such as weakness in the economy, the level of consumer spending, the adverse financial condition of large retailing companies and competition from discount and internet retailers.

Historically, the retail sector has been susceptible to periods of economic slowdown, which generally lead to a decrease in consumer spending. The success of our retail properties depends on several factors that relate to consumer spending and/or affect consumer income, including prevailing economic conditions, general business conditions, interest rates, inflation, availability of consumer credit, taxation, consumer confidence in future economic conditions, demographic and population trends, employment levels and wages.

Our financial performance can be affected by the sales volume of our retail tenants and on their ability to create a flow of consumers in our shopping centers, which is dependent on external factors such as national, regional and local economic conditions, consumer spending and consumer confidence, the financial condition of anchor tenants and other large retail companies, the opening of other shopping centers that compete with our shopping centers, the closing of stores in our shopping centers or a decline in the activities of the stores in our shopping centers. Our retail properties also face competition from retailers, discount retailers, outlet malls, internet retailers and other online businesses. Increases in consumer spending via the internet may significantly affect our retail tenants' ability to generate sales in their stores. New and enhanced technologies, including new digital technologies and new web services technologies, may increase competition for certain of our retail tenants. Any of the foregoing factors could reduce consumer traffic to our shopping centers, which could adversely affect the financial condition of our retail tenants, the level of demand for retail space, the willingness of retailers to lease space in our shopping centers, and the relative popularity of our shopping center properties. In turn, these conditions could negatively affect market rents for retail space and could adversely affect our financial performance.

In addition, our ability to increase our revenue and operating income depends in part on steady growth in demand for the products and services offered by our tenants in our shopping centers. A decrease in demand, whether as a result of changes in consumer preferences, reduction of purchasing power or slowdown in the regional, national or global economy could result in a reduction of tenant revenue and, consequently, adversely affect our financial performance.

The retail sector is highly dependent on consumer preferences, which are subject to change, and we may not be able to anticipate and effectively respond to any such changes.

The retail sector is highly dependent on consumer preferences, which are subject to change, and we may not be able to anticipate and respond to any such changes. Changes in consumer preferences, the appearance of shopping centers and retail formats, including physical stores as well as e-commerce, and the construction of a growing number of shopping centers have contributed to ongoing changes and developments in the retail sector. Competition for consumer loyalty and differentiation are tightly connected to the measures taken to renew and develop these retail and shopping center formats. These projects include growing marketing expenditure, selection and modification of the store mix, parking spaces, increasingly complex architectural designs, expanding the number of leisure and service activities and other amenities. Any such changes in consumer preferences, spending patterns and prevailing trends in shopping center formats could reduce traffic at our retail properties, or require us to make significant expenditures in order to improve our properties to make them more attractive to tenants and customers. We cannot assure you that we will be able to anticipate and effectively respond to such trends and developments, and if we fail to do so, our financial performance may be adversely affected.

The occurrence of crime, violence or accidents at our retail properties may have an adverse effect on us.

Because shopping centers are public places and have a large flow of consumers, they are exposed to a variety of incidents, such as crime, theft, robbery, vandalism, violence and accidents, which may occur on or near the premises of our shopping centers, and which may also harm our customers and visitors. For example, in January 2017, several of our retail shopping centers were affected by looting related to gasoline price increases. In addition, Mexico is currently experiencing high levels of narcotic and gang-related violence. Any of these incidents are beyond our control or our ability to prevent. If any of these incidents were to occur, the relevant property could face material damage to its image, and the shopping center's traffic could be reduced due to lack of confidence in the premises' safety, which would affect the respective tenants' volume of sales and the shopping center's results of operations, as well as the attractiveness of our shopping centers to potential tenants. In addition, although we maintain civil liability insurance, we may be exposed to civil liability and be required to indemnify any harmed or damaged visitors, which could result in an adverse impact on our financial performance.

We depend on the availability of public utilities and services, especially for water and electricity, and any reduction or interruption, or increase or volatility in the costs of these services may adversely affect us.

Public utilities, especially those that provide water and electricity, are fundamental for the sound operation of our properties. Any material interruption or increase or volatility in the cost of these services could result in an increase in our costs and potential defaults in the lease agreements with our tenants. Accordingly, any interruption in the provision of these essential services may adversely affect our financial performance. Importantly, in 2020, energy prices in Mexico increased considerably and the continued increase of such costs may impact the attractiveness of our retail and industrial properties.

Contingent or unknown defects or liabilities could adversely affect our financial condition.

Our investment trusts have assumed certain existing defects or liabilities of the real estate properties, some of which may be unknown or unquantifiable at the time of acquisition or as of the date hereof. Unknown defects or deficiencies might include title defects, title disputes, liens, servitudes or other encumbrances. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions beyond the scope of our environmental insurance coverage, claims of tenants, sellers or other persons, unpaid tax liabilities and accrued but unpaid liabilities, whether incurred in the ordinary course of business or otherwise.

Although we performed due diligence in connection with these property acquisitions by our investment trusts, these reviews did not always include certain procedures designed to detect unknown liabilities including, without limitation, reviews of title chain documents and operational permits. We are subject to the risk that we assumed or will assume, as part of our property acquisitions, existing unknown defects or liabilities with respect to these properties, which were not detected during the diligence procedures.

In addition, we or our investment trusts may in the future acquire properties, subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities. As a result, if a liability were asserted against us based on ownership of any of these properties, we may have to pay substantial amounts to defend or settle the claim. If the magnitude of such unknown defects or liabilities is high, individually or in the aggregate, our financial performance would be materially and adversely affected.

The sellers of the properties that we have acquired made customary, but limited representations and warranties.

The sellers of the properties that we have acquired made customary, but limited representations and warranties to us regarding these properties, which survive only for specified periods, and have agreed to indemnify us for breaches of such representations subject to specified deductibles or thresholds and caps, as applicable. Because many liabilities, including environmental liabilities, may not be identified within the applicable representation and warranty survival period, or may exceed the caps and limits set forth in the relevant purchase agreements, we may have no or insufficient recourse against the sellers for these liabilities. Additionally, the sellers of the properties that we have acquired and, to the extent applicable, any guarantors or joint and several obligors (*obligados solidarios*) under the relevant acquisition agreements, may have limited assets from which we may recover.

Certain of our investment trusts have liabilities secured by security interests on all of their assets and we have unsecured credit facilities with full recourse against our entire Trust Estate, and therefore our assets and our financial performance could be adversely affected if we are unable to make required payments on our debt.

We and our investment trusts have approximately US$818.7 million in aggregate principal outstanding as of December 31, 2020. Each credit facility contains significant financial covenants, including covenants requiring maintenance of certain limits on debt service coverage and leverage ratios. Under certain of these credit facilities, lenders are the beneficiaries of liens or other security interests over the properties that comprise our portfolio, and the cash flows deriving therefrom, which are, as the case may be, pledged or otherwise encumbered as collateral (including through security trusts). In other cases, the loan facilities are not secured by a specific group of assets, and therefore in the event of non-compliance or a breach of the terms thereunder, the lender will have recourse against our entire Trust Estate.

Accordingly, we are subject to risks normally associated with debt financing, including the risk that our cash flows will be insufficient to meet required payments of principal and interest and that our vulnerability to adverse economic and industry conditions increases. Furthermore, higher indebtedness also exacerbates the other risks to which we are exposed, such as fluctuations in interest rates, deteriorations in market conditions or deteriorations in tenants' ability to pay rent. We cannot assure you that we will be able to refinance any maturing indebtedness, that such refinancing would be on terms as favorable or more favorable as the terms of the maturing indebtedness or that we will be able to otherwise obtain funds by selling assets or raising equity to make required payments on maturing indebtedness.

If our investment trusts are unable to make debt service payments as required, creditors could foreclose on the assets securing their credit facilities or in the case of unsecured facilities, present claims against the Trust Estate as a whole. A default on this indebtedness could therefore cause us to lose part or all of our investments. During any continued event of default under these credit facilities, we will be limited or prohibited from receiving any of the cash flows deriving from our properties. We expect that we or our investment trusts will incur additional indebtedness in the future, whether secured, unsecured, fixed-rate or variable-rate, to finance additional acquisitions, which will increase our total indebtedness. Any additional secured indebtedness may include, or any non-compliance may give rise to, collateral pledges, security interests or other liens or encumbrances over the assets of our fund, which security interests may be senior to the rights of our CBFI holders.

Unsecured credit facilities present specific risks, including the risk that in the event of default, the creditors may seek enforcement of their claims against the entirety of the Trust Estate. If enforced, the claims could cause the loss of part or all of the assets held by the Trust.

Moreover, we may agree to additional, and more restrictive, financial covenants with respect to credit facilities entered into in connection with future indebtedness. In addition, if (i) we violate covenants in our credit agreements, our investment trusts could be required to repay all or a portion of our indebtedness before the scheduled maturity date, at a time when we might be unable to arrange financing for such repayment or to arrange it on attractive terms or at all; and (ii) our Trust may be responsible for the entire payment of unsecured facilities and under certain cases, may also be responsible for the entire payment of certain of our or our investment trusts' financings in certain cases, including where our investment trusts misapply the proceeds from their credit facilities in violation of their obligations under their credit facilities, refuse their lenders access to the collateral under the facilities, initiate voluntary bankruptcy (*concurso mercantil*), dissolution or liquidation proceedings, commit acts in bad faith, fraud or misconduct or if their representations and warranties under their credit facilities are intentionally false and result in material adverse consequences.

Statutory leverage restrictions may adversely affect our ability to incur additional indebtedness.

CNBV Regulations were amended on December 2020 in order to set forth that the leverage limit and a minimum debt service coverage ratio applicable to FIBRAs shall be those approved by the Holders' Meeting. However, the limits set forth in our Trust Agreement (which currently provide for a leverage limit of 50% and a debt service coverage ratio of 1.0x) will remain applicable to FIBRA Macquarie as long as the Holders' Meeting does not approve otherwise. We are currently in compliance with those limits. However, these restrictions could prevent us from incurring additional indebtedness in the future, which may restrict our operational flexibility and our ability to grow our business, through acquisitions or otherwise, by means of debt financing. Moreover, if we are unable to increase debt under these regulations, we may seek to issue Additional CBFIs which would dilute our existing investors. Furthermore, these restrictions cannot be waived by our Technical Committee and if we were to breach them, the Manager would be required to submit to the Holders Meeting a detailed report of any failure by us to comply with the statutory leverage limit and minimum debt service coverage ratio, as well as a corrective plan which will set forth the measures to be taken to return to the established limits. Such report and corrective plan would require the approval of the majority of the independent members of our Technical Committee, which must be obtained no later than 20 business days after our failure to comply with the limits is disclosed to the public. Finally, should FIBRA Macquarie exceed the current limits set forth in the Trust Agreement, we would be unable to incur in further indebtedness (except for refinancing transactions intended to extend the maturity of the Trust's indebtedness which are documented by the Technical Committee) until we return to such limits as provided above.

Insurance on our properties may not adequately cover all losses and uninsured losses could materially and adversely affect us.

Generally, our tenants will be responsible for the costs of insurance coverage for the properties we lease to them, including for casualty, liability, fire, floods, earthquakes, extended coverage and rental or business interruption loss. We purchase the insurance ourselves and our tenants are required to reimburse us for insurance premiums. However, there are certain risks, including losses from terrorism, that are not generally insured against, or that are not generally fully insured against, because it is not deemed economically feasible or prudent to do so. In addition, changes in the cost or availability of insurance could expose us to uninsured casualty losses. Under certain circumstances insurance proceeds may not be sufficient to restore our economic position with respect to an affected property and we could be materially and adversely affected. Furthermore, we do not have any insurance designated to limit any losses that we may incur as a result of known or unknown environmental conditions which are not caused by an insured event.

Environmentally hazardous conditions may adversely affect our financial performance.

We are subject to extensive environmental regulations under Mexican law, governing matters such as ecological planning, environmental risk and impact assessment, air pollution, natural protected areas, flora and fauna protection, conservation of natural resources, and soil pollution, among others. Mexican federal, state and local authorities, such as Mexico's Federal Ministry of Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales*), the Federal Attorney General's Office for the Protection of the Environment (*Procuraduría Federal de Protección al Ambiente*), the National Water Commission (*Comisión Nacional del Agua*) and Mexican state and municipal governments, have the authority to bring civil, administrative and criminal proceedings against companies that breach Environmental Laws or cause environmental damages and may suspend a non-complying property development. In addition, under applicable Mexican federal Environmental Laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. These laws impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous or toxic substances.

Although our leases generally require our tenants to operate in compliance with all applicable laws and to indemnify us against any environmental liabilities arising from a tenant's activities on the property, we could be subject to strict liability by virtue of our ownership interest. We cannot be certain that our tenants will satisfy their indemnification obligations, if any, under our leases. Furthermore, the discovery of contamination or violations of Environmental Laws on any of our properties could lead to significant remediation costs or fines, penalties, or other liabilities or obligations attributable to the tenant of the property. Such liabilities or obligations may affect a tenant's ability to make payments to us, including rental payments and, where applicable, indemnification payments.

Additionally, under the Federal Law on Environmental Liability (*Ley Federal de Responsabilidad Ambiental*), authorities or non-governmental organizations could start actions claiming reparation of environmental damages or its compensation (including substantial fines). Regulations have been issued regarding the national registry of emissions (*registro de emisiones*). These regulations set forth reporting obligations for direct and indirect emissions of greenhouse gases.

Some of our properties or properties that we or our investment trusts may acquire in the future contain, or may contain, underground storage tanks for the storage of hazardous or toxic substances or transformers which contain PCBs (polychlorinated biphenyls). Some of our current or future properties are or may be adjacent to or near other properties that have contained or currently contain underground storage tanks used to store hazardous or toxic substances. In addition, certain of our current or future properties are or may be on or are adjacent to or near other properties upon which others, including former owners or tenants of our properties, have engaged, or may in the future engage, in activities that may release hazardous or toxic substances. All of these operations create a potential for the release or mitigation of hazardous or toxic substances or may cause us to incur testing or remediation costs that we may not be able to recover (in whole or in part).

Although we have conducted, in connection with past acquisitions, and plan to continue to conduct, in the context of future acquisitions, environmental assessments with respect to our properties, including "Phase 1" environmental assessments and regulatory compliance assessments with respect to tenants, these assessments are limited in scope and thus may fail to detect material environmental conditions, liabilities or compliance concerns. In particular, as a result of differences between United States and Mexican Environmental Laws, the environmental assessments conducted in Mexico may not be as extensive and may not have the same legal effect as assessments typically conducted in the United States, which may limit the efficacy of these in detecting and mitigating the effect of adverse environmental conditions. From time to time, we or our investment trusts may acquire properties, or interests in properties, with known adverse environmental conditions where we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk-adjusted return. Further, in connection with property dispositions we may agree to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties. In either case, we may be materially incorrect in our assessment of the level of environmental risk or damages, which may entail substantial costs to us.

Moreover, we anticipate that the regulation of our business operations under Mexican federal, state and local Environmental Laws and regulations will increase and become more stringent over time. Mexico enacted the General Law on Climate Change (*Ley General de Cambio Climático*) and its Regulations on the National Registry of Emissions (*Reglamento de la Ley General de Cambio Climático en Materia del Registro Nacional de Emisiones*). Such regulations may impose additional environmental obligations on some of our tenants, which may impact their financial performance and adversely affect their ability to pay rent under their respective leases. In addition, Mexico enacted legislation that allows class action lawsuits related to environmental liabilities. Under such legislation, we may be subject to class action lawsuits that may impact our financial condition, or that may otherwise have a material adverse effect on us or our properties.

The Federal Law on Environmental Liability (*Ley Federal de Responsabilidad Ambiental*), which entered into force in July 2013, expanded environmental liability to include parties having indirectly, through actions or omissions, caused environmental damages. This law sets forth a legal action to claim the reparation of environmental damages or, when reparation/remediation is not possible, its compensation, which will be in addition to any applicable administrative, civil or criminal penalties that may apply. Additionally, the entities and individuals authorized to initiate legal actions requesting repair of damages caused to the environment in general (even if such damages do not affect such parties real or personal properties) was broadened to include all residents of communities adjacent to or affected by damages to the environment, private not for-profit entities and non-governmental organizations having an environmental protection purpose or acting on behalf of affected communities and with more than three years of existence, and state and federal prosecutors for environmental protection. Furthermore, the statute of limitations for environmental liability was extended to 12 years. We cannot predict the extent of the impact that the adoption of additional and more stringent Environmental Laws and regulations would have on our financial performance.

Our properties are subject to extensive regulations, including permit, license, zoning, water use and environmental requirements, which may result in significant costs and adversely affect our growth strategy.

Our properties are subject to various local laws and regulatory requirements, including permit and license requirements. Local regulations, including zoning restrictions and municipal or local ordinances, may restrict the use of our properties and may require us or our investment trusts to obtain approval from local authorities with respect to our properties, including prior to acquiring a property or when developing or undertaking renovations of any of these properties. Among other things, these restrictions may relate to the use of water and the discharge of waste water, fire and safety, seismic conditions, asbestos cleanup or hazardous material abatement requirements. We cannot assure you that existing regulatory policies will not adversely affect us or the timing or cost of any future acquisitions, developments or renovations, or that additional regulations will not be adopted that would increase such delays or result in additional costs. Our failure to obtain such permits, licenses and zoning and environmental approvals could have a material adverse effect on our financial performance.

Our growth depends to a significant extent upon future acquisitions of real estate assets, and we may be unable to consummate acquisitions on advantageous terms or acquisitions may not perform as we expect.

Our growth strategy is primarily focused on the acquisition of real estate assets as opportunities arise on favorable terms. Our ability to acquire real estate assets on satisfactory terms is subject to the following risks:

- competition from other potential acquirers may significantly increase the purchase price of a desired property;
- we and our investment trusts may be unable to obtain the necessary debt or equity financing to consummate an acquisition on satisfactory terms or at all; and
- we and our investment trusts may acquire real estate assets that do not perform as expected, and our property administrators may not successfully manage and lease those properties to meet our expectations.

Agreements for the acquisition of real estate assets are typically subject to customary conditions to closing, and we may spend significant time and money on evaluation and negotiation of potential acquisitions that are not consummated. In addition, we may acquire real estate assets without any recourse, or with only limited recourse, for liabilities, whether known or unknown, such as claims for environmental contamination or claims by tenants, sellers or other persons.

Although Macquarie Infrastructure and Real Assets and our Manager's management team have experience in identifying and executing investment opportunities, we cannot assure you that our Manager will be able to identify a sufficient number of appropriate investments for us. If we or our investment trusts cannot complete acquisitions of real estate assets on favorable terms or operate acquired real estate assets to meet our goals or expectations, our financial performance could be materially and adversely affected.

Our growth depends primarily on external sources of capital, which may not be available on favorable terms or at all.

We intend to grow through acquiring real estate assets, which we intend to finance largely through new debt, including drawdowns on our existing revolving credit facility, or equity funding. We may not be in a position to take advantage of attractive investment opportunities for growth if we are unable, due to global economic uncertainty or otherwise, to access capital markets on a timely basis and on favorable terms or at all.

Our access to capital will depend upon several factors over which we have little or no control, including general market conditions and the market's perception of our current and potential future earnings. The availability of financing may be limited in Mexico and the rates and general terms and conditions are often not competitive with those of countries such as the United States. If any general economic instability leads to an inability to borrow at attractive rates or at all, our ability to obtain capital to finance the purchase of real estate assets could be negatively impacted. In addition, present and future financial covenants under our indebtedness may restrict our operational flexibility and our ability to grow our business, through acquisitions or otherwise, by means of debt financing.

If we are unable to obtain capital on terms and conditions that we find acceptable, we likely will have to reduce the number of properties we can purchase, and the levered return on the properties we do purchase may be lower. In addition, our ability to refinance our debt, on acceptable terms or at all, is subject to all of the above factors, and will also be affected by our future financial position, results of operations and cash flows, which additional factors are also subject to significant uncertainties, and therefore we may be unable to refinance our debt, as it matures, on acceptable terms or at all. All of these events would have a material adverse effect on our financial performance.

We may be unable to successfully expand our operations to other real estate sectors or to new geographic markets, which could adversely affect our income from real estate investments in those sectors or markets.

Investments in new real estate sectors may expose us to risks to which we have not historically been exposed, including with respect to our competition, insurance and regulatory regimes and tenant base and behavior. In addition, if the opportunity arises, we may explore acquisitions of properties in new markets inside of Mexico. Each of the risks applicable to our ability to successfully acquire, integrate and operate properties in our current markets may also apply to our ability to successfully acquire, integrate and operate properties in new real estate sectors or geographic markets. For example, we may be required to make considerable expenditures before we achieve any scale in new real estate sectors or geographic markets or generate any significant associated revenues. Our ability to gain entry into and operate successfully in additional asset types or geographic markets is dependent upon a number of factors, including our ability to locate and secure properties in attractive locations, the level of existing and future competition, the availability of additional capital, and favorable market conditions. In addition to these risks, we may not possess the same level of knowledge with respect to market dynamics and conditions of any new real estate sector or geographic market in which we may attempt to expand, which could adversely affect our capacity to expand into and operate in any such real estate sectors or geographic markets. We may be unable to obtain the desired returns on our investments in these new real estate sectors or geographic markets. If we are not successful in expanding into new real estate sectors or geographic markets, our financial performance may be adversely affected.

We may experience a decrease in the fair value of our real estate assets and be forced to recognize impairment charges, which could materially and adversely impact our financial performance.

The value of our real estate assets is recorded initially in our financial statements at fair value in the case of an acquisition accounted for as a business combination, or at the aggregate acquisition costs and related transaction costs in the case of an acquisition accounted for as an asset acquisition. Subsequently our real estate assets are valued pursuant to independent appraisals performed annually. Each such subsequent independent appraisal may determine that there has been a diminution in the fair value of our real estate assets. A diminution in the fair value of our real estate assets could result from several factors that are beyond our control, including market conditions, inability of tenants to make rent payments or early termination of tenant leases.

If subsequent fair value analyses result in a diminution in the fair value of our real estate assets, we would recognize unrealized losses through earnings and write down the fair value of such assets to a new cost basis, based on the fair value of such assets on the date the carrying value exceeds its fair value, reflecting non-cash losses at the time of recognition. Subsequent disposition or sale of such assets could further affect our future losses or gains, as they are based on the difference between the amount of consideration received and the carrying value of such assets at the time of disposition or sale. Any recognition of a fair value decrement may adversely impact our financial performance.

Consideration for future acquisitions may reflect a ‘portfolio premium’. Under IFRS, we are required to record the aggregate value of our real estate properties as the sum of the fair value of the individual properties. As a result, goodwill may be recognized in connection with an acquisition accounted for as a business combination in the event that the total consideration paid for the real estate properties exceeds their fair value. Goodwill recognized on our financial statements is subject to annual impairment testing, which could result in the recognition of impairment charges in our statements of comprehensive income.

We expect to be exposed to risks associated with property development.

Substantially all of the properties in our portfolio are developed properties, however,, we expect that we will continue engage in disciplioned and select development activities, which would subject us to certain risks that are, in most cases, greater than the risk associated with the acquisition of fully developed and operating properties, including, without limitation:

- significant time lag between commencement and stabilization of operations, subjecting us to greater risks due to fluctuations in the general economy, including global, national, regional and local economic downturns;
- the availability and timely receipt of zoning and other regulatory approvals;
- the cost and timely completion of construction (including unanticipated risks beyond our control, such as weather or labor conditions, shortages of materials and construction overruns);
- the availability and pricing of financing on satisfactory terms or at all; and
- the ability to achieve an acceptable level of occupancy and rents upon completion to make the property profitable.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development or redevelopment projects once undertaken, any of which could have an adverse effect on our financial performance.

We cannot assure you that we will be able to, or will choose to, make Distributions to our CBFI holders.

We are not obligated to make Distributions. Distributions will be made at the discretion of our Manager unless inconsistent with our Distribution Policy (in which case the approval of our Technical Committee will be required), and will depend on our earnings, financial condition, cash requirements, covenants in financial arrangements, regulatory obligation to distribute 95% of our Taxable Result, and other factors as may be deemed relevant from time to time. In addition, our Distribution Policy may change from time to time with the approval of our Technical Committee. We define cash available for Distribution as our cash flow from operating activities adjusted for reserves for working capital requirements, Trust expenses, tenant improvements, leasing commissions, capital expenditures, tax payments, financing activities and any other required reserves. All of these variables may significantly increase or decrease cash available for Distribution and are subject to risks and uncertainties beyond our control. Depending on these factors, we may not be able to make Distributions in the future or may elect to change our Distribution, and we cannot assure you that any such Distributions will be made or that they will be consistent with prior Distributions.

In the first quarter of 2015, we began to use AFFO as a basis for determining our cash available for Distribution. We derive AFFO by subtracting from our funds from operations (FFO) normalized capital expenditures (including painting expenses), tenant improvements and leasing commissions, with a proportionate adjustment of items attributable to equity accounted investees. Normalized capital expenditures include recurring capital expenditures required to maintain the long-term value of our fund's properties and their revenue stream, and exclude capital expenditures related to expansions, developments and other one-off items. We believe AFFO more closely aligns with the sustainable cash generation of our portfolio of properties over the long term. AFFO has limitations as an analytical tool, and you should not consider such measure either in isolation or as a substitute for other methods of analyzing our results as reported under IFRS or U.S. GAAP. Because not all companies use identical calculations, the presentation of AFFO may not be comparable to other similarly titled measures of other companies.

We may be unable to control our operating costs, or our expenses may increase, even if our income does not, which would adversely affect our financial performance.

Our operating costs may increase as a result of factors that are beyond our control, including related to increases in (i) insurance costs; (ii) needed maintenance with respect to our properties; (iii) vacancies at our properties; (iv) costs of compliance with governmental regulation, including zoning, environmental and real estate and other tax laws, and related fines and penalties; (v) interest rates; (vi) capital expenditure requirements; and (vii) need for personnel. In addition, we expect our capital expenditures for maintaining our properties to increase from historical trends after initial acquisition of properties.

The expense of owning and operating a property is not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the property. As a result, if revenue declines, we may not be able to reduce our expenses accordingly. Costs associated with real estate investments generally will not be reduced even if a property is not fully occupied or other circumstances cause our revenues to decrease. Therefore, if our operating costs or capital expenditure requirements increase as a result of any of the foregoing factors, our financial performance, including our ability to make Distributions, may be adversely affected.

Certain of our properties may be subject to natural or other disasters, which could cause significant damage to our properties and adversely affect our financial performance.

Certain of our properties are located in areas which are more susceptible to, and could be significantly affected by, natural disasters that could cause significant damage to our properties. In particular, a number of our properties are located in regions that are susceptible to earthquakes and wildfires. Moreover, a number of our properties are also located in regions that are susceptible to droughts and water scarcity, which would lead to unexpected increases in our or our tenants' water supply costs. If we experience a loss, due to such natural disasters or other relevant factors, that is uninsured or which exceeds our insurance policy limits, we could incur significant costs and lose the capital invested in the damaged properties, as well as the anticipated future revenue from those properties, which could adversely affect our financial performance.

Cyber Security Breaches and Identity Theft

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Our and our Manager's information and technology systems, including cloud based systems for reproducing, processing and storing data, may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we and our Manager have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, we may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm our reputation, subject any such entity and their respective affiliates and beneficial owners to legal claims and otherwise affect their business and financial performance.

Increases in interest rates could increase the amount of our debt payments and adversely affect our financial performance.

Historically, Mexico has experienced high real and nominal interest rates. In response to the recession and economic slow-down in Mexico during 2009, the Mexican Central Bank lowered the Mexican Interbank Equilibrium Interest Rate (*Tasa de Interés Interbancaria de Equilibrio*, or "TIIE") to 4.5% to encourage lending and stimulate the economy. As a result, the interest rates on CETES decreased to approximately 4.9% in 2009 and continued decreasing through 2014 when it reached a low of 3.0%. On December 17, 2015, the Central bank changed directions. A day after the U.S. Federal Reserve increased the target range for the federal funds rate in the United States by 25 basis points, the Mexican Central Bank increased the TIIE to 3.25%. and continued increasing interest rates fueled by concerns regarding the volatility of the financial markets. Throughout the second half of 2016 and through 2017, the rate was increased 10 times from 4.25% to 7.00% in order to counteract the inflationary pressure derived from the Peso weakening against the Dollar. During 2018 the Mexican Central Bank increased TIIE from 7.00 to 8.25% driven by inflationary pressures related to market concerns about the policies of the new administration and some legislative initiatives. During 2019 and, the Mexican Central Bank decreased TIIE from 8.25% to 7.00%. During 2020 and up until the date of this annual report, the Mexican Central Bank decreased TIIE from 7.00% to 4.00% as a response to the economic downturn caused by the COVID-19 crisis. Accordingly, if we incur Peso-denominated debt in the future, including under our revolving credit facility, it could be at high interest rates, which may have an adverse effect on our financial performance.

As of December 31, 2020, 100% of our outstanding indebtedness was fixed rate. However, we may in the future incur other indebtedness with variable interest rates, including under our revolving credit facility. If the U.S. Federal Reserve increases the target range for the federal funds rate in the United States and the Mexican Central Bank increases the Mexican Interbank Equilibrium Interest Rate (*Tasa de Interés Interbancaria de Equilibrio, or* TIIE) in Mexico, interest rates of our existing and future indebtedness could increase. Increases in interest rates, if not completely and effectively hedged, may increase interest payments. In addition, if we need to repay existing debt during periods of rising interest rates, we may be required to incur additional indebtedness at higher rates. Interest payments under our and our investment trusts' debt service obligations, reduce our ability to make Distributions, and reduce funds available to, directly or indirectly through our investment trusts, carry out our activities or pursue business opportunities.

Fluctuations in the value of the Mexican Peso against the US Dollar may have an adverse effect on our financial performance.

The Peso is subject to significant fluctuations against the US Dollar. The Mexican Central Bank may from time to time intervene in the foreign exchange market in an attempt to minimize volatility and support an orderly market. The Mexican Central Bank and the Mexican government have also promoted market-based mechanisms for stabilizing foreign exchange rates and providing liquidity to the exchange market, such as using over-the-counter derivatives contracts and publicly-traded futures contracts. We cannot assure you that such measures will achieve their desired effects, and even if they do, it is expected that the Peso will remain subject to significant fluctuations against the US Dollar.

Severe devaluation or depreciation of the Peso may also result in disruption of the international foreign exchange markets. This may limit our ability to transfer or to convert Pesos into US Dollars and other currencies, for example, for the purpose of making timely payments of interest and principal on debt, and may have an adverse effect on our financial performance in future periods by, for example, increasing in Peso terms the amount of our foreign currency-denominated liabilities and the rate of default among our tenants. While the Mexican government does not currently restrict, and for many years has not restricted, the right or ability of Mexican or foreign persons or entities to convert Pesos into US Dollars or to transfer other currencies outside of Mexico, the Mexican government could institute restrictive exchange control policies in the future. The effect of any exchange control measures adopted by the Mexican government on the Mexican economy cannot be predicted.

Approximately 75.5% of the leases in our portfolio, based on Annualized Base Rent as of December 31, 2020, are denominated in US Dollars, including 92.7% of our industrial leases, with the leases on the remainder of our industrial properties and our retail properties denominated in Pesos. Therefore, an appreciation of the Peso against the US Dollar is likely to decrease our income and could adversely affect our financial performance. In addition, an appreciation of the Peso is likely to affect the financial performance of our tenants that manufacture goods in Mexico for exportation. Conversely, we may be adversely affected by a depreciation of the Peso, given that a portion of our revenues are denominated in Pesos and a significant portion of our financial expenses are denominated in US Dollars. In addition, a depreciation of the Peso could also lead to a decrease in consumption across the retail sector in Mexico, which could adversely affect the revenues of our retail tenants, the demand for our shopping center properties or our ability to collect rent from our retail tenants.

Our hedging strategies, if any, may not be successful in mitigating our risks associated with interest rates and foreign exchange rates and could reduce the overall returns on your investment.

In 2016, we entered into interest rate swaps to hedge against the risk of interest rate fluctuations with respect to the term loan under our credit facility and we may enter into additional hedges in the future. We may use derivative financial instruments to provide a level of protection against interest rate and foreign exchange rate fluctuation risks, but no hedging strategy can protect us completely. Hedging instruments involve risks, such as the risk that the counterparties may fail to honor their obligations under these arrangements and that these arrangements may not be effective in reducing our exposure to interest rate and foreign exchange rate fluctuations. In addition, the nature and timing of hedging transactions may influence the effectiveness of our hedging strategies. Poorly designed strategies or improperly executed transactions could instead have the effect of increasing our risk and losses. Moreover, hedging strategies involve transaction and other costs. We cannot assure you that our hedging strategy and the derivatives that we use will adequately offset the risk of interest rate and foreign exchange rate volatility or that our hedging transactions will not result in losses that may adversely affect our financial performance.

We may incur losses with respect to our US Dollar-denominated leases.

Although approximately 75.5% of the leases in our portfolio were denominated in US Dollars based on Annualized Base Rent as of December 31, 2020, we may not be able to receive payments of amounts owed to us by our obligors in US Dollars because, under the Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), obligations to make payments in a foreign currency, whether by agreement or upon enforcement of a judgment, may be discharged in Pesos at the exchange rate for Pesos prevailing at the time and place of payment or judgment as determined by the Mexican Central Bank and published in the Mexican Official Gazette on the date of the payment. Accordingly, pursuant to the Mexican Monetary Law, we may be forced to accept payments for US Dollar-denominated obligations in Pesos.

We are dependent on third parties to manage the industrial parks in which certain of our industrial properties are located.

As of December 31, 2020, 211 of our industrial properties are located in industrial parks that are administered by third party industrial park administrators. Industrial park administrators are generally responsible for common area maintenance and the provision of communal services, such as public lightning and security. As third-parties external to us, the incentives of the industrial park administrators may at times conflict or not be wholly aligned with our interests or those of our tenants. We do not control the operation of these industrial park administrators. Accordingly, the value and operations of certain of our industrial properties may be adversely affected by the administration of the industrial parks where these properties are located.

Mexican authorities may exercise eminent domain proceedings over any of our properties pursuant to the Mexican Federal Law of Eminent Domain (Ley Federal de Extinción de Dominio Reglamentaria del Artículo

22 de la Constitución Política de los Estados Unidos Mexicanos).

Mexico's federal government has the authority to seize private property located in Mexico that is employed to commit a felony related to organized crime, drug distribution, kidnapping, car theft, human trafficking or illicit enrichment. If any of our properties are used to commit any such felonies and the Mexican federal government were to exercise its right of eminent domain and seize any such properties, we may lose all or a portion of our investment in such property. The seizure of any of our properties could adversely affect our financial performance. We cannot guarantee that the relevant authorities will not exercise this power of eminent domain over one or more of the properties that comprise our portfolio. The seizure of any of our properties could adversely affect our expected performance and, consequently, funds flow available to make Distributions to holders of our CBFIs.

We are required to comply with the Mexican Law for the Prevention and Identification of Transactions with Proceeds of Criminal Activities.

Mexico's Law for the Prevention and Identification of Transactions with Proceeds of Criminal Activities (*Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita*, or the "anti-money laundering statute") came into effect on July 17, 2013. Regulations issued pursuant to the anti-money laundering statute came into effect on September 1, 2013 (collectively with the anti-money laundering statute, the "anti-money laundering law"). Under the anti-money laundering law, we are required to submit to the Ministry of Finance certain notices by the 17th day of each month following any month during which we engage in (i) real estate construction or development services, or act as intermediaries in the transfer of property or real estate rights related to sales or purchases of real estate, on behalf of customers for whom we perform such services, when such services relating to one customer exceed 8,025 times the applicable UMA, or (ii) the creation of personal rights to use and enjoyment of real property, when such activities relating to one customer in any month exceed 3,210 times the applicable UMA (such services are subject to the anti-money laundering law when monthly services for one customer in any month equal or exceed 1,605 times the applicable UMA) (collectively, the "subject activities"). In addition, under the anti-money laundering law, we must compile and retain information about customers with whom we enter into subject activities, and we must appoint a representative to the relevant financial authorities in order to comply with our obligations under the anti-money laundering law. If we fail to comply with the obligations imposed by the anti-money laundering law, we may be liable to sanctions, including fines, which could have a material adverse effect on our financial performance.

It may be difficult for us to pursue claims in Mexico and to enforce our rights under certain judgments or arbitration awards.

We may have difficulty in successfully pursuing claims in Mexico, as compared to in the United States. Further, to the extent that we obtain a judgment but are required to seek its enforcement in the Mexican courts, we cannot assure you that such courts will enforce the judgment. There are numerous and detailed requirements to enforce in Mexico final judgments against Mexican or foreign entities or individuals obtained by us outside Mexico, making it difficult to enforce such judgments. Additionally, we may have difficulty enforcing arbitration awards in Mexico because they must be validated in Mexican courts, must comply with certain minimum requirements and are sometimes subject to challenges. Furthermore, litigation in the courts of Mexico is often a lengthy and expensive process due to various defenses and motions particular to the Mexican judicial system.

In the ordinary course of our business, we may be subject to litigation from time to time.

In the ordinary course of our business, we may be subject to litigation from time to time. We may also be exposed to litigation resulting from the activities of our tenants or their customers or in connection with our property acquisition, disposition and development activities. The outcome of any such proceedings may materially adversely affect us and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of our Manager's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. The acquisition, ownership and disposition of real property will expose us to certain risks which could result in losses, some of which may be material. Litigation may be commenced with respect to a property we have acquired in relation to activities that took place prior to our acquisition of such property. The commencement of any such litigation, or an adverse result in any litigation that may be pending from time to time, could have a material adverse effect on our business, financial condition and results of operations.

ii. Risks Related to our Organizational Structure, our Manager and our Property Administrators

We are dependent upon our Manager to manage our business and implement our growth strategy, and to supervise property administrators in order to manage and maintain our properties.

Substantially all personnel and services that we require are provided to us by our Manager, our Internal Property Administrator and our external property administrators. Our ability to achieve our business objectives depends on our Manager and its ability to manage our fund, identify and complete new acquisitions for us, execute our financing strategy and effectively supervise the activities of our property administrators. It also depends on our internal and external property administrators' ability to maintain our properties and administer our leases with tenants, among other day-to-day property administration activities associated with our properties. Accordingly, our business is dependent upon our Manager's business contacts, ability to successfully hire, train, supervise and manage its personnel and supervise our property administrators and its ability to implement our strategies. If we lose the services provided by our Manager, our internal or external property administrators or their key personnel, our business and financial performance may be adversely affected.

We may be unable to duplicate the quality and depth of management available to us by internalizing our property administration activities, or by hiring other managers or property administrators. Also, in the event our Manager or external property administrators are unwilling or unable to continue to provide services to us, our cost of obtaining substitute services may be greater than the fees we pay our Manager and external property administrators under the then current arrangements, and as a result our expenses may increase.

In addition, members of our Manager and our internal and external property administrators' senior management teams have outside business interests, including ownership and, in some cases, management responsibilities related to certain properties and entities separate from us and our activities, which may place competing demands on their time. The presence of outside business interests may present a conflict in that they could interfere with the ability of the members of our Manager's and our internal and external property administrators' senior management teams to devote time and attention to our business and affairs and, as a result, our business could be adversely affected.

Our property administration agreements with CBRE are ongoing and may be terminated by either party upon reasonable notice and our property administration agreements with Frisa expire in March 2024 but automatically renew for successive five year period, subject in each case to certain termination rights. We cannot assure you that we will be able to renew or replace our external property administrators, or that our Internal Property Administrator will provide for satisfactory property administration. If we are unable to renew or replace our external property administrators with property administrators that perform satisfactory services on acceptable terms, our financial performance could be adversely affected.

We are not able to control the day-to-day operations, controls and systems of our external property administrators and any other third-party service providers, and thus any failure on the part of these parties to maintain adequate and effective controls and systems could adversely affect our financial reporting.

Our Management Agreement was not negotiated on an arm's-length basis, and therefore its terms may not be as favorable to us as they would have been if negotiated with unrelated third parties.

Our Management Agreement was negotiated between related parties and the terms, including the fees payable to our Manager, termination and other provisions may not be as favorable to us as they would have been if negotiated on an arm's-length basis between unrelated parties. In addition, we may choose not to enforce, or to enforce less vigorously, our rights under this agreement because of our desire to maintain our ongoing relationship with our Manager, its senior management team, and members of our Technical Committee, given our relationships with them as related parties. Moreover, our relationship with our Manager is difficult and costly to terminate. Our CBFI holders may terminate our Management Agreement with our Manager with or without cause, in each case at an extraordinary holders meeting (which, to be duly convened, requires holders representing more than 50% of our outstanding CBFIs, excluding CBFIs held by our Manager or any of its affiliates, to be present) with the favorable vote of the holders representing more than 50% of the CBFIs present and entitled to vote in such meeting, excluding CBFIs held by the Manager or any of its affiliates. However, unless our Manager is dismissed with cause (defined as fraud, gross negligence (where such gross negligence has a material adverse effect) or willful misconduct of our Manager, in each case as determined by a final and non-appealable judgment issued by a court of competent jurisdiction), our Manager will, for a period of ten years, become an advisor of our fund in respect of certain matters described in our Trust Agreement, without investment or operational discretion in respect of our fund or the authority to instruct our Trustee, and will be entitled, in its capacity as an advisor, to an advisory fee calculated from the date of the Manager's removal in the same manner as the base management fee and the performance fee under the Management Agreement.

We may be adversely affected by the removal or substitution of our Manager.

Under our Trust Agreement and our Management Agreement, our Manager may only be substituted under certain circumstances which, in certain cases, require a resolution from our CBFI holders. Notwithstanding, we cannot assure you that an event giving rise to the substitution of our Manager will not occur. Managing our Trust requires a high level of expertise and we cannot assure you that it will be possible to hire a replacement with the requisite competency in order to comply with the object and purpose of our fund on terms substantially similar to those set forth in our Management Agreement or at all. In addition, we cannot assure you that a replacement manager would have sufficient asset management experience comparable to our Manager's, or a national and international reputation or capacity to carry out its duties as substitute manager. Therefore, the removal or substitution of our Manager could have a material adverse effect on our fund, our investment trusts, and our financial performance.

The removal, resignation or substitution of our Manager may also trigger acceleration events or other contractual rights or obligations under agreements to which our fund or our investment trusts are a party. For example, contractual counterparties such as lenders may require that our financing agreements include conditions such as the ongoing involvement of Macquarie Group in our fund and may require that the removal or resignation of our Manager or substitution of our Manager with a non-Macquarie Group entity trigger events of default giving rise to acceleration of loan repayments, or other contractual rights or obligations. In addition, co-investment arrangements which we or our investment trusts may enter into with a syndicate, consortia or other co-investors (which co-investors may include Macquarie Group entities or Macquarie Group-managed vehicles or investments), may also be conditioned on the ongoing involvement of Macquarie Group in our fund, and may require that the removal or resignation of our Manager or substitution of our Manager with a non-Macquarie Group entity trigger rights of first offer or first refusal, tag-along, drag-along or similar rights on behalf of the co-investors (which rights may be exercisable by co-investors that are Macquarie Group entities or Macquarie Group-managed vehicles or investments in priority to other co-investors). The consequences of any of these or other contractual events, rights or obligations that may be triggered by the removal or resignation of our Manager or substitution of our Manager with a non-Macquarie entity could adversely affect our financial performance.

We are subject to conflicts of interest by virtue of our relationship with Macquarie Group, which conflicts could result in decisions that are not in the best interests of our CBFI holders.

We are externally managed by our Manager, which is a corporation within Macquarie Infrastructure and Real Assets, a business within Macquarie Asset Management. Macquarie Infrastructure and Real Assets is part of a global provider of banking, financial, advisory, investment and funds management services, engaging in a broad spectrum of activities in the ordinary course of its business, including through its activities as a lender to third-party borrowers or as an advisor or fund manager to third-party investors, or otherwise, where its interests or the interests of third parties, such as clients or investments, may come into conflict with the interests of our fund or the holders of our CBFIs. Although four of the five members of our Technical Committee are currently independent members, the non-independent member is an affiliate of our Manager. We cannot assure you that any potential conflict of interests that may arise due to our Manager's relationship with Macquarie Infrastructure and Real Assets or Macquarie Group will not be resolved in a manner more advantageous to Macquarie Infrastructure and Real Assets or Macquarie Group and less advantageous to us and holders of our CBFIs.

In addition, in the course of its investment banking and/or advisory business, Macquarie Group may represent potential purchasers, sellers and other involved parties with respect to businesses which may be suitable for investment by our fund. In such a case, the client may require Macquarie Group to act exclusively on its behalf, thereby precluding our fund from acquiring or investing in such business. Macquarie Group will be under no obligation to decline such engagements in order to make the investment opportunity available to us. In connection with its advisory business, Macquarie Group may come into possession of information that limits its and our ability to engage in potential transactions. Our activities may be constrained as a result of our Manager's ability to use such information. In certain sale assignments, the seller may permit our fund to act as a buyer or investor, which would raise certain conflicts of interest inherent in such a situation. Macquarie Group has long-term relationships with a significant number of corporations and their senior management. In addition, Macquarie Group advises and provides investment banking, debt and equity capital market and other services to a large number of institutional clients, including leveraged buy-out and other private equity funds with investment objectives similar to or the same as those of our fund and strategic buyers, both of which may be in a position to compete with our fund for an investment opportunity. Moreover, Macquarie Asset Management, an operating group within Macquarie Group, manages private equity and hedge fund-of-funds, and as a result Macquarie Group maintains a number of relationships across the alternative asset class, including with potential buyers and sellers in real estate transactions. In determining whether to pursue a particular transaction on behalf of our fund, these relationships will be considered by Macquarie Group, and there may be certain potential transactions which will not be pursued on behalf of our fund in view of such relationships. For example, when Macquarie Group represents a buyer seeking to acquire a particular real estate asset, we may be precluded from investing in that business. Although our Management Agreement grants us a priority with respect to investment opportunities that fall within our investment objective and comply with our investment restrictions, this priority is only in respect to opportunities sourced by Macquarie Infrastructure and Real Assets itself, which will be offered to us in priority to other Macquarie Infrastructure and Real Assets-managed funds, and does not apply to opportunities sourced by other entities within Macquarie Group, and therefore, investment opportunities that are favorable to us may be allocated to other entities within Macquarie Group. We cannot assure you that all potentially suitable investment opportunities which come to the attention of Macquarie Group will be made available to us.

In addition, we may co-invest with clients or potential clients of Macquarie Group, Macquarie Group-managed or sponsored vehicles and/or separately managed accounts in particular investment opportunities and the relationship with such clients, funds, vehicles or accounts could influence the decisions made by our Manager, the Technical Committee and/or the personnel responsible for these co-investments.

Our Manager has significant influence over our activities and over our operational, financing and investments policies, and, with limited exceptions, may act without our CBFI holders' approval.

Our Manager, in its capacity as manager of our fund and as a result of its ability to appoint members of our Technical Committee, will have significant influence over our activities, and may use this influence in a manner that is not in the best interests of us or holders of our CBFIs. Our fund relies on our Manager to conduct and manage our affairs and, with limited exceptions, our Manager may act without approval of our CBFI holders. Moreover, our Technical Committee has only limited rights to review and approve our Manager's decisions with respect to the operations of our Trust.

Our Manager determines, to a significant extent, our operational, financing and investment decisions and may impact our Trust's and our investment trusts' compliance with applicable Mexican federal income tax regulations, acquisitions, dispositions, growth strategies, operations, indebtedness, capitalization and Distributions. Such actions could adversely affect our financial condition and results of operations.

Macquarie Group or related parties of our Manager may be creditors or acquire indebtedness of our fund, and the interests of these creditors may not coincide with the interests of our fund.

Macquarie Group entities or certain related parties of our Manager may be creditors or acquire indebtedness of our fund, and the interests of these creditors may not coincide with the interests of our fund. For example, in connection with certain of our acquisitions, we entered into secured VAT facilities with Macquarie Bank Limited, which have been repaid. Even though Macquarie Bank Limited is an affiliate of our Manager, its interests will not necessarily be aligned with the interests of our fund and with the interests of holders of our CBFIs.

Our Manager and our external property administrators and their respective affiliates, including their senior management teams, face conflicts of interest with us, which could result in actions that are not in the best interest of us or our CBFI holders.

Our fund is externally managed by our Manager, and our retail properties are externally administered by our external property administrators. Therefore, as third-parties external to us, the incentives of our Manager and our external property administrators may at times conflict or not be wholly aligned with the best interests of our fund.

The fees paid by us to our Manager and our external property administrators could influence their decisions with respect to our activities. Among other matters, these compensation arrangements could affect our Manager and its affiliates' judgment with respect to future acquisitions, or our external property administrators' judgment with respect to tenant leases. The fees our Manager and our external property administrators receive in connection with transactions involving the acquisition and management of our assets and the administration of our properties and our tenant leases are not necessarily based on the long-term quality of the investment or lease or the quality of the services rendered to us. Furthermore, certain of our Manager's and our external property administrators' fees are performance based, and this method of compensation could encourage acquisitions, lease arrangements, contracting of services or other transactions or activities related to our fund or our properties in which we overpay or take on undue risk.

In addition, our external property administrators and their affiliates may have other operations in Mexico and we cannot assure you that such external property administrators will not favor other properties owned or administered by them or their affiliates over the properties administered for us. Moreover, our external property administrators may face certain conflicts of interest in their role as property administrator by virtue of the fact that these external property administrators may be, in the future, affiliates of the sellers from which we purchase the respective properties being administered by them. In addition, our external property administrators may be, in the future, affiliates of the lenders under certain of our indebtedness, and therefore these external property administrators' interests may not, in the future, be aligned with those of our fund in the event of a default. Our external property administrators may be, in the future, incentivized to take actions that would maximize the benefits to their affiliates, as the sellers in connection with our property acquisition agreements, under certain post-closing purchase price adjustments, earn-outs or contingencies, and minimize any applicable indemnity obligations on the part of these sellers, in each case under the purchase agreements pursuant to which our investment trusts might acquire such properties. These and any other conflicts of interest that our external property administrators may face may incentivize them to take actions in their role as property administrators that have adverse consequences on us, and our properties, which may adversely affect our financial performance.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on joint venture partners' financial condition and disputes between us and our joint venture partners.

In connection with the acquisition of the Frisa JV Properties, we have completed a joint venture investment with Frisa, whereby nine properties are held by two investment trusts in which we own a 50% interest, with Frisa holding the remaining 50% interest. Of these properties, three are located in the Mexico City Metropolitan Area, two in Cancun, two in Tuxtepec, one in Guadalajara and one in Monterrey. These properties have total GLA of 196,354 square meters (comprising approximately 46.2% of our total retail GLA) and are 88.7% occupied, in each case as of December 31, 2020. In addition, we may co-invest in other properties with third parties or related parties, through partnerships, joint ventures or other structures, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. In the context of such joint venture investments, we are not in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity. Investments through partnerships, joint ventures, or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that joint venture partners might become bankrupt, fail to fund their share of required capital contributions, make poor business decisions or block or delay necessary decisions, including decisions to distribute available cash to the joint venture parties. Joint venture partners may have economic or other business interests or goals which are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor our joint venture partners would have full control over the partnership or joint venture. Disputes between us and our joint venture partners may result in a deadlock or in litigation or arbitration that would increase our expenses and prevent the members of our management team from focusing their time and effort on our business. Consequently, action by, or disputes with, our joint venture partners might result in subjecting the properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances, including, in certain cases, under the FRISA JV Properties' debt facilities, be liable for the actions of our joint venture partners.

As a result of being a Mexican trust with securities registered with the Mexican National Securities Registry, we are subject to financial reporting and other requirements for which our financial and accounting systems, procedures and controls may not be adequately prepared.

As a Mexican trust with securities registered with the Mexican National Securities Registry, we incur significant legal, accounting and other expenses, including costs associated with public entity reporting requirements and corporate governance requirements, including requirements under the Mexican Securities Market Law Internal Rules (*Reglamento Interior de la Bolsa Mexicana de Valores*) and the General Provisions Applicable to Securities Issuers and other Participants of the Securities Market (*Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a otros Participantes del Mercado de Valores*). If we fail to implement proper business controls, our results of operations could be affected, or we could fail to meet our reporting obligations. In addition, if we identify significant deficiencies or material weaknesses in our internal control over financial reporting that we cannot remediate in a timely manner, we could become subject to delisting from the Mexican Stock Exchange, an investigation by the CNBV and civil or criminal sanctions. Our Manager may be required to devote significant time and incur significant expense to remediate any significant deficiencies or material weaknesses that may be discovered and may not be able to remediate any significant deficiency or material weakness in a timely manner. Deficiencies, including any material weaknesses, in our internal control over financial reporting which may occur in the future could result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet reporting obligations and cause our investors or the market to lose confidence in our reported financial information, all of which could materially adversely affect our reputation and our financial performance.

Our Trust is an issuing trust, not a security trust.

Our Trust is not a security trust created pursuant to an agreement whereby our CBFI holders acquire rights to receive dividend payments on our CBFIs with the net proceeds that, from time to time, constitute our Trust Estate, but rather an issuing trust. Therefore, the recovery of our CBFI holders' investment is subject to the receipt by our Trustee of sufficient funds from investments in real estate assets, made directly or through our investment trusts.

The assets of our fund may be used to pay indemnities.

Our Trustee may use the funds contained in our Trust Accounts in order to indemnify and hold harmless our Manager and its affiliates, each of its shareholders, employees, advisers (including persons that are not members of the Board of Directors, the Technical Committee, or Audit Committee), employees, temporary personnel, members, directors and agents, and all of the affiliates of the foregoing; our Trustee any of its employees, advisers, agents or fiduciaries; each person that is or has been a member of our Technical Committee; and any other person designated by our Manager as a covered person that provides services to our fund, among others. These indemnities could also apply to reimbursements of costs expenses incurred with respect to a claim. If our Trustee uses our fund's assets to pay indemnities, the resources available to pay Distributions would be reduced and thereby Distributions would be negatively affected.

iii. Risks Related to Mexico

Unfavorable political, economic, legal and regulatory risks in Mexico may adversely affect our financial performance.

The results of our operations are dependent on economic conditions in Mexico. The last global financial crisis had significant adverse consequences on the Mexican economy, which in 2009 contracted by 4.7% in terms of GDP. Moreover, in the past, Mexico has experienced prolonged periods of economic crises, caused by internal and external factors. Those periods have been characterized by economic contraction, exchange rate instability, high inflation, high domestic interest rates, a reduction of international capital flows, a reduction of liquidity in the banking sector, high unemployment rates and social instability. As a result, our financial performance may be affected by developments in Mexico, including in respect of COVID-19, over which we have no control. Decreases in the growth rate of the Mexican economy or in the local economies where our properties are located, periods of negative growth or increases in inflation or interest rates may result in lower demand for our properties. Because a large percentage of our costs and expenses are fixed, we may not be able to reduce costs and expenses upon the occurrence of any of these events, and our profit margins may suffer as a result. We cannot assure you that economic conditions in Mexico will not worsen, or that those conditions will not have an adverse effect on our financial performance.

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy.

The Mexican federal government has exercised, and continues to exercise, significant influence over the Mexican economy. Accordingly, Mexican federal governmental actions and policies concerning the economy, state-owned enterprises and state controlled, funded or influenced financial institutions could have a significant impact on private sector entities in general and on us in particular, and on market conditions, prices and returns on Mexican securities. The Mexican federal government occasionally makes significant changes in policies and regulations, and may do so again in the future. Actions to control inflation and other regulations and policies have involved, among other measures, increases in interest rates, changes in tax policies, price controls, currency devaluations, capital controls and limits on imports. Tax legislation, in particular, in Mexico is subject to continuous change and we cannot assure you whether the Mexican government may maintain existing political, social, economic or other policies, or whether changes may have a material adverse effect on our financial performance.

The Mexican government could introduce significant changes in the laws, policies and regulations, which could affect the economic and political environment of Mexico. The last presidential elections took place in July 2018. The president of Mexico has a strong influence in determining the politics and actions of the government with regards to the Mexican economy, and the new administration could significantly change the laws, policies and regulations in Mexico, which could have a significant adverse effect in the business of the Trust, its financial results and the market price of our CBFIs. We cannot assure you that political developments in Mexico will not have an adverse effect on our financial performance.

The relevant political situation in Mexico

The Manager cannot accurately predict whether or when any changes in Mexican governmental and economic policy may positively or adversely affect the Trust's operations. The Mexican presidential elections of 2018 resulted in an administration change effective as of December 1, 2018. The current Mexican Federal administration was elected by a significant majority of the electorate and the coalition *Juntos Haremos Historia* gained control of both chambers of the Federal Congress, which gives *Morena* (the party of Andrés Manuel López Obrador) considerable power to enact, modify or terminate legislation, including constitutional amendments. Members of the current administration, including president Andrés Manuel López Obrador, have expressed, among other things, their desire to modify and/or terminate certain structural reforms. Some relevant changes in public policy and legislation sponsored by the new administration have already been enacted and/or implemented and some are under way. There cannot be any assurance in the predictions of how the current administration will be conducted and any measure adopted by such current administration could have uncertain results and negative impacts. Additionally, other events and changes, and any political and economic instability that may arise in Mexico, may impact the future performance of the Trust. The extent of such impact cannot be accurately predicted. There is no guarantee that the Mexican political environment will continue its relative stability in the future. The Manager and its Affiliates cannot assure that political developments in Mexico will not have an adverse effect on the Trust´s financial performance.

Mexico is experiencing high levels of criminal activity, which could affect the economy and our financial performance.

Mexican drug-related violence and other organized crime have escalated significantly since 2006, when the Mexican federal government began increasing the use of the army and police to fight drug trafficking. Drug cartels have carried out attacks largely directed at competing drug cartels and law enforcement agents, however they also target companies and their employees, including companies' industrial properties, through extortion, theft from trucks or industrial sites, kidnapping and other forms of crime and violence. This increase in violence and criminal activity has led to increased costs for companies in the form of stolen products and added security and insurance. Increases in criminal activity in areas where our shopping centers are located could also lead to a perception that these areas are unsafe, which could decrease customer traffic, thereby adversely impacting our retail tenants' operations, as well as the attractiveness of our retail properties to potential tenants.

As of December 31, 2020, approximately 35.2% of our industrial properties, in terms of GLA, are located in Chihuahua and Tamaulipas, which are among the Mexican states most affected by drug cartel activity. The level of drug cartel activity or risk of criminal activity in particular states may change over time and, as a result, a higher percentage of our properties may be located in areas considered to exhibit high or medium to high risk of drug cartel or criminal activity. These activities, their possible escalation and the violence associated with them, over which we have no control, may have a negative impact on the business environment in locations in which we operate, including the operations of our tenants and in particular customer traffic at our shopping centers, and therefore may adversely affect our financial performance.

Inflation in the U.S. and Mexico may have an adverse effect on our financial performance.

Mexico historically has experienced high levels of inflation. High inflation rates can adversely affect our financial performance. The annual rate of inflation published by the Mexican Central Bank was 4.8% for 2018, 2.83% for 2019 and 3.15% for 2020. If Mexico again experiences high inflation in the future, we may not be able to adjust the rents we charge our tenants to offset its effects on our operations.

Most of our leases contain contractual increases in rent at rates that are either fixed or tied to inflation (based on the U.S. Consumer Price Index if the rental payments are denominated in US Dollars or based on the official Mexican Consumer Price Index if the rental payments are denominated in Pesos). As of December 31, 2020, approximately 75.5% of the leases in our portfolio, based on Annualized Base Rent, are denominated in US Dollars, including 92.7% of our industrial leases, with the leases on the remainder of our industrial properties and our retail properties denominated in Pesos. Therefore, certain inflation adjustments to our income may not correspond with actual inflation with respect to our operating expenses, the majority of which are expected to be denominated in Pesos. Additionally, increases in the rental rates for our assets are annualized and therefore rent adjustments for inflation may not take effect until the following year. Accordingly, adjustments in the rent based on Mexican inflation may be deferred and may not match actual inflation. In addition, our tenants operate in the manufacturing, retail and services sectors Mexico, and therefore an increase in labor or raw material costs in Mexico as a result of inflation could adversely affect our tenant's financial performance and consequently their ability to pay rent, which, in turn, could adversely affect our financial performance.

Developments in other countries may adversely affect the Mexican economy, the market value of our securities and our financial performance.

The Mexican economy and the market value of Mexican companies may be, to varying degrees, affected by economic and market conditions globally, in other emerging market countries and major trading partners, such as China, the rest of Latin America and, in particular, the United States. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to developments in other countries may have an adverse effect on the market value of securities of Mexican issuers or of Mexican assets. In recent years, for example, prices of Mexican debt and equity securities dropped substantially as a result of developments in Russia, Asia, and Brazil. Most recently, the COVID-19 crisis experienced in key external economies contributed to significant fluctuations in the financial markets and economy in Mexico.

The impact of the USMCA is difficult to determine and could be material to the Mexican economy as a whole. The negative effect that the foregoing may have on the Mexican economy could adversely affect the business of the Trust and, as a consequence, reduce the available amounts to pay Distributions under the CBFIs.

Additionally, there is uncertainty in the global markets as a result of United Kingdom's decision to withdraw from European Union, known as "Brexit". It is probable that the United Kingdom's leaving from the European Union will continue to generate a significant impact in the macroeconomic conditions of the United Kingdom, the European Union and the rest of the world. Although the long-term effects of Brexit in the capital markets, currency markets and in the policies and macroeconomic situation are uncertain, a period of instability and volatility in the global markets may continue. As a result, Brexit may have an adverse effect on the political, regulatory, economic or market conditions and contribute to the instability of the global political institutions, regulatory agencies and financial markets, any of which may have an adverse effect in the business of the Trust, its financial results and the market price of our CBFIs.

The development and strengthening of the class action system could have an adverse effect in our business and operation.

Since 2011, the Mexican legal framework allows the execution of class actions with regards to consumer relationships related to goods and services and environmental matters. This could result in class action claims against the Trust by our clients or other market participants (including organizations that seek environmental protections). Given the lack of judicial precedents regarding the interpretation and application of class action laws, we cannot anticipate if a class action will be initiated against us, the result of such claim, and the scope of any liability or impact of such liability on our business, financial results, or the market price of our CBFIs.

The spread of the coronavirus, or COVID-19, underscores certain risks we face, including those discussed in this Annual Report, and the development and fluidity of the situation precludes any prediction as to the ultimate adverse impact to us of COVID-19.

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in Wuhan, China. COVID-19 has since spread to over the world. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to COVID-19. The spread of COVID-19 underscores certain risks we face in our business, including those discussed in this Annual Report.

The global outbreak of COVID-19 has disrupted economic markets and the prolonged economic impact is uncertain. The spread of COVID-19, or actions taken to mitigate this spread, could have material and adverse effects on our ability to operate effectively, including the current complete or partial closure of retail properties and future potential closures, both by tenants and by the government, an impact to customer supply chains and operations impacting their ability to pay rent and/or to request rental concessions, closure of offices affecting the ability of our property administrators to administer our industrial or retail portfolios, among others. Several customers and potential customers of the properties we own operate in industries which could be adversely affected by the disruption to business caused by the global outbreak of the Coronavirus. This could lead to impacts on our business similar to those described above. Many manufacturers of goods in China and other countries in Asia have seen a downturn in production due to the suspension of business and temporary closure of factories in an attempt to curb the spread of the illness. This may lead to a decline in imported goods from these countries, which may negatively impact the business of customers and potential customers of our properties. As the impact of the Coronavirus spreads to other parts of the world, similar impacts may occur with respect to affected countries. Disruptions in public and private infrastructure, including communications, financial services and supply chains, could materially and adversely disrupt our normal business operations.

Since March 12, 2020, we have transitioned a significant subset of our employee population to a remote work environment in an effort to mitigate the spread of COVID-19, as have a number of our third-party service providers, which may exacerbate certain risks to our business, including an increased demand for information technology resources, increased risk of phishing and other cybersecurity attacks, and increased risk of unauthorized dissemination of sensitive personal information or proprietary or confidential information about us or our members or other third-parties.

The outbreak of COVID-19 has severely impacted global economic activity, including the businesses of some of our commercial customers, and caused significant volatility and negative pressure in the financial markets which could impact the price of our CBFIs. The development and fluidity of the situation precludes any prediction as to the ultimate adverse impact to us of COVID-19. We are continuing to monitor the spread of COVID-19 and related risks. The ultimate magnitude and duration of the pandemic and its adverse impact on our business, results of operations, financial position, and cash flows is uncertain..

iv. Risks Related to Taxation

Our failure to maintain our fund, or our investment trusts, in compliance with applicable Mexican federal income tax regulations could have significant adverse consequences.

We intend to comply with applicable FIBRA tax provisions, and for our investment trusts to comply with passive income investment trust provisions and requirements for Mexican federal income tax purposes. Compliance with Mexican federal income tax provisions depends on complex statutory requirements, for which there are only limited judicial and administrative interpretations. Under FIBRA regulations, we are required to distribute, on a yearly basis, an amount equal to at least 95% of our Tax Result in order to maintain our FIBRA status. Even if our fund and our investment trusts do comply with these regulations, maintaining our status as a FIBRA and our investment trusts' status as passive income investment trusts will require us and our investment trusts to continue to satisfy certain tests concerning, among other things, our Distributions, the nature of our assets and the sources and type of our income. We do not have assets other than those that constitute the Trust Estate of our fund and may not be able to maintain our FIBRA status. In addition, given that certain non-cash movements (e.g., foreign exchange variations, and inflation adjustments) may be considered income for Mexican tax purposes and therefore create additional assessable revenue, our Tax Result may exceed our cash available for Distributions, and we may not be able to make sufficient Distributions in the future to maintain our FIBRA status. If we or our investment trusts fail to comply with these requirements, we may, among other things, be required to change the manner in which we conduct our operations, which could adversely affect our financial performance.

To maintain our fund's and our investment trusts' compliance with Mexican federal income tax regulations, we may be forced to forego otherwise attractive opportunities, which may delay or hinder our ability to meet our business objectives and reduce holders of our CBFIs' overall return.

To maintain our and our investment trusts' compliance with Mexican federal income tax regulations, we and our investment trusts must satisfy certain tests on an ongoing basis concerning, among other things, the sources and type of income, nature of our assets and amounts distributed to CBFI holders. We may be required to hold assets at times when it may be more advantageous to sell them, in order to avoid adverse tax consequences. We may also be compelled to make Distributions to holders of our CBFIs at times when it would be more advantageous to reinvest cash in our business. Compliance with the FIBRA requirements may hinder our ability to operate solely on the basis of maximizing profits.

We may be classified as a passive foreign investment company, which could result in adverse United States tax consequences to United States investors.

Based on our financial statements, the projected composition of our income and valuation of our assets, including goodwill, as well as our Internal Property Administrator structure, we do not believe that we will be classified as a passive foreign investment company (a "PFIC") for United States federal income tax purposes for 2019 or the foreseeable future, although there can be no assurance in this regard. Characterization as a PFIC could result in adverse United States federal income tax consequences to you if you are a United States Holder that holds our CBFIs during any taxable year in which we are a PFIC.

The determination of whether or not we are a PFIC is made on an annual basis and will depend on the composition of our income and assets from time to time. Specifically, for any taxable year, we will be classified as a PFIC for United States federal income tax purposes if either (i) 75% or more of our gross income in that taxable year is passive income or (ii) the average percentage of our assets (which includes cash) by value that produce or are held for the production of passive income is at least 50%.

We cannot assure United States Holders that we will not be a PFIC for the current taxable year or any future taxable year. United States Holders are urged to consult with their own tax advisors regarding the U.S. federal income tax considerations discussed above including the desirability of making a QEF or, mark-to-market election.

To ensure compliance with requirements imposed by the Internal Revenue Service, we inform you that any discussion of United States federal income tax matters contained in this Annual Report was not intended or written to be used, and cannot be used, by Holders for the purpose of avoiding penalties that may be imposed on them under federal, state or local tax law.

We may be subject to adverse legislative or regulatory tax changes that could affect us or the value of our CBFIs.

At any time, U.S. federal, state or local, Mexican federal or local, or other non-U.S. tax laws or regulations or the judicial or administrative interpretations of those laws or regulations may be changed. We cannot predict when or if any new U.S. federal, state or local, Mexican federal or local, or other non-U.S. tax law, regulation or judicial interpretation will be adopted, promulgated or may become effective, and any such law, regulation or interpretation may take effect retroactively. We could be adversely affected by any such change in, or any new, tax law, regulation or administrative or judicial interpretation. Additionally, potential future changes in such laws and regulations, especially tax provisions relating to economic activity in general and provisions governing the FIBRA in particular, could adversely affect our financial performance.

The existing tax regime applicable to FIBRAs and the administrative interpretations thereof are evolving.

The existing tax regime applicable to FIBRAs and the administrative interpretations are evolving. Articles 187 and 188 of the LISR, which came into effect beginning January 1, 2004, provide the general tax framework applicable to FIBRAs; such provisions derive from the repealed Mexican Federal Income Tax Law 2002, specifically articles 223 and 224, which have undergone multiple amendments since their enactment. We cannot assure you that the laws and regulations relating to FIBRAs, including criteria and interpretations issued by the Mexican tax authorities providing more specific or different guidance regarding the requirements to qualify as a FIBRA, will not change in a manner that adversely affects our operations. To the extent that the Mexican tax authorities provide more specific guidance regarding, or change, the requirements to qualify as a FIBRA, we may be required to adjust our strategy accordingly. Any additional guidance or changes could provide additional flexibility to us, or it could inhibit our ability to pursue the strategies we have chosen. If we are unable to maintain the compliance of our fund and our investment trusts with the applicable regulations, we could, among other things, be required to change the manner in which we conduct our operations, which could adversely affect our financial performance.

In addition, under Articles 187 and 188 of the LISR, at least 70% of the trust estate of a FIBRA must be invested in real estate properties in Mexico, and the remainder of such trust estate must be invested in securities issued by the Mexican federal government and registered in the Mexican National Securities Registry or in stock issued by debt mutual funds (*fondos de inversion en instrumentos de deuda*). Failure to comply with this regulation may result in the disqualification as a FIBRA for Mexican federal income tax purposes. A few years ago, the Tax Authorities issued regulation allowing FIBRAs to hold assets required for their operation and making clear that monetary assets are allowable, this regulation was just recently repealed and it is unclear at this stage if the Tax Authorities have changed their views in this respect. If we were forced to materially change our business as a result of Mexican federal income tax regulations, or if we are unable to maintain our status as a FIBRA for purposes thereunder, our financial performance could be materially and adversely affected.

Our property taxes could increase due to property tax rate changes or reassessment, which could adversely impact our cash flows.

We are required to pay Mexican municipal taxes on our properties. The real property taxes on our properties may increase as property tax rates change or as the value of our properties are assessed or reassessed by taxing authorities. Therefore, the amount of property taxes we pay in the future may differ substantially from the property taxes that were paid on our properties in the past. If our property taxes increase our financial performance could be adversely affected.

v. Risks Related to our CBFIs

A liquid market for our CBFIs may not be sustained, and fluctuations in our market value could result in a

significant loss on your investment.

Because our CBFIs have not been registered under the Securities Act, they are subject to transfer restrictions in the United States. We do not intend to provide registration rights to holders of our CBFIs and do not intend to file any registration statement with the SEC in connection with of our CBFIs. Our CBFIs are listed on the Mexican Stock Exchange. The Mexican Stock Exchange remains relatively small, illiquid and volatile compared to other major world markets. We cannot assure you that a liquid market for our CBFIs will be sustained or that our CBFIs will not trade below the initial offering price. The market value of our CBFIs could be materially and adversely affected by general market conditions, including the extent to which a secondary market continues to develop for our CBFIs, the extent of investor interest in us, the general reputation of FIBRAs and the attractiveness of CBFIs in comparison to other equity securities (including securities issued by other real estate investment funds, companies or similar vehicles), our financial performance and general securities market conditions. Certain additional factors that could negatively affect, or result in fluctuations in, the price of our CBFIs include:

- actual or anticipated variations in our operating results;
- changes in our operations or earnings estimates or publication of research reports about us or the real estate industry;
- changes in market valuations of similar entities;
- increases in market interest rates, which may lead holders of our CBFIs to demand a higher yield;
- adverse market reaction to our indebtedness terms and levels;
- adverse market reaction to any acquisitions of dispositions we complete in the future;
- additions or departures of key personnel of our Manager, Technical Committee, Audit Committee or Indebtedness Committee;
- speculation in the press or investment community;
- changes in our Distribution or Distribution Policy;
- changes in accounting policies; and
- passage of legislation or other regulatory developments that adversely affect us or our industry.

Future issuances of CBFIs may dilute our CBFI holders and adversely affect the market price of our CBFIs.

We intend to grow in large part through acquisitions, which will require us to raise additional funding. We may attempt to increase our capital resources through future issuances of CBFIs, which may dilute the holdings of our existing holders or reduce the market price of our CBFIs, or both. In addition, pursuant to our Management Agreement, our Manager or its affiliates is required to reinvest any Net Performance Fees in our CBFIs, subject to approval by our CBFI holders, which may dilute the holdings of current investors. Under our Trust Agreement, if we issue new CBFIs, holders of our CBFIs do not have the right to subscribe to a proportional (or any other) number of CBFIs to maintain their existing ownership percentage. Because our decision to issue CBFIs in the future will depend on market conditions and other factors beyond our control and subject to approval by our CBFI holders, we cannot predict or estimate the amount, timing or nature of our future issuances. Thus, holders of our CBFIs bear the risk of our future issuances diluting their interest in our Trust and reducing the market price of our CBFIs.

Our Manager's ability to sell a portion of its CBFIs in us and speculation about such possible sales may adversely affect the market price of our CBFIs.

As of the date of this Annual Report, our Manager, together with its affiliates, holds 4.8% of our outstanding CBFIs. Our Manager is required to invest in and hold, together with its affiliates, for as long as it is the Manager of our fund, an amount of our CBFIs equivalent to Ps. 639.8 million (approximately US$50.0 million at the time of investment), based on the subscription price of the CBFIs acquired. Our Manager, together with its affiliates, is also required to hold, for a minimum of three years following the consummation of our initial global offering, Ps. 275.7 million (approximately US$21.4 million at the time of investment) investment in our CBFIs that it was required to make with the proceeds from the Net Founder's Grant. In addition, our Manager, together with its affiliates, is required to reinvest any Net Performance Fees received within 10 years of our initial global offering in our CBFIs and thereafter hold such CBFIs for at least one year. Although our Manager is required to hold, together with its affiliates, its initial investment in our CBFIs for as long as it is the Manager of our fund, it is permitted to sell CBFIs received in connection with the reinvestment by our Manager or its affiliates of their Net Performance Fees, an amount equal to the Net Founder's Grant or otherwise, after initial lock-up periods as permitted under our Management Agreement. After these lock-up periods, our Manager will be permitted to sell the relevant portion of its CBFIs, and speculation by the press, stock analysts, holders of our CBFIs or others regarding our Manager's intention to dispose of these CBFIs could adversely affect the market price of our CBFIs.

Distributions to holders of our CBFIs will be made in Mexican Pesos.

We will make Distributions to holders of our CBFIs in Mexican Pesos. Any significant fluctuations in the exchange rates between Mexican Pesos to US Dollars or other currencies could have an adverse impact on the US Dollar or other currency equivalent amounts holders of our CBFIs receive from the conversion. In addition, the amount paid by us in Mexican Pesos may not be readily convertible into US Dollars or other currencies. While the Mexican federal government does not currently restrict the ability of Mexican or foreign persons or entities to convert Mexican Pesos into US Dollars or other currencies, the Mexican federal government could institute restrictive exchange control policies in the future. Future fluctuations in exchange rates and the effect of any exchange control measures adopted by the Mexican federal government on the Mexican economy cannot be predicted.

Our CBFI holders do not have preferential rights to subscribe to future issuances of our CBFIs.

If our CBFI holders authorize additional issuances of CBFIs, our CBFI holders do not have *pro rata*, priority or any other preferential rights to subscribe in connection with any such issuance. As a result, the participation held by our CBFI holders in us may be diluted by future issuances.

We are subject to different disclosure standards than those imposed by other countries.

A principal objective of the securities laws of the United States, Mexico, and other countries is to promote full and fair disclosure of all material corporate information. However, there may be less or different publicly available information about foreign issuers of securities than is regularly published by or about U.S. issuers of listed securities. We are subject to financial reporting obligations in respect of the CBFIs to be listed on the Mexican Stock Exchange. Disclosure standards imposed in Mexico, however, may be different than those imposed by other countries, such as the United States. As a result, the level of information that is available about us may not correspond to levels of information to which non-Mexican investors in our CBFIs are accustomed.

The protections afforded to minority holders of our CBFIs in Mexico are different from those in the United States.

Under Mexican law, the protections afforded to minority holders of our CBFIs and the fiduciary duties of members of our Technical Committee are, in some respects, different from those in the United States and certain other jurisdictions. In particular, the Mexican legal regime concerning fiduciary duties of members of our Technical Committee is not as developed as in the United States, and the criteria applied in the United States to ascertain independence is different from the criteria applicable under corresponding Mexican laws and regulations. Furthermore, in Mexico, different procedural requirements exist for bringing security holder lawsuits. As a result, in practice it may be more difficult for minority holders of our CBFIs to enforce their rights against us and members of our Technical Committee or controlling holders of our CBFIs than it would be for security holders of a U.S. company or investors in a U.S. real estate investment fund.

It may be difficult to enforce civil liabilities against us, members of our Technical Committee, our Manager or its directors and officers.

We are a trust formed under the laws of Mexico and substantially all of our assets are located in Mexico. Certain members of our Technical Committee and certain directors and officers of our Manager reside in Mexico and a significant portion of the assets of such persons are located in Mexico. As a result, it may not be possible for you to effect service of process within the United States or in other jurisdictions outside Mexico upon us or such persons or to enforce judgments against us or them in courts of the United States or other jurisdictions outside Mexico. There is doubt as to the enforceability, in original actions in Mexican courts or in actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico, of civil liabilities under the laws of any jurisdiction outside of Mexico, including any judgment predicated solely upon the federal and state securities laws of the United States.

If securities analysts do not continue publishing research or reports about our business or if they downgrade our CBFIs or our sector, the price of our CBFIs could decline.

The trading market for our CBFIs relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrades our CBFIs or our industry, or the stock of any of our competitors, the price of our CBFIs could decline. If one or more of these analysts ceases coverage of us, we could lose attention in the market, which in turn could cause the price of our CBFIs to decline.

Our CBFIs do not require a credit rating.

Because CBFIs are not a debt instrument, our CBFIs do not require a rating of their credit quality published by a qualified security rating agency. Therefore, potential investors should undertake their own analysis of the information provided in this Annual Report, as well as of the risks applicable to us, and should consult with qualified investment advisers with respect to an investment in our CBFIs.

d) Other Securities Issued by the Trust

As of this date, the Trust has not issued any securities other than our CBFIs and has not registered or listed securities other than our CBFIs in the RNV or any other market.

In terms of article 33, 34, 50 and other applicable provisions of the CNBV Regulations, the Trustee has the obligation to deliver the to the BMV and to the CNBV, the financial, economic, accounting, administrative and legal information on a quarterly and annual basis, such as financial statements audited by the External Auditor. In addition to the foregoing, the Trustee has the obligation to periodically disclose any event considered to be a relevant event pursuant to the LMV and the applicable law. Finally, to the best of our knowledge, during the last 3 months all reports required pursuant to Mexican law on relevant events and periodic information have been delivered on a complete and timely manner.

e) Relevant Changes to the Rights of the CBFI Holders

There have not been any relevant or significant amendments to the rights of the CBFI Holders during the period from January 1, 2020 to December 31, 2020.

f) Use of Proceeds

There has not been any global or local follow-on offering during the period from January 1, 2020 to December 31, 2020. There are no funds to be applied from our follow-on global offering dated September 17, 2014. We used the remaining net proceeds from such follow-on global offering to finance the acquisition of our properties (including associated transaction costs and taxes) as well as the refinancing program completed during 2016. See *"The Trust – Business Description – Real Estate Market/Field – Overview"*.

g) Public Documents

We have disclosed the information and documentation required by General Provisions Applicable to Securities Issuers and other Participants of the Securities Market (*Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a otros Participantes del Mercado de Valores*) issued by the CNBV, including this Annual Report, the Trust Agreement, the Management Agreement, financial statements, independent legal opinion and other documentation, which may be found at the website of the CNBV, www.gob.mx/cnbv or the BMV's Information Center, located at Paseo de la Reforma No. 255, Colonia Cuauhtemoc, C.P. 06500, Mexico City or on its website, www.bmv.com.mx.

Investors may obtain a copy of the aforementioned documentation upon written request to the attention of Investor Relations at the offices of the Manager located at Pedregal No. 24, 21st Floor, Col. Molino del Rey, Mexico City, México, 11040, or phone +52 55 9178 7700 or via e-mail at fibramq@macquarie.com.

In addition, investors may obtain a copy of the aforementioned documentation upon written request to the attention of Lic. Jose Roberto Flores or Lic. Alejandra Tapia Jiménez at the offices of the Common Representative located at Paseo de la Reforma 284, 9th Floor, Col. Juárez, C.P. 06600, or phone +52 (55) 5231 0141/ +52 55 5231 0161, or via e-mail at jrfloresc@monex.com.mx / altapia@monex.com.mx.

2. THE TRUST

a) History and Development of the Trust

We are a Mexican trust incorporated in Mexico City pursuant to the Irrevocable Trust Agreement F/1622 dated November 14, 2012, with a maximum term of 50 years, focused on the acquisition, ownership, leasing and management of real estate properties in Mexico. We were established by Macquarie Infrastructure and Real Assets ("Macquarie Infrastructure and Real Assets"), a business within the Macquarie Asset Management division of Macquarie Group. Macquarie Infrastructure and Real Assets is a global alternative asset manager with approximately US$146.5 billion in assets under management as of December 30, 2020 (based on the most recent valuations available) through specialized funds focused on real estate, infrastructure, agriculture and energy assets. We are managed by Macquarie México Real Estate Management, S.A. de C.V., which has a local management team with significant experience in the Mexican real estate sector and provides us access to Macquarie Infrastructure and Real Assets' global capabilities and its highly disciplined, institutional approach to investing and asset management. Our Manager's principal office is located at Pedregal No. 24, 21st Floor, Col. Molino del Rey, Mexico City, México, 11040, Tel. + (52)(55)(9178-7793).

For additional information, see "*General Information – Executive Summary - Overview*", "*General Information – Executive Summary – Our Properties*" and "*The Trust – Trust Estate – Real Estate Assets or Real Estate Development Acquisitions*".

b) Business Description

i. Real Estate Market/Field

Overview

As of December 31, 2020, our portfolio consists of 236 industrial properties and 17 retail properties (9 of which are held through a 50-50 joint venture with Frisa) located in 20 cities across 16 states in Mexico, with approximately 3.2 million square meters of GLA, with no single industrial property representing more than 3.4% of our industrial GLA and no single retail property representing more than 18.8% of retail GLA. As of December 31, 2020, our industrial properties are 94.3% leased, in terms of GLA, to 281 tenants, and our retail properties are 91.4% leased in terms of GLA, to 666 tenants including leading Mexican and multinational companies, with no single industrial tenant accounting for more than 3.8% of industrial Annualized Base Rent and no singe retail tenant accounting for more than 17.5% of retail Annualized Base Rent.

Our portfolio of properties as of December 31, 2020 includes properties acquired and disposed of in 2018, 2019 and 2020 fiscal years.

Following the consummation of these acquisitions, as of December 31, 2020 we have a diversified portfolio as follows:

- Industrial, Retail Focus: Our portfolio consists of 236 industrial real estate properties with 2.8 million square meters of GLA and 17 retail properties with approximately 425 thousand square meters of GLA (including 9 retail properties with approximately 196 thousand square meters of GLA held through a 50-50 joint venture with Frisa).
- Geography: Our properties are located in 20 cities across 16 states in Mexico.
- Tenants: We have 281 industrial tenants (including many leading Mexican and multinational companies and their subsidiaries) operating in more than seven industry sectors, including the automotive, logistics, electronics, logistics, consumer products, medical devices, food and beverage, and aerospace industries, among others; and 666 retail tenants (including Walmart, Cinepolis, OfficeMax and Home Depot).

Despite the challenges brought on by the global pandemic, we believe that we are well-positioned to capitalize on the favorable long-term economic and demographic trends in Mexico notwithstanding certain short-term macroeconomic and geopolitical challenges. According to the International Monetary Fund, Mexico is the second largest economy in Latin America and has been experiencing continued economic growth since the end of the global financial crisis of 2008-2009. We expect that the Mexican economy and manufacturing sector will continue to benefit from long-term demand drivers including economic growth in the United States and the ever more prevalent near-shoring practices, especially in light of the United States Mexico and Canada Agreement (USMCA). The country's manufacturing sector, in particular, has become more competitive globally as a result of Mexico's competitive and stable labor and freight costs, large and growing skilled labor force and geographic proximity to important consumer markets. In addition, Mexico benefits from a growing middle class and young population which is expected to drive an increase in both domestic consumption and its skilled labor force. While the retail environment remains more challenging as a result of the COVID-19 pandemic, we expect the retail real estate sector to benefit over the medium to long term from the country's favorable consumer demand dynamics, characterized by improvements in access to credit and consumer purchasing power. We believe that our portfolio, together with the significant local experience of our Manager's management team and Macquarie Infrastructure and Real Assets' institutional support, will enable us to take advantage of the attractive opportunities in Mexico's real estate market that we expect to result from the country's anticipated continued growth along with other relevant international demand drivers.

We are a real estate investment trust (*fideicomiso de inversión en bienes raíces*), or FIBRA, for Mexican federal income tax purposes. Our real estate assets are held by our investment trusts, which from a tax perspective, qualify as passive income investment trusts that are effectively treated as pass-through entities for Mexican federal income tax purposes.

ii. Patents, Licenses, Trademarks and Other Agreements

FIBRA Macquarie owns the following two trademarks through its Internal Property Administrator:

- MPA as a nominative trademark under registry 1727178, registered under class 37. This trademark is valid until October 25, 2026.
- MPA as a nominative trademark under registry 1730482, registered under class 36. This trademark is valid until on October 25, 2026.

iii. Main Clients

FIBRA Macquarie does not have any dependence with any of its clients.

iv. Governing Law and Tax Treatment

Governing Law

Our Trust Agreement is governed by the laws of Mexico, and any disputes with respect thereto will be resolved by the courts of Mexico City, Mexico.

Tax Treatment

We qualified as a FIBRA for Mexican federal income tax purposes at December 31, 2020. Under Articles 187 and 188 of the LISR and other applicable tax provisions, we are required to distribute an amount equal to at least 95% of our Tax Result to our CBFI holders on a yearly basis. If the Tax Result during any fiscal year is greater than the Distributions made to CBFI holders during the twelve months ended March 15 of such fiscal year, we will be required to pay the corresponding tax at a rate of 30% of such excess. Should, however, such Tax Result exceed such Distributions made to CBFI holders by more than 5%, the Trust may lose its FIBRA status. It is our intention to comply at all times with applicable tax requirements to preserve our FIBRA status.

Our investment trusts qualified as pass-through entities for tax purposes at December 31, 2020.

v. Human Resources

We have no employees other than those performing services for our Internal Property Administrator, which total 73 non-unionized employees as of December 31, 2020. We also rely on the services of our Manager and our external property administrators.

vi. Environmental Development

Sustainable Business Strategy

As a premier owner of industrial and retail real estate assets, our key goal is to create long-term certificate holder value while serving our customers' needs and employing best practices across the environmental efficiency, social responsibility, and corporate governance (ESG) spectrum.

FIBRA Macquarie has a robust ESG commitment fully embedded in our business strategy, which is guided by our Sustainability Committee – composed of Board Members, our executive management, and in-house sustainability experts, and implemented throughout all levels of the organization, from senior leadership to every employee.

Our strong ESG practices and operational strategy create value for our shareholders, provide efficient and healthy buildings for our customers, forge strong partnerships in our communities, and generate a thriving workplace for our employees.

Some of our ESG highlights during 2020 include:

- Achieving a 3-start rating in the Global Real Estate Sustainability Benchmark (GRESB) Assessment, improving our score by 5 points from 2019 to 2020, and ranking 4th in the Americas | Industrial | Listed | Tenant Controlled peer group.
- Improving our S&P Global Corporate Sustainability Assessment (CSA) score in a more competitive field across all CSA dimensions: Governance & Economic, Environmental, and Social. Overall, FIBRA Macquarie improved the most in criteria relating to environmental reporting and environmental management systems, customer and supply chain management, stakeholder engagement, and resource conservation and efficiency.
- Aligning our 2019 Sustainability Report to globally recognized reporting standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). During 2020 we are expanding our reporting initiatives to also integrate an evaluation of climate related risks in alignment with the Task Force on Climate Related Financial Disclosures (TCFD).
- Through our Green Building Certification Program, achieving two LEED Core & Shell certifications and six BOMA Best certifications. Furthermore, our LEED Volume prototype was approved, paving the way to achieve LEED certifications for any new industrial developments.
- Adopting, since the earliest impacts of the COVID-19 pandemic, a series of actions that enabled us to respond to the impacts of COVID-19 proactively and quickly. Ranging from remote work policies and continuous communication with our employees, to WHO-established safety measures in our properties, these actions have allowed us to guarantee the health and safety of our customers, our collaborators, and our employees.

Environmental Responsibility

FIBRA Macquarie is committed to implementing best practices across our portfolio to achieve our sustainability goals and targets. Integral to the success of our program is our Environmental Management System (EMS) which follows a plan, do, check, act cycle aligned with the International Standards Organization (ISO) 14001 Standard. This EMS framework enables us to continually monitor our performance and identify opportunities that align with our overall sustainability strategy and goals, which include:

1. Provide safe and environmentally responsible real estate for our customers
2. Fully comply with applicable environmental laws and regulations throughout our portfolio
3. Minimize our environmental impact by ensuring responsible use of energy and water throughout our business, measuring usage, and setting targets for reduction

4. Maintain and expand our participation and certifications under green building programs such as LEED, EDGE or BOMA Best
5. Assess climate related risks and opportunities throughout our organization
6. Provide ESG disclosures through annual reports and corporate reporting programs

Social Responsibility

The COVID-19 pandemic continues to impact daily life for millions around the globe, with an ever-evolving host of related risks, regulations, and safety recommendations. Our existing ESG program and stakeholder engagement strategies have created a strong framework that enabled us to respond to the impacts of COVID-19 proactively and quickly. We have continually monitored this evolution and adapted our programmatic response to help ensure workplace safety of our employees and our customers in each of our buildings, and business continuity for all our stakeholders. Some of our actions include:

- Customers
  - Our property management team committed substantial resources and implemented numerous hygiene measures, as dictated by the WHO and Mexico's Health Secretary, to ensure the health and safety of our customers in both our retail and industrial assets.
- Employees
  - From the onset of the pandemic, we provided our employees with all available tools and resources to allow them to perform in a virtual setting all while ensuring their physical and mental wellbeing through continuous check-ins with our leadership team, access to professional psychologists and nutritionists, and weekly wellness webinars and newsletters through our "MPA Contigo" program.
- Communities
  - To support the physical and mental integrity of the communities in which we operate, we established care centers for women victims of pandemic-related domestic violence in our retail assets through our "Contingencia Sin Violencia" program.
- Suppliers
  - We implemented our ESG principles for suppliers to help FIBRA Macquarie uphold its core values while fostering long term, transparent and collaborative relationships with suppliers.

Corporate Governance

Our governance framework is structured around a corporate culture of uncompromising ethics and integrity, proactive risk management and Manager Board oversight to ensure continued excellence across our organization. Our uncompromising commitment to good governance at all levels drives corporate responsibility to promote long-term interests of our shareholders. This commitment is driven by the same principles that guide FIBRA Macquarie's business: Opportunity, Accountability, and Integrity.

Some of our corporate governance highlights include:

- Addition of two new members to the Manager Board, Eric Wurtzebach and Brett Robson.
- Expansion of our Cybersecurity Risk/Management Strategy to update systems access protocols and policies, phish threat test and training for employees, new endpoint security platform, and hardening of our IT security policies and new FW and VPN capabilities.
- Supplier Principles to help FIBRA Macquarie uphold its core values with the aim of having supplier relationships that create long term, sustainable value for our clients, shareholders, community, and suppliers.

To learn more about our ESG initiatives please visit https://www.fibramacquarie.com/corporate-responsibility or download our 2019 sustainability report (https://www.fibramacquarie.com/assets/fibra/docs/events-and-presentations/2019/fibra-macquarie-2019-sustainability-report.pdf). An updated 2020 ESG Report is expected to be published during Q2 of 2021. Our Internet website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report.

vii. Market Information

Mexican Real Estate Market Opportunity

The depth and extent of the impact of COVID-19 will have on Mexico and in other key economies remains uncertain. Despite the short-term challenges, we believe Mexico's global competitiveness, favorable demographic profile, geographic location, and robust demand for industrial and retail real estate provides the foundation for ongoing real estate investment opportunities. Mexico's long-term competitive fundamentals in terms of skilled labor and extensive network of trade agreements remain strong in our view. The outlook for GDP growth for 2021 published on 4Q2020 by the Mexican Central Bank was adjusted upwards from 3.3% in the 3Q 2020 report to 4.8% in the current one, while expectations for 2022 were adjusted from 2.6% to 3.3% in the same comparison. The unemployment rate remained largely flat, marginally increasing from 3.4% in December 2019 to 3.6% in December 2020. Mexico continues to benefit from a relatively young population, with over 60% of the population under the age of 35 as of the latest population census in 2020. We maintain a cautiously optimistic long-term outlook as the country faces macroeconomic uncertainty with respect to the impact of COVID-19 on key economies and consumer markets. In addition, on the local political front, there is uncertainty regarding the legislative agenda of the current Mexican presidential administration.

Industrial

We believe that Mexico's manufacturing sector continues to be highly competitive due to relatively low costs combined with high productivity, especially compared to other large emerging economies such as China, India and Brazil. year's

The shift of global production from lowest labor-cost, offshore production strategies to strategies focused on geographic proximity to consumer markets is expected to give Mexican manufacturers a significant advantage over Asian manufacturers in respect of goods sold into the U.S. market, which we believe will continue to drive additional investment in the country. New rules under USMCA set the minimum threshold of North American-produced parts to 75% of each car's value, a 12.5% increase from former NAFTA rules. We are confident that this will provide a strong incentive for the manufacturing industry to relocate production from competing countries to Mexico. We have already observed in our portfolio the renewal of long-term contracts securing activity around some of the country's main plants. Despite improving trends in 2H20, Mexico experienced a 20.2% YoY decline in annual auto production, dropping to 3.0m units in FY20 (vs 3.8m units in FY19), the lowest output since 2009. Auto exports were down 20.9% to 2.7m units, the lowest level since 2014. Additionally, we expect over the longer term increased demand for industrial space across different markets from emerging industries such as e-commerce driven logistics and distribution, electronics, and medical device manufacturing.

Retail

Despite a softening in the global brick and mortar retail environment, we believe positive economic trends in Mexico, including increased per capita income, access to credit and growing consumer spending, continue to provide a sound backdrop for the retail real estate sector. We expect the Mexican retail market to continue its progression from informal to formal retail and, beyond the COVID-19 pandemic, demand for quality retail spaces will continue growing over the longer term. In response to the pandemic and the softening economic environment, the Bank of Mexico reduced Mexico's benchmark interest rate by 250 basis points to 4.50% and pledged support for the financial markets as part of more aggressive measures to support the economy from the impacts of COVID-19. In making this monetary policy action, the Bank of Mexico noted there was heightened uncertainty about the inflation outlook, with risks both on the downside and the upside, along with increased slack in the economy.

Leading up to an expected COVID-19 driven economic downturn commencing in the second quarter of 2020, there were positive signs in Mexican consumption patterns, with growth in real wages, record high levels of remittances and strong consumer confidence. We believe these trends provide a solid landscape for a stabilization of the retail sector once risks related to the pandemic have eased following the rollout of the vaccination program against COVID-19 and herd immunity is achieved.

viii. Management Structure

Please refer to section "General Information – Executive Summary - Manager".

ix. Judicial, Administrative or Arbitral Proceedings

We, our investment trusts, our Manager or our Internal Property Administrator may from time to time be involved in routine litigation with respect to our portfolio arising in the ordinary course of business. As of the date of this Annual Report, none of us, our investment trusts, our properties, our Manager or our Internal Property Administrators are involved in any material legal or administrative proceedings.

x. Rights

In accordance with article 64 Bis 1 of the Mexican Securities Market Law, the CBFIs grant their holders the following rights: (a) the rights to a portion of the benefits, yields and, if applicable, residual value of the assets or rights of our fund, and (b) the right to a portion of the proceeds from the sale of assets or rights of our Trust Estate or our fund, in each case, on the terms established under our Trust Agreement. In addition, our CBFI holders are entitled to the following rights: (i) holders that individually or collectively hold 10% or more of our outstanding CBFIs will have the right to request that the Common Representative call a holders meeting, specifying the items of the agenda thereof; (ii) holders that represent, individually or collectively, 10% of our outstanding CBFIs may request that a meeting be adjourned for three calendar days (without the need of a further call), in respect of the voting of any matter in respect of which they consider themselves not sufficiently informed; (iii) holders that represent, individually or collectively, 20% or more of our outstanding CBFIs, will have the right to judicially oppose resolutions adopted at a holders' meeting; (iv) holders that, individually or jointly, represent 15% or more of outstanding CBFIs may bring liability actions against our Manager for breach of its obligations provided, that such action shall expire 5 years from the date of the circumstance or act that has caused the corresponding damages; (v) CBFI holders have the right to enter into agreements with respect to the exercise of their voting rights during a holders' meeting; and (vi) holders, or a group of holders, may appoint one member of our Technical Committee (and respective alternate) for every 10% of our outstanding CBFIs that they hold by a prior written notice to the Manager, our Trustee and the Common Representative.

xi. Distributions

In accordance with our Trust Agreement, we make Distributions to holders of our CBFIs pursuant to the Distribution Policy adopted from time to time by our Technical Committee (unless otherwise approved by our Technical Committee). Our Distribution Policy is to distribute on an annual basis an amount determined by the Manager, not to exceed 85% of the Trust's estimated Cash Available for Distribution; provided that, in any case, (i) the annual Distribution shall be equal to at least 95% of the Trust's annual Tax Result for the immediately preceding fiscal year and (ii) the Trust shall make such Distributions as are necessary to comply with the requirements contained in Articles 187 and 188 of the Mexican Income Tax Law (Ley del Impuesto Sobre la Renta) and other applicable tax provisions. "Cash Available for Distribution" is defined as the Trust's Adjusted Funds From Operations, as disclosed in the Trust's periodic reports. The Trust intends to pay Distributions on a quarterly basis. Although we believe that this definition of cash available for Distribution is reasonable, our fund may require additional cash expenditures and we cannot assure you that this definition will accurately reflect our ability to make Distributions. As a result, actual Distributions may be significantly different from expected Distributions.

As we have done since the first quarter of 2015, we use adjusted funds from operations ("AFFO") as a basis for determining our cash available for Distribution. We derive AFFO by subtracting from funds from operations (FFO) straight line rent adjustment, normalized capital expenditures (including painting expenses), tenant improvements and leasing commissions, with a proportionate adjustment of items attributable to equity-accounted investees. Normalized capital expenditures include recurring capital expenditures required to maintain the long term value of our fund's properties and their revenue stream, and exclude capital expenditures related to expansions, developments and other one-off items. AFFO has limitations as an analytical tool, and you should not consider such measure either in isolation or as a substitute for other methods of analyzing our results as reported under IFRS or U.S. GAAP. Because not all companies use identical calculations, the presentation of AFFO may not be comparable to other similarly titled measures of other companies. We believe AFFO more closely aligns with the sustainable cash generation of our portfolio of properties over the long term.

In the first quarter of 2017, we reduced our payout ratio in favor of positioning ourselves to act on attractive value-creating building expansion opportunities. Management believes pursuing such opportunities is consistent with its view that both Mexican and sector fundamentals remain strong and, combined with FIBRAMQ's track record of deploying capital effectively, will deliver attractive unlevered NOI and AFFO yields as well as an increase in NAV per certificate.

	Ordinary Distribution Ps. /Certificate	AFFO Payout Ratio (%)	Distribution Record Date	Distribution Payment Date
4Q20	Ps. 0.4750	74.7%	11-Mar-21	12-Mar-21
3Q20	Ps. 0.4750	77.6%	27-Jan-21	28-Jan-21
2Q20	Ps. 0.4750	74.7%	24-Sep-20	25-Sep-20
1Q20	Ps. 0.4750	63.1%	11-Jun-20	12-Jun-20
4Q19	Ps. 0.4550	70.4%	9-Jan-20	11-Mar-20
3Q19	Ps. 0.4550	68.0%	23-Jan-20	24-Jan-20
2Q19	Ps. 0.4450	69.7%	24-Sep-19	25-Sep-19
1Q19	Ps. 0.4250	67.6%	13-Jun-19	14-Jun-19
4Q18	Ps. 0.4100	68.5%	12-Mar-19	13-Mar-19
3Q18	Ps. 0.4100	64.6%	8-Nov-18	9-Nov-18
2Q18	Ps. 0.3900	64.0%	9-Aug-18	10-Aug-18
1Q18	Ps. 0.3900	64.7%	9-May-18	10-May-18

The timing, form, frequency and amount of Distributions will be determined by our Manager in accordance with the then-applicable Distribution Policy (unless otherwise approved by our Technical Committee), based upon a variety of factors, including:

- our earnings and financial condition;
- our future prospects and our expected financial performance as well as working capital and capital expenditure needs;
- any restrictions in financing arrangements and our ability to qualify as a FIBRA;
- any changes to general economic, business conditions or applicable laws and regulations; and
- other factors that our Manager may deem relevant from time to time.

Moreover, we cannot assure you that our Distribution Policy will not change in the future. Any changes in our Distribution Policy require the approval of our Technical Committee. Our ability to pay Distributions in the future will depend upon many factors, some of which are beyond our control, which could result in future Distributions differing materially from our current expectations.

In order to maintain our FIBRA status, Mexican federal income tax law requires us to distribute to our CBFI holders, on a yearly basis, an annual amount equal to at least 95% of our Tax Result. We intend that our Distribution Policy will be sufficient to ensure our compliance with this requirement under Mexican federal income tax law. As of December 31, 2020, we had a taxable result of Ps. 440.4 million, which provides additional flexibility on Distributions while complying with FIBRA Regulations.

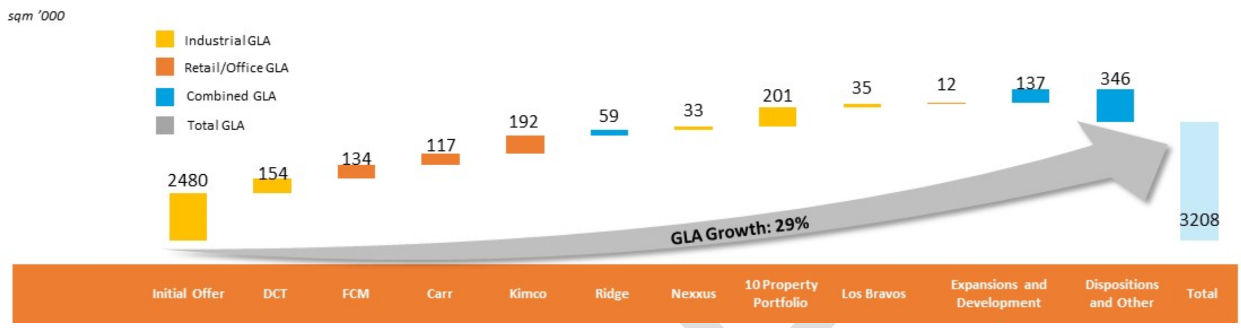
c) Trust Estate

i. Real Estate Assets

Please refer to section "General Information – Executive Summary – Our Properties".

ii. Real Estate Assets or Real Estate Development Acquisitions

We were established as an irrevocable trust under the laws of Mexico on November 14, 2012. We are a FIBRA for Mexican federal income tax purposes. As of the date of this Annual Report our portfolio consists of a total of 236 industrial, retail real estate properties in Mexico. Since the creation of our Trust, we have consummated nine portfolio or asset acquisition transactions. As a result, we have formed one of the largest industrial portfolios in Mexico, based on GLA, with high quality properties in strong industrial markets. We believe we also have high quality retail tenants in the MCMA, which is the largest retail market in Mexico, and in areas with high growth potential. In addition, we have expanded our retail segment with a high-growth potential portfolio and entered into joint venture agreements with Frisa, a reputable retail owner and developer. Each of these acquisition transactions is further described below.



(1) Includes the 9 properties in the 50-50 joint venture with Frisa, which have in aggregate 196,354 square meters of GLA.

Our Structure

Under our Trust Agreement, our Trustee is CIBanco, S.A., Institución de Banca Múltiple and Monex Casa de Bolsa S.A. de C.V., Monex Grupo Financiero is our Common Representative. Under our Management Agreement, our Manager, Macquarie México Real Estate Management, S.A. de C.V., is responsible for the day-to-day management of our fund. Our Trustee generally acts on our behalf solely pursuant to the instructions of our Manager, except that certain matters require the approval or favorable recommendation, as applicable, of our Technical Committee, our Audit Committee and/or our CBFI holders. Macquarie México Real Estate Management, S.A. de C.V. is also our settlor. We administer our properties through internal and external property administrators, who are subject to oversight by our Manager and Technical Committee. Pursuant to our Trust Agreement, our real estate assets may be held by our fund or by our investment trusts, which are passive income investment trusts for Mexican federal income tax purposes.

Investment Trusts

We hold our properties indirectly through investment trusts. We are the sole beneficiary of our investment trusts, and therefore we have full ownership and control over such investment trusts, except for (i) two investment trusts, in which we own a 50% interest, and in which Frisa owns the remaining 50% interest; and (ii) a separate investment trust for the development of a industrial property in MCMA where we own an initial 50% interest which will grow to a majority interest with the development of that project. CIBanco acts as trustee under each of these investment trusts is.

Completion of our Initial Global Offering and Acquisition of our Initial Portfolio

On December 19, 2012, we acquired our initial portfolio, in a series of transactions that occurred simultaneously with our initial global offering. As part of these transactions, we acquired from affiliates of GE Capital Real Estate Mexico ("GECREM") and Corporate Properties of the Americas ("CPA") a total of 243 industrial real estate properties located in 21 cities across 15 states in Mexico, with approximately 2.5 million square meters of GLA, for an aggregate purchase price of US$1,428.9 million (which excludes an earn-out amount payable to affiliates of GECREM), subject to purchase price adjustments and contingencies.

The purchaser price for the GECREM Portfolio was US$827 million, plus VAT on any buildings and developments located on the real properties in the GECREM Portfolio. We also paid an earn-out of US$9 million during 2014 and the first quarter of 2015. The purchase price for the CPA Portfolio was US$621.9 million, plus VAT on any buildings and developments located on the real properties in the CPA Portfolio. We also agreed to pay an affiliate of CPA approximately US$3.6 million in return for certain capital expenditures.

The funds used for the acquisition of these properties were obtained from the proceeds of our initial global offering, three secured credit facilities and one nine-month secured VAT facility. The nine-month secured VAT facility was repaid in full on February 13, 2013.

Post-IPO Acquisitions

Since our initial global offering and up to the date of this Annual Report, we have acquired a total of 50 properties.

In 2013, we completed the following acquisitions:

- **DCT Industrial Portfolio**. On October 17, 2013, we acquired 15 industrial properties from DCT Industrial, for total consideration of approximately US$82.7 million. These properties are located in 5 cities in Mexico, namely Monterrey, Guadalajara, Tijuana, San Luis Potosi and Queretaro, with approximately 153,555 square meters of GLA at the time of acquisition.
- **FCM Portfolio.** On November 4, 2013, we acquired two retail properties from FCM, for total consideration of approximately US$153.3 million. These properties are located in the Mexico City Metropolitan Area, with approximately 134,246 square meters of GLA at the time of acquisition.
- **Carr Portfolio.** On November 6, 2013, we acquired five retail properties from Carr and on March 27, 2014 we acquired one additional property following the completion of construction for total consideration of approximately US$215.2 million. On September 24, 2014, we paid Carr an earn-out of Ps. 12.01 million. Five of these properties are located in the Mexico City Metropolitan Area, with the remaining property located in Irapuato. The properties had approximately 115,606 square meters of GLA at the time of acquisition.

The payment of the purchase prices for the 2013 acquisitions included approximately US$153.5 million of cash on hand, a payment of 37.6 million CBFIs issued by us, valued at US$79.7 million at such time, approximately US$148.1 million of drawings on available capacity under two of our existing secured facilities with CRE, as well as approximately US$72.3 million of drawings under new secured facilities with Banco Nacional de México, S.A.

In 2014, we completed the following JV transaction:

- **Retail Portfolio JV.** On March 28, 2014, we acquired a 50% interest in nine shopping centers, for total consideration of US$113.2 million. The nine properties are held by two investment trusts in which we hold a 50% interest (indirectly through a wholly owned investment trust of our fund) and Frisa holds the remaining interest. These nine properties, of which, three are located in the Mexico City Metropolitan Area, two in Cancun, two in Tuxtepec, one in Guadalajara and one in Monterrey, had total GLA of 192,006 square meters at the time of acquisition. Further, as part of this acquisition, the joint venture acquired 66,676 square meters of land adjacent to a number of the nine properties, which the joint venture may in the future seek to sub-divide from the nine properties and/or develop. If the joint venture sub-divides these undeveloped adjacent land parcels from our properties, we must contribute 50% of the costs of such sub-division. See "—Joint Venture with Frisa."
- The funds we used for the acquisition of our interest in these properties were obtained from cash on hand, as well as through a US$44.4 million credit facility with CRE entered into on March 28, 2014, and a US$22.2 million credit facility with MetLife entered into on March 28, 2014, which was used to refinance and repay an existing loan on one of the properties under the acquisition. For more information on our Joint Venture Properties, see "—Joint Venture with Frisa."

In 2015, we completed the following acquisitions:

- **Ridge Property Trust II Portfolio.** On February 18, 2015, we acquired two industrial properties from Ridge Property Trust II, for total consideration of US$58.0 million. These properties are located in Monterrey, Mexico. The properties consist of 59,179 square meters of GLA as of the date of the acquisition.
- **Nexxus Portfolio.** On July 23, 2015, we acquired four industrial properties, two build-to-suit projects and two plots of land from affiliates of Nexxus, for total consideration of approximately US$29.9 million (including the US$5.6 million purchase price for the build-to-suit projects, which will be paid to the seller upon completion of construction and expiration of the tenants' rent-free period). One of the build-to-suit projects

was delivered in November 2015. These properties are located in Monterrey, Mexico. The four stabilized properties consist of 29,934 square meters of GLA as of the date of acquisition. The two parcels of land consist of 25,126 square meters and the two build-to-suit projects are expected to consist of 10,807 square meters of GLA once construction is completed.

Ten Property Portfolio. On August 19, 2015, we acquired ten industrial properties from an experienced institutional investor, for total consideration of approximately US$105.0 million. These properties are located in five cities in northern Mexico, namely Monterrey, Reynosa, Tijuana, Ciudad Juarez and Saltillo. The properties consist of 201,060 square meters of GLA as of the date of acquisition.

In 2016, we acquired two industrial properties and adjacent land for total consideration of approximately US$21.7 million. The two properties consist of 35,300 square meters of GLA as of the date of acquisition. On August 18, 2016, we acquired 77,400 square meters of land from an experienced institutional investor, for total consideration of approximately US$2.9 million. These properties are in Ciudad Juarez and Reynosa in northern Mexico, respectively.

In 2018, we acquired 91,900 square meters of land from an experienced institutional investor in Ciudad Juarez, for total consideration of US$3.2 million.

In 2019, we began and completed the construction of a 201,000 square foot building in Ciudad Juarez, for a total consideration of US$9.0 million.

In 2020, during the third quarter, construction was substantially completed on a 217,000 square foot industrial building in Ciudad Juárez for a total consideration of US$10.7 million. On September 14, FIBRAMQ acquired a 50.0% interest in a premium land parcel in the Mexico City Metropolitan Area where we expect to develop more than 700,000 sqft of industrial logistics GLA. On December 18, we acquired a 20.6-hectare land parcel located in Apodaca, Nuevo Leon. We expect to develop more than 900,000 square feet of industrial GLA on the site.

Dispositions

Since our initial global offering and up to the date of this Annual Report, we have disposed of or agreed to sell 44 properties located in Ascension, Durango, La Paz, Matamoros, Tijuana and Villahermosa with the aggregate sale price of these properties is US$117.5 million.

Joint Ventures with Frisa

On March 24, 2014, through MMREIT Retail Trust III, we entered into two joint venture trust agreements with Frisa Desarrollos Comerciales, S.A. de C.V., a Frisa affiliate, and other Frisa affiliates, as co-settlors and beneficiaries and CIBanco, S.A., Institución de Banca Multiple, as trustee.

Trust agreement number CIB/589 (the “Arboledas JV Trust Agreement”) governs the terms of our relationship with Frisa with respect to our 50% interest in the Arboledas retail property (the “Arboledas Property”) within the Frisa JV Properties (the “Arboledas JV Trust”) and trust agreement number CIB/586 (together with the “Arboledas JV Trust Agreement”, the “JV Trust Agreements”) governs the terms of our relationship with Frisa, with respect to our 50% interest in eight of the Frisa JV Properties (the “Frisa 8 JV Trust”, and together with the Arboledas JV Trust, the “JV Trusts”).

The net proceeds of the operation of the JV Trusts (after payment of trust expenses and debt service) are to be distributed pari passu to the beneficiaries of the JV Trusts pro rata to their interests. However, no Distribution can be paid if it would be contrary to law or if, following the Distribution, the relevant JV Trust’s liabilities would exceed the market value of its assets.

The management of the JV Trusts is delegated to a technical committee comprised of four members, two appointed by MMREIT Retail Trust III and the other two by Frisa. Each member has the right to cast one vote in all meetings. Except for certain reserved matters that require approval of at least 75% of the committee members, all resolutions of the technical committee are adopted by approval of a majority of the committee members present and entitled to vote in the relevant committee meeting (or by written resolution with the approval of all of the committee members entitled to vote on such resolutions). Such reserved matters include: (i) approval, changes and any 5% deviation of the JV Trusts’ annual budget over Ps.10,000, (ii) any purchase or sale of properties, as well as their reversion in favor of the beneficiaries of the JV Trusts, (iii) any purchase or sale of fixed assets or major investments not established in the approved business plan, (iv) any capital or other contribution to the estate of the JV Trusts, subject to limited exceptions, (v) any contracting of indebtedness or other liability not previously established in the approved business plan, (vi) creation of liens over the properties held by the JV Trusts, (vii) any change to the regulatory, tax, accounting and distribution policies, (viii) the amendment or termination of any of the property administration agreements entered into by the JV Trusts or the JV Trust Agreements, and (ix) the appointment and removal of the trustee.

The JV Trust Agreements establish a dispute resolution process in case we and Frisa are not able to reach an agreement on any of the reserved matters, as well as a forced sale mechanism in case the dispute resolution process is unsuccessful.

In addition, we have mutually agreed with Frisa that any transfer of interests in the JV Trusts other than transfers to affiliates is subject to a right of first refusal in favor of the non-transferring party. Furthermore, where such transfers reach certain thresholds, we and Frisa are entitled to drag-along and tag-along rights with respect to the JV Trust Agreements, subject to certain conditions.

iii. Evolution of the property, rights or securities transferred to the Trust

Please refer to section “General Information – Executive Summary – Overview”.

iv. Performance of the Trust assets

The following tables present NOI, Adjusted EBITDA, FFO and AFFO. NOI, Adjusted EBITDA, FFO and AFFO are not measurements defined under IFRS. A non-IFRS financial measure is generally defined as one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that would not be adjusted in the most comparable IFRS measure.

We calculate NOI by adding to Net Property Income the following items: (i) tenant improvements amortization; (ii) leasing commissions’ amortization; (iii) painting expense; and (iv) share of property income and expenses of equity-accounted investees. From 1Q20, the revised AFFO methodology includes Transaction Related Expenses in FFO, to improve reporting transparency & align reporting metrics to international industry best practices. Therefore, we calculate Adjusted EBITDA by subtracting from NOI the following items: (i) management fees; (ii) professional and legal expenses; and (iii) transaction related expenses. Starting in 2019, a new FFO and AFFO calculation methodology was introduced to improve reporting transparency and ensure appropriate investment to maintain property values and revenue generation capability. We calculate FFO by adding to and subtracting from Adjusted EBITDA, respectively, the following items: (i) interest income; (ii) interest expense (including interest income and interest payable by equity-accounted investees and excluding amortization of upfront borrowing costs); (iii) income tax; and (iv) normalized debt costs (new item). The AFFO is calculated by subtracting from FFO the following items: (i) normalized capital expenditure (including painting expense); (ii) extraordinary maintenance capital expenditures (net of insurance proceeds); (iii) tenant improvements; (iv) above-standard tenant improvements; (v) leasing commissions; (vi) internal platform leasing costs; (vii) internal platform engineering costs; and (viii) straight line rental adjustments. We calculate NOI margin, Adjusted EBITDA margin, FFO margin and AFFO margin by dividing NOI, Adjusted EBITDA, FFO and AFFO, respectively, by the sum of property related income and revenues attributable to equity-accounted investees. NOI, Adjusted EBITDA, FFO and AFFO are not recognized measures of financial performance under IFRS and do not purport to be and should not be considered as an alternative to operating income as an indicator of our operating performance or as an alternative to net resources generated by operating activities as a measure of our liquidity. NOI, Adjusted EBITDA, FFO and AFFO have limitations as analytical tools, and you should not consider such measures either in isolation or as a substitute for other methods of analyzing our results as reported under IFRS. Because not all companies use identical calculations, the presentation of NOI, Adjusted EBITDA, Consolidated Income Available for Debt Service, FFO and AFFO may not be comparable to other similarly titled measures of other companies.

	Year Ended December 31		
	2020[2]	2019[1]	2018
	(Thousands of US Dollars[3] and Pesos, except as indicated)		

	US$	Ps.	US$	Ps.	US$	Ps.
NOI	191,714	3,692,717	176,697	3,403,460	171,933	3,307,243
NOI margin	87.4%	87.4%	87.8%	87.8%	87.5%	87.5%
Adjusted EBITDA	178,151	3,431,471	165,365	3,185,189	160,511	3,087,532
Adjusted EBITDA margin	81.2%	81.2%	82.2%	82.2%	81.7%	81.7%
FFO	124,306	2,394,321	119,597	2,303,630	113,328	2,179,942
FFO margin	56.7%	56.7%	59.4%	59.4%	57.7%	57.7%
AFFO	102,567	1,975,608	102,779	1,979,687	99,165	1,907,509
AFFO margin	46.8%	46.8%	51.1%	51.1%	50.5%	50.5%

	Year Ended December 31					
	2020[2]		2019[1]		2018	
	(Thousands of US Dollars[3] and Pesos)					
	US$	Ps.	US$	Ps.	US$	Ps.
Net Property Income	158,604	3,408,186	162,267	3,125,522	159,414	3,066,443
Net Property Income-joint venture	5,435	116,793	7,140	137,519	6,524	125,501
Tenant improvement amortization	2,688	57,762	2,275	43,827	1,784	34,317
Leasing commissions amortization and internal costs	3,911	84,038	3,746	72,145	3,422	65,827
Painting expense	1,207	25,938	1,269	24,447	788	15,155
NOI	171,845	3,692,717	176,697	3,403,460	171,933	3,307,243
Management fees	(8,695)	(186,839)	(8,562)	(164,908)	(8,742)	(168,153)
Professional and legal expenses	(3,142)	(67,517)	(2,770)	(53,363)	(2,680)	(51,558)
Transaction related expenses	(321)	(6,890)	NA	NA	NA	NA
Adjusted EBITDA	159,688	3,431,471	165,365	3,185,189	160,511	3,087,532
Income tax expense	29	633	(290)	(5,582)	(690)	(13,282)
Financial income	1,039	22,323	1,576	30,348	1,187	22,833
Interest expense[4]	(45,866)	(985,595)	(43,748)	(842,653)	(43,948)	(845,368)

Interest expense-joint venture[5]	(2,313)	(49,708)	(2,677)	(51,572)	(3,731)	(71,773)
Normalized debt costs	(1,154)	(24,803)	(628)	(12,100)	NA	NA
FFO	111,423	2,394,321	119,597	2,303,630	113,328	2,179,942
Normalized capital expenditure[6]	(8,690)	(186,745)	(7,772)	(149,703)	(6,675)	(128,395)
Tenant improvements	(2,945)	(63,293)	(3,483)	(67,089)	(3,379)	(64,998)
Above-standard tenant improvements	(710)	(15,262)	(643)	(12,382)	NA	NA
Extraordinary maintenance capital expenditures	(623)	(13,381)	(509)	(9,812)	NA	NA
Leasing commissions	(2,519)	(54,127)	(3,157)	(60,806)	(4,356)	(83,791)
Internal platform leasing costs	(1,528)	(32,830)	(1,371)	(26,401)	NA	NA
Internal platform engineering costs	(709)	(15,227)	(573)	(11,038)	NA	NA
Straight lining of rents	(1,761)	(37,848)	690	13,288	247	4,751
AFFO	91,937	1,975,608	102,779	1,979,687	99,165	1,907,509

(1) Starting in 2019, a new FFO and AFFO calculation methodology was introduced to improve reporting transparency and ensure appropriate investment to maintain property values and revenue generation capability.
(2) From 1Q20, the revised AFFO methodology includes transaction related expenses in FFO, to improve reporting transparency & align reporting metrics to international industry best practices.
(3) The average exchange rate used for the year ended December 31, 2020, 2019 and 2018 was Ps. 21.4886, Ps.19.2616, and Ps.19.2357, respectively, per US Dollar. The average exchange rate corresponds to the average of the average monthly exchange rates published by the Mexican Central Bank in the Mexican Official Gazette for the year ended December 31, 2019, 2018 and 2017, respectively. These translations should not be construed as representations that the Peso amounts actually represent the US Dollar amounts presented or could be converted into such US Dollar amounts.
(4) Excludes the amortization of upfront borrowing costs equal to Ps. 16.6 million for the year ended December 31, 2020, Ps. 78.4 million for the year ended December 31, 2019, and Ps. 48.4 million for the year ended December 31, 2018
(5) Excludes the amortization of upfront borrowing costs equal to Ps. 1.0 million for the year ended December 31, 2020, Ps. 1.6 million for the year ended December 31, 2019, and Ps. 3.3 million for the year ended December 31, 2018
(6) Excludes expansions.

v. Compliance with the Business Plan and Calendar of Investments and Divestments

Summary of 2020

In the full year of operations ended December 31, 2020, we achieved and completed the following activities in support of our strategic focus:

- AFFO per certificate up 0.6% YoY and NOI up 8.5% YoY, mainly driven by Peso depreciation positively impacting property rental income, partially offset by lower average occupancy, discounts granted as part of the COVID-19 relief program and higher provision for bad debt expense
- Paid Distributions of Ps1.90 per certificate in 2020, an increase of 6.7% from the prior year
- NOI margin of 87.4%, down 37bps YoY
- AFFO margin of 46.8%, down 430bps YoY
- Industrial Development:

    - Completion and 100% lease up of Ciudad Juárez two property development projects (LEED Certified & LEED Gold)
    - Acquisition of strategic land parcels in MCMA and Monterrey, with planning and permitting currently underway.
- Full repayment of revolving credit facility with ~US$240m available, following precautionary US$180.0 million drawdown in March 2020
- Enhancements to sustainability with:
    - Three GRESB Green Star rating, an increase from GRESB Two Green Star rating in FY19
    - Increased green building certifications with two industrial buildings receiving LEED certifications and six wholly owned retail properties receiving BOMA Best Bronze certifications
- Retail remodeling: Completion of Coacalco Power Center (MCMA) remodeling project; remodeling of City Shops Valle Dorado (MCMA) in progress

This Annual Report includes financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are presented in Mexican Pesos by applying the accounting policies set forth in section 3 of the Fund's audited financial statements, which accounting policies are in accordance with IFRS as issued by the IASB. This Annual Report includes comparative historical financial information for our Fund in respect of the year ended December 31, 2020.

Summary of 2019

In the full year of operations ended December 31, 2019, the following activities were achieved and completed in support of our strategic focus:

- Increased AFFO per certificate by 5.9% YoY to Ps 2.5758
- Paid Distributions of Ps1.78 per certificate in 2019, an increase of 11.3% from the prior year
- Record NOI margin of 87.8%, up 25bps YoY
- Record AFFO margin of 51.1%, up 58bps YoY
- Increase in same store net operating income of 5.1%
- Deployed US$45.2 million of capital, comprised of US$22.0 million allocated to property development, expansions and remodeling; US$18.0 million of debt repayment; and US$5.2 million of certificates repurchased for cancellation, with a cumulative repurchase of 5.63% of certificates outstanding
- Strengthened balance sheet with gradual lowering of Real Estate Net LTV to 36.4% (148bps YoY reduction) and Net Debt/EBITDA multiple of 4.6

Summary of 2018

In the full year of operations ended December 31, 2018, the following activities were achieved and completed in support of our strategic focus:

- Increased AFFO per certificate by 7.6% YoY to Ps 2.4317
- Increased average occupancy for the year of 93.2%, up 57 bps from the prior year
- Executed a record number of leases totaling 8.4 million square feet in industrial and 35.4 thousand square meters in retail
- Sold 37 non-strategic assets, including two that remain under contract, for US$87.7 million of cash proceeds in 2018 as part of asset recycling program; in total has sold 44 assets for US$117.5 million in proceeds, 2.2% above book value
- Continued to execute on expansion initiatives, with US$9.9 million deployed or committed, generating a projected yield of approximately 15.4%
- Repurchased 30.0 million certificates for cancellation, with a cumulative repurchase of 5.1% of certificates outstanding
- Completed 2018 with a record LTM industrial retention rate of 87%
- Paid Distributions of Ps 1.60 per certificate in 2018, an increase of 6.7% from the prior year
- Further strengthened balance sheet by lowering LTV by 210 bps to 35.5% and increased liquidity by US$47.4 million to US$288 million, positioning FIBRAMQ for long-term growth
- Improved corporate governance by adding an independent member to our Technical Committee and requiring minimum ownership amounts by the independent Technical Committee members

- Subsequent to December 31, 2018 we repaid a Ps 284.1 million secured loan and released the security against the Arboledas retail center.

vi. Relevant Debtors

There are no real estate assets with delay or breach in its obligations that are under a judicial, administrative or arbitral proceeding and that represent 3% or more of the quarterly income of our Trust.

d) Contracts and Agreements

i. Summary of our Trust Agreement

Our Trust Agreement provides that our general business purposes is the acquisition or construction of real estate properties in Mexico destined for lease, or the acquisition of the right to obtain income from the lease of such real estate properties, as well as to grant financing for such purposes secured by the respective leased real estate properties, in each case directly or indirectly through our investment trusts.

On October 31, 2017, Deutsche Bank, in its capacity as substituted trustee of the Trust Agreement and CIBanco, in its capacity as substitute trustee of our Trust Agreement, with the acknowledgement and consent of MMREM, as settlor, manager and second place beneficiary of our Trust Agreement, entered into the Trustee Substitution Agreement, by means of which the parties to the Trustee Substitution Agreement agreed, among others, to substitute, as of such date, Deutsche Bank with CIBanco, as Trustee of our Trust Agreement for all legal purposes.

Pursuant to the Trustee Substitution Agreement and our Trust Agreement, CIBanco, S.A. Institución de Banca Múltiple is appointed as our Trustee and Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero is appointed as the Common Representative of the CBFI holders. As Trustee, CIBanco performs certain actions on our behalf pursuant to the instruction of our Manager in accordance with our Management Agreement. Our Common Representative acts as representative of our CBFI holders, supervising our Trustee's compliance with its obligations under our Trust Agreement and our CBFIs, and taking certain actions on behalf of our CBFI holders in accordance with our Trust Agreement and Mexican law. Our settlor is the same entity that acts as our Manager, Macquarie México Real Estate Management, S.A. de C.V.

In accordance with article 63 of the Mexican Securities Market Law, the CBFIs grant their holders the following rights: (a) the rights to a portion of the benefits, yields and, if applicable, residual value of the assets or rights of our fund, and (b) the right to a portion of the proceeds from the sale of assets or rights of our Trust Estate or our fund, in each case, on the terms established under our Trust Agreement. In addition, our CBFI holders are entitled to the following rights: (i) holders that individually or collectively hold 10% or more of our outstanding CBFIs will have the right to request that the Common Representative call a holders meeting, specifying the items of the agenda thereof; (ii) holders that represent, individually or collectively, 10% of our outstanding CBFIs may request that a meeting be adjourned for three calendar days (without the need of a further call), in respect of the voting of any matter in respect of which they consider themselves not sufficiently informed; (iii) holders that represent, individually or collectively, 20% or more of our outstanding CBFIs, will have the right to judicially oppose resolutions adopted at a holders' meeting; (iv) holders that, individually or jointly, represent 15% or more of outstanding CBFIs may bring liability actions against our Manager for breach of its obligations provided, that such action shall expire 5 years from the date of the circumstance or act that has caused the corresponding damages; (v) CBFI holders have the right to enter into agreements with respect to the exercise of their voting rights during a holders' meeting; and (vi) holders, or a group of holders, may appoint one member of our Technical Committee (and respective alternate) for every 10% of our outstanding CBFIs that they hold by a prior written notice to the Manager, our Trustee and the Common Representative.

The appointment of the members of our Technical Committee (and their respective alternates) is subject to the following: (1) the members of our Technical Committee (and their respective alternates) appointed by the holders that qualify as an independent persons will be designated as independent members at the date of their appointment; (2) the appointment of members of our Technical Committee (and their respective alternates) by the holders may only be revoked by the holders meeting when all of the members of our Technical Committee are to be removed; in the understanding that the members of our Technical Committee whose appointment has been so revoked will not be appointed to our Technical Committee within the twelve months following their removal; and

(3) if at any time holders that have appointed a member of the Technical Committee cease to represent, individually or collectively, 10% of our outstanding CBFIs, and such Holder or Holders shall, immediately following Holders Meeting, revoke the relevant appointment of such member of the Technical Committee (and their alternate)."

Our Trustee may issue CBFIs from time to time pursuant to the instruction of our Manager and in accordance with applicable Mexican legal requirements. Our CBFIs are listed on the Mexican Stock Exchange under the symbol "FIBRAMQ". Our CBFIs are issued without par value and may be held by either Mexican or non-Mexican investors, as permitted by their respective investment regime. Our CBFIs do not grant holders the right to use or dispose of the real estate properties that form part of our investments. Under Mexican law, holders of our CBFIs are not generally liable for our debts or obligations.

All Holders Meetings are held at the domicile that the applicable call indicates. The calls for Holders Meetings must be published at least once in a newspaper of major Distribution in Mexico and via Emisnet, and delivered to our Trustee or the Common Representative, as applicable, and our Manager at least 15 calendar days before the date of the meeting, setting forth the items to be discussed at the meeting. In addition, all information and documents related to a Holders Meeting shall be made available for review by the Holders, free of charge, at the address indicated in the call at least 10 calendar days in advance. Our Manager, our Trustee and the Common Representative will at all times have the right to attend Holders Meeting and to speak therein but are not entitled to vote in such capacities.

Ordinary Holders Meeting. An ordinary holders meeting may be called at any time to resolve any matters concerning us that require CBFI holders' approval that are not specifically reserved for an extraordinary holders meeting, as described below. An annual ordinary holders meeting will be required to be held within the four months following the end of each fiscal year to (i) approve our annual audited financial statements, and (ii) approve our Annual Report.

In addition to the annual meeting, the ordinary holders meeting has the following duties and responsibilities:

a) **Approval of Transactions.** Approve any transaction that, disregarding any amounts to be applied to the payment of VAT, represents 20% or more of the value of our Trust Estate as of the end of the immediately preceding quarter (in a single transaction or a series of related transactions over a twelve-month period).
b) **Removal and Substitution of the Trustee.** Remove our Trustee and appoint another Mexican banking institution to act as Trustee under our Trust Agreement.
c) **Additional Issuance of CBFIs.** Approve additional issuances of CBFIs.
d) **Liens.** Approve the creation of any liens over the assets, property or rights of our Trust Estate or the estate of our investment trusts that represent 20% or more of the value of our Trust Estate as of the end of the immediately preceding quarter (in a single transaction or a series of related transactions over a twelve-month period);
e) **Related Party Investments.** Approve acquisitions or investments that are Related Party Transactions and represent 10% or more of the value of our Trust Estate (in a single transaction or a series of related transactions over a twelve-month period), provided that any of our CBFI holders that are considered related parties in such Related Party Transactions shall refrain from voting on the corresponding resolutions;
f) **Borrowing Policy.** Approve the Borrowing Policy proposed by our Manager and any amendments thereto, as well as any contracting or assumption of indebtedness that is not consistent with the Borrowing Policy;
g) **Repurchase Program.** Approve the duration and amount of funds that may be allocated during the term of any Repurchase Program.
h) **Amendments to Compensation Schemes and Fees of Technical Committee.** Approve any amendment to compensation schemes or fees or any other concept in favor of the members of the Technical Committee or equivalent body.
i) **Indebtedness.** Approve any indebtedness that represents 20% or more of the value of our Trust Estate as of the end of the immediately preceding quarter (in a single transaction or a series of related transactions over a twelve-month period);
j) **Hedging Transactions.** Approve any hedge transaction under which our payment obligations represent, either individually or together with a series of related transactions during a twelve-month period, 20% or more of the value of our Trust Estate;
k) **Other Actions.** CBFI holders at ordinary holders meeting may take any other action in accordance with our Trust Agreement and applicable law that is not otherwise expressly reserved for the extraordinary holders meeting;

In order for an ordinary holders meeting to be duly convened on first call, the holders representing more than 50% of our outstanding CBFIs must be present, provided that if this quorum is not met and the meeting reconvenes by virtue of a second call, the meeting will be duly convened with any such holders that are present, and all resolutions of a duly convened ordinary holders meeting will require the approval of the holders representing more than 50% of our outstanding CBFIs present in such meeting who are entitled to vote with respect to the proposed resolutions. Holders may be represented at the meeting by an attorney in fact, authorized by a proxy letter;

Extraordinary Holders Meeting. An extraordinary holders meeting may be called at any time to discuss and resolve any of the matters described below.

a) **Removal and Substitution of Common Representative** Approve the removal of the Common Representative and appointment of another Mexican banking institution or brokerage house to act as Common Representative of our CBFI holders;
b) **Amendments.** Approve any amendment to (i) our Trust Agreement or our CBFIs, but only to the extent required pursuant to our Trust Agreement, or (ii) the Management Agreement, but only to the extent such amendment affects our rights thereunder and excluding, in any case, amendments to our Trust Agreement with the purpose of qualifying us as a passive income investment trust and not as a FIBRA;
c) **Removal and/or Substitution of the Manager.** Approve the removal of our Manager and/or the appointment of another person to act as our manager, in accordance with the terms set forth in the Management Agreement; except that the prior approval of the extraordinary holders meeting will not be required in the event our Manager assigns its rights and obligations under the Management Agreement to one of its affiliates;
d) **Delisting and Deregistration.** Approve the delisting of our CBFIs from the Mexican Stock Exchange and the deregistration thereof from the Mexican National Securities Registry;
e) **Dissolution of the Trust.** Approve the dissolution of our fund, as more specifically described below;
f) **Removal of all Members of the Technical Committee.** Approve the removal of all of the members of the Technical Committee;
g) **Change in tax status.** Approving any change to our tax status, including, without limitation, qualifying us as a passive income trust, instead of a FIBRA, and qualifying our investment trusts as FIBRAs, instead of passive income investment trusts for Mexican federal income tax purposes (in which case, our real estate assets would be required to be held exclusively by our investment trusts); provided that, in such case, our CBFI holders must approve the exchange of the CBFIs held by them for *certificados bursátiles fiduciarios* issued by us, as a result of an exchange offer, as well as the cancellation of our CBFIs and the registration of the new *certificados bursátiles fiduciarios* with the Mexican National Securities Registry;
h) **Amendments to Compensation Schemes and Management Fees.** Approve any amendment to our management fees or other management compensation schemes or fees or any other concept in favor of the Manager or any third party, provided that any of our CBFI holders that are considered related parties with respect to such amendments shall refrain from voting on the corresponding resolutions;
i) **Amendments to the Investment Restrictions.** Approve any amendment to our investment restrictions and any investment that does not comply with such investment restrictions.

In order for an extraordinary holders meeting addressing the matters described in paragraphs (a), (b), (h) and (i) above to be duly convened on first call, holders of at least 75% of our outstanding CBFIs must be present, and the resolutions thereof will be valid if adopted by the favorable vote of the holders representing more than 50% of the CBFIs present in such meeting who are entitled to vote with respect to the proposed resolutions, in the understanding that if such meeting meets under a second call, its decisions will be valid if adopted by majority vote regardless of the number of CBFIs present in such meeting. In order for an extraordinary holders meeting addressing the matters described in paragraph (c) above to be duly convened, holders of more than 50% of our outstanding CBFIs must be present, and the resolutions thereof will be valid if adopted by the favorable vote of the majority of the holders represented in such meeting that carry a right to vote on such resolution, in each case excluding CBFIs held by our Manager or any of its affiliates. In order for an extraordinary holders meeting addressing the matters described in paragraph (d) above to be duly convened, holders of at least 95% of our outstanding CBFIs must be present, and the resolutions thereof will be valid if adopted by the favorable vote of the holders representing at least 95% of our outstanding CBFIs. In order for an extraordinary holders meeting addressing the matters described in paragraph (e) above to be duly convened, holders of at least 95% of our outstanding CBFIs must be present, and the resolutions thereof will be valid if adopted by the favorable vote of the holders representing at least 95% of our outstanding CBFIs, unless such resolution has been proposed by the Manager, in which case in order for such extraordinary holders meeting to be duly convened, holders representing more than 50% of our outstanding CBFIs must be present, and the resolutions thereof will be valid if adopted by the favorable vote of the holders representing more than 50% of our outstanding CBFIs. In order for an extraordinary holders meeting addressing the matters described in paragraph (f) above to be duly convened, holders of at least 75% of our outstanding CBFIs must be present, and the resolutions thereof will be valid if adopted by the favorable vote of our CBFI holders representing at least 75% of our outstanding CBFIs. In order for an extraordinary holders meeting addressing the matters described in paragraph (g) above to be duly convened, holders of at least 95% of our outstanding CBFIs must be present, and the resolutions thereof will be valid if adopted by the favorable vote of our CBFI holders representing at least 95% of our outstanding CBFIs.

Holders may be represented at the meeting by a representative authorized by a proxy letter.

Holder Minority Rights. Holders of our CBFIs will have the following minority rights:

- holders that individually or collectively hold 10% or more of our outstanding CBFIs will have the right to request that the Common Representative call a holders meeting, specifying the items of the agenda thereof;
- holders that represent, individually or collectively, 10% of our outstanding CBFIs may request that a meeting be adjourned for three calendar days (without the need of a further call), in respect of the voting of any matter in respect of which they consider themselves not sufficiently informed;
- holders that represent, individually or collectively, 20% or more of our outstanding CBFIs, will have the right to judicially oppose resolutions adopted at a holders' meeting, but only to the extent such holders do not attend the relevant holders' meeting, or, having attended it, vote against the challenged resolutions;
- any holder, or group of CBFI holders, representing in the aggregate 15% of our outstanding CBFIs may bring a liability action against our Manager for breach of its obligations, provided that such action shall expire five years from the date of the circumstance or act that has caused the corresponding damages; and
- holders, or a group of holders, may appoint one member of the Technical Committee (and respective alternate) for every 10% of our outstanding CBFIs that they hold.

Unanimous Resolutions. Notwithstanding the above provisions, resolutions of our CBFI holders taken in lieu of a meeting by the unanimous vote of the holders representing all of our outstanding CBFIs, will have the same validity as if such resolutions were taken in a meeting, so long as the resolutions taken in lieu of a meeting are confirmed in writing.

Authority, Meetings of the Technical Committee

Each member of the Technical Committee is entitled to one vote unless it is required to abstain from voting due to a conflict of interest or as otherwise required under our Trust Agreement, as set forth below. In order for the meetings of the Technical Committee to be deemed validly convened, a majority of its members or their respective alternates must be present. Resolutions of the Technical Committee are adopted by a majority vote of the members present and entitled to vote. Our Technical Committee may also adopt unanimous resolutions outside of a meeting. The independent members of our Technical Committee receive (i) a fixed yearly compensation of Ps. 460,000 covering a total of four ordinary and two extraordinary meetings; and (ii) a fixed compensation of PS. 23,000 per additional meetings.

The duties and responsibilities of the Technical Committee include, without limitation:

- approving any acquisition or disposition or sale of assets, properties or rights by us that, disregarding any amounts to be applied to the payment of VAT, represents 5% or more (but less than 20%) of the value of our Trust Estate, based on the value of the Trust Estate at the end of the immediately preceding quarter, in a single transaction or a series of related transactions over a twelve-month period;
- with the prior written approval of our Audit Committee, approving our policies on Related Party Transactions, in each case, with respect to our investment trusts, the settlor or the Manager, and discussing and, if applicable, approving any related party; provided that (i) the favorable vote of the majority of the independent members of the Technical Committee will be required to approve such matter, and (ii) in the understanding that the members of the Technical Committee designated by the settlor and/or the Manager, and/or that have a conflict of interest will be required to abstain from voting, without the latter affecting the required installation quorum of such Technical Committee meeting, and any Related Party Transaction must be entered into on market terms;

- approving the appointment, removal and replacement of our independent appraisers who will carry out the valuation of our assets (unless those appraisers are pre-approved under our Trust Agreement), provided that only those members of the Technical Committee that are independent members will be entitled to vote on such matter;
- approving the appointment of the members of our Audit Committee, the Indebtedness Committee and the Ethics and Corporate Governance Committee;
- with the prior written favorable recommendation of the Audit Committee, approving our applicable accounting policies and any changes thereto;
- with the prior written favorable recommendation of the Audit Committee, approving the presentation of our financial statements to our CBFI holders for approval;
- approving any changes to our Distribution Policy proposed by our Manager, and any Distributions to our CBFI holders proposed by our Manager that do not comply with our Distribution Policy, so long as any such changes are in compliance with Article 187 under the LISR and, if not in compliance with such article, pursuant to the prior approval of our CBFI holders;
- approving the appointment or removal of any property administrator of some or all of our real estate assets, the commencement of any claims against any property administrator, and any material amendments to any property administration agreement; reviewing (at least quarterly) information and reports regarding the performance of each property administrator under its respective property administration agreement; and requesting any other information and reports that it determines necessary, in its discretion, to facilitate its oversight of the property administrators;
- approving any other matters brought before it by our Manager;
- approving the creation of any liens over the assets, property or rights of our Trust Estate or the estate of our investment trusts that, either individually or together with a series of related transactions during a twelve-month period, represent 5% or greater (but less than 20%) of the value of our Trust Estate;
- confirming the independence of the independent advisors that the Technical Committee may engage from time to time in order to perform its functions; and
- in the event we fail to comply with the statutory leverage limit and minimum debt service coverage ratio applicable to FIBRAs, approve the report that will have to be delivered to the CBFI holders meeting informing them of such situation, and approving a corrective plan within the 20 business days following the date such failure is made public, in the understanding that such corrective plan requires the prior approval of the majority of the independent members of the Technical Committee.

Audit Committee

Our Audit Committee consists of three members, who are appointed by our Technical Committee, and who are required to be independent members. The members of our Audit Committee currently receive compensation of Ps. 23,000 per meeting.

The duties and responsibilities of the Audit Committee include, without limitation:

- evaluating our external auditor's performance, analyzing the opinions, reports and documents prepared by our external auditor, holding at least one meeting per fiscal year with our external auditor;
- approving the appointment, removal and/or substitution of our external auditor; provided, that our current external auditor is KPMG Cárdenas Dosal, S.C., and provided, further, that any substitute external auditor will be an accounting firm with international standing independent from the Manager and our Trustee;
- reviewing our draft financial statements and recommending that our Technical Committee approve our financial statements for submission for the approval of our CBFI holders;
- receiving comments or complaints by the CBFI holders, creditors, members of our Technical Committee and other interested third parties in connection with our approved guidelines, policies, internal controls and audit practices, and investigating possible violations to these guidelines and policies, internal controls and practices;
- meeting as appropriate with the relevant officers of our Manager, the Common Representative of the CBFI holders and Trustee;
- discussing and, if applicable, recommending to the Technical Committee the approval of our accounting policies and any changes thereto;
- investigating any possible breaches of the operations, policies, guidelines or internal auditing procedures and accounting registry;

- expressing an opinion on Related Party Transactions, including transactions with our Manager or its related parties;
- performing its duties pursuant to the CUAE; and
- recommending that our Technical Committee request from our Manager and our Trustee any information that may be necessary or convenient so that our Technical Committee may comply with its duties.

Indebtedness Committee

Our Indebtedness Committee consists of four members who are appointed by our Technical Committee and who are required to be majority independent members. The independent members of our Indebtedness Committee currently receive compensation of Ps. 11,500 per meeting.

Our Indebtedness Committee has the following responsibilities:

- to monitor the establishment of internal controls and mechanisms in order to verify that each incurrence of indebtedness by our Trust is compliant with the applicable rules and regulations of the CNBV; and
- to provide the Technical Committee with timely information about our financing activities and any failure to comply with the applicable rules and regulations of the CNBV.

Ethics and Corporate Governance Committee

Our Ethics and Corporate Governance Committee consists of three members who are appointed by our Technical Committee and who are required to be independent members. The independent members of our Ethics and Corporate Governance Committee currently receive compensation of Ps. 11,500 per meeting.

The responsibilities of the Ethics and Corporate Governance Committee include:

- To regularly review the Corporate Governance Statement, Code of Conduct and other corporate governance documents and policies and recommend to the Manager such revisions as it deems appropriate or necessary to ensure that they remain consistent with the objectives of FIBRA Macquarie;
- To review the minimum ownership guidelines and recommend to the Manager and the Technical Committee such revisions as it deems appropriate and necessary;
- To recommend to the Technical Committee, in conjunction with the Manager, the appointment of Members to the Audit Committee, Indebtedness Committee, and Ethics and Corporate Governance Committee;
- To periodically report to the Technical Committee on any significant developments in the law and practice of corporate governance and other matters relating to the duties and responsibilities of Members in general; and
- To lead the annual performance self-evaluation of the Technical Committee.

Changes in CBFIs, Additional Issuances, Preemptive Rights and Redemption

We may carry out additional issuances of CBFIs, public or private, inside or outside Mexico, pursuant to and in accordance with the prior written instructions of our Manager, with the prior approval of our CBFI holders.

Registration and Transfer

Our CBFIs are issued in the form of a Global Certificate deposited at Indeval, are registered with the Mexican National Securities Registry and are listed on the Mexican Stock Exchange. Our CBFIs are held in book-entry form by Indeval. Indeval issues deposit certificates (*constancias de depósito*) to holders of our CBFIs. Any transfer of our CBFIs is required to be cleared through Indeval. Transfers of CBFIs deposited with Indeval will be registered in book-entry form pursuant to the Mexican Securities Market Law.

Distributions

Under our Trust Agreement, we will make Distributions to holders of our CBFIs in accordance with the Distributions Policy approved by our Technical Committee from time to time. The Manager may, at its discretion, make Distributions within the scope of the then-current Distribution Policy, and any Distributions outside the scope thereof must be approved by our Technical Committee. Our Distribution Policy provides for periodic Distributions to our CBFI holders of 100% of the estimated cash available for Distribution. The payment of Distributions will be made to our CBFI holders on a pro rata basis in accordance with our CBFI holders' ownership percentage in our CBFIs. For more information, see Section 1(b)(ix) above.

Amendments to Our Trust Agreement

Our Trust Agreement may be amended by a written agreement entered into by and among our Manager, our Trustee and the Common Representative of our CBFI holders, in the understanding, our CBFIs holders must approve any amendment to the Trust Agreement and the other issuance documents that materially affects the rights of our CBFI holders.

Term and Termination of Our Trust Agreement

Our Trust Agreement will remain in full force and effect until the Purposes of the Trust have been fully satisfied and complied with, provided that our Trust Agreement will terminate (a) when all of the real estate assets that comprise our Trust Estate have been disposed of in accordance with our Trust Agreement and all of the amounts deposited in any of our accounts have been distributed to the holders of our CBFIs pursuant to our Trust Agreement; or (b) upon request by the settlor in the event our Trustee does not carry out the initial issuance of our CBFIs; or (c) in the event our CBFI holders approve the dissolution of our Trust. Notwithstanding the foregoing, our Trust Agreement will only terminate when all of the obligations payable directly by us have been paid in full. In any event, the term of our Trust Agreement may not exceed the statutory term set forth in article 394 of the General Law on Negotiable Instruments and Credit Transactions (*Ley General de Títulos y Operaciones de Crédito*), which is 50 years. Upon termination of our fund, our Manager will instruct our Trustee, with prior approval of our CBFI holders, to either (a) create a new trust to which our assets will be transferred or carry out the dissolution and liquidation of our fund in accordance with the procedures described below; (b) distribute our Trust Estate to our CBFI holders; or (c) if our CBFI holders fail to approve any of options (a), (b) or (c), then our Manager will instruct our Trustee to carry out the dissolution of our fund and liquidation of our Trust Estate in accordance with the procedures described below.

Liquidation of our Fund

In the event the extraordinary holders meeting approves the dissolution of our fund, our Trust Estate will be liquidated as set forth below.

Liquidator: Our Manager will act as the liquidator of our fund and will have the necessary authority to carry out this liquidation. Our Manager, acting in its capacity of liquidator, will continue receiving all fees, expense reimbursements and other amounts it is entitled to under our Management Agreement.

Actions of the Liquidator: The liquidator will carry out any and all actions that may be necessary or convenient to safeguard the rights of our holders and to preserve our estate for purposes of its liquidation. The liquidator will carry out any actions that may be necessary before any governmental authorities or self-regulating organizations to cancel the registration of our CBFIs in the Mexican National Securities Registry and in any other registry, and the listing of our CBFIs in the Mexican Stock Exchange or in any other securities exchange, whether in Mexico or outside of Mexico.

Payment of Obligations: The liquidator will use the assets comprising our Trust Estate to the payment of all of our outstanding obligations, and any excess will be distributed to our holders on a *pro rata* basis.

Liquidation Procedure: In order to liquidate our Trust Estate, the liquidator will implement the following procedures:

- the liquidator will propose and submit for the approval of our Technical Committee a liquidation strategy for the estate which maximizes the value of our fund;
- our Technical Committee will instruct our Trustee, in consultation with our Audit Committee, to conduct any necessary or appropriate action to complete the liquidation process, including hiring one or more financial or real estate advisors to the extent deemed appropriate. All fees and expenses arising in connection therewith will constitute Fund Expenses; and
- our Technical Committee and our Common Representative may at any time reasonably request information to the liquidator with respect to its activities.

Liability and Indemnification

The liability of covered persons (as defined below) under our Trust Agreement is limited to these persons' obligations under the Trust Agreement (and, in the case of our Manager and its affiliates, the Management Agreement), and no covered person will be liable to us, our investment trusts or our investors, and each of us, our investment trusts and our investors will release any covered person from any act or omission, including any mistake of fact or error in judgment, taken, suffered or made by them in good faith and in the belief that such act or omission is in or is not contrary to the best interests of us or our investment trusts and is within the scope of authority granted to them under the Trust Agreement (and, in the case of our Manager and its affiliates, the Management Agreement), but only to the extent that such act or omission does not constitute Disabling Conduct (as defined below). For purposes of the Trust Agreement, covered persons refers to our Manager and its affiliates, each of our current and former shareholders, officers, directors (including persons who are not directors who sit on the board advisory or other committees of our Manager), employees, secondees, members, managers, advisors and agents of our Manager and each of their respective affiliates; our Trustee and each of its officers, directors, employees, agents and fiduciary delegates; each person serving, or who has served, as a member of the Audit Committee and/or the Technical Committee; and any other person designated by our Manager as a covered person who serves at the request of our Manager on our behalf. For purposes of the Trust Agreement (and, in the case of our Manager and its affiliates, the Management Agreement), Disabling Conduct is defined as, with respect to any person (other than a member of our Audit Committee or Technical Committee acting in such capacity), fraud, willful misconduct, bad faith or gross negligence by or of such person; or reckless disregard of duties by such person in the conduct of such person's office, and, with respect to any voting member of our Audit Committee or Technical Committee acting in such capacity, fraud, willful misconduct or bad faith.

The Trustee shall indemnify the Manager, the Trust and the Investment Trusts with its own estate and not with the Trust Estate, for any legal, notarial, registration, accounting, consulting fees and expenses, taxes or third party expenses incurred directly or indirectly by the Manager, the Trust or the Investment Trusts, as applicable, as a consequence of any corporate action of the Trustee acting in its individual capacity and not as trustee of this Trust Agreement that results in a Trustee Change of Control or in a merger of the Trustee with any other Person, in its capacity as merged entity or any spinoff, sale or any other action of any nature which results in the Trustee ceasing to legally exist or in its assets, liabilities and capital being transferred to any other Person or group of Persons (the "Trustee Activities"). For the avoidance of doubt, the indemnification mentioned above includes any legal, notarial, registration, accounting, consulting fees and expenses, taxes or third party expenses incurred, directly or indirectly, by the Manager, the Trust or the Investment Trusts as a consequence of any Trustee Activities including, without limitation, (i) the review and assessment by the Trust or the Investment Trusts of the Trustee Activities and their potential impact on the Trust, the Investment Trusts or the Trust Estate, (ii) fees of legal and tax advisors of the Manager, the Trust or the Investment Trusts related thereto, (iii) the legal requirements to validate the ownership of the Trust Estate, and (iv) in general any expenses or costs incurred by the Manager, the Trust or the Investment Trusts to safekeep, defend, protect or maintain the value of the Trust Estate.

Governing Law

Our Trust Agreement is governed by the laws of Mexico, and any disputes with respect thereto will be resolved by the courts of Mexico City, Mexico.

ii. Summary of our Management Agreement

Under our Management Agreement, subject to decisions requiring the approval of our CBFI holders or the Technical Committee pursuant to our Trust Agreement, our Manager is responsible for the day-to-day management and decisions related to our fund, including, without limitation, investments, divestments, raising capital, portfolio management, Distributions, financings, exercising all rights in respect of our interests in our investment trusts and administrative services relating to our investments and investment sourcing.

Investment Discretion

Our Manager has the power to make investment and disposition decisions on our behalf, as permitted under our Trust Agreement, subject to certain decisions that must be approved by our Technical Committee or our CBFI holders. Any acquisition or disposition or sale of assets, properties or rights (in a single transaction or a series of related transactions during a twelve-month period) that, disregarding any amounts to be applied to the payment of VAT, represents 5% or more (but less than 20%) of the value of our Trust Estate must be approved by our Technical Committee. Any transaction (in a single transaction or a series of related transactions during a twelve-month period) that, disregarding any amounts to be applied to the payment of VAT, represents 20% or more of the value of our Trust Estate, must be approved by our CBFI holders. Any transactions with, or with parties related to, our settlor or our Manager, including investments and dispositions (without regard to threshold amounts), contracting of third-party services or other Related Party Transactions are subject to the favorable recommendation of our Audit Committee, the approval of our Technical Committee, with non-independent members abstaining from voting, and, if such transactions exceed 10% or more of our Trust Estate, the CBFI holders meeting.

Our Trust Agreement sets forth our investment restrictions, to which our Manager must adhere when making investment decisions. Any change to, or any investment not within our investment restrictions, must be approved by the CBFI holders meeting.

Allocation of Investments

Our Management Agreement provides that, except as otherwise approved by our Technical Committee (with only independent members voting on such matter), we will have a priority over other Macquarie Infrastructure and Real Assets managed funds in respect of investment opportunities sourced by Macquarie Infrastructure and Real Assets that fall within our investment objective and comply with our investment restrictions. However, none of the other business units within Macquarie Group or any of their respective affiliates will have any obligation to offer to or share with us any investment opportunities, and we will not have any priority in respect of investment opportunities sourced by these other business units.

Base Management Fee and Performance Fee

Our Management Agreement provides for the payment of a base management fee and a performance fee, as described below.

Base Management Fee

We pay our Manager a base management fee in an amount equal to 1.00% per annum of our market capitalization.

Our market capitalization is calculated as the product of:

- the average closing price per CBFI during the last 60 trading days up to and including the fee calculation date; and
- the total number of our outstanding CBFIs at the close of trading on the fee calculation date.

For the purpose of calculating the base management fee on the date of completion of our initial global offering, our market capitalization was calculated as the amount of the aggregate issuance price (including from any exercise of the over-allotment options). The first payment of the base management fee, in the amount of Ps.40.0 million (US$3.2 million), was made on April 23, 2013, which fee was in connection with our Manager's provision of its services to us for the period between December 19, 2012 and March 31, 2013. Subsequently, we paid our Manager base management fees in the amounts of (i) Ps.80.0 million (US$6.2 million) on June 11, 2013, which fee was in connection with our Manager's provision of its services to us for the period between April 1, 2013 to September 30, 2013; (ii) Ps.70.0 million (US$5.3 million) on November 6, 2013, which fee was in connection with our Manager's provision of its services to us for the period between October 1, 2013 and March 31, 2014; (iii) Ps.72.5 million (US$5.6 million) on April 23, 2014, which fee was in connection with our Manager's provision of its services to us for the period between April 1, 2014 and September 30, 2014, (iv) Ps.104.6 million (US$7.8 million) on October 8, 2014, which fee was in connection with our Manager's provision of its services to us for the period between October 1, 2014 and March 31, 2015; (v) Ps.99.8 million (US$6.6 million) on April 29, 2015, which fee was in connection with our Manager's provision of its services to us for the period between April 1, 2015 and September 30, 2015; (vi) Ps.92.8 million (US$5.6 million) on October 27, 2015, which fee was in connection with our Manager's provision of its services to us for the period between October 1, 2015 and March 31, 2016; (vii) Ps.89.5 million (US$4.9 million) on May 17, 2016, which fee was in connection with our Manager's provision of its services to us for the period between April 1, 2016 and September 30, 2016; (viii) Ps.97.2 million (US$5.2 million) on October 27, 2016, which fee was in connection with our Manager's provision of its services to us for the period between October 1, 2016 and March 31, 2017; (ix) Ps.84.9 million (US$4.4 million) on April 27, 2017, which fee was in connection with our Manager's provision of its services to us for the period between April 1, 2017 and September 30, 2017; and (x) Ps.92.4 million (US$4.8 million) on October 27, 2017, which fee was in connection with our Manager's provision of its services to us for the period between October 1, 2017 and March 31, 2018; and (xi) Ps.81.4 million (US$4.4 million) on April 27, 2018, which fee was in connection with our Manager's provision of its services to us for the period between April 1, 2018 and September 30, 2018; (xii) Ps.81.1 million (US$4.3 million) on October 25, 2018, which fee was in connection with our Manager's provision of its services to us for the period between October 1, 2018 and March 31, 2019; (xiii) Ps.80.1 million (US$4.1 million) on April 23, 2019, which fee was in connection with our Manager's provision of its services to us for the period between April 1, 2019 and September 30, 2019; (xiv) Ps.88.9 million (US$4.5 million) on November 1, 2019, which fee was in connection with our Manager's provision of its service to us for the period between October 1, 2019 and March 31, 2020; (xv) Ps.94.4 million (US$3.9 million) on April 27, 2020, which fee was in connection with our Manager's provision of its service to us for the period between April 1, 2020 and September 30, 2020; and (xvi) Ps.95.5 million (US$4.5 million) on October 26, 2020, which fee was in connection with our Manager's provision of its service to us for the period between October 1, 2020 and March 31, 2021. Our Manager is not required to reinvest its net base management fees in our CBFIs, but it may do so, subject to approval by our CBFI holders. US Dollar amounts included in this paragraph have been translated at the exchange rates in effect as of the relevant payment day, as published by the Mexican Central Bank in the Mexican Official Gazette.

Performance Fee

We pay our Manager a performance fee, paid every two years and calculated as follows:

a) (i) our market capitalization (as defined above), plus (ii) the total amount of all Distributions made to our CBFI holders, increased at a rate equal to the aggregate of 5% per annum and the Annual Cumulative Inflation Rate (based on the official Mexican Consumer Price Index) from their respective payment dates, minus (iii) the aggregate issue price of all issuances of our CBFIs from time to time, minus the aggregate amount of all repurchases of our CBFIs from time to time, in each case increased at a rate equal to the aggregate of 5% per annum and the Annual Cumulative Inflation Rate (based on the official Mexican Consumer Price Index) from their respective issuance or repurchase dates (as applicable);
b) multiplied by 10.0%;
c) minus any previously paid Net Performance Fees.

During the first ten years following the completion of our initial global offering, our Manager, together with its affiliates, is required to reinvest an amount equal to any net performance fee received in CBFIs issued directly by us to our Manager, subject to approval by our CBFI holders. Our Manager and its affiliates, as applicable, are required to hold any such CBFIs so invested for a minimum of one year from the date of acquisition thereof. Our Manager and its affiliates are not required to reinvest in our CBFIs using the proceeds from the Net Performance Fees received subsequent to the first ten years following the completion of our initial global offering, but they may do so, subject to approval by our CBFI holders. Irrespective of the above calculations, in no event will a negative performance fee be applied to our Manager.

No performance fee has been earned or paid to date.

Fund Expenses and Manager Expenses

Our Trust Agreement sets forth our expenses that are payable by us (our Fund Expenses) and those expenses that are payable by our Manager (our Manager's Expenses). All Fund Expenses are paid by us using available funds or by our Investment Trusts as determined by our Manager, and all Manager Expenses are paid by our Manager. We reimburse our Manager for any Fund Expenses paid or incurred by our Manager in connection with the services provided to us under our Management Agreement.

Our fund expenses include, but are not limited to, the following:

- our Manager's fees;
- the fees and expenses relating to asset management (including travel and accommodation), consummated and unconsummated investments, indebtedness (including interest thereon) and

guarantees (including performance bonds, letters of credit or similar instruments), including the evaluation, acquisition, holding and disposition thereof (including any reserve dissolution or termination fee and other similar fees payable to us, unreimbursed deposits, commitments and other fees), to the extent that such fees and expenses are not reimbursed by an investment trust or other third person;
- premiums for insurance against liabilities to third persons in connection with our investments and other activities, including indemnity payments payable to third parties;
- legal, custodial, administrative, research, registration and quotation services, auditing and accounting expenses (including expenses relating to the operation of the Trust Accounts), including expenses associated with the preparation of our financial statements, tax returns and the representation of us or our CBFI holders in respect of tax matters, including expenses paid or incurred in connection therewith;
- banking and consulting expenses;
- appraisal and valuation expenses and other professional advisor fees;
- any investment expenses, including, without limitation, expenses related to organizing our investment trusts;
- expenses and fees of our Trustee, our Technical Committee, our Audit Committee, our Indebtedness Committee, our independent appraisers, the Common Representative, our external auditors, as well as any payments of fees or other necessary costs pursuant to applicable law to maintain our CBFIs' status as registered in the Mexican National Securities Registry, listed on the Mexican Stock Exchange and deposited with Indeval;
- taxes and other governmental charges, fees and duties payable by us;
- damages suffered by our Manager or its affiliates, shareholders, officers, directors employees and agents, resulting from claims, demands, liabilities, costs, expenses, losses, suits, proceedings and actions, whether judicial administrative, investigative or otherwise, of whatever nature, known or unknown, liquidated or unliquidated relating to or arising out of our investment activities or other activities in connection with our fund, unless such damages arose primarily from fraud, willful misconduct, bad faith or gross negligence by such person, or reckless disregard of duties by such person in the conduct of such person's office (except with respect to members of the Audit Committee or the Technical Committee in which case such damages will not be covered if they arose primarily from fraud, willful misconduct or bad faith by such member acting in such capacity);
- costs of meeting with and reporting to our CBFI holders, the CNBV, the Mexican Stock Exchange (and any other regulatory body) and of any annual or periodic meetings;
- hedging expenses and brokerage commissions and costs;
- consideration payable to the independent members of the Technical Committee pursuant to our Trust Agreement; and
- costs of our winding up and liquidating, including the payment of any liquidator fees.

Fund Expenses also include all expenses, fees, commissions and other payments arising from an issuance of CBFIs, including, without limitation; (a) fees of the Common Representative and of our Trustee in connection with an issuance; (b) payments of rights for the registry and listing of the respective CBFIs in the Mexican National Securities Registry and on the Mexican Stock Exchange, respectively; (c) any payments to Indeval for the deposit of the Global Certificate representing the CBFIs; (d) the fees of our external auditors and independent appraisers; (e) the fees of our external auditors, tax advisors, legal advisors and other advisors with respect to the issuance; (f) the fees and expenses payable to any underwriters or placement agents under the underwriting agreement or placement agreement related to an issuance (including legal expenses); (g) the out-of-pocket expenses incurred by our fund, our Manager, as settlor, in connection with an issuance including, but not limited to, expenses of the negotiation and preparation of documents relating thereto, and travel expenses and printing costs and expenses; (h) expenses related to the marketing of an offering or related to an issuance of securities, and (i) any VAT amount arising in connection with the foregoing.

Our Manager's expenses consist of:

- the costs and expenses incurred by our Manager in providing for its normal operating overhead, including the salaries of our Manager's personnel;
- rent and other expenses incurred in maintaining our Manager's place of business; and
- costs incurred by our Manager in relation to the administration of its own corporate affairs.

Devotion of Time of Our Manager

Under our Management Agreement, our Manager is required to cause its management team to devote a significant portion of their business time to us. However, this management team is permitted to (i) devote such time and efforts as they deem necessary to the affairs of Macquarie Group and other Macquarie Group-managed vehicles or investments; (ii) serve on boards of directors of public and private companies (as long as such directorship has been approved by Macquarie Group, to the extent required by Macquarie Group's internal policies) and retain fees for these services for their own account; (iii) engage in such civic, professional, industry and charitable activities of their choosing; and (iv) conduct and manage their personal and family investment activities. Subject to the foregoing, our Manager, Macquarie Group, and our Manager's personnel and their respective affiliates are permitted to engage independently or with others in other investments or business ventures of any kind.

Advisors

Our Manager is permitted to engage one or more advisors with respect to any of its obligations or management authority set forth under the Management Agreement (including, subject to any required Technical Committee approvals, any Macquarie Group entity), but may not delegate to its advisors any of its obligations or management authority to instruct our Trustee.

Term, Removal of Manager, Advisory Fee

Under our Management Agreement, the obligations of our Manager terminate upon (i) our termination; (ii) the transfer of our Manager's rights and obligations to a third party as permitted under the Management Agreement; (iii) the resignation of our Manager; or (iv) the removal of our Manager. Upon termination of our Manager's obligations, the duties of our removed Manager will be carried out by our Technical Committee unless and until a replacement Manager is appointed by our CBFI holders. Under our Management Agreement, our Manager may transfer its rights and obligations to a third party if approved by our CBFI holders, or to an affiliate of our Manager without requiring the consent of our CBFI holders.

If it becomes illegal for our Manager to serve as our manager or our CBFIs are removed from registration with the Mexican National Securities Registry (or its successor) or from listing on the Mexican Stock Exchange (or its successor), our Manager may, by giving written notice to our Trustee, resign from its appointment as our Manager. In addition, our Manager may, by giving to our Trustee not less than six months written notice, resign from its appointment as manager, provided that the effective date for such resignation may not be prior to the fifth anniversary of the settlement date of our CBFIs.

If our Manager resigns, then, upon the effective date of resignation (i) our Manager will cease to be our manager and it and its affiliates will cease to be under any obligation whatsoever to fund any investment or Trust expense made on or after such date of resignation; (ii) any substitute manager must be named as our manager, and our fund must immediately amend our Trust Agreement, without requiring any further action, approval of vote of any person, in order to reflect the appointment of such substitute manager, the resignation of our manager, and the change the name of our fund and our investment trusts such that they do not include the word "Macquarie" or any variation thereof; (iii) our Manager will be entitled to receive all of its fees outstanding, which will be immediately due and payable; (iv) if our manager resigns as a result of the removal our CBFIs from registration with the Mexican National Securities Registry or their de-listing from the Mexican Stock Exchange, then the Manager will, for a period of ten years (or, if less than ten years, until the termination of our Trust), become an advisor of our fund in respect of certain matters described in our Trust Agreement, without investment or operational discretion in respect of our fund, and will be entitled to an advisory fee calculated from the date of the Manager's resignation and for such period for which it acts as our advisor, calculated in the same manner as the base management fee and the performance fee, and if our Trust terminates before the expiration of such ten year period, our Manager will also be entitled to a commission, calculated in the same manner as the performance fee, assuming that all of our investments were sold at their reasonable value (defined as, with respect to all assets, other than cash, the fair value determined by our Manager in good faith considering all factors, information and data deemed to be pertinent) on the date of termination of our Trust, and that the proceeds derived therefrom were paid as Distributions to our CBFI holders; (v) our Manager and its affiliates may transfer or otherwise dispose of any of our CBFIs held by them, and their investment and reinvestment obligations with respect to our CBFIs will terminate immediately and be without any force or effect; (vi) our Manager and its affiliates will continue to benefit from the indemnification provisions under our Management Agreement, but only with respect to damages relating to investment made prior to the effective date of resignation or otherwise arising out of or relating to their activities prior to such resignation or their activities as advisor to our fund under the terms described above and (vii) any substitute manager will become our Manager without requiring any other determination, approval or vote of any person, including any CBFI holder, by entering into an agreement demonstrating its consent to be bound by the terms and conditions of our Management Agreement and our Trust Agreement.

Our Manager may be removed by our CBFI holders. The removal of our Manager by the CBFI holders, either with or without cause, will only become effective once the CBFI holders have designated a replacement manager and the replacement manager has agreed to its designation in writing.

The removal of our Manager with cause requires the approval of CBFI holders at an extraordinary holders meeting (which, to be duly convened, requires holders representing more than 50% of our outstanding CBFIs, excluding CBFIs held by our Manager or any of its affiliates, to be present), with the favorable vote of the holders representing more than 50% of the CBFIs present and entitled to vote in such meeting, excluding CBFIs held by the Manager or any of its affiliates. If our Manager is removed with cause, then, upon the effective removal date (i) our removed Manager will cease to be our manager and it and its affiliates will cease to be under any obligation whatsoever to fund any of our investment or expense made on or after such date of removal; (ii) the replacement manager and that of our Investment Trusts will be appointed as our new manager and our Trust Agreement will be amended, without requiring any further action, approval of vote of any person, to reflect this change and to change the name of our fund and our investment trusts such that they do not include the word "Macquarie" or any variation thereof; (iii) the removed Manager will be entitled to receive all management fees accrued up to the date thereof, in cash, which will become immediately due and payable; (iv) the removed Manager and its affiliates may transfer or otherwise dispose of any of our CBFIs held by them, and their investment and reinvestment obligations with respect to our CBFIs will terminate immediately and be without any force or effect; (v) the removed Manager and its affiliates will continue to benefit from the indemnification provisions under our Management Agreement, but only with respect to damages relating to investment made prior to the removal effective date or otherwise arising out of or relating to their activities prior to such removal; and (vi) any substitute manager will become our Manager without requiring any other determination, approval or vote of any person, including any CBFI holder, by entering into an agreement demonstrating its consent to be bound by the terms and conditions of our Management Agreement and our Trust Agreement. For purposes of our Management Agreement, cause is defined as (a) with respect to our Manager, fraud, willful misconduct or gross negligence which has a material adverse effect on our business taken as a whole; in each case as determined by a final and non-appealable judgment issued by a court of competent jurisdiction; and (b) our Manager ceasing to be a Macquarie Group entity without the prior approval of our CBFI holders.

The removal of our Manager without cause requires the approval of CBFI holders at an extraordinary holders meeting (which, to be duly convened, requires holders representing more than 50% of our outstanding CBFIs, excluding CBFIs held by our Manager or any of its affiliates, to be present), with the favorable vote of the holders representing more than 50% of the CBFIs present and entitled to vote in such meeting, excluding CBFIs held by the Manager or any of its affiliates. If our Manager is removed without cause, then, upon the effective removal date (i) our Manager will cease to be our manager and it and its affiliates will cease to be under any obligation whatsoever to fund any of our investment or expense made on or after such date of resignation; (ii) our replacement manager and that of our investment trusts will be appointed as our new manager and our Trust Agreement will be amended, without requiring any further action, approval of vote of any person, to reflect this change and to change the name of our fund and our investment trusts such that they do not include the word "Macquarie" or any variation thereof; (iii) the removed Manager will be entitled to receive all fees accrued up to the removal date in cash, which will become immediately due and payable; (iv) the removed Manager will, for a period of ten years (or, if less than ten years, until the termination of our Trust), become an advisor of our fund in respect of certain matters described in our Trust Agreement, without investment or operational discretion in respect of our fund, and will be entitled to an advisory fee calculated from the date of the Manager's removal and for such period for which it acts as our advisor, calculated in the same manner as the base management fee and the performance fee, and if our Trust terminates before the expiration of such ten year period, our Manager will also be entitled to a commission, calculated in the same manner as the performance fee, assuming that all of our investments were sold at their reasonable value (defined as, with respect to all assets, other than cash, the fair value determined by our Manager in good faith considering all factors, information and data deemed to be pertinent) on the date of termination of our Trust, and that the proceeds derived therefrom were paid as Distributions to our CBFI holders; (v) our Manager and its subsidiaries and affiliates will be permitted to dispose of any CBFIs in us and their investment obligation in us will terminate; (vi) the removed Manager and its affiliates will continue to benefit from the indemnification provisions under our Management Agreement, but only with respect to damages relating to investment made prior to the effective date of removal or otherwise arising out of or relating to their activities prior to such removal or arising out of or relating to the removed Manager's activities thereafter as advisor to our fund; and (vii) any substitute manager will become our Manager without requiring any other determination, approval or vote of any person, including any CBFI holder, by entering into an agreement demonstrating its consent to be bound by the terms and conditions of our Management Agreement and our Trust Agreement.

The termination of our Management Agreement will not affect (i) any transaction validly executed prior to termination; (ii) any claim in respect of the founder's grant payable to the Manager or one or more of its affiliates or the Manager's accrued management fees and expenses incurred before termination; and (iii) any other claim which either party to the Management Agreement may have with respect to any other.

Liability and Indemnification

The liability of covered persons (as defined below) under our Management Agreement is limited to these persons' obligations under the Management Agreement (and, in the case of our Manager and its affiliates, the Management Agreement), and no covered person will be liable to us, our investment trusts or our investors, and each of us, our investment trusts and our investors will release any covered person from any act or omission, including any mistake of fact or error in judgment, taken, suffered or made by them in good faith and in the belief that such act or omission is in or is not contrary to the best interests of us or our investment trusts and is within the scope of authority granted to them under the Management Agreement (and, in the case of our Manager and its affiliates, the Management Agreement), but only to the extent that such act or omission does not constitute Disabling Conduct (as defined below).

For purposes of the Management Agreement, "covered person" refers to our Manager and its affiliates, each of their current and former shareholders, officers, directors (including persons who are not directors but who are members of the advisory committee or any other committee of our Manager), employees, secondees, members, managers, advisors and agents of our Manager and each of their respective affiliates; our Trustee and each of its officers, directors, employees, agents and fiduciary delegates; each person serving, or who has served, as a member of the Audit Committee and/or the Technical Committee; and any other person designated by our Manager as a covered person who serves at the request of our Manager on our behalf; and "Disabling Conduct" is defined as, with respect to any person (other than a member of our Audit Committee or Technical Committee acting in such capacity), fraud, willful misconduct, bad faith or gross negligence by or of such person; or reckless disregard of duties by such person in the conduct of such person's office, and, with respect to any member of our Audit Committee or Technical Committee acting in such capacity, fraud, willful misconduct or bad faith.

The Management Agreement requires us to indemnify and hold harmless our Manager, and its affiliates, shareholders, directors, officers, employees and agents from and against any and all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceedings and actions, whether judicial, administrative, investigative or otherwise, of whatever nature, known or unknown, liquidated or unliquidated, that may accrue to or be incurred by any of such persons, or in which they may become involved, as a party or otherwise, or with which they may be threatened, relating to or arising out of or in connection with our investments or other activities or otherwise relating to or arising out of our Trust Agreement, including amounts paid in satisfaction of judgments, in compromise or as fines or penalties, and counsel fees and expenses incurred in connection with the preparation for or defense or disposition of any investigation, action, suit, arbitration or other proceeding, whether civil or criminal, except to the extent, as determined by a final and non-appealable judgment of a court of competent jurisdiction, arising primarily from Disabling Conduct.

iii. Voting Agreements with Respect to Our CBFIs

Under the terms of the acquisition of the Carr Portfolio, each of the following persons acquired the number of CBFIs indicated next to their name in the table below:

Name	Number of CBFIs
Ijla Landsmanas Dymensztejn	6,706,680
Jorge Landsmanas Dymensztejn	2,312,648
Jack Landsmanas Stern	2,312,648
Grupo Lancedo S.A.P.I. de C.V.	9,115,033

The CBFIs indicated in the table above were subject to a lock-up period in accordance with the terms of the acquisition of the Carr Portfolio. With the exception of the CBFIs acquired by Grupo Lancedo S.A.P.I. de C.V., such lock-up period has now expired, as of this date, some individuals involved in this acquisition have already sold their positions hence have been removed from this list. We cannot confirm whether the persons listed above are still the owners of their CBFIs.

Provided the persons listed above continue to own some or all of the respective CBFIs, they have agreed to perform all acts that are necessary or convenient, including, without limitation, to exercise the voting rights derived from the acquired CBFIs held or controlled by them at one or more Holders Meetings, to approve all resolutions required to issue the number and type of CBFIs that have been proposed to offer and sell in connection with any public or private offering of CBFIs carried out by our Trust, inside and/or outside of Mexico, as well as to approve the price or range of prices in connection with such offering.

e) Managers

We are externally managed by Macquarie México Real Estate Management, S.A. de C.V. As a corporation within Macquarie Infrastructure and Real Assets, our Manager is able to draw on Macquarie Infrastructure and Real Assets' global resources, in addition to our Manager's local management team, which has significant real estate investment and management experience within Mexico.

During the period from January 1, 2020 to December 31, 2020, the following resolutions were adopted by the Holder's Meetings:

Date: June 23, 2020

Agenda

I. Proposal, discussion and, if applicable, approval of the annual audited financial statements of the Trust corresponding to fiscal year 2019, in accordance with the provisions of Clause 4.3, clause (a), sub-section (i) of the Trust Agreement.

II. Proposal, discussion and, if applicable, approval of the Annual Report of the Trust for the fiscal year 2019, in accordance with the provisions of Clause 4.3, paragraph (a), sub-section (ii) of Clause 4.3 of the Trust Agreement.

III. Proposal, discussion and, if applicable, approval to extend the Repurchase Program for an additional year, as well as the maximum amount of resources that may be allocated during the term of said Repurchase Program, which was authorized by the Ordinary Holders Meeting on April 24, 2019, in accordance with the provisions of Clause 4.3, subsection (g) of the Trust Agreement.

IV. Proposal, discussion and, if applicable, approval of the compensation scheme in favor of the Independent Members that will be part of the Technical Committee, in accordance with the provisions of Clause 4.3 subsection (h) of the Trust Agreement, in the terms presented to the Meeting by the Manager, and delegation to the Manager of the power to implement changes to the compensation of the Independent Members of the Technical Committee, in the terms of the scheme that, if applicable, has been approved by the Holders Meeting.

V. Proposal, discussion and, if applicable, consent for the renewal of the appointment of Mr. Juan Antonio Salazar Rigal as 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 Dr. Alvaro de Garay Arellano as 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. Luis Alberto Aziz Checa as 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. Jaime de la Garza as Independent Member of the Technical Committee until the next Annual Ordinary Holders Meeting.

IX. Proposal, discussion and, if applicable, consent for the renewal of the appointment of Mr. Michael Brennan as Independent Member of the Technical Committee until the next Annual Ordinary Holders Meeting.

X. Appointment of delegates who, if applicable, formalize and comply with the resolutions adopted at the Meeting with respect to the foregoing items.

Quorum: 80.31% (eighty point thirty-one percent)

The Meeting, with the vote in favor of 578,679,019 (five hundred seventy-eight million six hundred seventy-nine thousand and nineteen) Certificates (94.61% (ninety-four point sixty-one percent) of the total represented), the vote against of 7,900,540 (seven million nine hundred thousand five hundred forty) Certificates (1. 29% (one point twenty-nine percent) of the total represented) and the abstention of 25,059,981 (twenty-five million fifty-nine thousand nine hundred eighty-one) Certificates (4.10% (four point one percent) of the total represented), adopted by majority vote of the Holders present the following resolution:

FIRST. Pursuant to the provisions of Clause 4.3, clause (a), sub-section (i) of the Trust Agreement, the annual audited financial statements corresponding to the 2019 fiscal year are hereby approved, along with the different items that comprise them, in the terms in which they were presented to the Meeting.

The Meeting, with the vote in favor of 465,961,212 (four hundred sixty five million nine hundred sixty one thousand two hundred twelve) Certificates (76.18% (seventy six point eighteen percent) of the total represented), the vote against of 7,900,540 (seven million nine hundred thousand five hundred forty) Certificates (1. 29% (one point twenty-nine percent) of the total represented) and the abstention of 137,777,788 (one hundred thirty-seven million seven hundred seventy-seven thousand seven hundred eighty-eight) Certificates (22.53% (twenty-two point fifty-three percent) of the total represented), adopted by majority vote of the Holders present, the following resolution:

SECOND: Pursuant to the provisions of Clause 4.3, paragraph (a), sub-section (ii) of the Trust Agreement, the Trust's Annual Report for the 2019 fiscal year is hereby approved, pursuant to the information disclosed to the Meeting, provided that such Annual Report may be subject to any pertinent adjustment or amednment, without substantially varying its content, in order to comply with the Trust's obligation to provide such Annual Report in terms of the Dispositions.

The Meeting, with the vote in favor of 497,691,658 (four hundred ninety-seven million six hundred ninety-one thousand six hundred fifty-eight) Certificates (81. 37% (eighty one point thirty seven percent) of the total represented) and the abstention of 113,947,882 (one hundred thirteen million nine hundred forty seven thousand eight hundred eighty two) Certificates (18.63% (eighteen point sixty three percent) of the total represented), adopted by majority vote of the Holders present, the following resolution:

THIRD: The Certificates Repurchase Program, as well as, the maximum amount of funds that may be used for the repurchase of Certificates is hereby approved, according to the terms and conditions that were disclosed by the Manager to the Meeting.

The Meeting, with the vote in favor of 410,412,183 (four hundred ten million four hundred twelve thousand one hundred eighty-three) Certificates (71.40% (seventy-one point forty percent) of the total represented), the vote against of 22,872,082 (twenty-two million eight hundred seventy-two thousand eighty-two) Certificates (3. 98% (three point ninety eight percent) of the total represented) and the abstention of 141,501,643 (one hundred forty one million five hundred one thousand six hundred forty three) Certificates (24.62% (twenty four point sixty two percent) of the total represented), adopted by majority vote of the Holders present, the following resolution:

FOURTH: The inflationary increase of the compensation scheme in favor of the Independent Members that will be part of the Technical Committee, as well as of the subcommittees thereof, pursuant to the provisions of Clause 4.

3 clause (h) of the Trust Agreement, pursuant to the terms disclosed to the Meeting by the Manager is hereby approved, and the Board of Directors of the Manager is hereby delegated the authority to determine the date on which such increases to such compensation scheme will be carried out in accordance with the National Consumer Price Index, or any index that may replace it, in the terms disclosed by the Manager to the Meeting.

The Meeting, with the vote in favor of 453,014,103 (four hundred and fifty-three million fourteen thousand one hundred and three) Certificates (74.07% (seventy-four point zero seven percent) of the total represented), the vote against of 8,226,323 (eight million two hundred and twenty-six thousand three hundred and twenty-three) Certificates (1. 34% (one point thirty-four percent) of the total represented) and the abstention of 150,399,114 (one hundred fifty million three hundred ninety-nine thousand one hundred forty-four) Certificates (24.59% (twenty-four point fifty-nine percent) of the total represented), adopted by majority vote of the Holders present, the following resolution:

FIFTH. The renewal of the appointment of Mr. Juan Antonio Salazar Rigal as Independent Member of the Technical Committee is hereby approved until the next Annual Ordinary Holders Meeting.

The Meeting, with the vote in favor of 452,276,458 (four hundred fifty-two million two hundred seventy-six thousand four hundred fifty-eight) Certificates (73. 94% (seventy-three point ninety-four percent) of the total represented), the vote against 8,963,968 (eight million nine hundred sixty-three thousand nine hundred sixty-eight) Certificates (1. 47% (one point forty-seven percent) of the total represented) and the abstention of 150,399,114 (one hundred fifty million three hundred ninety-nine thousand one hundred fourteen) Certificates (24.59% (twenty-four point fifty-nine percent) of the total represented), adopted by majority vote of the Holders present, the following resolution:

SIXTH: The renewal of the appointment of Dr. Álvaro de Garay Arellano as Independent Member of the Technical Committee is hereby approved until the next Annual Ordinary Holders Meeting.

The Meeting, with the vote in favor of 450,399,058 (four hundred fifty million three hundred ninety-nine thousand fifty-eight) Certificates (73.64% (seventy-three point sixty-four percent) of the total represented), the vote against of 10,841,368 (ten million eight hundred forty-one thousand three hundred sixty-eight) Certificates (one point seventy-seven percent) of the total represented), the vote against of 10,841,368 (ten million eight hundred forty-one thousand three hundred sixty-eight) Certificates (1. 77% (one point seventy-seven) of the total represented) and the abstention of 150,399,114 (one hundred fifty million three hundred ninety-nine thousand one hundred fourteen) Certificados Bursátiles (24.59% (twenty-four point fifty-nine percent) of the total represented), adopted by majority vote of the Holders present, the following resolution:

SEVENTH: The renewal of the appointment of Mr. Luis Alberto Aziz Checa as Independent Member of the Technical Committee is hereby approved until the next Annual Ordinary Holders Meeting.

The Meeting, with the vote in favor of 452,757,921 (four hundred fifty two million seven hundred fifty seven thousand nine hundred twenty one) Certificates (74.02% (seventy four point zero two percent) of the total represented), the vote against of 8,482,505 (eight million four hundred eighty two thousand five hundred five) Certificates (1. 39% (one point thirty-nine percent) of the total represented) and the abstention of 150,399,114 (one hundred fifty million three hundred ninety-nine thousand one hundred fourteen) Certificates (24.59% (twenty-four point fifty-nine) of the total represented), adopted by majority vote of the Holders present, the following resolution:

EIGHTH: The renewal of the appointment of Mr. Jaime Eugenio de la Garza Díaz as Independent Member of the Technical Committee is hereby approved until the next Annual Ordinary Holders Meeting.

The Meeting, with the vote in favor of 452,276,458 (four hundred fifty two million two hundred seventy six thousand four hundred fifty eight) Certificates (73.94% (seventy three point ninety four percent) of the total represented), the vote against of 8,963,968 (eight million nine hundred sixty three thousand nine hundred sixty eight) Certificates (1. 47% (one point forty-seven percent) of the total represented) and the abstention of 150,399,114 (one hundred fifty million three hundred ninety-nine thousand one hundred fourteen) Certificates (24.59% (twenty-four point fifty-nine percent) of the total represented), adopted by majority vote of the Holders present, the following resolution:

NINTH. The renewal of the appointment of Mr. Michael Brennan as Independent Member of the Technical Committee is hereby approved until the next Annual Ordinary Holders Meeting.

TENTH. Fernando José Vizcaya Ramos, Claudia Beatriz Zermeño Inclán, Elena Rodríguez Moreno, Alejandra Tapia Jiménez, José Daniel Hernández Torres, José Roberto Flores Coutiño, Rebeca Erives Sepúlveda, Martha Corona Benavides or any attorney-in-fact of the Common Representative, are appointed as special delegates of this

Meeting, so that, jointly or separately, they may perform all the necessary or convenient acts and/or formalities that may be required, if applicable, to fully comply with the resolutions adopted at this Meeting, including, without limitation, to go before the notary public of their choice, if necessary, to notarize these minutes in their entirety or as applicable, to file the notices and notifications that may be applicable, as well as to carry out the procedures that may be required before the CNBV, the BMV, Indeval and any other corresponding authorities.

f) Fees, Costs and Expenses of the Manager

Please refer to section d) "*Contracts and Agreements" - "Summary of our Management Agreement*"

g) Transactions with Related Parties and Conflict of Interest

Macquarie Infrastructure and Real Assets Policies

As part of our Manager's intention to follow Macquarie Infrastructure and Real Assets' disciplined and institutional approach to fund management, it has adopted a set of detailed policies relating to, among other things, conflicts of interest, environmental and social responsibility, risk management and staff securities trading, which are integral components of the corporate governance framework of similar Macquarie Infrastructure and Real Assets funds globally. Our conflicts of interest policy sets forth an identification and review process for actual and potential conflicts of interest, and "ethical screen" policies restricting the flow of sensitive information across Macquarie Group to manage conflicts of interest that may arise between our Manager or our fund and other Macquarie entities. Our environmental and social responsibility policy reinforces local laws and regulations but also contains an environmental risk management framework that has been designed based on accepted good practice (such as the International Organization for Standardization and the Equator Principles). Other policies include a risk management policy, code of conduct policy and securities trading policy.

Related Party Transactions Policy

Our Trust Agreement defines Related Party Transactions as any transaction with related parties (as defined below) with respect to the Trustee, the settlor, our Manager or any of our investment trusts, or that otherwise represents a conflict of interest, in each case in the terms of the provisions of the CNBV regulations.

Our Manager may make an investment in or a divestment of real estate assets with our Manager, the settlor, or a related party thereto, only if (1) the investment or divestment is approved by the Technical Committee, with the non-independent members abstaining from voting, without the latter affecting the required quorum of such Technical Committee meeting, (2) such Related Party Transaction is entered into on market terms, and (3) such Related Party Transaction exceeds 10% of the Trust Estate, prior approval of the CBFI holders meeting has been obtained, to be granted in a meeting in which the holders that are related parties of the settlor, our Manager or any investment vehicle will be required to abstain from voting without affecting the necessary quorum to approve such transaction.

Subject to the foregoing, our Manager, the settlor, or a related party thereto may render services to us or our investment trusts (other than the services provided for in our Management Agreement), including, without limitation, property development services and any other services. If approved, our Trustee will, upon the prior written instruction of our Manager, reimburse our Manager, the settlor, or a related party thereto, in connection with any documented financing, legal, tax or other out-of-pocket costs incurred by them in connection with such services.

In addition, as part of Macquarie Infrastructure and Real Assets' corporate governance framework, our Manager has adopted a detailed related party transactions policy covering transactions with and services provided by Macquarie Group. This policy provides that:

- consistent with our Trust Agreement, only the independent members of the Technical Committee will make decisions about transactions which involve Macquarie Group entities as counterparties;
- all Related Party Transactions with Macquarie Group entities must be clearly identified and undertaken on arm's length or better terms, as determined by the independent members of the Technical Committee;
- all Related Party Transactions are to be tested by reference to whether they meet market standards, as determined by the independent members of the Technical Committee; and

- for certain transactions, benchmarking reports and/or independent valuations or opinions must be provided as evidence of the market terms.

Under the Mexican Securities Law, "related party" is defined as any persons that fall under any of the following categories with respect to another person (a "referenced person"):

a) those individuals that control or have significant influence (as defined below) over a legal entity that is part of the business group (as defined below) or consortium (as defined below) which the referenced person is part of, as well as the board members or managers or officers of the legal entity and individuals that form part of such business group or consortium;
b) those individuals that have command authority (as defined below) over a legal entity which is part of the business group or consortium to which the referenced person belongs;
c) the spouse or domestic partner, and the persons that have civil or blood kinship to the fourth degree, or kinship by affinity to the third degree, with individuals that fall into the categorizations of paragraphs (a) and (b) above, as well as the partners of and co-owners with the individuals mentioned under such paragraphs, with whom they maintain business relationships;
d) the legal entities which are part of the business group or consortium to which the referenced person belongs; and
e) the legal entities in which any of the individuals referred to under sections (a) and (c) above, exercise control or significant influence.

"legal entity" means an entity created under private, commercial or public law, excluding individuals but including, without limitation, partnerships.

"control" and "controlled" means the capacity of one person or group of persons, to take any of the following actions:

a) to, directly or indirectly, impose decisions on general shareholders' meetings or equivalent bodies, or to appoint or remove the majority of directors, managers or their equivalent, of a legal entity;
b) maintain the rights which, directly or indirectly, allow exercising the vote with respect to more than 50% of the interest in a legal entity; and
c) to direct, directly or indirectly, the management, strategy or main policies of a legal entity, either through holding securities, contractual arrangements or otherwise.

"significant influence" means the entitlement of rights which allow, directly or indirectly, exercising the vote with respect to at least a 20% interest in a legal entity.

"command authority" means the factual capacity to influence in a decisive manner on the resolutions adopted by the shareholders' meetings or meetings of the board of directors, or on the management of the business of the referenced person or legal entities controlled by the referenced person, or those in respect of which the referenced person has significant influence. Unless proven otherwise, it is assumed that the individuals that fall under any of the following categories, have command authority in a legal entity:

a) the shareholders that have control;
b) individuals that hold offices held for life, honorary positions or any other analogous or similar title in a referenced person or in a legal entity which are part of the business group or consortium to which the referenced person belongs;
c) those individuals who have transferred control of the legal entity under any title and free of charge, or at a value lower to market or book value, in favor of individuals with whom there is civil or blood kinship, or kinship by affinity to the fourth degree, the spouse or domestic partner; and
d) those individuals that instruct board members or officers of the legal entity, to make decisions or execute operations in a corporation or in the legal entities controlled by it.

"business group" means a group of legal entities of which one legal entity maintains the control of such legal entities.

"consortium" means the group of legal entities that is controlled by one or more individuals acting as a group.

Related Party Transactions

Our fund was established by Macquarie Infrastructure and Real Assets. In structuring our fund, Macquarie Infrastructure and Real Assets prepared and negotiated our Trust Agreement and our Management Agreement and as a result these agreements were not negotiated on an arm's length basis with respect to our Manager, which is an entity within Macquarie Infrastructure and Real Assets. Under our Trust Agreement and Management Agreement, our Manager has significant authority to determine our day-to-day operations, including, subject to certain approval requirements, our investments, dispositions and financings. Under our Trust Agreement, our Manager is entitled to appoint all of the members of our Technical Committee other than those appointed by holders of our CBFIs who are entitled to appoint one member and their alternate for each 10% of our outstanding CBFIs that a holder (or group of holders) owns.

Our Management Agreement provides that our Manager is required to invest in and hold, together with its affiliates, for as long as it is the Manager of our fund, an amount of our CBFIs equal to 5% of our outstanding CBFIs (excluding, at all times, any CBFIs (i) issued pursuant to the over-allotment options as part of our initial global offering; (ii) acquired by our Manager or its affiliates in order to purchase an amount equal to the net founder's grant, as part of our initial global offering; and (iii) acquired by our Manager or its affiliates in order to reinvest amounts received in connection with the Net Performance Fees), up to a maximum investment amount of Ps.639.8 million based on the subscription price of the CBFIs acquired. Our Manager, together with its affiliates, was also required to invest in our CBFIs, as part of our initial global offering, in an amount equal to the net founder's grant. Our Manager is also required to reinvest any Net Performance Fees received within 10 years of our establishment in us, subject to approval by our CBFI holders.

During the first quarter of 2017, our Internal Property Administrator leased space from FIBRA Macquarie in Puebla and in the third quarter of 2017, they rented space from FIBRA Macquarie in Reynosa. All the Related Party Transactions referred to above have been approved by the independent members of our Technical Committee, with the prior approval of our Audit Committee, in accordance with our Trust Agreement and related party transactions policy.

h) External Auditor

The independent audit firm of KPMG Cárdenas Dosal, S.C., was appointed as the External Auditor pursuant to the Trust Agreement and was re-appointed as Auditor in respect of the year ended December 2020. The External Auditor was engaged to perform a full scope audit of the Trust for the year ended December 31, 2020. The External Auditor issued an unqualified opinion on the Trust's consolidated financial statements as at and for the years ended December 31, 2020, 2019 and 2018, a copy of which is included in the "Annexes" section of this Annual Report.

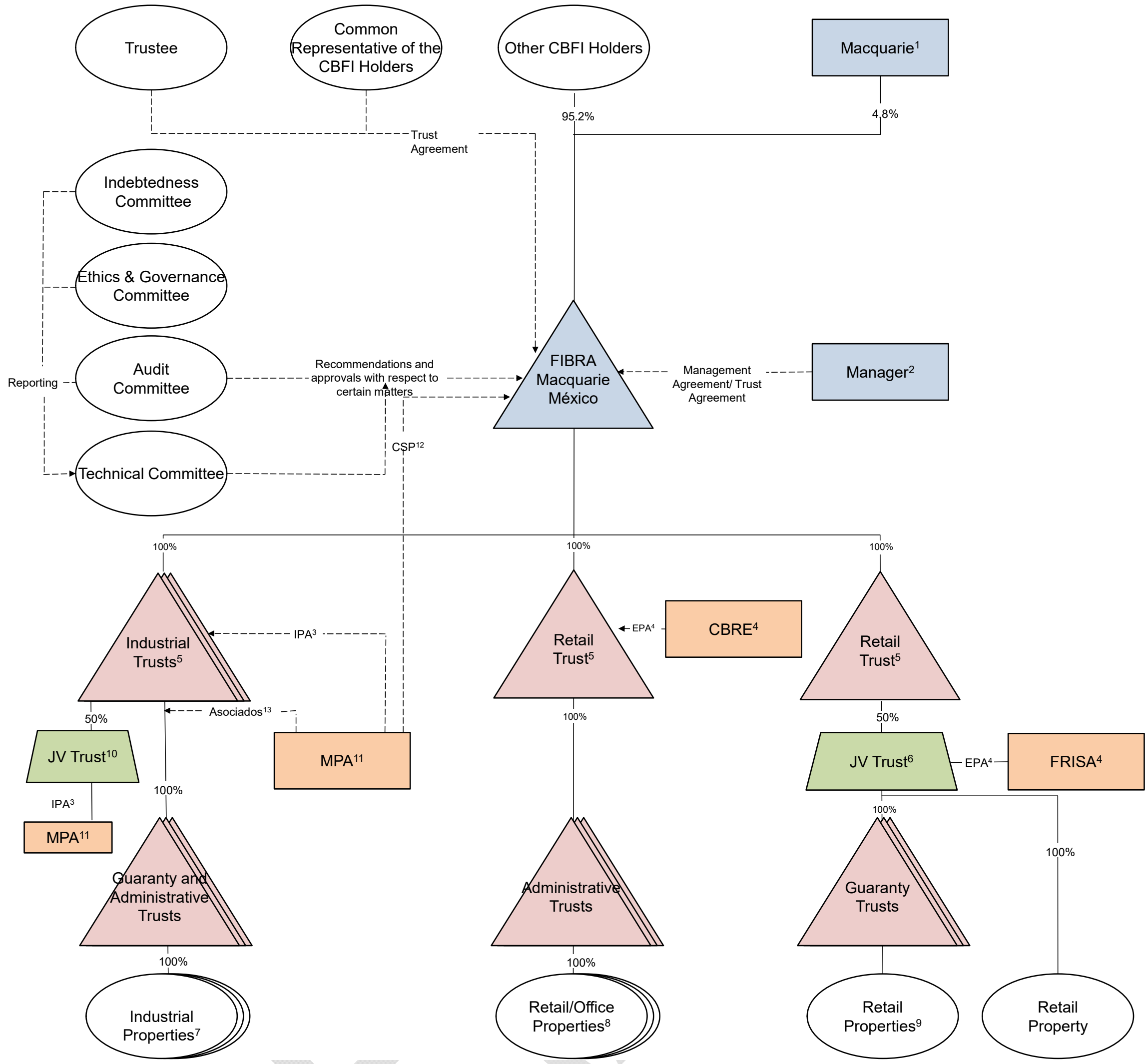
i) Other Third Parties Liable to the Trust or to CBFI Holders

No third parties are bound to our Trust or the CBFIs, such as guarantors, counterparties in derivative financial operations or hedging or credit support.

j) Capital Market

i. Trust Structure and Main Holders

We were established as an irrevocable trust under Mexican law on November 14, 2012. Our interests in our portfolio of properties are held, directly or indirectly, by our investment trusts, in which we hold all equity and voting interests. These properties, and the cash flows deriving therefrom, are in some cases held in security trusts for the benefit of lenders. As of December 31, 2020, our fund has the following structure:



(1) Corresponds to our Manager together with its affiliates as of December 31, 2020.
(2) Our Manager is Macquarie México Real Estate Management, S.A. de C.V., a corporation within Macquarie Infrastructure and Real Assets, a business division within the Macquarie Asset Management division of Macquarie Group.
(3) IPA refers to Internal Property Administrator. Our Internal Property Administrator is the property administrator with respect to our industrial properties.
(4) EPA refers to External Property Administrators. Our investment trusts are party to property administration agreements with (a) CB Richard Ellis ("CBRE"), which is our property administrator with respect to our wholly-owned retail properties and (b) Frisa, which is our property administrator with respect to the Frisa JV Properties.
(5) Our real estate assets are held by our investment trusts, which qualify as passive income investment trusts for Mexican federal income tax purposes.
(6) Corresponds to two investment trusts, each of which is 50% owned by Frisa.
(7) Corresponds to 236 industrial properties. 49 and 16 of these properties and the cash flows deriving therefrom, are currently held in a guaranty trust for the benefit of the lender, MetLife, under a credit facility of US$210 million and US$75 million, respectively, in order to secure our investment trusts' repayment obligations thereunder.
(8) Corresponds to eight wholly owned retail properties.
(9) Corresponds to nine retail Frisa JV Properties. Eight of these properties, and the cash flows deriving therefrom, are held in a guaranty trust for the benefit of the lender, MetLife, under a credit facility in order to secure the JV trust's repayment obligations thereunder. The remaining property is held directly by the corresponding investment trust
(10) Corresponds to an industrial land acquire for its future development in Joint Venture with Inmobiliaria Alamedida.
(11) MPA refers to MMREIT Property Administration, our Internal Property Administrator, which is a civil association incorporated under Mexican law.
(12) CSP refers to Corporate Service Provider. MPA has entered into a service agreement with FIBRA Macquarie Mexico, in relation to certain fund-level corporate and accounting services.
(13) Industrial trusts are the sole associates of MPA.

Main Holders

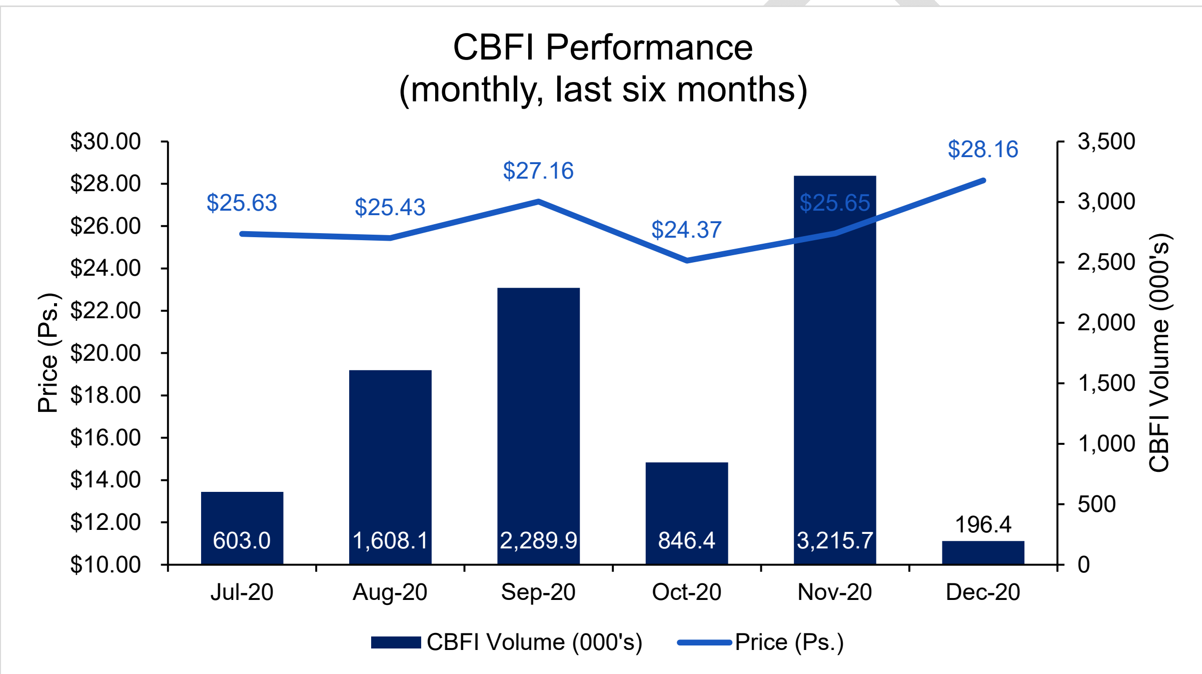
As of the date of this Annual Report, Macquarie Development Capital Pty Limited, an affiliate of our Manager, held 36,853,632 of our CBFIs, which represents 4.8% of issued and outstanding CBFIs.

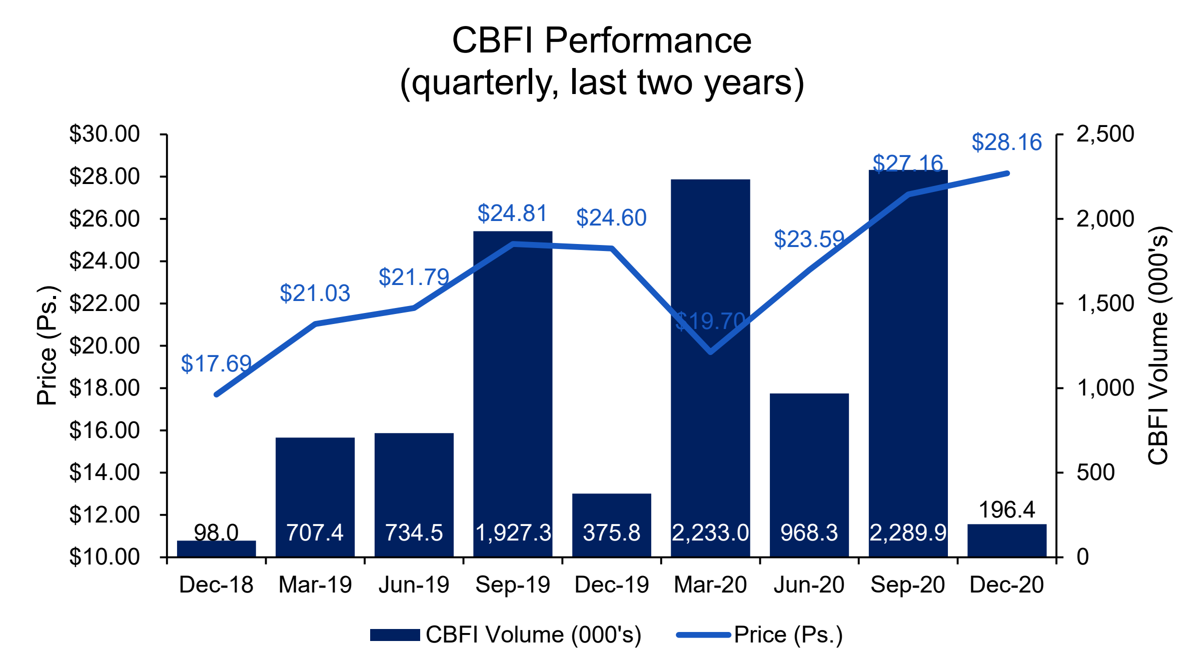
Affiliates of our Manager that do not operate within Macquarie Infrastructure and Real Assets may acquire our CBFIs from time to time. We do not consider such interests to be part of the principal holding referred to above.

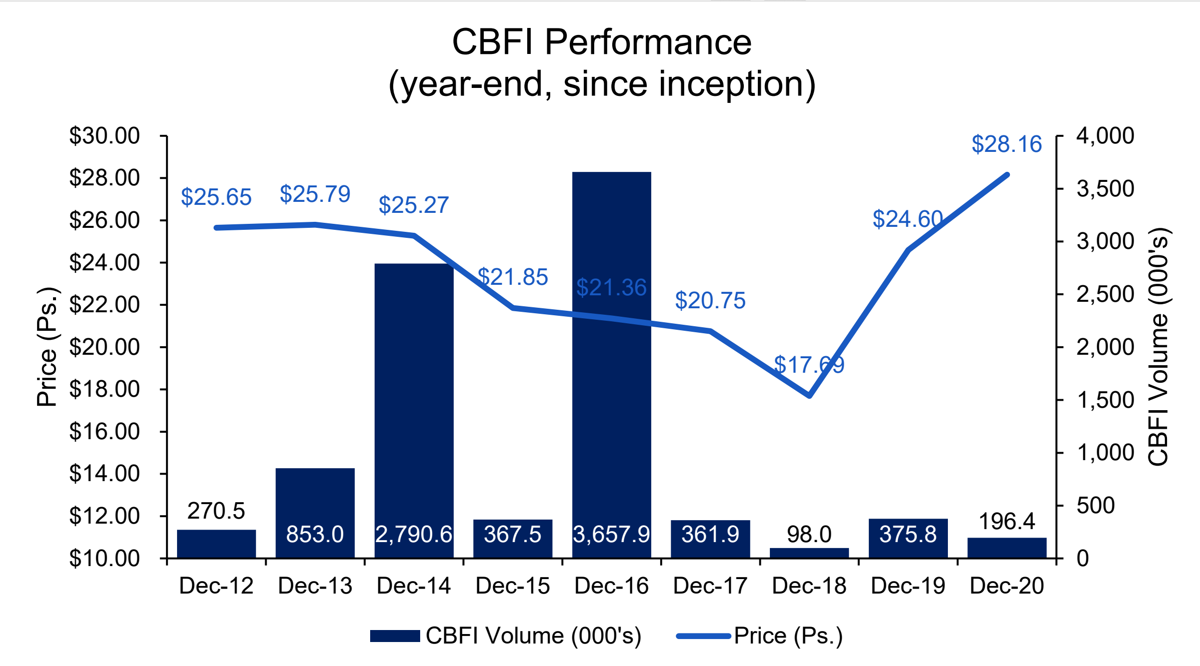
To the best of our knowledge, as of the date of this Annual Report, no person, entity or government holds a majority of the outstanding CBFIs which could allow them to, directly or indirectly, impose decisions in the Holders Meeting or appoint or revoke the appointment of the majority of the Technical Committee members.

For further information, please refer to section "*General Information – Executive Summary – Manager*".

ii. Performance of the CBFIs on the Mexican Stock Exchange




CBFI Performance
(quarterly, last two years)
Price (Ps.)
CBFI Volume (000's)
$30.00
$28.00
$26.00
$24.00
$22.00
$20.00
$18.00
$16.00
$14.00
$12.00
$10.00
2,500
2,000
1,500
1,000
500
0
$17.69
$21.03
$21.79
$24.81
$24.60
$19.70
$23.59
$27.16
$28.16
98.0
707.4
734.5
1,927.3
375.8
2,233.0
968.3
2,289.9
196.4
Dec-18
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
CBFI Volume (000's)
Price (Ps.)


CBFI Performance
(year-end, since inception)
Price (Ps.)
CBFI Volume (000's)
$30.00
$28.00
$26.00
$24.00
$22.00
$20.00
$18.00
$16.00
$14.00
$12.00
$10.00
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
$25.65
$25.79
$25.27
$21.85
$21.36
$20.75
$17.69
$24.60
$28.16
270.5
853.0
2,790.6
367.5
3,657.9
361.9
98.0
375.8
196.4
Dec-12
Dec-13
Dec-14
Dec-15
Dec-16
Dec-17
Dec-18
Dec-19
Dec-20
CBFI Volume (000's)
Price (Ps.)

iii. Market Maker

FIBRA Macquarie terminated the market maker services agreement with BTG Pactual, Casa de Bolsa, S.A. de C.V. (BTG México) on August 19, 2020.

As of December 31, 2020, FIBRA Macquarie's ranking in the BMV Marketability Index was #38.

3. THE MANAGER

a) History and Development of the Manager

Our Manager

We are externally managed by Macquarie México Real Estate Management, S.A. de C.V. As a corporation within Macquarie Infrastructure and Real Assets, our Manager is able to draw on Macquarie Infrastructure and Real Assets' global resources, in addition to our Manager's local management team, which has significant real estate investment and management experience within Mexico.

Our Manager is the same entity that acts as our Settlor, Macquarie México Real Estate Management, S.A. de C.V. Our Settlor was incorporated on July 31, 2012. The offices of our Manager are located at Av. Pedregal No. 24, 21st Floor, Col. Molino del Rey, 11040, Mexico City, Mexico and its phone number is +52 55 9178 7700.

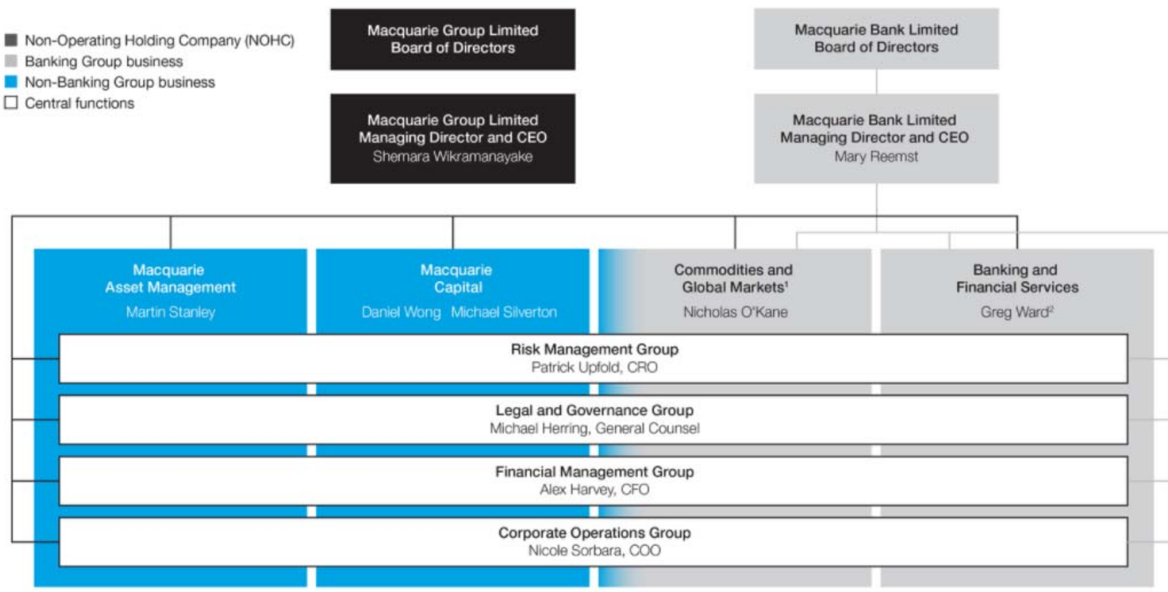
Macquarie Group

Founded in 1969, Macquarie Group is a global provider of fund management, banking, financial, advisory and investment services. As of December 31, 2020, Macquarie Group operates in 31 markets and employs approximately 16,000 personnel, Macquarie Group's diverse range of services includes fund and asset management, corporate finance and advisory, equity research and brokerage, commercial banking, foreign exchange, fixed income and commodities trading, lending, leasing and private wealth management. Macquarie Group Limited is listed on the Australian Securities Exchange under the symbol MQG.

Macquarie Group's approach to its business activities is to focus on select markets in which it believes its particular skills and expertise deliver real value for clients. Coupled with a robust risk management framework, this approach has enabled Macquarie Group to establish itself as a leader in a diverse range of business and market sectors internationally. With strong relationships across the Latin American region, Macquarie Group is using its deep experience and local knowledge of the region to facilitate cross-border transactions, providing a bridge between Latin America and the rest of the world. Since the opening of its Mexico City office in 2009, Macquarie is focusing on increasing its geographical presence and service offerings in the region.

Macquarie is a global provider of funds management, investment, banking and financial advisory services in all major financial centers. Our Manager is part of a longstanding global asset management platform with established resources for administration, finance, accounting, legal, risk management, public relations, human resources and information technology. We believe we are industry leaders with respect to corporate governance and reporting in the Mexican FIBRA market.

Macquarie has been assigned an A-1 short-term credit rating and A+/Negative long-term credit rating by Standard & Poor's, a P-1/stable short-term credit rating and A2/stable long-term credit rating by Moody's, and an F-1/stable short-term credit rating and A/Negative long-term credit rating by Fitch.



As at 31 December 2020.
1. Certain assets of the Credit Markets business, certain activities of the Commodity Markets and Finance business, and some other less financially significant activities are undertaken from within the Non-Banking group.
2. The current Group Head of BFS is also the Deputy Group CEO.

Macquarie Infrastructure and Real Assets

Our Manager is a corporation within Macquarie Infrastructure and Real Assets, a leading global alternative asset manager in real estate, infrastructure and private equity funds and customized accounts within Macquarie Group. Established in 1996, Macquarie Infrastructure and Real Assets managed approximately US$146.5 billion in assets that are essential to the sustainable development of economies and communities, including; 149 portfolio businesses, approximately 490 real estate properties and 4.7 million hectares of farmland.

Macquarie Real Estate

Macquarie Group's real estate activities began in the late 1980s. Since that time Macquarie Group's real estate business has become a global business that has historically included a diverse range of real estate and financing activities, including investment sourcing, financing and structuring, as well as securitization, research, fund management, asset and property administration, property development, and the formation of joint ventures and strategic alliances in the sector.

Macquarie Infrastructure and Real Assets Real Estate

Macquarie Infrastructure and Real Assets has a long history of real estate funds management, starting in the mid-1990s with a focus on the Listed Property Trust market in Australia. The focus on the listed retail funds market continued until 2007 when Macquarie Infrastructure and Real Assets commenced its withdrawal from the listed retail funds management space, instead focusing on sourcing institutional capital for its unlisted funds. This included the real estate funds management business, which as at March 31, 2008 had assets under management of approximately US$30.5 billion.

As of December 31, 2020, Macquarie Infrastructure and Real Assets' real estate business had directly and indirectly assets under management of approximately US$14.8 billion (based on the most recent evaluations available). Macquarie Infrastructure and Real Assets' real estate business is currently focused on both established and emerging markets, reflecting its view that there is an opportunity to bring local and international capital to markets that generally have strong macroeconomic and demographic drivers coupled with solid real estate indicators. These factors combine to provide for potentially strong risk adjusted returns to investors over the long term.

Funds Management Experience

Macquarie Infrastructure and Real Assets has extensive funds management experience in the alternative asset space. Having commenced in 1996, the institutional approach to funds management that Macquarie Infrastructure and Real Assets follows has been developed over several years and is reflected in its approach to:

- fund establishment and corporate governance;
- acquisition origination and execution;
- asset management;
- reporting; and
- asset divestments.

This approach is also reflected in Macquarie Infrastructure and Real Assets' structured approach to the management of its global business, which focuses on having experienced local management teams supported by Macquarie Infrastructure and Real Assets' global team. Macquarie Infrastructure and Real Assets believes that this approach ensures that its funds are consistently managed, appropriately resourced with individuals that understand the relevant local market, and that knowledge and experience from different markets can be applied to the management of each and every Macquarie Infrastructure and Real Assets fund.

Asset Management Expertise

Macquarie Infrastructure and Real Assets' track record in alternative asset fund management and its current asset management platform provides strong in-house asset management and enhancement expertise. Through this platform, the asset managers have demonstrated their ability to enhance asset performance (in terms of rental revenue and operating costs), increase asset valuation and deliver quality services to tenants by:

- executing a pro-active approach to tenant management;
- exercising disciplined asset management and cost control;
- identifying property enhancements to improve the overall appeal, quality and performance of the property; and
- frequently measuring property performance against market benchmarks.

b) Business Description

i. Main Activities

The Manager does not carry out any activities other than acting as our Manager and Settlor. The Manager, in such capacity, has a management team with significant experience in the Mexican real estate sector and provides us access to Macquarie Infrastructure and Real Assets' global capabilities and its highly disciplined, institutional approach to investing and asset management. The Manager, in such capacity, is able to draw on Macquarie Infrastructure and Real Assets' global resources, in addition to its local management team, which has significant real estate investment and management experience within Mexico.

ii. Human Resources

The Manager does not have any employees, nor has it entered into any labor agreement or collective agreement with any person or union.

iii. Corporate Structure

Our Manager is a Mexican corporation which operates within Macquarie Infrastructure and Real Assets and was incorporated on July 31, 2012. Since its incorporation and until the date of this report, the shareholding structure of our Manager is the following: Macquarie Infrastructure and Real Assets México, S.A. de C.V. (99.999999%) and Macquarie Holdings (México), S.A. de C.V. (0.000001%). There have not been significant changes to the shareholding structure of our Manager since its incorporation.

The only shareholder with more than 10% of the equity of our Manager and who exerts significant influence and control, or power of command is Macquarie Infrastructure and Real Assets México, S.A. de C.V. The nature of control or power of command of Macquarie Infrastructure and Real Assets México, S.A. de C.V. over our manager is of corporate nature, in other words, its control is derived from the corporate rights that the General Law of Mercantile Corporations (*Ley General de Sociedades Mercantiles*) grants it as majority shareholder.

No advisor or director of the Manager is owner (individually or in aggregate) of more than 1% of the shares representative of the equity of our Manager.

iv. Judicial, Administrative and Arbitration Processes

Our Manager is not currently subject to any relevant judicial or administrative procedures or pending judgment that could lead to an adverse result.

As of this date, our Manager has not invoked any of the assumptions and provisions described in articles 9 and 10 of Mexican Bankruptcy Law (*Ley de Concursos Mercantiles*), and it has not been nor intends to be declared in bankruptcy.

c) Manager and Shareholders

The following sets forth certain information with respect to our Manager as of the date of this report, for further information please see section 1. "General Information" - b) "Executive Summary" – viii "Manager".

Executive Officers of our Manager

Name	Position	Gender	Age	Time in Position[1]
Juan Monroy	Chief Executive Officer	Male	46	5.5 years
Simon Hanna	Chief Financial Officer	Male	43	7.2 years
Thomas E. Heather	Legal Director	Male	38	Less than 1 year

(1) As of December 31, 2020.

Board of Directors of our Manager

Name	Position	Gender	Age	Time in Position[1]
Matthew Banks	Chairman and Director	Male	59	8.0 years
Jonathan Davis Arzac	Director	Male	68	8.0 years
Nick O'Neil	Director	Male	42	8.0 years
Brett Robson	Director	Male	52	Less than a year
Eric Wurtzebach	Director	Male	47	Less than a year

(1) As of December 31, 2020.

Shareholders of our Manager

Name	Equity Percentage
Macquarie Infrastructure and Real Assets México, S.A. de C.V.	99.999999%
Macquarie Holdings (México), S.A. de C.V.	0.000001%

Total	100%

Secretary of our Manager

Thomas E. Heather

External Auditor

As of this date the Manager has engaged PricewaterhouseCoopers, S.C. as its external auditor, with responsibility for auditing its financial information.

By-Laws and other *Agreements*

Our Manager is a *sociedad anónima de capital variable*, the corporate purpose of which is: a) to manage, advise and operate private equity investment funds created through trusts, or through any other legal entity, with a focus on the management of the investments carried out by such private equity investment funds, as well as attending to other matters related to such funds in terms of the applicable law, b) to acquire, subscribe, buy, trade, dispose, transfer, assign, encumber or in general negotiate with any type of shares, partnership interests or participations in other civil or commercial corporations, or acquire shares, partnership interest or participations in other previously incorporated entities, as well as dispose, transfer, assign, encumber, or in general negotiate in any way such shares, partnership interests or participations, c) to render, receive or hire any type of service, in Mexico or abroad, including without limitation, professional services, management services, accounting, technical, commercial, publicity, human resources, financial, operative, marketing, and advisory services, without including the rendering of legal services, d) represent national or foreign individuals or corporations, in Mexico or abroad, directly related with the activities of the Manager and act as attorney in fact, agent or under commission of such entities under any legal title, e) render, receive and hire any personnel service to related with its own activities or required by other companies or Mexican or foreign entities, including without limitation, the execution of the necessary agreements to appoint or hire personnel in Mexico or abroad, f) acquire, buy, sell, barter, lease, posses, operate, manage, exploit, dispose, commercialize, and negotiate in any way, on its own behalf or on behalf of third parties, all types of assets, including without limitation equipment, machinery, instruments, supplies and raw materials, necessary or convenient for its corporate purpose, in Mexico or abroad, g) import and export any type of goods, as well as to render or hire any service related with exterior commerce, in Mexico or abroad, in terms of the applicable legislation, h) acquire, purchase, barter, lease, posses, operate, manage, dispose, commercialize or negotiate in any way, on its own behalf or on behalf of third parties, with any kind of real estate properties, including without limitation, warehouses, offices, and other facilities, necessary or convenient for its legal purpose, in Mexico or abroad, pursuant the provisions of the Foreign Investment Law (*Ley de Inversión Extranjera*) and other applicable legislation, i) open, manage, close banking accounts and investment accounts and any other of accounts of the Manager, j) obtain or grant any type of loan or credit with or without a specific guaranty; issue, accept, endorse or act as guarantor of promissory notes, checks, letters of credit, bonds and any other negotiable instrument; grant sureties and guarantees of any kind in connection with the Manager's obligations or those of third parties, as well as to act as joint obligor; k) promote, request and obtain any permit or authorization before any governmental authority, whether federal, state, or municipal, in connection with the corporate purpose of the Manager, l) request, acquire, register, obtain, transfer, assign, or grant patent licenses, investment certificates, trademarks, corporate names, industrial secrets, copyrights, as well as licenses and claims of any kind, in Mexico or abroad, m) execute, subscribe, transfer, assign or operate all acts and agreements, including without limitation any trust agreement, necessary or convenient to carry out the corporate purpose in Mexico or abroad, and n) in general, execute any act or operation, ancillary, necessary or convenient to carry out the aforementioned corporate purpose.

The capital stock of our Manager is variable. The minimum fixed portion of the capital stock without a right of withdrawal is $50,000.00 Pesos, represented by 50,000 Series "I" ordinary and nominative shares, with a par value of $1.00 Peso each. The variable portion of the capital stock will be unlimited and is represented by Series "II" ordinary and nominative shares with a par value of $1.00 Peso each.

The management of our Manager is in charge of a sole administrator or a board of directors, which will be composed of two or more members that can have an alternate, as determined by the shareholders meeting.

The sole director or the proprietary or alternate members of the board of directors (as applicable) may be shareholders of the Manager and will be designated by the shareholders meeting; they remain in their position until substitute managers are dully appointed; they can be removed at any time by the shareholders. The sole administrator or the proprietary or alternate members of the board of directors (as applicable) can be reelected.

The shareholders representing 25% (twenty-five percent) of the capital stock of the Manager shall have the right to appoint a member of the board of directors pursuant to the provisions of the General Corporations Law (*Ley General de Sociedades Mercantiles*). The shareholders exercising their voting rights in connection with the appointment of a member of the board of directors pursuant to the foregoing, shall not participate in the voting for the appointment of the other members of such board.

The board of directors will have sufficient powers and authorities to manage and direct the business, as well as to dispose the assets of the Manager, without any limitation.

The general shareholders meeting is the supreme body of the Manager and will therefore have the authority to resolve and/or approve all matters related to the Manager, without limitation.

The shareholders meeting can be held at any time. The ordinary shareholders meeting will be held at least once a year within the first four months following the closing of the fiscal year of the Manager. The meeting will be held in the domicile of the Manager. The call to such meeting must be made by the sole director, the board of directors or thee statutory auditors or if applicable prior request of the shareholders pursuant to articles 169, 184 and 185 of the General Corporations Law (*Ley General de Sociedades Mercantiles*).

Any shareholders meeting can be held without the need of a previous call, if all the shareholders representing the totality of the capital stock with voting rights in such meeting attend or are represented during the vote.

The sole director or the president of the board of directors (as applicable) assisted by the secretary of the Manager or of such board, will preside over shareholders meetings.

In order to consider the shareholders meeting legally held in virtue of the first call, at least half of the capital stock with voting rights must be represented and their resolutions will be considered valid if approved by the majority of the shareholders represented in such meeting.

In order to consider the extraordinary shareholders meeting legally held in virtue of the first call, at least three quarters of the capital stock with voting rights must be represented and their resolutions will be considered valid if approved by the majority of the shareholders votes representing half of the capital stock.

Ordinary shareholders meetings will be called to discuss and resolve any matter in terms of articles 180 and 181 of the General Corporations Law (*Ley General de Sociedades Mercantiles*); capital increases or reductions in the variable portion of the capital stock, and any other matter included in the agenda pursuant to the applicable law or these by-laws, and that such matter is not reserved for an extraordinary shareholders meeting.

Extraordinary shareholders meeting will be called to discuss any matters provided in article 182 of the General Corporations Law (*Ley General de Sociedades Mercantiles*).

If in a general ordinary or extraordinary shareholders meeting, all the shareholders are represented, such meeting can resolve matters of any nature even those not contained in the agenda.

Resolutions may be taken with the unanimous approval of the shareholders, without the need of a shareholders meeting, provided that they comply with the provisions of article 82 of the General Corporations Law (*Ley General de Sociedades Mercantiles*). The general annual shareholders meeting will gather once a year within the first four months following the closing of the fiscal year.

Except for the shares with limited voting rights issued by the Manager, all shares will grant the right to issue one vote in any general ordinary or extraordinary shareholders meeting, or in any especial shareholders meeting executed by the shareholders of the same category.

The resolutions adopted outside the shareholders meeting, through the unanimous vote of the shareholders with voting rights, will, have for all legal purposes, the same validity as if adopted by a shareholders meeting, provided they are confirmed in writing.

Transactions with Related Parties and Conflict of Interest

Our Trust Agreement defines Related Party Transactions as any transaction with related parties (as defined below) with respect to the Trustee, the settlor, our Manager or any of our investment trusts, or that otherwise represents a conflict of interest, in each case in the terms of the provisions of the CNBV regulations.

Our Fund or our investment trusts may make an investment in or a divestment of real estate assets with our Manager, the settlor, or a related party thereto, only if (1) the investment or divestment is approved by the Technical Committee, with the non-independent members abstaining from voting, without the latter affecting the required quorum of such Technical Committee meeting, (2) such Related Party Transaction is entered into on market terms, and (3) such Related Party Transaction exceeds 10% of the Trust Estate, prior approval of the CBFI holders meeting has been obtained, to be granted in a meeting in which the holders that are related parties of the settlor, our Manager or any investment vehicle will be required to abstain from voting without affecting the necessary quorum to approve such transaction.

Subject to the foregoing, our Manager, the settlor, or a related party thereto may render services to us or our investment trusts (other than the services provided for in our Management Agreement), including, without limitation, property development services and any other services. If approved, our Trustee will, upon the prior written instruction of our Manager, reimburse our Manager, the settlor, or a related party thereto, in connection with any documented financing, legal, tax or other out-of-pocket costs incurred by them in connection with such services.

In addition, as part of Macquarie Infrastructure and Real Assets' corporate governance framework, our Manager has adopted a detailed related party transactions policy covering transactions with and services provided by Macquarie Group. This policy provides that:

- consistent with our Trust Agreement, only the independent members of the Technical Committee will make decisions about transactions which involve Macquarie Group entities as counterparties;
- all Related Party Transactions with Macquarie Group entities must be clearly identified and undertaken on arm's length or better terms, as determined by the independent members of the Technical Committee;
- all Related Party Transactions are to be tested by reference to whether they meet market standards, as determined by the independent members of the Technical Committee; and
- for certain transactions, benchmarking reports and/or independent valuations or opinions must be provided as evidence of the market terms.

Under the Mexican Securities Law, "related party" is defined as any persons that fall under any of the following categories with respect to another person (a "referenced person"):

a) those individuals that control or have significant influence (as defined below) over a legal entity that is part of the business group (as defined below) or consortium (as defined below) which the referenced person is part of, as well as the board members or managers or officers of the legal entity and individuals that form part of such business group or consortium;
b) those individuals that have command authority (as defined below) over a legal entity which is part of the business group or consortium to which the referenced person belongs;
c) the spouse or domestic partner, and the persons that have civil or blood kinship to the fourth degree, or kinship by affinity to the third degree, with individuals that fall into the categorizations of paragraphs (a) and (b) above, as well as the partners of and co-owners with the individuals mentioned under such paragraphs, with whom they maintain business relationships;
d) the legal entities which are part of the business group or consortium to which the referenced person belongs; and
e) the legal entities in which any of the individuals referred to under sections (a) and (c) above, exercise control or significant influence.

"legal entity" means an entity created under private, commercial or public law, excluding individuals but including, without limitation, partnerships.

"control" and "controlled" means the capacity of one person or group of persons, to take any of the following actions:

a) to, directly or indirectly, impose decisions on general shareholders' meetings or equivalent bodies, or to appoint or remove the majority of directors, managers or their equivalent, of a legal entity;
b) maintain the rights which, directly or indirectly, allow exercising the vote with respect to more than 50% of the interest in a legal entity; and
c) to direct, directly or indirectly, the management, strategy or main policies of a legal entity, either through holding securities, contractual arrangements or otherwise.

"significant influence" means the entitlement of rights which allow, directly or indirectly, exercising the vote with respect to at least a 20% interest in a legal entity.

"command authority" means the factual capacity to influence in a decisive manner on the resolutions adopted by the shareholders' meetings or meetings of the board of directors, or on the management of the business of the referenced person or legal entities controlled by the referenced person, or those in respect of which the referenced person has significant influence. Unless proven otherwise, it is assumed that the individuals that fall under any of the following categories, have command authority in a legal entity:

a) the shareholders that have control;
b) individuals that hold offices held for life, honorary positions or any other analogous or similar title in a referenced person or in a legal entity which are part of the business group or consortium to which the referenced person belongs;
c) those individuals who have transferred control of the legal entity under any title and free of charge, or at a value lower to market or book value, in favor of individuals with whom there is civil or blood kinship, or kinship by affinity to the fourth degree, the spouse or domestic partner; and
d) those individuals that instruct board members or officers of the legal entity, to make decisions or execute operations in a corporation or in the legal entities controlled by it.

"business group" means a group of legal entities of which one legal entity maintains the control of such legal entities.

"consortium" means the group of legal entities that is controlled by one or more individuals acting as a group.

Conflicts of Interest

Subject to required approvals by our Technical Committee, (i) Macquarie Group and Macquarie Group-managed vehicles or investments may, and certain investors and employees of Macquarie may, co-invest alongside our fund and our investment trusts with respect to our and their investments; and (ii) our Manager may invest in, deal with or engage the services of its affiliates or any Macquarie Group entity engaged in separate business activities, which entities will be entitled to charge fees and brokerage commissions. Any joint venture agreements to be entered among our fund, our investment trusts and Macquarie Group, Macquarie-managed vehicles or investments (subject to required approvals by our Technical Committee), or other co-investors, may include rights of first offer or first refusal, tag-along, drag-along and similar rights (which rights might be exercised by Macquarie or Macquarie-managed vehicles or investments in priority to other co-investors) that may be triggered in the event of a removal or substitution of our Manager.

In addition, Macquarie Group undertakes a broad range of business activities, which include securities underwriting, sales and trading, investment banking, lending, merchant banking, financial advisory services, investment research, investments management and other activities. In the ordinary course of its business, Macquarie Group entities undertake activities in which their or their clients' interests could conflict with the interests of our fund or our investment trusts.

On any matter involving a conflict of interest not described above, our Manager shall consult with our Technical Committee with respect to any matter as to which our Manager determines in good faith that a material conflict of interest exists, and any such transactions will be permitted if either (a) our Technical Committee waives such conflict of interest (in a vote taken by the independent members thereof); or (b) our Manager acts in a manner, or pursuant to standards or procedures, approved by our Technical Committee (in a vote taken by the independent members thereof) with respect to such conflict of interest.

4. FINANCIAL INFORMATION

a) Selected Financial Data

The following table presents selected financial information with respect to the Fund's operations during the financial year ended December 31, 2020, incorporating the activities of the properties that we acquired as part of our formation transactions in 2012; the portfolios acquired in the fourth quarter of 2013 (i.e. the FCM Portfolio, DCT Portfolio and Carr Portfolio); the results of the interest in our 50/50 Joint Venture with Grupo Frisa, the portfolios and properties acquired in 2017; the properties we have disposed of in 2018 and 2019; and the acquisition of strategic land parcels in Nuevo Leon and MCMA in 2020. Which includes a newly formed Joint Venture trust with Inmobiliaria Alamedida. This selected financial information should be read in conjunction with the Audited Financial Statements (see "Annexes" of this Annual Report).

The financial statements included in this Annual Report were audited by KPMG Cárdenas Dosal, S.C., our External Auditor.

Consolidated Statements of Comprehensive Income

The following sets forth the income statement of the Fund representing the financial year ended December 31, 2020, December 31, 2019 and December 31, 2018.

	2020 Ps. 000	2019 Ps. 000	2018 Ps. 000
Property related income	**4,028,100**	3,657,565	3,566,487
Property related expenses	**(619,487)**	(532,043)	(500,044)
Net property income	**3,408,613**	3,125,522	3,066,443
Management fees	**(186,839)**	(164,908)	(168,155)
Transaction related expenses	**(7,273)**	(25,234)	(1,626)
Professional, legal and other expenses	**(67,575)**	(53,157)	(50,756)
Total expenses	**(261,687)**	(243,299)	(220,537)
Net unrealized foreign exchange gain/(loss) on investment property	**1,912,458**	(1,464,048)	(83,711)
Unrealized revaluation (loss)/gain on investment property measured at fair value	**(1,157,936)**	(605,080)	6,967
Finance costs	**(1,002,153)**	(921,102)	(893,803)
Interest income	**21,210**	26,469	21,123
Share of (losses)/profits from equity-accounted investees	**(316,958)**	155,013	64,579
Net foreign exchange (loss)/gain on monetary items	**(843,917)**	630,606	24,658

Loss on disposal of investment property	**-**	-	(3,453)
Goodwill written off in respect of properties disposed	**-**	-	(41,144)
Net unrealized (loss)/gain on interest rate swaps	**(172,923)**	(162,183)	12,438
Current and deferred income tax(1)	**633**	(5,582)	(13,282)
Net profit after tax for the year	**1,587,340**	536,316	1,940,278

(1) The current and deferred taxes are in relation to our vertically integrated subsidiaries.

The following sets forth the non-IFRS financial information of the fund including calculation of Net Operating Income, Adjusted EBITDA, FFO and AFFO of the Fund representing the financial year ended December 31, 2020, December 31, 2019 and December 31, 2018.

	2020 Ps. million	2019 Ps. million	2018 Ps. million
Total revenues	**4,224.3**	3,876.8	3,778.0
Profit for the year	**1,587.3**	536.3	1,940.3
Net operating income (NOI)	**3,692.7**	3,403.5	3,307.2
Adjusted EBITDA	**3,431.5**	3,185.2	3,087.5
Funds from Operations (FFO)	**2,394.3**	2,303.6	2,179.9
Adjusted Funds from Operations (AFFO)	**1,975.6**	1,979.7	1,907.5
Total revenues	**4,224.3**	3,876.8	3,778.0

Note: Painting has been removed from NOI and is included in normalized capital expenditure for all years.

Consolidated Statements of Financial Position

The following sets forth the statement of financial position representing the financial year ended December 31, 2020, December 31, 2019 and December 31, 2018.

	Dec 31, 2020 $'000	Dec 31, 2019 $'000	Dec 31, 2018 $'000
Current assets			
Cash and cash equivalents	**889,571**	693,209	555,591
Trade receivables, net	**53,901**	473,142	102,078
Other assets	**62,010**	61,555	72,597
Investment properties held for sale	**-**	-	147,622
Total current assets	**1,005,482**	1,227,906	877,888

	Dec 31, 2020 $'000	Dec 31, 2019 $'000	Dec 31, 2018 $'000
Non-current assets			
Restricted cash	**16,512**	15,598	-
Other receivables	**-**	15,701	424,411
Other assets	**233,925**	200,652	187,849
Equity-accounted investees	**1,186,526**	1,544,250	1,152,560
Goodwill	**841,614**	841,614	841,614
Investment properties	**41,119,827**	38,799,138	40,132,961
Derivative financial instruments	**-**	-	124,011
Total non-current assets	**43,398,404**	41,416,953	42,863,406
Total assets	**44,403,886**	42,644,859	**43,741,294**
Current liabilities			
Trade and other payables	**1,132,815**	870,879	398,314
Tenant deposits	**15,818**	17,205	33,182
Other liabilities	**3,523**	4,239	-
Total current liabilities	**1,152,156**	892,323	431,496
Non-current liabilities			
Interest-bearing liabilities	**15,684,178**	14,804,370	15,537,190
Tenant deposits	**310,676**	318,175	304,610
Derivative financial instruments	**211,095**	38,172	-
Trade and other payables	**128,717**	-	-
Other liabilities	**14,088**	16,968	-
Deferred income tax	**22,557**	24,486	19,178
Total non-current liabilities	**16,371,311**	15,202,171	15,860,978
Total liabilities	**17,523,467**	16,094,494	16,292,474
Net assets	**26,880,419**	26,550,365	27,448,820
Equity			
Contributed equity	**17,311,749**	17,394,792	17,497,483
Retained earnings	**9,325,095**	9,155,573	9,951,337
Total controlling interest	**26,636,844**	26,550,365	27,448,820

	Dec 31, 2020 $'000	Dec 31, 2019 $'000	Dec 31, 2018 $'000
Non-controlling interest	**243,575**	-	-
Total equity	**26,880,419**	26,550,365	27,448,820

Leverage Ratio and Debt Service Coverage Ratio

The following tables set out the information relating to leverage ratios and debt service coverage ratios for year ended on December 31, 2020:

Leverage Ratio[1]	**Ps.'000**
Bank Debt[1]	15,730,419
Bonds	-
Total Assets	44,403,885

$$\text{Leverage Ratio} = \frac{15{,}730{,}419}{44{,}403{,}885} = 35.4\% \quad \text{(Maximum of 50\%)}$$

Debt Service Coverage Ratio (ICD $_t$)		**t=0**	**Ps.'000** $\sum 4_{t=1}$
AL $_0$	Liquid Assets	889,571	
IVA $_t$	Value added tax receivable	-	
UO $_t$	Net Operating Income after dividends	-	1,594,538
LR $_0$	Revolving Debt Facilities		4,850,330
I $_t$	Estimated Debt Interest Expense	-	874,304
P $_t$	Scheduled Debt Principal Amortization	-	-
K $_t$	Estimated Recurrent Capital Expenditures	-	226,529
D $_t$	Estimated Non-Discretionary Development Costs	-	191,725

$$ICD_t = \frac{889{,}571 + 1{,}594{,}538 + 4{,}850{,}330}{874{,}304 + 226{,}529 + 191{,}725} = 5.7x \quad \text{(Minimum of 1.0x)}$$

1.Bank Debt associated with Group Frisa JV is accounted for using the equity accounting method, and so is classified in Total Assets, not in Bank Debt

The CNBV published updated statutory debt regulations with immediate effect. Under the updated regulations, each FIBRA is required to have the annual CBFI holder's meeting (AGM) establish a maximum LTV ratio and minimum DSCR. After reviewing the amendments to the regulation, it has been determined that no action is required as a maximum LTV of 50% and minimum DSCR of 1.0x is established under the FIBRAMQ Trust Agreement. Of note, the CNBV updated the formula for the DSCR calculation which now only requires the inclusion of four quarters (previously six) of forward-looking income, financing costs, principal amortizations and capex commitments which had a material contribution to the improvement in the ratio this year end.

For the year ended December 31, 2019, the Leverage Ratio and the Debt Service coverage ratio were 34.8% and 4.8x respectively. For the year ended December 31, 2018, the Leverage Ratio and the Debt Service coverage ratio were 35.5% and 5.3x respectively.

b) Relevant Indebtedness Information

Our source of internal liquidity primarily consists of cash flow derived from our operations. Our source of external liquidity primarily consists of our borrowings.

The following table shows our indebtedness as of December 31, 2020.

Lender or Agent	Currency	Amount Outstanding As of Dec 31, 2020	Interest Rate	Maturity[1]
Various Banks through a Credit Facility - Term Loan	US Dollars	US$180,000,000	Fixed – 4.44%[2] per year	April 1, 2024
Various Insurance Companies through a Note Purchase and Guaranty Agreement - Term Loan	US Dollars	US$250,000,000	Fixed - 5.55% per year	June 30, 2023
Various Insurance Companies through a Note Purchase and Guaranty Agreement - Term Loan	US Dollars	US$75,000,000	Fixed - 5.44% per year	September 30, 2026
MetLife – Term Loan	US Dollars	US$210,000,000	Fixed – 5.38% per year	October 1, 2027
MetLife – Term Loan	US Dollars	US$75,000,000	Fixed – 5.23% per year	June 1, 2034
MetLife Mexico[4]	Mexican Pesos	Ps. 572,929,991[5]	Fixed – 8.50% per year	January 1, 2024

1. These maturities may be extended under certain circumstances subject to compliance with certain covenants 2. Fixed by a corresponding interest rate swap expiring on April 1, 2024. The term loan has a variable interest calculated at 90 day LIBOR + 2.50% p.a. spread 3. As of December 31, 2020, the Revolving Credit Facility had available undrawn commitments of USD 180.0 million (USD tranche) and Ps.1.3 billion (Peso tranche) totaling to USDe243.1 million 4. Amount stated represents FIBRA Macquarie's proportionate share of the joint venture level debt with Frisa. 5. 27-years amortization of principal starting in 2020 **Note:** All interest rates are exclusive of withholding taxes.

Below is a summary of our relevant credit facilities that are still outstanding as of the date of this report:

US$500 million of refinancing activity

On April 2, 2019, FIBRA Macquarie, as borrower, entered into a US$500 million refinancing transaction, comprised of a US$425 million unsecured credit facility and a term sheet for a new US$75 million secured term loan facility (together, the Refinancing). The Refinancing is debt neutral and enhances FIBRA Macquarie's debt profile by diversifying FIBRAMQ's lender base and significantly extending the weighted average maturity of its debt.

On May 22, 2019, FIBRA Macquarie closed a 15-year US$75 million secured term loan facility with maturity in June 2034 and all-in fixed-rate interest of 5.23% per annum. The proceeds were used to fully repay the outstanding drawn revolver, resulting in the entire revolving facility, equivalent to US$245 million, being undrawn.

On April 5, 2019, FIBRA Macquarie, closed a US$425 million unsecured credit facility. The initial drawings of US$180 million under the unsecured five-year term loan, together with US$75 million drawn under the unsecured revolving facility and US$3 million cash on hand, were used to fully prepay an existing US$258 million unsecured term loan that was due to expire on June 30, 2020.

Full repayment of a Secured Credit Agreement Mexican Peso-denominated loan with MetLife at FIBRA Macquarie's JV level

On January 31, 2019, FIBRA Macquarie made a full repayment of a secured loan at its JV level scheduled to mature on April 1, 2019, utilizing cash on hand. FIBRA Macquarie´s 50 percent pro rata share of this loan repayment totaled to $284.1 million.

Loan Refinancing of the Secured Credit Agreement with MetLife for the Acquisition of certain CPA Properties

On September 13, 2017, MetLife, as lender, and CIBanco, as trustee under the irrevocable administration trust agreement number F/00922 (as amended and restated from time to time), as borrower, entered into the MetLife Refinancing Loan.

The MetLife Refinancing Loan provides an amortization of interest only, subject to compliance with certain debt covenants. As for the security, MetLife has recourse only to the properties, cash flows and other reserves constituted under the facilities (security trust), except under certain limited circumstances in which the lender has recourse to FIBRA Macquarie. The borrower issued a promissory note in order to evidence the principal amount of the loan of US$210,000,000.00, and as unconditional promise of payment of the principal and ordinary interests over the outstanding amount of the loan.

This credit agreement establishes obligations to perform certain actions, including, among others i) delivery of financial statements, reports and valuation, maintenance of insurance, and payment of obligations, and ii) meeting certain financial covenants, including loan-to-value, debt service coverage, and debt yield ratios. In addition, the credit agreement establishes restrictions that limit the applicable investment trust's ability to, among other things and subject to certain exceptions, incur new debt, constitute additional liens, change its corporate structure, including mergers and acquisitions and dissolutions, sell assets, or change the nature of the business.

The credit agreement includes, among others, the following events of default: i) failure to pay principal or interest when due, ii) bankruptcy or insolvency, iii) false declarations, iv) transfer of property titles, v) additional incurrence of debt and/or lines, vi) change of control or vii) the delay of the environmental remedial works, as set forth under the MetLife Refinancing Loan.

Secured Credit Agreement with MetLife Mexico, S.A. ("MetLife Mexico")

On December 6, 2016, FIBRA Macquarie in its role as limited guarantor and partner in a joint venture with Grupo Frisa, as borrower, entered into a MXN$1,155 million senior secured term loan facility financed by MetLife Mexico.

The loan is secured by eight retail properties contributed to a security trust. The loan was used for the repayment of the BRE Debt Mexico facility (GE Real Estate Mexico and HSBC Mexico secured credit agreement) provided for the acquisition of the portfolio from Kimco Realty Corporation in 2014.

This credit agreement establishes obligations to perform certain actions, including, among others, delivery of financial statements, reports and valuation, payment of obligations, and maintenance of insurance. In addition, the credit agreement establishes restrictions that limit the applicable investment trust's ability to, among other things and subject to certain exceptions, incur new debt, constitute additional liens, change its corporate structure, including mergers and acquisitions and dissolutions, grant loans to third parties, and change of control or of manager without the lender's consent.

The credit agreement includes, among others, the following events of default: i) lack of payment, ii) lack of maintenance of insurance, iii) breach of obligations, iv) false declarations, v) bankruptcy or insolvency, vi) seizure or dispossession, or vii) change of control.

Secured Credit Agreement with MetLife México for the Acquisition of one Kimco Property.

This credit agreement establishes obligations to perform certain actions, including, among others i) delivery of financial statements, reports and valuation, payment of obligations, and ii) meeting certain financial covenants, including loan-to-value and debt service coverage ratios. In addition, the credit agreement establishes restrictions that limit the applicable investment trust's ability to, among other things and subject to certain exceptions, incur new debt, constitute additional liens, change its corporate structure, including mergers and acquisitions and dissolutions, sell assets, or change the nature of the business.

The credit agreement includes, among others, the following events of default: i) lack of payment, ii) breach of obligations, iii) false declarations, iv) bankruptcy or insolvency, v) expropriation, or vi) change of control.

This loan was prepaid in full on January 31, 2019.

2016 Credit Agreement

On June 27, 2016, FIBRA Macquarie, as borrower, entered into an unsecured syndicated US$435 million credit facility with Banco Nacional de México, S.A. de C.V. ("Banamex") and various lenders referred therein, as lenders, and Banamex, as administrative agent (the "2016 Credit Agreement"). The 2016 Credit Agreement was amended on September 23, 2016 to increase the commitments under the revolving credit facility by US$84 million.

Below is a summary of the obligations to perform certain actions and other restrictions and events of default relevant to the 2016 Credit Agreement:

Fundamental changes. FIBRA Macquarie and its subsidiaries will not participate in mergers, dissolutions, liquidations, consolidations or other changes in its corporate structure or constituent documents that could represent events of default under the 2016 Credit Agreement, except for certain exceptions provided therein.

Change of control. The occurrence of certain circumstances of change of control represents an event of default under the Credit Agreement. Among them, is the acquisition by parties unrelated to Macquarie of more than 50% of the voting rights of the securities issued by FIBRA Macquarie.

Notes

On June 27, 2016, FIBRA Macquarie, as issuer, issued (promissory) notes through a purchase agreement for the amount of US$250,000,000 entered into with various purchasers (the "First Note Purchase Agreement"). On September 30, 2016, FIBRA Macquarie, as issuer, issued additional (promissory) notes through a purchase agreement for the amount of US$75 million entered into with various purchasers (the "Second Note Purchase Agreement" and jointly with the First Note Purchase Agreement, the "Note Purchase Agreements"). Below is a summary of the most relevant provisions of the Note Purchase Agreements.

Fundamental changes. FIBRA Macquarie and its subsidiaries will not participate in mergers, dissolutions, liquidations, consolidations or other changes in its corporate structure or constituent documents that could represent events of default under the Notes Purchase Agreement, except for certain exceptions provided therein.

Change of control. The occurrence of certain circumstances of change of control compels the issuer to make an offer to buy the notes. Among them, is the acquisition by parties unrelated to Macquarie of more than 50% of the voting rights of the securities issued by FIBRA Macquarie.

c) Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, the financial statements and related notes included elsewhere in this Annual Report

Overview

We are a Mexican trust focused on the acquisition, ownership, leasing and management of real estate properties in Mexico. We were established by Macquarie Infrastructure and Real Assets ("Macquarie Infrastructure and Real Assets"), a business within the Macquarie Asset Management division of Macquarie Group. Macquarie Infrastructure and Real Assets is a global alternative asset manager with approximately US$146.5 billion in assets under management as of December 31, 2020 (based on the most recent valuations available) through specialized funds focused on real estate, infrastructure, agriculture and energy assets. We are managed by Macquarie México Real Estate Management, S.A. de C.V., which has a local management team with significant experience in the Mexican real estate sector and provides us access to Macquarie Infrastructure and Real Assets' global capabilities and its highly disciplined, institutional approach to investing and asset management.

As of December 31, 2020, our diversified portfolio consists of 236 industrial properties and 17 retail properties (9 of which are held through a 50-50 joint venture with Frisa) located in 20 cities across 16 states in Mexico, with approximately 2.8 million square meters of GLA in our industrial portfolio and approximately 425 thousand square meters of GLA in our retail portfolio. As of such date, no single industrial property represents more than 3.4% of our industrial GLA and no single retail property represents more than 18.8% of our retail GLA. As of December 31, 2020, our industrial properties are 94.3% leased, in terms of GLA, to 281 tenants, and our retail properties are 91.4% leased, in terms of GLA, to 666 tenants. Our tenants include many leading Mexican and multinational companies or their affiliates across multiple industry sectors. Moreover, as of December 31, 2020, approximately 98.2% of our industrial leases are “triple-net,” based on leased area, whereby the tenant is responsible for paying or reimbursing us for property-related expenses including real estate taxes, owner and building insurance, utilities, repairs and maintenance. As of December 31, 2020, the weighted average remaining lease term for our industrial and retail properties, based on Annualized Base Rent, was 3.4 and 3.6 years, respectively. As of such date, approximately 75.5% of the leases in our portfolio, based on Annualized Base Rent, are denominated in US Dollars, including 92.7% of our industrial leases, with the leases on the remainder of our industrial properties and our retail properties denominated in Pesos.

Business Strategy

Our growth strategy consists of external growth through acquisitions and organic growth through proactive asset management.

On December 19, 2012, we completed our initial global offering, raising Ps.14.2 billion (approximately US$1.1 billion at such time) in gross proceeds (including the proceeds from the subsequent exercise of related over-allotment options) and concurrently with such offering we successfully structured approximately US$821 million in debt financings. We have acquired approximately US$2.2 billion in real estate, since our initial global offering. As a result, we have managed to form one of the largest industrial portfolios in Mexico, based on GLA among listed Mexican real estate vehicles, and diversify into the retail sectors.

We intend to pursue growth through the execution of our investment strategy, as demonstrated by our initial acquisitions concurrently with our initial Global Offering and our subsequent acquisitions. We will seek to leverage our Manager’s market knowledge and relationships to continue identifying and executing on acquisition opportunities. We seek to position our fund as a complementary source of liquidity to Mexican real estate developers, investors and owners seeking to complete the investment cycle with respect to their real estate holdings or generate liquidity through a sale of their real estate holdings. We will also explore selective joint venture development opportunities with local developers where we perceive demand and market rental rates will provide attractive financial returns.

We will continue to target acquisitions of stabilized, income-producing properties located in densely populated markets where supply is constrained, or in markets with high barriers to entry where there is an expectation of long-term capital appreciation. For industrial acquisitions, we intend to continue to focus on key manufacturing and distribution markets that complement our current industrial portfolio. For retail acquisitions, we intend to continue to focus on Mexico’s key urban markets of Mexico City, Monterrey and Guadalajara and key regional centers and growing urban markets. For office acquisitions, we intend to continue to focus on the Mexico City, Monterrey and Guadalajara markets. We believe we are well-positioned to capitalize on these opportunities through the well-established networks and relationships of our Manager.

We also seek to optimize the overall value and performance of our properties by (i) maintaining high retention rates with existing tenants; (ii) increasing occupancy; (iii) controlling operating expenses; (iv) maintaining our properties to high standards; (v) prudently investing in our buildings; and (vi) selectively disposing of non-strategic assets in order to enhance FIBRA Macquarie’s overall portfolio composition. In December 2013, we established our Internal Property Administrator, which is wholly-owned by our fund. We believe this Internal Property Administrator will further our organic growth strategy of proactive management and administration of our industrial real estate properties. Moreover, we have engaged experienced, large scale, established, high-quality third-party property administrators to administer our retail properties on our behalf, with close oversight from our Manager.

Summary of 2020

In the full year of operations ended December 31, 2020, we achieved and completed the following activities in support of our strategic focus:

- AFFO per certificate up 0.6% YoY and NOI up 8.5% YoY, mainly driven by Peso depreciation positively impacting property rental income, partially offset by lower average occupancy, discounts granted as part of the COVID-19 relief program and higher provision for bad debt expense.
- Paid Distributions of Ps1.90 per certificate in 2020, an increase of 6.7% from the prior year
- NOI margin of 87.4%, down 37bps YoY
- AFFO margin of 46.8%, down 430bps YoY

- Industrial Development:
    - Completion and 100% lease up of Ciudad Juárez two property development projects (LEED Certified & LEED Gold)
    - Acquisition of strategic land parcels in MCMA and Monterrey, with planning and permitting currently underway
- Full repayment of revolving credit facility with ~US$240m available, following precautionary US$180.0 million drawdown in March 2020
- Enhancements to sustainability with:
    - Three GRESB Green Star rating, an increase from GRESB Two Green Star rating in FY19
    - Increased green building certifications with two industrial buildings receiving LEED certifications and six wholly owned retail properties receiving BOMA Best Bronze certifications
- Retail remodeling: Completion of Coacalco Power Center (MCMA) remodeling project; remodeling of City Shops Valle Dorado (MCMA) in progress

Summary of 2019

In the full year of operations ended December 31, 2019, we achieved and completed the following activities in support of our strategic focus:

- Increased AFFO per certificate by 5.9% YoY to Ps 2.5758
- Paid Distributions of Ps1.78 per certificate in 2019, an increase of 11.3% from the prior year
- Record NOI margin of 87.8%, up 25bps YoY
- Record AFFO margin of 51.1%, up 58bps YoY increase in same store net operating income of 5.1%
- Deployed US$45.2 million of capital, comprised of US$22.0 million allocated to property development, expansions and remodeling; US$18.0 million of debt repayment; and US$5.2 million of certificates repurchased for cancellation, with a cumulative repurchase of 5.63% of certificates outstanding
- Strengthened balance sheet with gradual lowering of Real Estate Net LTV to 36.4% (148bps YoY reduction) and Net Debt/EBITDA multiple of 4.6

Summary of 2018

In the full year of operations ended December 31, 2018, we achieved and completed the following activities in support of our strategic focus:

- Increased AFFO per certificate by 7.6% YoY to Ps 2.4317
- Increased average occupancy for the year of 93.2%, up 57 bps from the prior year
- Executed a record number of leases totaling 8.4 million square feet in industrial and 35.4 thousand square meters in retail
- Sold 37 non-strategic assets, including two that remain under contract, for US$87.7 million of cash proceeds in 2018 as part of asset recycling program; in total has sold 44 assets for US$117.5 million in proceeds, 2.2% above book value
- Continued to execute on expansion initiatives, with US$9.9 million deployed or committed, generating a projected yield of approximately 15.4%
- Repurchased 30.0 million certificates for cancellation, with a cumulative repurchase of 5.1% of certificates outstanding
- Completed 2018 with a record LTM industrial retention rate of 87%
- Paid Distributions of Ps 1.60 per certificate in 2018, an increase of 6.7% from the prior year
- Further strengthened balance sheet by lowering LTV by 210 bps to 35.5% and increased liquidity by US$47.4 million to US$288 million, positioning FIBRAMQ for long-term growth
- Improved corporate governance by adding an independent member to our Technical Committee and requiring minimum ownership amounts by the independent Technical Committee members
- Subsequent to December 31, 2019 we repaid a Ps 284.1 million secured loan and released the security against the Arboledas retail center

Outlook

Despite short term headwinds, we remain cautiously optimistic and believe Mexico's economic fundamentals remain strong and should support solid long-term growth. Mexico has access to a deep, competitive, and highly skilled labor force and is continually moving up in manufacturing value chain. In addition, Mexico has an extensive free trade agreement network that provides access to the world's largest consumer markets, coupled with a favorable geographic location. Moreover, Mexico's domestic consumption outlook remains upward trending with a growing middle class with increasing access to credit.

This has also been an important period for the Mexican real estate market which enjoyed increased direct investment as a result of the institutionalization of the real estate asset class. The Mexican real estate market is expected to go through a period of significant institutionalization in terms of real estate ownership, creating ongoing opportunities for high-quality investments.

Additionally, we expect the low levels of speculative development across the country and specifically in many of our key markets to improve our portfolio's occupancy level and to increase lease rental rates, given the ongoing strong demand for industrial space. Additionally, we expect our acquisition activity to be accretive and enhance our overall financial performance. We expect the macroeconomic environment in Mexico, coupled with an improvement in Mexico's competitiveness compared to other countries such as China and India, to contribute to our growth and performance going forward.

Fundamentals for Mexican industrial real estate remain robust as a result of Mexico's increasing competitiveness in the manufacturing sector and growing demand from emerging industries such as logistics, medical devices, and aerospace. Based upon these factors and the continued strong performance of the large Mexican industrial real estate markets over the last year, we expect continued positive demand for real estate as companies expand their operations to meet increasing consumer demand.

In terms of ongoing acquisition opportunities, we will continue to pursue acquisitions of well-located assets at accretive prices where we can apply our management and leasing experience and market knowledge to generate attractive returns. Going forward, we intend to pursue both acquisitions of assets as well as selective development opportunities which could include building expansions in markets where we perceive demand and market rental rates will provide attractive financial returns.

We anticipate having enough liquidity to fund our operating expenses, including costs to maintain our properties and Distributions, though we may choose to finance investments, including acquisitions and developments, with the issuance of new CBFIs, cash, revenue from asset sales and through additional debt financing.

Financial Presentation

This Annual Report includes financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are presented in Mexican Pesos by applying the accounting policies set forth in section 3 of the Fund's audited financial statements, which accounting policies are in accordance with IFRS as issued by the IASB.

Where applicable, this Annual Report includes comparative historical financial information for our Fund in respect of the year ended December 31, 2018 and 2019.

Macroeconomic Conditions

Our business and financial performance, the value of our CBFIs, and our growth potential are closely related to macroeconomic conditions in Mexico as well as global macroeconomic conditions. An economic downturn, particularly if it impacts the regions where our properties are located or the principal markets of our tenant base, could affect our ability to renew existing leases, lease available space, maintain or increase rents and collect rents on a timely basis. In addition, if Mexico's largest trading partners, such as the United States, implement tariffs or trade barriers, such as import quotas, this could adversely affect our industrial tenants, which in turn would negatively affect our business. Volatility in the financial markets could adversely impact the availability of financings, interest rates, inflation and exchange rates, which could affect our ability to acquire additional properties or the price at which we can sell properties. However, we believe the quality of our properties and tenant base, the diversification of our portfolio in terms of real estate sector, geography, property size, tenants and tenant industries, as well as our stable primarily US Dollar-denominated cash flow, could mitigate some of the effects of adverse macroeconomic conditions.

Rental Revenue

Our primary source of income is the rental payments we receive from our tenants. The amount of rental revenue generated by our properties is influenced by a number of factors, including:

i. occupancy rates, including our ability to renew leases with existing tenants and lease vacant space to new tenants;
ii. rental rates, including our ability to maintain or increase rental rates for existing leases, renewal leases and leases for new tenants;
iii. gross leasable area, which may vary as a result of the acquisition and development of new properties and the disposition or expansion of existing properties; and
iv. rental payment collection, which primarily relates to our tenants' financial condition and their ability to make rental payments on time.

As of December 31, 2020, the occupancy rate of the properties in our industrial portfolio was 94.3% compared to 95.9% at the end 2019, and our average industrial monthly rent per leased square meter was US$5.05 compared to US$4.93 at the end of 2019. As of December 31, 2020, the occupancy rate of our retail portfolio was 91.4% compared to 93.8% at the end 2019, and our average retail monthly rent per leased square meter was MXN$154.86 compared to MXN$163.10 at the end of 2019. Occupancy and rental rates are primarily influenced by supply and demand in the market for leased industrial space in the areas where our properties are located. In markets with high occupancy rates and positive net absorption rates, rental rates will tend to increase at or above inflation, whereas the opposite is true in markets with low occupancy rates and negative net absorption rates. Most of the leases in our current portfolio contain contractual increases in rent, which are either based on fixed rates or based on inflation, with respect to the applicable rent currency.

For prior year comparison, as of December 31, 2019, the occupancy rate of the properties in our industrial portfolio was 95.9% vs. 94.5% at the end 2018, and our average industrial monthly rent per leased square meter was US$4.93 compared to US$4.79 at the end of 2018. As of December 31, 2019, the occupancy rate of our retail portfolio was 93.8% vs. 94.0% at the end 2018, and our average retail monthly rent per leased square meter was MXN$163.10 compared to MXN$156.65 at the end of 2018. Occupancy and rental rates are primarily influenced by supply and demand in the market for leased industrial space in the areas where our properties are located. In markets with high occupancy rates and positive net absorption rates, rental rates will tend to increase at or above inflation, whereas the opposite is true in markets with low occupancy rates and negative net absorption rates. Most of the leases in our current portfolio contain contractual increases in rent, which are either based on fixed rates or based on inflation, with respect to the applicable rent currency.

Certain leases entered into by us contain tenant concessions. Any such rental concessions are accounted for on a straight-line basis over the term of the lease.

Scheduled Lease Expirations

Our ability to re-lease space subject to lease expirations could impact our results of operations and is primarily affected by market conditions, competition and the quality of our properties at the time leases expire. Our industrial leases which are scheduled to expire during 2021 represent 4.4% and 4.0% of our total leased area and annualized base rent, respectively. In 2020 the renewal rate of the industrial leases was 77.9%, based on gross leasable area. Our retail leases which are scheduled to expire during 2021 represent 13.0% and 4.0% of our total retail leased area and annualized base rent, respectively.

Operating Expenses

Our operating expenses primarily include the following property-related expenses: maintenance, utilities, insurance, property taxes and property administration fees and expenses.

As of Dec 31, 2020, 98.2% (FY19: 92.6%, FY18: 92.0%) of our industrial leases were "triple net, whereby the tenant is responsible for maintaining owner and building insurance, paying for or reimbursing us for real estate taxes, and paying for the expense associated with utilities, repairs and maintenance. Our overall performance is impacted by the extent to which we are able to pass-through rental expenses to our tenants. We also incurred and will continue to incur the following expenses relating to management and general and administrative costs: our Manager's fees and fees in connection with auditors and accountants, tax compliance and tax advisors, trustee and common representative expenses, independent appraisers, and other corporate expenses.

Exchange Rates

Because our leases are primarily denominated in US Dollars, rental income expressed in Pesos is subject to fluctuations in the value of the US Dollar with respect to the Peso.

Significant Accounting Policies for Our Trust

Please refer to Note 3 of the Audited Financial Statements.

Comparative financial information

Our results of operations for the financial year ended December 31, 2020 and December 31, 2019 may not be fully comparable as a result of (i) the depreciation of the Peso against the US Dollar between December 31, 2019 and December 31, 2020 on a yearly-average basis, (ii) the impact of COVID relief program on income and expenses, and, (iii) the properties disposed in and 2019.

Similarly, our results of operations for the financial year ended December 31, 2019 and December 31, 2018 may not be fully comparable as a result of (i) the depreciation of the Peso against the US Dollar between December 31, 2018 and December 31, 2019 on a yearly-average basis, and, (iii) the properties disposed in 2018 and 2019.

Profit for the year

Profit after tax for the year ended December 31, 2020 was Ps. 1,587.3 million (FY19: Ps. 536.3 million; FY18: Ps. 1,940.3 million). The respective variance from prior years in different components of total profit are described below.

Revenues

Total revenues for the year ended December 31, 2020 were Ps. 4,028.1 million (FY19: Ps. 3,657.6 million). Rental income totaled Ps. 3,782.4 million (FY19: Ps. 3,396.7 million) and represented approximately 93.9% (FY19: 92.9%) of the total property related revenues for the year. Other major components of revenue include the following:

- **Tenant recoveries** – tenant recoveries for the year were Ps. 214.5 million (FY19: Ps. 204.2 million), which represented approximately 91.8% (FY19: 96.8%) of total property maintenance, real estate taxes, security expenses and property insurance related costs.
- **Car park income** – Car park income for the year of Ps. 31.1 million (FY19: Ps.56.7 million) primarily relates to the retail car parks.

The overall increase in revenue is mainly driven the depreciation of Peso against US Dollar, partially offset by discount to tenants as part of the COVID relief program, lower average occupancy and lower tenant sale-related and car parking income.

For prior year comparison, total revenues for the year ended December 31, 2019 were Ps. 3,657.6 million (FY18: Ps. 3,566.5 million). Rental income totaled Ps. 3,396.7 million (FY18: Ps. 3,320.0 million) and represented approximately 92.9% (FY18: 93.1%) of the total property related revenues for the year. Other major components of revenue include the following:

- **Tenant recoveries** – tenant recoveries for the year were Ps. 204.2 million (FY18: Ps. 191.3 million), which represented approximately 96.8% (FY18: 87.9%) of total property maintenance, real estate taxes, security expenses and property insurance related costs.
- **Car park income** – Car park income for the year of Ps. 56.7 million (FY18: Ps. 55.2 million) primarily relates to the retail car parks.

The overall increase in revenue was mainly driven by the movements in foreign exchange rates, higher average occupancy, higher rental rates, higher tenant recoveries and a one-off termination fee, partially offset by the sale of 2 properties in June 2019.

Direct Operating Expenses

Property-related operating expenses for the year ended December 31, 2020 were Ps. 619.5 million (FY19: Ps. 532.0 million). These property expenses primarily include the following:

- **Property administration fees –** incurred costs of Ps. 74.8 million (FY19: Ps. 77.6 million) in respect of (i) salary-related expenses and other overhead incurred by our internal property management platform and (ii) external property administrators.
- **Real estate taxes –** expenses of Ps. 71.9 million (FY19: Ps. 64.0 million) represent annual property taxes.
- **Repairs & maintenance (including common area maintenance) –** Ps. 154.9 million for the year (FY19: Ps. 137.0 million).
- **Security services and property insurance –** insurance and security costs for the year of Ps. 46.9 million (FY19: Ps. 46.5 million).
- **Legal and consultancy fees –** property-related costs for the year of Ps. 9.8 million (FY19: Ps. 8.3 million).
- **Impairment loss on trade receivables –** impairment loss for the year of Ps. 77.5 million (FY19: Ps. 31.3 million)
- **Other property expenses –** other expenses for the year including utilities, amortization charges and car park operators' fees of Ps. 261.2 million (FY19: Ps. 198.7 million).

The year-on-year increase in operating expenses is mainly driven by higher impairment loss on trade receivables due to the impact of the COVID-19 pandemic on revenue collections, higher tenant improvement and leasing expense amortizations and higher maintenance costs, partially offset by lower property administration fee and marketing expenses mainly in respect of our retail portfolio.

For prior year comparison, property-related operating expenses for the year ended December 31, 2019 were Ps. 532.0 million (FY18: Ps. 500.0 million). These property expenses primarily include the following:

- **Property administration fees –** incurred costs of Ps. 77.6 million (FY18: Ps. 71.9 million) in respect of (i) salary-related expenses and other overhead incurred by our internal property management platform and (ii) external property administrators.
- **Real estate taxes –** expenses of Ps. 64.0 million (FY18: Ps.63.5 million) represent annual property taxes.
- **Repairs & maintenance (including common area maintenance) –** Ps. 137.0 million for the year (FY18: Ps. 138.6 million).
- **Security services and property insurance –** insurance and security costs for the year of Ps. 46.5 million (FY18: Ps. 46.9 million).
- **Legal and consultancy fees –** property-related costs for the year of Ps. 8.3 million (FY18: Ps. 6.3 million).
- **Other property expenses –** other expenses for the year including utilities, amortization charges and car park operators' fees of Ps. 198.7 million (FY18: Ps. 172.8 million).

The year-on-year increase in operating expenses is mainly driven by a one-off amortization of the unamortized balance of tenant improvement and leasing expense in respect of the two properties sold during the year, higher property administration fee and higher marketing expenses mainly in respect of our retail portfolio.

Fund related professional fees are expenses

These are fees and expenses payable to external parties which are not directly property related and include the following:

- **Management fee –** fee of Ps. 186.8 million (FY19: 164.9 million; FY18: 168.2 million) represent the base management fees owed to Macquarie México Real Estate Management S.A. de C.V., the manager of our Trust, related to the financial year. The variance between years is mainly driven by the average CBFI price and the number of CBFIs outstanding during the respective calculation period each year.
- **Transaction related expenses –** transaction costs of Ps. 7.3 million (FY19: Ps. 25.2 million; FY18: Ps. 1.6 million) are incurred in connection with deal-related activity during the year. These costs are not otherwise capitalized to equity or debt and are therefore required to be expensed, in accordance with IFRS. The movement between years cannot be compared as these expenses relate to different deal-related activities in the respective years.

- **Other fund-related expenses** – Professional, legal and other expenses for the year amounted to Ps. 67.6 million (FY19: Ps. 53.2 million; FY18: Ps. 50.8 million). Overall, the year-on-year increase in fund-related expenses is mainly driven by sustainability project related expenses, movements in foreign exchange rates and inflation increases in certain recurring expenses.

Finance costs

Finance costs amounted to Ps. 1,002.2 million (FY19: Ps. 921.1 million; FY18: Ps. 893.8 million), and primarily relates to the interest expense incurred with respect to our debt facilities. The variance between years is mainly driven by the movement in foreign exchange rates and varying balance of debt during the respective year.

Other finance costs include the amortization of upfront borrowing costs which have been recognized in accordance with the effective interest rate method pursuant to IFRS.

Interest income

Interest income of Ps. 21.2 million (FY19: Ps. 26.5 million) relates to interest earned on funds invested in Mexican government bonds and was lower in the current year mainly due to lower interest rates as compared to the year ended December 31, 2019.

For prior year comparison, financial income of Ps. 26.5 million (FY18: Ps. 21.1million) relates to interest earned on funds invested in Mexican government bonds and was higher in the current year mainly due to higher average cash balances, partially offset by lower interest rates as compared to the year ended December 31, 2018.

Unrealized foreign exchange gains and losses

The Trust recorded movements in foreign exchange on monetary balances and unrealized movements in investment properties arising primarily from the movement of the Mexican Peso and US dollar exchange rate from Ps. 18.85 per US dollar at December 31, 2019 to Ps. 19.95 per US dollar at December 31, 2020 and comprise the following elements:

- **Foreign exchange gain/(loss) relating to monetary items** – Loss of Ps. 843.9 million (FY19: Ps. 630.6 million, gain): relating primarily to unrealized foreign exchange gain in respect of US$-denominated debt.
- **Net unrealized foreign exchange gain/(loss) on foreign currency denominated investment property** – Gain of Ps. 1.9 billion (FY19: Ps. 1.5 million, loss) for the current financial year relates to the foreign exchange movement during the financial year from January 1, 2020 to December 31, 2020.

For prior year comparison, The Trust recorded movements in foreign exchange on monetary balances and unrealized movements in investment properties arising primarily from the movement of the Mexican Peso and US dollar exchange rate from Ps. 19.68 per US dollar at December 31, 2018 to Ps. 18.85 per US dollar at December 31, 2019 and comprise the following elements:

- **Foreign exchange gain relating to monetary items** – Gain of Ps. 630.6 million (FY18: Ps. 24.7 million, gain): relating primarily to unrealized foreign exchange gain in respect of US$-denominated debt.
- **Net unrealized foreign exchange loss on foreign currency denominated investment property** – Loss of Ps. 1.5 million (FY18: Ps. 83.7 million, loss) for the current financial year relates to the foreign exchange movement during the financial year from January 1, 2019 to December 31, 2019.

Unrealized fair valuation gain on investment property

Based on independent external valuations, a loss of Ps. 1.2 billion (FY19 – loss of Ps. 605.1 million; FY18 – gain of Ps. 7.0 million) has been recorded for the year ended December 31, 2020.

Gain on disposal of investment properties

No properties were sold during the year ended December 31, 2020. There was no gain/(loss) on the two properties sold during 2019 as these properties were already under a contract-to-sell from 2018 and were sold at book value.

During the financial year 2018, the Trust disposed of thirty-five properties and recognized a gain on disposal of investment properties in the Consolidated Statements of Comprehensive Income of Ps. 3.5 million.

Goodwill written off in respect of properties disposed

No properties were sold during the year ended December 31, 2020. There was no goodwill associated with the two properties sold during 2019, therefore, no goodwill written off in respect of properties disposed in 2019.

For the year ended, December 31, 2018, goodwill amounting to Ps. 41.1 million, associated with the five properties disposed during that year was de-recognized and transferred to the Consolidated Statements of Comprehensive Income.

Unrealized fair valuation gain on interest rate swaps

Since FIBRA Macquarie does not qualify for hedge accounting from an IFRS perspective, and therefore, the unrealized marked-to-market loss of Ps. 172.9 million (FY19: loss of 162.2; FY18: gain of 12.4 million) has been recorded in the current year's Consolidated Statements of Comprehensive Income.

Income tax

Our internal property administrator is subject to income tax and a total current and deferred income tax benefit of Ps. 0.6 million (FY19: 5.6 million expense ; FY18: 13.3 million expense) has been recognized in the consolidated financial statements for this year. Deferred income taxes are calculated on the basis of the income tax rate applicable in the period in which the reversal of the corresponding temporary differences is expected.

d) Critical Accounting Estimates, Provisions and Reserves

We prepare our financial statements in accordance with IFRS, as issued by the IASB. The preparation of financial statements in conformity with IFRS requires that management make judgments, estimations and estimates of uncertainties that affect our revenues, expenses, assets, liabilities and other related amounts. Management routinely makes judgments and estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the future resolution of the uncertainties increases, these judgments become more subjective and complex.

Judgements

Estimation of fair value of investment properties: Critical judgments are made with respect to the fair values of investment properties. The fair values of investment properties are reviewed regularly by management with reference to independent property valuations and market conditions existing at the reporting date, using generally accepted market practices. The independent valuators are experienced, nationally recognized and qualified in the professional valuation of industrial and retail buildings in their respective geographic areas

Estimation of fair value of derivative financial instruments: The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as credit risk and volatility. Changes in assumptions about these factors could materially affect the reported fair value of financial instruments.

Classification of joint arrangements into joint ventures: Critical judgments are made with respect to the fair values of investment properties included in the Joint Venture with Grupo Frisa.

Assumptions and estimation of uncertainties

Critical assumptions relating to the valuation of investment properties at fair value include the receipt of contractual rents, expected future market rents, renewal rates, capital expenditures, discount rates that reflect current market uncertainties, capitalization rates and recent investment property transactions. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may change materially.

Trade and other receivable: These are measured based on a forward-looking 'Expected Credit Loss' ("ECL") model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. Any change in management´s estimates can result in modification of the impairment loss of trade receivables.

Income tax and deferred income tax: The recognition and measurement of deferred tax assets or liabilities is dependent on management's estimate of future taxable profits and income tax rates that are expected to be in effect in the period the asset is realized, or the liability is settled. Any changes in management's estimates can result in changes in deferred tax assets or liabilities as reported in the balance sheet.

Goodwill is tested for impairment at least annually, and when circumstances indicate that the carrying value may be impaired based on key assumptions underlying to the portfolio premium.

Management believes that the estimates used in preparing the consolidated financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from our assumptions and estimates could result in an adjustment to the carrying amounts of the assets and liabilities previously reported.

We have identified the following accounting policies as the most important to the representation of our current financial condition and results of operations.

Foreign Currency Translation

Functional and Presentation Currency

Items included in the consolidated financial statements of foreign operations are measured using the currency of the primary economic environment in which the foreign operation operates (the functional currency). The consolidated financial statements are presented in Mexican Pesos (the presentation currency), which is also the functional currency of FIBRA Macquarie and its controlled entities. Management has conducted a detailed review of the key factors that determine the functional currency under IAS 21, based on a number of factors including the location of the Group, the currency of its equity and distribution and the location of the Trust's investments.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statement of Comprehensive Income.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain/loss in the Consolidated Statement of Comprehensive Income. Non-monetary items that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

The results and financial position of all operations recorded in a currency other than Pesos are translated into Pesos as follows:

- assets and liabilities presented are translated at the closing exchange rate at the date of that Consolidated Statements of Financial Position;
- income and expenses presented are translated at actual exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognized as a separate line item in the Consolidated Statements of Comprehensive Income.

Measurement of Fair Value

The Trust measures financial instruments, such as derivatives and non-derivatives financial assets and investment properties, at fair value at every reporting date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability.

All asset and liabilities for which fair value is measured or discloses in the consolidated financial statements are categorized in the level three hierarchy based on inputs used in the valuation process. The level in the fair value hierarchy under within which fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the entity for identical assets or liabilities. These quoted prices generally provide the most reliable evidence and should be used to measure fair value whenever available.

Level 2 – Fair value is based on inputs, other than Level 1 inputs, that are observable for the asset or liability, either directly or indirectly, substantially for the full term of the asset or liability through corroboration of observable market data.

Level 3 – Fair value is based on significant unobservable inputs for the asset or liability. Such inputs reflect the entity's own assumptions about how market participants would price the asset or liability.

Impairment of Non-Financial Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Investment Properties

Investment properties comprise investment interests in land and buildings (including integral plant and equipment) held either to earn rental income, for capital appreciation or for both but not for sale in the ordinary course of business. Investment properties are initially measured at cost and subsequently at fair value with any change therein recognized in the Consolidated Statements of Comprehensive Income. Cost includes expenditure that is directly attributable to the acquisition of the investment property, except business combinations.

At each reporting date, the fair values of the investment properties are assessed with reference to the Manager's assessment or independent valuation reports where available.

Disposals of investment properties are firstly classified and measured as "Investment properties held for sale" in accordance with IFRS 5; once the properties have been sold, the gain or loss of the transaction is recognized in the Consolidated Statements of Comprehensive Income.

Income Tax and other Taxes

We qualified as a FIBRA for Mexican federal income tax purposes at December 31, 2020. Under Articles 187 and 188 of the LISR, we are required to distribute an amount equal to at least 95% of our Tax Result to our CBFI holders on a yearly basis. If the Tax Result during any fiscal year is greater than the Distributions made to CBFI holders during the twelve months ended March 15 of such fiscal year, we will be required to pay the corresponding tax at a rate of 30% of such excess. Should, however, such Tax Result exceed such Distributions made to CBFI holders by more than 5%, the Trust may lose its FIBRA status. It is always our intention to comply with applicable tax requirements to preserve our FIBRA status.

Our investment trusts qualified as pass-through entities for tax purposes at December 31, 2020. However, our Internal Property Administrator is subject to income tax and the related tax effects have been recognized in our consolidated financial statements for this year.

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilized. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realization of an investment property measured at fair value, a presumption exists that its carrying amount will be recovered through sale. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

FIBRA Macquarie is a registered entity for Value Added Tax ("VAT") or Impuesto al Valor Agregado ("IVA") in Mexico. IVA is triggered on a cash-flow basis upon the performance of specific activities carried out within Mexico.

Principles of Consolidation

The consolidated financial statements of FIBRA Macquarie incorporate the assets and liabilities of its controlled entities. The effects of intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(i) Subsidiaries

Subsidiaries are entities controlled by FIBRA Macquarie. The Trust controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Trust consolidates the financial results of its three subsidiaries – MMREIT Property Administration Services, A.C. ("MPAS"), MMREIT Property Administration, A.C. ("MPA") and MMREIT Property Administration Holding, A.C. ("MPAH").

(ii) Business Combinations

IFRS 3 applies if a business has been acquired. Business combinations are accounted for using the acquisition method as at the acquisition date. Cost is measured as the aggregate of the fair values (at the date of acquisition) of assets acquired, equity instruments issued or liabilities incurred or assumed at the date of exchange.

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured at their fair values on the acquisition date. The Group can elect, on a transaction-by-transaction basis, to measure Non-Controlling Interests ("NCI") relating to ordinary shares either at fair value or at the NCI's proportionate share of the fair values of the identifiable assets and liabilities. The excess of the consideration payable over the Group's share of the fair value of the identifiable net assets acquired is recorded as goodwill. If the consideration is less than the Group's share of the fair value of the identifiable net assets of the business acquired, the difference is recognized directly in the Consolidated Statements of Comprehensive Income, after a reassessment of the identification and measurement of the net assets acquired. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of these contingent consideration liabilities are recognized in the Consolidated Statement of Comprehensive Income.

Transaction costs, other than those associated with the issue of debt or equity securities, in connection with a business combination are expensed as incurred.

Where settlement of a portion of the cash consideration is deferred, the amounts payable in the future are discounted to their present value. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions

Distinguishing between whether assets or a business is acquired involves judgement. The Group uses the following factors in identifying a business combination:

- our fund's acquisition strategy when commencing its operations;

- the nature of our fund's industry and business model, which affects the nature of an input, process or output;
- this also affects whether the acquisition included a majority of the critical inputs (e.g. tangible or intangible assets, and intellectual property) and a majority of the critical processes (e.g. strategic processes, skilled and experienced workforce);
- the relative ease of replacing the critical processes not acquired by either integrating within our fund's existing processes or sub-contracting them to third parties; and
- the presence of goodwill.

(iii) Joint arrangement

Investments in joint arrangements are classified as either joint operations or joint ventures depending upon the contractual rights and obligations each investor has, and the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the FIBRA Macquarie's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

Rental Income

Revenue is measured at the fair value of the consideration received or receivable. Rental income from investment properties is recognized as revenue in the Consolidated financial statements in line with the terms of lease agreements with tenants, and on a straight-line basis over the period of each lease.

Termination fees paid out in relation to the early termination of lease agreements are also included in rental income and recognized in full in the period in which the Trust is legally entitled to this income. Recoveries relating to expenses that are recharged to tenants are recognized over the same period as the relevant expenses.

Lessees may be offered incentives as an inducement to enter non-cancellable operating leases. These incentives may take various forms including rent-free periods, upfront cash payments, or a contribution to certain lessee costs such as a fit out of premises. Incentives are capitalized in the Consolidated Statements of Financial Position and amortized over the term of the lease as an adjustment to rental income.

Financial Instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Trust has entered into interest rate swaps but since these instruments do not qualify as hedging instruments per IFRS, the resulting gain or loss arising from changes in the fair value of these derivatives are taken directly to Consolidated Statements of Comprehensive Income.

Prior to January 1, 2018, the Trust classified non-derivative financial assets into the following categories: financial assets at fair value through profit or loss; and, loans and receivables. From January 1, 2018, The Trust classifies non-derivative financial liabilities into the other financial liability category, in line with IFRS 9.

Non-derivative financial assets and financial liabilities - recognition and de-recognition

The Trust initially recognizes loans and receivables and cash and cash equivalents issued on the date when they are originated. Trade and other receivables, trade and other payables, interest bearing liabilities are initially recognized on the transaction date.

The Trust derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Trust is recognized as a separate asset or liability.

The Trust derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Any gain or loss on derecognition is also recognized in the Consolidated Statement of Comprehensive Income.

Non-derivative financial assets and liabilities - measurement

These financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are initially recognized at fair value plus any directly attributable transaction costs, subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit & loss ("FVPL"). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Financial assets are classified within the following business models depending on management's objective: (i) "held to maturity to recover cash flows", (ii) "held to maturity and to sell financial assets" and (iii) "others or held for trading".

The classification depends on the nature and purpose of holding the financial assets and is determined at the time of initial recognition. The Trust performs a portfolio – level assessment of the business model in which a financial asset is managed to accomplish with Trust's risk management purposes. The information that is considered within the evaluation includes:

- The policies and objectives of the Trust in relation to the portfolio and the practical implementation of policies;

- Performance and evaluation of the Trust's portfolio including accounts receivable;

- Risks that affect the performance of the business model and how those risks are managed;

- Any compensation related to the performance of the portfolio; and

- Frequency, volume and timing of sales of financial assets in previous periods together with the reasons for said sales and expectations regarding future sales activities.

The Trust's financial assets include cash and cash equivalents, restricted cash, account receivables, impairment on trade receivables and interest rate swap.

Evaluation that contractual cash flows are solely principal and interest payments ("SPPI")

In order to classify a financial asset within one of the three different categories, the Trust determines whether the contractual cash flows of the asset are only principal and interest payments. The Trust considers the contractual terms of the financial instrument and whether the financial asset contains any contractual term that could change the timing or amount of the contractual cash flows in such a way that it would not meet the SPPI criteria. In making this evaluation, the Trust considers the following:

- Contingent events that would change the amount or timing of cash flows;

- Terms that can adjust the contractual coupon rate, including variable interest rate characteristics;

- Payment and extension features; and

- Characteristics that limit the Trust's right to obtain cash flows from certain assets.

A prepaid feature is consistent with the characteristics of only principal and interest payments if the prepayment amount substantially represents the amounts of the principal and interest pending payment, which could include reasonable compensation for early termination of the contract. Additionally, a financial asset acquired or originated with a premium or discount to its contractual amount and in the initial recognition the fair value of the prepaid characteristic is insignificant, the asset will pass the test of the contractual characteristics of cash flow if the amount of prepaid represents substantially the contractual amount and accrued interest (but not paid); which may include additional compensation for the early termination of the contract.

Non-derivative financial assets and liabilities: initial recognition

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value Through Other Comprehensive Income ("FVOCI"); or, Fair Value Through Profit and Loss ("FVTPL").

Non-derivative financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Non-derivative financial assets and liabilities: Subsequent measurement

Non-derivative financial assets at amortized cost: these assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit and loss. Any gain or loss on derecognition, is also recognized in Consolidated Statement of Comprehensive Income.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the Consolidated Statement of Comprehensive Income.

As of December 31, 2020 and 2019 the Trust does not have any financial assets measured at FVOCI.

Leases

a) As a lessor - policy applicable until December 31, 2018

Agreements entered into by the Trust and its tenants until December 31, 2018 were classified under IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The Trust is the lessor of the leases entered into with third parties in respect of its investment properties. Of the leases entered into by the Trust, there are a certain amount that are fixed-term leases which include renewal options exercisable by the respective tenant.

b) As a lessee - policy applicable until December 31, 2018

Assets held under leases were classified as operating leases (IAS 17) and were not recognized in the Trust's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease.

a) As a lessor - policy applicable from January 1, 2019

When the Trust act as a lessor the agreements classified as operating leases under IFRS16 Leases. The Trust makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. The Trust recognizes lease payments received under operating leases as income on straight line basis over the lease term as part of property related income.

b) As a lessee - policy applicable from January 1, 2019

Leases are initially recognized on the balance sheet as lease liabilities with corresponding right-of-use assets. The right-of-use asset is subsequently measured at cost and depreciated using the straight-line method. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using effective interest rate method. The lease liability is subsequently measured at amortized cost. Implicit interest and depreciation expense are recognized separately in the consolidated statement of comprehensive Income.

e) Other Non-IFRS Financial Information

The following is a reconciliation of our net income to our Net Operating Income (NOI):

	Year ended Dec 31, 2020 Ps. 'million	Year ended Dec 31, 2019 Ps. 'million	Year ended Dec 31, 2018 Ps. 'million
Net profit after tax	1,587.3	536.3	1,940.3
Management fees	186.8	164.9	168.2
Transaction related expenses	7.3	25.2	1.6
Professional, legal and other expenses	67.6	53.2	50.8
Finance costs	1,002.2	921.1	893.8
Interest income	(21.2)	(26.5)	(21.1)
Tax expense	(0.6)	5.6	13.3
Unrealized foreign exchange (loss)/gain	843.9	(630.6)	(24.7)
Unrealized revaluation loss/(gain) on investment properties measured at fair value	1,157.9	605.1	(7.0)
Net unrealized loss/(gain) on interest rate swaps	172.9	162.2	(12.4)
Net unrealized FX gain/(loss) on investment property	(1,912.5)	1,464.0	83.7
Share of (losses)/profits from equity-accounted investees	317.0	(155.0)	(64.6)
Loss on disposal of investment property	-	-	3.5
Goodwill written off in respect of properties disposed	-	-	41.1
Non-controlling interest	(0.4)	-	-
Net Property Income	**3,408.2**	**3,125.5**	**3,066.4**
Net Property Income – joint venture	116.8	137.5	125.5
Tenant improvements amortization	57.8	43.8	34.3

Leasing commissions amortization and internal costs	84.0	72.1	65.8
Painting expense	25.9	24.4	15.2
Net Operating Income	**3,692.7**	**3,403.5**	**3,307.2**

The following is a reconciliation of our net operating income to our Funds from Operations (FFO):

	Year ended Dec 31, 2020 Ps. 'million	Year ended Dec 31, 2019 Ps. 'million	Year ended Dec 31, 2018 Ps. 'million
Net Operating Income	3,692.7	3,403.5	3,307.2
Management fees	(186.8)	(164.9)	(168.2)
Professional, legal and other expenses	(67.5)	(53.4)	(51.6)
Transaction related expenses	(6.9)	-	-
Adjusted EBITDA	**3,431.5**	**3,185.2**	**3,087.5**
Tax expense	0.6	(5.6)	(13.3)
Financial income	22.3	30.3	22.8
Interest expense	(1,035.3)	(894.2)	(917.1)
Normalized debt costs	(24.8)	(12.1)	NA
Funds from Operations (FFO)	**2,394.3**	**2,303.6**	**2,179.9**
Normalized capital expenditure	(186.7)	(149.7)	(128.4)
Tenant improvements	(63.3)	(67.1)	(64.9)
Above-standard tenant improvements	(15.3)	(12.4)	NA
Extraordinary maintenance capital expenditures	(13.4)	(9.8)	NA
Leasing commissions	(54.1)	(60.8)	(83.8)
Internal platform leasing costs	(32.8)	(26.4)	NA
Internal platform engineering costs	(15.2)	(11.0)	NA
Straight lining of rents	(37.8)	13.3	4.7
Adjusted Funds from Operations (AFFO)	**1,975.6**	**1,979.7**	**1,907.5**

Liquidity and Capital Resources

Our short-term liquidity requirements consist primarily of funds to pay for operating expenses and other expenses associated with our portfolio, including: (i) capital expenditures for tenant improvements and leasing commissions; (ii) management and external property administration fees; (iii) interest expense and principal payments on outstanding debt; (iv) general and administrative expenses, (v) payment of taxes; (vi) capital expenditures for the development and expansion of our properties; and (vii) funding of our certificate buyback program. In addition, we require funds for Distributions to be made to holders of our CBFIs. We intend to satisfy our short-term liquidity requirements primarily through our existing cash balances and cash flow from operations.

Our long-term liquidity needs consist primarily of funds necessary to pay for acquisitions, non-recurring capital expenditures and scheduled debt maturities. We intend to satisfy our long-term liquidity needs through cash flow from operations, funds available under our revolving credit facilities, funds received from the sale of certain assets as well as through additional equity and debt financings.

Contractual Debt Obligations

The following table shows our contractual obligations as of December 31, 2020.

Ps. 'million	Total	< 1 year	1-2 years	2-3 years	3-4 years	4-7 years	7-10 years
Borrowings under credit facilities (for fund wholly-owned entities) (1)	15,759.5	-	-	4,987.2	3,590.8	1,496.2	5,685.4
Borrowings under Joint Venture credit facilities (for fund joint venture entities) (2)	572.9		-	-	572.9	-	-
Borrowings under credit facilities (for fund wholly-owned entities) (1)	15,759.5	-	-	4,987.2	3,590.8	1,496.2	5,685.4
Borrowings under Joint Venture credit facilities (for fund joint venture entities) (2)	572.9		-	-	572.9	-	-

(1) Amounts show principal repayment only at respective extended maturity dates and exclude forecasted interest, unamortized transaction costs and other fees and expenses. We expect these credit facilities to be predominately free of principal repayment until maturity subject to certain conditions. Debt is denominated in US dollars and a USD-Mexican Peso foreign exchange rate of 19.9487 has been used for conversion purposes.

(2) Represents our share (50%) of the debt in relation to the joint ventures which is not consolidated for statutory reporting purposes in accordance with IFRS. Excludes forecasted interest, unamortized transaction costs and other fees and expenses.

Impact of Inflation

Most of the leases related to the properties in our portfolio contain contractual increases in rent at rates that are either fixed or tied to inflation, based on the currency of the rent. As a result, we believe that inflationary increases in expenses will be partially offset by the contractual rent increases provided under these leases.

Interest Rate Risk

As of December 31, 2020, 100% of our outstanding indebtedness was fixed rate. In addition, we and our investment trusts may in the future enter into credit facilities or otherwise incur indebtedness with variable interest rates. To the extent our investment trusts draw from these facilities, or we or our investment trusts otherwise incur variable rate indebtedness in the future, we and our investment trusts will be exposed to risk associated with market variations in interest rates. Interest rates are highly sensitive to many factors, including fiscal and monetary policies and domestic and international economic and political considerations, as well as other factors beyond our control. We may in the future utilize hedging instruments to protect against fluctuations in interest rates.

Foreign Currency Exchange Rate Risk

As of December 31, 2020, we had US Dollar denominated debt of approximately US$790 million and approximately 75.5% of the leases related to the properties that comprise our portfolio, in terms of Annualized Base Rent as of December 31, 2020, are denominated in US Dollars, while the balance of the leases and most of our operating expenses denominated in Pesos. Fluctuations in the Ps./US$ exchange rate will impact our financial results. A number of factors beyond our control influence the Ps./US$ exchange rate. We may in the future utilize hedging instruments to protect against fluctuations in exchange rates.

Treasury policy

Our treasury policy sets out requirements and guidelines to appropriately manage counterparty risk, foreign exchange risk and investment criteria for monetary assets.

Additionally, we monitor and review the Fund's liquidity position and forecast cash flow requirements on a regular basis.

Relevant Indebtedness Information

Our source of internal liquidity primarily consists of cash flow derived from our operations. Our source of external liquidity primarily consists of our borrowings.

The following table shows our indebtedness as of December 31, 2020.

Lender or Agent	Currency	Amount Outstanding As of Dec 31, 2020	Interest Rate	Maturity[1]
Various Banks through a Credit Facility - Term Loan	US Dollars	US$180,000,000	Fixed – 4.44%[2] per year	April 1, 2024
Various Insurance Companies through a Note Purchase and Guaranty Agreement - Term Loan	US Dollars	US$250,000,000	Fixed - 5.55% per year	June 30, 2023
Various Insurance Companies through a Note Purchase and Guaranty Agreement - Term Loan	US Dollars	US$75,000,000	Fixed - 5.44% per year	September 30, 2026
MetLife – Term Loan	US Dollars	US$210,000,000	Fixed – 5.38% per year	October 1, 2027
MetLife – Term Loan	US Dollars	US$75,000,000	Fixed – 5.23% per year	June 1, 2034
MetLife Mexico[4]	Mexican Pesos	Ps. 572,929,991[5]	Fixed – 8.50% per year	January 1, 2024

1. These maturities may be extended under certain circumstances subject to compliance with certain covenants **2.** Fixed by a corresponding interest rate swap expiring on April 1, 2024. The term loan has a variable interest calculated at 90 day LIBOR + 2.50% p.a. spread **3.** As of December 31, 2020, the Revolving Credit Facility had available undrawn commitments of USD 180.0 million (USD tranche) and Ps.1.3 billion (Peso tranche) totaling to USDe243.1 million **4.** Amount stated represents FIBRA Macquarie's proportionate share of the joint venture level debt with Frisa. **5.** 27-years amortization of principal starting in 2020 **Note:** All interest rates are exclusive of withholding taxes.

Below is a summary of our relevant credit facilities that are still outstanding as of the date of this report:

US$500 million of refinancing activity

On April 2, 2019, FIBRA Macquarie, as borrower, entered into a US$500 million refinancing transaction, comprised of a US$425 million unsecured credit facility and a term sheet for a new US$75 million secured term loan facility (together, the Refinancing). The Refinancing was debt neutral and enhanced FIBRA Macquarie's debt profile by diversifying FIBRAMQ's lender base and significantly extending the weighted average maturity of its debt.

On May 22, 2019, FIBRA Macquarie closed a 15-year US$75 million secured term loan facility with maturity in June 2034 and all-in fixed-rate interest of 5.23% per annum. The proceeds were used to fully repay the outstanding drawn revolver, resulting in the entire revolving facility, equivalent to US$245 million, being undrawn.

On April 5, 2019, FIBRA Macquarie, closed a US$425 million unsecured credit facility. The initial drawings of US$180 million under the unsecured five-year term loan, together with US$75 million drawn under the unsecured revolving facility and US$3 million cash on hand, were used to fully prepay an existing US$258 million unsecured term loan that was due to expire on June 30, 2020.

Full repayment of a Secured Credit Agreement Mexican Peso-denominated loan with MetLife at FIBRA Macquarie's JV level

On January 31, 2019, FIBRA Macquarie made a full repayment of a secured loan at its JV level scheduled to mature on April 1, 2019, utilizing cash on hand. FIBRA Macquarie´s 50 percent pro rata share of this loan repayment totaled to $284.1 million.

Loan Refinancing of the Secured Credit Agreement with MetLife for the Acquisition of certain CPA Properties

On September 13, 2017, MetLife, as lender, and CIBanco, as trustee under the irrevocable administration trust agreement number F/00922 (as amended and restated from time to time), as borrower, entered into the MetLife Refinancing Loan.

The MetLife Refinancing Loan provides an amortization of interest only, subject to compliance with certain debt covenants. As for the security, MetLife has recourse only to the properties, cash flows and other reserves constituted under the facilities (security trust), except under certain limited circumstances in which the lender has recourse to FIBRA Macquarie. The borrower issued a promissory note in order to evidence the principal amount of the loan of US$210,000,000.00, and as unconditional promise of payment of the principal and ordinary interests over the outstanding amount of the loan.

This credit agreement establishes obligations to perform certain actions, including, among others i) delivery of financial statements, reports and valuation, maintenance of insurance, and payment of obligations, and ii) meeting certain financial covenants, including loan-to-value, debt service coverage, and debt yield ratios. In addition, the credit agreement establishes restrictions that limit the applicable investment trust's ability to, among other things and subject to certain exceptions, incur new debt, constitute additional liens, change its corporate structure, including mergers and acquisitions and dissolutions, sell assets, or change the nature of the business.

The credit agreement includes, among others, the following events of default: i) failure to pay principal or interest when due, ii) bankruptcy or insolvency, iii) false declarations, iv) transfer of property titles, v) additional incurrence of debt and/or lines, vi) change of control or vii) the delay of the environmental remedial works, as set forth under the MetLife Refinancing Loan.

Secured Credit Agreement with MetLife Mexico, S.A. ("MetLife Mexico")

On December 6, 2016, FIBRA Macquarie in its role as limited guarantor and partner in a joint venture with Grupo Frisa, as borrower, entered into a MXN$1,155 million senior secured term loan facility financed by MetLife Mexico.

The loan is secured by eight retail properties contributed to a security trust. The loan was used for the repayment of the BRE Debt Mexico facility (GE Real Estate Mexico and HSBC Mexico secured credit agreement) provided for the acquisition of the portfolio from Kimco Realty Corporation in 2014.

This credit agreement establishes obligations to perform certain actions, including, among others, delivery of financial statements, reports and valuation, payment of obligations, and maintenance of insurance. In addition, the credit agreement establishes restrictions that limit the applicable investment trust's ability to, among other things and subject to certain exceptions, incur new debt, constitute additional liens, change its corporate structure, including mergers and acquisitions and dissolutions, grant loans to third parties, and change of control or of manager without the lender's consent.

The credit agreement includes, among others, the following events of default: i) lack of payment, ii) lack of maintenance of insurance, iii) breach of obligations, iv) false declarations, v) bankruptcy or insolvency, vi) seizure or dispossession, or vii) change of control.

Secured Credit Agreement with MetLife México for the Acquisition of one Kimco Property.

This credit agreement establishes obligations to perform certain actions, including, among others i) delivery of financial statements, reports and valuation, payment of obligations, and ii) meeting certain financial covenants, including loan-to-value and debt service coverage ratios. In addition, the credit agreement establishes restrictions that limit the applicable investment trust's ability to, among other things and subject to certain exceptions, incur new debt, constitute additional liens, change its corporate structure, including mergers and acquisitions and dissolutions, sell assets, or change the nature of the business.

The credit agreement includes, among others, the following events of default: i) lack of payment, ii) breach of obligations, iii) false declarations, iv) bankruptcy or insolvency, v) expropriation, or vi) change of control.

This loan was prepaid in full on January 31, 2019.

2016 Credit Agreement

On June 27, 2016, FIBRA Macquarie, as borrower, entered into an unsecured syndicated US$435 million credit facility with Banco Nacional de México, S.A. de C.V. ("Banamex") and various lenders referred therein, as lenders, and Banamex, as administrative agent (the "2016 Credit Agreement"). The 2016 Credit Agreement was amended on September 23, 2016 to increase the commitments under the revolving credit facility by US$84 million.

Below is a summary of the obligations to perform certain actions and other restrictions and events of default relevant to the 2016 Credit Agreement:

Fundamental changes. FIBRA Macquarie and its subsidiaries will not participate in mergers, dissolutions, liquidations, consolidations or other changes in its corporate structure or constituent documents that could represent events of default under the 2016 Credit Agreement, except for certain exceptions provided therein.

Change of control. The occurrence of certain circumstances of change of control represents an event of default under the Credit Agreement. Among them, is the acquisition by parties unrelated to Macquarie of more than 50% of the voting rights of the securities issued by FIBRA Macquarie.

Notes

On June 27, 2016, FIBRA Macquarie, as issuer, issued (promissory) notes through a purchase agreement for the amount of US$250,000,000 entered into with various purchasers (the "First Note Purchase Agreement"). On September 30, 2016, FIBRA Macquarie, as issuer, issued additional (promissory) notes through a purchase agreement for the amount of US$75 million entered into with various purchasers (the "Second Note Purchase Agreement" and jointly with the First Note Purchase Agreement, the "Note Purchase Agreements"). Below is a summary of the most relevant provisions of the Note Purchase Agreements.

Fundamental changes. FIBRA Macquarie and its subsidiaries will not participate in mergers, dissolutions, liquidations, consolidations or other changes in its corporate structure or constituent documents that could represent events of default under the Notes Purchase Agreement, except for certain exceptions provided therein.

Change of control. The occurrence of certain circumstances of change of control compels the issuer to make an offer to buy the notes. Among them, is the acquisition by parties unrelated to Macquarie of more than 50% of the voting rights of the securities issued by FIBRA Macquarie.

Leverage Ratio and Debt Service Coverage Ratio

The following tables set out the information relating to leverage ratios and debt service coverage ratios for year ended on December 31, 2020:

Leverage Ratio[1]	**Ps.'000**
Bank Debt[1]	15,730,419
Bonds	-
Total Assets	44,403,885

$$\text{Leverage Ratio} = \frac{15,730,419}{44,403,885} = 35.4\% \quad \text{(Maximum of 50\%)}$$

Debt Service Coverage Ratio (ICD $_t$)		**t=0**	**$\sum 4_{t=1}$**
			Ps.'000
AL $_0$	Liquid Assets	889,571	
IVA $_t$	Value added tax receivable	-	
UO $_t$	Net Operating Income after dividends	-	1,594,538
LR $_0$	Revolving Debt Facilities		4,850,330
I $_t$	Estimated Debt Interest Expense	-	874,304
P $_t$	Scheduled Debt Principal Amortization	-	-
K $_t$	Estimated Recurrent Capital Expenditures	-	226,529
D $_t$	Estimated Non-Discretionary Development Costs	-	191,725

$$ICD_t = \frac{889,571 + 1,594,538 + 4,850,330}{874,304 + 226,529 + 191,725} = 5.7x \quad \text{(Minimum of 1.0x)}$$

1.Bank Debt associated with Group Frisa JV is accounted for using the equity accounting method, and so is classified in Total Assets, not in Bank Debt

For the year ended December 31, 2020, the DSCR represents the updated methodology provided by the CNBV which reflects the inclusion of four quarters of forecast information instead of six quarters previously.

For the year ended December 31, 2019, the Leverage Ratio and the Debt Service coverage ratio were 34.8% and 4.8x respectively. For the year ended December 31, 2018, the Leverage Ratio and the Debt Service coverage ratio were 35.5% and 5.3x respectively.

Relevant transactions excluded from the balance sheet or the statement of comprehensive income

For the respective years ended 31 December 2018, 2019 and 2020, there were no relevant transactions excluded from the balance sheet or the statement of comprehensive income.

5. FINANCIAL INFORMATION OF THE INTERNAL ADMINISTRATION

The information requested in this section is not applicable as the Trust is not the owner of any of the shares of the Manager.

6. RESPONSIBLE PARTIES

The information requested in this section will be updated once the Annual Report is finalized and following holders' meeting approval.

7. ANNEXES

FIBRA MACQUARIE MÉXICO

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDING DECEMBER 31, 2020

Important: This English translation, available online at www.fibramacquarie.com, is for courtesy purposes only. The Spanish original prevails.

MACQUARIE

FIBRA

Macquarie México

TABLE OF CONTENTS

Disclaimer

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2020 AND 2019

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	Note	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Current assets			
Cash and cash equivalents	9	**889,571**	693,209
Trade and other receivables, net	10	**53,901**	473,142
Other assets	11	**62,010**	61,555
Total current assets		**1,005,482**	1,227,906
Non-current assets			
Restricted cash	9	**16,512**	15,598
Investment properties	15	**41,119,827**	38,799,138
Equity-accounted investees	12	**1,186,526**	1,544,250
Goodwill	13	**841,614**	841,614
Other assets	11	**233,925**	200,652
Other receivables	10	**-**	15,701
Total non-current assets		**43,398,404**	41,416,953
Total assets		**44,403,886**	42,644,859
Current liabilities			
Trade and other payables	16	**1,132,815**	870,879
Tenant deposits	17	**15,818**	17,205
Other liabilities		**3,523**	4,239
Total current liabilities		**1,152,156**	892,323
Non-current liabilities			
Interest-bearing liabilities	18	**15,684,178**	14,804,370
Tenant deposits	17	**310,676**	318,175
Derivative financial instruments	19	**211,095**	38,172
Trade and other payables	16	**128,717**	-
Other liabilities		**14,088**	16,968
Deferred income tax	20	**22,557**	24,486
Total non-current liabilities		**16,371,311**	15,202,171
Total liabilities		**17,523,467**	16,094,494
Net assets		**26,880,419**	26,550,365
Equity			
Contributed equity	21	**17,311,749**	17,394,792
Retained earnings	23	**9,325,095**	9,155,573
Total controlling interest		**26,636,844**	26,550,365
Non-controlling interest	22	**243,575**	-
Total equity		**26,880,419**	26,550,365

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	Note	Year ended Dec 31, 2020 $'000	Dec 31, 2019 $'000
Property related income	5(a)	**4,028,100**	3,657,565
Property related expenses	5(b)	**(619,487)**	(532,043)
Property income after related expenses		**3,408,613**	3,125,522
Management fees	28(c)	**(186,839)**	(164,908)
Transaction related expenses		**(7,273)**	(25,234)
Professional, legal and other expenses	5(c)	**(67,575)**	(53,157)
Total operating expenses		**(261,687)**	(243,299)
Net unrealized foreign exchange gain/(loss) on investment property	14,15	**1,912,458**	(1,464,048)
Unrealized revaluation loss on investment property measured at fair value	14,15	**(1,157,936)**	(605,080)
Finance costs	5(d)	**(1,002,153)**	(921,102)
Interest income		**21,210**	26,469
Share of (losses)/profits from equity-accounted investees	12	**(316,958)**	155,013
Net foreign exchange (loss)/gain on monetary items	5(e)	**(843,917)**	630,606
Net unrealized loss on interest rate swaps	19	**(172,923)**	(162,183)
Profit before tax for the year		**1,586,707**	541,898
Current and deferred income tax	20	**633**	(5,582)
Profit for the year		**1,587,340**	536,316
Other comprehensive income			
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**1,587,340**	536,316
Total consolidated comprehensive income for the year attributable to:			
Controlling interests		**1,602,925**	536,316
Non-controlling interests		**(15,585)**	-
Total comprehensive income for the year		**1,587,340**	536,316
Profit per CBFI*			
Basic and diluted profit per CBFI (pesos)	8	**2.10**	0.70

** Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios).*

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

	Note	Contributed equity $'000	Retained earnings $'000	Total controlling interest $'000	Total non-controlling interest $'000	Total $'000
Total equity at January 1, 2019	21	17,497,483	9,951,337	27,448,820	-	27,448,820
Total comprehensive income for the year		-	536,316	536,316	-	536,316
Total comprehensive income for the year		-	536,316	536,316	-	536,316
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFI holders	7	-	(1,332,080)	(1,332,080)	-	(1,332,080)
- Repurchase of CBFIs, including associated costs	21	(102,691)	-	(102,691)	-	(102,691)
Total transactions with equity holders in their capacity as equity holders		(102,691)	(1,332,080)	(1,434,771)	-	(1,434,771)
Total equity at December 31, 2019		17,394,792	9,155,573	26,550,365	-	26,550,365
Total equity at January 1, 2020	21	**17,394,792**	**9,155,573**	**26,550,365**	**-**	**26,550,365**
Total comprehensive income for the year		**-**	**1,602,925**	**1,602,925**	**(15,585)**	**1,587,340**
Total comprehensive income for the year		**-**	**1,602,925**	**1,602,925**	**(15,585)**	**1,587,340**
Transactions with equity holders in their capacity as equity holders:						
- Distributions to CBFI holders	7	**-**	**(1,433,403)**	**(1,433,403)**	**-**	**(1,433,403)**
- Repurchase of CBFIs, including associated costs	21	**(83,043)**	**-**	**(83,043)**	**-**	**(83,043)**
Total transactions with equity holders in their capacity as equity holders		**(83,043)**	**(1,433,403)**	**(1,516,446)**	**-**	**(1,516,446)**
Recognition of non-controlling	22	**-**	**-**	**-**	**259,160**	**259,160**
Total equity at December 31, 2020		**17,311,749**	**9,325,095**	**26,636,844**	**243,575**	**26,880,419**

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED

		Year ended	
		Dec 31, 2020	Dec 31, 2019
		$'000	$'000
	Note	Inflows/(Outflows)	Inflows/(Outflows)
Operating activities:			
Profit for the year		**1,587,340**	536,316
Adjustments for:			
Net unrealized foreign exchange (profit)/loss on investment property	14,15	**(1,912,458)**	1,464,048
Unrealized revaluation loss on investment property measured at fair value	14,15	**1,157,936**	605,080
Straight line rental income adjustment		**(25,747)**	13,859
Tenant improvement amortization	5(b)	**57,764**	43,827
Leasing expense amortization	5(b)	**82,354**	70,069
Right-of-use assets depreciation*		**4,080**	4,351
Interest income		**(21,210)**	(26,469)
Impairment loss on trade receivables	5(b)	**77,471**	31,279
Net foreign exchange loss/(gain) on monetary items	5(e)	**864,967**	(652,708)
Finance costs	5(d)	**1,002,153**	921,102
Share of losses/(profits) from equity-accounted investees	12(c)	**316,958**	(155,013)
Net unrealized loss on interest rates swaps	19	**172,923**	162,183
Current and deferred income tax	20	**(633)**	5,582
Movements in working capital:			
Decrease in receivables		**383,997**	29,194
Decrease in payables		**(144,151)**	(97)
Net cash flows from operating activities		**3,603,744**	3,052,603
Investing activities:			
Investment property disposed	14	**-**	104,573
Land acquisition	15	**(525,580)**	-
Capital contribution in equity-accounted investees	12(b)	**(10,064)**	(326,331)
Maintenance capital expenditure and other capitalized cost		**(716,814)**	(810,786)
Distributions received from equity-accounted investees	12(b)	**50,830**	89,654
Interest received		**21,210**	26,469
Net cash flows used in investing activities		**(1,180,418)**	(916,421)
Financing activities:			
Repayment of interest-bearing liabilities		**(4,007,607)**	(6,380,379)
Interest paid		**(955,721)**	(764,667)
Proceeds from interest-bearing liabilities, net of facility charges		**4,340,034**	6,231,596
Lease payments		**(5,373)**	(5,240)
Non-controlling interest contribution		**259,160**	-
Repurchase of CBFIs, including associated costs	21	**(83,043)**	(102,691)
Distribution to CBFI holders	7	**(1,420,023)**	(983,687)
Net cash flows used in financing activities		**(1,872,573)**	(2,005,068)
Net increase in cash and cash equivalents		**550,753**	131,114
Cash and cash equivalents at the beginning of the year		**708,807**	555,591
Foreign exchange on cash and cash equivalents	5(e)	**(353,477)**	22,102
Cash and cash equivalents at the end of the year**		**906,083**	708,807

*The depreciation is in respect of the rights-of-use assets held at the Group's vertically integrated internal platform level, calculated in accordance with IFRS 16. This amount is included in property administration expense in note 5.

** Includes restricted cash balance of $16.5 million (2019: $15.6 million) as at December 31, 2020.

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

1. REPORTING ENTITY

FIBRA Macquarie México ("FIBRA Macquarie") was created under the Irrevocable Trust Agreement No. F/1622, dated November 14, 2012, entered into by Macquarie México Real Estate Management, S.A. de C.V., as settlor, and Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria as trustee (in such capacity, together with its successors and assigns in such capacity, the "FIBRA Macquarie Trustee"). FIBRA Macquarie is a real estate investment trust (Fideicomiso de Inversión en Bienes Raíces or "FIBRA") for Mexican federal tax purposes.

FIBRA Macquarie is domiciled in the United Mexican States ("Mexico") and the address of its registered office is Av. Paseo de las Palmas, 215, Piso 7, Lomas de Chapultepec I Seccion, Miguel Hidalgo, Mexico City 11000 with effect from November 2, 2017. FIBRA Macquarie's trust agreement was amended on November 20, 2012, amended and restated on December 11, 2012, to, among other things, add as parties to the Trust Agreement, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, as common representative, and Macquarie México Real Estate Management, S.A. de C.V., as manager (in such capacity, "MMREM" or the "Manager"), and further amended and restated on August 27, 2014 (such amended and restated trust agreement, the "Trust Agreement"). On October 31, 2017, Deutsche Bank Mexico, S.A., Institución de Banca Múltiple, División Fiduciaria, as substituted trustee, and CIBanco, S.A., Institución de Banca Múltiple ("CIBanco"), as substitute trustee, with the acknowledgment of MMREM as settlor and beneficiary in second place of the Trust Agreement, executed a trustee substitution agreement (hereinafter, the "Trustee Substitution Agreement") whereby CIBanco agreed to act as the FIBRA Macquarie Trustee, assuming all the rights and obligations derived in such capacity from the Trust Agreement.

These consolidated financial statements comprise the trust and its controlled entities (together referred as the "Group" or "FIBRA Macquarie").

FIBRA Macquarie was established with the purpose of investing in real estate assets in Mexico.

Background information.

On December 14, 2012, FIBRA Macquarie was listed on the Mexican Stock Exchange under the ticker symbol "FIBRAMQ12" with an initial offering of 511,856,000 Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios, or "CBFIs"), in a global offering including the exercise of an over-allotment option, for gross proceeds of $12.80 billion. On September 23, 2014, FIBRA Macquarie completed a follow-on global offering of 206,612,583 CBFIs, including the exercise of an over-allotment option, for gross proceeds of $4.85 billion.

FIBRA Macquarie held its investment in real estate assets through Mexican irrevocable trusts, namely F/00923 MMREIT Industrial Trust I ("MMREIT Industrial Trust I"), F/00921 MMREIT Industrial Trust II ("MMREIT Industrial Trust II"), F/00922 MMREIT Industrial Trust III ("MMREIT Industrial Trust III"), F/01025 MMREIT Industrial Trust IV ("MMREIT Industrial Trust IV"), F/01020 MMREIT Industrial Trust V ("MMREIT Industrial Trust V"), CIB/3492 MMREIT Industrial Trust VI ("MMREIT Industrial Trust VI"), F/01005 MMREIT Retail Trust I ("MMREIT Retail Trust I"), F/01006 MMREIT Retail Trust II ("MMREIT Retail Trust II"), F/01004 MMREIT Retail Trust III ("MMREIT Retail Trust III") and F/01023 MMREIT Retail Trust V ("MMREIT Retail Trust V").

On October 31, 2017, FIBRA Macquarie executed the reassignment of the trust estates of MMREIT Industrial Trust I and MMREIT Industrial Trust II into the estate of MMREIT Industrial Trust IV and the reassignment of the trust estates of MMREIT Retail Trust I and MMREIT Retail Trust II into the estate of MMREIT Retail Trust V, as well as the subsequent termination of MMREIT Industrial Trust I, MMREIT Industrial Trust II, MMREIT Retail Trust I and MMREIT Retail Trust II. Given the above, FIBRA Macquarie currently holds its investment in real estate assets through the following Mexican irrevocable trusts ("Investment Trusts"): MMREIT Industrial Trust III, MMREIT Industrial Trust IV, MMREIT Industrial Trust V and MMREIT Industrial Trust VI (collectively, the "Industrial Trusts"), and MMREIT Retail Trust III and MMREIT Retail Trust V (collectively, the "Retail Trusts").

The following material transactions have been completed to date:

On September 20, 2012, MMREIT Industrial Trust II and MMREIT Industrial Trust III entered into asset purchase agreements with affiliate entities of Corporate Properties of the Americas, LLC ("CPA") pursuant to which they agreed to acquire 88 industrial properties.

Metropolitan Life Insurance Company ("MetLife") loan facility and the balance by existing cash reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

1. REPORTING ENTITY (CONTINUED)

On October 25, 2012, MMREIT Industrial Trust I entered into an asset purchase agreement with affiliates of BRE Debt Mexico II, S.A. de C.V. SOFOM ENR ("BRE Debt Mexico", formerly GE Capital Real Estate Mexico S. de R.L. de C.V.), pursuant to which MMREIT Industrial Trust I agreed to acquire 155 industrial properties. The total consideration paid for both these acquisitions was US$1.5 billion (excluding transaction expenses and taxes), financed in part by BRE Debt Mexico loan facilities.

On October 17, 2013, MMREIT Industrial Trust I acquired a portfolio of 15 industrial properties from affiliates of DCT Industrial Inc. for US$82.7 million (excluding transaction costs and taxes), financed in part by loan facilities provided by BRE Debt Mexico and its affiliate.

On November 4, 2013, MMREIT Retail Trust V acquired a portfolio of two retail properties from companies controlled by Fondo Comercial Mexicano ("FCM") for $2.0 billion (excluding transactions costs and taxes), financed in part by Banco Nacional de México ("Banamex") loan facility.

MMREIT Retail Trust I and MMREIT Retail Trust II acquired a portfolio of six retail properties from Grupo Inmobiliario Carr and its partners, financed in part by loan facilities provided by BRE Debt Mexico and an affiliate of BRE Debt Mexico. Five of the properties were acquired on November 6, 2013 and the remaining property was acquired on March 27, 2014 for a total consideration of $2.8 billion (excluding transaction costs and taxes).

On March 28, 2014, MMREIT Retail Trust III acquired a 50% interest in a portfolio of nine retail properties and additional land from affiliates of Kimco Realty Corporation ("Kimco") for $1.5 billion, financed in part by BRE Debt Mexico and MetLife loan facilities. Grupo Frisa ("Frisa", or the “Joint Venture Partner”) owns the remaining 50% of the portfolio.

On February 18, 2015, MMREIT Industrial Trust IV acquired a two-building industrial property from Ridge Property Trust II for US$58.0 million (excluding transaction costs and taxes).

On July 23, 2015, MMREIT Industrial Trust IV acquired a portfolio of eight industrial properties including two build-to-suit ("BTS") development properties from Desarrollos Industriales Nexxus for US$29.9 million (excluding transaction costs and taxes).

On August 19, 2015, MMREIT Industrial Trust IV acquired a portfolio of ten industrial properties from an institutional industrial property owner and developer for US$105.0 million (excluding transaction costs and taxes).

On February 9, 2016, MMREIT Industrial Trust IV acquired a portfolio of two industrial properties and adjacent land from Los Bravos for a total of US$21.7 million (excluding transaction costs and taxes). Where applicable, acquired properties and the cash flows derived from these properties are held in security trusts under the terms of the credit facilities with the relevant lenders.

On January 16, 2018 MMREIT Industrial Trust IV acquired a land parcel in Ciudad Juárez for a consideration of US$3.2 million. 50% of this total consideration was paid at that date and the balance 50% was paid in April 2019.

On July 5, 2018, FIBRA Macquarie sold 35 non-strategic industrial assets for US$80.2 million of cash proceeds. The sale proceeds of US$80.2 million for the 35 assets were received in three tranches. FIBRA Macquarie received US$61.0 million at closing and received US$11.2 million and US$8.0 million on January 5, 2020 and July 5, 2020, respectively. Initial proceeds were used to fully repay the US$40.0 million outstanding balance on FIBRA Macquarie’s revolver facility, with the remaining US$21.0 million held as unrestricted cash.

On November 1, 2018, FIBRA Macquarie announced an increase in the size of its certificates repurchase program. The Technical Committee and the Board of Directors of the Manager approved an increased buyback program size of $1.2 billion for the twelve months ending June 25, 2019. Subsequently, the program was approved for the twelve months ended June 25, 2020 and June 23, 2021, for the years 2019 and 2020 respectively, to fully align with the program size and duration approved by certificates holders at the 2019 and 2020 annual general meeting.

On January 31, 2019, FIBRA Macquarie made a full repayment of a secured loan at its JV level scheduled to mature on April 1, 2019, utilizing cash on hand. FIBRA Macquarie’s 50 percent pro rata share of this loan repayment totaled to $284.1 million.

On April 5, 2019, FIBRA Macquarie closed a US$425.0 million unsecured credit facility. The initial drawings of US$180.0 million under the unsecured five-year term loan, together with US$75.0 million drawn under the unsecured revolving facility and US$3.0 million cash on hand, were used to fully prepay an existing US$258.0 million unsecured term loan that was due to expire on June 30, 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

1. REPORTING ENTITY (CONTINUED)

On May 22, 2019, FIBRA Macquarie closed a 15-year US$75.0 million secured term loan facility, which matures in June 2034 and has an all-in fixed-rate interest of 5.23% per annum. The proceeds were used to fully repay the outstanding drawn revolver, resulting in the entire revolving facility, equivalent to US$245.0 million (US$180.0 million and $1,259.0 million), being undrawn.

On June 28, 2019, FIBRA Macquarie sold 2 non-strategic industrial assets for US$7.2 million of cash proceeds. The sale proceeds were to be received in three tranches. FIBRA Macquarie received US$5.5 million at closing, US$1.0 million on December 23, 2020 and is scheduled to receive US$0.7 million on June 27, 2021.

Relevant activities for 2020

On September 14, 2020, FIBRA Macquarie through a wholly-owned investment trust, completed the acquisition of 50% equity in a newly formed joint venture trust (the "F/3493 JV Trust") with Inmobiliaria Alamedida (the "F/3493 JV Partner") for a total consideration of US$12.2 million. The joint venture trust has a 14.7 ha parcel of land in the Cuautitlan Izcalli industrial corridor of the Mexico City Metropolitan Area ("MCMA"). Under the trust agreement, FIBRA Macquarie will fund the development of two 'class A' industrial buildings with total GLA of more than 700k sqft, increasing its equity ownership in the JV Trust over time.

On December 18, 2020, MMREIT Industrial Trust IV acquired a 20.6 ha land parcel located in Apodaca, Nuevo Leon, for a total consideration of US$12.9 million with 50% payment at closing and the remaining 50% to be paid in March 2022.

Impact analysis of COVID-19 pandemic

In December 2019, a novel strain of coronavirus (COVID-19) surfaced in Wuhan, China. COVID-19 has since spread to over 100 countries, including Mexico and United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to COVID-19. The spread of COVID-19 underscores certain risks the Group face in its business. The spread of COVID-19, or actions taken to mitigate this spread, could have material and adverse effects on the Group's ability to operate effectively. Existing customers and potential customers of the Group's properties may be adversely affected by the decrease in economic activity, which in turn could temporarily disrupt their business and have a negative impact on FIBRA Macquarie. Given the ongoing and dynamic nature of these circumstances, the Group cannot predict the extent to which the COVID-19 outbreak may impact its business. Any prolonged economic downturn, escalation of the outbreak or disruption in the financial markets may adversely affect the Group's financial condition and results of operations. The Group was temporarily impacted by government, labor and other restrictions during the year ended December 31, 2020 but overall, there was some impact on certain financial metrics like property income after related expense and asset valuations.

On March 24, 2020, FIBRA Macquarie completed a US$180.0 million drawdown under its Revolving Credit Facility as a proactive measure to increase its cash position and to preserve its financial flexibility to address market uncertainties related to COVID-19 pandemic. Given continued strong liquidity position, the Group has fully repaid this drawn facility over three partial repayments. The first repayment amounting to US$90.0 million ($2,028.9 million) on June 17, 2020. The second repayment amounting to US$55.0 million ($1,223.8 million) on July 24, 2020 and the third repayment amounting to US$35.0 million ($754.8 million) on September 24, 2020.

2. BASIS OF PREPARATION AND PRESENTATION

a) Statement of compliance

On March 22, 2021, the Technical Committee authorized the issuance of these consolidated financial statements and related notes thereto.

These consolidated financial statements are for the Group and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Group has elected to present a single statement of comprehensive income and presents its expenses by nature.

The Group reports cash flows from operating activities using the indirect method. Rental income, together with deposits received and repaid will be treated as cash flows from operating activities. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

b) Historical cost convention

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investment properties at fair value.

2. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

c) Critical accounting judgments and estimates

During the preparation of the consolidated financial statements, the management is required to make judgments, estimations and estimates of uncertainties at December 31, 2020 that affect the application of accounting policies. The notes to the consolidated financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the consolidated financial statements such as:

(i) Judgements

- Estimation of fair value of investment properties: Critical judgments are made with respect to the fair values of investment properties. The fair values of investment properties are reviewed regularly by management with reference to independent property valuations and market conditions existing at the reporting date, using generally accepted market practices. The independent valuators are experienced, nationally recognized and qualified in the professional valuation of industrial and retail buildings in their respective geographic areas. Since inception, FIBRA Macquarie has performed yearly independent appraisals and since 2019 halfyearly independent appraisals. See note 15 for further details.

- Estimation of fair value of derivative financial instruments: The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as credit risk and volatility. Changes in assumptions about these factors could materially affect the reported fair value of financial instruments. See note 19 for further details.

- Classification of joint arrangements into joint ventures: Critical judgments are made with respect to the fair values of investment properties included in the JV with Grupo Frisa. See note 12 for further details.

(ii) Assumptions and estimation of uncertainties

- Critical assumptions relating to the valuation of investment properties at fair value include the receipt of contractual rents, expected future market rents, renewal rates, capital expenditures, discount rates that reflect current market uncertainties, capitalization rates and recent investment property transactions. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may change materially. See notes 3(k) and 15 for further details.

- Trade and other receivable: The portfolio are measured based on a forward-looking ‘Expected Credit Loss’ ("ECL") model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. Any change in management´s estimates can result in modifications of the impairment loss of trade receivables. See notes 3(i) and 10 for further details.

- Income tax and deferred income tax: The recognition and measurement of deferred tax assets or liabilities is dependent on management’s estimate of future taxable profits and income tax rates that are expected to be in effect in the period the asset is realised or the liability is settled. Any changes in management’s estimates can result in changes in deferred tax assets or liabilities as reported in the balance sheet. See note 20 for further details.

- Goodwill is tested for impairment at least annually, and when circumstances indicate that the carrying value may be impaired based on key assumptions underlying to the portfolio premium. See note 13 for more details.

Management believes that the estimates used in preparing the consolidated financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from our assumptions and estimates could result in an adjustment to the carrying amounts of the assets and liabilities previously reported.

d) Measurement of fair value

The Group measures financial instruments, such as derivatives and non-derivatives financial assets and investment properties, at fair value at every reporting date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability.

2. BASIS OF PREPARATION AND PRESENTATION (CONTINUED)

d) Measurement of fair value (continued)

All asset and liabilities for which fair value is measured or discloses in the consolidated financial statements are categorized in the level three hierarchy based on inputs used in the valuation process. The level in the fair value hierarchy under within which fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the entity for identical assets or liabilities. These quoted prices generally provide the most reliable evidence and should be used to measure fair value whenever available.

Level 2 – Fair value is based on inputs, other than Level 1 inputs, that are observable for the asset or liability, either directly or indirectly, substantially for the full term of the asset or liability through corroboration of observable market data.

Level 3 – Fair value is based on significant unobservable inputs for the asset or liability. Such inputs reflect the entity's own assumptions about how market participants would price the asset or liability.

e) Comparatives

Certain items in the comparative consolidated statements of cash flow have been reclassified for the year ended December 31, 2019. These reclassifications have not resulted in any material impact on the consolidated financial statements for the year ended December 31, 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements and that of the previous year are set out below. These policies have been consistently applied to all the years presented.

a) Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after January 1, 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

Interest Rate Benchmark Reform- Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows of hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IAS 39, IFRS 8, IFRS 4 and IFRS 16 relating to:

-Changes in the basis for determining contractual cash flows of financial assets, financial liabilities; and

-Hedge accounting

The Group plans to apply the amendments from January 1, 2021. Application will not impact amounts reported for 2020 or prior period.

The following amended standards and interpretations are not expected to have any significant impact on the Group's consolidated financial statements:

- COVID-19 Related Rent concessions (Amendments to IFRS 16). See note 4.
- Property, plant and equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current and Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Principles of consolidation

The consolidated financial statements of FIBRA Macquarie incorporate the assets and liabilities of its controlled entities as at December 31, 2020 and 2019 and years then ended. The effects of intra-Group balances and transactions, and any unrealized income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. For the years ended December 31, 2020 and 2019, the Group consolidated the financial results of its four subsidiaries – MMREIT Property Administration Services, A.C. ("MPAS"), MMREIT Property Administration, A.C. ("MPA"), MMREIT Property Administration Holding, A.C. ("MPAH") and JV Trust CIB 3493.

A control assessment has been performed by the management and it was determined that the newly formed joint venture trust F/3493 is controlled by the Group, and therefore, the results of this trust have been included in these consolidated financial statements of FIBRA Macquarie. The relevant share of F/3493 JV Partner has been disclosed as non-controlling interest.

(ii) Business Combinations

Accounting for business combinations under IFRS 3 applies if a business has been acquired. Business combinations are accounted for using the acquisition method as at the acquisition date. Cost is measured as the aggregate of the fair values (at the date of acquisition) of assets acquired, equity instruments issued or liabilities incurred or assumed at the date of exchange.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values on the acquisition date. The Group can elect, on a transaction-by-transaction basis, to measure Non-Controlling Interests ("NCI") relating to ordinary shares either at fair value or at the NCI's proportionate share of the fair values of the identifiable assets and liabilities. The excess of the consideration payable over the Group's share of the fair value of the identifiable net assets acquired is recorded as goodwill. If the consideration is less than the Group's share of the fair value of the identifiable net assets of the business acquired, the difference is recognized directly in the consolidated statements of comprehensive income, after a reassessment of the identification and measurement of the net assets acquired. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of these contingent consideration liabilities are recognized in the consolidated statement of comprehensive income.

Transaction costs, other than those associated with the issue of debt or equity securities, in connection with a business combination are expensed as incurred.

Where settlement of a portion of the cash consideration is deferred, the amounts payable in the future are discounted to their present value. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Distinguishing between whether assets or a business is acquired involves judgement. The Group uses the following factors in identifying a business combination:

- the Group's acquisition strategy when commencing its operations;
- the nature of the Group's industry and business model, which affects the nature of an input, process or output;
- whether the acquisition included a majority of the critical inputs (e.g. tangible or intangible assets and intellectual property) and a majority of the critical processes (e.g. strategic processes, skilled and experienced workforce);
- the relative ease of replacing the critical processes not acquired by either integrating within the Group's existing processes or sub-contracting them to third parties; and
- the presence of goodwill.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Principles of consolidation (continued)

(iii) Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending upon the contractual rights and obligations each investor has, and the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases. The Group has two joint ventures with Grupo Frisa whereby it holds 50% of a portfolio of nine retail assets.

(iv) Non- controlling interest

Non controlling interest are measured initially at the proportionate share of the acquiree's identifiable net assets at the date of the acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction.

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chief Executive Officer of the Group. See note 6 for further information. The segment results include proportionately combined results of the joint ventures which are then shown as reconciling items in the segment reconciliations.

d) Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of foreign operations are measured using the currency of the primary economic environment in which the foreign operation operates (the functional currency). The consolidated financial statements are presented in Mexican Pesos (the presentation currency), which is also the functional currency of FIBRA Macquarie and its controlled entities. Management has conducted a detailed review of the key factors that determine the functional currency under IAS 21, based on a number of factors including the location of the Group, the currency of its equity and distribution and the location of the Group's investments.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain/loss in the consolidated statement of comprehensive income. Non-monetary items that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Controlled entities

The results and financial position of all operations recorded in a currency other than Mexican peso are translated into Mexican Pesos as follows:

- assets and liabilities presented are translated at the closing exchange rate at the date of that consolidated statements of financial position;

- income and expenses presented are translated at actual exchange rates at the dates of the transactions; and all resulting exchanges differences are recognized as a separate line item in the consolidated statements of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized for each major revenue stream as follows:

Property related income

Rental income from investment properties is recognized as revenue in the consolidated financial statements in line with the terms of lease agreements with tenants, and on a straight-line basis over the period of each lease.

Termination fees paid out in relation to the early termination of lease agreements are also included in rental income and recognized in full in the period in which the Group is legally entitled to this income. Recoveries relating to expenses that are recharged to tenants are recognized over the same period as the relevant expenses.

Lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including rent-free periods, upfront cash payments, or a contribution to certain lessee costs such as a fit out of premises. Incentives are capitalized in the consolidated statements of financial position and amortized over the term of the lease as an adjustment to rental income. See note 5 for further details.

f) Property related expenses

Property related expenses including taxes and other property payments incurred in relation to investment properties where such expenses are the responsibility of the Group are recognized as expensed on an accrual basis. Repairs and maintenance costs are charged as expenses when incurred.

The “Property income after related expenses" line item in the Statement of Comprehensive Income shows the net results after subtracting the property related expenses from property related income. This line provides a better understanding of the Group’s economic performance.

g) Income and other taxes

FIBRA Macquarie is deemed to be a real estate investment trust for Mexican federal income tax purposes. Under Articles 187 and 188 of the Mexican Income Tax Law, it is required to distribute an amount equal to at least 95% of its net tax result to its CBFI holders on a yearly basis. If the net tax result during any fiscal year is greater than the distributions made to CBFI holders during the twelve months ended March of such fiscal year, FIBRA Macquarie is required to pay the corresponding tax at a rate of 30% of such excess. Due to this, FIBRA Macquarie does not have any deferred tax effect for the year ended December 31, 2020 and 2019. However, the Group's subsidiaries are subject to income tax and hence the tax effects have been recognized in these consolidated financial statements.

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realisation of an investment property measured at fair value, a presumption exists that its carrying amount will be recovered through sale. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

FIBRA Macquarie is a registered entity for Value Added Tax ("VAT") or Impuesto al Valor Agregado (“IVA”) in Mexico. IVA is triggered on a cash-flow basis upon the performance of specific activities carried out within Mexico.

h) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at bank and short-term deposits with an original maturity of 90 days or less from the respective deposit start date that are subject to an insignificant risk of change in their fair value. These balances are readily convertible to known amounts of cash and are used by the Group in the management of its short-term commitments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Cash and cash equivalents (continued)

Restricted cash relates to cash held in escrow accounts as well as capital reserves held by lenders in relation to certain interest bearing liabilities. See note 9 for further details.

i) Trade and other receivables

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected credit losses (“ECL”) to be recognized upon initial recognition of such receivable. To measure the ECL, the Group has established and uses a combination of two models, the Collective Model and Individual Assessment Model, based on the business characteristics and collection profile.

The Collective Model calculates the ECL on Trade receivables by using a provision matrix composed of fixed provision rates based on an aging profile, adjusted for forward-looking factors specific to a tenant and economic environment.

Individual Model determines the ECL of a client individually, evaluating each receivable on a specific basis for collectability using historical experience, in-place collateral, relevant credit information and adjusted for forward-looking information and on-going negotiations with the client to determine the duration and expected future collectability. To monitor external factors that would impact the credit risk, the Group conducts regular follow-ups of the receivable balances, analyzing the collectability and aging profile, incorporating financial information of each client which provides with an insight of their future economic conditions.

A provision for impairment is recorded through an impairment loss on trade receivables, and the amount is recognized in the consolidated statement of comprehensive income within property expenses. Any subsequent recoveries of amounts previously provided for are credited against property expenses in the consolidated statement of comprehensive income.

j) Goodwill

Goodwill recognized represents the difference between consideration given and the fair value of the assets acquired at the acquisition date.

Goodwill is tested for impairment at least annually, and when circumstances indicate that the carrying value may be impaired.

k) Investment properties

Investment properties comprise investment interests in land and buildings (including integral plant and equipment) held either to earn rental income, for capital appreciation or for both but not for sale in the ordinary course of business. Investment properties are initially measured at cost and subsequently at fair value with any change therein recognized in the consolidated statements of comprehensive income. Cost includes expenditure that is directly attributable to the acquisition of the investment property, except business combinations.

At each reporting date, the fair values of the investment properties are assessed with reference to the Manager's assessment or independent valuation reports where available.

Disposals of investment properties are firstly classified and measured as “Investment properties held for sale” in accordance with IFRS 5; once the properties have been sold, the gain or loss of the transaction is recognized in the consolidated statements of comprehensive Income. For further information see notes14 and 15.

l) Distributions

A distribution payable is recognized for the amount of any distribution declared, or publicly recommended by the directors on or before the end of the year but not distributed at balance sheet date.

m) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing goodwill impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating units) or “CGU”.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Trade and other payables

Liabilities are recognized at fair value when an obligation exists to make future payments as a result of a purchase of assets or services, whether or not billed. Trade creditors are generally settled within 60 days.

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. They are recognized initially at fair value and subsequently measured at amortized cost.

o) Interest bearing liabilities and finance cost

Interest bearing liabilities are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statements of comprehensive Income over the period of the borrowing using the effective interest rate method. Borrowing costs associated with the acquisition or construction of a qualifying asset, including interest expense, are allowed to be capitalized as part of the cost of that asset during the period that is required to complete and prepare the asset for its intended use. So far, the Group has not capitalized any such interest expense. All other borrowing costs and interest expenses are charged to consolidated statements of comprehensive income in the period in which they occur.

p) Financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group has entered into interest rate swaps but since these instruments do not qualify as hedging instruments per IFRS, the resulting gain or loss arising from changes in the fair value of these derivatives are taken directly to Consolidated statements of comprehensive income. For further information see note 19.

From January 1, 2018, the Group classifies non-derivative financial liabilities into the other financial liabilities category, in line with IFRS9.

(i) Non-derivative financial assets and financial liabilities - recognition and de-recognition.

The Group initially recognizes loans and receivables and cash and cash equivalents issued on the date when they are originated. Trade and other receivables, trade and other payables, interest bearing liabilities are initially recognized on the transaction date.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Any gain or loss on derecognition is also recognised in the consolidated statement of comprehensive income.

(ii) Non-derivative financial assets and liabilities – measurement.

These financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are initially recognized at fair value plus any directly attributable transaction costs, subsequent to initial recognition, they are measured at amortized cost using the effective interest method. For further information see note 3(i), 3(o).

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit & loss ("FVPL"). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. For further information see notes 3(i), 3(o).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Financial instruments (continued)

(ii) Non-derivative financial assets and liabilities: measurement (continued)

Financial assets are classified within the following business models depending on management's objective: (i) "held to maturity to recover cash flows", (ii) "held to maturity and to sell financial assets" and (iii) "others or held for trading".

The classification depends on the nature and purpose of holding the financial assets and is determined at the time of initial recognition. The Group performs a portfolio – level assessment of the business model in which a financial asset is managed to accomplish with Group's risk management purposes. The information that is considered within the evaluation includes:

- The policies and objectives of the Group in relation to the portfolio and the practical implementation of policies;
- Performance and evaluation of the Group's portfolio including accounts receivable;
- Risks that affect the performance of the business model and how those risks are managed;
- Any compensation related to the performance of the portfolio; and
- Frequency, volume and timing of sales of financial assets in previous periods together with the reasons for said sales and expectations regarding future sales activities.

The Group's financial assets include cash and cash equivalents, restricted cash, account receivables, impairment on trade receivables and interest rate swap.

Evaluation that contractual cash flows are solely principal and interest payments ("SPPI")

In order to classify a financial asset within one of the three different categories, the Group determines whether the contractual cash flows of the asset are only principal and interest payments. The Group considers the contractual terms of the financial instrument and whether the financial asset contains any contractual term that could change the timing or amount of the contractual cash flows in such a way that it would not meet the SPPI criteria. In making this evaluation, the Group considers the following:

- Contingent events that would change the amount or timing of cash flows;
- Terms that can adjust the contractual coupon rate, including variable interest rate characteristics;
- Payment and extension features; and
- Characteristics that limit the Group's right to obtain cash flows from certain assets.

A prepaid feature is consistent with the characteristics of only principal and interest payments if the prepayment amount substantially represents the amounts of the principal and interest pending payment, which could include reasonable compensation for early termination of the contract. Additionally, a financial asset acquired or originated with a premium or discount to its contractual amount and in the initial recognition the fair value of the prepaid characteristic is insignificant, the asset will pass the test of the contractual characteristics of cash flow if the amount of prepaid represents substantially the contractual amount and accrued interest (but not paid); which may include additional compensation for the early termination of the contract.

Non-derivative financial assets and liabilities: initial recognition

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value Through Other Comprehensive Income ("FVOCI"); or, Fair Value Through Profit and Loss ("FVTPL").

Non-derivative financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Financial instruments (continued)

Non-derivative financial assets and liabilities: Subsequent measurement

Non-derivative financial assets at amortized cost: these assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit and loss. Any gain or loss on derecognition, is also recognized in consolidated statement of comprehensive income.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of comprehensive income. See note 3(o).

As at December 31, 2020 and 2019 the Group does not have any financial assets mesuared at FVOCI.

q) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

r) Earnings per CBFI

Basic earnings per CBFI are calculated by dividing the Group's profit attributable to CBFI holders by the weighted average number of CBFIs outstanding during the year.

s) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount reported on the consolidated statements of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the financial asset and settle the financial liability simultaneously.

t) Contributed equity

The CBFIs are classified as equity and recognized at the fair value of the consideration received by FIBRA Macquarie. Transaction costs arising on the issue of equity are recognized directly in equity as a reduction in the proceeds of CBFIs to which the costs relate.

For the year ended December 31, 2020 and 2019, distributions were paid out from the trust equity in accordance with Mexican Trust Law. For financial statement presentation purposes, these distributions have been classified in retained earnings.

Repurchased CBFIs including the related costs are deducted from equity. No gain or loss is recognized in the profit for the year and such certificates are maintained as "treasury certificates" to be cancelled subsequently.

u) Leases

a) As a lessor

When the group act as a lessor the agreements classified as operating leases under IFRS16 *Leases*. The Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset.

The Group recognises lease payments received under operating leases as income on straight line basis over the lease term as part of property related income. For further information see note 26.

b) As a lessse

Leases are initially recognised on the balance sheet as lease liabilities with corresponding right-of-use assets. The right-ofuse asset is subsequently measured at cost and depreciated using the straight-line method. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using effective interest rate method. The lease liability is subsequently measured at amortised cost. Implicit interest and depreciation expense are recognised separately in the consolidated statement of comprehensive Income. For further information see note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Rounding of amounts

Amounts in the consolidated financial statements have been rounded to the nearest thousand Mexican Pesos unless otherwise indicated.

4. CHANGES IN ACCOUNTING POLICIES

As a result of COVID-19 pandemic, rent concessions have been granted to certain tenants. These concessions include discounts and deferral of lease payments. On May 28, 2020, the IASB published an amendment to IFRS 16 Leases that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification.

For rent deferrals granted as of December 31, 2020, the Group is continuing to recognize rental revenue during the period. In accordance with amendments, the Group did not apply lease modification guidance to concessions that result in deferred rent as the total cash flows required by the modified lease agreements are materially the same as the cash flows required under the original lease and there are no substantive changes to the consideration.

The Group adopted the new requirements for IFRS 3, Business Combinations, effective January 1, 2020 with no impact to the consolidated financial statements. The amendments are in relation to whether a transaction meets the definition of a business combination. The amendment clarifies the definition of a business and provides additional illustrative examples, including those relevant to the real estate industry. A significant change in the amendment is the option for an entity to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. This will be relevant where the value of the acquired entity is concentrated in one property, or a group of similar properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

5. INCOME/(EXPENSE) FOR THE YEAR

The income/(expense) for the year includes the following items of revenue and expenses:

	Year ended	
	Dec 31, 2020 $'000	Dec 31, 2019 $'000
a) Property related income		
Lease related income	**3,781,250**	3,396,667
Car parking income	**32,318**	56,693
Expenses recoverable from tenants	**214,532**	204,205
Total property related income[1]	**4,028,100**	3,657,565
b) Property related expenses		
Property administration expense	**(74,771)**	(77,648)
Property insurance	**(21,960)**	(24,968)
Property tax	**(71,866)**	(63,976)
Repairs and maintenance	**(114,785)**	(100,426)
Industrial park fees	**(40,138)**	(36,533)
Security services	**(24,970)**	(21,513)
Property related legal and consultancy expenses	**(9,755)**	(8,309)
Tenant improvements amortization	**(57,764)**	(43,827)
Leasing expenses amortization	**(82,354)**	(70,069)
Utilities	**(19,821)**	(22,899)
Marketing costs	**(11,260)**	(17,474)
Car park operating fees	**(7,644)**	(8,531)
Impairment loss on trade receivables	**(77,471)**	(31,279)
Other property related expenses	**(4,928)**	(4,591)
Total property related expenses	**(619,487)**	(532,043)
c) Professional, legal and other expenses		
Tax advisory expenses	**(2,589)**	(3,201)
Accountancy expenses	**(8,688)**	(10,431)
Valuation expenses	**(4,727)**	(4,507)
Audit expenses	**(5,014)**	(4,741)
Other professional expenses	**(15,157)**	(12,767)
Other expenses	**(31,400)**	(17,510)
Total professional, legal and other expenses	**(67,575)**	(53,157)
d) Finance costs		
Interest expense on interest-bearing liabilities	**(985,594)**	(842,653)
Finance costs under effective interest method	**(14,841)**	(76,323)
Interest expense on lease liabilities	**(1,718)**	(2,126)
Total finance costs	**(1,002,153)**	(921,102)
e) Foreign exchange (loss)/gain		
Unrealized foreign exchange (loss)/gain on monetary items	**(864,967)**	587,414
Realized foreign exchange gain	**21,050**	43,192
Total foreign exchange (loss)/gain	**(843,917)**	630,606

[1] Refer to note 6 for a split of property related income by operating segments and geographic. All revenues are recognized on a point-in-time basis in accordance with IFRS15 Revenue from contracts with customers.

At December 31, 2020, the Group had 68 employees (December 31, 2019: 69 employees) in its vertically integrated internal property management platform and the total wages and salaries (including insurance contributions, termination benefits, annual leave and discretionary bonus accruals) in relation to staff employed amounted to $88.9 million for the year ended December 31, 2020 (2019: $86.2 million).

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

6. SEGMENT REPORTING

The chief operating decision-maker is the person that allocates resources to, and assesses, the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Chief Executive Officer ("CEO") of the Group. The Manager has identified the operating segments based on the reports reviewed by the CEO in making strategic decisions.

The operating segments derive their income primarily from lease rental income derived from tenants in Mexico divided into two segments (Industrial and Retail). During the year, there were no transactions between the Group's operating segments.

The segment information includes proportionately consolidated results of the joint ventures which are eliminated in the segment reconciliations. The CEO monitors the performance of the Group based on the location of the investment properties, as follows:

	Industrial				Retail		Total
Year ended December 31, 2020	North East $'000	Central $'000	North West $'000	North $'000	South $'000	Central $'000	$'000
Revenue from external customers[1]	1,391,118	712,453	802,822	583,908	51,179	683,365	4,224,845
Lease related income	*1,329,472*	*671,663*	*766,290*	*553,431*	*43,799*	*590,939*	*3,955,594*
Car park income	*1,844*	*2,575*	*-*	*619*	*1,294*	*29,758*	*36,090*
Expenses recoverable from tenants	*59,802*	*38,215*	*36,532*	*29,858*	*6,086*	*62,668*	*233,161*
Segment net profit/(loss)[2]	1,762,144	881,376	1,007,455	712,805	(82,741)	(1,053,236)	3,227,803
Included in profit for the year:							
Foreign exchange loss	(93,130)	(48,314)	(79,509)	(60,937)	(34)	(2)	(281,926)
Net unrealized foreign exchange profit on investment property	773,612	368,080	422,315	348,451	-	-	1,912,458
Unrealized revaluation (loss)/gain on investment property measured at fair value	(16,158)	6,402	40,807	9,640	(99,893)	(1,482,748)	(1,541,950)
Finance costs[3]	(108,120)	(64,895)	(90,108)	(68,203)	(13,196)	(37,532)	(382,054)

¹ The retail south segment and the retail central segment include revenues relating to the joint ventures amounting to $51.2 million and $145.6 million, respectively.

² The retail south segment and the retail central segment include operating losses relating to the joint ventures amounting to $82.7 million and $235.3 million, respectively.

³ The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to $13.2 million and $37.5 million, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

6. SEGMENT REPORTING (CONTINUED)

	Industrial				Retail		Total
Year ended	North East	Central	North West	North	South	Central	
December 31, 2019	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from external customers[1]	1,242,161	627,934	703,854	493,936	52,953	755,996	3,876,834
Lease related income	*1,178,202*	*590,189*	*672,300*	*466,521*	*44,617*	*629,602*	*3,581,431*
Car park income	*1,605*	*2,260*	*-*	*542*	*2,255*	*59,370*	*66,032*
Expenses recoverable from tenants	*62,354*	*35,485*	*31,554*	*26,873*	*6,081*	*67,024*	*229,371*
Segment net profit[2]	270,183	138,372	224,428	121,902	36,548	312,252	1,103,685
Included in profit of the year:							
Foreign exchange gain/(loss)	44,765	34,816	61,486	31,344	(3)	(5)	172,403
Net unrealized foreign exchange loss on investment property	(589,365)	(314,030)	(333,897)	(226,756)	-	-	(1,464,048)
Unrealized revaluation (loss)/gain on investment property measured at fair value	(178,074)	(77,189)	(41,951)	(59,779)	16,171	(197,299)	(538,121)
Finance costs[3]	(85,698)	(55,528)	(80,857)	(50,154)	(12,835)	(40,311)	(325,383)

[1] The retail south segment and the retail central segment include revenues relating to the joint ventures amounting to $52.9 million and $166.3 million, respectively.

[2] The retail south segment and the retail central segment include operating profits relating to the joint ventures amounting to $36.5 million and $114.8 million, respectively.

[3] The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to $12.9 million and $40.3 million, respectively.

	Industrial*				Retail		Total
	North East	Central	North West	North	South	Central	
As at December 31, 2020	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total segment assets*	**14,725,038**	**8,175,914**	**8,204,117**	**6,689,471**	**464,536**	**5,941,802**	**44,200,878**
Total segment liabilities	**(2,264,633)**	**(1,439,769)**	**(1,749,835)**	**(1,342,335)**	**(155,887)**	**(507,459)**	**(7,459,918)**
As at December 31, 2019							
Total segment assets*	14,319,480	7,468,625	7,569,763	5,559,955	518,851	7,245,417	42,682,091
Total segment liabilities	(2,076,029)	(1,234,413)	(1,592,337)	(1,105,028)	(145,917)	(636,202)	(6,789,926)

*During the year ended December 31, 2019, the Group disposed of 2 non-strategic industrial assets in North and Northeast.

The Group's non-current assets are primarily comprised of investment properties located in Mexico.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

6. SEGMENT REPORTING (CONTINUED)

Segment revenue and operating profit is reconciled to total revenue and operating profit as follows:

	Year ended	
	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Total segment revenue	**4,224,845**	3,876,834
Revenue attributable to equity-accounted investees	**(196,743)**	(219,269)
Interest income	**21,210**	26,469
Total revenue for the year	**4,049,312**	3,684,034
Segment profit	**3,227,803**	1,103,685
Unallocated amounts:		
Property expenses not included in reporting segments	**4,130**	4,227
Finance costs not included in reporting segments[1]	**(670,827)**	(648,865)
Interest income	**21,210**	26,469
Items attributable to equity-accounted investees	**1,113**	3,671
Net foreign exchange (loss)/gain[2]	**(562,112)**	458,193
Net unrealized loss on interest rate swaps	**(172,923)**	(162,183)
Management fees[3]	**(186,839)**	(164,908)
Transaction related expenses	**(7,273)**	(25,234)
Professional, legal and other expenses	**(67,575)**	(53,157)
Current and deferred income tax	**633**	(5,582)
Profit for the year	**1,587,340**	536,316

[1] A portion of existing debt is in the form of unsecured facilities at FIBRA Macquarie level and consequently, in 2020 and 2019 finance cost is considered as a reconciling item.

[2] Unrealized foreign exchange (loss)/gain arising in respect of the unsecured debt revaluation at the end of the relevant period.

[3] Fees related with the Manager in respect of the existing management agreement, entered into on December 11, 2012 (the "Management Agreement").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

6. SEGMENT REPORTING (CONTINUED)

Segment assets and liabilities are reconciled to total assets and liabilities as follows:

	Year ended	
	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Segment assets	**44,200,878**	42,682,091
Items non included in segment assets:		
Cash, cash equivalents and restricted cash[1]	**720,311**	482,640
Trade and other receivables,net	**309**	332
Other assets[1]	**81,661**	84,010
Assets attributable to equity-accounted investees[1]	**(1,785,799)**	(2,148,464)
Investment in equity-accounted investees[1]	**1,186,526**	1,544,250
Total assets	**44,403,886**	42,644,859
Segment liabilities	**(7,459,918)**	(6,789,926)
Items non included in segment liabilities:		
Interest-bearing liabilities[1]	**(10,037,684)**	(9,472,853)
Trade and other payables[1]	**(377,399)**	(356,303)
Liabilities attributable to equity-accounted investees[1]	**599,274**	604,214
Other liabilities[1]	**(14,088)**	(16,968)
Deferred income tax liability[1]	**(22,557)**	(24,486)
Derivative financial instruments not included in reporting segment[1]	**(211,095)**	(38,172)
Total liabilities	**(17,523,467)**	(16,094,494)

[1] Assets and liabilities held at Fund level.

7. DISTRIBUTIONS PAID OR PROVIDED FOR

During the year ended December 31, 2020, FIBRA Macquarie made four distributions payment amounting to $1,420.0 million (December 31, 2019: three distributions payments amounting to $983.7 million). The first distribution amounting to $348.4 million (0.455 per CBFI) which was accrued as at December 31, 2019, was paid on January 24, 2020. The second distribution amounted to $348.1 million (0.455 per CBFI) was paid on March 11, 2020, the third distribution amounted to $361.8 million (0.475 per CBFI) was paid on June 12, 2020, and the fourth distribution amounted to $361.8 million (0.475 per CBFI) was paid on September 25, 2020.

As at December 31, 2020, FIBRA Macquarie had accrued for an approved distribution of $361.8 million in respect of the third quarter results, which was subsequently paid on January 28, 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

8. PROFIT AFTER TAX PER CBFI

	Year ended	
	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Profit per CBFI		
Basic and diluted profit per CBFI ($)	**2.10**	0.70
Basic profit used in the calculation of earnings per CBFI		
Net profit after tax attributable to controlling interests for basic earnings per CBFI ($'000)	**1,602,925**	536,316
Weighted average number of CBFIs used as the denominator in calculating basic earnings per CBFI ('000)	**762,460**	768,563

9. CASH AND CASH EQUIVALENTS

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Operating accounts	**889,571**	693,209
Restricted cash - non current	**16,512**	15,598
Total cash and cash equivalents	**906,083**	708,807

a) Operating accounts

The majority of the cash and cash equivalents are held in investment accounts earning interest at market rates.

b) Restricted accounts

Restricted cash held as interest reserves as required under the MMREIT Industrial Trust V credit agreement with MetLife-Term Loan closed on May 22, 2019. For further details, refer to note 1 and 18.

The Cash and cash equivalent are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of the receivables.

10. TRADE AND OTHER RECEIVABLES, NET

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Trade and other receivables - current		
Rental income receivable	**215,496**	154,113
Allowance for impairment loss in trade receivables[1]	**(177,746)**	(110,252)
Other receivables, net	**16,151**	429,281
Total trade and other receivables - current, net	**53,901**	473,142
Other receivables - non - current		
Other receivables, net	**-**	15,701
Total other receivables non - current	**-**	15,701

[1] See notes 3(i), 3(o) and 24 for further details.

Rental income receivable, net

The impairment on trade receivables are determined based on the Expected Credit Loss model. See note 24 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

10. TRADE AND OTHER RECEIVABLES, NET (CONTINUED)

Other receivable – Current and non-current

The amount relates to the balance receivable-current as December 31, 2020, is in respect of the 2 properties sold in June 2019 for US$7.2 million. FIBRA Macquarie received US$5.5 million at closing, US$1.0 million on December 23, 2020 and will receive US$0.7 million on June 27, 2021. This amount is measured at amortized cost and are presented net of an impairment of $87.0 as at December 31, 2020 (December 31, 2019: $255.0) based on the Expected Credit Loss model.

The balance receivable current and non-current as December 31, 2019 is in respect of the 35 properties sold in July 2018. Out of the total sale proceeds of US$80.2 million, FIBRA Macquarie received US$61.0 million at closing and received the remaining US$11.2 million and US$8.0 million on January 5, 2020 and July 5, 2020, respectively. These amounts were measured at amortized cost and are presented net of an impairment loss $299.0 based on the Expected Credit Loss model.

The receivables are held within a held-to-collect business model consistent with the Group's continuing recognition of the receivables.

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 24.

11. OTHER ASSETS

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Other assets - Current		
Prepaid management fees	**46,975**	44,197
Prepaid expenses	**13,244**	13,884
Income tax recoverable	**1,791**	2,686
Other receivables	**-**	788
Total other assets - Current	**62,010**	61,555
Other assets - Non-current		
Straight-line rental adjustment	**207,779**	171,184
Other assets	**26,146**	29,468
Total other assets - Non-current	**233,925**	200,652

12. EQUITY-ACCOUNTED INVESTEES

MMREIT Retail Trust III entered into two joint arrangements with Grupo Frisa through which it acquired a 50% interest in two joint venture trusts ("JV Trusts"). These have been classified as joint venture trusts under *IFRS 11 – Joint Arrangements* as MMREIT Retail Trust III has a right to 50% of the net assets of the JV Trusts. The debt used to finance the purchase of the assets held by the JV Trusts is at the JV Trust level. FIBRA Macquarie and/or MMREIT Retail Trust III have an exposure in relation to this debt solely in their capacity as joint obligors and only in exceptional circumstances which do not currently exist.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

12. EQUITY-ACCOUNTED INVESTEES (CONTINUED)

a) Carrying amounts

Name of the entity	Country of establishment / Principal activity	Ownership interest as at Dec 31, 2020	Ownership interest as at Dec 31, 2019	Dec 31, 2020 $'000	Dec 31, 2019 $'000
JV Trust CIB/589	Mexico / Own and lease retail property	**50%**	50%	**505,544**	579,313
JV Trust CIB/586	Mexico / Own and lease retail property	**50%**	50%	**680,982**	964,937

b) Movement in carrying amounts

	Year ended Dec 31, 2020 $'000	Year ended Dec 31, 2019 $'000
Carrying amount at the beginning of the year	**1,544,250**	1,152,560
Capital contribution during the year[1]	**10,064**	326,331
Distributions received during the year	**(50,830)**	(89,654)
Share of profits from equity-accounted investees	**67,054**	88,054
Share of revaluation (loss)/gain on investment property measured at fair value	**(384,012)**	66,959
Carrying amount at the end of the year	**1,186,526**	1,544,250

[1] Relates to a capital contribution in respect of the debt repaid and certain capital expenditures at the JV level.

c) Summarized financial information for joint ventures

The below table provides summarized financial information for the JV Trusts since these are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the JV Trusts and not FIBRA Macquarie's share of those amounts. These have been amended to reflect adjustments made by the Group using the equity method including adjustments and modifications for differences in accounting policy between FIBRA Macquarie and the JV Trusts.

Summarized Statement of Financial Position	JV Trust CIB/589 Dec 31, 2020 $'000	JV Trust CIB/589 Dec 31, 2019 $'000	JV Trust CIB/586 Dec 31, 2020 $'000	JV Trust CIB/586 Dec 31, 2019 $'000
Total current assets[1,2]	**18,617**	22,364	**40,990**	29,445
Total non-current assets	**999,425**	1,153,132	**2,516,249**	3,091,987
Total current liabilities[3]	**-**	(9,705)	**(40,472)**	(20,790)
Total non-current liabilities[3]	**(6,954)**	(7,166)	**(1,154,803)**	(1,170,767)
Net assets	**1,011,088**	1,158,625	**1,361,964**	1,929,875

[1] Includes cash and cash equivalents of $31.7 million (December 31, 2019: $30.0 million).

[2] Includes restricted cash of $20.8 million (December 31, 2019: $20.0 million).

[3] Current and non-current financial liabilities (excluding trade and other payables and provisions) amounts to $1,142.3 million (non-current financial liabilities December 31, 2019: $1,150.4 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

12. EQUITY-ACCOUNTED INVESTEES (CONTINUED)

c) Summarized financial information for joint ventures (continued)

Summarized Statement of Financial Position	JV Trust CIB/589 Dec 31, 2020 $'000	JV Trust CIB/589 Dec 31, 2019 $'000	JV Trust CIB/586 Dec 31, 2020 $'000	JV Trust CIB/586 Dec 31, 2019 $'000
Reconciliation to carrying amounts:				
Opening net assets[1]	**1,158,625**	501,809	**1,929,875**	1,803,311
Net movements for the year	**(147,537)**	656,816	**(567,911)**	126,564
Net assets	**1,011,088**	1,158,625	**1,361,964**	1,929,875
FIBRA Macquarie's share (%)	**50%**	50%	**50%**	50%
FIBRA Macquarie's share ($)	**505,544**	579,313	**680,982**	964,937
FIBRA Macquarie's carrying amount	**505,544**	579,313	**680,982**	964,937

[1] During the year ended December 31, 2020 FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to $15.7 million (2019: $16.1 million). These recoverable amounts have been settled against the distributions received by FIBRA Macquarie from the JV Trusts.

Summarized Statement of Comprehensive Income	JV Trust CIB/589 Year ended Dec 31, 2020 $'000	JV Trust CIB/589 Year ended Dec 31, 2019 $'000	JV Trust CIB/586 Year ended Dec 31, 2020 $'000	JV Trust CIB/586 Year ended Dec 31, 2019 $'000
Revenue:				
Property related and other income	**87,176**	101,668	**306,312**	336,869
Revaluation of investment property measured at fair value	**-**	40,638	**-**	93,279
Financial income	**229**	3,062	**1,996**	4,697
Total revenue	**87,405**	145,368	**308,308**	434,845
Expenses:				
Finance costs	**-**	(4,884)	**(101,456)**	(101,407)
Other expenses	**(37,143)**	(39,673)	**(123,004)**	(124,224)
Revaluation of investment property measured at fair value	**(187,680)**	-	**(580,345)**	-
Total expense	**(224,823)**	(44,557)	**(804,805)**	(225,631)
(Loss)/profit for the year	**(137,418)**	100,811	**(496,497)**	209,214
FIBRA Macquarie's share (%)	**50%**	50%	**50%**	50%
FIBRA Macquarie's share	**(68,709)**	50,406	**(248,249)**	104,607

d) Share of contingent liabilities of joint venture

As at December 31, 2020 and 2019, there was no share of contingent liabilities incurred jointly with the Joint Venture Partner and no contingent liabilities of the JV Trusts for which FIBRA Macquarie is liable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

13. GOODWILL

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Carrying amount at the beginning of the year	**841,614**	841,614
Carrying amount at the end of the year	**841,614**	841,614

Goodwill recognized represents the difference between consideration given and the fair value of the assets acquired in 2012, included in the industrial segment (CGU). See note 1 (Background information) for further details.

Goodwill is tested for impairment at least annually, and when circumstances indicate that the carrying value may be impaired. As at December 31, 2020 and 2019, since the portfolio premium in respect of the portfolio on which goodwill was initially recognized as assessed by the Independent Valuer is higher than the carrying value, no impairment of goodwill has been recognized.

The assumptions used in determining the estimated recoverable portfolio amount consider a premium rate. In determining the premium rate the Group analyzed the location distribution (geographic diversification and market concentration) of the portfolio, construction quality, current weighted average rate, weighted average remaining lease term, weighted average in place rental rates, industry concentration and general quality of existing tenants comprising the portfolio and any significant concentration.

14. INVESTMENT PROPERTIES HELD FOR SALE

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Carrying amount at the beginning of the year	**-**	147,622
Additions/disposals during the year:		
Disposals[1]	**-**	(137,589)
Net unrealized foreign exchange loss on investment property	**-**	(3,967)
Revaluation of investment property measured at fair value	**-**	(6,066)
Carrying amount at the end of the year	**-**	-

[1] During the year ended December 31, 2019, the Group disposed of 2 properties in Chihuahua and Matamoros.

15. INVESTMENT PROPERTIES

	Note	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Carrying amount at the beginning of the year		**38,799,138**	40,132,961
Additions during the year:			
Land acquisition[1]		**775,786**	-
Capital expenditure (including tenant improvements)		**643,951**	414,746
Transfers from Investment property under construction		**143,617**	271,881
Investment property under construction	15(a)	**(11,548)**	(5,125)
Net unrealized foreign exchange gain/(loss) on investment property		**1,912,458**	(1,460,081)
Revaluation of investment property measured at fair value		**(1,157,936)**	(599,014)
Leasing commissions, net of amortization		**14,361**	43,770
Carrying amount at the end of the year		**41,119,827**	38,799,138

[1] Amount includes the acquisition of land parcel in MMREIT Industrial Trust IV and 100% investment property value of the F/3493 JV trust. Refer note 1 for more details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

15. INVESTMENT PROPERTIES (CONTINUED)

a) Investment property under construction*

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Carrying amount at the beginning of the year	**56,038**	61,163
Capital expenditure	**132,069**	266,756
Transfer to completed investment properties	**(143,617)**	(271,881)
Carrying amount at the end of the year	**44,490**	56,038

* Investment property under construction is initially recognized at cost since the fair value of these properties under construction cannot reasonably be measured as at that date. At the year end or date of completion, whichever is earlier, any difference between the initial recognition and the fair value at that date will be taken to the income statement.

b) Asset-by-asset valuation

Valuations of investment properties are carried out on half-yearly basis by a qualified valuation specialist independent of FIBRA Macquarie (the "Independent Valuer"). CBRE Mexico, an internationally recognized valuation and advisory firm with relevant expertise and experience, was engaged as the Independent Valuer to conduct an independent appraisal of FIBRA Macquarie's investment properties as at December 31, 2020 and December 31, 2019, respectively.

The valuation methods – cost, market value and capitalization analysis – are applied by the Independent Valuer in order to estimate that market value of the acquired properties applying primarily an income analysis, using direct capitalization as well as discounted cash flow analysis.

The fair value for all investment properties was determined based on the inputs for the valuation techniques mentioned below. Investment property is classified as Level 3 under the levels of the fair value hierarchy for financial instruments measured at fair value by the Group.

The significant inputs and assumptions in respect of the valuation process are developed in consultation with management.

The inputs used in the internal valuations at December 31, 2020 and 2019 were as follows:

- The average annualized net operating income ("NOI") yield range across all properties was 7.25% to 10.25% (2019: 7.25% to 10.25%) for industrial properties and 8.00% to 9.25% (2019: 8.00% to 9.25%) for retail properties.

- The range of reversionary capitalisation rates applied to the portfolio were between 7.50% and 10.50% (December 31, 2019: 7.50% and 10.50%) for industrial and 8.50% and 9.75% (2019: 8.25% and 9.75%) for retail properties.

- The discount rates applied range between 8.50% and 11.50% (2019: 8.50% and 11.50%) for industrial properties and 9.75% and 11.75% (2019: 9.25% and 11.75%) for retail properties.

- The vacancy rate applied was from 3.0% to 5.0% (2019: 3.0% to 5.0%), with a weighted average of 4.52% (2019: 4.82%) for industrial properties and between 3.00% and 35.00% (2019: 3.00% and 10.00%), with a weighted average of 10.89% (2019: 5.38%) for retail properties.

The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rates (market yields) and reversionary capitalisation rates decline. The valuations are sensitive to all four assumptions. Changes in discount rates attributable to changes in market conditions can have a significant impact on property valuations.

The difference between the above fair value for financial reporting purposes and the carrying value at the end of the year is primarily on account of capitalized leasing costs and tenant improvements which are carried at historical cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

16. TRADE AND OTHER PAYABLES

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Trade and other payables - current		
Capital expenditures	**375,093**	159,325
Distribution payable[1]	**361,773**	348,394
Property related expenses[2]	**146,985**	97,758
Deferred payable in respect of land acquaried	**121,489**	-
Interest payable	**46,242**	55,480
VAT Payable and others	**39,146**	23,026
Other payables and deferred considerations	**37,077**	182,804
Audit and tax advisory expenses	**3,711**	4,079
Transaction related expenses	**1,299**	13
Total and other payables - current	**1,132,815**	870,879
Trade and other payables non - current		
Deferred payable in respect of land acquaried	**128,717**	-
Total and other payables non - current	**128,717**	-

[1] Refer to note 7 for further details.

[2] Includes seniority premium liability as December 31, 2020 of $0.69 million (December 31, 2019: $0.40 million) in accordance with IAS 19 Employee Benefits.

17. TENANT DEPOSITS

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Security deposits from tenants - Current	**15,818**	17,205
Security deposits from tenants - Non-current	**310,676**	318,175
Total other liabilities	**326,494**	335,380

Security deposits are determined under the terms of the relevant lease and retained by the Group until the expiry of the applicable lease term.

18. INTEREST BEARING LIABILITIES

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
The group has access to:		
Loan facilities - undrawn		
Undrawn US$-denominated notes	**3,590,766**	3,392,136
Undrawn MXN-denominated notes	**1,259,564**	1,259,564
Total undrawn loan facilities	**4,850,330**	4,651,700
Loan facilities - drawn		
US$-denominated term funding	**9,276,145**	8,763,017
US$-denominated notes	**6,483,328**	6,124,690
Unamortized transaction costs	**(75,295)**	(83,337)
Total loan facilities, net of unamortized transaction costs	**15,684,178**	14,804,370

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

18. INTEREST BEARING LIABILITIES (CONTINUED)

The relevant credit facilities are summarised as follows:

Lenders / Facility Type	Currency	Facility Limit $' million	Drawn Amount $' million	Interest Rate p.a.	Maturity Date	Drawn Amount Dec 31, 2020 $'000	Drawn Amount Dec 31, 2019 $'000
Various Insurance Companies through Notes	US$	250.0	250.0	5.55%	Jun-23	**4,984,271**	4,707,562
MetLife - Term Loan[1]	US$	210.0	210.0	5.38%	Oct-27	**4,173,519**	3,941,116
Various Banks through a Credit Facility - Term Loan	US$	180.0	180.0	4.44%[2]	Apr-24	**3,559,236**	3,354,038
Various Insurance Companies through Notes	US$	75.0	75.0	5.44%	Sep-26	**1,494,176**	1,411,254
MetLife - Term Loan[3]	US$	75.0	75.0	5.23%	Jun-34	**1,472,976**	1,390,400
Balance at the end of the year						**15,684,178**	14,804,370

¹ Thirty nine industrial properties are secured pursuant to this Term Loan. ² Fixed by interest rate swap. Refer to note 19. ³ Sixteen industrial properties are secured pursuant to this Term Loan.

Interest-bearing liabilities

On March 24, 2020, FIBRA Macquarie completed a US$180.0 million drawdown under its Revolving Credit Facility as a proactive measure to increase its cash position and to preserve its financial flexibility to address market uncertainties related to COVID-19 pandemic. Given continued strong liquidity position, the Group has fully repaid this drawn facility over 3 partial repayments. The first repayment amounting to US$90.0 million ($2,028.9 million) on June 17, 2020. The second repayment amounting to US$55.0 million ($1,223.8 million) on July 24, 2020 and the third repayment amounting to US$35.0 million ($754.9 million) on September 24, 2020.

Reconciliation of movements of interest-bearing liabilities to cash flows arising from financing activities.

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Carrying amount at the beginning of the year	**14,804,370**	15,537,190
Changes from financing cash flows:		
Repayments of interest-bearing liabilities	**(4,007,607)**	(6,380,379)
Proceeds from interest-bearing liabilities, net of facility charges	**4,340,034**	6,231,596
Total changes for financing cash flow	**332,427**	(148,783)
Total effect of changes in foreing exchange rate	**532,540**	(660,360)
Liability-related other changes:		
Amortization of capitalized borrowing costs	**14,841**	76,323
Carrying amount at the end of the year	**15,684,178**	14,804,370

19. DERIVATIVE FINANCIAL INSTRUMENTS

On April 5, 2019, FIBRA Macquarie entered into interest rate swap with various counterparties, whereby FIBRA Macquarie on a quarterly basis pays an annual weighted average fixed rate of interest of 1.94% on its respective interest rate swap contracts and receives a variable interest rate based on 3 months US$ LIBOR. The swaps fully hedge the exposure to the variable interest rate payments associated with the US$180.0 million unsecured credit facility (term loan).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

19. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Below is a summary of the terms and fair value of the interest rate swap agreements. The loans and the interest rate swaps have the same key terms.

Counterparties	Trade date	Maturity date	Notional amount	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Various Banks	Apr 5, 2019	Apr 1, 2024	US$180.0 million	**(211,095)**	(38,172)
Total estimated fair value				**(211,095)**	(38,172)

20. DIRECT TAXES

FIBRA Macquarie is deemed to be a real estate investment trust for Mexican federal income tax purposes. Under Articles 187 and 188 of the Mexican Income Tax Law, it is required to distribute an amount equal to at least 95% of its net tax result to its CBFI holders on a yearly basis. If the net tax result during any fiscal year is greater than the distributions made to CBFI holders during the twelve months ended March of such fiscal year, FIBRA Macquarie is required to pay the corresponding tax at a rate of 30% of such excess.

The Group's subsidiaries are subject to income tax and hence the tax effects have been recognized in the consolidated statements of comprehensive income as follows:

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Current income tax	**(1,296)**	(274)
Deferred Income Tax	**1,929**	(5,308)
Current and deferred income tax	**633**	**(5,582)**

Deferred income taxes are calculated on the basis of income taxes at the rate applicable in the period in which the reversal of the corresponding temporary different is expected. The major components of the income tax expense for the year ended December 31, 2020 and 2019, respectively, with respect to the results of the Group's subsidiaries are:

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Current income tax		
Opening balance as of January 1	**2,686**	1,274
Current income tax for the year	**(1,296)**	(274)
Advance tax paid	**401**	1,686
Income tax recoverable	**1,791**	**2,686**
Deferred income tax		
Opening balance as of January 1	**24,486**	19,178
Relating to temporary differences provision (mainly management fee)	**(1,929)**	5,308
Deferred income tax	**22,557**	**24,486**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

20. DIRECT TAXES (CONTINUED)

Deferred income taxes are calculated on the basis of income taxes at the rate applicable in the period in which the reversal of the corresponding temporary differences is expected as follows:

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Management fee receivable	**(25,152)**	(26,568)
Other receivable	**(1,630)**	(2,168)
Accrued property related expenses	**4,225**	4,250
Total deferred income tax liability	**(22,557)**	(24,486)

For the years ended december 31, 2020 and 2019 the reconciliation between the income tax rate and the effective income tax rates is as follows:

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Profit/(loss) before tax for the year	**4,140**	(122,252)
Income tax rate	**30%**	30%
Income tax	**1,242**	(36,676)
Income tax in the following items		
Non deductible expenses	**1,019**	38,078
Annual adjustment for inflation	**(707)**	(735)
Management fee	**(933)**	(3,102)
Tax loss carry forwards	**914**	4,187
Others	**(2,168)**	3,830
Income tax	**(633)**	5,582
Effective income tax rate	**(15%)**	(5%)

21. CONTRIBUTED EQUITY

	No. of CBFIs '000	$'000
Balance at January 1, 2019	**770,000**	17,497,483
CBFIs repurchased for cancellation during the year	**(4,300)**	(102,691)
CBFIs outstanding at December 31, 2019	**765,700**	17,394,792
Balance at January 1, 2020	**765,700**	17,394,792
CBFIs repurchased for cancellation during the year	**(4,077)**	(83,043)
CBFIs outstanding at December 31, 2020	**761,623**	17,311,749

On June 25, 2017, FIBRA Macquarie's Technical Committee approved a CBFI buy-back program under the terms of the Trust Agreement and provided instructions to the Fund Trustee to carry out the repurchase of certificates for subsequent cancellation.

On June 26, 2018, May 24, 2019 and June 26, 2020, FIBRA Macquarie's Technical Committee has approved the extension of this program during three periods: from June 26, 2018 to June 25, 2019, from June 26, 2019 to June 25, 2020 and from June 26, 2020 to June 23, 2021, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

21. CONTRIBUTED EQUITY (CONTINUED)

As of December 31, 2020, a total of 49,740,003 CBFIs, amounting to $1,058.2 million (including transaction costs), have been repurchased (December 31, 2019: 45,663,500 CBFIs amounting to $975.2 million). For the year ended December 31, 2020, a total of 4,076,503 CBFIs, amounting to $83.0 million (including transaction costs), have been repurchased. For the year ended December 31, 2019, a total of 4,300,000 CBFIs, amounting to $102.7 million (including transaction costs), were repurchased.

22. NON-CONTROLLING INTEREST

On September 14, 2020, FIBRA Macquarie through a wholly-owned investment trust, completed the acquisition of 50% equity in a newly formed joint venture trust (the "F/3493 JV Trust") with Inmobiliaria Alamedida (the "F/3493 JV Partner") for a total consideration of US$12.2 million. FIBRA Macquarie conducted a control assessment under IFRS 10 and concluded that it has control over F/3493 JV Trust, and therefore, should apply consolidation accounting and reflect the ownership of F/3493 JV Partner as non-controlling interests in its consolidated financial statements.

The following table summarizes the ownership percentages and non-controlling interests and the consolidated entities' total assets and liabilities in pesos.

	Non-controlling ownership percentage Dec 31, 2020	Non-controlling Interest Dec 31, 2020	Total Assets Dec 31, 2020	Total Liabilities Dec 31, 2020
JV Trust CIB 3493	49%	243,575	496,644	(141)
		243,575	**496,644**	**(141)**

23. RETAINED EARNINGS

	$'000
Balance as at January 1, 2019	9,951,337
Total comprehensive income for the year	536,316
Distributions paid/payable*	(1,332,080)
Balance as at December 31, 2019	**9,155,573**
Balance as at January 1, 2020	**9,155,573**
Total comprehensive income for the year	**1,602,925**
Distributions paid/payable*	**(1,433,403)**
Balance as at December 31, 2020	**9,325,095**

* Refer to note 7 for further details.

24. CAPITAL AND FINANCIAL RISK MANAGEMENT

Risk management

The Group manages its capital through the mix of available capital sources whilst complying with statutory, constitutional capital and distribution requirements, maintaining leverage, interest cover ratios and other covenants within approved limits and continuing to operate as a going concern. The Group assesses its capital management approach as a key part of its overall strategy and this is regularly reviewed by management and the Board of the Manager.

The Group's principal financial instruments comprise cash and cash equivalents, receivables, payables and interest bearing liabilities. The Group's activities expose it to a variety of financial risks: credit risk, market risk (foreign exchange risk and interest rate risk) and liquidity risk.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

24. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management (continued)

The Group manages its exposure to these financial risks in accordance with the Group's financial risk management policy. The policy sets out the Group's approach to managing financial risks, the policies and controls utilized to minimize the potential impact of these risks on its performance and the roles and responsibilities of those involved in the management of these financial risks.

The Group uses various measures to monitor exposures to these types of risks. The main methods include foreign exchange and interest rate sensitivity analysis, ageing analysis and counterparty credit assessment, and the use of future rolling cash flow forecasts.

a) Credit risk

Credit risk is defined as the risk of a counterparty failing to complete its contractual obligations when they fall due. The consequent loss is either the amount of the loan not paid back, or the loss expected in replicating a trading contract with a new counterparty. The Group has exposure to credit risk on all of its financial assets included in the consolidated statements of financial position. Concentrations of credit risk are minimized primarily by:

- ensuring counterparties, together with the respective credit limits, are approved; and
- ensuring that transactions are undertaken with a large number of counterparties.

Trade and other receivables

The Group manages its risk on tenant receivables by performing credit reviews of prospective tenants, obtaining tenant collateral where appropriate and performing detailed reviews on any tenant arrears. The Group has policies that limit the amount of credit exposure to any financial institution where practical and commercially appropriate. Cash transactions are limited to investment grade counterparties in accordance with the risk management policy. The Group monitors the public credit rating of its key counterparties.

The Group has policies to review the aggregate exposures of receivables and tenancies across its portfolios. The Group has no significant concentration of credit risk on its receivables. at December 31, 2020, the largest individual tenant represents 3.4% (2019: 3.2%) of the total rental income. The Group holds certain collateral, including in the form of security deposits.

As at December 31, 2020, the gross carrying amount of trade receivable was $215.5 million and the provision for impairment loss was $177.7 million. (Impaired trade receivables at December 31, 2019 had a gross carrying amount of $154.1 million. at December 31, 2019 there was an impairment loss of $110.3 million).

Cash and Cash equivalents

The Group held cash and cash equivalents of $906.0 million at December 31, 2020 (December 31, 2019: $708.8 million). The cash and cash equivalents are held mainly with Banco Nacional De Mexico, S.A. ("Citibanamex") and HSBC México S.A., Institución de Banca Múltiple ("Grupo Financiero HSBC"), financial institution counterparties, which are rated A-2 by certain rating agencies as at December 31, 2020.

Other assets - Current

Other assets comprised mainly of property insurance prepayments and prepaid MMREM management fees.

The table below details the concentration of credit exposure of the Group's assets to counterparty types. The amounts shown represent the maximum credit risk of the Group's assets as of December 31, 2020 and 2019, respectively.

As at Dec 31, 2020	Cash and cash equivalents* $'000	Other assets $'000	Trade receivables $'000	Total $'000
Financial institutions*	906,083	-	-	906,083
Other	-	62,010	53,901	115,911
Total	**906,083**	**62,010**	**53,901**	**1,021,994**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

24. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Credit risk (continued)

As at Dec 31, 2019	Cash and cash equivalents* $'000	Other assets $'000	Trade receivables $'000	Total $'000
Financial institutions*	708,807	788	-	709,595
Other	-	60,767	473,142	533,909
Total	708,807	61,555	473,142	1,243,504

*Includes restricted cash

At December 31, the ageing of rental net income receivables that were not impaired were as follows:

	2020 $'000	2019 $'000
Neither past due nor impaired	**22,267**	38,451
Past due < 60 days	**9,068**	2,881
Past due 61 - 90 days	**1,770**	377
Past due > 90 days	**4,645**	2,152
Total property related income receivable, net	**37,750**	43,861

Management believes that the unimpaired amounts that are past due by more than 30 days may nevertheless be collectable in full, based on payment history and a credit analysis of individual tenants.

b) Liquidity risk

The Group's liquidity position is monitored on a continuous basis by management and is reviewed quarterly by the Board of the Manager. A summary table with a maturity profile of financial liabilities presented below is used to manage liquidity risks. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position, as the impact of discounting is not significant. The amount of contractual undiscounted cash flows related to bank borrowings and other loans is based on variable and fixed interest rates.

The maturity analysis of financial liabilities at December 31 is as follows:

2020	**Less than 3 months $'000**	**3 to 12 months $'000**	**1 to 5 years $'000**	**Total $'000**
Trade and other payables	**(1,132,815)**	**-**	**(128,717)**	**(1,261,532)**
Tenant deposits	**-**	**(15,818)**	**(310,676)**	**(326,494)**
Derivative financial instruments	**-**	**-**	**(211,095)**	**(211,095)**
Interest bearing liabilities*	**-**	**-**	**(15,759,473)**	**(15,759,473)**
Total	**(1,132,815)**	**(15,818)**	**(16,409,961)**	**(17,558,594)**

* Excludes unamortized debt establishment costs amounting to $75.3 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

24. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Liquidity risk (continued)

2019	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Total $'000
Trade and other payables	(870,879)	-	-	(870,879)
Tenant deposits	-	(17,205)	(318,175)	(335,380)
Derivative financial instruments	-	-	(38,172)	(38,172)
Interest bearing liabilities*	-	-	(14,887,707)	(14,887,707)
Total	(870,879)	(17,205)	(15,244,054)	(16,132,138)

* Excludes unamortized debt establishment costs amounting to $83.3 million.

c) Market risk

Foreign currency risk

Foreign currency risk is associated with the changes in foreign exchange rates of Mexican peso value which could affect the Group's foreign denominated financial assets and liabilities. Foreign currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency.

(i) Non functional currency income

Through investing in assets generating US dollar rents, the Group earns foreign denominated income. The net property income derived is partially offset by US dollar denominated expenses, including interest expense.

(ii) Non functional currency foreign investments

The Group aims to minimize the impact of fluctuations in foreign currency exchange rates on its net investments by borrowing in US dollar to partially fund its US dollar denominated investment properties. Currently, the Group does not further reduce any unhedged exposure caused where Mexican peso denominated equity is used to finance US dollar denominated assets.

The Group is exposed to foreign currency risk through investing in US dollar denominated investment properties and deriving income from those properties. The Group has been marketed as giving its investors exposure to US dollar risk. Management does not deem it necessary to undertake any further measures to mitigate or reduce the existing foreign currency risk relating to US dollar exposures.

	2020 USD exposures* $'000	2019 USD exposures* $'000
Investment properties	**35,878,062**	32,545,755
Other receivables	**16,151**	444,983
Cash and cash equivalents (including restricted cash)	**517,187**	428,913
Other assets	**208,238**	180,816
Trade receivables	**12,312**	26,314
Trade and other payables	**(427,487)**	(224,550)
Trade and other payables- Long term	**(128,717)**	-
Tenant deposits	**(284,545)**	(283,573)
Interest-bearing liabilities	**(15,684,180)**	(14,804,370)
Net exposure	**20,107,021**	18,314,288

*The amounts presented are in Mexican pesos.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

24. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Market risk (continued)

(ii) Non functional currency foreign investments (continued)

A movement in foreign currency exchange rates applied to the net exposures in the table above would result in a change to the net assets of the Group. In assessing the impact of changes in period end closing US dollar to Mexican peso foreign exchange rate, a 10% movement has been applied.

	Sensitivity of operating profit*	
As at 2020	Movement of +10% $'000	Movement of -10% $'000
US dollar exposure	**2,010,702**	**(2,010,702)**
As at 2019		
US dollar exposure	1,831,429	(1,831,429)

*The amounts presented are in Mexican pesos.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will impact the earnings of the Group. The Group is exposed to interest rate risk predominantly through floating rate borrowings and manages this exposure on a 'look through' basis including exposures generated by the borrowings of the Industrial Trusts.

In order to manage interest rate risk, the Group has entered into certain fixed interest rate swap contracs, where possible. The Group has entered into interest rate swaps to change the variable interest rate of US$180.0 million (December 31, 2019: US$180.0 million) term loan to a fix interest rate (for more details refer to note 19). Consequently, as at December 31, 2020, 100% (December 31, 2019: 100%) of the Group's debt funding has a fixed interest rate.

Sensitivity analysis

The table below reflects the potential net increase/(decrease) in the Group's profit, resulting from changes in interest rates applicable at December 31, with all other variables remaining constant.

	2020 $'000	2019 $'000
Variable interest rate		
Cash and cash equivalents	**906,083**	708,807
Net variable interest rate exposure	**906,083**	708,807

A movement in variable interest rates (3 months US$ LIBOR or overnight CETES) applied to the net exposures in the table above would result in a change to the net profit of the Group.

	Sensitivity of operating profit	
As at 2020	Movement of +100bps $'000	Movement of -100bps $'000
Effect of net floating exposure	**9,061**	**(9,061)**
As at 2019		
Effect of net floating exposure	7,088	(7,088)

24. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Management interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaking globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risks-free rates (referred to as "IBOR reform"). The Group has exposures to IBORs in its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group anticipates that IBOR reform could impact its risk management and hedge accounting.

The Indebtedness committee monitors and manages the Group's transition to alternative rates. The committee evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amendment as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The committee reports to the Group's Technical Committee quarterly and collaborates with other business functions as needed. It provides periodic reports to management of interest rate risk arising from IBOR Reform.

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to USD-LIBOR. The Group's derivative instrument are governed by contracts based on the international Swaps Derivatives Association (ISDA) 's master agreements.

SDA is currently reviewing its standardized contracts in the light of IBOR reform and plans to amend certain floating-rate options in 2016 ISDA definitions to include fallback clauses that would apply on the permanent discontinuation of certain key IBOR's. ISDA is expected to publish an IBOR fallback supplement to amend the 2006 ISDA definitions and IBOR fallback protocol to facilitate multilateral amendments to include the amended floating-rate options in derivative transactions that were entered into before the date of supplement. The Group currently plans to the protocol if and when it is finalized and to monitor whether its counterparties will also adhere. If this plan changes or there are counterparties who will not adhere to the protocol, the Group will negotiate with them bilaterally about including new fallback clauses.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transaction may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to USD-LIBOR using available quoted market rates for LIBOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedge cash flows attributable to changes in USD-LIBOR on similar basis.

25. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group measures the following assets and liabilities at fair value and further information about the assumptions made in measuring fair values is included in the following notes:

- Investment properties held for sale, (Note 14).
- Investment properties, (Note 15).
- Derivative financial instruments, (Note 19).

Fair value reflects the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding inputs such as timing and amounts of future cash flows, discount rates, credit risk, volatility and correlation.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

25. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The investment property valuations were determined using discounted cash flow projections, based on significant unobservable inputs. These inputs include:

- Future rental cash flows: based on the location, type and quality of the properties and supported by the terms of any existing lease or other contracts or external evidence such as current market rents for similar properties;

- Discount rates: reflecting current market assessments of the uncertainty in the amount and timing of cash flows;

- Vacancy rates: based on current and expected future market conditions after expiry of any current leases;

- Maintenance costs: including necessary investments to maintain functionality of the property for its expected useful life;

- Capitalisation rates: based on location size and quality of the properties and taking into account market data at the valuation date; and

- Terminal value: taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

The Management regularly reviews significant unobservable inputs and valuations adjustments. if third party information,

such as broker quotes or pricing services, is used to measure fair value, then the Management assesses the evidence obtained from the third parties to support the conclusion about these valuations meet the requirements of IFRS, including the level in the FV hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Board of Directors

The fair value of derivative financial instruments is calculated as the present value of the estimated future cash flows.

Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates.

Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.

Financial instruments measured at fair value are categorized in their entirety, in accordance with the levels of the fair value hierarchy as outlined below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The appropriate level for an instrument is determined on the basis of the lowest level input that is significant to the fair value measurement.

The following table sets out the fair value of financial instruments (net of unamortized acquisition costs) not measured at fair value and analyzes them by the level in the fair value hierarchy into which each fair value measurement is categorized.

As at December 31, 2020	Level 2 $'000	Total fair value $'000	Total carrying amount $'000
Trade and other receivables, net*	**53,901**	**53,901**	**53,901**
Interest-bearing liabilities**	**(16,662,652)**	**(16,662,652)**	**(15,684,178)**
As at December 31, 2019			
Trade and other receivables, net*	490,968	490,968	488,843
Interest-bearing liabilities**	(15,400,062)	(15,400,062)	(14,804,370)

* The amortized cost of the trade receivables is a close approximation to the fair value due to its short-term maturity.

**Net unamortized transaction costs.

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

25. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table summarizes the levels of the fair value hierarchy for financial instruments measured at fair value of the Group:

As at December 31, 2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Derivative financial instruments-liability	**-**	**(211,095)**	**-**	**(211,095)**
Investment properties	**-**	**-**	**41,119,827**	**41,119,827**
As at December 31, 2019				
Derivative financial instruments-liability	-	(38,172)	-	(38,172)
Investment properties	-	-	38,799,138	38,799,138

The fair value of the interest rate swaps is based on independent third party broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the term and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of the interest rate swaps reflects the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty, where appropriate.

The following table presents the changes in Level 3 of the fair value hierarchy for the Group:

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Balance at the beginning of the year	**38,799,138**	40,132,961
Capital expenditure/leasing commision net of amortization	**790,381**	725,272
Land acquisition	**775,786**	-
Net unrealized foreign exchange gain/(loss) on investment property	**1,912,458**	(1,460,081)
Unrealized revaluation loss on investment property measured at fair value	**(1,157,936)**	(599,014)
Balance at the end of the year	**41,119,827**	38,799,138

26. LEASES

a) As a lessor

Agreements entered into by the Group and its tenants have been classified as operating leases under IFRS 16 (until December 31, 2018 these were classified under IAS 17). The Group is the lessor of the leases entered into with third parties in respect of its investment properties. Of the leases entered into by the Group, there are a certain amount that are fixed-term leases which include renewal options exercisable by the respective tenant. Notwithstanding these particular leases, the lease agreements entered into by the Group have expiration dates ranging from January 1, 2020 to April 30, 2048.

Where the minimum lease payments are considered to be the net accumulated rent over the lease term, which is defined as the earliest possible termination date available to the tenant, irrespective of the probability of the tenant terminating or not exercising available renewal options; the minimum lease payments to be received by the Group going forwards are as laid out below:

December 31, 2020	<1 year (US$'000)	1-5 years (US$'000)	>5 years (US$'000)	Total (US$'000)
USD denominated minimum future lease collections	**145,362**	**429,551**	**89,265**	**664,178**
*Peso denominated minimum future lease collections	**27,320**	**79,535**	**22,258**	**129,113**

* Amount translated to USD for presentation purposes only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

26. LEASES (CONTINUED)

b) As a lessee

The details of initial recognition of IFRS 16 *Leases* are set out in the table below:

	Dec 31, 2020 $'000	Dec 31, 2019 $'000
Right-of-use assets (included in other assets):		
Balance at the beginning of the year	**19,986**	24,621
Addition to right-of-use assets	**1,124**	-
Lease payments modified in the right of uses assets	**(1,506)**	-
Effect of changes in foreing exchange rate	**430**	(284)
Depreciation charge for the year	**(4,080)**	(4,351)
Balance at the end of the year	**15,954**	19,986
Other liabilities		
Balance at the beginning of the year	**21,207**	24,621
Addition to lease liabilities	**1,124**	-
Lease payments modified in the lease liabilities	**(1,510)**	-
Effect of changes in foreing exchange rate	**445**	(300)
Interest on lease liabilities[1]	**1,718**	2,126
Lease payments	**(5,373)**	(5,240)
Balance at the end of the year	**17,611**	21,207
Balance classified as current	**3,523**	4,239
Balance classified as non-current	**14,088**	16,968
Lease liabilities (Maturity analysis - contractual undiscounted cash flows):		
<1 year	**4,906**	5,626
1-5 years	**16,932**	20,423
>5 years	**-**	1,622
Total undiscounted lease liabilities at the end of the year	**21,838**	27,671

[1] When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 5.7% for the contracts in USD and 10.2% for the contracts in pesos.

27. COMMITMENTS AND CONTINGENT LIABILITIES

The Group has no significant contingent liabilities as at December 31, 2020.

28. RELATED PARTIES

FIBRA Macquarie is listed on the Mexican Stock Exchange and its CBFIs are understood by the Manager to be widely held. The following summary provides an overview of the Group's key related parties:

a) Transactions with key management personnel

The key management personnel in respect of the Group are employed and remunerated by the Manager.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

28. RELATED PARTIES (CONTINUED)

b) Trustee

Since the execution of the Trustee Substitution Agreement on October 31, 2017, CIBanco, S.A., Institución de Banca Multiple is the FIBRA Macquarie Trustee, whose registered office is at Av. Paseo de las Palmas, 215, Piso 7, Lomas de Chapultepec I Sección, Miguel Hidalgo, Mexico City, 11000.

The trustee of the Investment Trusts is CIBanco, Sociedad Anónima, Institución de Banca Múltiple whose registered office is at Av. Paseo de las Palmas 215, piso 7, Lomas de Chapultepec I Sección, Miguel Hidalgo, Mexico City, 11000 (“Investment Trust Trustee”). The two other trustees within the Group are Banco Nacional de Mexico, S.A., integrante del Grupo Financiero Banamex and Banco Monex, S.A. Institución de Banca Múltiple, Monex Grupo Financiero. For the year ended December 31, 2020, the trustees' fees for the Group amounted to $4.1 million (December 31, 2019: $3.4 million) respectively.

c) Manager

MMREM acts as manager of FIBRA Macquarie and has its registered office is at Pedregal 24, piso 21, Col. Molino del Rey, Miguel Hidalgo, Mexico City, 11040.

Under the terms of the Management Agreement, MMREM is entitled to a base management fee of $186.8 million (December 31, 2019: $164.9 million) for the year ended December 31, 2020. The base management fee is calculated as 1% per annum of the value of the market capitalization of FIBRA Macquarie for the relevant calculation period. The fee is calculated on April 1 and October 1 respectively for the subsequent six month period. The market capitalization is calculated as the product of: (i) the average closing price per CBFI during the last 60 trading days prior to the calculation date and, (ii) the total number of outstanding CBFIs at the close of trading on the calculation date.

MMREM is also entitled to receive a performance fee, which is calculated as 10% of an amount comprising the market capitalization, per above, plus the aggregate amount of all distributions made to CBFI holders, increased at a rate equal to the aggregate of 5% per annum and an annual cumulative Mexican inflation rate from their respective payment dates, minus the aggregate issuance price of all issuances of CBFIs, plus the aggregate amount of all repurchases of CBFIs, in each case, increased at a rate equal to the aggregate of 5% per annum and the annual cumulative Mexican inflation rate from their respective issuance or repurchase dates, less any performance fees previously paid. This potential fee is payable on the last business day of each two-year period commencing on December 19, 2012 and must be reinvested into FIBRA Macquarie CBFIs for a minimum duration of one year. As at December 31, 2020, no performance fee was payable by FIBRA Macquarie.

d) Other associated entities

During the year ended December 31, 2020, the Group accrued expenses totaling $0.4 million (December 31, 2019: $2.0 milion) in respect of out of pocket expenses incurred by affiliate entities of MMREM, in performance of its duties as Manager.

As at December 31, 2020, expenses due to MMREM amounted to $0.4 million (December 31, 2019: $2.0 million).

As at December 31, 2020, Macquarie Infrastructure and Real Asset Holding Pty Limited, an affiliate entity of MMREM, held 36,853,632 CBFIs and received gross distribution of $68.5 million during the year ended December 31, 2020 (December 31, 2019: $47.1 million).

From time to time, other related subsidiaries or associates of Macquarie Group Limited may hold CBFIs on their own account or on account of third parties.

29. EVENTS AFTER BALANCE SHEET DATE

FIBRA Macquarie's Technical Committee has evaluated all other subsequent events through to the date these consolidated financial statements were issued and has determined there are no other subsequent events requiring recognition or disclosure.

Independent auditors' report

To the CBFIs holders of

Fideicomiso Irrevocable No. F/1622

(CIBANCO, S. A. Institución de Banca Múltiple) and its controlled entities

(Thousands of Mexican Pesos)

Opinion

We have audited the consolidated financial statements of Fideicomiso Irrevocable No. F/1622 (CIBANCO, S. A. Institución de Banca Múltiple) and its controlled entities ("Fibra Macquarie México" or "the Trust"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Fibra Macquarie México, as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties: $41,119,827

See Note 15 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Trust's investment properties accounted for 93% of the Trust's total assets as at December 31, 2020 and are comprised from industrial and retail properties located in Mexico. Estimating the fair value of investment properties is a complex process involving a number or judgements and estimates regarding various inputs. The valuation technique used is based upon assumptions including the expected future rental revenues, occupancy rates, cap rates and discount rates, as well the individual nature of each property and its ubication. The change in fair value is recognized in the consolidated statement of comprehensive income. Consequently, we have determined that the valuation of investment properties to be a key audit matter.	Our audit procedures to address this key audit matter included, among others: • Evaluating the completeness of investment properties of the Trust at year end by reconciling additions and/or capitalizations occurred during 2020 and other effects impacting the year end balance as of December 31, 2020. • Evaluating the accuracy of the year end balance of investment properties by comparing the final figures included into its accounting records versus the amounts included in the Trust's property management system and the report issued by the engaged Trust's valuation experts. • By selecting an investment properties sample, we performed the following: • Evaluating the completeness of the Trust inputs used in determining their fair value of the investment properties by comparing these with signed contracts that details occupant´s name, square meters rented and base rental income. • Involving our own valuation specialists to assist us in the analysis of the fair value of the investment properties determined by the Trust's, using external data inputs such as homologated average rental income by square meter for comparable properties, estimated vacancy rates, estimated expenses for similar properties and estimated cap rates, consistent with our industry knowledge and with comparable market transactions. • Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Trust´s annual report for the year ended December 31, 2020 , to be filed with the National Baking and Securities Commission (Mexico) (Comisión Nacional Bancaria y de Valores) and the Mexican Stock Exchange (Bolsa Mexicana de Valores),("the Annual Report") but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charge with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Cárdenas Dosal S. C.

Rogelio Berlanga Coronado

Monterrey, Nuevo León, March 22th, 2021.

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