



Andres Lozano
President
Titularizadora Colombiana SA
Calle 72 No. 7-64 Office 401
Bogotá, Colombia

February 10, 2023 Dear Mr. Lozano,

Re: Rating Confirmation related to the ratings of the tranches associated with the TIN real estate participation securities (Tranche 1, 2 and 3 of the TINs).

This letter is provided in response to a rating confirmation request regarding the impact that certain proposed changes to the program's prospectus and regulations could have on the stability of the securitization investors' returns. Such proposed changes will be submitted for consideration at the next meeting of security holders and reported to the Colombian Financial Superintendence.

The proposed change evaluated is detailed below:

- Term extension to reach exposure levels:
 - o The Adjustment to the Investment Policy, within the term to reach the exposure levels indicated in section 10.7.3 (exposure levels) of the prospectus, from 5 years to 7 years (October 18, 2025, 2 additional years with respect to the last term approved by the assembly on October 26, 2020), considering that, due to the contingency caused by the Coronavirus and the subsequent repercussions in the Colombian capital market that still persist, it will not be possible to comply with the agreed term.

This section within the documents is intended to ensure the diversification of the portfolio, the maximization of profitability, and the atomization of risk.

It should be noted that the last periodic review of the ratings took place on September 28, 2022, where the rating of each of the tranches was affirmed at 'iAAA (col)', with a stable outlook. Tranche 3 was initially rated on October 6, 2021, and to date it has not yet been placed due to market conditions. If there are changes regarding the composition of the portfolio or the documents of the program at the closing of the operation of the issuance of this last tranche, the ratings could be revised in an extraordinary manner. According to the information provided and the communications that were had with Titularizadora Colombiana, the agency recognizes that currently the level of indebtedness of the fund is close to the established limit, and that due to the current market situation, the issuance of Tranche 3 TIN has not been possible. As a result, no new acquisitions have been made that would allow the stabilization of the target diversification levels of the vehicle.

Furthermore, the fund manager has clear plans that he has been executing with respect to possible new acquisitions (purchase versus issuance), and the issuance of Tranche 3 TIN for this year 2023. In addition, there are additional robust back-up measures in place (detailed in the prospectus and regulations), which cover scenarios given market or other conditions beyond the control of the real estate portfolio manager, in the event that post-term exposure levels are exceeded.

The agency considers that the proposed change provides transparency to security holders, is in line with current market parameters, and promotes proper management of the vehicle, giving the fund additional tools to protect investors' expected returns in the face of unfavorable economic conditions. We do not expect any impact on the stability of investor returns.

Fitch (see definition below) hereby confirms that, based on the information provided to Fitch, the proposed amendment will not result in a withdrawal or downgrade of the rating(s) assigned by Fitch to the *TIN Security Tranches* (Tranche 1: 'iAAA (col)'/Stable Outlook – Tranche 2: 'iAAA (col)'/Stable Outlook – Tranche 3: 'iAAA (col)'/Stable Outlook).

This rating confirmation(s) only focuses on the effect of the proposed modifications to the current ratings assigned by Fitch to *the Tranches of the TIN Securities*.

This rating confirmation(s) does not take a position as to whether the modifications are permitted by the terms of the documents. This rating confirmation(s) does not make any determination as to whether the modifications are in the best interests of, or detrimental to, some or all of the holders of *Tranches of TIN Securities*.

The rating(s) assigned by Fitch are based on documents and information provided to Fitch by the issuer and other parties, and is subject to receipt of final closing documents. In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and insurance companies and from other sources Fitch believes to be reliable. Fitch conducts a reasonable investigation of the factual information on which it relies, in accordance with its rating methodology, and obtains reasonable verification of such information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The form of Fitch's factual investigation and the extent of any third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or where the issuer is located, the availability and nature of relevant public information, access to the issuer's management and its consultants, the availability of pre-existing third-party verifications, such as audit reports, agreed-upon procedure letters, valuations, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer,



and a variety of other factors.

Users of Fitch's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and the market through offering documents and other reports. In issuing its ratings, Fitch must rely on the work of experts, including independent auditors with respect to financial statements, and counsel with respect to legal and tax matters. In addition, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. Accordingly, notwithstanding verification of current facts, ratings may be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

Ratings are not a direct or indirect recommendation or suggestion, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security of any issuer. The ratings do not provide advice on the suitability of the market price or suitability of any investment, debt or security for any particular investor (including, without limitation, any accounting and/or regulatory treatment), or on the tax-exempt nature of, or the taxability of payments made with respect to, any investment, debt or security. Fitch is not your adviser and is not providing you or any other person with financial or legal advice, auditing, accounting, estimating, valuation or actuarial services. A rating confirmation should not be viewed as a substitute for such consultation or services.

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Nothing in this letter is intended or should be construed as creating a fiduciary relationship between Fitch and you or between us and any user of the ratings.

In this letter, "**Fitch**" means Fitch Ratings Colombia SA Sociedad Calificadora de Valores and any successor in interest of said entity.

If we can help you in any other way, please contact XXX at XXX. Sincerely,

Fitch Ratings Colombia S.A.
Sociedad Calificadora de Valores

By:

Maria Paula Moreno