F/2061 Irrevocable Trust FHipo and Subsidiaries

(Banco Invex, S.A., Institución de Banca Múltiple Grupo Financiero Invex, Fiduciario)

Consolidated Financial Statements for the year ended December 31, 2015 and for the period from July 3, 2014 (Date of inception) to December 31, 2014, and Independent Auditors' Report Dated March 11, 2016

F/2061 Irrevocable Trust FHipo and Subsidiaries
(Banco Invex, S.A., Institución de Banca Múltiple Grupo Financiero Invex, Fiduciario)

Independent Auditors' Report and Consolidated Financial Statements for 2015 and 2014

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Independent Auditors' Report to the Technical Committee of the F/2061 Irrevocable Trust FHipo and Subsidiaries Managed by Banco Invex, S.A., Institución de Banca Múltiple Grupo Financiero Invex, Trustee

We have audited the accompanying consolidated financial statements of the F/2061 Irrevocable Trust FHipo Managed by Banco Invex, S.A., Institución de Banca Múltiple Grupo Financiero Invex, Trustee and subsidiaries (the "Trust"), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in partners' equity and the consolidated statements of cash flows for the year ended as of December 31, 2015 and for the period from July 3, 2014 (date of inception) to December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible of the preparation and fair presentation of these consolidated financial statements, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the consolidated financial statements of the trust 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the F/2061 Irrevocable Trust FHipo Managed by Banco Invex, S.A., Institución de Banca Múltiple Grupo Financiero Invex, Trustee and subsidiaries as of December 31, 2015 and 2014 and their financial performance and their cash flows for the year ended as of December 31, 2015 and for the period from July 3 (date of inception) to December 31, 2014 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of matters

As mentioned in Note 1 to the consolidated financial statements, on September 10, 2015, FHipo contributed mortgage loans with a carrying amount of $2,856,286 in connection with a securitization transaction.

As mentioned in Note 2 to the consolidated financial statements, on January 1, 2015, FHipo early adopted IFRS 9 "*Financial Instruments: Recognition and Measurement*".

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited

C.P.C. José Ignacio Valle Aparicio

March 11, 2016

F/2061 Irrevocable Trust FHipo and Subsidiaries
(Banco Invex, S.A., Institución de Banca Múltiple Grupo Financiero Invex, Fiduciario)

Consolidated Statements of Financial Position

As of December 31, 2015 and 2014
(In thousands of Mexican pesos)

Assets	**Notes**	**2015**	**2014**
Cash and cash equivalents	5	$ 497,832	$ 918,948
Investments in securities	6	-	5,365,411
Mortgage loan portfolio:			
Performing loan portfolio		9,647,743	2,017,417
Nonperforming loan portfolio		8,480	-
Total mortgage portfolio		9,656,223	2,017,417
Less: Allowance for loan losses		(89,389)	-
Mortgage loan portfolio, net	7	9,566,834	2,017,417
Other accounts receivable		17,142	12,522
Financial asset arising from securitization transactions	1	369,911	-
Other assets		19,805	451
Total Assets		$ 10,471,524	$ 8,314,749
Partners' equity and liabilities			
Current liabilities:			
Accounts payable and accrued expenses		$ 203,821	$ 4,988
Accounts payable to related parties	9	38,862	5,107
Total current assets		242,683	10,095
Borrowings	8	1,727,215	-
Total liabilities		1,969,898	10,095
Partners' equity:			
Partners' contributions	10	8,249,130	8,249,130
Retained earnings		252,496	55,524
Total partners' equity		8,501,626	8,304,654
Total partners' equity and liabilities		$ 10,471,524	$ 8,314,749

See accompanying notes to consolidated financial statements.

F/2061 Irrevocable Trust FHipo and Subsidiaries
(Banco Invex, S.A., Institución de Banca Múltiple Grupo Financiero Invex, Fiduciario)

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the year ended 2015 and for the period from July 3, 2014 (date of inception) to December 31, 2014
(In thousands of Mexicans pesos, except earnings per CBFI)

	Notes	2015	2014
Interest income	12	$ 952,958	$ 65,340
Interest expense	8	(11,987)	-
Financial margin		940,971	65,340
Allowance for loan losses	7	(83,150)	-
Adjusted financial margin		857,821	65,340
Valuation of financial asset arising from securitization transactions	7	115,704	-
Administrative expenses:			
Administrative and collection fees	9	(186,499)	(8,645)
Other		(28,913)	(1,171)
		(215,412)	(9,816)
Net profit for the year		$ 758,113	$ 55,524
Other comprehensive income that may be reclassified to profit or loss:			
Unrealized gain on financial assets measured at fair value through other comprehensive income		17,710	-
Reclassification of gains on financial assets measured at fair value through other comprehensive income		(17,031)	-
		679	-
Comprehensive income		$ 758,792	$ 55,524
Basic and diluted earnings per CBFI	10	$ 2.197	$ 0.5377

See accompanying notes to consolidated financial statements.

F/2061 Irrevocable Trust FHipo and Subsidiaries
(Banco Invex, S.A., Institución de Banca Múltiple Grupo Financiero Invex, Fiduciario)

Consolidated Statements of Changes in Partners' Equity

For the year ended 2015 and for the period from July 3, 2014 (date of inception) to December 31, 2014
(In thousands of Mexicans pesos)

	Number of CBFI's	Partners' equity	Retained earnings	Accumulated other comprehensive income	Total Partners' equity
Balance as of July 3, 2014	-	$ 1	$ -	$ -	$ 1
Partners' contributions	345,000,000	8,249,129			8,249,129
Net comprehensive income for the year			55,524	-	55,524
Balance as of December 31, 2014	345,000,000	8,249,130	55,524	-	8,304,654
Effect of initial recognition of IFRS 9 (Note 2a)			(8,400)	(679)	(9,079)
Balance as of January 1, 2015, after accounting changes effect	345,000,000	8,249,130	47,124	(679)	8,295,575
Distributions to CBFI holders			(552,741)	-	(552,741)
Net comprehensive income for the year			758,113	679	758,792
Balance as of December 31, 2015	345,000,000	$ 8,249,130	$ 252,496	$ -	$ 8,501,626

See accompanying notes to consolidated financial statements

F/2061 Irrevocable Trust FHipo and Subsidiaries
(Banco Invex, S.A., Institución de Banca Múltiple Grupo Financiero Invex, Fiduciario)

Consolidated Statements of Cash Flows

For the year ended 2015 and for the period from July 3, 2014 (date of inception) to December 31, 2014
(In thousands of Mexicans pesos)

	2015	2014
Net profit	$ 758,113	$ 55,524
Adjustments for:		
Interest income	(952,958)	(65,340)
Allowance for loan losses	83,150	-
Interest expense	11,987	-
Valuation of receivable benefits for securitization transactions	(115,704)	-
Provisions		8,645
	(215,412)	(1,171)
Movements in working capital:		
Acquisition of mortgage loans	(10,802,157)	(2,031,994)
Derecognition of mortgage loan portfolio	2,602,079	
Collection of mortgage loans	535,925	40,219
Reimbursement for returned mortgage loans	157,814	12,334
Acquisition of investment in securities	(4,885,118)	(5,358,177)
Sale of investment in securities	10,242,616	
Fully collected interests on investment in securities	59,217	
(Increase) in other accounts receivable	(4,620)	(12,139)
(Increase) in other assets	(19,354)	(451)
Increase in accounts payable and accrued expenses	232,588	32
Loans received	1,750,000	
Costs payment associated to received loans	(23,839)	
Interests on loans paid	(10,933)	
Fully collected interests on mortgage loans	512,819	19,747
Net cash generated by (used in) operating activities	131,625	(7,331,600)
Cash flows from financing activities:		
Distributions of CBFIs to holders	(552,741)	
Partners' contributions		8,625,000
CBFI's issuing costs		(374,452)
Net cash (used in) generated by financing activities	(552,741)	8,250,548
(Decrease) increase in cash and cash equivalents	(421,116)	918,948
Cash and cash equivalents at the beginning of the year	918,948	-
Cash and cash equivalents at the end of the year	$ 497,832	$ 918,948

See accompanying notes to consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 2015 and for the period from July 3, 2014 (date of inception) to December 31, 2014
(In thousands of Mexicans pesos)

1. Activity of FHipo and significant events

F/2061 Irrevocable Trust FHipo ("FHipo" or the "Trust") was formed on July 3, 2014 as an irrevocable trust pursuant to a trust agreement (the "Trust Agreement") under the laws of Mexico by Concentradora Hipotecaria, S.A.P.I. de C.V., or "CH," in its capacity as Trustor (the Trustor or Trustee in Second Place), Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero as Trustee (the "Trustee") and Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero as the Common Representative of the Trustees in First Place, which are comprised of holders of the Certificados Bursátiles Fiduciarios ("CBFIs"). FHipo was established with the main business purpose of acquiring, originating, participating and managing a portfolio of mortgage loans.

FHipo has no employees; administrative services are rendered by CH in its capacity of Advisor and Manager.

Principal offices are located at Juan Salvador Agraz 65, Floor 9, Colonia Santa Fe, Del Cuajimalpa, C.P. 05300 Mexico D.F.

Under current tax law, FHipo is a pass-through (transparent) trust for Mexican tax and legal purposes under the terms of Rule 3.1.15. of the Miscellaneous Tax Resolution, which means that the Trust shall be treated as a "pass-through" vehicle or tax transparent Trust for Mexican Income Tax. To qualify as a pass-through vehicle, the passive income of the Trust must represent at least 90% of the total income of the Trust. Pursuant to Rule 3.1.15. of the Miscellaneous Tax Resolution, items that are understood to be passive income include interest, foreign exchange gains, gains arising from equity or debt-related derivatives, gains obtained from the disposal of certain securities issued by a real estate investment trust, dividends, gains derived from the disposition of shares, taxable inflation adjustment, and income from the lease or sublease of real estate. Due to the Trust's tax status, the Trust's income is passed through to the holders of CBFI's who are subject to tax on such income determined in accordance with the laws of the applicable tax jurisdiction.

Explanation for translation into English - The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico.

Significant events:

Securitization

On September 8, 2015, FHipo and the National Workers' Housing Fund (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores*, or "Infonavit"), in their capacity as Trustors, entered into a trust agreement for the issuance of trust certificates (Certificados Bursátiles Fiduciarios, or "CDVITOT") to public investors in Mexico. On September 10, 2015, 758,397,800 preferred CDVITOTs and 40,433,300 subordinate CDVITOTs with a par value of 100 Investment Units ("UDIS") each were issued through the F/80739 Irrevocable Trust (the Issuing Trust). The CDVITOTs are supported by mortgage loans, which were previously held by and between FHipo and Infonavit pursuant to a co-participation arrangement.

FHipo contributed 11,599 loans with a carrying amount of $2,856,286 to the Issuing Trust, transferring all rights of ownership and substantially all the risks and rewards associated with the loans, in exchange for cash and a trust certificate.

On September 10, 2015, the Issuing Trust issued a trust certificate with a value of 47,980,994.25 UDIS ($254,207) to FHipo thereby granting rights to receive the residual assets of the Trust after the conclusion of the CDVITOT's activities and settlement of all of its obligations. The trust certificate is included in "Financial asset arising from securitization transactions", in the Statement of financial position.

Credit facility:

In September of 2015, FHipo entered into a credit line through a warehousing mortgage structure with Banco Mercantil del Norte, S.A. ("Banorte"). Such credit line is for a period of 36 months and for a total amount of up to $3,000,000, which will be available through the F/2590 Irrevocable Trust ("Debtor Trust") to meet FHipo's liquidity requirements. The credit line bears interest at interbank equilibrium rate ("TIIE") plus 205 basis points. FHipo undertook its first borrowing on this credit line in the amount of $1,750,000 on November 19, 2015.

Distributions:

In accordance with Clause 12.1 of the Trust Agreement, FHipo has distributed 95% of its quarterly net profit as follows:

Quarter	**Date of payment**	**Distributions**	**Distributions per CBFI (in pesos)**
3rd Quarter of 2015	November 17, 2015	$ 162,280	$0.4704
2nd Quarter of 2015	August 21, 2015	173,373	0.5025
1st Quarter of 2015	May 14, 2015	164,341	0.4763
4th Quarter of 2014	February 27, 2015	52,747	0.1529
Total		$ 552,741	

2. Basis de preparation

a. *Adoption of new International Financial Reporting Standards*

On January 1, 2015, FHipo early adopted IFRS 9 "Financial Instruments: Recognition and Measurement" ("IFRS 9"), which adoption was not mandatory until 2018. IFRS 9 was issued initially in 2009 to introduce new requirements over the classification and measurement of financial assets. The standard has been subject to subsequent modifications to include, among other things, requirements surrounding the classification, measurement and derecognition of financial liabilities, general guidance surrounding hedge accounting, a new model for the impairment of financial assets and to introduce a guidance for certain assets measured at fair value through other comprehensive income ("FVTOCI"). The main requirements established by IFRS 9 are as follows:

- IFRS 9 requires all recognized financial assets that are within the scope of IAS 39, "Financial Instruments: Recognition and Measurement" to be subsequently measured at amortized cost or at fair value. Specifically, financial assets held within a business model whose objective is to collect contractual cash flows of instruments that generate cash flows comprised solely payments of principal and interest are generally measured at amortized cost. Financial assets held in a business model whose objective is achieved through both the collection of contractual cash flows and the sale of financial assets that give rise on specific dates to payments of principal and interest are generally measured at FVTOCI. All other financial assets are measured at their fair values at the end of accounting periods.

- Regarding financial liabilities measured at fair value through profit and loss, IFRS 9 requires that the changes in fair value of the financial liability attributable to changes in the credit risk of the liability be presented in other comprehensive income, unless such recognition in other comprehensive income arises in or increases an accounting mismatch in the statement of profit or loss. Changes in fair value attributable to the credit risk of the financial liability are not subsequently reclassified to the statement of profit or loss. Previously, in accordance with IAS 39, the entire amount of the change in fair value of the financial liability designated as fair value through profit and loss was presented in the statement of profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The impact of the early application of this standard is shown below:

- The initial effect of adopting the expected credit loss model amounted to $9,079 and was recognized as of January 1, 2015 with a charge to retained earnings.

- The measurement of investment in securities is based on the business model adopted by FHipo with respect to such investments. FHipo's objectives with respect to investments in securities are both the collection of contractual cash flows and the sale of financial assets. Therefore, beginning on January 1, 2015, investments in securities are measured at fair value through other comprehensive income. Up to December 31, 2014, such investments were classified as investments at fair value through profit or loss. This change resulted in reclassifying the unrealized loss changes in fair value of $679, which was previously recognized in profit or loss of last year, to accumulated other comprehensive income. Other comprehensive income is recognized as part of retained earnings in the statement of financial position.

The effects of the adoption of this standard were recognized at the beginning of 2015, impacting the retained earnings as of that date. The summary of the impacts in the financial statement of financial position is shown below:

	Balances as of January 1, 2015	Effect of adopting IFRS 9	Balances as of January 1, 2015 after adoption of IFRS 9
Cash equivalents and investment in securities	$ 6,284,359	$	$ 6,284,359
Mortgage loan portfolio, net	2,017,417	(9,079)	2,008,338
Accounts receivable and other assets	12,973		12,973
Total assets	$ 8,314,749	$ (9,079)	$ 8,305,670
Total liabilities	$ 10,095	$	$ 10,095
Partners' contributions, net	8,249,130		8,249,130
Accumulated comprehensive income	55,524	(9,079)	46,445
Total Partners' equity and liabilities	$ 8,314,749	$ (9,079)	$ 8,305,670

FHipo has applied the amendments to IFRS included in the Annual Improvements to IFRSs 2010-2012 Cycle and 2011 – 2013 Cycle for the first time this year. The application of this amendments has had no impact in the disclosures or in the amounts recognized in the consolidated financial statements of FHipo.

b. ***New and revised IFRSs in issue but not yet effective***

FHipo had not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 1 Disclosure Iniciative[1]

Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to IFRS	Annual Improvements to IFRSs 2012-2014 cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

c. ***Basis of consolidation of financial statements***

The consolidated financial statements include the financial statements of FHipo and the subsidiaries over which it exercises control, including the Debtor Trust and the Irrevocable Trust F/2549 ("Master Trust").

Debtor Trust was founded to administrate mortgage loans that support the credit facility from Banorte. The Master Trust has the purpose to receive and distribute collections on the mortgage loan portfolio.

Control is obtained when FHipo:

- Has power over the investee;
- Is exposed, or has the rights to variable returns from its participation with such entity, and
- Has the capacity to affect those returns through its power over the investee.

FHipo reevaluates whether it has control over an investee if the events or circumstances indicate that there have been changes in one or more of the three control criteria listed above.

All, balances, operations and intercompany cash flows have been eliminated in consolidation.

3. Significant accounting policies

a. ***Statement of compliance***

The consolidated financial statements of FHipo have been prepared in accordance with International Financial Reporting Standards released by IASB.

b. ***Bases of preparation***

The consolidated financial statements of FHipo have been prepared on the historical cost basis, except for the financial asset arising from securitization transactions and investment in securities, which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

i. Historical cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, FHipo takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

c. ***Financial instruments***

Financial assets and financial liabilities are recognized when FHipo becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

d. ***Financial assets***

Classification of financial assets

Financial assets are classified into the following specified categories: financial assets at amortized cost, financial assets at FVTOCI and financial assets at fair value through profit or loss (“FVTPL”). All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is in a business model which is intended to collect contractual cash flows that are solely principal payments and interest on the outstanding principal.

Financial assets at FVTOCI

A financial assets is measured at FVTOCI if it is maintained in a business model whose objective is achieved through the collection of cash flows and the sale of financial assets, and that has contractual terms that give rise to specific dates for principal payments and interests only of principal amount.

Financial assets at FVTPL

A financial asset that is not measured at amortized cost or at FVTOCI, it is measures at fair value through profit or loss.

Investment in securities are classified as FVTOCI and the financial asset arising from securitization transactions are classified as FVTPL. All other financial assets are measured at amortized cost using the effective interest method, less any impairment.

Through December 31, 2014, FHipo classified its financial assets as FVTPL (investment in securities) and as loans and receivables measured at amortized cost (mortgage loan portfolio).

Derecognition of financial assets

FHipo derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amounts and the sum of the consideration received and receivable are recognized in profit or loss.

e. ***Cash and cash equivalents***

Cash equivalents consist of highly liquid short-term investments ("Repurchase") with original maturities of three months or less that can be easily converted into cash and are subject to a low risk of significant changes in fair value.

f. ***Investment in securities***

Investments in securities are classified as financial assets at FVTOCI. At acquisition, they are recognized at fair value, which equals the price of the consideration paid for such investment. Subsequently, the investments are valued at fair value. Gains or losses arising from subsequent valuation are recognized in other comprehensive income.

In accordance with the trust agreement, FHipo may invest its resources as follows:

- Debt securities issued by the Mexican Federal Government.
- Debt securities that are fully and unconditionally guaranteed as to payment of interest and principal by the Mexican Federal Government or any government agency or entity whose obligations, in turn, are guaranteed by the federal government of Mexico.
- Repurchase of any of the instruments described above.
- "Trackers" or referenced assets securities related to any instrument described above.

The instruments listed above carry terms of less than one year.

g. ***Mortgage loan portfolio***

The mortgage loan portfolio is initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

The amortized cost of mortgage loan portfolio is the initial measurement of the portfolio minus principal repayments, plus or minus the cumulative amortization (which is calculated using the effective interest rate method) of any difference between that initial amount and the repayment value at maturity, less any impairment.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

As of December 31, 2015 and 2014, FHipo's loan portfolio consists of loans acquired through the "Infonavit Total program" and "Infonavit More Credit program". These loans have two payment schemes by borrowers as follows:

- The Ordinary Amortization Scheme (ROA), comprises those borrowers who have an employment relationship and loan repayment is deducted from the employee's salary by the employer and paid on the employee's behalf to Infonavit.

- The Special Amortization Scheme (REA) includes borrowers that have lost their employment relationship, covering directly and monthly amortization payments to Infonavit.

Performing loan portfolio - Represents the outstanding balance of loans and accrued interest receivable of loans that are current in their payments or that are past due by 90 days with respect to their last payment.

In accordance with the Infonavit Law, borrowers suffering from loss of employment are eligible for an extension on payments of principal and ordinary interest. During this extension period, ordinary interest generated will be capitalized to the outstanding principal of the loan. The extension may not exceed 12 continuous months and not exceed a total of 24 months. Loans in extension are considered performing loans in the absence of obligation of payment from the borrower.

Nonperforming loan portfolio - The unpaid balances of principal and interest are classified as nonperforming when payments of principal and interest payments are 90 days overdue. In the case of loans in extension, the aforementioned period will be initiated once such extension period has concluded.

The transfer of loans of nonperforming loan portfolio to performing loan portfolio occurs when the outstanding balances have been fully settled, or, in the case of restructured loans, there is objective evidence of sustained payment. Objective evidence of sustained payment occurs when a specified number of consecutive scheduled payments of both principal and interest are received on a timely basis. For loans under the ROA scheme at least one payment is required, while three consecutive repayments are required under REA scheme.

Loan portfolio denominated in Veces de Salario Mínimo – Indexation adjustments for loan portfolio indexed to the minimum wage (*veces de salario mínimo,* or "VSM"), are calculated by multiplying the current daily minimum wage of the Federal District, Mexico by 30.4. Typically, the value of VSM is adjusted by the Mexican government on an annual basis. Therefore, the outstanding balance in Mexican pesos of a mortgage loan denominated in VSM will be periodically adjusted to match VSM statutory adjustments. This indexation is recognized monthly as it accrues and is determined based on the percentage increase in the minimum wage published by the National Commission on Minimum Wages in Mexico. The effect of revaluation is recognized in income within "Interest income".

h. *Allowance for loans losses*

In accordance with IFRS 9 early adopted by FHipo as of January 1, 2015, the allowance for loan losses is determined using the expected credit loss model. The expected credit loss model requires that FHipo recognize in each reporting period the expected credit loss including those arising from changes in credit risk from initial recognition. In other words, it is not necessary to wait for the occurrence of a loss event to recognize impairment.

At the date of the consolidated financial statements, FHipo assesses the credit risk of mortgage loan portfolio to determine if such portfolio has a low credit risk or there has been a significant increase in credit risk from initial recognition.

FHipo considers the following objective evidence to assess if the portfolio has had a significant increase in credit risk:

- Mortgage loans are collected every two months through contributions to the Mexican Social Security Institute ("IMSS"), in the following month after concluding those two months, being in that third month when FHipo receives the collection of loan portfolio. Based on the above, FHipo considers the loans that are 30 days or more past due as a factor that could represent a significant increase in credit risk.

- The amortization regime (ROA or REA) of the loan.

- The type of extension granted to the borrower and the period that the loan remains in this extension.

In accordance with IFRS 9, for mortgage loan portfolio with low credit risk, FHipo calculates the 12-month expected credit loss. In the case of a significant increase in credit risk, FHipo measures the allowance for loan losses based on the lifetime expected credit losses.

The loan portfolio is contractually formed by a large number of loans with similar characteristics (originator, method of payment and interest rate), each of which constitutes a minor fraction of the total amount of the loan portfolio. Accordingly, the loan portfolio is evaluated on a collective basis, and thus, based on management's assessment, the mortgage portfolio is grouped based on similar characteristics and the calculation of the allowance for loan losses is determined for each group.

Expected credit loss is determined considering the probability of default and loss severity.

At the date of issuance of these consolidated financial statements, FHipo has limited historical data regarding the losses of its loan portfolio. Accordingly, in order to determine the expected loss, FHipo analyzes public information of similar mortgage loan portfolios that are similar to FHipo's mortgage loan portfolio at the reporting date with the purpose of estimating the probability of default and loss severity.

FHipo recognizes additions to expected credit losses (or reversals) to profit or loss and as adjustments to the balance of allowance for loan losses.

FHipo considers that a loan is in default when its scheduled installments have not been fully settled on the original terms, and when such periodic payments of principal and interest are more than 90 days overdue

When a mortgage loan is considered to be uncollectible, it is written off against the allowance for loan losses. The subsequent recovery of the previous eliminated amounts is credited against allowance for loan losses.

Through December 31, 2014, FHipo assessed impairment of mortgage loans based on an incurred loss model whose benchmarks of default, recovery and impairment are obtained through adjusted statistical models of historical trends which management judged against current economic and credit conditions in order to determine whether actual losses could be higher or lower than those implied using historical models. As of December 31, 2014, FHipo had no objective evidence of any impairment in mortgage loan portfolio at that date.

i. ***Financial asset arising from securitization transactions***

This item includes FHipo's economic interest in the residual assets of the trust used in securitization transactions, which are measured at fair value from their initial recognition and subsequently thereafter at FVTPL within "Valuation of financial assets arising from securitization transactions".

Collections or subsequent recoveries, related to the financial assets arising from securitization transactions will be recognized based on the nature of the items received, and will be applied as a direct reduction of such assets. Furthermore, collections or subsequent recoveries in excess of the carrying amount of the financial assets arising from securitization transactions will be recognized in profit or loss.

The loss that could result from a difference between charges and recoveries and the amount recorded in receivable benefits, should be recognized in profit or loss.

j. ***Financial liabilities***

Financial liabilities are measured at amortized cost, which is the initial measurement of the liability minus principal repayments, plus or minus the cumulative amortization, which is calculated using the effective interest method. Financial liabilities recognized in the consolidated financial statements are mainly comprised of account payable and borrowings.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

FHipo derecognizes financial liabilities when, and only when, FHipo's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

k. ***Provisions***

Provisions are recognized when FHipo has a present obligation (legal or constructive) as a result of a past event for which it is probable that FHipo will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is FHipo's best estimate the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

l. ***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by FHipo are comprised of the CBFIs issued and they are recognized as the proceeds received, net of direct issue costs.

m. ***Recognition of interest income***

Interest income is recognized when it is probable that the economic benefits will flow to FHipo and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of mortgage loans.

Income from the VSM indexation is recognized as explained in Note 3g.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of FHipo accounting policies, which are described in Note 3, the Entity's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

Note 2 c. indicates that FHipo has control over the Debtor Trust and Master Trust; accordingly FHipo presents its consolidated financial statements with those of these two trusts. Management considered the terms established in the trust agreement in its conclusion that FHipo has the power to affect the operations to optimize the variable returns to which it has the right as second place Trustee.

Key sources of estimation uncertainty

The measurement of the allowance for loan losses involves calculating the expected credit loss. The calculation of the allowance requires that FHipo assess all information available to determine the probability of default and loss severity, as well as the factors to assess whether a significant change in credit risk has occurred. In order to make this estimate, management considers elements such as periodicity of loan payments, payment schemes assumed by borrowers (ROA or REA) and payment extension periods established by Infonavit Law.

Financial asset arising from securitization transactions are measured at fair value in the consolidated financial statements. In estimating the fair value, FHipo uses public information to obtain key data used in the valuation.

5. Cash and cash equivalents

For purposes of the consolidated statements of cash flow, cash includes bank deposits and cash equivalents include money market funds. Cash and cash equivalents are comprised as follows:

	2015	2014
Banks and cash equivalents	$ 497,832	$ 918,948

6. Investment in securities

As of December 31, 2015, FHipo has no investments in securities. As of December 31, 2014, investment in securities are as follows:

	2014
Acquisition cost	$ 5,358,177
Accrued interest receivable	7,913
Unrealized loss	(679)
	$ 5,365,411

7. Mortgage loan portfolio

a. As of December 31, 2015 and 2014, loan portfolio is as follows:

	2015		
	Performing	Nonperforming	Total
Principal	$ 9,335,674	$ 8,189	$ 9,343,863
Interests	177,575	291	177,866
Indexation	134,494	-	134,494
Total loan portfolio	$ 9,647,743	$ 8,480	$ 9,656,223

	2014		
	Performing	Nonperforming	Total
Principal	$ 1,979,441	$ -	$ 1,979,441
Interests	25,409	-	25,409
Indexation	12,567	-	12,567
Total loan portfolio	$ 2,017,417	$ -	$ 2,017,417

b. Mortgage loan are guaranteed by the residential property acquired. The value of residential property is determined based on a valuation made at the date of loan inception. As of December 31, 2015, the value of collateral securing mortgage loans, determined at loan inception date, is $20,895,800.

c. Maximum credit risk exposure level of loan portfolio is the carrying amount of the portfolio at the date of the consolidated financial statements.

d. Expected credit loss is determined based on credit risk of mortgage loan portfolio. For this purpose, FHipo considers the following classification:

Category	Risk classification	Equivalence
AC	Normal risk	Good loan
EXT	Medium risk	Acceptable loan
NA	High risk	Loan with default

Mortgage loan portfolio based on the categories listed above is as follows:

	2015	Portfolio on which allowance for loan losses are measured based on 12-month expected losses	Portfolio on which allowance for loan losses are measured based on lifetime expected losses
AC	$ 9,331,998	$ 9,331,998	$ -
EXT (1)	315,745	-	315,745
NA (2)	8,480	-	8,480
Loan portfolio, net	$ 9,656,223	$ 9,331,998	$ 324,225

(1) Portfolio shows a significant increase in credit risk; however, it has no credit impairment.

(2) Loans with default at the date of the consolidated financial statements. (See definition of default in Note 3h).

As mentioned in Note 2, from January 1, 2015 FHipo determines its allowance of loan losses based on expected credit loss model. Mortgage loan portfolio as of January 1, 2015 amounted $2,017,417 was classified in category AC and over that balance expected credit loss was determined for the next 12 months.

e. As of December 31, 2015, the amount of expected credit loss on the mortgage loan portfolio is $89,389.

f. As of December 31, 2014, FHipo has evaluated its loan portfolio and has concluded that there is no objective evidence that the portfolio has any sign of impairment. Therefore, it has not recognized any allowance for loan losses.

g. Movement of expected credit loss during 2015, is shown below:

	Amount
Initial effect from the adoption of IFRS 9	$ 9,079
Increase for the year	83,150
Applications during the year	(2,840)
Total	$ 89,389

The increase in the year of the estimate of expected credit loss is related to the net increase of mortgage loan portfolio during 2015 by the acquisition of new loans, for which it is estimate expected credit loss for the next 12 months.

h. As of December 31, 2015 and 2014, age of portfolio that are past due but not impaired is as follows:

	2015	2014
30 days	$ 9,441,391	$ 2,017,417
31 – 60 days	204,742	-
61 – 90 days	1,610	-
Loan portfolio, net	$ 9,647,743	$ 2,017,417

8. Borrowings

The Banorte credit facility discussed in Note 1 is for a period of 36 months and for a total amount of up to $3,000,000 and bears interest at TIIE plus 205 basis points.

Transaction costs are directly attributable to loan obtained are amortized over the term of the credit. As of December 31, 2015 amortization of such costs was $1,054, which are recorded as "Interest expense".

As of December 31, 2015, balance of the loan presented in the consolidated statement of financial position is as follows:

	Amount
Banorte credit facility	$ 1,750,000
Transaction costs pending amortization	(22,785)
Total	$ 1,727,215

9. Related party balances and transactions

Concentradora Hipotecaria, S.A.P.I. de C.V. ("CH") is the Advisor and the Manager of FHipo, as the Advisor and Manager CH is responsible for daily management of FHipo, including with no limitation, investment management, structuring and collection of contributions, portfolio management, monitoring services, distributions and financing. In consideration of these services FHipo pays a quarterly fee according to the contract of Advisory and Management.

a. During the year, FHipo entered into the following transactions with related parties:

	2015	2014
Expenses:		
Advisory and management fees	$ 139,916	$ 5,107

b. Amounts payable to related parties are as follows:

	2015	2014
Concentradora Hipotecaria, S.A.P.I. de C.V.	$ 38,862	$ 5,107

10. Partners' equity

a. As of December 31, 2015 and 2014, contributions of the trustees at nominal value are as follows:

	CBFIs	Amount
Initial contribution	-	$ 1
CBFIs (net of issuance costs)	345,000,000	8,249,129
Total	345,000,000	$ 8,249,130

b. Partners' equity of FHipo consist mainly of initial contribution of one peso and the amount of resources from the issuance of CBFIs, net of issuance costs.

c. On November 5, 2014, FHipo completed an initial placement of 300,000,000 CBFIs at a price of $ 25 (pesos) each, for total proceeds of $7,500,000. These contributions are presented net of issuance costs in the statement of changes in partners' equity.

d. On November 19, 2014, the overallotment of 45,000,000 CBFIs was completed at the issuance price established in the initial offering for total proceeds of $1,125,000.

e. As of December 31, 2015 and 2014, basic and diluted earnings per CBFI are $2.197 (pesos) and $0.5377 (pesos), respectively. Such earnings per CBFI, were calculated dividing net income for the year by weighted average number of CBFIs during the same period (345 million of CBFIs).

f. According to the established in Clause 12.1 of the Trust agreement, during 2015 FHipo has made distributions of 95% of the quarterly net income as follows:

Quarter	Date of payment	Distributions	Distributions per CBFI (in pesos)
3rd Quarter of 2015	November 17, 2015	$ 162,280	$0.4704
2nd Quarter of 2015	August 21, 2015	173,373	0.5025
1st Quarter of 2015	May 14, 2015	164,341	0.4763
4th Quarter of 2014	February 27, 2015	52,747	0.1529
Total		$ 552,741	

11. Financial instruments

a. *Equity risk management*

FHipo manages its equity to ensure that will be able to continue as going concern while maximizing the return to the holders of CBFIs through the optimization of its equity structure.

As of December 31, 2015 FHipo has a credit line through a structure of mortgage storage with Banorte, from which it has borrowed $1,750,000. This loan and equity of FHipo constitute the Trust's capital structure. As of December 31, 2014, the capital structure of FHipo consists only of equity from the issuance of CBFIs.

According to the dispositions established by the National Banking and Stock Commission (CNBV), FHipo must maintain a leverage ratio in which the value of the assets is not greater than 5 times the carrying amount of the issued CBFIs. As of December 31, 2015 the debt ratio is 1.21x.

As of December 31, 2015, FHipo has a coverage ratio debt service of 26.3x in accordance with the CNBV, this index should not be less than 1.

b. *Categories of financial instruments*

	2015	2014
Financial assets		
Cash and bank balances	$ 497,832	$ 918,948
Measured at amortized cost:		
Mortgage loan portfolio	9,566,834	2,017,417
Other accounts receivable	17,142	12,522
Fair value through profit or loss:		
Investment in securities	-	5,365,411
Receivable benefits for securitization transactions	369,911	-
Financial liabilities		
Measured at amortized cost:		
Accounts payable	242,683	10,095
Loans	1,727,215	-

c. *Financial risk management objectives*

FHipo has established a risk management area responsible for the development and monitoring of the risk management policies and the issuance of periodic reports.

Risk management area has among its main functions the development and the application of methodologies and models based on technical grounds, which aim to minimize subjectivity in the evaluation of risks, and standardize calculations and parameters. .

The risk management policies of FHipo are established to identify and analyze risks that may be faced, to set appropriate limits and controls, and to monitor the fulfillment of these risks and limits. These risks include market risk, credit risk and liquidity risk.

Policies and risk management systems are reviewed regularly to reflect changes in market conditions and activities of FHipo.

d. ***Market risk***

The objective of managing market risk is to manage FHipo's exposure of market risk within acceptable parameters, it is also to achieve for optimization of returns. Marker risk is the potential loss in the value of financial assets due to adverse movements in diverse risk factors such as: interest rates and currency exchange.

Market risk exposures are measured using value-at-risk (VaR).

Value at risk (VaR) analysis

The VaR technique allows to obtain a risk measure that reflects the maximum potential loss that a portfolio value may present (confidence level, p%) and the pre-established time horizon (period of maintenance).

The Basel Committee stablished that for risk measurements the VaR must be calculated under 99% of trust level, considering a period of 10 days. The conservation period it is correlated with the time taken for the Entity to undo the position held in their portfolio, without incurring in liquidity risks due to hurried positions. Even though, FHipo is not under Basel Regulations, in order to adhere to the best practices regarding risk management, FHipo has established the VaR market measurement with a horizon of 10 days with a level of trust of 99%.

Historical simulation

The historical simulation is an exercise that examines the possible values of a portfolio of financial assets and their corresponding gains and losses from its current value, assuming recurring scenarios that have been observed in an earlier point in time. This consists of valuing the assets of a portfolio of financial instruments in scenarios of risk factors historically observed in a certain period of time. The gain or loss associated with each scenario is the difference between the current value of the portfolio and the value with risk levels of the analyzed scenario. With the profits and losses associated with each scenario, a probability range of gains and losses is established according to the value of the portfolio of which VaR may be obtained, which corresponds to the percentile of the chosen distribution by the analyst. The historical simulation method is well accepted because it is not based on assumptions of correlations and volatilities in times of extreme market movements, neither it relies on the assumption of normality and is applicable to nonlinear instruments.

As of December 31, 2015, FHipo does not have investment in securities, so there is not market risk exposure. As of December 31, 2014, FHipo's VaR result in $31,358 based on the historical method.

e. ***Interest rate risk management***

FHipo is exposed to interest rate risk since as of December 31, 2015 it has a loan with floating interest rate, TIIE plus 205 basis points. This risk is managed maintaining mortgage loan portfolio intended for the loan interest payment. Interest rate of mortgage loans is higher at floating rate, also, most of these loans are denominated in VSM and, therefore, subject to annual indexing.

- Interest rate sensitivity analysis

  The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year, a 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables would be constant, the Trust's net income for the year ended December 31, 2015, would decrease/increase by $522. As of December 31, 2014, the net income would not have been affected since FHipo did not enter into a contract for a loan.

f. ***Credit risk management***

Credit risk refers to the risk of a counterparty to default on its contractual obligations resulting in financial loss for FHipo. Mortgage loan portfolio it is charged through payroll deduction and they are aware by the employer to the Infonavit, this mitigates the risk of financial losses from defaults.

FHipo has hired life insurance accredited covering payment of the outstanding balance of loans in case of death or permanent disability. It also has taken out insurance to cover, based on the conditions set by the insurer, the first credit losses that have default.

The mortgage loan portfolio is composed of a large number of borrowers distributed among different geographical areas. The continuous credit evaluation is performed in the financial condition of the credits.

g. ***Liquidity risk management***

FHipo manages liquidity risk by maintaining adequate cash reserves by continuously monitoring cash flows, and by matching the maturity profiles of financial assets and liabilities.

The methodology for measuring liquidity risk is based on analyzing the observed potential deviations from the cash flows projections, in order to estimate illiquidity.

The following table details maturity for financial assets and liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities according to the date in which FHipo has to make the payments and collections. Contractual maturity is based on the earliest date on which FHipo may be required to collect or pay:

	Up to 3 months	3 months to 1 year	1-5 years	More than 5 years	Total
December 31, 2015					
Financial liabilities:					
Accounts payable	$ 242,683	$ -	$ -	$ -	$ 242,683
Loans (rate 5.4707%)	23,934	71,803	1,941,475		2,037,212
	$ 266,617	$ 71,803	$ 1,941,475	$ -	$ 2,279,895
Financial assets:					
Cash	$ 497,832	$ -	$ -	$ -	$ 497,832
Mortgage loan portfolio (average rate11.88%)	513,868	1,501,708	7,149,769	4,823,871	13,989,216
Receivable benefits for securitization transactions	-	-	-	369,911	369,911
Other accounts receivable	17,142	-	-	-	17,142
	$ 1,028,842	$ 1,501,708	$ 7,149,769	$ 5,193,782	$ 14,874,101

h. ***Fair value measurements of financial instruments***

This note provides information about how FHipo determines fair values of various financial assets and financial liabilities.

1. Fair value of the Entity's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of FHipo's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following paragraphs gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used).

Investment in securities (Hierarchy of fair value - Level 1) – Fair value is determine based on closing quoted prices in an active market.

Receivable benefits for securitization transactions (Hierarchy of fair value – Level 3) – Fair value is determined through the method of discounted cash flows for the present value of the expected future economic benefits arising from the rights granted by the Fiduciary Certificate.

Significant input data:

- Amortization period of the life of mortgage loans and debt, take into consideration the experience of FHipo's management and knowledge of the conditions of the CDVIS issued in the market.

- VSM and UDI increase rate consider the projections made by the financial industry in Mexico.

Movements of the year of receivable benefits for securitization transactions balance are as follows:

		Amount
Trust Certificate issuance	$	254,207
Gain in profit or loss		115,704
Total	$	369,911

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The management considers that the carrying amounts of financial assets and liabilities recognized at amortized cost in the consolidated financial statements approximate to their fair value, as detailed below:

Mortgage loan portfolio (Hierarchy of fair value – Level 3) - Fair value of the mortgage loan portfolio was determined in accordance with valuation models generally accepted based on an analysis of discounted cash flows being the input data most important the discount rate that reflects the credit risk of the portfolio.

Banorte credit facility (Hierarchy of fair value – Level 3) – As indicated in Note 7, FHipo made the first borrowing on the credit line on November 19, 2015 and to determine fair value of loan a discounted cash flows model was used. The most significant input data are the floating rate.

12. Interest income

As of December 31, 2015 and 2014, interest income is as follows:

	2015	2014
Mortgage loans interest	$ 703,773	$ 28,246
Indexation	197,881	12,567
Investment in securities interests	34,273	25,206
Gain on disposal of investment in securities	17,031	(679)
Total interest income	$ 952,958	$ 65,340

13. Operating segment

Currently, FHipo has one operating segment, the mortgage loan portfolio, which represents FHipo's sole strategic business unit.

The operating segment is 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, has been identified as the Chief Executive Officer.

14. Subsequent events

On January 2016, FHipo made the second withdrawal of the contracted credit line with Banorte in the amount of $500,000 for total borrowings on the credit line of $2,250,000.

On February 19, 2016, FHipo distributed to the holders of CBFIs 95% of its net income for the fourth quarter of 2015. This distribution amounted to $220,216.

15. Authorization to issue the consolidated financial statements

The issuance of the accompanying consolidated financial statements was authorized on March 11, 2016 by Daniel Michael Braatz, Chief Finance Officer of FHipo. Consequently, such statements do not reflect events occurring after such date. These financial statements are subject to the approval and potential modifications by CBFI holders in connection with the ordinary meeting of CBFI holders.

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