

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER**

1. **31 March 2023**
Date of Report
2. SEC Identification Number: **CS202052294** 3. BIR Tax Identification No: **502-228-971-000**
4. **MREIT, INC.**
Exact name of Issuer as specified in its charter
5. **Metro Manila**
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code
7. **18th Floor, Alliance Global Tower, 36th Street corner 11th Avenue
Uptown Bonifacio, Taguig City 1634**
Address of principal office
8. **(632) 8894-6300/6400**
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Stock Outstanding</u>
Common	2,795,821,381 ¹
Preferred	0
Total	2,795,821,381¹

10. **Item 9(b)**


In compliance with Section 10.2 of the Implementing Rules and Regulations of the Real Estate Investment Trust Act of 2009, we hereby submit the report on the performance of the Corporation's funds and assets for the period ending 31 March 2023, prepared by the Corporation's fund manager, MREIT Fund Manager's, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MREIT, INC.
Issuer

By:


KARREN MAE C. DE CHAVEZ-REODICA
Compliance Officer
15 May 2023

¹ As of 31 March 2023, MREIT, Inc. has a total of 2,795,821,381 common shares issued and outstanding. 2,532,121,381 common shares are listed in the Philippines Stock Exchange, while the 263,700,000 common shares issued in March 2023 will also be applied for listing with the Exchange.



Performance Report for the Period Ending March of 2023

May 15, 2023

Prepared by: MREIT Fund Managers, Inc.

Use of this document

This document was prepared by MREIT Fund Managers, Inc. ("MFMI" or the "Fund Manager") in compliance with the reportorial requirements of the REIT Implementing Rules and Regulations under Republic Act No. 9856, and is being submitted to the Securities and Exchange Commission ("SEC"), the Philippine Stock Exchange ("PSE"), and the Bureau of Internal Revenue ("BIR").

No part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, including but not limited to photocopy, recording on any information storage and retrieval system without the written permission of MREIT, or a valid order of the SEC or the PSE. If you receive this document in error, please return to MFMI.

B. Income from Related Parties for the Three Months Ended March 31, 2023 (in Php, millions)

Related Parties	Total		Breakdown per Property						
	%	Amount	1800	1WS	RMT	3TP	2TP	2WS	RMT
Megaworld Corporation	5.2%	40.7	-	-	21.1	0.5	4.8	0.3	14.1
Anglo Watsons Glass Inc.	0.1%	0.9	0.9	-	-	-	-	-	-
Emperador Distillers Inc.	1.2%	9.7	9.7	-	-	-	-	-	-
Asia Affinity Property Management	0.2%	1.6	-	1.6	-	-	-	-	-
Suntrust Properties Inc.	1.2%	9.7	-	9.7	-	-	-	-	-
Integrated Town Management Corporation	0.3%	2.3	-	-	2.3	-	-	-	-
Total rental income from related parties	8.3%	64.9	10.6	11.3	23.3	0.5	4.8	0.3	14.1

C. Interim Statement of Cash Flows for the Three Months Ended March 31, 2023 (in Php, millions)

Cash Flows from Operating Activities	
Profit (loss) before tax	P 732.13
Adjustments for:	
Interest expense	75.24
Interest income	(8.87)
Operating profit before working capital changes	<u>798.51</u>
Increase in trade and other receivables	(297.83)
Increase in other current assets	63.88
Decrease (increase) in other non-current assets	0.43
Decrease in accounts and other payables	183.75
Increase (decrease) in deposits and other liabilities	88.40
Cash generated from operations	<u>837.14</u>
Interest received	8.76
Final tax paid	(1.71)
Net Cash from Operating Activities	<u>844.19</u>
Cash Flow from an Investing Activity	<u>-</u>
Cash Flow from an Investing Activity	
Dividends paid	(614.80)
Payment for stock issuance cost	(134.95)
Interest paid	(65.91)
Net Cash Used in Financing Activities	<u>(815.66)</u>
Net Increase in	
Cash and Cash Equivalents	<u>28.53</u>
Cash and Cash Equivalents	
at the Beginning of Period	<u>1,380.53</u>
Cash and Cash Equivalents at the End of Period	<u>P 1,409.06</u>

D. Operating Statistics for the Three Months Ended March 31, 2023 (in Php, millions)

	Overall					Office	
	Gross leasable area (GLA)	Leased area	Occupancy rate	Total Rent*	% of Total Rent	Occupied GLA	Average rent
Properties	in sqm	in sqm		in mPhp		in sqm	Php/sqm/month
1800 Eastwood Avenue	34,738	34,128	98%	88.0	11%	32,478	794
1880 Eastwood Avenue	33,744	26,228	78%	60.2	8%	24,515	699
E-Commerce Plaza	20,940	18,834	90%	44.9	6%	18,834	794
One World Square	30,482	30,223	99%	94.6	12%	29,130	1,002
Two World Square	21,286	21,282	100%	63.2	8%	20,877	943
Three World Square	21,217	21,003	99%	53.8	7%	20,734	825
8/10 Upper McKinley	19,938	19,938	100%	74.4	10%	19,297	1,219
18/20 Upper McKinley	19,414	19,413	100%	53.5	7%	18,948	873
World Finance Plaza	25,067	22,996	92%	73.4	9%	22,917	1,021
Richmonde Tower	13,124	13,124	100%	27.6	4%	5,855	748
One Techno Place	9,549	9,041	95%	15.1	2%	8,953	558
Two Techno Place	10,809	10,809	100%	20.3	3%	10,809	625
Three Techno Place	9,568	9,305	97%	11.8	2%	8,726	403
One Global Center	10,301	10,301	100%	17.0	2%	9,337	538
One West Campus	9,704	9,657	100%	19.3	2%	9,657	666
Five West Campus	10,257	10,257	100%	22.3	3%	10,257	726
Festive Walk 1B	14,703	13,687	93%	24.2	3%	12,103	620
Two Global Center	9,903	9,903	100%	17.3	2%	9,048	566
Total	324,742	310,128	95%	780.8		292,475	

*Excludes income from straight-line method of recognizing rental income and amortization of deferred credits

E. Office Industry Benchmark

	Average Occupancy		Average Office Lease Rate (per sqm)	
	Industry	MREIT	Industry	MREIT
Metro Manila				
McKinley Hill	91%	98%	Php850 to 1,000	944
Quezon City	80%	89%	Php600 to 900	764
Outside Metro Manila				
Iloilo	91%	98%	Php300 to 600	575

Source: CBRE Report – Philippines Market Monitor Q4 2022

F. Adjusted Funds from Operations and Dividend Declaration (in Php millions)

	Jun-22	Sep-22	Dec-22	Mar-23
	3M	3M	3M	3M
Net Income After Tax	676.8	629.4	-2,169.9	730.4
Straight-Line Adjustment and Amortization of Deferred Credits	-48.1	-21.0	-33.7	-27.1
Other Account Adjustments	9.7	10.7	11.2	9.6
Fair value gains (losses) on investment properties	0.0	0.0	2,822.0	0.0
Distributable Income	638.4	619.1	629.7	712.9
Total Dividends	624.9	618.9	614.8	692.2
Dividends per Share	0.2468	0.2444	0.2428	0.2476
Declaration Date	Aug 05, 2022	Nov 11, 2022	Jan 06, 2023	May 12, 2023
% of Distributable Income	98%	100%	98%	97%

G. Investment Return

	Period Ending Mar. 31, 2023
MREIT Returns	
Dividends per share	Php0.7342 per share
Price per Share as of closing of March 31, 2023	Php14.46 per share
IPO Price	Php16.10 per share
Dividend Yield at current share price (annualized)	6.8%
Dividend Yield at listing price (annualized)	6.2%
Total Return since IPO (unannualized)	-0.4%
Benchmark Returns	
FTSE Asia Pacific ex Japan ex China – Mid Cap and Large Cap – Total Returns per Annum (12M)	-5.0%
FTSE Asia Pacific ex Japan ex China All Cap – Total Returns per Annum (12M)	-5.5%
FTSE Asia Pacific ex Japan ex China – Mid Cap and Large Cap – Total Returns per Annum (5Y)	21.7%
FTSE Asia Pacific ex Japan ex China All Cap – Total Returns per Annum (5Y)	20.3%

Source: FTSE Russell Factsheet: FTSE Asia Pacific ex Japan ex China Indexes (April 28, 2023)

H. Current Valuation of the MREIT Properties

MREIT's properties and their corresponding valuations are listed below. The fair values of the MREIT's properties are determined on the basis of the appraisals performed by Santos Knight Frank, Inc., an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

Fair value as determined by independent appraisers are based on the Income Approach. Under Income Approach, the fair value of an asset is measured by calculating the present value of its economic benefits by discounting expected cash flows at a rate of return that compensates the risks associated with the particular investment. The most common approach in valuing future economic benefits of a projected income stream is the discounted cash flows model. This valuation process of this model consists of the following: (a) estimation of the revenues generated; (b) estimation of the costs expenses related to the operations of the development; (c) estimation of an appropriate discount rate; and (d) discounting process using an appropriate discount rate to arrive at an indicative fair value.

Township	Building	Years Completed	GLA in sqm	Appraisal mPhp
Eastwood, Quezon City	1800 Eastwood Avenue	2006	34,738	7,026
	1880 Eastwood Avenue	2007	33,744	6,798
	E-Commerce Plaza	2008	20,940	4,276
McKinley Hill, Taguig	One World Square	2007	30,482	7,343
	Two World Square	2009	21,286	5,488
	Three World Square	2010	21,217	4,799
	8/10 Upper McKinley	2009	19,938	4,633
	18/20 Upper McKinley	2009	19,414	4,347
	World Finance Plaza	2010	25,066	5,245
	One West Campus	2016	9,704	1,697
	Five West Campus	2016	10,257	1,895
Iloilo Business Park, Iloilo	One Techno Place Richmonde	2017	9,549	1,166
	Richmonde Tower	2016	6,769	529
	Richmonde Hotel Iloilo	2016	6,355	863
	Two Techno Place	2019	10,809	1,448
	Three Techno Place	2017	9,568	1,227
	One Global Center	2015	10,301	1,251
	Two Global Center	2014	9,903	1,045
	Festive Walk 1B	2018	14,703	1,510
Total			324,742	62,586

I. Performance Indicators as of 31 March 2023

Ratio	Formula	Mar 31, 2023
Current ratio	Current assets / Current liabilities	2.17
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings and bonds and notes payable)	0.13
Interest rate coverage ratio	EBIT (excluding fair value gain or loss, if any) / Total Interest (Total interest includes interest expense and capitalized interest)	10.71
Return on equity	Net profit / Average total stockholders' equity	1.40%
Return on assets	Net profit / Average total assets	1.19%
Net profit margin	Net profit / Total revenues	70.51%
Market-to-book ratio	Market capitalization / Book value	0.74

CERTIFICATION

This Performance Report was prepared and assembled under my supervision in accordance with existing rules of the Securities and Exchange Commission. The information and data provided are complete, true, and correct to the best of my knowledge and/or based on authentic records.

By:


MREIT Fund Managers, Inc. (MFMI)


Joey I. Villafuerte
Treasurer

MAKATI CITY

SUBSCRIBED AND SWORN to before me this 15th day of May 2023 at _____, with the affiant/s exhibiting to me the following identification document/s:

Name	Competent Evidence of Identity	Date and Place of Issue
MREIT Fund Managers, Inc. By: Joey I. Villafuerte	UMID No. CRN-0033-5009940-9	Issued by Social Security System


ATTY. RAYMOND A. RAMOS
COMMISSION NO. M-077
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2024
SKALAYAAN AVENUE EXTENSION,
BARANGAY WEST REMBO 1215, MAKATI CITY
SC Roll No 62179/04-26 2013
IBP NO. 258534/01-02-2023/Pasig City
PTR NO. MKT 9562350/01-03-2023/Makati City
MCLE Compliance No. VII 0020190/04-14-2025

NOTARY PUBLIC

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