

**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. **14 August 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

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

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 30 June 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 and Data Protection Officer*  
14 August 2023

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<sup>1</sup> 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 June of 2023**

**August 14, 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 Six Months Ended June 30, 2023 (in Php, millions)**

Related Parties	%	Total Amount	Breakdown per Property						
			1800	1WS	RMT	3TP	2TP	2WS	RMT
Megaworld Corporation	5.3%	81.8	-	-	42.5	0.9	9.6	0.6	28.2
Anglo Watsons Glass Inc.	0.1%	1.8	1.8	-	-	-	-	-	-
Emperador Distillers Inc.	1.3%	19.5	19.5	-	-	-	-	-	-
Asia Affinity Property Management	0.2%	3.2	-	3.2	-	-	-	-	-
Suntrust Properties Inc.	1.3%	19.5	-	19.5	-	-	-	-	-
Integrated Town Management Corporation	0.3%	4.5	-	-	4.5	-	-	-	-
<b>Total rental income from related parties</b>	<b>8.4%</b>	<b>130.3</b>	<b>21.3</b>	<b>22.7</b>	<b>47.0</b>	<b>0.9</b>	<b>9.6</b>	<b>0.6</b>	<b>28.2</b>

**C. Interim Statement of Cash Flows for the Six Months Ended June 30, 2023 (in Php, millions)**

<b>Cash Flows from Operating Activities</b>	
<b>Profit (loss) before tax</b>	P 1,469.0
<b>Adjustments for:</b>	
Interest expense	154.1
Interest income	(24.1)
Depreciation expense	0.0
<b>Operating profit before working capital changes</b>	<u>1,599.0</u>
Increase in trade and other receivables	(158.3)
Increase in other current assets	70.3
Decrease (increase) in other non-current assets	(18.7)
Decrease in accounts and other payables	262.4
Increase (decrease) in deposits and other liabilities	47.2
<b>Cash generated from operations</b>	<u>1,801.9</u>
Interest received	23.8
Final tax paid	(4.7)
<b>Net Cash from Operating Activities</b>	<u>1,821.1</u>
<b>Cash Flow from an Investing Activity</b>	<u>-</u>
<b>Cash Flow from an Investing Activity</b>	
Dividends paid	(1,307.0)
Payment for stock issuance cost	(135.0)
Interest paid	(133.3)
<b>Net Cash Used in Financing Activities</b>	<u>(1,575.3)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>245.8</u>
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<u>1,380.5</u>
<b>Cash and Cash Equivalents at the End of Period</b>	<u>P 1,626.3</u>

D. Operating Statistics for the Six Months Ended June 30, 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	34,704	100%	171.9	11%	32,478	774
1880 Eastwood Avenue	33,744	26,228	78%	111.8	7%	24,515	586
E-Commerce Plaza	20,940	18,834	90%	87.9	6%	18,834	762
One World Square	30,482	30,223	99%	189.8	12%	29,130	1,007
Two World Square	21,286	21,282	100%	127.6	8%	20,877	962
Three World Square	21,217	21,217	100%	106.7	7%	20,734	802
8/10 Upper McKinley	19,938	19,772	99%	146.8	9%	19,297	1,231
18/20 Upper McKinley	19,414	19,413	100%	108.4	7%	18,948	895
World Finance Plaza	25,067	23,000	92%	137.9	9%	22,917	946
Richmonde Tower	13,124	13,124	100%	55.2	4%	5,855	748
One Techno Place	9,549	9,041	95%	30.3	2%	8,953	559
Two Techno Place	10,809	10,809	100%	41.2	3%	10,809	646
Three Techno Place	9,568	9,305	97%	28.7	2%	8,726	596
One Global Center	10,301	10,301	100%	35.4	2%	9,337	586
One West Campus	9,704	9,657	100%	38.6	2%	9,657	832
Five West Campus	10,257	10,257	100%	44.7	3%	10,257	908
Festive Walk 1B	14,703	13,687	93%	48.8	3%	12,103	629
Two Global Center	9,903	9,903	100%	35.0	2%	9,048	566
<b>Total</b>	<b>324,742</b>	<b>310,755</b>	<b>96%</b>	<b>1,546.7</b>		<b>292,475</b>	

\*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
<b>Metro Manila</b>				
McKinley Hill	91%	98%	Php850 to 1,000	937
Quezon City	80%	89%	Php600 to 900	710
<b>Outside Metro Manila</b>				
Iloilo	91%	98%	Php300 to 600	613

Source: CBRE Report – Philippines Market Monitor Q4 2022

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

	Sep-22 3M	Dec-22 3M	Mar-23 3M	Jun-23 3M
<b>Net Income After Tax</b>	<b>629.4</b>	<b>-2169.9</b>	<b>730.4</b>	<b>734.0</b>
Straight-Line Adjustment and Amortization of Deferred Credits	-21.0	-33.7	-27.1	-32.2
Other Account Adjustments	10.7	11.2	9.6	11.8
Fair value gains (losses) on investment properties	0.0	2822.0	0.0	0.0
<b>Distributable Income</b>	<b>619.1</b>	<b>629.7</b>	<b>712.9</b>	<b>713.6</b>
Total Dividends	618.9	614.8	692.2	692.2
Dividends per Share	0.2444	0.2428	0.2476	0.2476
Declaration Date	Nov 11, 2022	Jan 06, 2023	May 12, 2023	Aug 8, 2023
% of Distributable Income	100%	98%	97%	97%



## G. Investment Return

	Period Ending Jun. 30, 2023
<b>MREIT Returns</b>	
Dividends per share (last 12 months)	Php0.9824 per share
Price per Share as of closing of June 30, 2023	Php14.54 per share
IPO Price	Php16.10 per share
Dividend Yield at current share price	6.8%
Dividend Yield at listing price	6.1%
Total Return since IPO (unannualized)	2.4%
<b>Benchmark Returns</b>	
FTSE Asia Pacific ex Japan ex China – Mid Cap and Large Cap – Total Returns per Annum (12M)	9.5%
FTSE Asia Pacific ex Japan ex China All Cap – Total Returns per Annum (12M)	9.9%
FTSE Asia Pacific ex Japan ex China – Mid Cap and Large Cap – Total Returns per Annum (5Y)	33.7%
FTSE Asia Pacific ex Japan ex China All Cap – Total Returns per Annum (5Y)	33.1%

Source: FTSE Russell Factsheet: FTSE Asia Pacific ex Japan ex China Indexes (July 31, 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	Appraisal
			in sqm	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
Mckinley West, Taguig	One West Campus	2016	9,704	1,697
	Five West Campus	2016	10,257	1,895
Iloilo Business Park, Iloilo	One Techno Place	2017	9,549	1,166
	Richmonde			
	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
<b>Total</b>			<b>324,742</b>	<b>62,586</b>

**I. Performance Indicators as of 30 June 2023**

Ratio	Formula	June 30, 2023
Current ratio	Current assets / current liabilities	2.15
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 / Total Interest (Total interest includes interest expense and capitalized interest)	10.54
Return on equity	Net profit / Average Stockholders' equity	3.00%
Return on assets	Net profit / Average total assets	2.00%
Net profit margin	Net profit / Total revenues	71.00%
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)**

*JV*  
**Joey I. Villafuerte**  
Treasurer

**MAKATI CITY**

SUBSCRIBED AND SWORN to before me this 14<sup>th</sup> day of August 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: <b>Joey I. Villafuerte</b>	UNIFIED MULTI-PURPOSE ID# CRN - 0033 - 5009940 - 9	ISSUED BY SOCIAL SECURITY SYSTEM (SSS)

**NOTARY PUBLIC**

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Page No. 104 ;  
Book No. 203 ;  
Series of 2023.

*[Signature]*  
**ATTY. RAMON A. RAMOS**  
COMMISSION NO. M-077  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2024  
5 KALAYAAN 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 0020180/04-14-2025