

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 2024**
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
Preferred	0
Total	2,795,821,381

10. **Item 9**

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 2024, 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.

By: **MREIT, INC.**
Issuer

ANGEL S. TRISTEZA
Compliance Officer
14 August 2024



Performance Report For the Period Ending June 2024

August 14, 2024

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").

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B. Income from Related Parties for the Six Months Ended June 30, 2024 (in Php, millions)

Related Parties	%	Total Amount	Breakdown per Property												
			1880	ECOM	RMT	1WS	18UM	8UM	1800	2WS	3WS	2TP	WFP	1WC	FW1B
Megaworld Corporation	19.4%	307.6	38.1	29.4	28.2	16.2	31.8	15.9	15.2	55.1	20.5	0.6	48.2	0.3	8.2
Anglo Watsons Glass Inc.	0.1%	1.9	1.9	-	-	-	-	-	-	-	-	-	-	-	-
Emperador Distillers Inc.	1.3%	20.5	20.5	-	-	-	-	-	-	-	-	-	-	-	-
Asia Affinity Property Management	0.2%	3.4	-	-	-	3.4	-	-	-	-	-	-	-	-	-
Suntrust Properties Inc.	1.3%	20.8	-	-	-	20.8	-	-	-	-	-	-	-	-	-
Integrated Town Management Corporation	0.3%	4.5	-	-	-	-	-	-	-	4.5	-	-	-	-	-
Total rental income from related parties	22.0%	358.7	60.5	29.4	28.2	40.4	31.8	15.9	15.2	59.6	20.5	0.6	48.2	0.3	8.2

C. Statement of Cash Flows for the Six Months Ended June 30, 2024 (in Php, millions)

Cash Flows from Operating Activities	
Profit (loss) before tax	P 1,476.0
Adjustments for:	
Interest expense	150.5
Interest income	(33.0)
Operating profit before working capital changes	<u>1,593.5</u>
Increase in trade and other receivables	(168.1)
Decrease (increase) in other current assets	(100.1)
Decrease (increase) in other non-current assets	(84.3)
Increase in accounts and other payables	270.4
Increase (decrease) in deposits and other liabilities	(17.7)
Cash generated from operations	<u>1,493.7</u>
Interest received	32.0
Final tax paid	(6.4)
Net Cash from Operating Activities	<u>1,519.3</u>
Cash Flow from an Investing Activity	<u>-</u>
Cash Flow from Financing Activity	
Dividends paid	(1,375.5)
Interest paid	(134.0)
Net Cash Used in Financing Activities	<u>(1,509.6)</u>
Net Increase in	
Cash and Cash Equivalents	<u>9.8</u>
Cash and Cash Equivalents	
at the Beginning of Period	<u>1,678.9</u>
Cash and Cash Equivalents at the End of Period	<u>P 1,688.7</u>

D. Operating Statistics for the Six Months Ended June 30, 2024 (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	34,599	100%	173	11%	32,478	780
1880 Eastwood Avenue	33,745	33,480	99%	159	10%	31,578	738
E-Commerce Plaza	21,032	21,032	100%	100	6%	21,032	800
One World Square	30,482	24,462	80%	154	10%	23,399	981
Two World Square	21,286	21,282	100%	130	8%	20,877	933
Three World Square	21,222	21,222	100%	114	7%	20,734	897
8/10 Upper McKinley	19,938	19,789	99%	126	8%	19,297	1,050
18/20 Upper McKinley	19,413	19,413	100%	119	8%	18,948	928
World Finance Plaza	25,067	21,214	85%	143	9%	21,116	1,083
Richmonde Tower	13,124	12,396	94%	54	3%	5,059	780
One Techno Place	9,549	9,287	97%	33	2%	8,707	573
Two Techno Place	11,393	7,895	69%	39	2%	7,310	784
Three Techno Place	9,568	9,392	98%	30	2%	8,726	540
One Global Center	10,301	9,957	97%	36	2%	9,337	677
One West Campus	9,704	9,704	100%	39	2%	9,657	867
Five West Campus	10,257	10,257	100%	46	3%	10,257	789
Festive Walk 1B	14,703	13,687	93%	51	3%	12,103	756
Two Global Center	9,903	9,903	100%	39	2%	9,048	522
Total	325,425	308,970	95%	1,586		289,664	

E. Office Industry Benchmark

	Average Occupancy		Average Office Lease Rate (per sqm)	
	Industry	MREIT	Industry	MREIT
Metro Manila				
McKinley	85%	94%	Php800 to 1,600	958
Quezon City	79%	100%	Php600 to 1000	770
Outside Metro Manila				
Iloilo	89%	92%	Php350 to 650	656

Source: JLL Report Q1 2024, CBRE Report – Philippines Market Monitor Q2 2023

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

	Sep 23 3M	Dec 23 3M	Mar 24 3M	Jun 24 3M
Net Income After Tax	713.1	-2009.1	733.1	736.5
Straight-Line Adjustment and Amortization of Deferred Credits	-15.4	-22.6	1.1	0.3
Other Account Adjustments	10.8	8.7	7.7	7.0
Fair value gains (losses) on investment properties	0.0	2732.2	0.0	0.0
Distributable Income	708.4	709.2	741.9	743.7
Total Dividends	687.8	687.8	687.8	691.7
Dividends per Share	0.2460	0.2460	0.2460	0.2474
Declaration Date	Nov 6, 2023	Mar 1, 2024	May 10, 2024	Aug 2, 2024
% of Distributable Income	97%	97%	93%	93%

G. Investment Return

	Period Ending June 30, 2024
MREIT Returns	
Dividends per share (last 12 months)	Php0.9854 per share
Price per Share as of closing of June 28, 2024	Php12.80 per share
IPO Price	Php16.10 per share
Dividend Yield at current share price	7.7%
Dividend Yield at listing price	6.12%
Total Return since IPO	-2.25%
Benchmark Returns	
FTSE Asia Pacific ex Japan ex China Net Tax – Mid Cap and Large Cap – Total Returns per Annum (12M)	16.3%
FTSE Asia Pacific All Cap – Total Returns per Annum (12M)	10.6%
FTSE Asia Pacific ex Japan ex China – Mid Cap and Large Cap – Total Returns per Annum (5Y)	9.4%
FTSE Asia Pacific All Cap All Cap – Total Returns per Annum (5Y)	6.2%

Source: FTSE Russell Factsheet: FTSE Asia Pacific ex Japan ex China and FTSE Asia Pacific All Cap Indexes (July 31, 2024)

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	6,912
	1880 Eastwood Avenue	2007	33,745	6,124
	E-Commerce Plaza	2008	21,032	4,020
McKinley Hill, Taguig	One World Square	2007	30,482	6,853
	Two World Square	2009	21,286	5,064
	Three World Square	2010	21,222	4,341
	8/10 Upper McKinley	2009	19,938	4,636
	18/20 Upper McKinley	2009	19,413	4,031
	World Finance Plaza	2010	25,067	5,279
McKinley West, Taguig	One West Campus	2016	9,704	1,583
	Five West Campus	2016	10,257	1,873
Iloilo Business Park, Iloilo	One Techno Place	2017	9,549	1,061
	Richmonde			
	Richmonde Tower	2016	6,355	892
	Richmonde Hotel Iloilo	2016	6,769	426
	Two Techno Place	2019	11,393	1,487
	Three Techno Place	2017	9,568	1,155
	One Global Center	2015	10,301	1,278
	Two Global Center	2014	9,903	1,133
Festive Walk 1B	2018	14,703	1,524	
Total			325,425	59,672

I. Performance Indicators as of June 30, 2024

Ratio	Formula	June 30, 2024
Current ratio	Current assets / current liabilities	1.62
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings and bonds and notes payable)	0.14
Interest rate coverage ratio	EBIT / Total Interest (Total interest includes interest expense and capitalized interest)	10.74
Return on equity	Net profit / Average Stockholders' equity	2.81%
Return on assets	Net profit / Average total assets	2.38%
Net profit margin	Net profit / Total revenues	69.73%
Market-to-book ratio	Market Capitalization / Book value	0.69

J. Disbursements of Proceeds Received by the Sponsor In Relation to Certain Reinvestment Plans

i. Disbursements in relation to the Reinvestment Plan dated July 25, 2023 for the period July 27, 2023 up to June 30, 2024

The proceeds are in connection with the Block Sale of 279,400,000 common shares of MREIT which was settled on July 27, 2023. As of June 30, 2024, the Sponsor has fully utilized the net proceeds from the block sale as detailed below:

	Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
1	Bulacan Projects	Bulacan	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	1,576,018,012.74	Northwin Properties, Inc
2	Davao Park District	Davao City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	370,000,000.00	Davao Park District Holdings, Inc
3	Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	500,000,000.00	Megaworld Bacolod Properties, Inc
4	The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	600,000,000.00	Megaworld Oceantown Properties, Inc
5	ArcoVia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	560,000,000.00	ArcoVia Properties, Inc
	TOTAL			PHP	3,606,018,012.74	

ii. **Disbursements in relation to the Reinvestment Plan dated April 22, 2024 for the period April 22, 2024 up to June 30, 2024**

The proceeds are in connection with the Block Sale of 40,650,000 common shares of MREIT which was settled on April 22, 2024. As of June 30, 2024, the Sponsor has disbursed the proceeds from the block sale as detailed below:

	Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
1	The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	75,000,000.00	Megaworld Oceantown Properties, Inc
2	ArcoVia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	35,000,000.00	ArcoVia Properties, Inc
3	Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	30,000,000.00	Megaworld Bacolod Properties, Inc
	TOTAL			PHP	140,000,000.00	

iii. Disbursements in relation to the Reinvestment Plan dated June 05, 2024 for the period June 05, 2024 up to June 30, 2024

The proceeds are in connection with the Sale of 79,700,000 common shares of MREIT which was settled on June 05, 2024. As of June 30, 2024, the Sponsor has disbursed the proceeds from the block sale as detailed below:

	Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
1	The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	15,000,000.00	Megaworld Oceantown Properties, Inc
2	ArcoVia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	20,000,000.00	ArcoVia Properties, Inc
3	Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	10,000,000.00	Megaworld Bacolod Properties, Inc
	TOTAL			PHP	45,000,000.00	

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

SUBSCRIBED AND SWORN to before me this 14th day of August 2024 at MAKATI CITY, 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	 TIN: 202-249-678	

NOTARY PUBLIC

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Book No. 335
Series of 2024.


ATTY. **RAYMOND A. RAMOS**
COMMISSION NO. M 77
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31 2024
2364 ANGONO STREET
BARANGAY POBLACION 1210, MAKATI CITY
SC Roll No. 62179/04-26-2013
IBP NO 374750/12-26-2023/Pasig City
TR NO. MKT 10074525/01-02-2024/Makati City
MCLE Compliance No. VII-0020180/04-14-2025