

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. **03 April 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 ¹
Preferred	0
Total	2,795,821,381¹

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 a supplemental report on the performance of the Corporation's funds and assets for the period ending 31 December 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:


ENGLEBERT G. TEH
Chief Financial Officer¹
03 April 2024

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 are pending listing with the Exchange.



Supplemental Performance Report For the Period Ending December of 2023

April 03, 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").

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 Twelve Months Ended December 31, 2023 (in Php, millions)

Related Parties	%	Total Amount	Breakdown per Property						
			1800	1WS	RMT	3TP	2TP	2WS	RMT
Megaworld Corporation	5.4%	165.8	-	-	86.8	1.9	19.6	1.1	56.4
Anglo Watsons Glass Inc.	0.1%	3.7	3.7	-	-	-	-	-	-
Emperador Distillers Inc.	1.3%	39.9	39.9	-	-	-	-	-	-
Asia Affinity Property Management	0.2%	6.5	-	6.5	-	-	-	-	-
Suntrust Properties Inc.	1.3%	39.8	-	39.8	-	-	-	-	-
Integrated Town Management Corporation	0.3%	9.0	-	-	9.0	-	-	-	-
Total Rental Income from Related Parties	8.7%	264.6	43.6	46.2	95.8	1.9	19.6	1.1	56.4

C. Statement of Cash Flows for the Twelve Months Ended December 31, 2023 (in Php, millions)

Cash Flows from Operating Activities	
Profit (loss) before tax	P 180.9
Adjustments for:	
Fair value losses (gains) on investment properties	2,732.2
Interest expense	307.0
Interest income	(64.7)
Operating profit before working capital changes	3,155.4
Increase in trade and other receivables	(141.9)
Increase in other current assets	(128.2)
Decrease (increase) in other non-current assets	15.3
Increase in accounts and other payables	291.7
Increase (decrease) in deposits and other liabilities	9.1
Cash generated from operations	3,201.3
Interest received	64.0
Final tax paid	(12.6)
Net Cash from Operating Activities	3,252.7
Cash Flow from an Investing Activity	-
Cash Flow from Financing Activity	
Dividends paid	(2,687.1)
Interest paid	(267.3)
Proceeds from availment of loan, net of transaction costs	-
Net Cash Used in Financing Activities	(2,954.4)
Net Increase in	
Cash and Cash Equivalents	298.4
Cash and Cash Equivalents	
at the Beginning of Period	1,380.5
Cash and Cash Equivalents at the End of Period	P 1,678.9

D. Operating Statistics for the Twelve Months Ended December 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	31,895	92%	341	11%	29,669	854
1880 Eastwood Avenue	33,744	26,416	78%	236	8%	24,515	685
E-Commerce Plaza	21,032	21,032	100%	167	5%	21,032	663
One World Square	30,482	30,210	99%	355	12%	29,173	937
Two World Square	21,286	21,282	100%	250	8%	20,877	931
Three World Square	21,222	21,222	100%	214	7%	20,734	812
8/10 Upper McKinley	19,938	19,772	99%	283	9%	19,297	1,183
18/20 Upper McKinley	19,413	19,413	100%	218	7%	18,948	888
World Finance Plaza	25,067	24,787	99%	269	9%	24,718	885
Richmonde Tower	13,124	13,124	100%	111	4%	5,855	756
One Techno Place	9,549	9,287	97%	61	2%	8,953	558
Two Techno Place	11,393	11,393	100%	84	3%	10,809	645
Three Techno Place	9,568	9,305	97%	62	2%	8,726	531
One Global Center	10,301	9,957	97%	71	2%	9,337	574
One West Campus	9,704	9,704	100%	77	3%	9,704	828
Five West Campus	10,257	10,257	100%	89	3%	10,257	908
Festive Walk 1B	14,703	13,687	93%	96	3%	12,103	609
Two Global Center	9,903	9,903	100%	71	2%	9,048	566
Total	325,424	312,645	96%	3,057		293,755	

*Additional retail spaces identified with a total area of 681 sqm (589 sqm, 92 sqm and 5 sqm for Two Techno Place, E-commerce Plaza and Three World Square, respectively)

**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	85%	100%	Php800 to 1,600	927
Quezon City	79%	89%	Php600 to 1000	745
Outside Metro Manila				
Iloilo	89%	98%	Php350 to 650	600

Source: JLL Report Q4 2023, CBRE Report – Philippines Market Monitor Q2 2023

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

	Mar-23 3M	Jun-23 3M	Sep-23 3M	Dec-23 3M
Net Income After Tax	730.4	734.0	713.1	-2009.1
Straight-Line Adjustment and Amortization of Deferred Credits	-27.1	-32.2	-15.4	-22.6
Other Account Adjustments	9.6	11.8	10.8	8.7
Fair value gains (losses) on investment properties	0.0	0.0	0.0	2732.2
Distributable Income	712.9	713.6	708.4	709.2
Total Dividends	692.2	692.2	687.8	687.8
Dividends per Share	0.2476	0.2476	0.2460	0.2460
Declaration Date	May 12, 2023	Aug 8, 2023	Nov 6, 2023	Mar 1, 2024
% of Distributable Income	97%	97%	97%	97%

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	33,744	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			325,424	59,672

G. Investment Return

	Period Ending December 31, 2023
MREIT Returns	
Dividends per share (last 12 months)	Php0.9872 per share
Price per Share as of closing of December 29, 2023	Php12.30 per share
IPO Price	Php16.10 per share
Dividend Yield at current share price	8.0%
Dividend Yield at listing price	6.1%
Total Return since IPO	-8.42%
Benchmark Returns	
FTSE Asia Pacific ex Japan ex China – Mid Cap and Large Cap – Total Returns per Annum (12M)	15.6%
FTSE Asia Pacific ex Japan ex China All Cap – Total Returns per Annum (12M)	13.0%
FTSE Asia Pacific ex Japan ex China – Mid Cap and Large Cap – Total Returns per Annum (5Y)	20.0%
FTSE Asia Pacific ex Japan ex China All Cap – Total Returns per Annum (5Y)	16.6%

Source: FTSE Russell Factsheet: FTSE Asia Pacific ex Japan ex China Indexes (February 29, 2024)

I. Performance Indicators as of December 31, 2023

Ratio	Formula	December 31, 2023
Current ratio	Current assets / current liabilities	1.90
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)	10.49
Return on equity	Net profit / Average Stockholders' equity	0.33%
Return on assets	Net profit / Average total assets	0.28%
Net profit margin	Net profit / Total revenues	4.05%
Market-to-book ratio	Market Capitalization / Book value	0.66

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

03 APR 2024

SUBSCRIBED AND SWORN to before me this _____ 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 No. 202-249-678	

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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

NOTARY PUBLIC