Three-Year Investment Strategy

12 December 2023

This document was prepared by AREIT Fund Managers, Inc. ("AFMI") for AREIT, Inc. ("AREIT" or the "Company") in compliance with the reportorial requirements of the REIT Implementing Rules & Regulations under Republic Act No. 9856.

Notice to Readers

Use of this Document

This document was prepared by AREIT Fund Managers, Inc. ("AFMI") for AREIT, Inc. ("AREIT" or the "Company") 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") and the Philippine Stock Exchange ("PSE").

Forward-Looking Statements

This document contains forward-looking statements and forward-looking financial information that are, by their nature, subject to significant risks and uncertainties. The forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any future results;
- performance or achievements expressed or implied by forward-looking statements;
- AREIT's overall future business, financial condition, and results of operations, including, but not limited to, its financial position or cash flow;
- AREIT's goals for or estimates of its future operational performance or results; and
- changes in the AREIT's regulatory environment including, but not limited to, policies, decisions, and determinations of governmental or regulatory authorities.

Such forward-looking statements and forward-looking financial information are based on numerous assumptions regarding the AREIT's present and future business strategies and the environment in which it will operate in the future. Important factors that can cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements and forward-looking financial information include, among other things:

- any amendment of the REIT Law or of any other laws or regulations affecting AREIT;
- any unforeseen changes in the domestic, regional, or global economy that result in reduced occupancy or rental rates for AREIT's properties;
- any fluctuations in the competitive landscape in the Philippine property market;
- any substantial change in the quality of AREIT's tenants;
- any changes to available interest rates, inflation rates, and the value of the Peso against the U.S. dollar and other currencies;
- any material changes to any planned renovations or improvements to AREIT's properties, resulting from market demands, financial conditions, and legal requirements, among others;
- the condition of and changes to the Philippines, ASEAN, or global economies;
- the general political, social, and economic conditions in the Philippines;

- any changes in government regulations, including tax laws, or licensing in the Philippines; and competition in the property investment and development industries in the Philippines; and
- any other matters not yet known to the Fund Manager or not currently considered material by the Fund Manager.

These forward-looking statements and forward-looking financial information speak only as of the date of this Investment Strategy.

AREIT expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement and/or forward-looking financial information contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions, assumptions, or circumstances on which any statement is based.

This Investment Strategy includes statements regarding expectations and projections for future operating performance and business prospects.

In addition, all statements other than statements of historical facts included in this Investment Strategy are forward-looking statements. Statements in the Investment Strategy as to the opinions, beliefs, and intentions of AREIT accurately reflect in all material respects the opinions, beliefs, and intentions of its management as to such matters as of the date of this Investment Strategy, although the Company gives no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by the above cautionary statements.

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Overview

AREIT, Inc. (AREIT) was incorporated on 4 September 2006 as a real estate company. It was originally known as One Dela Rosa Property Development, Inc. before changing to its current name on 12 April 2019.

It is the first Real Estate Investment Trust (REIT) in the Philippines, formed primarily to own and invest in income-producing commercial portfolio of office, retail, and hotel properties in the country that meets its investment criteria. As a commercial REIT, AREIT will focus on expanding its office, shopping center, and hotel properties but may also explore other types of real estate properties available in the market as the opportunity arises.

It was publicly-listed on the Philippine Stock Exchange on 13 August 2020. At present, 39.42% of the Company is publicly- owned while its Sponsor, Ayala Land, Inc. (ALI) maintains a 60.58% stake. Post infusion of the Cebu office properties, ALI's equity stake will increase to 66.23%.

AREIT offers an investment opportunity with a stable yield, distributing at least 90% of its distributable income from high-quality properties with strong tenant demand in its portfolio. Furthermore, with strong sponsor support from ALI and its highly-experienced fund and property management companies, AREIT Fund Managers, Inc., (AFMI) and AREIT Property Managers, Inc., (APMI) respectively, it provides the potential for revenue and net operating income growth.

AREIT's principal investment strategy is to invest in income-generating real estate properties that meet a select set of criteria:

1. The property should be located in a prime area or business district in Metro Manila or in key provinces in the Philippines;
2. It should be primarily (but not exclusively) a commercial property. Other property types available in the market may also be considered as long as it provides stable recurring income and provides attractive dividend yield;
3. The property must have stable occupancy, tenancy, and income from long term leases with strong, high-credit grade tenant locators;
4. It should provide attractive dividend growth and be yield accretive.

As of November 30, 2023, the Company's portfolio consists of the following properties that successfully meet its investment criteria.

1. **Solaris One** is a 24-storey Grade A, PEZA-accredited commercial building located at 130 Dela Rosa Street, Legaspi Village, Makati City, Philippines. It was previously named E-Services 3 Dela Rosa Building and was completed in 2008. It has a Gross Floor Area (GFA) of 73,322 sq.m. and a Gross Leasable Area (GLA) of 46,768 sq.m. The building is under a 33-year lease on a 3,612 sq.m. lot owned by the Sponsor, ALI.

2. **Ayala North Exchange** is a Grade A, mixed-use development located at 6796 Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City, Philippines and was fully completed in 2019. It has a GFA of 120,154 sq.m and a GLA of 95,300 sq.m. It consists of two (2) towers situated on top of a 7,542 sq.m. GLA, 3-storey retail podium. The first tower is a 30-storey building consisting of a 12-storey headquarter-type office, with the remaining 18-storeys housing Seda Residences Makati composed of 293 serviced apartments, other amenities and the back-of-house area. The second tower is a 20-storey, PEZA-accredited BPO Office designed for 24/7 operations. Both office

towers are PEZA-accredited and LEED certified. The HQ Office space was completed in late-2018, while the BPO Office and serviced apartments were completed in the first and third quarters of 2019, respectively. Ayala North Exchange is under a 44-year lease on a 7,657sq. m. land which is owned by HLC Development Corp., a wholly-owned subsidiary of ALI.

3. **McKinley Exchange** is a 5-storey Grade A, PEZA-accredited commercial development located along McKinley Road corner EDSA in Makati and began operations in 2015. It has a GLA of 10,687 sq.m., of which, 9,633 sq.m. is designated for commercial office leasing. The building sits on a 4,513 sq.m. parcel under a 34-year land lease with ALI.

4. **Teleperformance Cebu** is a 12-storey Grade A office development located at Inez Villa Street, Cebu I.T. Park (formerly Asiatown I.T. Park), Brgy. Apas, Cebu City completed in 2010. It has a GLA of 18,092 sq.m.and consists of two (2) PEZA-accredited and LEED Gold Certified buildings fully occupied by TPPH – FHCS, Inc., more commonly known as Teleperformance, one of the largest players in the BPO industry. The office development is under a 42-year lease on a 3,621 sq.m. lot owned by ALI.

5. **The 30th Commercial Development** is a mixed-use complex with a total gross leasable area of 74,704 square meters composed of a 19-storey PEZA-accredited office tower with a gross leasable area of 47,871 square meters, and a 4-storey retail podium with a gross leasable area of 26,833 square meters, located in Meralco Avenue, Pasig City, Metro Manila, Philippines. Completed in 2017, the development sits on a 20,000 sq.m. parcel under a 36-year lease with MBS Development Corporation. The office tower currently has an average occupancy of 99% and is predominantly leased to BPOs, providing AREIT stable leasing income. The retail podium is operated by North Eastern Commercial Corp. (NECC), a wholly-owned subsidiary of ALI under the Ayala Malls brand. NECC pays a monthly guaranteed building lease to AREIT for a period of 36 years, in line with the land lease term of the property.

6. The **Laguna Technopark Property** consists of four land parcels with a total area of 98,179 sq.m. located in Laguna Technopark, a premiere PEZA-accredited industrial park spanning portions of Biñan and Santa Rosa in the province of Laguna. The four land parcels are under a long-term land lease with Integrated Micro-Electronics, Inc., a publicly-listed subsidiary of Ayala Corporation and a leading player in global technology and manufacturing solutions.

7. **Vertis North Commercial Development** is a mixed-use development located in North Avenue, North Triangle, Quezon City, consisting of three (3) office towers situated on top a four (4)-storey retail podium. All office towers are PEZA-accredited, designed for 24/7 operations, and are LEED-certified. The retail podium was completed in 2017, while the first two office towers and third office tower were completed in 2018 and 2019 respectively. The gross leasable area of the retail podium is 39,306 sq. m., while the office towers have a gross leasable area of 125,507 sq. m. The 19,988 sqm lot on which the Vertis North Commercial Development sits is under a 37-year land lease agreement with ALI.

8. **BPI-Philam Life Makati** is composed of three (3) office condominium units with a gross leasable area of 1,072 sq.m. located at the 19th floor, Ayala Life FGU Center, 6811 Ayala Avenue, Makati City. The land on which the building stands is owned by the Ayala Life FGU Center Condominium Corporation.

9. **BPI-Philam Life Alabang** consists of six (6) office condominium units with total leasable area of 551 sq. m. located at the 7th floor of BPI-Philam Life Alabang, Alabang-Zapote Road corner Acacia Avenue, Madrigal Business Park, Muntinlupa City. The land on which the building stands is owned by the Ayala Life-FGU Center Alabang Condominium Corporation.

10. **Bacolod Capitol Corporate Center** is a seven (7)-storey PEZA-accredited BPO building designed for 24/7 operations, with a gross leasable area of 11,313 sq. m. The land on which Bacolod Capitol Corporate Center stands is owned by the Province of Negros Occidental, and is leased by AREIT from the Province of Negros Occidental with a remaining term of 38 years.

11. **Ayala Northpoint Technohub** is a two (2)-storey PEZA-accredited BPO office facility designed for 24/7 operations with a gross leasable area of 4,653 sq.m., The site is located at The District North Point, Barangay Zone 15, Talisay City, Negros Occidental. and is under a land lease agreement with ALI with a remaining term of 35 years.

12. **One Evotech** is a four (4)-storey PEZA-accredited, LEED Silver Certified, campus type, BPO office designed for 24/7 operations, with a gross leasable area of 12,049 sq. m., located at the Lakeside Evozone, Nuvali, Sta. Rosa, Laguna. The land on which One Evotech stands is owned by the Ceci Realty, Inc., an affiliate of ALI, and is leased by AREIT with a remaining term of 35 years.

13. **Two Evotech** is a 5-storey PEZA-accredited, BPO office designed for 24/7 operations, with with a gross leasable area of 11,675 sq.m., located at the Lakeside Evozone, Nuvali, Sta. Rosa, Laguna. The land on which One Evotech stands is owned by the Ceci Realty, Inc., an affiliate of ALI, and is leased by AREIT for a remaining term of 35 years.

14. **Ebloc One to Four** in Cebu IT Park stand as beacons of modernity and efficiency at the heart of Cebu's technological hub. With a total gross leasable area of 79,640 sqm, these office buildings are PEZA accredited and designed for round the clock operations, offering a conducive environment for businesses particularly in the BPO sector. The four office towers host a diverse array of top multinational and local locators serving as the headquarters for thriving enterprises. The buildings sit on a parcel of land leased from Ayala Land for a remaining term of 36 years.

15. **Ayala Center Cebu Tower (ACC Tower)** stands prominently atop the Ayala Center Cebu Mall at the heart of Cebu Business Park. Offering seamless access to public transportation, ACC Tower is PEZA accredited and designed to cater to BPO firms with 24/7 operations and robust redundancies. Total building gross leasable area is 27,458 sqm and has a remaining land lease term of 36 years with Ayala Land.

16. **Tech Tower** is a 12-storey midrise office building designed to meet the specialized needs of BPO companies. Situated within the dynamic Cebu Business Park, Tech Tower has a total leasable area of 6,273 sqm. The land on which the building sits on has a remaining land lease term of 36 years with Ayala Land.

17. **One Ayala East & West Towers** are part of Ayala Land' newest flagship mixed-use commercial development located at the corner of Edsa and Ayala Avenue. One Ayala is anchored by the One Ayala East and West Towers, which have a combined gross leasable area of 70,995 sqm. PEZA accredited and sustainably designed according to LEED standards, the two office towers are home to top multinational and local corporations. Convenient access to multiple modes of public transportation and a wide expanse of retail options make One Ayala one of the most desired

business addresses in the country. Ayala Land is leasing the land on which the development sits for a land lease term of 40 years.

18. **Glorietta 1 & 2 BPO buildings** sit atop the vibrant Glorietta complex. The buildings span 40,026 sqm of total gross leasable and are centrally located at the heart of Ayala Center Makati. Its PEZA accreditation allows it to cater to the country's top BPO locators with its 24/7 operational capabilities and building redundancies. The building has a land lease with Ayala Land of 36 years.

19. **Glorietta 1 & 2** mall wings are part of the sprawling Glorietta complex, a super regional mall located at Makati City, the country's premier financial capital. The mall wings span a total gross leasable area of 36,080 sqm. Adjacent to the mall are some of Ayala Land's upscale residential condominiums as well as several retail anchors and five star hotels. Renovated in 2012, Glorietta 1 & 2 are the newest wings of the Glorietta mixed-use complex. The mall features affordable dining and shopping, local and foreign brands, including a 1,200 square meter activity center which serves as a popular venue for events. Similar to the Glorietta BPO buildings, the mall has a land lease term with Ayala Land of 36 years.

20. **Marquee Mall** is a 40,544 sqm regional mall strategically located at the Angeles exit of the North Luzon Expressway, and situated near an upscale residential village developed by Alveo Land. Angeles City, Pampanga, where Marquee is located, is part of the top 10 highly urbanized and populated provinces in the Philippines. The mall was completed in 2009, and features a mix of both local, foreign and homegrown brands making it a favorite destination for shopping and recreation in Pampanga. It is one of Ayala Land's best performing provincial malls and also is one of the first malls to recover in terms of foot traffic and retail sales back to pre-pandemic levels. AREIT has a land lease term of 36 years with Northbeacon Commercial Corp, a wholly-owned Ayala Land subsidiary.

AREIT's Three (3)-Year Investment Strategy

Consistent with the REIT Plan, AREIT's principal investment strategy is to invest in income-generating real estate that meet a select set of criteria. Following the requirements of the REIT Law, AREIT and AFMI will seek to secure growing income that provides a competitive investment return to investors. Further to this, AFMI intends to maximize the investment returns by increasing the gross revenues and the net operating income of the properties over time through active management.

The Fund Manager, AFMI, plans to achieve this investment strategy through the following strategies:

- **Pro-active asset management and enhancement strategy.** AFMI will actively manage AREIT's property portfolio to achieve growth in revenue and net operating income and maintain optimal occupancy levels. AFMI and APMI will help drive organic growth, build strong relationships with the tenants of the properties, and explore enhancement and growth opportunities within the existing properties.

- **Investment and acquisition strategy.** AFMI will acquire quality income-producing commercial properties situated in high-growth areas that fit the investment criteria to enhance returns for investors and increase potential opportunities for future income and capital growth.

- **Capital and risk management strategy.** AFMI will manage and source capital to maximize overall returns. This may include accessing the capital markets to source appropriately priced and structured debt and equity offerings, monitor and implement hedging arrangements and assess alternative forms of capital and other capital management strategies where appropriate. AFMI may use financial instruments such as interest rate swaps to hedge certain financial risk exposures.

Investment Objectives

1. **Maintain market leadership by enlarging AREIT's assets under management to a size at par with regional REITs.** In 2020, AREIT set a growth target to double its Assets Under Management (AUM) from Php 30 billion to Php 60 billion two years from its IPO. To date, the company has tripled its size with Php 87 billion in AUM with the recent infusion of sponsor office and mall assets via property for share swap on the third quarter of 2023. Beyond 2023, AREIT plans to continue to grow its portfolio of quality assets and increase its assets under management by approximately Php15 billion to 20 billion annually.

2. **Grow and diversify AREIT's asset portfolio in terms of sector, location and income contribution, funded through leverage and/or equity.** The company will continue to demonstrate yield accretive acquisitions and ensure borrowings are within the aggregate maximum leverage limit of 35% of deposited property value. It will continue to expand its portfolio of quality commercial assets, but will also diversify into other asset classes that have stable recurring income and are yield accretive.

3. **Achieve 10 to 12% total shareholder return through organic growth and new acquisitions.** Targeted total shareholder return of at least 10% will be achieved from annual rental escalations from operating assets and additional dividends generated from new assets to be acquired in the forward years.

Investment Criteria

AREIT's principal investment strategy is to invest in income-generating real estate. A core tenet of AREIT's investment policy is to capitalize on properties that meet a select set of criteria designed to provide competitive returns to its investors. These are the following:

1. **High quality, Grade A commercial assets in prime locations, including freehold, industrial properties.** These are properties that are strategically located in central business districts in Metro Manila and key provincial locations. The grade A classification of buildings is determined based on industry criteria and is often in high-demand due to its location, facilities, layout and finishing among other factors. While portfolio is predominantly composed of assets from the resilient office sector, AREIT will consider acquiring freehold and other asset classes such as malls, hotels, and industrial properties to diversify investor risk.

2. **Stable occupancy with long term leases.** AREIT's future acquisitions will ensure its very stable cashflow profile is preserved from long-term leases and minimal expiries in the next 3 years. Typical office lease terms are fixed for a period of five to ten years and renewable for another five to ten years. The mall, hotel and industrial assets are under a long-term fixed master lease agreement

with guaranteed yield and annual escalations. Typical lease term for these master leases is 25 years.

3. **Strong, high-credit grade tenant locators.** Stable income and cashflows will be derived from AREIT's solid tenant mix of top multinational and local corporations. The mall and hotel assets derive guaranteed income from the sponsor.

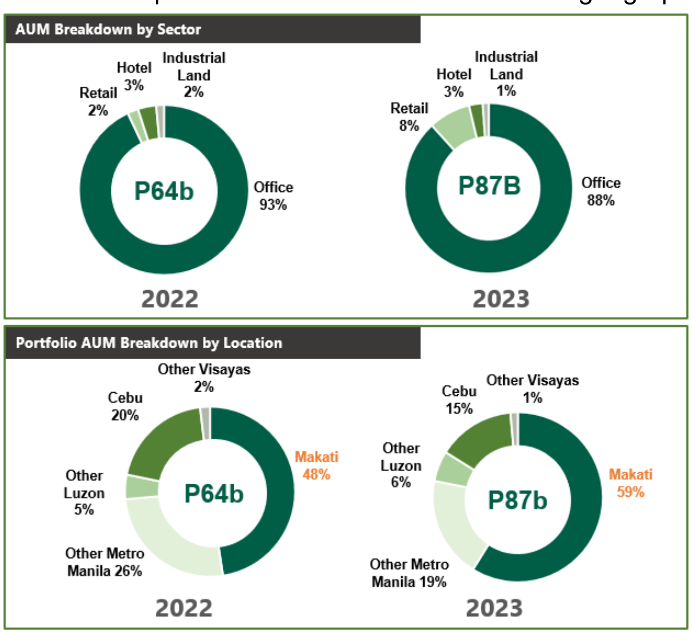
4. **Attractive growth and dividend accretive through contracted rental escalations and potential acquisitions.** Organic growth can be achieved through annual rental escalations at a range of three to five percent from contracted leases. AREIT's capacity to leverage up to 35% of its deposited property value will result to yield accretive acquisitions.

Performance Metrics

In line with AREIT's investment fundamentals of: (1) High quality Grade A Commercial Assets and Land in Prime Locations, (2) Stable Occupancy with Long Term Leases, (3) Strong, Quality Tenancy, and (4) Attractive Growth and Dividend Accretion, following are the estimated overall performance metrics of AREIT's assets:

1. **High Quality Grade A Commercial Assets and Land in Prime Locations.** With the mall and office assets acquired in 2023 via property for shares swap, exposure to the office sector has decreased but continues to drive AREIT's income representing 88% of total AUM as of September 30, 2023. Makati presence has also increased significantly from 48% to 59% of AUM this year, with the acquisition of flagship Ayala Land office and mall assets in 2023. The expansion to other asset classes and other prime growth areas across the Philippines has enabled AREIT to diversify in terms of asset class and geographic location.

Chart 1. AREIT's asset portfolio in terms of asset class and geographic location



2. **Stable Occupancy with Long Term Leases**. Average occupancy of AREIT leases remains high at 97% with minimal lease expiries until 2026.

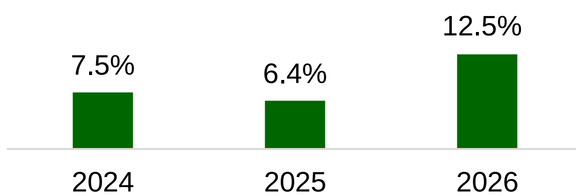
Table 1. Occupancy Rate

Property	Occupancy Rate
Ayala North Exchange	90%
McKinley Exchange	95%
Solaris One	98%
Teleperformance Cebu	100%
The 30th	94%
Laguna Technopark Land	100%
Vertis	99%
Bacolod Capitol Corporate Center	100%
Ayala Northpoint Technohub	100%
One & Two Evotech	100%
BPI Philam Life Makati & Alabang	34%
Ebloc 1-4	99%
ACC Tower	96%
Tech Tower	79%
One Ayala East & West Towers	98%
Glorietta 1 & 2 BPOs and Mall	99%
Marquee Mall	100%
Total	**97%**

Table 2. Weighted Average Lease Expiration (WALE) per Sector as of September 30, 2023

Property	WALE (years)
Office	3.5
Retail	26.3
Hotel	34.8
Industrial Land	4.3
Overall	**8.9**

Chart 2. Percentage of total GLA expiring between 2024-2026



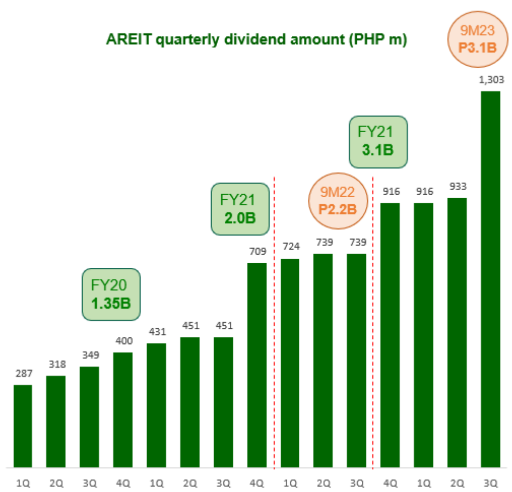
3. **Strong and Quality Tenant Locators.** With the addition of Ayala flagship assets One Ayala East & West Towers, Glorietta 1 & 2 BPO buildings and mall wings, and Marquee Mall, AREIT continues to derive recurring income from its solid base of high credit grade office tenants composed of top multinational and local companies. The table below shows the top ten largest tenants of AREIT in terms of gross leasable area. There is low concentration risk with no single tenant occupying more than 10% of total portfolio.

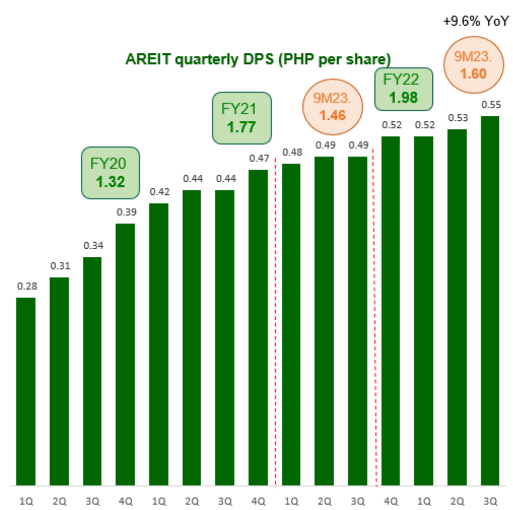
Rank	Building Tenant	Bldg GLA (sq. m)	% of occupied Bldg GLA
1	NORTH EASTERN COMMERCIAL CORP. [1]	67,206.88	9%
2	Google Services Philippines, Inc.	50,677.05	7%
3	Northbeacon Commercial Corporation [1]	40,544.00	6%
4	TELEPHILIPPINES INCORPORATED	38,154.44	5%
5	Ayala Land, Inc.	36,080.00	5%
6	CONCENTRIX CVG PHILIPPINES, INC.	33,536.53	5%
7	Shell Shared Services (Asia), B.V.	33,056.30	5%
8	TELUS INTERNATIONAL (PHILIPPINES), INC.	31,133.80	4%
9	ANE SEDA RESIDENCES[2]	26,034.00	4%
10	ING Hubs B.V. Philippine Branch	22,661.76	3%

(1) *Subsidiary of Ayala Land, Inc.*

(2) *Subsidiary of Ayala Hotels and Resorts Corporation*

4. **Attractive Growth and Dividend Accretion.** For the third quarter of 2023, AREIT paid P0.55/share in dividends or 96% growth since first dividend payout of P0.28/share in 2020. This translates to 5% quarter on quarter growth in dividends per share, driven by revenue growth of its existing portfolio and the income contribution of new assets acquired. Total shareholder return since IPO is at 46%.





Asset Acquisitions

For 2024, AREIT has identified six prime assets for acquisition to further solidify its portfolio. These forthcoming asset acquisitions are aligned with AREIT's vision to significantly enlarge its portfolio and bring it closer to the size of some of the major REIT players in the region. With the purchase of these assets, AREIT's total AUM will grow from Php 87 billion to Php 117 billion in 2024.

- **Ayala Triangle Gardens Tower Two** is a 63,150 sqm premium office tower located at the Ayala Triangle, the most prime business address in the Makati Central Business District. Its iconic design features top-of-the-line performance specifications aligned with global building standards with LEED Gold and WELL Gold certification. It serves as headquarters of Ayala Corporation, one of the oldest and most respected conglomerates in the country, and is the address of choice of several other top multinational and local corporations. The land is leased with Ayala Land, Inc. for a remaining term of 38 years.

- **Greenbelt 3 & 5** is a 93,732 square meter upscale lifestyle mall renowned for its upscale shopping and dining establishments. Greenbelt 3 & 5 cater to discerning shoppers seeking luxury fashion and fine dining in an indoor and outdoor park setting at the heart of Ayala Center Makati. AREIT shall be leasing the land from Ayala Land, Inc. for an initial term of 36 years.

- **Holiday Inn Makati** is a 348 key business hotel located at the heart of Makati's Central Business District. Conveniently located within Ayala Center, it provides easy access to shopping malls, entertainment venues and corporate hubs. It is one of Ayala Land's top-performing hotels, with occupancy staying at healthy levels pre and post pandemic. The hotel building will be under a fixed master lease agreement between AREIT and Ayala Land subsidiary Greenhaven Property Ventures, Inc. to ensure stable recurring income for AREIT's shareholders. AREIT shall be leasing the land from Ayala Land, Inc. for an initial term of 36 years.

- **Seda Hotel Ayala Center** is a 301 key business man's hotel centrally located beside the Ayala Mall in Ayala Center Cebu within the bustling Cebu Business Park. It is newly renovated, offering contemporary accommodations and modern amenities, making it a top choice of both business and leisure travelers in Cebu City. Seda Ayala Center will be under a land lease with Ayala Land for an initial term of 36 years.

- **Zambales Industrial Lots,** currently owned by Buendia Christiana Holdings Corp (a wholly owned subsidiary of ACEN Corporation), spans 276 hectares of total land area. Upon acquisition, ACEN subsidiary Giga Ace 8, Inc. will lease the land from AREIT for a minimum term of 25 years at a guaranteed fixed rent escalating every year, with the option to renew for another 25 years. Giga Ace 8, Inc. is in the business of developing and operating solar power plants.

- **Seda Lio** is a 153 key resort hotel nestled within Ayala Land's Lio Tourism Estate in El Nido, Palawan. A popular tourist destination in the Philippines, the resort offers tourists comfortable accommodations and amenities in a beachfront location, featuring the natural beauty and pristine views that El Nido is known for. The land will be leased from Ten Knots Development Corp., an Ayala Land subsidiary, for a term of 36 years.

Ayala Triangle Gardens Tower Two, Greenbelt 3 & 5, Holiday Inn Makati, Seda Ayala Center Cebu, and the Zambales Industrial Lots will be acquired through a property-for-share swap, while Seda Lio will be an outright cash purchase by AREIT. Together, these building and land assets will generate higher income streams for AREIT and higher dividends per share for its shareholders.

Upon acquisition, the malls, hotels, and industrial land will be under a master lease agreement ensuring stable, guaranteed income streams with annual escalations. This reinforces AREIT's commitment to securing long term guaranteed yield for its investors over the next 25 years.

These planned acquisitions allow AREIT to further diversify its asset base and reduce concentration risks. By achieving a more balanced and diversified portfolio across offices, malls, hotels and industrial assets, it enhances AREIT's resilience amidst volatile market conditions and mitigates exposure to specific asset sector challenges.

Moreover, the inclusion of freehold industrial land within AREIT's portfolio provides AREIT shareholders long-term capital appreciation beyond recurring yield. This acquisition enhances AREIT's current portfolio of mostly leasehold commercial buildings with freehold land that in itself is productive, generating income while increasing the land's underlying value over time.

In summary, these planned asset acquisitions in 2024 underscore AREIT's commitment of enlarging its portfolio, diversifying risk and achieving accretion of dividends per share to its shareholders.

Other potential properties for acquisition will be identified and disclosed in the future after the submission of this Investment Strategy. It will be a combination of properties and assets owned by Ayala Land and third parties.

Financing Strategy

For 2024, AREIT intends to fund the identified asset acquisitions asset through cash and a property-for-shares swap. For future acquisitions, subject to market conditions and more favorable interest rates, the company will also explore debt funding with leverage limit of up to 30% of deposited property value as it further enlarges its asset portfolio.

SIGNATURE

In compliance with the reportorial requirements of the REIT Implementing Rules & Regulations under Republic Act No. 9856, the Issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **AREIT, Inc.**

pgsamaniego

By : **Patricia Gail Y. Samaniego**
President
AREIT Fund Managers, Inc.

Date : 12 December 2023