



## **Three-Year Investment Strategy**

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30 December 2021

This document was prepared in compliance with the reportorial requirements of the REIT Implementing Rules & Regulations under Republic Act No. 9856.

## **Important Notice**

In compliance with the reportorial requirements of the REIT Implementing Rules and Regulations under Republic Act No. 9856, the Real Estate Investment Trust Act of 2009, RL Fund Management, Inc. has prepared this document. This document is being submitted to Philippine Stock Exchange (“SEC”) and Securities and Exchange Commission (“SEC”).

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### **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. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expected future results;
- performance or achievements expressed or implied by forward-looking statements;
- our overall future business, financial condition, and results of operations, including, but not limited to financial position or cash flow;
- our goals for or estimates of future operational performance or results; and
- changes in the 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 our present and future business strategies and the environment in which we will operate in the future. Important factors that could 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:

- risks relating to our business and operations, including those relating to our limited operating history as a REIT and our ability to obtain and retain tenants in our properties;
- the Fund Manager’s ability to successfully implement our current and future business strategies and to manage our expansion and growth;
- increases in maintenance and operational costs;
- changes in the Philippine real estate market and the demand for the office, BPO and other commercial property spaces and developments;
- any material adverse change in the quality of the tenants in our properties;
- risks (including political, social and economic conditions) relating to the Philippines;
- the condition and changes in the Philippine, Asian or global economies and future political instability in the Philippines;
- our ability to obtain financing or raise debt, changes in interest rates, inflation rates and the value of the Philippine Peso against the U.S. dollar and other currencies;
- changes in Government laws and regulations, including changes in REIT Regulations, tax laws, or licensing in the Philippines;
- competition in the commercial real estate market in the Philippines;
- material changes to any planned capital expenditures for our properties as a result of market demands, financial conditions, and legal requirements, among others;

- force majeure events such as but not limited to Acts of God, disasters, catastrophes brought by natural calamities, wars, terrorism and pandemic
- and any other matters not yet known to our Fund Manager or not currently considered material by our Fund Manager.

The document also includes statements regarding our expectations and projections for future operating performance and business prospects. The words “believe,” “plan,” “expect,” “anticipate,” “estimate,” “project,” “intend,” “seek,” “target,” “aim,” “may,” “might,” “will,” “would,” “can,” “could,” and similar words identify forward looking statements. Statements that describe our objectives, plans or goals are forward-looking statements. In addition, all statements other than statements of historical facts included in this document are forward-looking statements.

RCR 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.

In view of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this document might not occur. In particular, in light of the ongoing COVID-19 pandemic and associated uncertainties in the global financial markets and their contagion effect on the real economy, any forward-looking statements and forward-looking financial information contained in this Investment Strategy must be considered with caution and reservation. Actual results could differ materially from those contemplated in the relevant forward-looking statement and we give no assurance that such forward-looking statements will prove to be correct or that such intentions will not change.

All subsequent written and oral forward-looking statements attributable to us or persons acting on behalf of us are expressly qualified in their entirety by the above cautionary statements.

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## Brief Overview

RL Commercial REIT, Inc. ('RCR') was registered with the Securities and Exchange Commission ('SEC') on 16 May 1988 as 'Robinsons Realty and Management Corporation'. Prior to its designation by Robinsons Land Corporation ('RLC') (the 'Sponsor') as its commercial and office asset REIT entity, while the primary purpose of RCR was to acquire and own, use, improve develop, sell, lease and hold for investment or otherwise, real estate and real estate-related assets, the Company was not engaged in any business operations and did not hold any property since its incorporation in 1988. As part of its transition into a REIT company, the Company filed an application with the Philippine SEC on 27 April 2021 for certain amendments to its Articles of Incorporation, including a further change of name to 'RL Commercial REIT, Inc.', amending the primary purpose of the Company to engage in the business of a REIT, as provided under the REIT Law, among others. These amendments were approved by SEC on 02 August 2021.

On 15 April 2021, a Deed of Assignment was executed between RCR and RLC for the assignment, transfer, and conveyance by RLC of several properties to the Company in the form of buildings and condominium units, excluding the land for the leasehold assets wherein the buildings are situated, in exchange for shares. These assigned properties consist of: (i) the buildings and related immovable property in respect of Cyberscape Alpha, Cyberscape Beta, Tera Tower, Cyber Sigma, Exxa-Zeta Tower, Robinsons Cybergate Cebu, Robinsons Galleria Cebu, Robinsons Place Luisita 1, Cybergate Naga and Cybergate Delta 1, and (ii) 96 condominium units in Robinsons Equitable Tower and 31 condominium units in Robinsons Summit Center.

RCR's initial portfolio of fourteen (14) high quality assets is comprised of these assigned properties as well as Robinsons Cybergate Center 2 and Robinsons Cybergate Center 3 in Mandaluyong City. The land on which nine (9) of the assigned properties are situated is leased by the Company from the sponsor, while Cyber Sigma is subject to a lease agreement with the Bases Conversion Development Authority.

RCR is the fourth REIT company that was publicly-listed on Philippine Stock Exchange on 14 September 2021. At the time of listing, it was the largest in IPO size, market cap and property valuation and the biggest in asset size with 425,000 sqm of high-quality commercial spaces. RCR also boasts of having the longest land lease tenure with an average of 89 years across all properties. The Company offers the longest land lease tenure of up to 99 years for most properties which provides long term sustainability and predictability to RCR. It remains to have the widest in geographical coverage with its presence in various key cities and CBDs such as in Makati, BGC, Ortigas, Quezon City, Metro Cebu, Metro Davao, Naga and Tarlac. At listing date, 36.67% of the Company is owned by the public while 63.33% is owned by its Sponsor, Robinsons Land Corporation.

Moreover, RCR continues to look for opportunities to acquire assets from third parties. All potential infusions are subject to the fund manager's recommendations, market conditions, the requirements of RCR's business, and the approval of the relevant regulatory bodies.

RCR's potential expansions are geared towards boosting its dividend yield. As stated in the REIT Plan, RCR's dividend yield forecast for 2022 at the Initial Public Offering price of PHP6.45 per share is at 5.96%, one of the highest among REITs. The dividend yield was calculated based on a payout of at least 90% of the projected distributable income for 2022.

RCR has an excellent expansion pipeline as it enjoys the full support and backing of RLC which gives it access to about 422,000 square meters (sqm) of gross leasable area for acquisition. In determining future investments to expand the Company's REIT Portfolio, key criteria in making an investment decision are made.

Post-listing, RCR intends to expand its portfolio through the acquisition of stabilized properties for lease that are dividend yield accretive, and which satisfy our requirements. This may be achieved by acquiring revenue generating office buildings as well as mall spaces occupied by Business Process Outsourcing ('BPO') companies from the Sponsor. In addition, RCR may also acquire assets from unrelated third parties. The Sponsor is committed to the growth of RCR, and has entered into a Memorandum of Understanding ("MOU") as of July 13, 2021 with RCR setting out the parties' understanding for the potential future acquisition of Cyberscape Gamma and/or Robinsons Cybergate Center 1, owned by the Sponsor. These two assets have a total GLA of 72,100 sqm, equivalent to approximately 17% of the Portfolio's total GLA of 425,315 sqm.

Under the terms of the MOU, RCR and its Sponsor may agree to consider alternative properties to Cyberscape Gamma and/or Robinsons Cybergate Center 1 for such future potential acquisition, provided that such alternative properties meet RCR's financial and strategic investment criteria. Any such acquisition will be set out in definitive agreements and subject to such final terms as may be agreed between the parties. In addition, such plans may change depending on the requirements of our business, market conditions and external factors beyond our control.

As of November 30, 2021, the Company's portfolio consists of fourteen (14) commercial properties that successfully meet its investment criteria.

1. **Robinsons Equitable Tower** is a Grade A, Philippine Economic Zone Authority (PEZA) - registered, 45-storey office tower with four basement levels developed by Robinsons Land Corporation and located in the Ortigas Center CBD, Pasig City, Metro Manila. Before the implementation of the REIT Formation Transactions, the condominium units were owned by the Sponsor and unrelated third parties as evidenced by their respective Condominium Certificate of Title (CCTs) representing their ownership interest in the relevant office condominium unit and an undivided interest in the land where the building is located. Following the completion of the REIT Formation Transactions, RCR owns 27.2% of the units / 96 office condominium units and 38 parking slots in the Robinsons-Equitable Tower with an aggregate GLA of 14,365 sqm. As a condominium owner, the Company also owns an undivided interest in the land on which the Robinsons Equitable Tower is located.
2. **Robinsons Summit Center** is a Grade A, PEZA-registered, 37-storey office tower with four basement levels located along Ayala Avenue in the Makati City CBD, Metro Manila. Before the implementation of the REIT Formation Transactions, the condominium units were owned by the Sponsor and unrelated third parties as evidenced by their respective CCTs representing their ownership interest in the relevant office condominium unit and an

undivided interest in the land where the building is located. Following the completion of the REIT Formation Transactions, RCR owns 31 office condominium units and 301 parking slots, together with certain machinery and equipment in the Robinsons Summit Tower with an aggregate GLA of 31,394 sqm. As a condominium owner, RCR also owns an undivided interest in the land on which the Robinsons Summit Tower is located.

3. **Robinsons Cybergate Center 2** is a Grade A, PEZA-registered, 27-storey office building, located in Robinsons Cybergate Complex, a mixed-use development located along the major thoroughfare of EDSA corner Pioneer Street in Mandaluyong City, Metro Manila. The office building has a GLA of 43,672 sqm and is owned by the Sponsor. Both the building and the land where Robinsons Cybergate Center 2 is located are owned by the Sponsor. As part of the REIT Formation Transactions, RCR entered into an agreement with the Sponsor to lease the Robinsons Cybergate Center 2 building for 98 years at a building lease rate that is 7% of Robinsons Cybergate Center 2's Rental Income per month. Subject to such lease, the Sponsor will continue to own the building and the land where the building is located. Under applicable law, the maximum lease term is 99 years.
4. **Robinsons Cybergate Center 3** is a Grade A, PEZA-registered, 27-storey office building, located in Robinsons Cybergate Complex, a mixed-use development located along the major thoroughfare of EDSA corner Pioneer Street in Mandaluyong City, Metro Manila. The office building has a GLA of 44,614 sqm and is owned by the Sponsor. Both the building and the land where Robinsons Cybergate Center 2 is located are owned by the Sponsor. As part of the REIT Formation Transactions, RCR entered into an agreement with the Sponsor to lease the Robinsons Cybergate Center 3 building for 99 years at a building lease rate that is 7% of Robinsons Cybergate Center 3's Rental Income per month. Subject to such lease, the Sponsor will continue to own the building and the land where the building is located.
5. **Cyberscape Alpha** is a Grade A, PEZA-registered, 25-storey building with seven basement levels and a roof deck, located along Sapphire and Garnet Roads within the Ortigas Center CBD, Pasig City, Metro Manila with an aggregate GLA of 49,902 sqm. The building has three hotel floors with an approximate area of 6,320 sqm occupied by GO Hotels and retail spaces at the ground floor. The office floors are located from the 5th to the 26th levels. Before the implementation of the REIT Formation Transactions, the Sponsor owned the building and the land where the building is located.  
As part of the REIT Formation Transactions and following the Philippine SEC's approval of the Property-for-Share Swap, RCR owns the Cyberscape Alpha Building; in addition, the Company executed an agreement with the Sponsor to lease the land where the building stands for a 99-year term at a land lease rate that is 7% of Cyberscape Alpha's Rental Income per month. There are no adverse claims on the land leased from the Sponsor. Subject to such land lease, the Sponsor will continue to own the land where the building is located.
6. **Cyberscape Beta** is a Grade A, PEZA-registered, 36-storey building with four basement levels, a mezzanine and a roof deck, located along Topaz and Ruby Roads within the

Ortigas Center CBD, Pasig City, Metro Manila. The building has an aggregate GLA of 42,245 sqm comprising retail spaces located at the ground and mezzanine floors and office spaces located from the 9th to the 37th levels. Before the implementation of the REIT Formation, the Sponsor owned the building and the land where the building is located.

7. **Tera Tower** is a PEZA-registered, Leadership in Energy and Environmental Design (LEED) Gold certified, Prime Grade, 20-storey building with one basement level and a roof deck, located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City, Metro Manila and in proximity to the Ortigas Center CBD. The building has retail support at the ground floor and office spaces located at the 6th to 20th floors with an aggregate GLA of 35,087 sqm. Before the implementation of the REIT Formation Transactions, the Sponsor owned the building and the land where the building is located.
8. **Cyber Sigma** is a Grade A, PEZA-registered, 20-storey office development, located in Lawton Avenue, McKinley West, Fort Bonifacio, Taguig City, Metro Manila and in proximity to the Bonifacio Global City and Makati City CBDs. The office project has an aggregate GLA of 49,970 sqm. Following the completion of the REIT Formation Transactions, RCR will own the Cyber Sigma building. The building is located on land leased by the Sponsor from the Bases Conversion Development Authority (BCDA) under a 25-year term lease agreement which commenced in 2014, and which the Sponsor will sublease to RCR following the completion of the REIT Formation Transactions. There are no adverse claims on the land leased from BCDA. The lease is renewable for another 25 years and includes an Option to Purchase the land and its improvements from BCDA on the 24th year of the initial lease period.
9. **Exxa-Zeta Tower** is a PEZA-registered, Silver LEED certified, Prime Grade, twin tower office building located within the Bridgetowne Complex in C-5 Road, Ugong Norte in Quezon City, Metro Manila and in proximity to the Ortigas Center CBD. The Exxa Tower and the Zeta Tower each have 20 storeys and share a common retail area spanning two floors and podium parking floors from second to the fifth floors. The Exxa Tower has GLA of 39,280 sqm while Zeta Tower has GLA of 35,303 for a combined aggregate GLA of 74,584 sqm. Before the implementation of the REIT Formation Transactions, the Sponsor owned the towers and the land where the towers are located.
10. **Robinsons Cybergate Cebu** is a PEZA-registered, seven-storey building with three basement levels and roof deck, mixed-used building located in Fuente Osmeña Circle, Cebu City in the province of Cebu. The Fuente Osmeña Circle is a famous landmark in Cebu City and is surrounded by commercial establishments such as hotels, restaurants, banks, convenience stores, offices and shopping centers. The building has a retail mall at the ground floor and three floors of office space. Before the implementation of the REIT Formation Transactions, our Sponsor owned the building and the land where the building is located. Following completion of the Property-for-Share Swap, the three floors of office spaces (i.e., the fifth to seventh floors) with an aggregate GLA of 6,866 sqm and related machinery and improvements to the building are owned by our Company. The rest of the building will continue to be owned by the Sponsor.



11. **Galleria Cebu** is a Grade A, PEZA-registered, office development integrated with the Robinsons Galleria Cebu mall located in General Maxilom Avenue, corner Sergio Osmena Boulevard, Cebu City in the province of Cebu. The four-storey building has a retail mall and office space with two basement levels and a roof deck. Before the implementation of the REIT Formation Transactions, the Sponsor owned the building and the land where the building is located. Following completion of the Property-for-Share Swap, two floors of office space (i.e., the third and fourth floor) with an aggregate GLA of 8,851 sqm and related machinery and improvements to the Robinsons Galleria Cebu building are owned by RCR. The rest of the building will continue to be owned by the Sponsor.
12. **Luisita BTS 1** is a PEZA-registered, three-storey build to suit office development dedicated to one IT-BPM tenant located in the Robinsons Luisita Complex, McArthur Highway, Barangay San Miguel, Tarlac City in the province of Tarlac. The Luisita Complex is a mix of commercial, industrial and residential developments and accessible from other areas of Tarlac province and Central Luzon. The building was custom built to suit the requirements of the tenant and has a GLA of 5,786 sqm. Before the implementation of the REIT Formation Transactions, the Sponsor owned the building and the land where the building is located.
13. **Cybergate Naga** is a PEZA-registered, five-storey office development located in the Robinsons Place Naga complex in Roxas Avenue, Naga City in the province of Camarines Sur. Before the implementation of the REIT Formation Transactions, the Sponsor owned the building and the land where the building is located. Following completion of the Property-for-Share Swap, three floors of office space (i.e., the third to fifth floors) with an aggregate GLA of 6,070 sqm and related machinery and improvements to the Cybergate Naga building are owned by RCR. The rest of the building will continue to be owned by the Sponsor.
14. **Cybergate Delta 1** is a Grade A, PEZA-registered, five-storey office development located in Robinsons Cyberpark Davao along J.P. Laurel Avenue, Davao City in the province of Davao. The building has an aggregate GLA of 11,910 sqm. Before the implementation of the REIT Formation Transactions, the Sponsor owned the building and the land where the building is located.

### **Three (3)-Year Investment Strategy of RCR**

The principal strategy of RCR is to invest on a long-term basis in a diversified portfolio of income-producing commercial real estate assets, leased primarily for office purposes and strategically located in major Central Business Districts ('CBDs') and key cities and urban areas across the Philippines. The Fund Manager and the Property Manager in collaboration with the Company's Management Team will ensure the smooth operation of the Portfolio and pursue opportunities for both organic and inorganic growth to improve shareholder return. This strategy is consistent with the REIT Plan.

The Fund Manager shall, pursuant to the provisions of the REIT Law and the Fund Management

Agreement, implement the investment strategies of RCR by determining the allocation of the Company's assets to the allowable investment outlets in accordance with the REIT Plan and RCR's investment strategies and selecting income-generating real estate in accordance with the investment strategies of RCR.

Governance policies and procedures are put in place at the RCR level, and independently, at the Fund Management and Property Management levels as well, to ensure that the best interests of RCR's shareholders are always at the forefront. Major decisions go through a due diligence process, a thorough discussion, obtaining the necessary corporate approvals, and approval by its independent directors. All related property transactions are subject to the unanimous approval of RCR's independent directors.

The Fund Manager shall take all necessary measures to ensure:

- that the Net Asset Value per Share of the Company is calculated as and when an annual valuation report is issued by the Company's appointed property valuer for the relevant period, and that such Net Asset Value per share is disclosed in the annual reports;
- that the investment and borrowing limitations set out in the REIT Plan and the conditions under which the REIT was authorized are complied with;
- that all transactions carried out by or on behalf of RCR are conducted at arm's length;
- that at all times RCR has proper legal title to the real estate it owns, as well as to the contracts (such as property contracts, rental agreements, joint venture or joint arrangement and any other agreements) entered into on behalf of the scheme with respect to its assets and that each such contract is legal, valid, and binding and enforceable by or on behalf of the Company;
- that the Property Manager obtains adequate property insurance for the real properties of RCR from insurance companies approved by the Fund Manager;

The Fund Manager plans to achieve its key objectives for RCR through implementing the following strategies:

- **Pro-active asset management to achieve organic growth**

The Fund Manager intends to take a pro-active approach to the management of the Portfolio, and will actively monitor opportunities for asset enhancement initiatives in the Portfolio with the objective to improve the quality of the Properties, in order to achieve higher rental rates and deliver improved returns to shareholders. The Fund Manager actively engages with Property Manager to ensure pro-active asset management strategy by:

- Establishing a capital expenditure schedule and policy which pro-actively pre-empts and addresses any issues regarding asset quality, and considers asset enhancements initiatives based on tenant needs or demand so as to command optimal rental rates for the assets.
- Monitoring costs and expenses relating to the management of the assets in the Portfolio or other expenses relating to the operation of RCR, to ensure cost efficiency is achieved wherever possible.
- Pro-actively managing lease renewals in advance of expiries, reconfigure or expand tenant spaces in response to tenants' needs and negotiate higher rental rates for new leases
- Maintaining good relationships with tenants via regular close dialogue so as to be able to nimbly respond to tenants' needs and requirements.

The Property Manager has also been engaged to provide lease and property management, among other services to ensure smooth operations of the assets in the Portfolio, and support our Company

and the Fund Manager's strategy and deliver optimal returns to Shareholders.

- **Inorganic growth strategy via improvement of existing assets and new asset acquisitions**

The Fund Manager intends to pursue inorganic growth opportunities either through improvement of existing assets to command higher rental rates or through the dividend yield accretive acquisitions of high-quality commercial properties that complement the Portfolio to extent allowable by the REIT rules, and in accordance with the Company's overall strategy.

The Fund Manager will also actively monitor the market for opportunities to acquire high quality commercial properties that meet the investment criteria of RCR, including being dividend yield accretive, and complementary to the strategy of the Company. In particular, the Fund Manager will consider potential assets for acquisition from the Sponsor's extensive pipeline of income-producing commercial assets, as well as commercial assets owned by external parties.

RCR will consider asset acquisitions via different financing methods as the case may be, including equity and debt capital raising transactions, bank loans, tax-free-exchange, etc, depending on what is in the Company's best interests.

- **Predominant focus on key Metro Manila CBDs and major regional commercial hubs**

The Fund Manager intends to predominantly focus on Grade A commercial assets situated in prime CBD locations in Metro Manila as well as major regional commercial hubs. The Fund Manager intends to leverage the experience and market dominance of the Sponsor in these markets so as to achieve the best returns for our Shareholders.

- **Active capital and risk management**

The Fund Manager will closely monitor and manage the Company's liquidity, balance sheet, and overall financial resources so as to ensure RCR's long-term financial health, while also pursuing the optimal returns for Shareholders. As part of its capital management strategy, the Fund Manager may optimize the funding and capital structure of the Company by tapping on the capital markets for debt and/or equity capital, as well as hybrid or other forms of capital as appropriate. In addition, the Fund Manager will consider liquidity, interest rate and other relevant financial risks and adopt appropriate hedging policies to manage its risk exposure.

## **Investment Objectives**

1. **RCR continues to be a landmark offering and aims to be the leader in the Philippines' REIT industry in terms of market capitalization and with the longest land lease tenure as well as diversified geographical reach.** On 13 July 2021, the Sponsor has entered into a Memorandum of Understanding ("MOU") with RCR as a testament of its strong support to RCR for the potential future acquisition of Cyberscape Gamma and/or Robinsons Cybergate Center 1, owned by the Sponsor. These two assets have a total GLA of 72,100 sqm, equivalent to approximately 17% of the Portfolio's total GLA of 425,315 sqm. RCR intends to grow its Portfolio by infusing at least one (1) to two (2) assets per year.
2. **Grow asset size that are dividend yield accretive via acquisition of assets from the**

**Sponsor or third parties through equity and/or leverage.** RCR will continue to infuse more assets that meet the set investment criteria. RCR will continue to create value for shareholders by pursuing growth that complements the growth and advancement of society. In September 2021, Philippine Rating Services Corporation (PhilRatings) assigned the highest Issuer Credit Rating of PRS Aaa (corp.), with a Stable Outlook, to RCR. This rating will increase RCR's leverage limit from 35% to 70% of the total value of its deposited property, according to the REIT Implementing Rules and Regulations (IRR). The debt-free status of RCR provides for even greater financial flexibility moving forward.

- 3. Endeavors to target a low annual double-digit total shareholder return.** This can be attained through contracted escalation rates, stable dividend yield, and property acquisitions which are dividend yield accretive.

## Investment Criteria

RCR's principal investment strategy is to invest on a long-term basis in a diversified portfolio of income-producing real estate assets, leased primarily for office purposes, and located in major central business districts and key cities and urban areas across the country.

In determining future investments to expand RCR's REIT Portfolio, key criteria in making an investment decision include:

- **Yield Accretive:** The property should provide attractive dividend growth through property acquisitions that are yield accretive and through contracted rental escalation;
- **3-year Profitability History:** Have an operating profitability history of more than 3 years (a legal hurdle that we have to comply with);
- **Stable Occupancy:** Have consistently high occupancy rates based on prevailing market terms;
- **Location and Accessibility:** the potential property should be (i) located in a CBD, emerging business districts or in key cities across the Philippines, typically with high-growth potential; and (ii) in proximity to various modes of public transport and major roads for enhanced accessibility to tenants;
- **Tenant Profile:** the potential property should target clients that will contribute to the portfolio's diversified tenant base, predominantly targeting all sub-sectors of the IT-BPM and BPO industry, traditional office tenants as well as other tenant categories that will contribute to the stable occupancy of the buildings.
- **PEZA Registration:** to the extent available, the potential property should be PEZA-registered or otherwise located in a PEZA-registered IT park.

## Performance Metrics

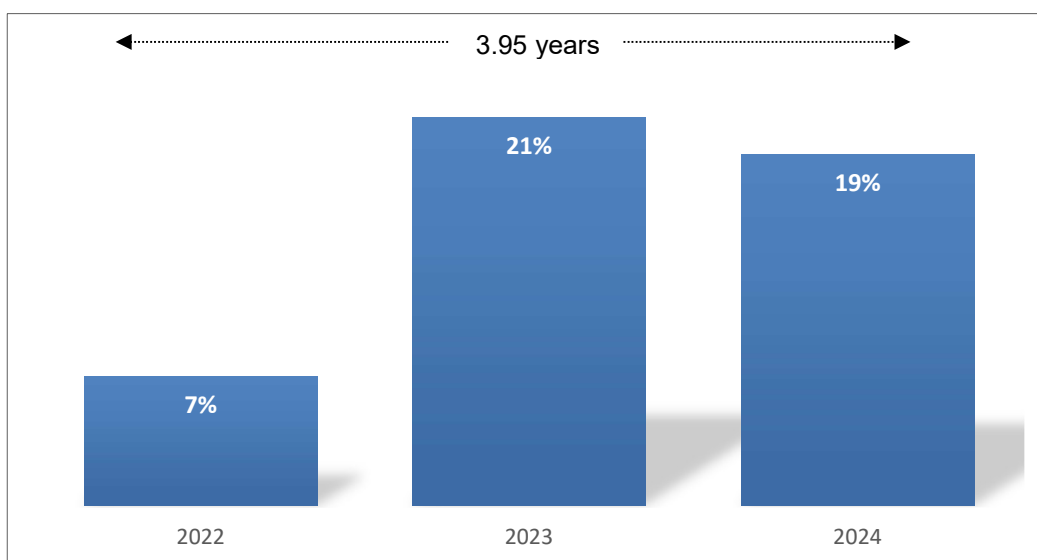
The following are the estimated overall performance metrics of RCR's assets:

1. **Diversified Geographical Reach.** The fourteen (14) high quality assets of RCR are located in major CBDs within Metro Manila and key cities in provincial areas which mitigates concentration risk. These are:
  - **3 assets are located in Central Business Districts**  
BGC, Makati and Ortigas
  - **6 assets are located in Key Cities**  
Mandaluyong, Quezon City Metro Cebu, Metro Davao, Naga and Tarlac
2. **Stable Occupancy with Long Term Leases.** Average occupancy of RCR leases remains high at 99% with manageable lease expiries until 2024. The Weighted Average Lease Expiration (WALE) of RCR Assets as of 30 November 2021 is 3.95 years.

**Table 1: High Occupancy Rate**

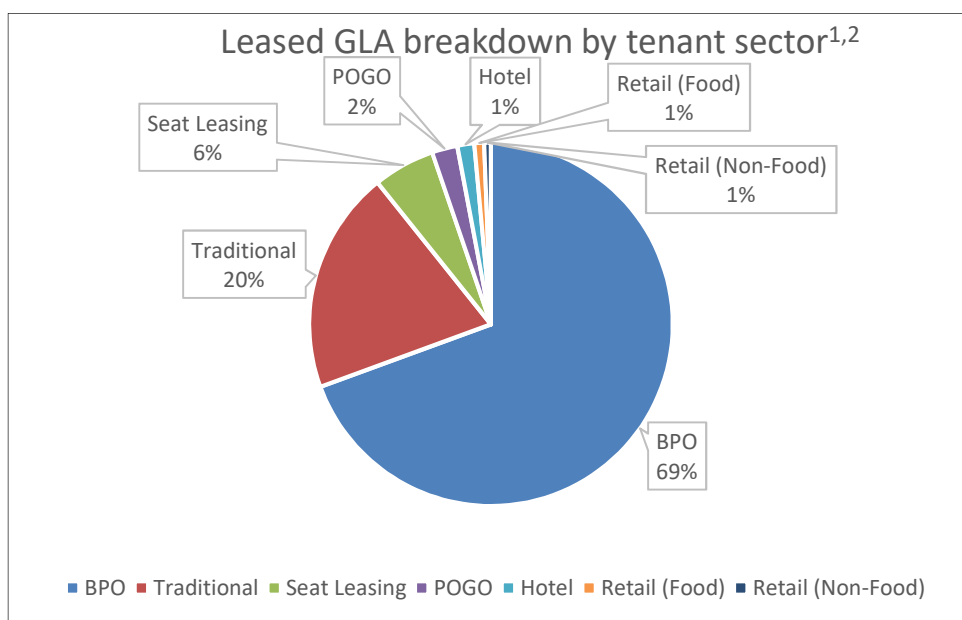
Property	Occupancy Rate
Robinsons Equitable Tower	99%
Robinsons Summit Center	99%
Robinsons Cybergate Center 2	100%
Robinsons Cybergate Center 3	99%
Robinsons Cybergate Cebu	100%
Cyberscape Alpha	100%
Cyberscape Beta	98%
Tera Tower	100%
Robinsons Galleria Cebu	100%
Cyber Sigma	100%
Lusita BTS 1	100%
Robinsons Cybergate Naga	100%
Cybergate Delta	100%
Exxa Tower	99%
Zeta Tower	100%
<b>Total</b>	<b>99%</b>

**Chart 1. Percentage of total GLA expiring between 2022-2024**



3. **Stable income from high quality tenant mix.** Majority of RCR's tenants are BPOs, followed by Traditional Offices and others. Accenture, being one of the biggest BPO company, ranks as number one in terms of occupied space.

Rank	Tenant	Total Leased Area (sqm)	%
1	Accenture	58,509.21	14%
2	Concentrix	40,247.91	9%
3	Hinduja Global Solutions	24,655.50	6%
4	Ernst & Young / EY GDS	17,044.65	4%
5	URC	11,593.13	3%
6	APEX	13,050.54	3%
7	Fisher Rosemount Systems, Inc.	10,169.70	2%
8	WNS Global Services Philippines, Inc.	10,019.65	2%
9	MHI Power / Mitsubishi	8,813.78	2%
10	Acquire Asia Pacific, Inc.	7,562.54	2%



<sup>1</sup>Based on leased GLA

<sup>2</sup>As of November 30, 2021

4. **Attractive Growth and Dividend Accretion.** The Company has adopted a dividend policy to maintain an Annual Cash Dividend Payout Ratio of at least 90% of Distributable Income.

Particulars	Covering 02 Aug – 30 Sep	<b>REIT PLAN</b> (Covering 01 Sep - 30 Sep)
<b>Dividend per Share</b>	<b>P0.062 per share</b>	<b>P0.027 per share</b>
<b>Dividend Yield:</b>		
at Listing Price of P6.45/share	5.77%	5.57%
at Current Price of P7.30/share*	5.10%	5.14%
Price growth based on IPO price per share	13.18%	
Total Shareholder Return since IPO*	14.14%	
<b>REIT Benchmarks</b>		
Ten-year BVAL as of end of November 2021	4.50%	

\* share price as of 29 November 2021

## **Asset Acquisitions**

The potential assets for acquisition will be from the Sponsor's extensive pipeline of income-producing commercial assets, as well as commercial assets owned by external parties.

## **Financing Strategy**


RCR will consider asset acquisitions via different financing methods as the case may be, including but not limited to tax-free exchange via asset-for-share swap or cash with the Sponsor, equity and debt capital raising transactions, bank loans, tax-free-exchange among others, depending on what is in RCR's best interests. As of current, RCR has zero debt and with Credit Rating of PRS Aaa (corp.), with a Stable Outlook, RCR's leverage limit has increased to 70% of the total value of its deposited property.



## 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 : **RL Commercial REIT, Inc.**

By :  **Anna Katrina De Leon**  
President  
RL Fund Management, Inc.

Date : 30 December 2021