

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. 29 December 2022
Date of Report (Date of earliest event reported)
2. SEC Identification Number 2022030044636-59
3. BIR Tax Identification No. 607-224-091-00000
4. PREMIERE ISLAND POWER REIT CORPORATION
Exact name of issuer as specified in its charter
5. PHILIPPINES
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
1747
Postal Code
7. 4th Floor Starmall IT Hub, CV Starr, Philamlife,
Pamplona Dos, Las Piñas City
Address of principal office
8. +63(2) 8734 5732 / +63(2) 8775 8072
Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>COMMON STOCK</u>	<u>3,288,669,000</u>

11. Indicate the item numbers reported herein:

Item 9(b)

In compliance with Rule 6, Section 10.1 of revised Implementing Rules and Regulations of Republic Act 9856 (REIT Act of 2009), PREIT hereby submits its Three-Year Investment Plan as prepared by VFund Management, Inc.

SIGNATURES

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.

PREMIERE ISLAND POWER REIT CORPORATION

5 January 2023

Issuer

Date


Karen G. Empaynado
Corporate Secretary



PREMIERE ISLAND POWER REIT CORPORATION
(Incorporated in the Republic of the Philippines)

Three-Year Investment Strategy

5 January 2023

This document was prepared by VFund Management, Inc. (“**VMI**”) for Premiere Island Power REIT Corporation (“**PREIT**” or the “**Company**”) in compliance with the reportorial requirements of the REIT Implementing Rules & Regulations under Republic Act No. 9856.

Use of this document

On the basis of the Investment Strategy submitted by Premiere Island Power REIT Corporation (“**PREIT**” or the “**Company**”), this document was prepared by VFund Management, Inc. (“**VMI**” 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**”) and the Philippine Stock Exchange (“**PSE**”).

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 PREIT, or a valid order of the SEC or the PSE. If you receive this document in error, please return to PREIT.

Disclaimer

This document contains forward-looking statements 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 the Company’s actual results, performance or achievements to be materially different from expected future results;
- performance or achievements expressed or implied by forward-looking statements;
- the Company’s overall future business, financial condition, and results of operations, including, but not limited to, financial position or cash flow;
- the Company’s 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 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 include, among other things:

- risks relating to the Company’s business and operations, including those relating to the Company’s limited operating history as a REIT and the Company’s ability to obtain and retain tenants in its properties;
- the Fund Manager’s ability to successfully implement the Company’s current and future business strategies and to manage our expansion and growth;
- increases in maintenance and operational costs;
- any material adverse change in the quality of the tenants in the Company’s 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;
- the Company’s 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;
- material changes to any planned capital expenditures for the Company's properties as a result of market demands, financial conditions, and legal requirements, among others;
- any other matters not yet known to the Fund Manager or not currently considered material by the Fund Manager.

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

PREIT expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's 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 the Company's 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 Investment Strategy are forward-looking statements. 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 Investment Strategy 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 the Company gives 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 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

PREIT was registered with the SEC on 4 March 2022, originally under the name Premier Island Holdings Corporation, primarily to engage in investment activities as an investment holding company. On 9 November 2022, the SEC approved the change of name of the Company to its current name and the change in its primary purpose to that of a real investment trust company.

On 15 December 2022, PREIT successfully completed its P2.4 billion initial public offering (IPO) through secondary sale of shares held by its Sponsors, S.I. Power Corporation ("**SIPCOR**") and Camotes Island Power Generation Corporation (the "**CAMPCOR**"), debuting with an initial portfolio of eight (8) properties with a total gross leasable area of 30,666 square meters.

PREIT is envisioned to be the power and infrastructure REIT platform of the PAVI Group (consisting of Prime Asset Ventures, Inc. and its subsidiaries, including the Sponsors) and aims to be among the leading power and infrastructure REITs in the Philippines in terms of portfolio, profitability, growth, sustainability, and dividend yield.

The principal investment mandate and strategy of the Company is to invest on a long-term basis in critical real estate and infrastructure that will not only expand its portfolio but enable the Company to attain its objective of meaningfully contributing to the promotion of clean, renewable and sustainable energy, as well as continue its progress on expanding social and missionary electrification.

The initial property portfolio of the Company consists of land and power plant assets utilized in the power generation projects of the SIPCOR and CAMPCOR (the "**Properties**"). Details of the Properties which meet the investment criteria are as follows.

- The properties used in the operation of the 12.8 MW heavy fuel oil (HFO)-fired power plants of SIPCOR located in Candanay Sur and Lazi, Siquijor consist of (a) power plants assets such as HFO diesel generator sets and perimeter fence; (b) building that houses physical structures; and (c) parcels of land (including the 3,000 sq.m. parcel of land located in Lazi, Siquijor, which is owned by the Company, and leasehold rights to parcel of land located in Candanay Sur, Siquijor) where the SIPCOR Power Plants are located.
- The properties used in the operation of the 8.4 MW power plants of CAMPCOR located in Poro and Pilar, Camotes Island, Cebu, consist of (a) buildings or powerhouse stations that house physical structures; and (b) parcels of land owned by the Company where such buildings are located.

Through the Company's Fund Manager, the Company intends to maximize investment returns by growing the gross revenue as well as the net operating income from the existing Properties over time, through active management of present and future property portfolio in order to secure income growth and provide a competitive investment return to our investors.

PREIT's Three (3)-Year Investment Strategy

The principal investment mandate and strategy of the Company is to invest on a long-term basis in critical real estate and infrastructure that will not only expand its portfolio but enable the Company to attain its objective of meaningfully contributing to the promotion of clean, renewable and sustainable energy, as well as continue its progress on expanding social and missionary electrification.

The Company and the Fund Manager, together with the Company's Property Manager, VProperty Management, Inc. (the "**Property Manager**") intend to work towards maximizing investment returns over time through active management of the properties owned now and in the future by the Company. The Company, the Fund Manager and the Property Manager aim to promote growth in returns by careful selection of properties, optimizing the properties owned now and in the future by the Company, and by taking advantage of desirable opportunities for property acquisition.

Investment Objectives

1. Efficient utilization of the Properties to maximize returns to investors;
2. Grow and diversify the PREIT's portfolio on power generation;
3. Maximize annual total investors return through organic growth and new acquisitions; and
4. Achieve stable returns to investors through rental escalations and maximum occupancy rate.

Investment Criteria

PREIT's principal investment strategy is to invest in income-generating real estate. A core tenet of the Company's investment policy is to invest in properties that meet a select set of criteria designed to provide a competitive investment return to investors once said properties are in operation.

To meet the Company's investment criteria, a potential property should:

- be capable of being efficiently utilized for renewable energy, including whether that property meets specific technical considerations such as proximity to transmission assets or existing connection assets;
- may be utilized for hybrid power generation facilities consisting of (i) renewable energy, and (ii) either (a) energy storage systems, (b) baseload power generation facilities, or (c) both;
- to the extent the property may best be utilized for social or missionary electrification, may be located in underdeveloped or missionary areas where the Company, the Sponsors, and/or the companies under the PAVI Group have completed and validated the availability and reliability of renewable energy resources, and such areas have the potential to drive long-term sustainable growth; and
- serve as an effective site for potential power generation lessees who are or will be well-placed to secure long-term offtake agreements with local electric cooperatives or distribution utilities in the absence of national-level electricity procurement programs such as the Feed-in Tariff (FIT), the Green Energy Auction Program (GEAP), or such successor programs headed or managed by the Department of Energy.

Performance Metrics

In line with PREIT's investment criteria, the following are the estimated performance metrics of the portfolio assets:

1. **Assets Utilized for Power Generation.** PREIT's asset portfolio comprise of land and power plant assets utilized in the power generation projects of the Sponsors.

Gross Leasable Area (GLA) of the Properties comprising the Company's current asset portfolio is as follows:

PROPERTIES	GROSS LEASABLE AREA (GLA)
SIPCOR Properties	
Land – Candanay, Siquijor	9,478 sq.m.
Land – Lazi, Siquijor	3,000 sq.m
Building - Candanay, Siquijor	353.2 sq.m.
Powerplant Assets – Candanay Siquijor	607 sq.m
CAMPCOR Properties	
Land - Camotes, Cebu	8,468 sq.m.
Land – Pilar, Cebu	7,938.5 sq.m.
Building – Camotes, Cebu	577.3 sq.m.
Building – Pilar, Cebu	244 sq.m

2. **Occupancy Rate and Long-Term Leases.** Average occupancy rate of PREIT leases remain high and stable with 100% occupancy rate and weighted average lease expiry of 9.25 years.

a. *Occupancy Rate*

PROPERTIES	GLA	OCCUPANCY RATE
SIPCOR Properties		
Land – Candanay, Siquijor	9,478 sq.m.	100%
Land – Lazi, Siquijor	3,000 sq.m	100%
Building - Candanay, Siquijor	353.2 sq.m.	100%
Powerplant Assets – Candanay Siquijor	607 sq.m	100%
CAMPCOR Properties		
Land - Camotes, Cebu	8,468 sq.m.	100%
Land – Pilar, Cebu	7,938.5 sq.m.	100%
Building – Camotes, Cebu	577.3 sq.m.	100%
Building – Pilar, Cebu	244 sq.m	100%

b. *Weighted Average Lease Expiration (WALE)*

PROPERTIES	WALE
SIPCOR Properties	
Land – Candanay, Siquijor	8 years
Land – Lazi, Siquijor	9 years
Building - Candanay, Siquijor	9 years
Powerplant Assets – Candanay Siquijor	9 years
CAMPCOR Properties	
Land - Camotes, Cebu	10 years
Land – Pilar, Cebu	10 years
Building – Camotes, Cebu	10 years
Building – Pilar, Cebu	10 years

Asset Acquisition

All 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 the SIPCOR, CAMPCOR and third parties.

Financing Strategy

Pursuant to the REIT Law, the total borrowing and deferred payments of a REIT should not exceed 35.0% of the Deposited Property. In the event that the Company intends to borrow beyond 35.0% of the Deposited Property, it shall achieve such a rating and publicly disclose it, as required under the REIT Law. Under no circumstances may the Fund Manager borrow on behalf of the Company from any of the funds under its management.

The Company's target/optimal capital structure is to limit its total borrowings and deferred payments to 35% of its Deposited Property.

SIGNATURE

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

PREMIERE ISLAND POWER REIT CORPORATION

By:


CECILLE MARIE H. BERNARDO
President
VFund Management, Inc.

Date: 05 January 2023