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Value Creator MUGUNGHWA TRUST

Partner for New Possibilities



Partner for New Possibilities

Value Creator



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Partner for New Possibilities

We are not afraid to take on big challenges and we take a leadership in market dynamics, keeping customer satisfaction our top priority.

Your most trusted partner for new possibilities!

We exceed your expectations!

Our innovative approaches will bring a better future for Korean financial market.

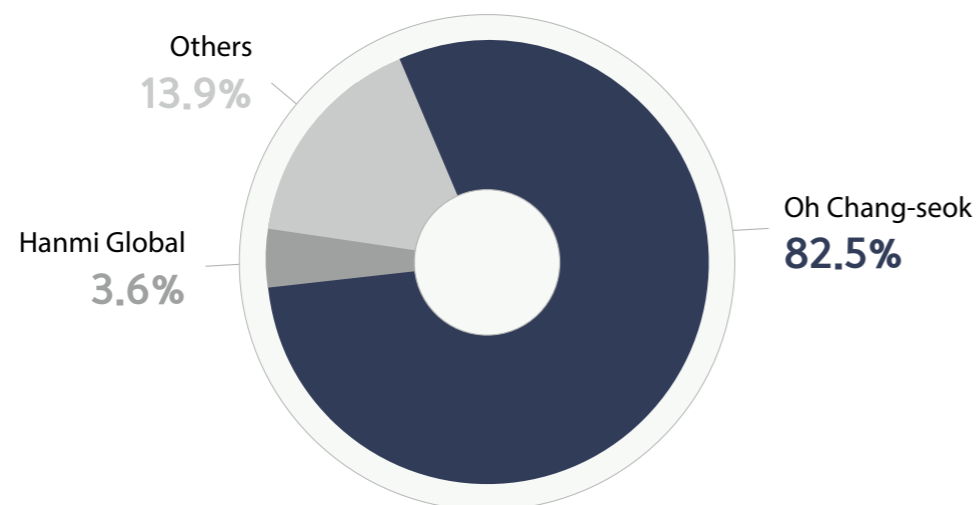
Overview (as of December 31, 2020)

Establishment	October 1, 2003 [Financial Business (Trust) License approval, August 26, 2009]
CEO	Kwon Jun-myung
Assets	KRW 294.2 billion (Equity Capital: KRW 135.6 billion)
Employees	339
Asset-under-Management	KRW 27 trillion 709.8 billion
Location	22F, POSCO Tower Yeoksam, 134 Teheran-ro, Gangnam-gu, Seoul
Home page	www.mghat.com

History



Shareholder Information (as of February 1, 2021)



Affiliates

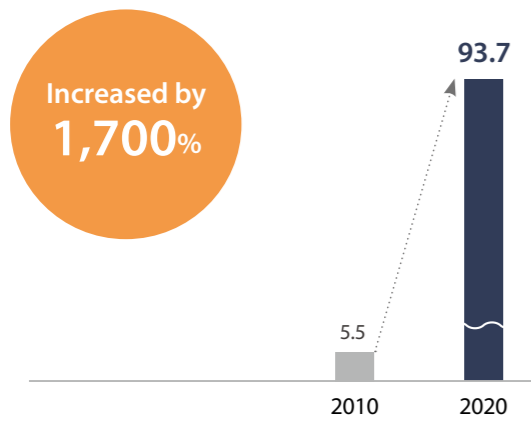


Company Growth

We continued to see healthy growth in our real estate investment trust operations.

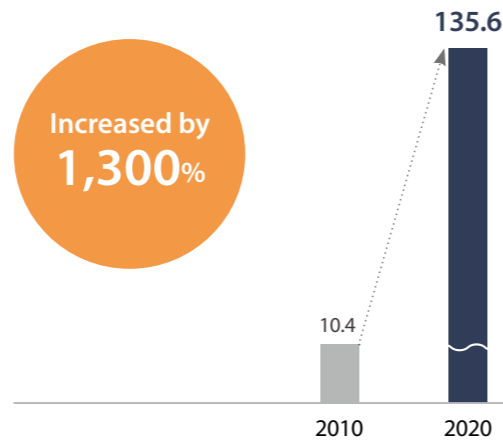
Operating Revenue

(Unit: KRW in billions)



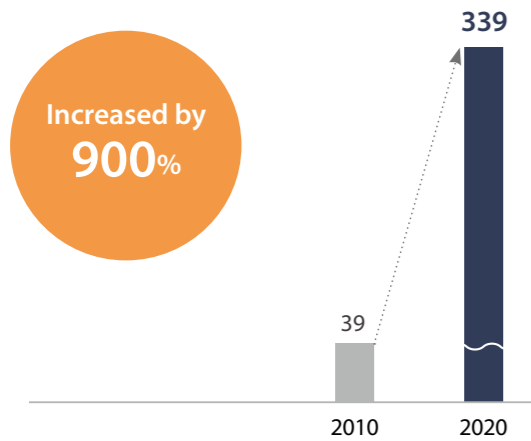
Equity Capital

(Unit: KRW in billions)



Employees

(Unit: Persons)



Credit Rating & Outlook

BBB⁺ / Stable

(NICE Investors Service, Jan. 14, 2021)

Financial Highlights

Our sound financial structure ensured sustainable growth.

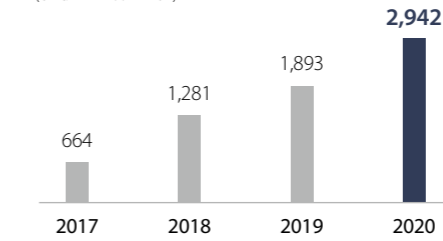
4-Year Financial Standing

(Unit: KRW 100 million)

	2017 (15th)	2018 (16th)	2019 (17th)	2020 (18th)
Total Assets	664	1,281	1,893	2,942
Total Liabilities	280	604	780	1,586
Total Equity	384	677	1,113	1,356
Capital	106	116	140	140

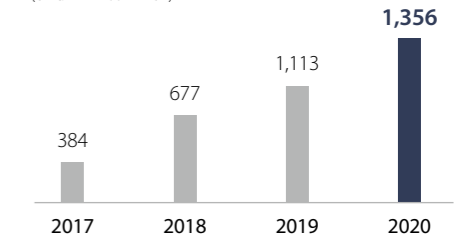
Total Assets

(Unit: KRW 100 million)



Total Equity

(Unit: KRW 100 million)



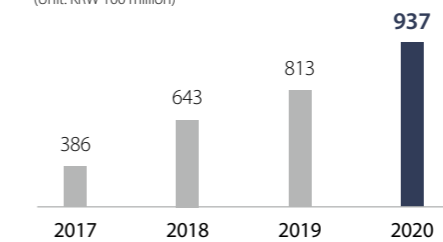
4-Year Operating Profit

(Unit: KRW 100 million)

	2017 (15th)	2018 (16th)	2019 (17th)	2020 (18th)
Operating Revenue	386	643	813	937
Operating Income	173	287	238	232
Net Profit	129	215	187	307

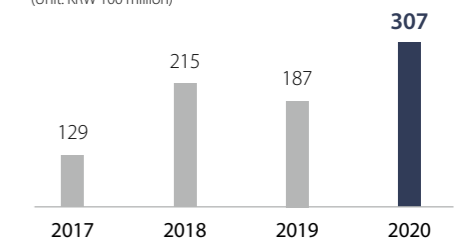
Operating Revenue

(Unit: KRW 100 million)



Net Profit

(Unit: KRW 100 million)





CEO's Message



“

Our primary goal is to enable customers and their business to thrive over the long term, using every financial expertise and knowhow in our possession.

”

Dear Customers,

With your continued support and cooperation ever since our foundation in 2009 we have accomplished a substantial market presence and a solid fundamental for future growth. Following commitment lies in the complete satisfaction of each and every product and service we offer.

First and foremost, we will do our utmost efforts to create values for you.

Our primary goal is to enable you and your business to thrive over the long term, using every financial expertise and knowhow in our possession.

Second, we will achieve more diversified products.

By utilizing well established business networks, leveraging affiliates and subsidiaries, as well as employing diversified business models, we will continue to improve existing products and develop new products for tailored customer services.

Third, we will gain your trust and confidence.

Your affection was a key to our success! Endlessly pursuing innovative ideas and keeping up with challenges ahead, we will become your most trusted business partner.

We will continue to create a better life of customers whom we serve and build a brighter future of communities in which we operate. Your continued support and encouragement will lead us to the top-tier real estate investment and financial organization.

Thank you.

Kwon Jun-myung
CEO
MUGUNGHWA TRUST Co., Ltd.



Directors & Officers



Lee Yong-man

Chair of Growth & Development Committee

Former,

- Finance Minister
- Chair of Bank Supervision Commission, BOK
- President of Korea Exchange Bank
- President of Shinhan Bank



Oh Chang-seok

Chairperson

Former,

- ICSID Conciliator
- Law Firm Gwangjang Partner
- Non-standing Director of Korea Deposit Insurance Corporation



Kwon Jun-myung

CEO

Former,

- Director of Trust Business Unit, Mugunghwa Trust
- Chief of Project Business Office, Korea Investment & Real Estate Trust
- Korea Appraisal Board



Jung Se-whoon

Director of Trust Business Unit

Former,

- Deputy Director of Trust Business Unit, Mugunghwa Trust
- Director of Trust Business Unit, Korea Real Estate Investment & Trust

[Chief Auditor]

Cho Joon-hee

Independent Director

Chair of Songsan Special-Purpose Elevators

Former,

- 23rd President of IBK Bank
- Vice Chair of Korea Online Privacy Association
- CEO/President of Yonhap Television News

[Independent Director]

Cho Joon-hee

Independent Director

Chair of Songsan Special-Purpose Elevators

Former,

- 23rd President of IBK Bank
- Vice Chair of Korea Online Privacy Association
- CEO/President of Yonhap Television News

Kwon Jong-ho

Independent Director

Chair of Korea Trust Association

Vice President of Konkuk University

Former,

- Dean of Konkuk University Law School
- Chair of Korea Economic Law Association

Lee Kye-joung

Independent Director

Professor at Seoul National University Law School

Former,

- Justice of Seoul Central District Court
- Associate at Judicial Research & Training Institute



Adjusting of Revenue Portfolio



Improving the fundamental structure by reorganizing product portfolio

From the very first day, we have successfully absorbed market forecast research and trends, attempting to diversify our business portfolio.

While refraining ourselves from complacent, we identify future growth engine and proactively response to changing business environment for achieving sustainable development in a long-term perspective.

Business Area

Our growth lies with the inter-organization synergy originating from autonomy-oriented and responsibility-based management practices in key business fields, such as Trust, Urban Regeneration, and Property Development & REITs.

Trust Business Unit	Sales and management of real estate trust, including collateral trust and management-type land trust
Strategic Business Unit	Expanding business network using a partnership with leading financial institutions, such as NH Bank
Future Business Unit	New business opportunities tapped by the advisory group consisting of experts with rich experiences in finance, development project, and construction & engineering



<p>Urban Regeneration Unit</p> <ul style="list-style-type: none"> Urban regeneration Small-scale property renovation Trust model-based reconstruction & redevelopment 	<p>Property Development & REITs Unit</p> <ul style="list-style-type: none"> Property development projects with REITs
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Trust Business Unit

“The primary goal of **Trust Business Unit** is to increase market share and take a leadership in changing trust industry’s paradigm, such as retail business, taking advantage of our stable business portfolio.”

Features The industry’s most stable portfolio ranging from Leverage-type Land Trust through Collateral Trust

Strategy

<p>Increased Share of Management-type Land Trust</p> <ul style="list-style-type: none"> Get and take advantages of an excellent credit rating Create synergy with affiliates’ resources Expand construction completion guaranteed management-type land trust Strengthen a partnership with contractors 	<p>Distinctive Approach to Small-Scale Residential Property Regeneration</p> <ul style="list-style-type: none"> Improve competency in small-scale property renovation Boost competitiveness in urban residential neighborhood regeneration projects Set up a management system for small-scale residential property regeneration projects 	<p>Extended Retail Business</p> <ul style="list-style-type: none"> Develop new products and explore B2C market opportunities Build a non-contact collateral Trust sales system
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Assets-under-Management

KRW 27.7 trillion (as of Dec. 31, 2020)

(Unit: KRW in billions)

Leverage-type Land Trust 325.6	Management-type Land Trust 4,254.5	Management Trust 161.2
Disposal Trust 632.7	Collateral Trust 21,726.7	Sales Management Trust 608.9

Strategic Business Unit

“The primary goal of **Strategic Business Unit** is to secure No.1 market share in collateral trust sector through building the industry’s first national business network.”

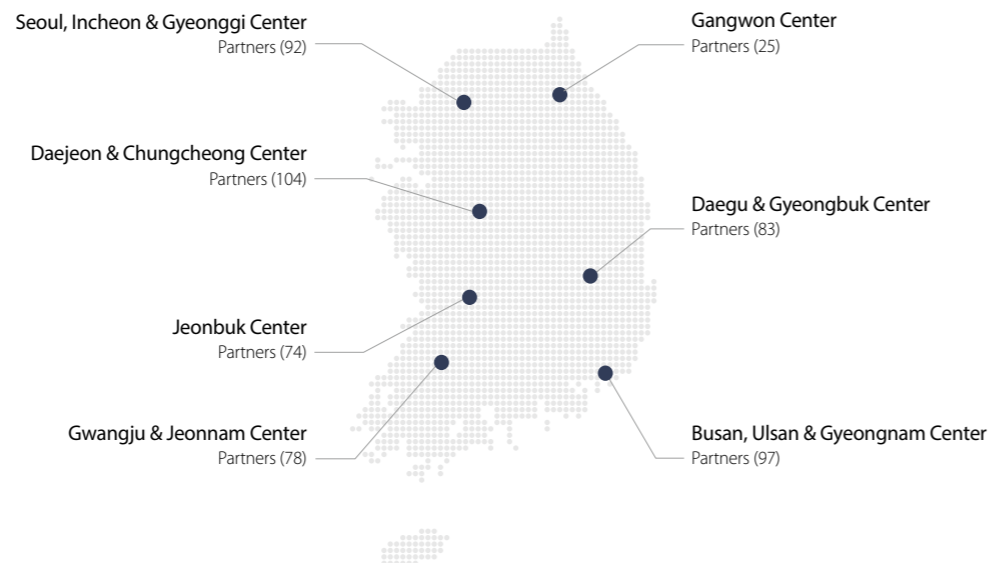
Features

Six regional service hubs supported by financial experts, and excellent sales forces connected with a financial network of 553 partners across the country.

Strategy

- | Specialized Collateral Trust Sales | Extended Financial Network | Empowered Regional Centers |
|--|---|---|
| <ul style="list-style-type: none"> Enforce marketing activities by placing financial experts Operate and manage professional sales organizations | <ul style="list-style-type: none"> Redesign operational organizations tailored to corresponding financial institutions Add 2,500 new partners into existing network | <ul style="list-style-type: none"> Operate major regional centers Establish a national-wide customer service system |

National Service Center Network



Urban Regeneration Business Unit

“The primary goal of **Urban Regeneration Business Unit** is to become an unparalleled player in trust model based urban regeneration projects, ensuring customers’ housing welfare.”

Features

Competent human resources in urban regeneration, property development, finance, and legal affairs. Total Solution Provider, capable of project planning, execution, and follow-up management.

Strategy

- | Project-specific Services | Distinct Project Management Skills | Collaboration with Affiliates |
|---|---|--|
| <ul style="list-style-type: none"> Propose a strategy for maximum asset value Maximize marketability Minimize construction costs | <ul style="list-style-type: none"> Secure necessary permits & licenses in time Amicably resolve conflicts among stakeholders Quickly stabilize the project | <ul style="list-style-type: none"> KRW 13 trillion worth of assets under management of affiliates <ul style="list-style-type: none"> Hyundai Asset Management KREITs Investment Management Closely collaborate with affiliates Firmly secure project funds |

Key Projects

Korea’s largest ever trust model based urban regeneration project (5,050 homes)
Incheon Cheongcheon District-2 Redevelopment



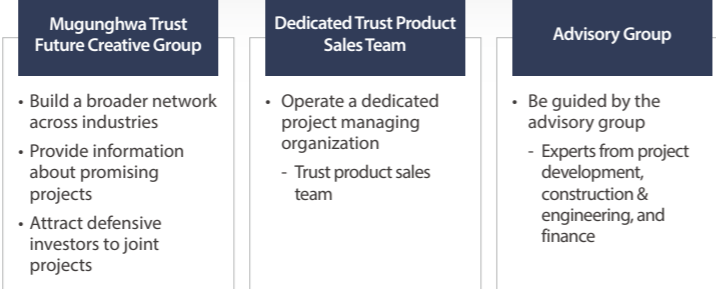
Future Business Unit

“The primary goal of **Future Business Unit** is to strengthen sales capabilities through expanding our sales network in each sector.”

Features

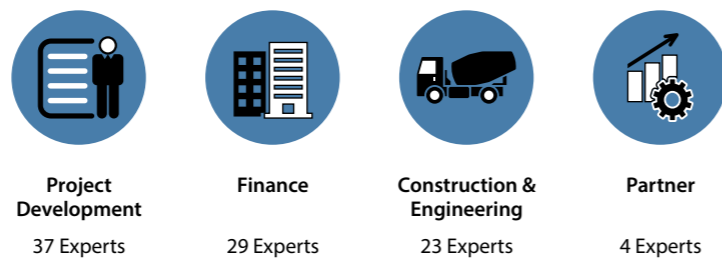
Operate by the Advisory Group of rich practical experiences in project development, construction & engineering, and finance, and the Mugunghwa Trust Future Creative Group.

Strategy



Mugunghwa Trust Future Creative Group

The industry's first attempt to set up a real estate development eco-system using independent expert network.



Property Development & REITs Business Unit

“The primary goal of **Property Development & REITs Business Unit** is to explore property development project market through organizing expert groups and obtaining REITs AMC license, and also to create synergy with trust projects and urban regeneration projects.”

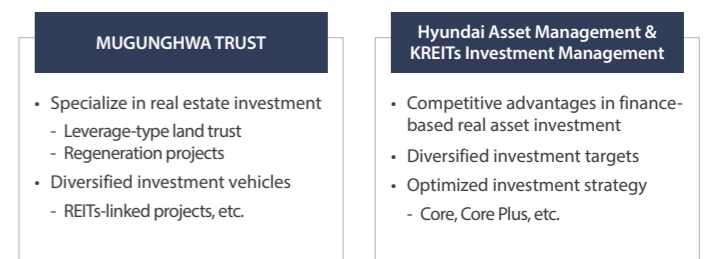
Features

Expert groups for real estate development and REITs projects. Real estate and financial value chain supported by inter-organizational synergy.

Strategy

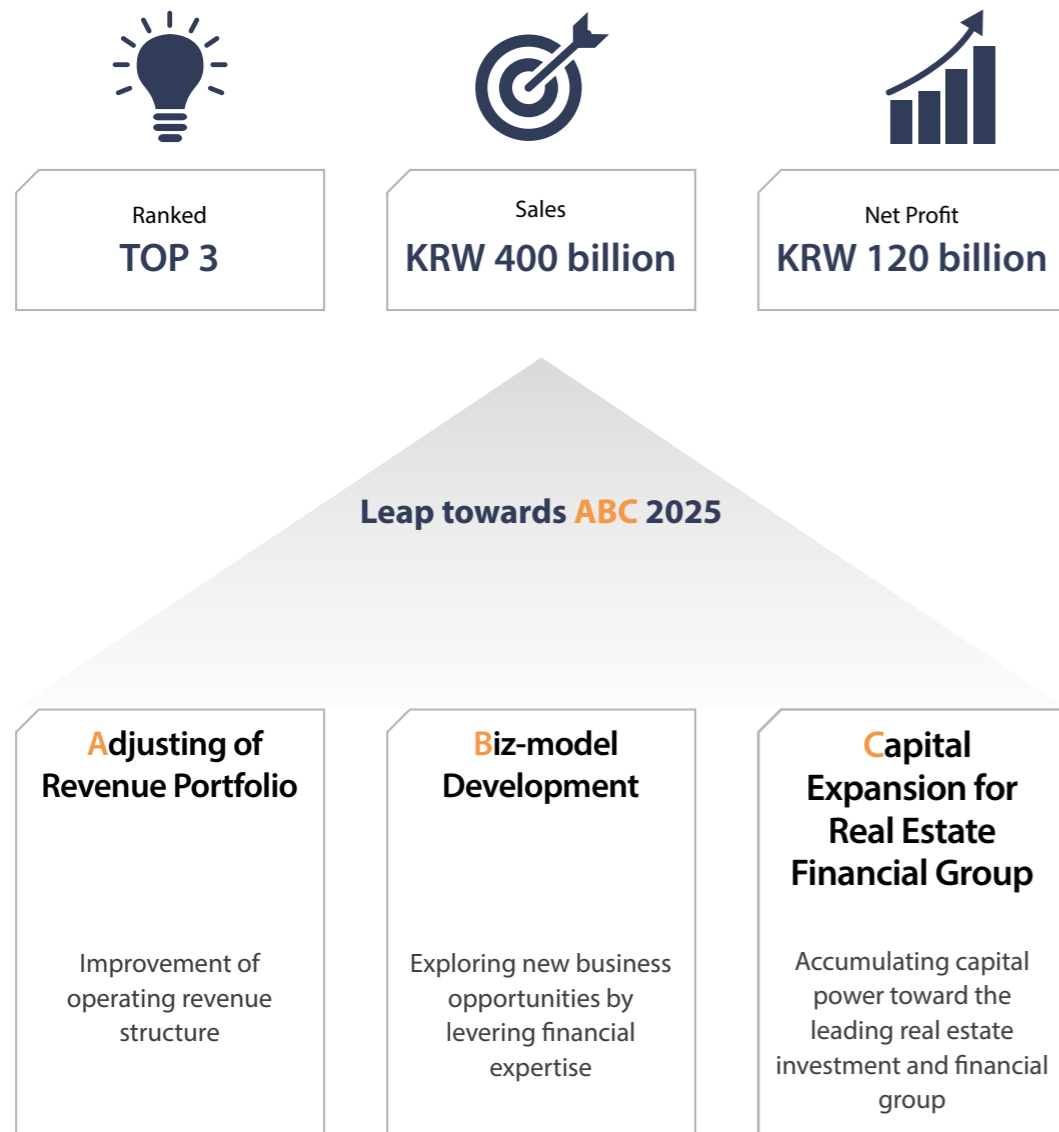


Synergy from Total Value Chain



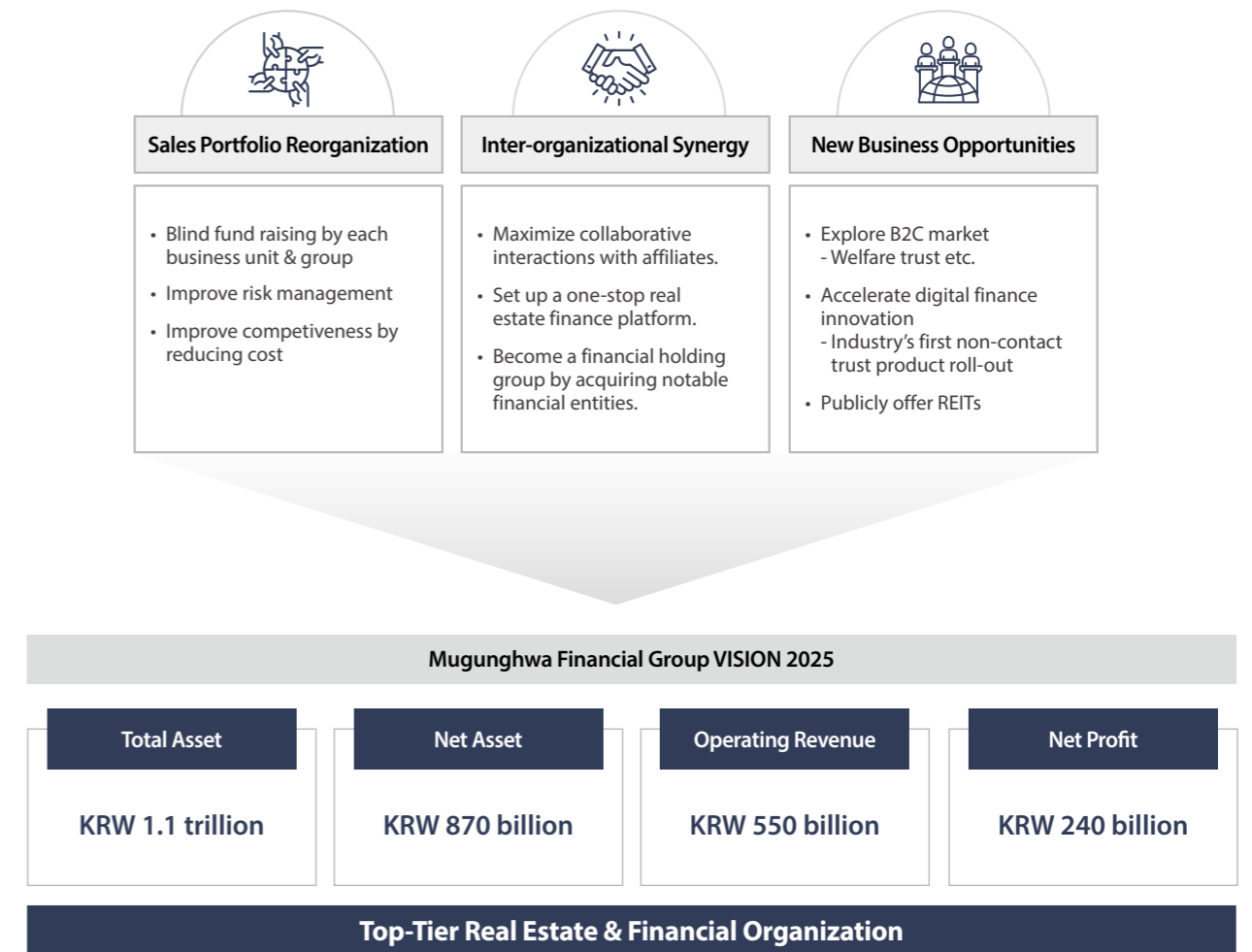
VISION 2025

Creating customer values Leading Real estate & Financial Group



Sustainable Mugunghwa Financial Group Eco-system

Qualitative growth leads to higher profits and sustainable Mugunghwa Financial Group eco-system.





Biz-model Development



**Exploring new business opportunities
by leveraging financial expertise**

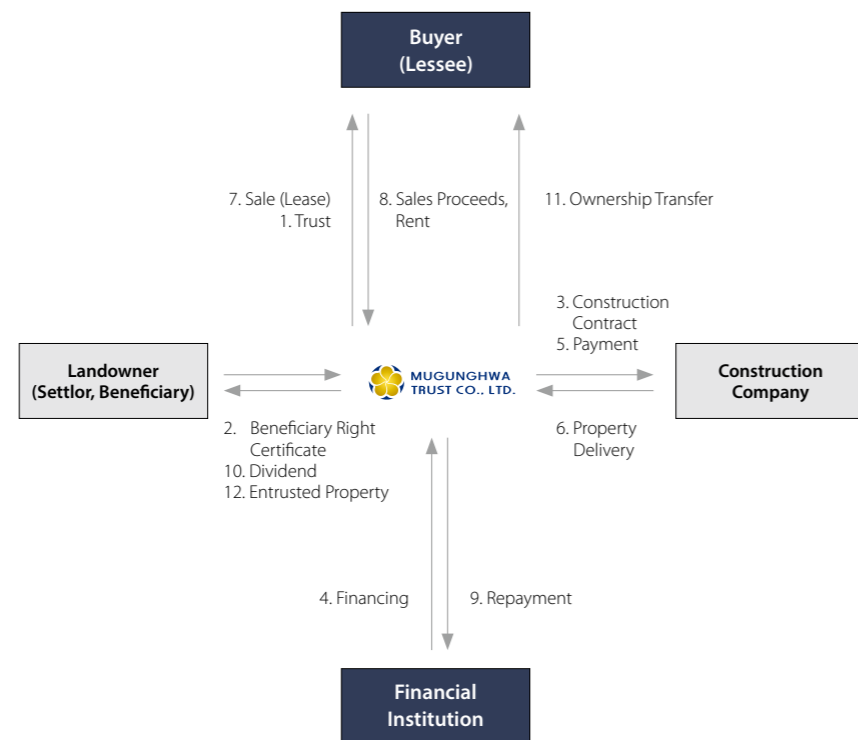
We continue to expand our footprint in future-oriented business sectors for our next generations.

Reorganization through securing and developing competent workforce, promises a sustainable growth.

Leverage-type Land Trust

Land development for maximized profits

Land Development Trust is a product entrusted by landowners lacking in development know-how or financial resources to a trust company to gain profits through efficient utilization of a land. Taking landowner's position and experts' advices into account, a trust company proceeds to project fundraising, housing site development, and/or property construction. Then it returns a certain portion of profits generated from sales and/or lease of the property to a landowner.



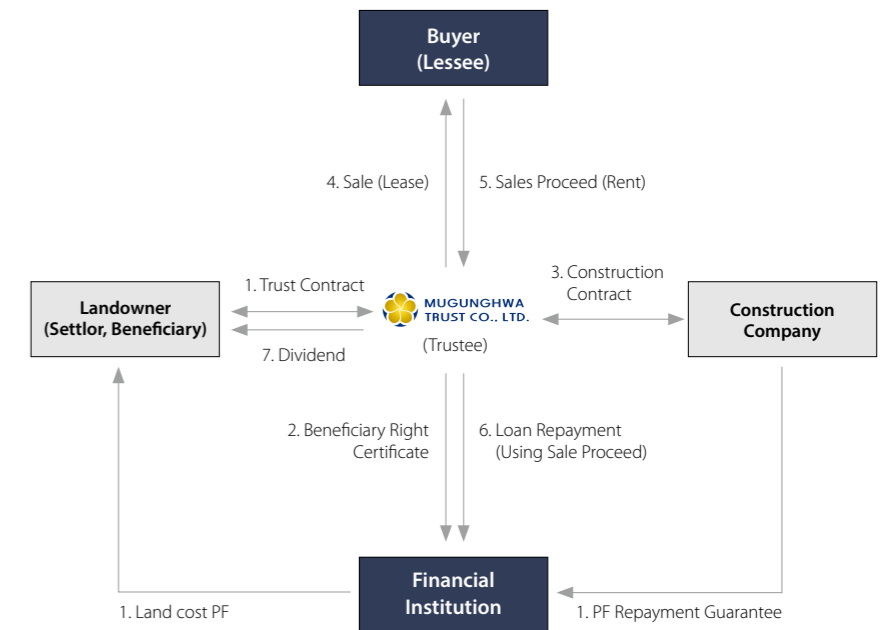
Advantages

- 01 Land development process is effectively performed by experts even if you are lack of financial resources or professional experience in construction.
- 02 You may avoid financial burdens and tricky procedural formalities.
- 03 Land owner enjoys maximized profits.
- 04 Reputable project operator's involvement in sales and lease ensures a better outcome.

Management-type Land Trust

Ultimately stable project execution and sales

Management Land Trust is similar to a general land (development) trust, but it uses different funding mechanism - a settlor directly finances funds from financial institutions and developers. Hedging bankruptcy and default risk allows a project to go on wheel all the way through from planning to sales.



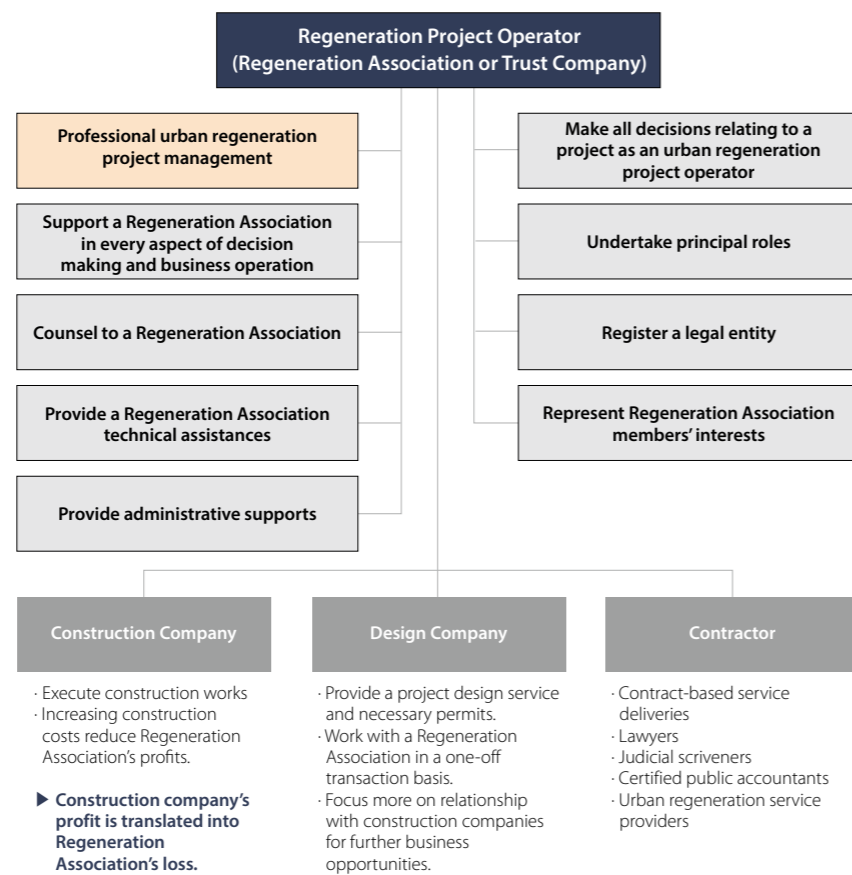
Advantages

- 01 Entrusted assets are managed safely and separately and a trust company is the one who actually execute a project, so that every step goes on well even if a settlor declares bankruptcy or default.
- 02 A trust company is a contractual party to the sale (lease) agreement. This can prevent any contract fraud (such as a dual contract practice) and any misappropriation of cash assets generated from property pre-sales.
- 03 All stakeholders are entitled to practically exercise their rights - for example, buyers can move in to their property as scheduled - by avoiding any delay in project progress due to possible conflicts arising out of disputes between a developer and a contractor, such as breach or non-performance of contractual obligations or any unfair practices.

Urban Regeneration

Reliable and efficient project management

Urban Regeneration is to increase city's overall value by renewal and reconstruction of utilities, houses, and neighborhood environment within an urban regeneration area. A trust company undertake all necessary procedures as an operator or such operator's agency.



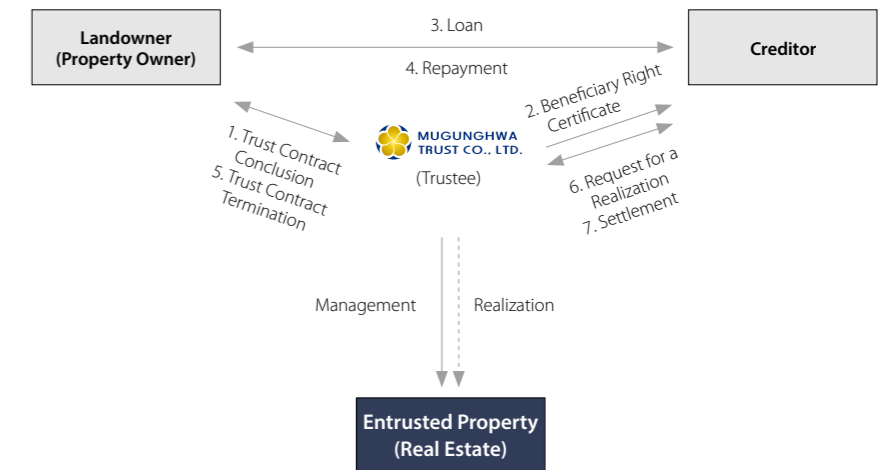
Advantages

- 01 A trust company mobilizes all necessary resources ranging from fund, administrative works through technical assistances.
- 02 A trust company efficiently manages the entire course of reconstruction and redevelopment project, including incorporation and dissolution of a Regeneration Association.

Collateral Trust

Convenient and cost-saving collateral trust product

Collateral Trust is less costly than a mortgage loan as it allows a landowner easily access to an appropriate loan using real estate properties. Instead of its own properties, a landowner provides financial institutions a beneficiary right certificate which explicitly indicates a trust company as a primary beneficiary, as its collateral for a loan.



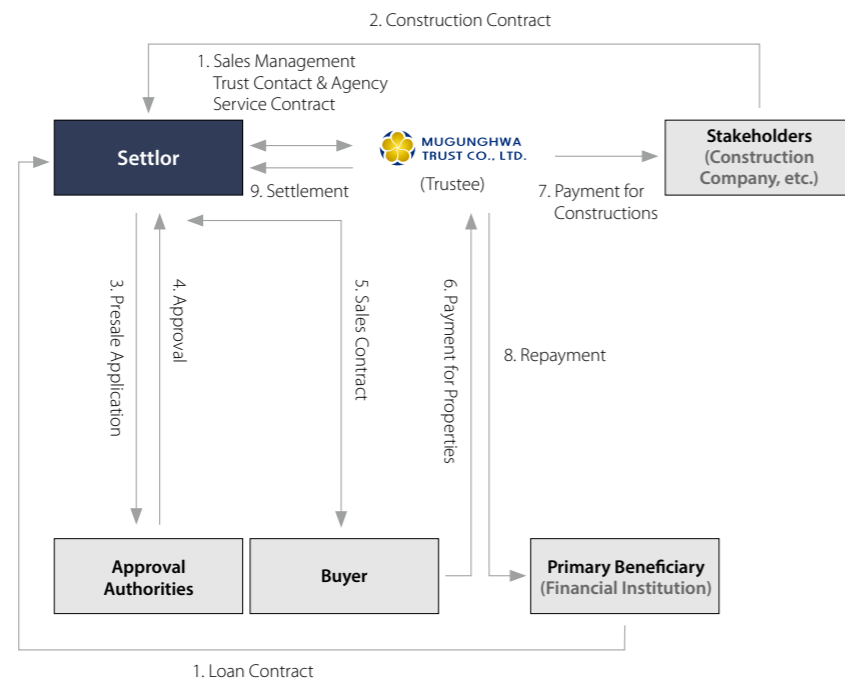
Advantages

- 01 Collateral trust products are less costly than mortgage products.
- 02 A trust company carries out appraisals of properties before financial institutions accept a loan proposal, and such properties remains under trust company's management until a loan is repaid.
- 03 A primary beneficiary is protected from any claim made by third parties during a loan period.
- 04 At the event of default, entrusted properties are realized into a cash that is primarily repaid to a creditor and any balance is to be returned to a settlor.

Sales Management Trust

Provide buyer protection and reputable business operations

Sales Management Trust is designed to systematize complicate property sales process – particularly, commercial properties – ensuring presales, process management, and reliable project operations in accordance with the Property Sales Act. For buyer protection, entrusted property is under trustee’s custody and management, and such properties are realized and/or liquidated at the time of settlor’s default.



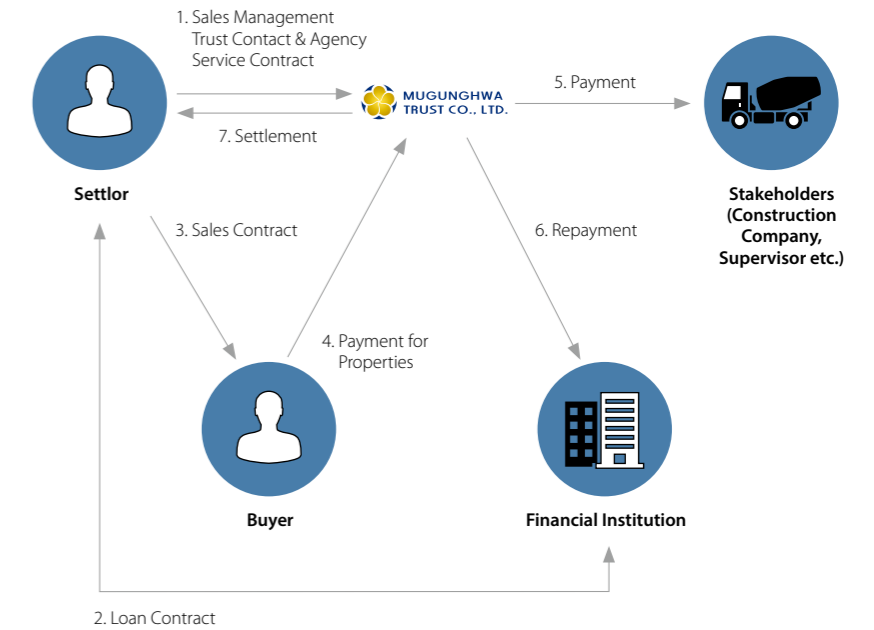
Advantages

- 01 The Property Sales Act properties allows pre-sales of properties under construction and this relieves.
- 02 Transparent and reliable property transaction mechanism protects buyers from interrupted operations when a developer fails to obtain necessary licenses or to purchase project land.
- 03 A strong buyer protection boosts presale performances.

Agency Service

Stable financial management with high credibility

On behalf of customers, a trust company carries out complicate and hectic property-related businesses, including project planning, land purchase, fund raising, license, sales, and fund management, leveraging its market reputation and expertise.



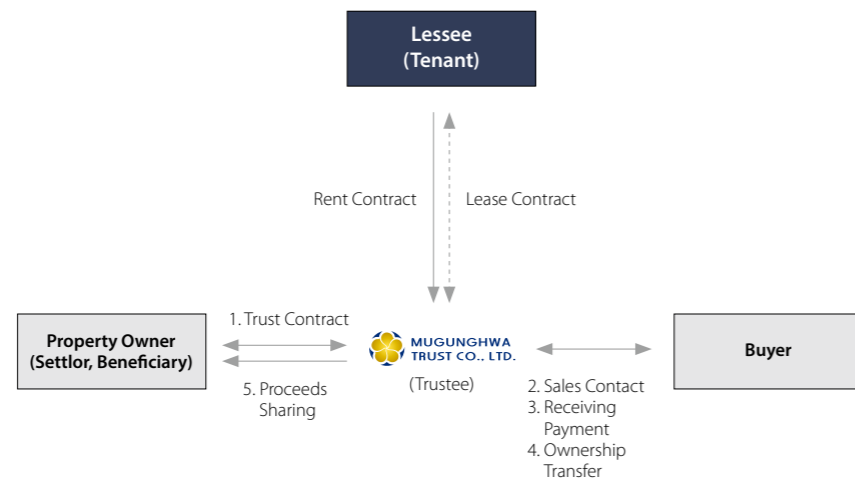
Advantages

- 01 Trust company’s high credibility helps conclude more transactions in every scenario.
- 02 Trust company’s expert knowledge and information power ensure more elaborated project planning, appropriate construction company selection, and shortening approval.
- 03 If cash assets generated from property pre-sales are under trust company’s custody, it addresses any uncertainty, so that buyers are more confident and financial institutions are more likely to accept loan proposals.

Disposal Trust

Excellent performance with diverse sales techniques and network

Disposal Trust is an ideal product for disposal of real estate properties that are large, expensive, or have very complicate ownership structure. On behalf of property owners, a trust company takes care of every transaction, including buyer selection, sales agreement, and proceeds sharing. Unlike the case of ordinary broker services, a trust company holds seller's rights and power so that buyers gain more confidence in properties and transactions.



Advantages

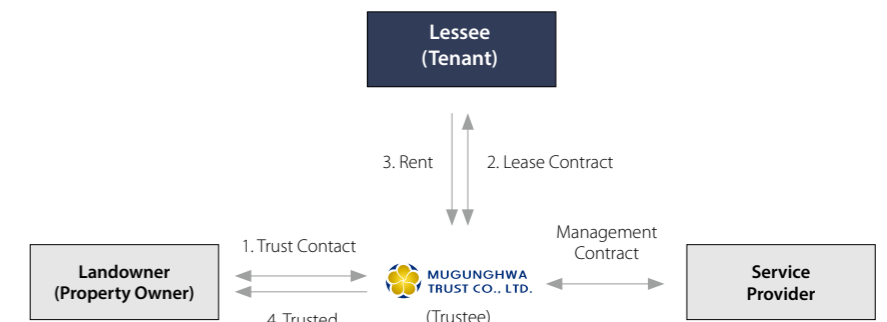
- 01 Ownership over properties is secured even it takes a long time until all balances are paid up.
- 02 Unlike ordinary brokers, a well-known trust company gives buyers more stability.
- 03 Real estate properties are disposed appropriately, promptly, and safely.

Management Trust

Effective real estate asset management tool

Management Trust is a product for reduced management cost and increased property value through professional real estate asset management services. There are two types: Type-A provides a comprehensive operational management services covering ownership issues, lease contracts, maintenances, as well as legal and tax affairs relating to trusted properties; and Type-B provides ownership management services only.

[Comprehensive Management]



[Ownership Management]



Advantages

- 01 Trust company's high credibility and business network helps add more value to and revenue from real estate properties.
- 02 A trust company provides professional efficient property management services and drastically reduces management costs.

Consulting

Optimized real estate property utilization and fund-raising solutions

With in-depth researches and analysis, a group of real estate experts advises customers of the best way to develop or utilize properties and to organize monetary resources.



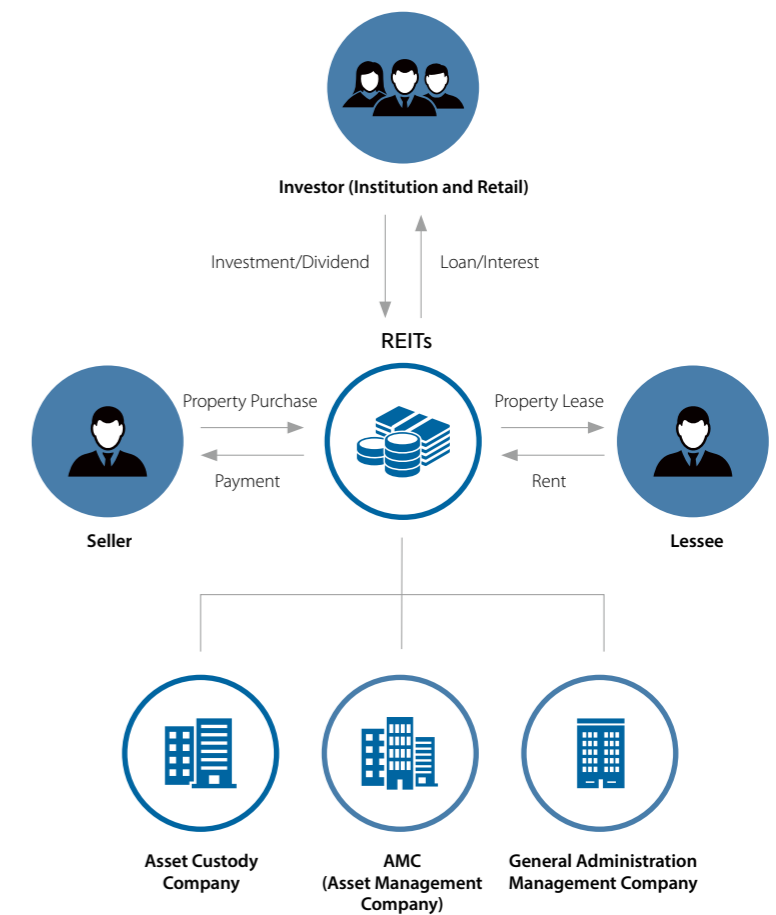
Advantages

- 01 Experts offer the most practical utilization plan, including site selection and feasibility analysis.
- 02 Experts also provide property development and investment related legal and tax counseling services
- 03 Real estate consulting service includes development planning, sales, purchase, lease, swapping and more.

REITs

Professional assets management and scientific investment technique for consistent income

REITs (Real Estate Investment Trusts) refer to companies (or any services offered by such companies) that own and operate income (rent, sales margin, and development-derived income)-generating real estate, using resources contributed by multiple investors and distribute realized gains to their investors through dividends.





**Capital
Expansion for
Real Estate
Financial
Group**



**Inter-organization synergy-based
'Single-Window Service'**

Synergy leveraging affiliates-involved value chain provides us with a competitive edge.

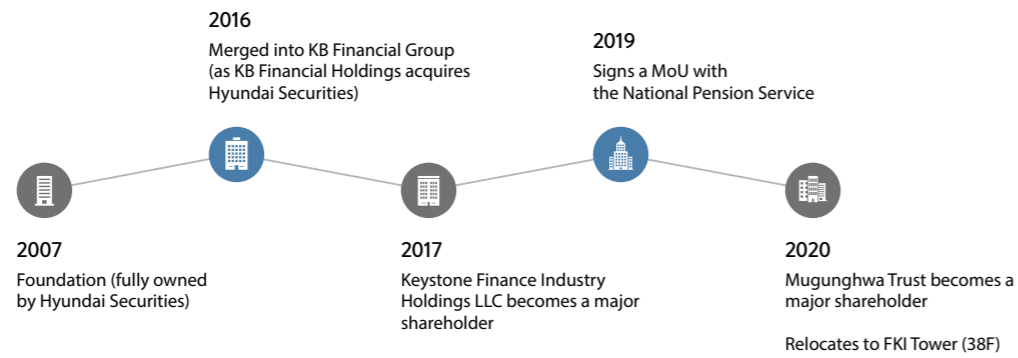
We will capture additional market segments with collaboration of Hyundai Asset Management and KREITs Investment Management.

Hyundai Asset Management

Overview

Name	Hyundai Asset Management Co., Ltd.
Capital	KRW 30 billion
Foundation	November 24, 2008
Employees	159 (as of February 28, 2021)
Organization	6 Business Sectors, 15 Units, 3 Groups, 32 Divisions, and 50 Teams

History



VISION

VISION 2025

Global Asset Management & Capital Firm

Slogan

Hyundai led Finance, Hyundai leads to the World!

Core Value

**Respect
To the Customers**

**Responsibility
For the Customers**

**Reputation
From the Customers**

Key Business

As one of the leading capital firms, we provide a wider range of financial services and the best investment solution. Our comprehensive financial services include operation and consulting covering both traditional assets and alternative assets.



Asset Management (AM)

Traditional assets (stock, bond, and quant) management

Alternative assets (domestic and foreign real estate/special assets) management



Corporate Finance (IB)

Real estate/special assets-related financial consulting

Real estate/special assets-related fund management. Real estate/special assets-related fund management



Private Equity (PE)

PEF pooling and general partner operations

PEF management



Development Investment (DI)

Real estate development project

Real estate/special assets-related fund management

Real estate asset development project counsel and consulting



Real Estate Investment Trusts (REITs)

Foundation and operation of REITs.

Real estate fund and discretionary-account asset management

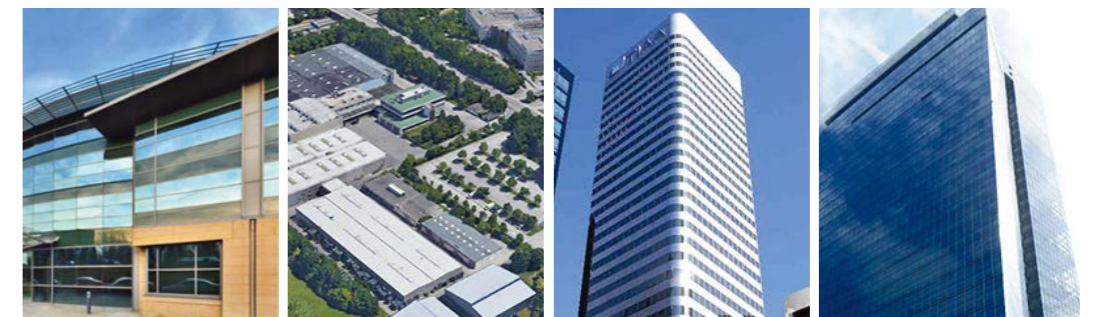


Asset Management Company (AMCO)

Real estate/special assets-related financial consulting

Real estate/special assets-related fund management

Portfolio



[U.K.] Edinburgh
Leonardo Office

[Germany] Munich
Volkswagen Logistics Center

[U.S.] Denver
Broadway Building

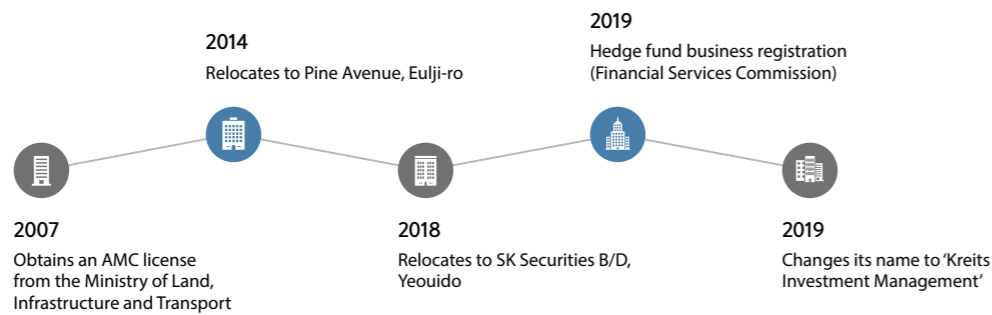
[Korea] Song-do
IBS Tower

KREITs Investment Management

Overview

Name	Kreits Investment Management Co., Ltd. (CEO Jeong Dae-Hwan)
Capital	KRW 17.5 billion
Foundation	May 2007
Employees	26 (as of February 28, 2021)
Organization	3 Units, 3 Divisions, and 11 Teams

History



Key Business

Kreits Investment Management is a real estate asset management service provider, adding value to your real estate investment.

Market insights and unique strategies allow us you offer a wider selection of investment opportunities, including office buildings, logistics facilities, retail shops, rental housings, hotels, and golf courses.



Real Estate Funds (REFs)

Offering and operation of real estate funds



Project Financing Vehicle (PFVs)

Project finance vehicles and asset management under the corporate tax laws



REITs

Foundation and asset management of REITs

VISION

VISION 2025

2nd Tier Asset Market No.1

Value Driver

The most attractive asset management company for the talents!

No. 1 priority is our investors and their value innovation.

Core Value

The way of thinking and working we do aims investors' success.

We truthfully and sincerely fulfill our duties for achieving targeted performance.

We are passionate about adding new values and we will never be afraid of failure.

Portfolio



Bundang M-Tower
REF



Sunae Finance Tower
REF



The Raum Penthouse
PFV/AMC



Gangdong Green Tower
REITs

Mugunghwa Trust Co.,Ltd

Park, Hyun Jun, Credit Analyst, 02.2014.6368 hjpark@nicerating.com
 Lee, Kang Wook, General Manager, Financial Institutions Ratings Dept. 2 +822.2014.6254 lkwo@nicerating.com

Rating Action

BBB+/Stable	Rating Action		Effective Rating	
	Rating Action	Issuer credit rating (KRW/FC)	Issuer credit rating (KRW/FC)	BBB+/Stable
	Type	Initial rating		
	Date	14 Jan 2021		

PROFILE

Type	Performance	Outlook
Business risk	BBB	BBB
Financial risk	BBB	A
Outlook/	+ 0	-
Other rating factors		
Affiliate factors	+ 0	-

Rating history



Key Financial Indicators

Accounting Standards	100 MILL. KRW					
	K-IFRS	K-IFRS	K-IFRS	K-IFRS	K-IFRS	K-IFRS
Financial statements	Non-consolidated basis					
	2015	2016	2017	2018	2019	2020.9
Pre-Provision Operating Profit (PPOP)	85	135	180	290	274	172
Net income	59	104	129	215	187	231
Total assets	255	370	664	1,282	1,893	2,862
Total borrowings	0	0	140	351	404	1,047
Equity	183	271	384	677	1,113	1,283
PPOP ratio (%)	39.9	43.2	34.7	29.9	17.0	8.7
ROA (%)	27.5	33.2	24.9	22.1	11.7	11.7
Risk asset coverage (%)	142.8	741.7	98.1	92.1	136.3	65.6
Lending to trusts/Equity (%)	67.1	10.9	37.3	63.9	28.0	81.2
Debt ratio (%)	39.5	36.8	73.0	89.2	70.1	123.1
Fee income M/S(%)	4.1	3.9	4.4	6.4	7.9	8.4

Based on audit reports and business reports

PPOP = operating income + expenses related to loans and etc. - revenues related to loans and etc. + contribution to specific provision for doubtful debts (regarding lawsuits) - reversal of specific provision for doubtful debts (regarding lawsuits)

Risk asset coverage = (Provision for doubtful debts + equity) / (Lending to trusts + marketable securities and etc. - low risk loans including investments in bonds under repurchase agreements) * 100

Fee income M/S refers to the share of Mugunghwa Trust's fee income relative to the total fee income of fourteen real estate investment trusts (the fee income of Shinyoung Real Estate Trust is not included as it has not disclosed the recent quarterly report (the third quarter of 2020). This is due to its different closing date.)

Rationale

- Rating
 - It stays competitive in management-type land trust and trusts other than land trusts
 - While bad debt risks are low thanks to the business portfolio, litigation risk exists
 - Profitability indicators remain strong thanks to an increase in new orders
 - Its asset quality remains strong with good capital adequacy
 - The Company is unlikely to run into a short-term liquidity risk considering its equity on hand
- Outlook
 - Its business and financial stability would remain stable based on its sound business portfolio focusing on management-type land trusts-trusts other than land trusts

Getting closer to Customers MUGUNGHWA TRUST

Excellent Customer Experience

Customer is our top priority and we serve you better and the best.



Expertism

We learn from financial experts and so we become a real expert in finance.



Constant Evolution

We are not afraid to take on big challenges and we take a leadership in market dynamics.



Fairness and Transparency

We pursue fair and transparent financial business practices.



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