STRATEGIC TRAJECTORY AND CAPITAL ALLOCATION REVIEW

BOARD PRESENTATION

Q4 2026

EXECUTIVE SUMMARY

STRATEGIC BASELINE

THE BASELINE

Core portfolio cash flows remain resilient with strong Net Operating Income (NOI), effectively insulating Net Asset Value (NAV) against macroeconomic cap-rate expansion.

STRATEGIC PIVOT

THE PIVOT

Future yield generation requires pivoting from traditional asset management to active ESG repositioning and technology-enabled tenant retention.

STRATEGIC MANDATE

THE MANDATE

Seeking board approval to reallocate operational cash flow toward high-growth vectors, specifically PropTech integration and aggressive ESG capex programmes.

MACRO HEADWINDS

INTEREST RATES
Yields caused +150bps upward shift YoY.

CONSTRUCTION INFLATION
Baseline costs elevated by +6.2% YoY.

SUPPLY CHAIN
Volatile lead times for high-spec systems.

SECTOR TAILWINDS

GRADE A OFFICE
Accelerating flight-to-quality for top amenities.

URBAN LOGISTICS
Persistent supply constriction in last-mile.

PREMIUM RETAIL
Robust footfall recovery in prime locations.

MARKET DYNAMICS

KEY INSIGHT

Macroeconomic drag is accelerating the bifurcation of the market; prime, ESG-compliant assets maintain liquidity and rent premiums.

VALUATION BRIDGE: OFFSETTING CAP-RATE EXPANSION

Conclusion:*Intense active asset management and robust NOI growth have successfully offset the heavy valuation drag caused by market-wide cap rate expansion, keeping net valuation positive.*

CASH FLOW SECURITY & RENTAL PROGRESSION

The defensive nature of our asset registry ensures consistent capital performance even during volatile business cycles.

INSTITUTIONAL CREDIBILITY

98% of rent collected within 30 days, backed by blue-chip, sovereign, and investment-grade corporate covenants.

POSITIVE REVERSIONARY POTENTIAL

Embedded rental review clauses capture an average **+8.5% upside** against current market rents on renewals.

TENANT STICKINESS

Aggressive proactive renewal outreach has shortened transition vacancies to historic lows.

PORTFOLIO SEGMENT MATRIX

SECTOR SEGMENT	TARGET YIELD	OCCUPANCY	VALUATION SHIFT	CAPEX NEED
Grade A Office	4.5%	96.2%	↑ UPWARD	High / ESG Retrofit
Urban Logistics	5.2%	98.4%	↑ UPWARD	Low Maintenance
High-Street Retail	6.1%	89.5%	→ STABLE	Medium Cosmetic
Legacy / Non-Core	7.2%	81.0%	↓ DOWNWARD	Critical / Divest

STRATEGIC DIRECTIVE

Capital must be systematically recycled out of Legacy assets to fund the high Capex requirements of maintaining Grade A office premiums and smart-building upgrades.

TENANT EXPOSURE

TMT (TECH & MEDIA)

Highly dynamic segment showing rapid scale but elevated mobility requirements. Demands flexible floor layouts and premium digital connectivity footprints.

FINANCIAL & PROFESSIONAL

Extremely stable core base displaying strong preference for premium, centrally-located headquarters with strict ESG environmental credentials.

GOVT & PUBLIC SECTOR

Ultra-stable counter-cyclical anchor tenants carrying multi-decade WALT profile. Immune to short-term market fluctuations.

RENEWAL STRATEGY

Securing the Year 3 Expiry Spike

The upcoming expiry spike is heavily weighted toward Financial Services. Securing these renewals demands immediate initiation of ESG upgrades and high-performance building infrastructure.

ORGANIC GROWTH

MECHANISM
Asset repositioning, density optimization, and smart retrofits.

RISK PROFILE
Low — primarily execution and project management risk.

ROI: 12-24 Months

INORGANIC GROWTH

MECHANISM
Distressed M&A, brownfield redevelopments, and logistics parks.

RISK PROFILE
High — market-cycle and municipal zoning planning risk.

ROI: 36-60 Months

GROWTH PATHWAYS

STRATEGIC DIRECTIVE

Prioritise Organic Growth through asset repositioning in the near-term to protect yields, reserving Inorganic capital for opportunistic distressed acquisitions in late Q4.

CAPITAL ALLOCATION ENGINE

Capital Stance:

We are actively redirecting capital from passive legacy holding strategies into an active, tech-enabled, ESG-compliant growth engine.

PILLAR 01

ESG UPGRADES

Protecting the baseline by transitioning assets to net-zero, upgrading envelope insulation, and installing solar microgrids to satisfy legislative pressures.

PILLAR 02

ORGANIC GROWTH

Maximizing yield on current space through intelligent density reconfiguration, wellness amenities addition, and collaborative common areas.

PILLAR 03

TECH INFRASTRUCTURE

Developing unified data systems, IoT sensors, and prop-tech platforms to streamline property operations and build a scalable system.

THE SUSTAINABILITY VALUATION CURVE

THE GREEN PREMIUM

Early net-zero positioning drives significant yield compression and commands up to **12% premium rental rates**. ESG-compliant assets maintain superior liquidity in volatile markets.

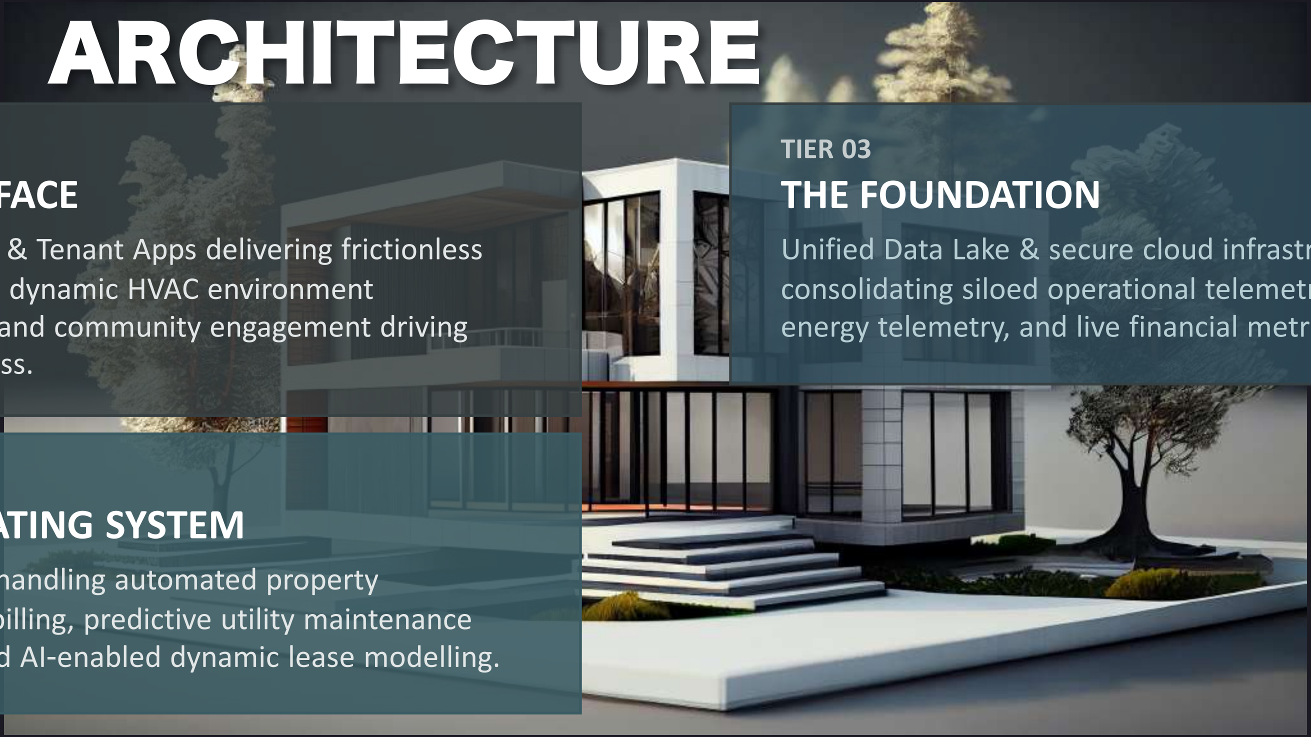
THE BROWN DISCOUNT

Unprepared properties face severe valuation erosion, stranded asset risk, and diminished secondary liquidity due to legislative penalties and shifting tenant mandates.

STRATEGIC COST OF INACTION

Defending Net Asset Value requires active environmental capex allocation now. Sustainability is no longer an optional upgrade but a core requirement for institutional-grade portfolios.

TECHNOLOGY ARCHITECTURE



TIER 01

THE INTERFACE

Smart Building & Tenant Apps delivering frictionless access control, dynamic HVAC environment management, and community engagement driving tenant stickiness.

TIER 03

THE FOUNDATION

Unified Data Lake & secure cloud infrastructure consolidating siloed operational telemetry, building energy telemetry, and live financial metrics.

TIER 02

THE OPERATING SYSTEM

PropTech ERP handling automated property management billing, predictive utility maintenance algorithms, and AI-enabled dynamic lease modelling.

Investment Imperative: *Board investment is strictly required at the foundation level today to enable the yield-driving interfaces at the top level tomorrow.*

ROADMAP

YEAR 1

STABILISATION

Energy audits, data unification, and transition out of high-risk retail assets.

YEAR 2

TRANSFORMATION

Physical retrofits, PropTech ERP deployment, and selective logistics M&A.

YEAR 3

OPTIMISATION

LEED/BREEAM certification and launch of tenant-facing automation apps.

BOARD ENDORSEMENTS

RESOLUTION A

CAPITAL REALLOCATION

Authorise divestment of bottom 10% legacy assets to fund high-priority ESG and thermal retrofit programs across Grade A office structures.

RESOLUTION B

TECH INFRA CAPEX

Approve foundational funding for unified Data Lake and Phase 1 integrated property ERP deployment over the next 18 months.

RESOLUTION C

INORGANIC M&A

Endorse underwriting criteria for selective, yield-accretive urban logistics acquisitions with delegated execution authority.

Approval of these mandates secures portfolio resilience and drives the next cycle of yield compression.