



Mr Hiew Yoon Khong
Group CEO, Mapleiree

Group CEO's Private Insights and Thoughts

Capitalising On Our Core: Logistics, Data Centres & Student Housing

“Mapleiree remains dynamic and adaptable in the face of uncertainty, while maintaining our prudent financing strategy. We continue to see growth opportunities in our core competencies – defensive sectors of logistics and data centres, particularly in the large consumer economies in Asia.”

Real Views

Managing In Uncertain Times

Given the highly uncertain market conditions caused by rapid interest rate hikes, geopolitical tensions and limited growth opportunities on the back of an economy impacted by macro headwinds and rising inflation, it is not unexpected that investors are adopting a wait and see approach while deploying with caution.

Amid the uncertainty, we have consistently adopted a **prudent financing strategy** – which has shielded us well. A case in point is how our existing yield-focused private funds, since inception, are structured with fixed rate debt at competitive levels for the term of the funds. This strategy has protected us from near-term interest rate and re-financing risks.

Cognisant of the constantly evolving environment, we aim to adapt our approach to capital protection and exits of our funds accordingly. We intend to prioritise **harvesting at fair valuations to defend IRR and leverage our diversified portfolio by exiting granular assets**. Where permitted by ongoing operations, we future-proof assets if the financing conditions allow and explore alternative exits beyond traditional asset sales.

35%

Mapleiree's average ownership stake across all live funds while a typical GP stake is <10%

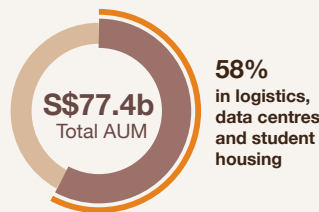
Finally, **what sets us apart from most traditional GPs is our strong alignment of interest**. We invest a significant stake in our private funds, ensuring that our interests are fully aligned with those of our investors – laser focused on targeted returns and preserving capital.



Find a Manager with strong alignment of interest

Macro Monitor

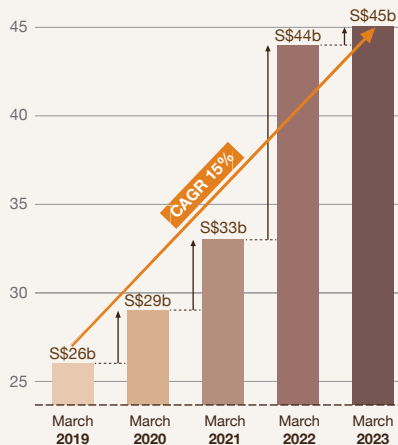
Investing In Extreme Uncertainty



Focusing on our core sectors given their defensive nature: logistics, data centres, student housing

Over the past three years, the economy has faced significant challenges due to Covid-19 and rising interest rates. Despite this, we remain focused on our core sectors, which were selected due to their defensive nature and relative resilience. These include logistics, data centres and student housing, which have seen positive rental reversions on average in each market we operate in.

Increase in logistics, data centres and student housing AUM over the past 5 years



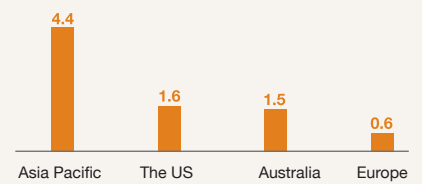
In the logistics sector, occupancy costs remain lower than other sectors such as commercial and retail, which are currently grappling with structural and supply headwinds. Looking ahead, sectors with granular assets such as these can offer superior risk-adjusted value when accumulated at scale across multiple markets.

Even student housing, which was initially impacted by Covid-19, is now recovering well with favourable demand-supply dynamics as students return to campus.

Regional Spotlight

Thriving In Stormy Markets

GDP Growth (%)

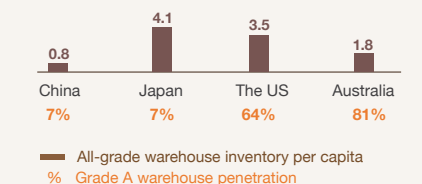


Source: International Monetary Fund, 2023

The focus of our strategy has pivoted back to our homeground in Asia, given its faster GDP growth and the weaker, more volatile environment in the developed markets of the US and Europe. By starting off with a lower base, Asia's rapid urbanisation and infrastructure investments presents opportunities for investors.

In Asia, penetration rate of Grade A logistics warehouse space per capita population remains low and we intend to capitalise on the logistics sector's significant potential for upside.

All-grade warehouse inventory per capita (sqm) and Grade A warehouse penetration (% of stock)



Continued rapid adoption of e-commerce and consumption spending shows an evident need for optimisation and additional capacity to the global supply chain. Steady demand will likely lead to continued cap rate compression over the longer term, driven by robust fundamentals and liquidity in the real estate capital market.

As the largest market in Asia, China cannot be ignored by most global real estate investors. According to the IMF, China is one of the principal contributors to global growth with an anticipated share of 22.6% of total world growth up until 2028.

With yield on cost ranging from 6 – 7%, developing logistics projects in China are a more profitable means of achieving higher returns than acquiring completed assets.

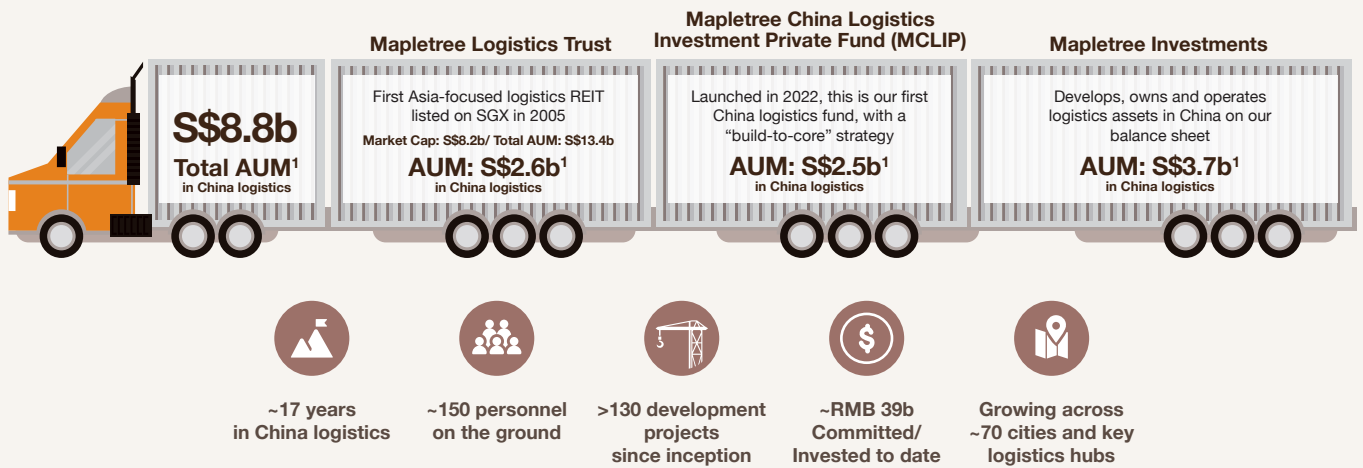
To pursue this, having an established local presence is essential, as real estate is an inherently local business. Consequently, selecting a partner with extensive experience and relationships across the entire real estate value chain, both locally and regionally would be of paramount importance.

For more insights, subscribe here

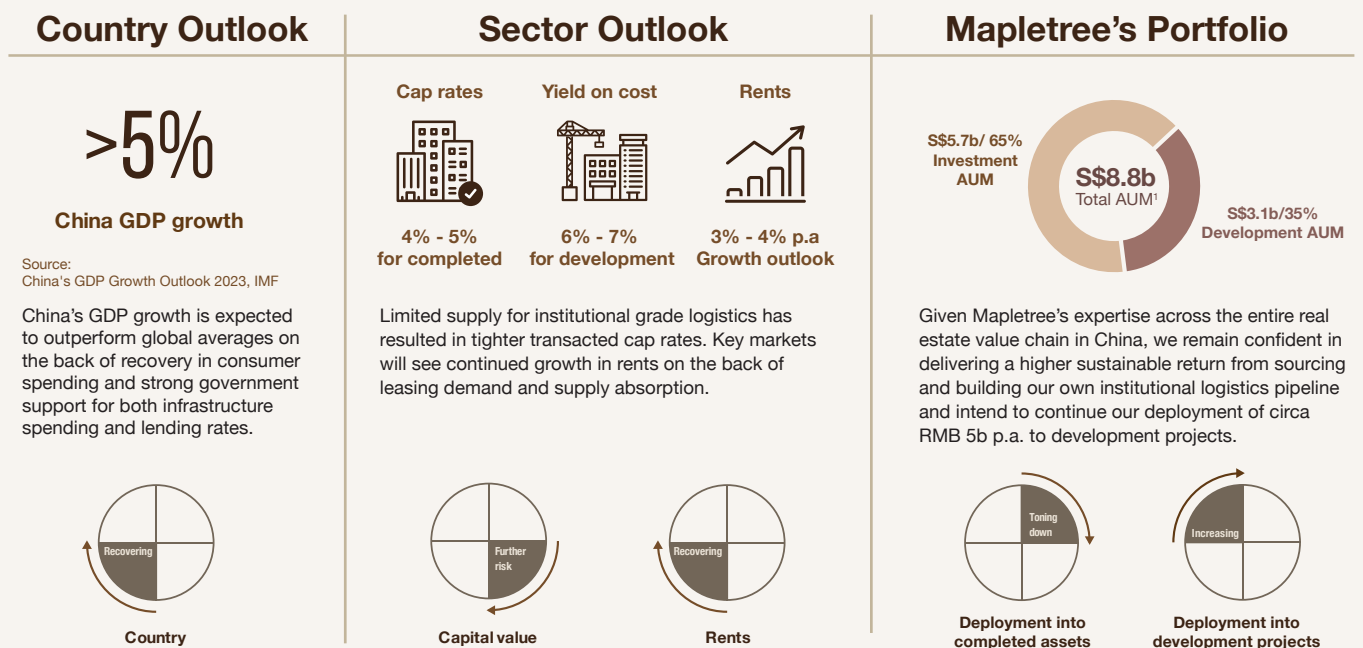


Sector Spotlight: China Logistics

What We Have



Overview



¹Includes current valuation of investment properties and total development cost of the development projects.



Mr Lee Ark Boon
CEO, Logistics Development, China

“ We continue to see opportunities for development value in China and remain focused on growing our China logistics platform. MCLIP posted encouraging inaugural results in March and we are confident that the “build-to-core” strategy for institutional logistics assets in China delivers sustainable long term returns. This is in line with continued government focus on logistics as part of the nation’s infrastructure, as well as increasing institutional demand for China logistics from both foreign and domestic investors alike. ”

For more insights, subscribe here

