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SWAN Wealth Management

# SWAN Private US Real Estate AMC 1 & 2: Investor Site Visit Report

North Haven, 28 August 2025

## 1. Trip Overview

In late August and early September 2025, Dave and I conducted a 10-day site visit across the US, meeting with existing project partners, new developers, and institutional investors, whilst touring multiple cities.

The purpose was twofold:

a) To review progress on our AMC1 and AMC2 developments; and
b) To test our investment thesis in U.S. private real estate by exploring new markets, operators, and opportunities.

Key takeaway: Despite negative media coverage around geopolitics and tariffs, the U.S. economy and real estate market remains resilient. Across all meetings, developers and investors were active, pragmatic, and focused on identifying attractive investment opportunities. Our conviction with our focussed private U.S. private real estate strategy was reaffirmed.

## 2. Macro observations

- U.S. remains the leading global investment destination, offering unmatched capital market depth, innovation, and infrastructure, with strong governance and investor-friendly conditions.
- Political and policy uncertainty persists, but sentiment shows gradual recovery; broad support for pro-business policies despite leadership polarization.
- Market expects modest rate cuts (~50bps in 6–12 months), with inflation risks balanced by soft labour markets; investors await clarity on trade, rates, and geopolitics.

## 3. Market Observations

- Nationwide multifamily oversupply: Many former "hot" markets are experiencing rental concessions. Example: Austin rents down ~20% YoY.
- Migration trends: Movement continues out of high-tax, high-cost "blue states" into more affordable, business-friendly "red states" such as Texas and Florida.
- Concessions: New projects often offer 1–2 months' free rent for initial lease-ups, sometimes with longer lease terms (14–16 months).
- Funding: Funding remains restrictive relative to the lax years prior to 2021, but showing signs of easing. More demand for senior debt (7% to 8%) and mezzanine/pref (12% to 14%) than equity.

### SWAN target markets:

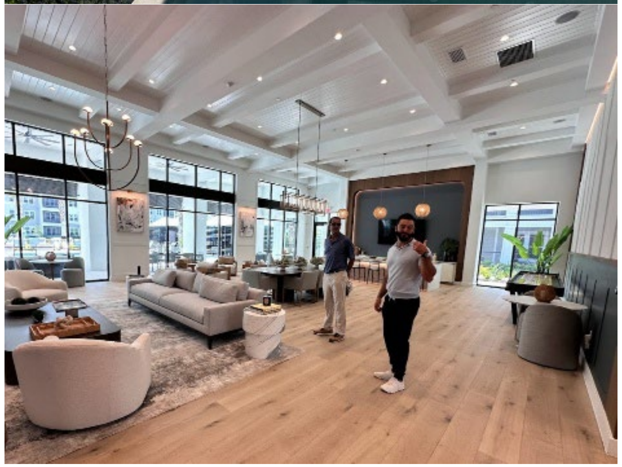
- Orlando: Currently oversupplied, but new development has largely stopped. By 2026–2027 when our projects will be completed and leasing, we expect a supply deficit.
- Brooklyn: Still undersupplied and benefiting from its proximity to Manhattan and strong local demand. We continue to be impressed by Brooklyn as an attractive investment location. Its proximity to Manhattan, neighbourhood character, influx of new food and retail offerings and ongoing building upgrades/gentrification offer exciting property development opportunities.

## 4. AMC1 Project Updates

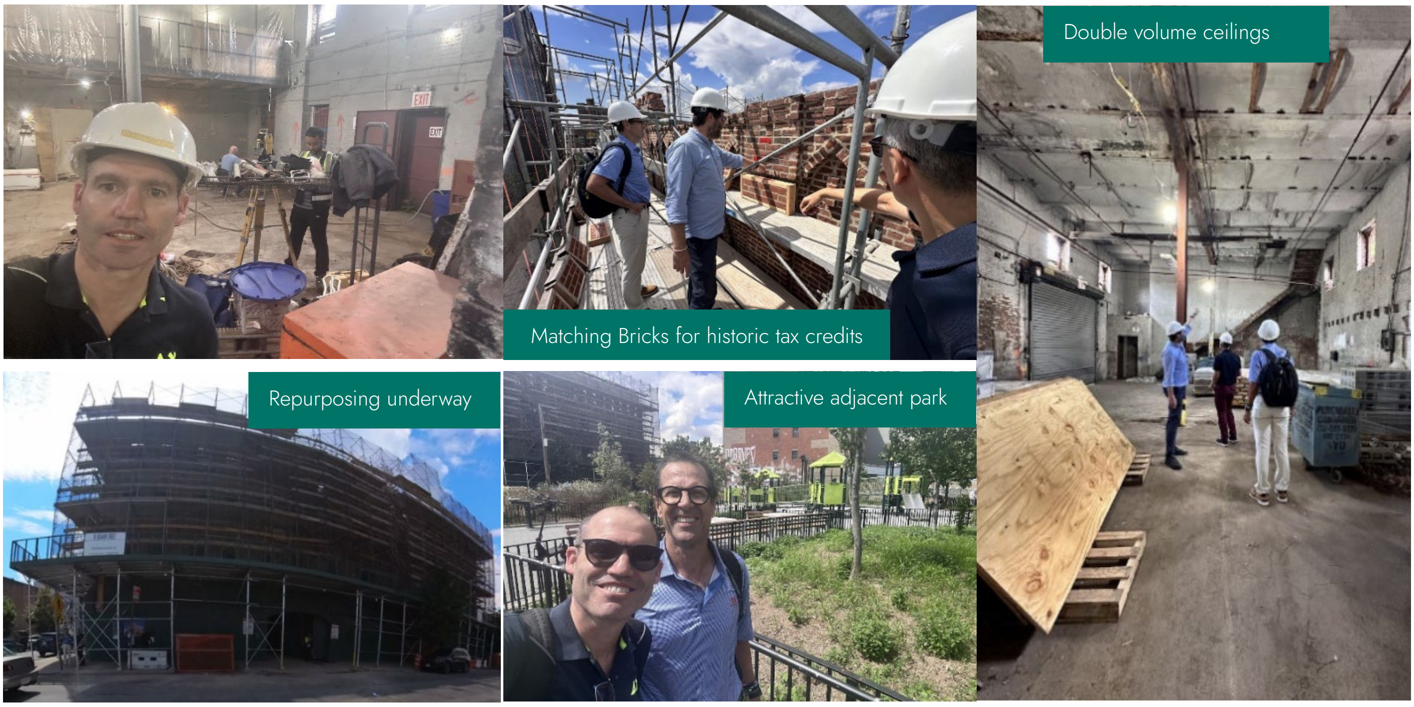
### North Haven (Sanford, Orlando)

- 420-unit A-grade ground up multifamily development (7 buildings × 60 units).
- Incredible progress made since our visit 12 months ago – despite two hurricanes!
- First building completed and leasing underway (13 units already occupied, with 10 new leases signed in one week).
- Achieving target rents of $2.15/sq.ft, in line with projections thus not suffering rental declines as seen in other markets.
- Finishes exceed expectations — "better than the renderings."
- Construction is on time and under budget. One building will be delivered every 4–6 weeks, with full completion expected by Q1 2026.
- Lease-up expected thereafter, with a targeted sale within 12 months.
- We remain impressed with our US partner delivering exceptional execution quality.

# North Haven: Outstanding progress over past 11 months:

## Beaver Street (Brooklyn)

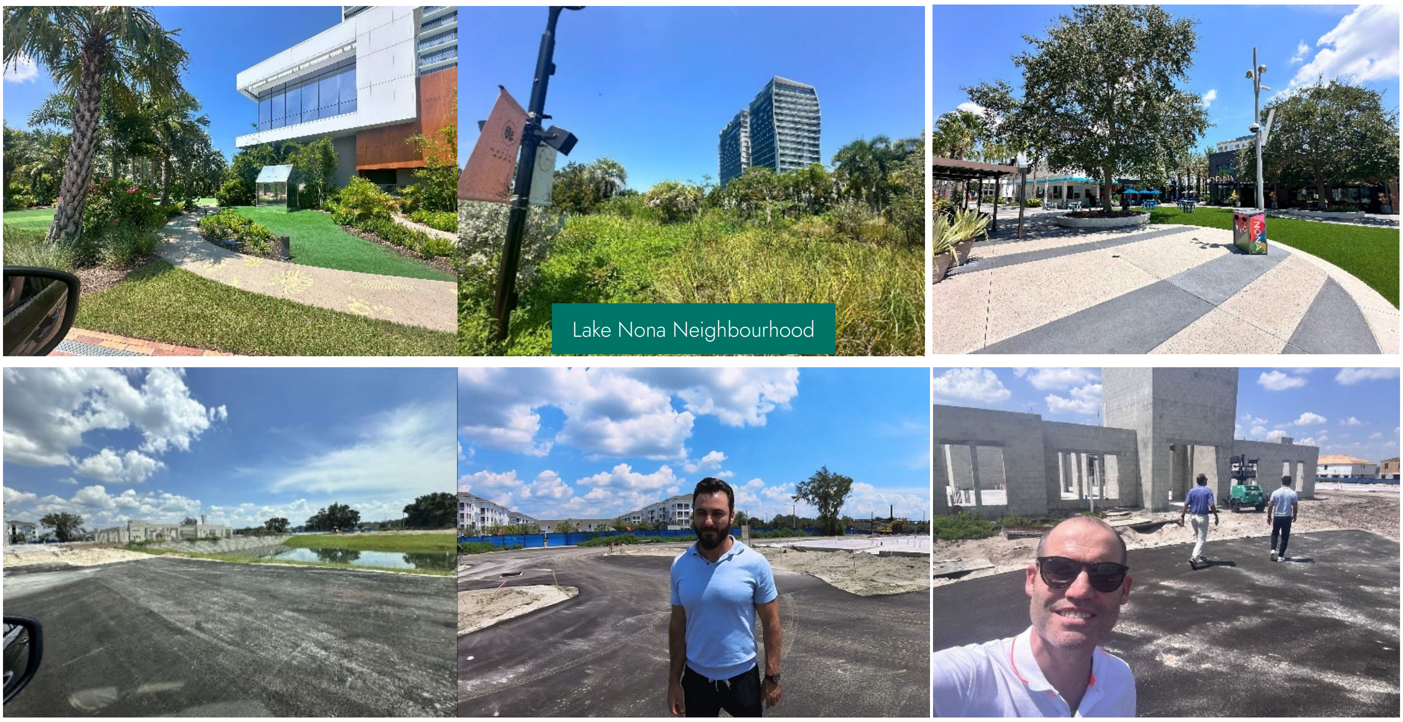



- Adaptive reuse of a former brewery into multifamily with commercial below.
- Our position: preferred equity, not common equity → limited downside, attractive fixed return.
- Challenges since 2019 acquisition created favorable entry terms for SWAN investors.
- Construction now underway, on schedule for completion August 2026.
- We expect our PREF to be repaid by March 2027, with net USD returns around 14% pa.

## 5. AMC2 Project Updates

### North Haven (follow-on investment): Refer pages 2-4

## Lake Nona (Orlando)



Lake Nona Neighbourhood

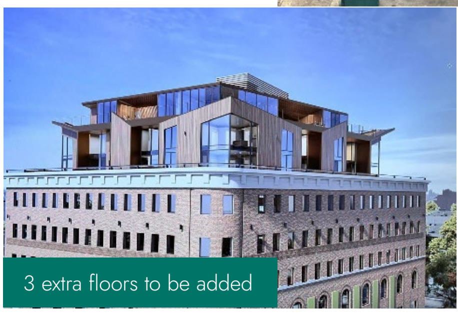
- Ground-up multifamily development, designed as a "cookie-cutter" of North Haven with same clubhouse and contractor, and similar layout. This implies obvious execution risk advantages.
- Lake Nona is a high-growth corridor[1]: Hub for healthcare, performance, training, and innovation.
- Ground broken in Feb 2025, ~12 months behind North Haven, on track and on budget.
- Expected delivery and lease-up by March 2027.

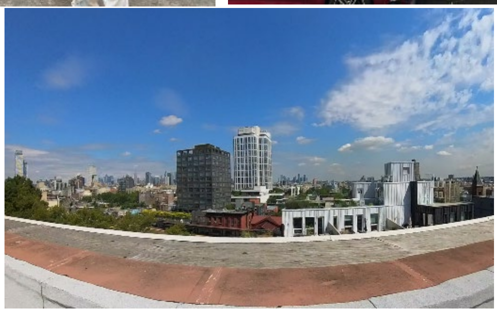
September 2025

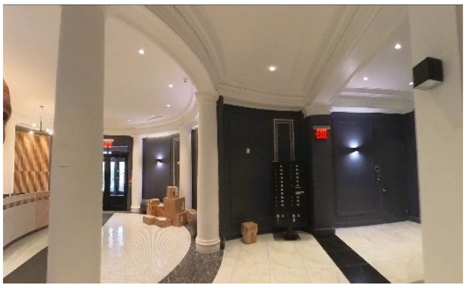
[1] Lake Nona hosts several high-profile organisations that underscore its status as a hub for healthcare, performance, training, and innovation. Johnson & Johnson's Human Performance Institute has its global headquarters in Lake Nona Medical City, anchoring research and training in performance and wellbeing. KPMG built its $450 million "Lakehouse" campus here—an immersive training and innovation center supporting more than 35,000 U.S. professionals with classroom, residential, dining, and amenity components. The USTA National Campus (100 courts + training, dormitories, etc.) is also located here, alongside USTA Florida's statewide headquarters.

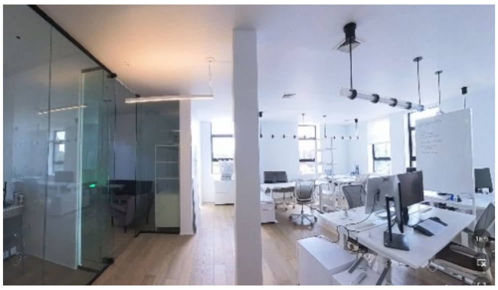
## 185 Marcy (North Williamsburg, Brooklyn)

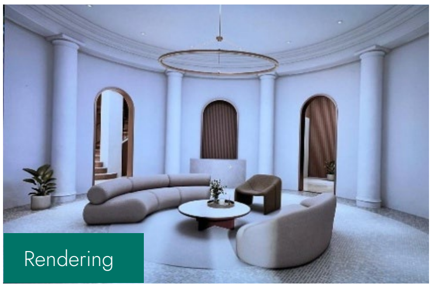
- Repurposing of an iconic YMCA building into 71 apartments - up from 52 with three extra floors approved when we first reviewed the project. Top floor includes sauna, plunge pool and lounge.
- Outstanding location: only 50 meters from the subway, first stop after Manhattan.
- Low entitlement risk, no rezoning required.
- Highly accretive economics: extra units increase premium rentable space without additional land cost.
- Currently in pre-development (design and costings being finalized).
- Construction expected to start Feb 2026, 12–15 months build, lease-up in 2027, exit expected around Feb 2028.



3 extra floors to be added








Rendering

## 6. New Partners and Pipeline

### AN Other (Dallas)

- 22yr track record, over 300 investments valued at over $2.5 billion
- Strong operator with conservative approach.
- Current focus on outdoor big box retail centers, mainly in Texas.
- Returns: 10–12% cash yield, total returns of 14–15% USD expected.
- Potential future partner for SWAN.

### AN Other Capital (Chicago)

- 18-year track record, ~$5bn under development, 130 projects completed.
- Never lost investor capital (only one current project at risk of small capital loss).
- Vertically integrated with 500+ staff in property management providing extra comfort in value-add projects and insights when assessing new investments.
- Pref equity focus: Positioned to take advantage of $100bn+ per year of maturing multifamily debt that is in distress as refinancing at much higher rates, targeting PREF tranches of $7–15m (too small for institutions).
- Expected PREF gross returns: 12% to 14% USD (7% cash current, 5% to 7% accrued at exit/refi).
- Potential future partner for SWAN.

### Other Observations

- Tampa: Impressed by the look and feel of this high growth city. High quality lifestyle, lower cost of living, good infrastructure and supportive stance on business by local regulators are cited as key drivers. Exciting new multifamily development, likely candidate for AMC3 (launch Q1 2026).
- Miami: Reviewed mixed-use and multifamily deals; attractive but outside our risk/reward parameters.
- Tampa value-add: B Grade 1985 complex in good neighbourhood - not aligned to current strategy as challenging tenant profile.
- Manufactured housing (Orlando): Communities with pre-built homes (Clayton Homes, owned by Berkshire Hathaway, a key supplier) where owners rent the land. Resilient niche, interesting asset class, but not an immediate focus for SWAN.

## 7. Conclusions

- All AMC1 and AMC2 projects are progressing on time and budget, with strong leasing and market positioning.
- Our investment thesis, targeting exceptional local partners, with strong financial alignment, mid-market deal sizes ($30m–$100m) below large institutional players, remains valid.
- Expected net investor returns remain intact: 10–15% USD per annum over 3–4 years.

## Closing Note

We thank you for the trust and confidence you have placed in SWAN through your investment in AMC1 and AMC2. This visit reinforced our conviction in the strategy, our partners, and projects. We remain as optimistic as ever about delivering strong, tax-efficient USD returns, with careful attention to risk management. We look forward to sharing deeper project-specific details in our Q3 fund reports which will be distributed next month.

Warm regards,

Steven & Dave, September 2025

# Risk Declaration and Waiver Document for AMC Investment

## Overview

This document outlines the key risks associated with the investment in the Actively Managed Certificates (AMC) on the SWAN US Private Real Estate Investment Opportunities, listed on the Swiss Stock Exchange (SIX). It serves as a risk declaration. This is not a substitute for the Indicative Term Sheet, which is available upon request and is attached herewith.

## Key Investment Risks

1. **Unregulated Investment**: An AMC is not a collective investment scheme. It is an unregulated investment, meaning it falls outside the purview of the South African Financial Sector Conduct Authority (FSCA).
2. **Liquidity Risk**: Investing in this AMC may involve liquidity risk. This means that it may be difficult to sell or liquidate the investment quickly without affecting the market price, due to the nature of the underlying assets or market conditions.
3. **Investment in Unlisted Assets**: The AMC may invest in unlisted real estate assets. These assets are not traded on public exchanges and may have limited liquidity, longer investment horizons, and higher valuation uncertainties compared to listed securities.
4. **Market Risk**: The value of the AMC can fluctuate due to changes in market conditions, economic factors, and political events, which may impact the value of the underlying real estate investments.
5. **Credit Risk**: There is a risk that issuers of securities or other financial instruments in which the AMC invests may not fulfill their obligations, leading to potential financial losses.
6. **Interest Rate Risk**: Fluctuations in interest rates may affect the value of real estate investments, as it can influence the cost of borrowing and property values.
7. **Regulatory and Legal Risk**: Changes in laws, regulations, or government policies can impact the real estate market and the AMC's operations.
8. **Foreign Investment Risk**: Given that the AMC focuses on US real estate, investors are exposed to risks associated with foreign investments, including currency exchange rate fluctuations and differences in accounting and taxation policies.

## Disclaimer

This document is for informational purposes only and does not constitute financial advice. Investors should seek independent advice and consider their financial situation and objectives before investing.