





Q1 2025

Asset Update



Strategy Overview

Strategy	Definition	Typical Return Profile	Expected Return Profile
Core	<ul style="list-style-type: none"> High quality properties. Very little capital expenditure on property improvements. Typically occupied with credit tenants on long-term leases. 	Regular income	
Core Plus	<ul style="list-style-type: none"> Property owners typically have the ability to increase cashflows through light property improvements, management efficiencies or by increasing quality of tenants. Similar to core assets, these assets tend to be of high quality and well occupied. 	Income + Growth	
Value-add	<ul style="list-style-type: none"> Little to no cash flow at acquisition. Potential to generate strong cashflow once value has been added. 	Growth	
Strategic	<ul style="list-style-type: none"> Projects which may not see a return on their investment for three or more years. This includes developments where new or additional planning is required and change of use opportunities with less predictable cashflows. 	Growth	

Progress Overview

Category 1: In line with or ahead of target expectations.

Assets in this category remain on track with the original investment plan.

Partnership	Slide
Stellar Newark LP	6
Panmure Forestry Partnership	7
Duchrae Forestry LLP	8
Strathclyde Hotel LLP	10
Stellar Tavis House (Tunbridge Wells) LP	11
Stellar Tavis House (Poole) LP	12
Formby Development Partnership	15
Sky Delta Partnership	17

Category 2: Marginally below target expectations.

Action plans to drive performance improvement are in place for assets in this category.

Partnership	Slide
Stellar Bramshaw LLP	4
Stellar Paultons LP	5
Nayland Development Partnership	14

Category 3: Below target expectations.

Intensive action plans to drive performance improvement are in place for assets in this category.

Partnership	Slide
Stellar Murrayshall Hotel LLP	9
Northampton Development Partnership	13
Sky Amber Partnership	18
SSC Bradford Care Home	16

Stellar Bramshaw LLP

NAV: 1.1536 | Strategy: Value-add | Progress: Category 2

Operational Update

- ★ **The business comprises The Bell Inn and Bramshaw Golf Club. Whilst Bramshaw Golf Club has experienced positive performance, challenges at The Bell Inn have resulted in the asset falling short of budget expectation this year.**
- ★ The business produced a combined operating profit of £30.5k for the 2024/25 trading year.
- ★ A slow start to the trading year was experienced due to the persistence of extreme weather. Subdued performance was compounded by reduced traffic through the New Forest across the peak summer months vs prior years.
- ★ The main shortfalls to budget across the site remain F&B and retail. These areas are subject to enhanced focus and attention by the management team.

Actions / Direction of Travel

- ★ Business on the books is strong for the start to the 2025/26 trading year.
- ★ Having experienced delays in planning for the clubhouse balcony extension at Bramshaw Golf Club, works will now be undertaken in the Autumn of 2025.
- ★ We are working with Golf Now as an additional tool to drive green fee revenues. As a result, we have seen positive growth in green fee revenue this year.
- ★ **We remain confident in the LLP's ability to achieve target return expectations for investors. With a strong management team, we are well positioned to drive improved trading performance in this financial year and beyond.**



Stellar Paultons LP

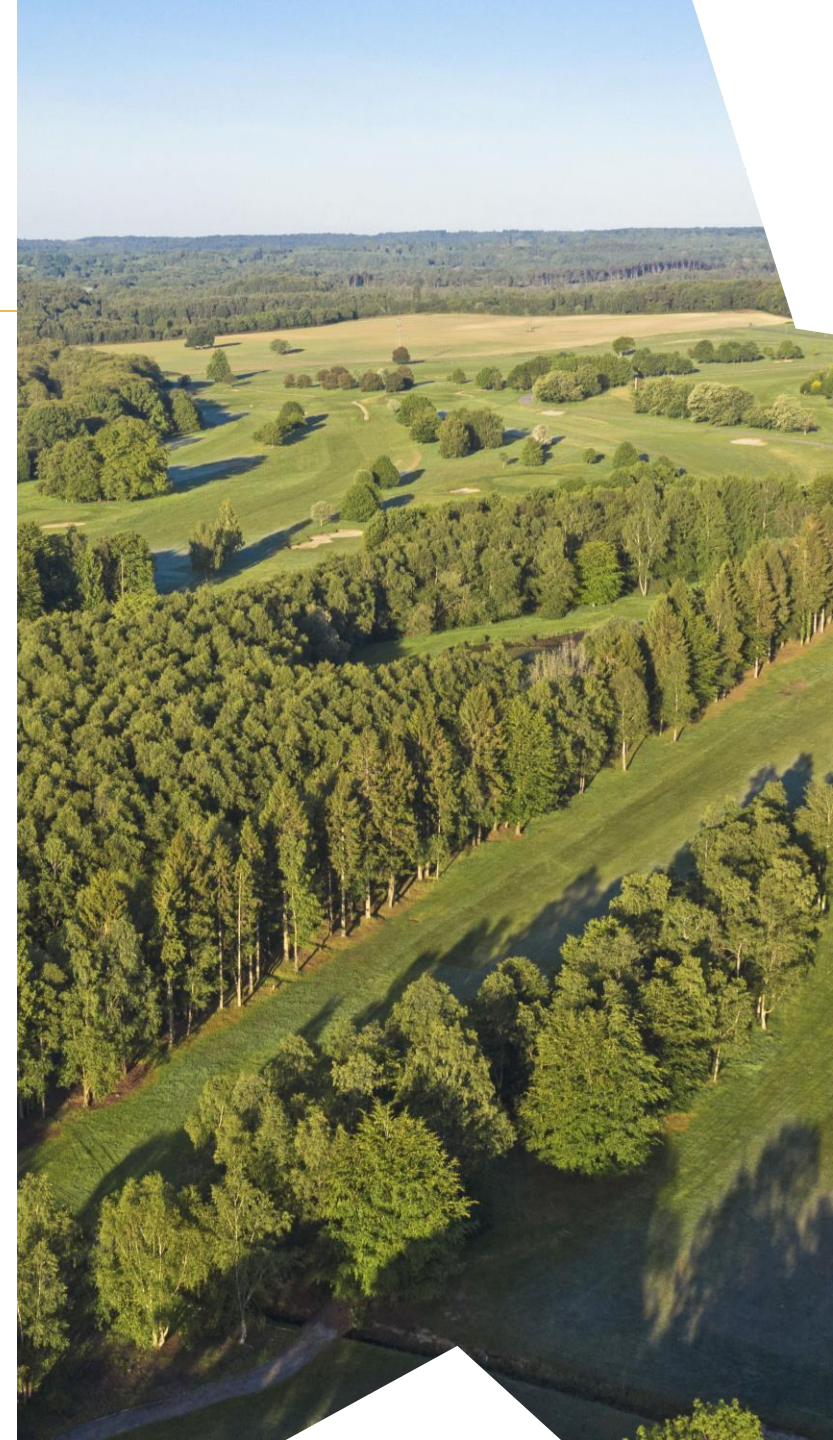
NAV: 1.0140 | Strategy: Value-add | Progress: Category 2

Operational Update

- ★ **The business produced operating profit of £125k for the 2024/25 trading year.**
- ★ A slow start to the trading year was experienced due to the persistence of extreme weather seen throughout the winter of 2023/24.
- ★ Social engagement around the driving range has continued with revenue from this segment of revenue in line with budget at £201k for the trading year.
- ★ Despite being predominantly, a pay and play club, membership renewals have been strong YTD.
- ★ Key focuses this year have been on bolstering the management team and driving spend per head of visitors. Having appointed several new personnel in Q1 2024, a positive uptick in performance was seen.

Actions / Direction of Travel

- ★ Staffing challenges subdued performance in the final months of the trading year. However, a stable staffing contingent is well positioned to drive trade in the 2025/26 trading year.
- ★ Engagement with platforms such as Golf Now has allowed us to secure green fee revenue on short notice for off peak tee times.
- ★ We continue to explore other avenues of extracting value from the site, such as the development of land that is currently not utilised.
- ★ **Having seen a positive direction of travel throughout the summer months we remain confident in the asset's ability to meet target return expectations on behalf of investors in the medium term.**



Stellar Newark LP

NAV: 1.1251 | Strategy: Core Plus | Progress: Category 1

Operational Update

- ★ **Positive revenue growth since acquisition last year symbolises a positive direction of travel for the club.**
- ★ Green fee revenue was an untapped revenue stream prior to our acquisition. Having seen green fees across the industry rise c.5% since 2022, we have introduced Golf Now to enhance footfall with £56k generated from green fees under our ownership.
- ★ Operating profit of £42k has been generated since we purchased the club on 17 July 2024. This is in line with our expectations.

Actions / Direction of Travel

- ★ Newark Golf Club was historically a private members club. As it was not traded commercially, significant opportunities to enhance revenue streams were available to us post-acquisition.
- ★ Renovations to the course have taken place with positive feedback from the membership base. This is typified by the volume of membership enquires received this year, with over 100 open enquiries.
- ★ The driving range has been converted into a grass range with Trackman technology now installed.
- ★ Renovations to the clubhouse are now underway with a staged approach to ensure works to client facing areas are undertaken prior to the peak summer months.



Panmure Forestry Partnership

NAV: 1.4564 | Strategy: Core Plus | Progress: Category 1

Operational Update

- ★ **Operations at Panmure forest continue to be managed in accordance with our investment strategy.**
- ★ We are in the process of undertaking the final felling activities at the site which is expected to generate over £200k in the new financial year. Once complete the respective areas will be replanted.
- ★ Once fully planted the site will be managed with a sale explored once trees have matured.

Actions / Direction of Travel

- ★ New forestry planting of seven hectares of former farmland on the site has been undertaken and is establishing well.
- ★ **We are pleased with progress at Panmure to date and expect target expectations to continue to be met.**



Duchrae Forestry LLP

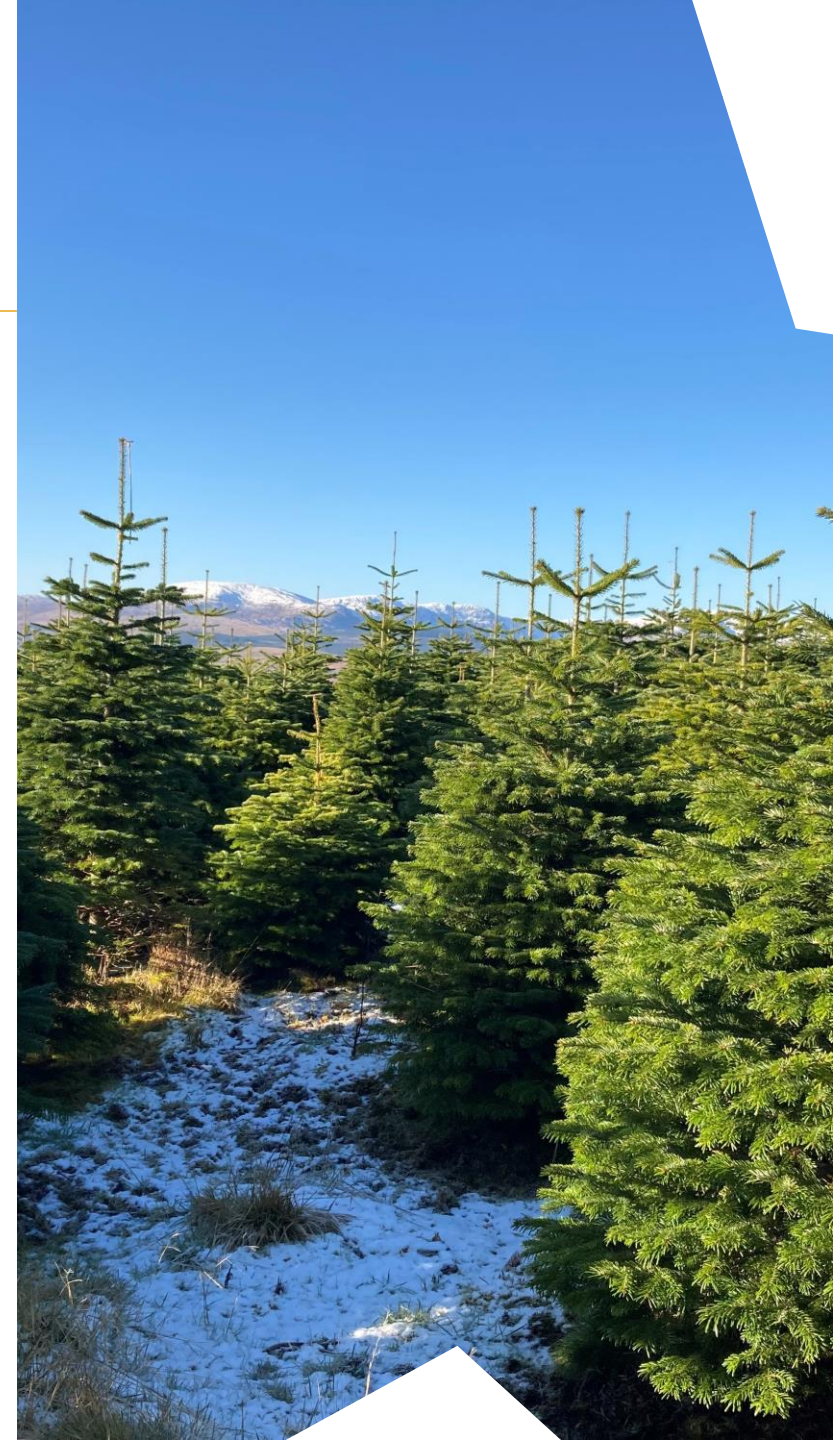
NAV: 1.0872 | Strategy: Core Plus | Progress: Category 1

Operational Update

- ★ **We have continued to make positive progress with our investment strategy at Duchrae Forest in Q1 2025.**
- ★ Planting on the c.170 hectares of land approved for afforestation is complete.
- ★ Positive growth from recent planting activities is evident and the crops continue to be managed well by our forestry partner.

Actions / Direction of Travel

- ★ We have made further progress towards attaining planting permission for the remainder of the estate. If successful, planting will take place in H1 2026.
- ★ We continue to explore other avenues of extracting additional value from the site. This includes negotiations to provide access to facilitate the development of renewable energy on neighbouring plots of land.
- ★ **Progress to date at Duchrae remains in line with both our expectations and our long-term strategy.**



Stellar Murrayshall Hotel LLP

Nav: 0.3460 | Strategy: Value-add | Progress: Category 3

Operational Update

- ★ **The partnerships NAV has been held constant with positive planning decisions alongside new Sales & Marketing initiatives seen in recent months.**
- ★ Trading performance fell short of expectations for the 2024/25 trading year.
- ★ Our investment team holds weekly meetings with the management team to monitor progress against the recovery plan.
- ★ A new Sales and Marketing operator, 7Hospitality were embedded into the organisation Q1 2025. Positive progress is already evident via the signing of a contract worth £1.9m in revenue over two trading years.

Actions / Direction of Travel

- ★ Whilst trading has been below expectations, we have made progress in our endeavours to add value to the site by unlocking additional development opportunities.
- ★ Following approval of our master plan for the site in Q4 2023, a detailed planning application for glamping pods has been approved. These pods are expected to be operational in late July 2025 and will boost trading performance for the peak summer months and beyond by adding almost 50% more rooms.
- ★ A detailed planning application for holiday lodges and a spa has now been approved.
- ★ **This business is subject to intensive oversight and a recovery plan. All parties are committed to recovery of value.**



Strathclyde Hotel LLP

Nav: 1.6502 | Strategy: Core | Progress: Category 1

Operational Update

- ★ An increase in the partnership's NAV represents the strong trade seen throughout the year. The asset has performed in line with target expectations since inception and remains on track with its investment strategy.
- ★ An EBITDA of £612k (£12k above budget) was achieved for the full trading year with net profit of £312k.
- ★ A capital repayment of £500k to investors took place in Q1 2025.

Actions / Direction of Travel

- ★ We are pleased with the hotel's performance to date. We will continue to focus on driving trading performance and expect to review a disposal once we have another full trading year and market conditions improve.



Stellar Tavis House (Tunbridge Wells) LP

NAV: 1.1696 | Strategy: Core plus | Progress: Category 1

Operational Update

- ★ **Practical completion of the site has now taken place.**
- ★ We experienced a delay to commencing construction which means extended finance costs have been incurred. We anticipate that these can be recovered during the disposal process.

Actions / Direction of Travel

- ★ We have instructed multiple agents to market the units to attract as broad a range of occupiers/buyers as possible.
- ★ Strong interest in the site has been seen to date with negotiations over several units progressing well.
- ★ **Letting activity in this sector has been subdued of late. However, we remain confident that target expectations can be achieved on disposal of the units.**



Stellar Tavis House (Poole) LP

NAV: 1.0096 | Strategy: Core plus | Progress: Category 1

Operational Update

- ★ **Construction works are complete for the main site with minor works to the site entrance outstanding.**
- ★ Marbank, the contractor, has been placed into administration. A small element of construction was remaining when they ceased and we are in direct contact with the sub-contracts over finalising works to the site entrance.
- ★ Extended finance costs have been incurred due to delays in the construction process. We anticipate that these will be recovered during the disposal process.
- ★ We are in advanced negotiations with a tenant for both units.

Actions / Direction of Travel

- ★ We have a strong development management team in place who are overseeing the final stages of the development and are in direct contact with the sub-contractor.
- ★ We expect the site to be fully let in Q2 2025 and sold thereafter.
- ★ **We remain confident that target expectations can be achieved on disposal of the units.**



Northampton Development Partnership

NAV: 0.5476 | Strategy: Core plus | Progress: Category 3

Operational Update

- ★ **This development experienced a number of challenges which has resulted in a negative outcome for investors.**
- ★ The challenges experienced at this development include:
 - Construction delay – the build term was impacted by the pandemic;
 - Cost overrun - supply chain cost inflation experienced in the backdrop of Brexit and the pandemic;
 - Sales delay and sale price revisions – heightened mortgage rates and the cost-of-living crisis resulted in a subdued and stagnant residential sales market.

Actions / Direction of Travel

- ★ Since we last reported, all units at the site have now been sold.
- ★ The remaining avenue to recoup value is the sale of the freehold land. We have an agreement for the sale of the freehold with a developer, but it is conditional on planning permission for the development of the surrounding site being achieved. This process is ongoing.
- ★ **The NAV is reflective of the position today. Whilst there is a strategy in place to improve the outcome for investors, this will not be accounted for until there is certainty attached. We will continue to report to investors on progress.**



Nayland Development Partnership

NAV: 2.5951 | Strategy: Core plus | Progress: Category 2

Operational Update

- ★ **Although built on time and on budget, we have experienced sales delay at this development. The increase in NAV is due to a capital repayment following the sale of a unit.**
- ★ To date, all but one unit has been sold.
- ★ This unit remains on the market having seen a purchase fall through in Q1 2025.

Actions / Direction of Travel

- ★ After a dip in early 2024, the housing market saw an increase in transactions in the latter half of 2024 with an increase in mortgage applications signalling a partial recovery in market sentiment and activity as families and first-time buyers returned to the market. However, transaction prices remained below prior periods.
- ★ **The partnership is expected to generate a positive return for investors, albeit below target. This is the result of reducing the asking price of some units to stimulate activity in a subdued market.**



Formby Development Partnership

NAV:1.4798 | Strategy: Strategic | Progress: Category 1

Operational Update

- ★ **Positive progress has been made with agreements in place to crystallise land value uplift for parts of the site on receipt of planning.**
- ★ Discussions with the council are ongoing. The first phase of the application will seek permission to develop the sports facility and a leisure club.
- ★ This proposal will align with local authority requirements to provide the best opportunity for a successful outcome.

Actions / Direction of Travel

- ★ We have agreed terms to sell a parcel of land for a leisure club post planning. The purchaser intends to develop the property themselves.
- ★ This sale would enable a significant return of capital with over 80% of land still available afterwards to be utilised for additional opportunities.
- ★ **This remains a long-term, multi-phase strategy. We have worked closely with the local authority to get to this point and dialogue continues to be positive. We expect to be able to provide a definitive update on phase one by the end of the year.**



SSC Bradford Care Home

NAV: 0.7178 | Strategy: Value-add | Progress: Category 3

Operational Update

- ★ **The reduction in NAV is as a result of declining occupancy following an inadequate CQC rating and local authority admissions embargo.**
- ★ Following the local authority embargo on new admissions to the home and a CQC inspection rating of inadequate, occupancy at the home has fallen.
- ★ Following the publication of the CQC rating, positive dialogue with the local authority has taken place and we are confident of being able to admit local authority residents in the near future.
- ★ Positive improvements have been since the CQC inspection. However, they will reinspect the home no earlier than October 2025.
- ★ The home has generated a net profit of £38k YTD (Oct-Mar) with occupancy currently sitting at 76%.

Actions / Direction of Travel

- ★ Due to occupancy levels, one wing of the home has been closed to manage staffing costs.
- ★ The home's reputation amongst residents and their families remains positive.
- ★ Positive engagement with the local authority has taken place with a view to providing enough comfort to resume admissions.
- ★ Private residents are still being admitted to the home.
- ★ **Despite this short-term impact on occupancy, we are confident in recovering value and meeting target expectations in the medium term.**



Sky Delta Partnership

NAV: 1.0485 | Strategy: Core | Progress: Category 1

Operational Update

- ★ **This partnership is a bridging finance partnership which was created in Q1 2024.**
- ★ Seven loans have been provided to date totalling 50% of the partnership's capital commitment.
- ★ We will continue to prioritise quality over quantity, ensuring all loans are subject to our robust due diligence process.

Actions / Direction of Travel

- ★ Whilst the Bridging Finance market remains robust, there has been a noticeable shift toward unregulated bridging loans, which are typically used for investment properties rather than personal residences. This shift complements our investment strategy and therefore, we expect increased deal flow in the coming months.
- ★ **We have a number of deals in due diligence at present and expect further capital to be deployed in the coming months.**



Sky Amber Partnership

NAV: 0.0304 | Strategy: Core | Progress: Category 3

Operational Update

- ★ **Only 10% of the original capital remains in the partnership, the rest has been returned to investors. Performance of this partnership has been negatively impacted by two instances whereby borrowers defaulted on their obligations and failed to repay their loan.**
- ★ In both instances, we enforced our security through the courts and sold the security properties on the market. However, the state of repair and market conditions meant that we did not reclaim full value from the sales.

Actions / Direction of Travel

- ★ We continue to seek recompense of the shortfall on behalf of investors.
- ★ One of the borrowers has since declared bankruptcy. Mercer & Hole has been appointed as trustees of the bankruptcy to manage proceedings to reclaim funds from the borrower on behalf of creditors. We are working through this process to reclaim value via the sale of the borrower's property.
- ★ **At this stage in the process, we are unable to directly influence the outcome. Our projection is that a loss will be crystallised for investors but a successful outcome via the bankruptcy proceedings could reduce this loss. We will continue to update investors as this progresses.**



ESG and Sustainability

Our Process

Initial questionnaire

- ★ Datapoints across E, S and G.
- ★ Simple, quantitative, unambiguous and repeatable.
- ★ Allows us to measure and track progress
- ★ Underpinned by the PRI and UN SDGs.

SWOTDOT

- ★ SWOT analysis on E, S and G considerations.
- ★ Also assess a partnership's overall direction of travel (DOT).
- ★ Generates score out of 40 (ESG = 30 + DOT = 10).

Action Plans: Unique plans are formed to ensure continual improvement

- ★ Action plans are reviewed quarterly with updates provided monthly.

Ongoing review

- ★ Scores are updated annually with improvement the key focus for assets where we feel they are failing short.



SWOTDOT Scoring



Service Average January 2025



For further information please access our [Sustainable and Responsible Investment Policy](#)
Our Asset Backed Spotlight can be found [here](#)

Get in touch

We're here to help

Investors

We recommend you speak to a Financial Adviser in the first instance, as we cannot offer investment or tax advice.

If you have any other questions please contact us on 020 3195 3500 or email us at enquiries@stellar-am.com

For further information, please visit
www.stellar-am.com