

The Stellar ITS

Q4 2025 Asset Update



The Stellar ITS

Asset Update Overview

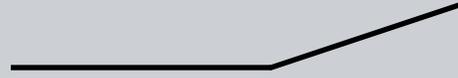
The Stellar ITS is a discretionary managed service which is designed for investors who wish to leave a legacy that is free from inheritance tax. It provides access to a range of qualifying business activities that offer security and diversification, whilst seeking capital growth, in addition to qualifying for Business Relief.

Our investment strategy offers a unique, style-diversified approach built on an unconstrained, bottom-up process. We partner with incentivised experts through joint ventures, leveraging specialist knowledge to uncover off-market opportunities. With a strong focus on buying off-market and selling on-market, we aim to deliver equity participation and real returns for clients. Disciplined selling and extensive experience underpin our commitment to consistent capital recycling and value creation for investors.

The objective of this report is to provide existing investors with greater insight as to:

- ★ The key **investment strategies** that are deployed by Stellar's investment team. The strategy for each underlying project can vary depending on the sector, a project's characteristics and its return profile;
- ★ The **performance** of the Service since inception;
- ★ The **activity** of each the underlying projects that the Service is currently invested in, including an update on operational activity as well as strategic future plans for the respective projects; and
- ★ An overview of the Service's **ESG credentials** following assessment by Stellar's investment team.

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.

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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	6
Stellar Paultons LP	7
The Brandon Strategic Land Development	20

Category 3: Below target expectations.

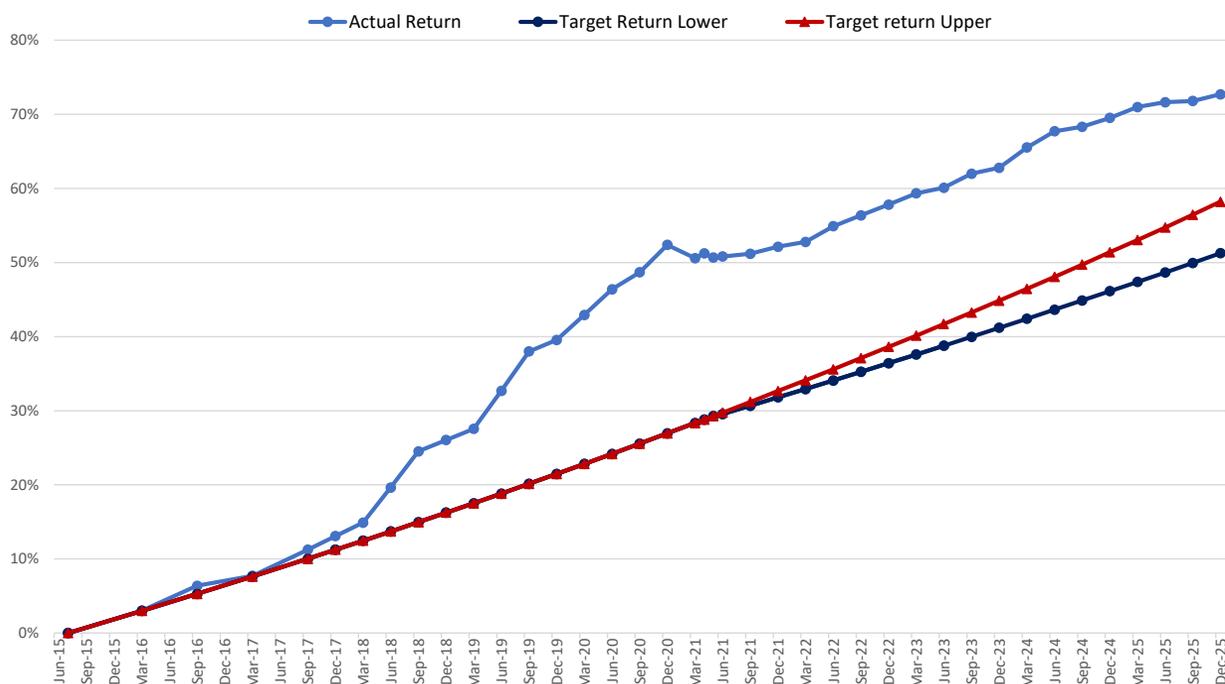
Intensive action plans to drive performance improvement are in place for assets in this category.

Partnership	Slide
Stellar Murrayshall Hotel LLP	12
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Performance Update

The Stellar ITS NAV 31 December 2025 : 1.3303

The Stellar ITS Cumulative Performance



The Stellar ITS returns to 31 December 2025

	1 Year	2 Years	3 Years	Since Launch (June 2015)
Actual Total	1.9%	6.1%	9.4%	72.7%
Lower Target Total	3.0%	6.0%	9.0%	47.9%
Higher Target Total	4.5%	9.0%	13.5%	58.2%
Actual Annualised	1.9%	3.0%	3.1%	5.4%



Please note that the past performance is calculated on the basis of a Stellar service that was repositioned on 1 May 2021 as The Stellar ITS.

Stellar Bramshaw LLP

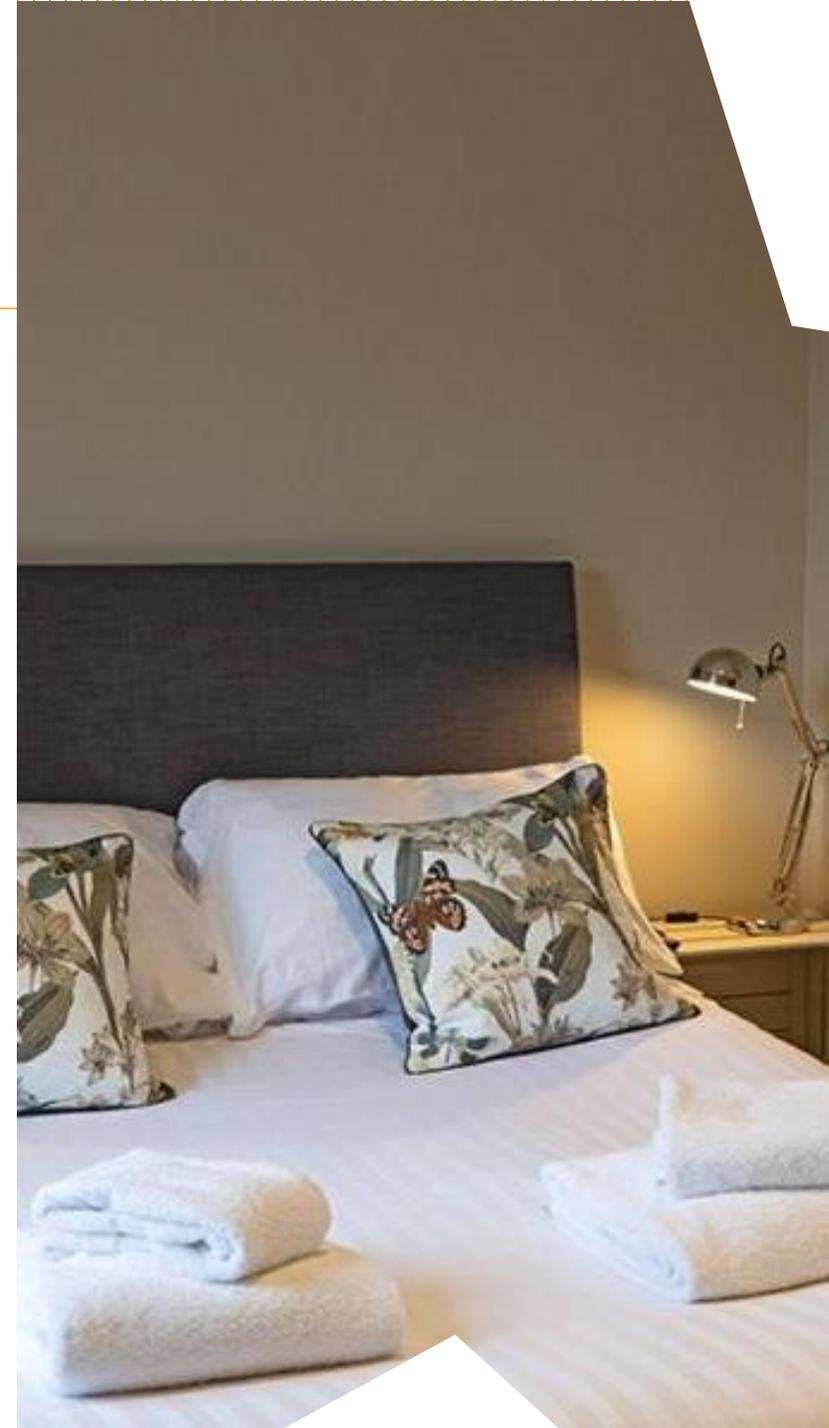
Strategy: Value-add | Progress: Category 2

Operational Update

- ★ **The business comprises Bramshaw Golf Club and The Bell Inn.**
- ★ Traffic into all areas of the business has been below expectation YTD.
- ★ At The Bell the key shortfalls have been both occupancy and F&B revenue. As a result, this segment of the business is operating at a small net loss YTD.
- ★ The impact of the challenges in the wider economy continue to be felt in the hospitality industry. However, we remain hopeful that the new year brings an improved trading environment.
- ★ A key focus is increasing spend on site at the golf club with strong traffic seen throughout the year.

Actions / Direction of Travel

- ★ Having fallen short of budget expectations, a new sales and marketing plan is underway to drive revenue at The Bell.
- ★ We have received planning approval to extend the clubhouse balcony at the Golf club. Once complete this is expected to drive on site spend throughout the summer months.
- ★ Renovations to a number of rooms, the bar and reception area at The Bell were undertaken in January 2026. These significantly enhance the businesses offering and are expected to drive trade in the coming months.
- ★ **We remain confident in the LLP's ability to achieve target return expectations for investors. Costs are being managed well across both businesses. We have a strong management team in place with a clear focus on driving revenue throughout this trading year.**



Stellar Paultons LP

Strategy: Value-add | Progress: Category 2

Operational Update

- ★ **The business is trading profitably YTD. It is tracking slightly behind budget expectations. However, the NAV was boosted by the first payment for landscaping works on site.**
- ★ The segments contributing to the shortfall to budget YTD are F&B and retail. These areas are therefore a key focus for the management team.
- ★ Positive social engagement around the driving range has continued with revenue from this segment exceeding budget expectations YTD.
- ★ Engagement with platforms such as Golf Now has allowed us to secure green fee revenue on short notice for off peak tee times.

Actions / Direction of Travel

- ★ We continue to explore other avenues of extracting value from the site, such as the development of land that is currently not utilised.
- ★ **Driven by sustained growth in green fee revenues and consistently strong feedback from the range, we remain confident in the club's ability to deliver against our performance targets, particularly with key trading months of the spring and summer still ahead.**



Stellar Newark LP

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. We have introduced Golf Now to enhance footfall.
- ★ Renovations to the client facing aspects of the clubhouse are now complete and have received positive feedback from members.
- ★ Winter course work affected the condition of the greens at the start of the Golf season, leading to some negative visitor feedback. These issues are now resolved, with a renewed focus on marketing to boost local reputation.

Actions / Direction of Travel

- ★ A positive valuation has resulted in an increase in the partnership's NAV this quarter.
- ★ **The site offers several additional value-add development opportunities that can be pursued without compromising its core function as a golf business. We plan to explore their viability over the medium term, and we will continue to update investors.**



Panmure Forestry Partnership

Strategy: Core Plus | Progress: Category 1

Operational Update

- ★ **Operations at Panmure forest continue to be managed in accordance with our investment strategy.**
- ★ We have now completed felling activities on site which has achieved revenue in line with our expectations.
- ★ One small block of windblow harvesting is expected to take place in 2026. However, this does not materially impact the management and long-term strategy of the forest.

Actions / Direction of Travel

- ★ As the crops continue to establish, we expect the value of the site to appreciate, and we will review the marketability of the site in the medium term.
- ★ **We are pleased with progress at Panmure to date and expect target expectations to continue to be met.**



Duchrae Forestry LLP

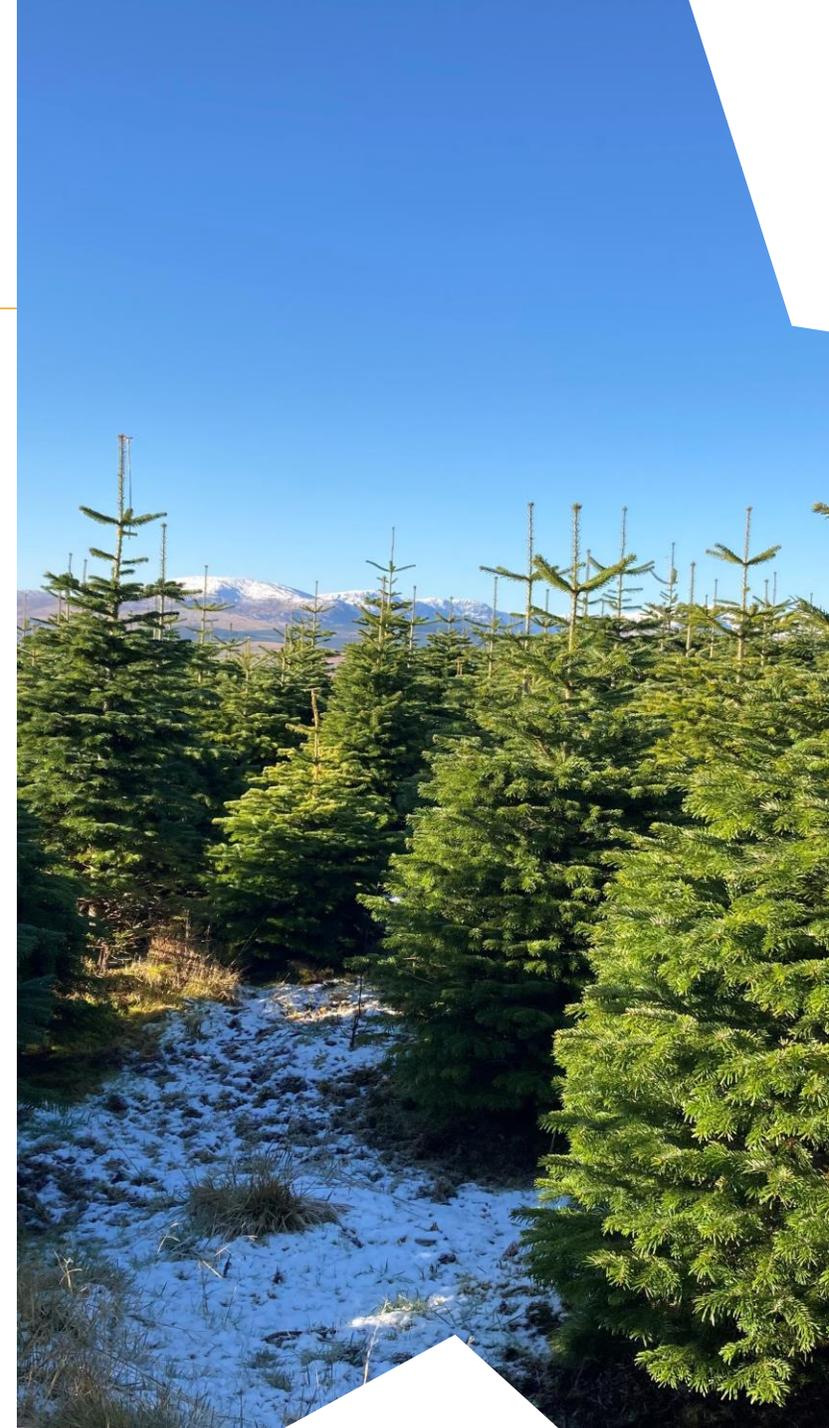
Strategy: Core Plus | Progress: Category 1

Operational Update

- ★ **We have continued to make positive progress with our investment strategy at Duchrae.**
- ★ Planting on the c.170 hectares of land approved for afforestation is complete, with crops establishing well.
- ★ Planting permission for the remainder of the site alongside a planting grant for associated works has been secured. Planting will start after winter.

Actions / Direction of Travel

- ★ We continue to explore other avenues of extracting additional value from the site. We have agreed terms with a renewable energy developer for future use of our land to provide access to neighbouring plots for wind development.
- ★ **Progress to date at Duchrae remains in line with both our expectations and our long-term strategy.**



Stellar ACD Forestry Partnership

Strategy: Core Plus | Progress: Category 1

Operational Update

- ★ **We completed on the acquisition of Allergarth, Craignavie and Dolgadfan in December 2025. Together these three forests form the Stellar ACD Forestry Partnership.**
- ★ Harvesting activity for sections of mature timber across the three forests is expected to be undertaken in 2026 and 2027.
- ★ The bulk of the crop across the three forests is well established semi-mature timber.

Actions / Direction of Travel

- ★ Tender offers for the appointment of forestry managers for each property are expected in February 2026.
- ★ **We are pleased to have secured these assets off market and below their current valuation.**



Stellar Murrayshall Hotel LLP

Strategy: Value-add | Progress: Category 3

Operational Update

- ★ Our investment team holds weekly meetings with the management team to monitor progress against the recovery plan.
- ★ Following underperformance on those room nights not supported by our commercial contract, 7H is no longer associated with the business.
- ★ A new Sales & Marketing Executive has been appointed to build and drive the growth of this function.
- ★ The commercial contract in place is not an exclusive use contract and there remains significant opportunity to drive weekend room revenue as well as all other revenue segments throughout the year.

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.
- ★ All 22 of the luxury pods are now fully operational on site and have received positive feedback from guests.
- ★ Since the launch of the pods, the hotel has seen an influx of new clientele with higher on-site spending behaviour.
- ★ **This business continues to be subject to intensive oversight and a recovery plan. With the room offering expanded and a commercial contract underpinning base business, we are in an improved position. Our focus is driving revenue across all segments of the business.**



Strathclyde Hotel LLP

Strategy: Core | Progress: Category 1

Operational Update

- ★ **The asset has performed in line with target expectations since inception and remains on track with its investment strategy.**
- ★ A capital repayment of £500k to investors took place in Q1 2025.
- ★ A further capital repayment of £150k is scheduled for Q1 2026.
- ★ The hotel has continued to perform well YTD, with operating profit of £351k to December 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 market conditions improve.**



Stellar Tavis House (Tunbridge Wells) LP

Strategy: Core plus | Progress: Category 3

Operational Update

- ★ **Practical completion of the site took place in Q1 2025.**
- ★ We experienced a delay to commencing construction, therefore extended finance costs were incurred. We anticipate that these costs can be recovered during the disposal process.

Actions / Direction of Travel

- ★ Strong interest in the site has been seen to date with negotiations over several units progressing well.
- ★ A tenant is now in place for the largest of the five units within the development.
- ★ **Letting activity has picked up in recent weeks, with positive engagement from prospective tenants during viewings.**



Stellar Tavis House (Poole) LP

Strategy: Core plus | Progress: Category 3

Operational Update

- ★ Construction works are now complete on both the main site and site entrance.
- ★ The proposed tenant for both units pulled out at the final stage. However, strong interest has been seen in both units since this point with final stage negotiations ongoing with one interested party.

Actions / Direction of Travel

- ★ **Once a strong tenant for the units is in place, we will look to secure a full exit from the site.**



Stellar Tavis House (Hoddesdon) LP

Strategy: Core plus | Progress: Category 3

Operational Update

- ★ **We achieved practical completion in Q1 2025.**
- ★ The two smallest units at the development were both sold to owner occupiers.

Actions / Direction of Travel

- ★ To date, we have sold 50% of the units, we have the two larger units remaining.
- ★ There has been strong interest in the remaining units, and we have secured a tenancy for a tenant to occupy one of the two larger units.
- ★ For the unit tenanted, we were pleased to achieve a record £/square foot rental value for Hoddesdon.
- ★ The sale of the tenanted unit fell through at the final stage. However, we have since received an offer in excess of the previously agreed sale price and is now in a legal process for disposal.
- ★ **We remain confident that target expectations can be achieved on disposal of the final two units.**



SSC Bradford Care Home

Strategy: Value-add | Progress: Category 3

Operational Update

- ★ **The NAV has been revised downwards as a result of the decrease in occupancy in recent months.**
- ★ Following a follow up CQC inspection a Notice of Proposal to deregister the home has been issued.
- ★ Representations to appeal this decision have been submitted. However, we are in the process of appointing a new Operator to guide the home towards a new registration and operational stability. However, their appointment can't be submitted until the CQC have inspected the home, which is expected in February 2026.
- ★ Following the local authority embargo on new admissions to the home and the Notice of Proposal, occupancy at the home has fallen.
- ★ Occupancy currently stands at 50% having started the prior trading year in excess of 90%.



Actions / Direction of Travel

- ★ As a result of the 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.
- ★ **We remain confident in the new operator's ability to secure a new registration for the home. Should this be achieved, the home will operate as an uninspected service until CQC visit the home again. It is expected that a period of 12-18 months is needed to see trade stabilise and return to levels seen prior to the admissions embargo and CQC Notice of Proposal.**



Sky Delta Partnership

Strategy: Core | Progress: Category 1

Operational Update

- ★ **This partnership is a bridging finance partnership which was created in Q1 2024.**
- ★ Eight loans have been provided to date totalling 81% of the partnership's capital commitment.
- ★ Two loans remain outstanding with all those redeeming to date doing so on time or with full default interest.
- ★ 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 continue to see strong deal flow and expect further capital to be deployed in the coming months.**



Sky Chrome Partnership

Strategy: Core | Progress: Category 1

Operational Update

- ★ **One loan remains outstanding in this partnership.**
- ★ We have committed the agreed facility for this partnership with no further loans to be funded.

Actions / Direction of Travel

- ★ Performance across all other loans has either met or exceeded expectations, meaning the partnership is tracking ahead of its target.
- ★ **We continue to work with the remaining borrower's advisers to achieve redemption of the outstanding loan with interest expeditiously and will update investors as soon as we can provide a definitive timeline.**



The Brandon Strategic Land Development

Strategy: Core | Progress: Category 2

Operational Update

- ★ Stellar Trading Limited provided a loan to support this development project.
- ★ The Brandon Project is pursuing planning for development around the Suffolk market town of Brandon.
- ★ We are awaiting new habitat regulation to be published in Q1 2026 which will determine the timing of a planning application.

Actions / Direction of Travel

- ★ The planning statements made by the Government and the implementation of a new National Planning Policy framework are encouraging and should help this project achieve its objectives.
- ★ **Whilst this remains a long-term development opportunity with many phases, we remain confident in full repayment of the loan with interest.**



Stellar Homewise Loan

Strategy: Core | Progress: Category 1

Operational Update

- ★ Whilst the borrower has made progress with their business plan, a subdued property market has meant that the business has fallen short of cash-flow projections.
- ★ We are in regular dialogue with the borrower and are consistently appraised of business performance.
- ★ Capital repayment of the loan has been paused whilst a revised repayment plan is reviewed.

Stellar Homewise Loan

Actions / Direction of Travel

- ★ **On redemption of the loan, we envisage an above target return.**



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 2026



For further information please access our [Sustainable and Responsible Investment Policy](#)
View our latest Asset Backed IHT Service Sustainability Spotlight [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