TD Asset Management

Special Report 10 minutes

The Assembly

Global Real Estate Strategy



The Global Real Estate Strategy (the "Strategy") is pleased to announce the continued buildout of its U.S. direct real estate platform through the acquisition of an interest in The Assembly. This investment reflects the Strategy's disciplined expansion into the U.S. market, increasing direct exposure to high-quality real estate supported by structural growth themes and long-standing industry relationships.

Investment Summary

- **Location:** North San Jose, California, United States
- **Asset Type:** Office (Advanced Manufacturing / Research and Development (R&D) Campus)
- **Ownership:** ~15% Direct Interest
- **Size:** 491,458 square feet across 6 buildings
- **Tenancy & Lease Profile:** 100% leased with 10+ year Weighted Average Lease Term

Overview

The Assembly is a fully repositioned, institutional-quality, advanced manufacturing and R&D campus located in Silicon Valley's North First Street corridor. The asset is 100% leased to a diversified mix of global corporate and high-growth technology tenants, supporting durable in-place cash flow.

The campus has benefited from over $US200 million of capital investment and features 25,700 amps[1] of power (~44 watts per square foot), positioning it as a highly differentiated 'power-rich' asset supporting artificial intelligence (AI), robotics, and advanced manufacturing use cases.

[1] Amps (short for amperes) are a unit of measurement for electric current, indicating how much electricity flows through a circuit. A higher amp rating means the facility can supply more power to equipment, which is especially important for power-intensive uses like AI, robotics, and advanced manufacturing.

Value Drivers and Risk Mitigants

Value creation is driven by targeted capital upgrades and infrastructure enhancements that parallel improvements seen at peer campuses, fueling net operating income (NOI) growth and premium rent achievement. The asset's specialized high-power design is intended to attract global technology tenants, supporting stable occupancy and reduced cash flow volatility. These strengths are reinforced by Silicon Valley's innovation ecosystem, skilled labour pool, and constrained supply of comparable products.

Strong in-place cash flow and high occupancy at acquisition to help mitigate investment risk. A strategically structured ownership with disciplined leverage and active asset management further enhances resilience. Alignment with an experienced operator and institutional co-investors mitigates execution risk.



Key Investment Highlights

Compelling Exposure to Structural Growth Themes

- The investment provides direct exposure to long-term secular growth in AI, robotics, and advanced manufacturing through ownership of mission-critical real estate infrastructure. Increasing power requirements driven by these use cases have created a distinct asset class within Silicon Valley, where high-capacity campuses such as The Assembly are positioned to help meet evolving tenant needs and support sustained demand.

Differentiated Asset and Supply-Constrained Market Positioning

- The Assembly is strategically located within the North San Jose innovation corridor, a key node within Silicon Valley's broader technology ecosystem. The asset's scale, infrastructure, and power capacity distinguish it from typical R&D properties, while limited availability of comparable assets and constraints on new supply reinforce its competitive positioning. The acquisition was completed at an attractive cost basis relative to estimated replacement cost, providing embedded value support.

Institutional Quality Income Profile and Strategic Alignment

- The asset is 100% leased to a combination of established global companies and high-growth technology tenants, supported by long-duration leases and tenant investment into the space. The investment reflects the strategy's ability to source differentiated opportunities through strategic relationships, while advancing the continued buildout of its U.S. direct real estate platform and enhancing portfolio diversification.

Conclusion

The acquisition of The Assembly represents a continuation of the Global Real Estate Strategy to scale its U.S. direct real estate platform through investments in high-conviction opportunities. This investment highlights our team's ability to uncover assets with exceptional infrastructure that meet the evolving demands of technology tenants, while also providing exposure to enduring growth trends. With a foundation built on rigorous analysis and a disciplined approach, The Assembly is well positioned to potentially generate risk-adjusted returns consistent with the Strategy's objectives and support the ongoing expansion of our U.S. direct platform.

Strategy

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