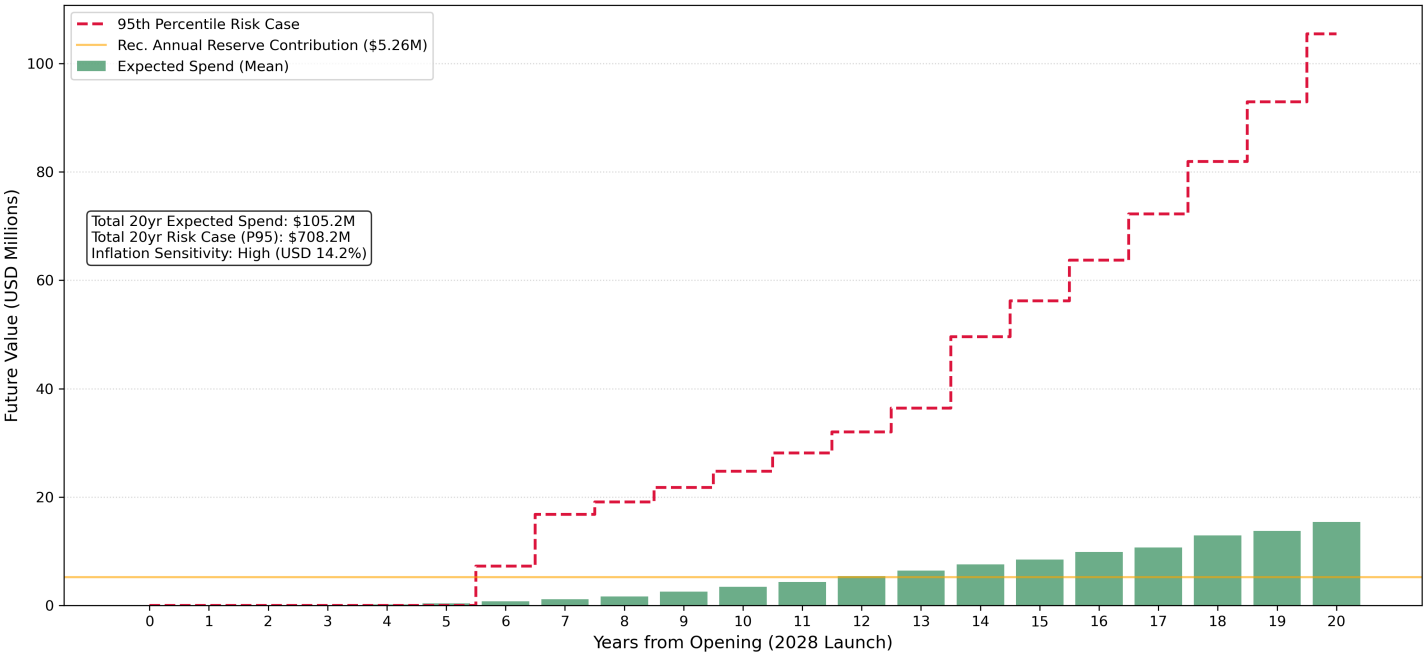


CONFIDENTIAL EXECUTIVE MEMORANDUM

To: Board of Directors, WestProp Holdings
Subject: 20-Year Capital Reserve Strategic Analysis

1. Capital Expenditure (CapEx) Forecast Visualization

20-Year CapEx Waterfall: Mall of Zimbabwe (\$100M+ Asset)



2. Financial Benchmarks

Metric	Value
Total 20yr Expected Spend (Mean)	\$105.2 Million
Total 20yr Risk Case (P95)	\$708.2 Million
Annual Reserve Contribution	\$5.26 Million

CONFIDENTIAL EXECUTIVE MEMORANDUM

To: Board of Directors, WestProp Holdings
Subject: 20-Year Capital Reserve Strategic Analysis

3. Executive Strategic Interpretation

The 20-Year CapEx Waterfall for the Mall of Zimbabwe provides a high-level financial roadmap for maintaining this \$100M+ asset. It visualizes the shift from a 'Standard Build' to a 'Smart Mall' by projecting necessary maintenance and replacement costs through 2048.

WATERFALL DYNAMICS: EXPECTED VS. RISK

- Expected Spend (Green Bars): This is the most likely scenario. Notice the gradual increase as time progresses, peaking at Year 20 when major systems like the AI-HVAC and escalators reach the end of their first lifecycle.
- 95th Percentile Risk Case (Red Dashed Line): This line shows a steep, stair-step climb. The sharp jumps (e.g., at Years 6, 14, and 17) represent points where multiple high-value systems could fail simultaneously under high-stress conditions.

STRATEGIC INSIGHTS FOR WESTPROP HOLDINGS

- The 'Safety Gap': The massive difference between the \$106.6M Mean and the \$705.8M P95 emphasizes the need for a conservative investment strategy for the reserve fund. Holding these reserves in hard assets or USD-denominated instruments is vital to combat the 14.2% inflation.
- Pre-Construction Value: By running this simulation now, you've identified the 'Operational Liability' before breaking ground in 2026. This allows for rent adjustments or tenant service charges to be calculated more accurately.
- Smart Mall Resilience: Although maintenance costs are high, they are offset by the \$1.66 Million in annual energy savings identified in the previous project, which effectively funds a significant portion of this annual reserve requirement.