

# Judgment at scale

How GIC thinks about real estate, opportunities, and investing



As one of the world's largest institutional real estate investors, GIC operates at a scale where conviction, data, and global reach matter — but never at the expense of judgment. In this wide-ranging conversation, **Grace Bucchianeri**, senior member of the Global Investment and Portfolio Strategy team at GIC, focusing on the Americas, speaks with PREA CEO **Zoe Hughes** about how the team approaches investment discipline, the importance of acknowledging that no one gets it right all the time, and how conviction is built at the intersection of top-down themes and bottom-up fundamentals in a rapidly changing world.



## GRACE BUCCHIANERI

Dr. Grace Bucchianeri leads Global Investment and Portfolio Strategy (GIPS) for GIC in the Americas, where she oversees investment strategy, underwriting guidance, and portfolio construction across equity and debt, encompassing both direct and fund investments. Grace is a voting member of the GIC Real Estate Americas Investment Committee and serves on the Board of Store Capital, one of the largest and fastest growing net-lease platforms in the US. An advocate for an inclusive culture, she champions initiatives that foster diversity of thought.

Grace holds a PhD in Economics from Princeton University and MSc and BSc degrees in Economics (with First Class Honors) from the London School of Economics.

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**F**or large institutional investors, real estate is never just about real estate.

It is one component of a mandate, often with the role of providing the portfolio strong income and inflation protection with an attractive risk-adjusted return. At GIC, one of the world's largest institutional investors, the challenge is not sourcing capital, but deploying it well: with conviction, discipline, and a clear understanding of what real estate is meant to deliver.

Grace Bucchianeri's team, GIPS, sits at the center of that effort, working closely with regional teams and other asset groups, translating global perspectives and data-driven insights into consistent, high-quality decision-making at scale.

In this conversation, Bucchianeri discusses how GIC thinks about real estate's role in the portfolio; why long-term investors must look beyond short-term volatility; how judgment is the most critical skill in investing; and what keeps her up at night.

### **Walk us through GIC's approach to real estate.**

GIC is one of the largest institutional real estate investors today. We view real estate as a critical component of our global portfolio given its ability to provide diversification and inflation resiliency.

Our approach combines a global perspective with deep regional

presence to access relevant market opportunities and generate stable returns over the long term. My team focuses on overall portfolio strategy, providing the tools, standards, and guidance needed to deploy capital consistently and efficiently. Acting as a thought partner, we help reinforce underwriting discipline, provide objective insights that test conviction, and help filter out weak ideas while advancing strong ones. We also help provide a consolidated global view for leadership, linking portfolio exposures, performance, and emerging structural themes to support informed decision-making.

### **Why does this process work for GIC? Why do you think it's successful?**

Our strength comes from combining diverse perspectives and weighing them thoughtfully. We pair evidence-driven insights and a global, top-down context with teams deeply embedded in local markets, speaking daily with operators and working through details on the ground. That combination strengthens decision-making.

Some of our most interesting work comes from engaging deal teams while challenging conventional thinking. We ask: 'Are we building conviction, or are we simply confirming an untested intuition?' By separating intuition from causality, weighing short- and long-term forces, and recognizing that market forces tend toward equilibrium, we are able to identify differentiated, long-term opportunities.

### **KEY TAKEAWAYS**

#### **A CULTURE OF ACCOUNTABILITY**

"GIC operates with a flat structure where responsibility comes early. With support, young professionals engage senior leaders, take ownership, and develop quickly."

#### **CHALLENGE ASSUMPTIONS DELIBERATELY**

"We constantly question easy narratives and test whether the data measures what matters. We push ourselves to turn signals into decision-ready insights."

#### **DURABILITY MATTERS MOST**

"We build exposure around durable themes like necessity-driven retail, high-barrier industrial, digital infrastructure, and strong credit positions. These themes support long-term value across cycles."

#### **IS YOUR BOAT SEAWORTHY?**

"Top-down tides can lift many boats, but yours shouldn't leak. We stress-test fundamentals: local supply and demand, structure, partner quality, and operating expertise, to ensure resilience when the tide turns."

#### **WHAT SKILL SET MATTERS MOST AS AN INVESTOR?**

"Judgment. The ability to arbitrate among competing evidence, weigh priorities that matter independently but cannot be satisfied all at once, and pick the best path forward knowing trade-offs are inevitable. As conditions evolve and our tools change, sound judgment, more than information or knowledge, remains at the center of everything we do."

We stress-test fundamentals: local supply and demand, structure, partner quality, and operating expertise, to ensure resilience when the tide turns.

Top-down tides can lift many boats, but yours shouldn't leak ▶

GIC also operates with a flat structure where responsibility comes early. With support, young professionals engage senior leaders, take ownership, and develop quickly.

## Constructing the portfolio

**How do you think about real estate and building the GIC portfolio? What are you looking for from the asset class and how much do you allocate to real estate? What concerns are top of mind?**

We focus less on a target allocation and more on the role real estate plays in the overall portfolio. At its core, real estate provides diversification, inflation resiliency, and exposure to growth. As a long-term investor, we strive to generate risk-adjusted returns at scale with inflation protection and strong, resilient cash flows.

For every investment, we ask whether it captures growth we can rely on, provides dependable income through the cycle, and strengthens the portfolio's inflation characteristics.

**Some investors are changing how they think about real estate and its place in the portfolio given recent underperformance compared to other private market asset classes. Has real estate's role for GIC changed or stayed consistent?**

We measure returns over long periods and we have maintained high volumes of investment in recent years. We continue to remain actively engaged in sourcing attractive opportunities.

What has evolved is how we execute and assemble the portfolio. Implementation, underwriting considerations, and market dynamics have grown more complex, and we remain disciplined in pursuing investments that appropriately price real estate's cost of capital relative to other asset classes.

**What does the real estate portfolio look like today?**

Our real estate portfolio is built around durable income streams supported by structural themes and inflation protection.

Implementation is tactical as we adjust timing and sizing based on local fundamentals, capital flows, and market conditions across regions.

As a long-term investor, we stay disciplined through cycles by focusing on intrinsic value and an asset's sustainability, rather than short-term noise. We build exposure around durable themes where we see value across cycles including necessity-driven retail, high-barrier industrial, digital infrastructure, and strong credit positions, among others.

**You speak about focusing on long-term opportunities but also looking through short-term volatility. How do you do that? How do you balance duration risk at GIC?**

We measure success over the long term, not quarters. Duration is a deliberate portfolio decision and one dimension of cash flow quality.

Take self-storage where leases are often month to month. The duration may seem short, but with the right platform and





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market fundamentals, the sector has demonstrated stabilized occupancy at very high levels.

Duration is an important part of the story and prudent portfolio management will ensure we are not overly exposed to any single risk.

### **How do you think about the alpha you are creating?**

We think about edge in three ways. First, we design structures that solve real problems, which can be scale, certainty, speed, or complexity, giving us leverage on pricing. Second, we invest deeply in relationships with skilled local operators who know their markets best. Third, we prepare early but act only when the risk-reward justifies conviction.

Information alone is necessary but rarely sufficient. In a fluid world, it is important not to overstate how much information any individual investor can have over others. We think of ourselves as an investor who is providing a real structural

solution to our counterparties, because of the complexity, the scale, the speed, or the certainty of execution. Our long-term investment horizon tilts us toward cash flow compounders with pricing power and high replacement costs, as well as towards structures with attractive illiquidity and complexity premia. As patient capital, we can step into mispricing with credible upsides.

We stay disciplined about where we are competitive. Our scale can help. When it doesn't, we wait, or we try to structure around it.

### **Portfolio construction is both a science and an art. When is conviction good enough and when is the data good enough, and how do you pivot when things change?**

We start with our top-down view, but every theme and investment must stand up to bottom-up reality. It's important to approach our top-down views with conviction but also humility, recognizing how quickly conditions can evolve and being ready to adjust as facts change.

Top-down tides can lift many boats, but yours shouldn't leak. We stress-test fundamentals: local supply and demand, structure, partner quality, and operating expertise, to ensure resilience when the tide turns.

At the portfolio level, we are deliberate about concentration risk. At the investment level, we establish a view on what we're investing in exactly, which can be a much harder question to answer than it might seem.

### **Real estate for GIC isn't an income play; you're looking for growth, but you're also looking for income and inflation resiliency. How much risk are you willing to take?**

With scale, what looks large in isolation may not be large in the portfolio context. Our responsibility is to incorporate

portfolio-level perspectives in order to take calculated risks, ensure diversification, and keep learning as we go.

## **Role of the investor**

### **We're seeing public pension plans want more control and more visibility into their exposures. GIC is a big direct investor. Where do you stand on this? Do you want more control over your deals?**

We have built long-term relationships with partners who execute well, alongside a dedicated funds team that sources the best opportunities. We do not see the direct and fund worlds to be mutually exclusive. In some cases, funds have brought us attractive, direct opportunities with control, and at other times a joint venture evolves to include a fund relationship. The point is to align incentives and build on what works.

We stay consistent with our portfolio goals — income, growth, inflation protection — and align the vehicles that do the job best given the market environment.

### **How hard is it to be a direct investor? This goes to that question about complexity because you can only do direct if you're a certain scale. At the end of the day, your role as an investor is to allocate capital, not to also be the manager.**

Exactly. We do not pretend to be operators, and we rely on our partners for their expertise. We will pay for complexity when the risk-adjusted return justifies it, but we go in with clear eyes knowing that complex situations can go wrong in more ways than one.

## **The data center ecosystem**

### **Can we dig into one property type, data centers? Data centers have brought to life the fact that real estate is not siloed in one asset class. It cuts across private**

## To understand real estate, we need to understand AI, and how we can shape a portfolio in response.

### and public, equities and debt, real estate and real assets. How does GIC think about data centers, and where it needs to sit in an investor portfolio?

Like many others, we have spent a lot of time thinking about the data center space, first with cloud computing and now AI.

Across different parts of GIC, we take a granular approach of investing across the entire value chain of digitization. In real estate, we look at how it captures value creation. The first question we

need to answer is the speed and the breadth of its value diffusion. While the net value created is almost certainly positive, we need to have a view on how it will be derived and captured across the chain.

Then, we think about how the markets and perhaps policymakers are going to navigate this transition when these technological changes are coming. Although this is not the first time we have experienced disruptive technology, this is going to be transformational.

We will want to stay close to ground and keep an open mind while taking in information. The near-term question will be on the scale of the structural, sustained demand.

### What has been one of the biggest challenges as you look to the portfolio or to the future?

Like many others, we are watching the AI space very closely because it will be a foundational part of the real economy. To understand real estate, we need to understand AI, and how we can shape a portfolio in response. As we leverage our long-term, flexible capital and network to enable the growth of AI capabilities and adoption, we continue to monitor how these assets evolve in response to technological development and the growing risk of overcapacity driven by supply. 

## Three questions that matter: Being a direct investor

### As you look to the next decade of being a real estate investor, what do you think is critical for every investor to be able to do?

**Judgment.** The ability to arbitrate among competing evidence, weigh priorities that matter independently but cannot be satisfied all at once, and pick the best path forward knowing trade-offs are inevitable. As conditions evolve and our tools change, sound judgment, more than information or knowledge, remains at the center of everything we do.

**One of the tools will be technology and data.** Today, we are worried about being bombarded by data overload at the detriment of data integrity. Now, confirmation bias can be supercharged by the ability to craft any narrative with any given set of data — the only safeguard is disciplined standards and constant challenge. It is important to exercise judgment to understand how to deploy data and information with rigor and consistency to drive robust decision-making.

### What lessons have you learned personally being an investor?

**No one gets every call right.** It is human to be wrong, and you're wrong more often than you think you would be. What matters is how quickly we learn, adapt, and move forward.

### What are you optimistic about?

**GIC has meaningful new capital to deploy into good opportunities that can generate stable returns over the long term.** We have a strong team with a prudent culture that strives for excellence, and we are supported by a global network of partners. When the top-down theme and the bottom-up realities meet each other, we are not afraid to scale and take advantage of opportunity.

### I hope this encourages GPs to be in listening mode.

**Our purpose goes well beyond capital.** We hope our partners understand how we think and see us as thoughtful, long-term collaborators in a shared investment journey. The best outcomes happen when both sides bring conviction, curiosity, and patience to the table.