

OFFER OF INTERESTS IN THE

HOME STRAIGHT PARK

PROPORTIONATE OWNERSHIP SCHEME

17, 19 & 21 HOME STRAIGHT, TE RAPA, HAMILTON



ISSUED BY OYSTER MANAGEMENT LIMITED ON 5 MARCH 2020

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.disclose-register.companiesoffice.govt.nz.

Oyster Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

HOME STRAIGHT PARK
PROPORTIONATE OWNERSHIP SCHEME
PRODUCT DISCLOSURE STATEMENT

1. KEY INFORMATION SUMMARY

WHAT IS THIS?

This is an offer of interests ("Interests") in the Home Straight Park Proportionate Ownership Scheme ("Scheme"), a proportionate ownership scheme. Your money will be pooled with other investors' money and invested. Oyster Management Limited ("Oyster") invests the money in assets, such as the properties at 17, 19 and 21 Home Straight, Te Rapa, Hamilton ("Home Straight Park"), and takes fees. The assets and fees are described in this document. By investing in this Scheme, you are relying on the investment decisions of Oyster and returns from the assets that the Scheme invests in.

There is a risk that you may lose some or all of the money you invest.

WHO MANAGES THIS SCHEME?

Oyster is the manager of this Scheme. Section 10 of this document includes further details of Oyster and others involved in the Scheme.

WHAT ARE YOU INVESTING IN?

This is an offer for Interests in a proportionate ownership scheme. The Scheme has been designed as a single purpose long term investment in commercial real estate. Investors' investments in the Scheme will be used to acquire three assets – 17, 19 and 21 Home Straight, Te Rapa, Hamilton – and to provide working capital for the Scheme.

The Scheme has no fixed term. There is no set date on which you will get your investment back. You may be able to exit the Scheme by selling your Interests to a third-party.

The costs of establishing the Scheme and acquiring Home Straight Park are:

Purchase price	\$69,500,000
Establishment costs	\$3,212,168
Working capital	\$1,487,832
Total costs	\$74,200,000

The costs of establishing the Scheme and acquiring Home Straight Park will be funded by:

Subscriptions from Investors, the Oyster Underwrite or the Wyborn Underwrite	\$32,500,000 (up to \$3,350,000 from the Oyster Underwrite and \$6,100,000 from the Wyborn Underwrite)
Subscriptions from Investors or Bridging Loan	\$6,950,000
Term Loan	\$34,750,000
Total Funding	\$74,200,000

Investment Objectives

Commercial property is a long term investment. The primary objectives of the Scheme are to:

- Sustain the targeted pre-tax cash return to Investors of 6% per annum; and
- Preserve and grow the value of Home Straight Park.

Investment Strategy

The Scheme's strategy is to acquire Home Straight Park, continue to lease it to quality tenants, maintain the buildings to a high standard and preserve and grow Investors' equity (to the extent possible).

KEY TERMS OF THE OFFER

Managed Investment Product	Interests in the Scheme
Offer Opening Date	12 March 2020
Offer Closing Date	3 April 2020 (unless fully subscribed earlier)
Total Interests on Offer	789 Interests at \$50,000 each. The total value of the Offer is \$39,450,000.
Offer of Interests	<p>Existing investors in the Home Straight POS (the vendor of 17 and 19 Home Straight) have a preferential right to apply for Interests in the period up to 13 March 2020. See page 34 for details.</p> <p>All other applications for Interests, including those from existing Home Straight POS investors above their preferential right, received before the Closing Date will be allotted on a first come first served basis.</p>
Allotment of Interests	Interests subscribed for prior to the Settlement Date will be allotted on or immediately after the Settlement Date. If the Offer remains open post the Settlement Date any further Interests subscribed for will be allotted monthly on the first day of the following month for applications received by 3pm three business days prior to the last calendar day of a month.
Cash Distributions	Monthly, by the 10th of each month.
Liability to make further payments under the Offer	<p>Investors are not required to make any further payments.</p> <p>This excludes the payment of fees and expenses which are payable and referred to in Section 8 on page 52.</p>
Minimum Subscription	If the minimum subscription is not reached the Scheme will not be established and Investors will be paid back their subscription amounts (plus interest if any). The minimum amount that is required to be raised from subscriptions by Investors is \$21,700,000.
Underwrite	<p>Oyster is underwriting \$3,350,000 (67 Interests).</p> <p>Wyborn is underwriting \$6,100,000 of the Offer (122 Interests).</p> <p>See page 16 for details.</p>

HOW YOU CAN GET YOUR MONEY OUT

The Scheme does not offer a buy back or redemption facility for the Interests.

Your investment in these Interests can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

KEY DRIVERS OF RETURNS

The key current and future aspects of the Scheme that will, or may, have an impact on the Scheme's financial performance are:

Income

The Scheme's primary source of income is rental income from the tenants of Home Straight Park. From this income the Scheme is required to pay its operating expenses which include any unrecoverable operating costs of Home Straight Park, fees, Scheme expenses and interest on its Bank Loans.

Bank Interest Rates

The primary expense of the Scheme is the payment of interest on the Bank Loans. An increase or decrease in interest rates on these loans will increase or decrease the amount of money available to distribute to Investors.

Capital Expenditure

The working capital of the Scheme includes \$950,000 to fund 5 years of capital expenditure. After this period capital expenditure (where necessary) will be funded by the Scheme's cash flow or additional debt. The replacement of building services (such as lighting and air conditioning) and structural works to the building are not recoverable from the tenants under the leases; those are a cost to the Scheme.

Value of Home Straight Park

The change in value of an Interest in the Scheme is predominantly tied to the change in value of Home Straight Park. The value of Home Straight Park will be influenced by the property market, changes in rental paid by the tenants and the remaining term of the leases.

The key strategies and plans in relation to the return from the Scheme are detailed in Section 2 under the heading "5. Future Performance of the Scheme" on page 18.

HOME STRAIGHT PARK PROPORTIONATE OWNERSHIP SCHEME'S FINANCIAL INFORMATION

Gearing and Interest Cover Ratios

	As at 6 April 2020 on acquisition of Home Straight Park and issue of the Interests		As at 31 March 2021 ³	As at 31 March 2022 ³
	Term Loan Only ¹	Term Loan and Bridging Loan ²		
Gearing Ratio	49.0%	58.7%	48.6%	48.5%
Interest Cover Ratio	Not applicable	Not applicable	3.05 times	3.06 times

¹ The prospective financial information assumes that only the Term Loan has been drawn down.

² This has been included to show the impact on the Gearing Ratio if the Bridging Loan of \$6,950,000 is required to settle the purchase of Home Straight Park.

³ The figures for 31 March 2021 and 31 March 2022 assume that the Bridging Loan has either not been drawn down or has been repaid.

	Annualised Return for the eleven months and 25 days ending 31 March 2021	For the Year ending 31 March 2022
Forecast pre-tax cash return	6.00%	6.00%

The "Gearing Ratio" is how much the Scheme owes (the Bank Loans) as a portion of its assets including cash.

The higher the Gearing Ratio, the greater the Scheme's exposure to risk from a movement in interest rates or the requirement to repay the Bank Loans should they not be able to be renewed or refinanced on expiry.

The "Interest Cover Ratio" tells you how much of the Scheme's net income exceeds the interest on the Bank Loans. The higher the ratio, the more comfortably the Scheme's income can cover any interest owing.

The selected prospective financial information included in this document has been derived from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the offer register at www.disclose-register.companiesoffice.govt.nz. The prospective financial information has been subject to a limited assurance engagement and an unqualified conclusion issued by Ernst & Young Transaction Advisory Services Limited, a copy of which is also included on the offer register.

Valuation

Jones Lang LaSalle has prepared independent valuation reports for Home Straight Park ("Valuation Reports") with a combined valuation of \$69,500,000 plus GST (if any) at 22 January 2020. Copies of the Valuation Reports are available on the offer register at www.disclose-register.companiesoffice.govt.nz.

The Valuation Reports were made in accordance with current Australia and New Zealand Valuation and Property Standards, using both a capitalisation of net income approach and a discounted cash flow approach.

KEY RISKS OF THIS INVESTMENT

Investments in managed investment schemes are risky. You should consider whether the degree of uncertainty about the Scheme's future performance and returns is suitable for you. The price of these Interests should reflect the potential returns and the particular risks of these Interests. Oyster considers that the most significant risk factor that could affect the value of the Interests is the seismic warranty provided under the IRD lease, which requires that the building has a minimum seismic rating of 100% of NBS.

While that rating will be met at the time the lease commences, in the event that there is either a change in the Building Act 2004 or the building code, a seismic event with a magnitude of M7, or an earthquake which is classified as "Severe" during the term of the IRD lease, the tenant is able to undertake their own DEE (Detailed Engineering Evaluation). If the building is found to be less than 100% of NBS the Scheme will be required to upgrade the building to meet the seismic requirements, and/or IRD will have the right to terminate the lease. Please see further detail on this risk, and its mitigants, on page 48.

This summary does not cover all of the risks. You should also read Section 7 of the PDS (Risks to Returns from Home Straight Park Proportionate Ownership Scheme) on page 47.

WHAT FEES WILL YOU PAY?

The table below summarises the fees and expenses that the Scheme will be charged. Further information about the fees is set out in Section 8 of this PDS.

Establishment costs payable to Oyster	
Acquisition Fee	1,390,000
Brokerage Fee	789,000
Oyster Underwrite Fee	100,500
Deposit Fee	37,500
Legal Setup Costs – Oyster charge	15,000
Accountancy – internal	15,000
Total establishment costs payable to Oyster	2,347,000
Establishment costs payable to others	
Marketing	150,000
Wyborn Underwrite fee	183,000
Legal Setup Costs – external	352,735
Investigating Accountant	45,000
Seismic assessment	29,112
Property Due Diligence Reporting	33,441
Bank Legal	11,500
Asset Valuation	22,500
Plant & Machinery Valuation	9,350
PDS Registration Cost	5,690
Supervisor's fee	5,000
Directors & Officers and Professional Indemnity Insurance	14,840
Insurance Valuation	3,000
Total establishment costs payable to others	865,168
Total establishment costs	3,212,168

The fees above do not include GST.

Ongoing fees and expenses (payable for the duration of the Scheme)	
Oyster and its associated persons' aggregate fees and expenses for the accounting periods to:	31 March 2021 will be \$2,780,556 plus GST which as a percentage of the net assets of the Scheme is anticipated to be 7.7%
	31 March 2022 will be \$442,663 plus GST which as a percentage of the net assets of the Scheme is anticipated to be 1.2%
Other persons' aggregate fees and expenses for the accounting periods to:	31 March 2021 will be \$1,591,322 plus GST which as a percentage of the net assets of the Scheme is anticipated to be 4.4%
	31 March 2022 will be \$755,853 plus GST which as a percentage of the net assets of the Scheme is anticipated to be 2.1%

Fees and expenses for the period ended 31 March 2021 include establishment costs.

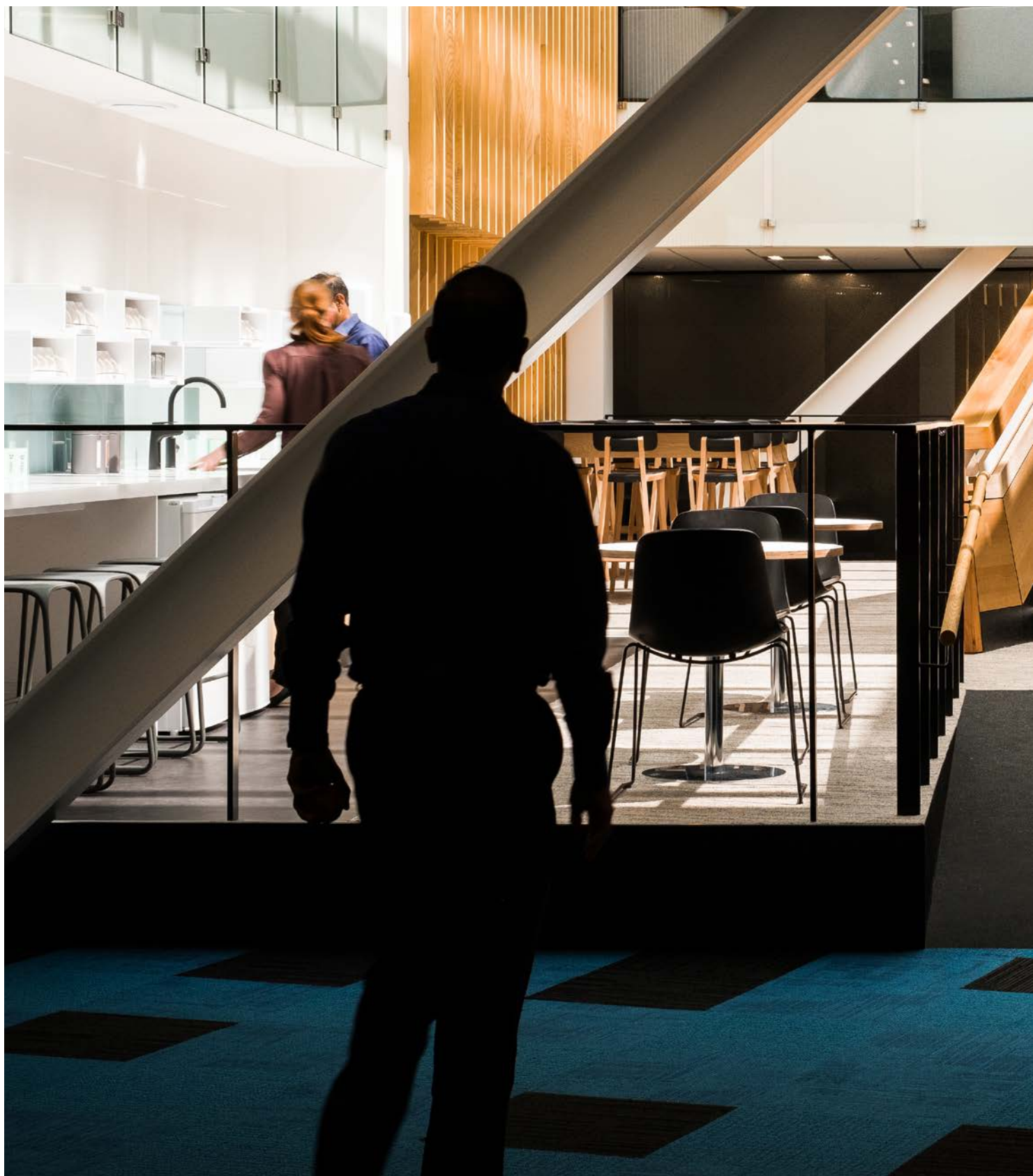
HOW WILL YOUR INVESTMENT BE TAXED?

The Scheme is not a portfolio investment entity ("PIE").

As a proportionate ownership scheme, the Scheme is not liable for income tax. Interest holders are assessed individually on their proportionate share of taxable profit and are individually responsible for the payment of their taxes. See Section 9 of this PDS (Tax) on page 60 for more information.



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LETTER TO INVESTORS

Oyster is excited to introduce our next investment opportunity, Home Straight Park, a high quality modern commercial office park exceptionally located off Te Rapa Road, Hamilton.

In recent years, the Hamilton office market has been supported by steady rental growth, along with firming yields, resulting in capital growth across all office types. The outlook is stable as rental growth and further firming of yields are set to continue.

We believe Home Straight Park provides very good property investment fundamentals capable of continuing to attract quality occupiers well into the future. The business park has a broad mix of office and retail tenants with the three largest providing 67% of the property's income. We are particularly attracted by the quality covenant of these three tenants – Fonterra subsidiary RD1, the Ministry of Education and the Inland Revenue Department.

The three buildings are situated on separate titles across a total site area of 2.925 hectares, and the business park was developed in two stages with the first being completed in 2012 (17 and 19 Home Straight) and the most recent in 2018 (21 Home Straight). The combined leases provide an overall Weighted Average Lease Term of 5.75 years as at the expected settlement date of 6 April 2020.

Home Straight Park Proportionate Ownership Scheme has a 6.00% per annum forecast pre-tax cash return (for the year ending 31 March 2022), payable monthly to investors. The minimum investment is \$50,000, and multiples of \$50,000 thereafter.

This Product Disclosure Statement (PDS) contains important information about this offer. We encourage you to read the PDS carefully before making your investment decision. We look forward to hearing from our existing Oyster investors and welcome the opportunity to discuss this further with new investors.

2. WHAT HOME STRAIGHT PARK PROPORTIONATE OWNERSHIP SCHEME INVESTS IN

KEY FEATURES OF THE SCHEME

1. SIPO SUMMARY

The Scheme has a Statement of Investment Policies and Objectives ("SIPO"). In accordance with the SIPO, Oyster will only invest in the following assets:

- Home Straight Park and any leases/licences of Home Straight Park;
- Cash deposits with registered New Zealand banks; and/or
- Any other assets arising in connection with holding Home Straight Park (including prepayments, accounts receivables, interest rate swap agreements and insurance receivables).

The investment strategy of the Scheme is to hold Home Straight Park and generate long term income for Investors. Cash will only be held as working capital for the Scheme.

Investment Objectives

Commercial property is a long term investment. The primary objectives of the Scheme are to:

- Sustain the targeted pre-tax cash return to Investors of 6% per annum; and
- Preserve and grow the value of Home Straight Park.

Investment Strategy

The Scheme's strategy is to acquire Home Straight Park, continue to lease it to quality tenants, maintain the buildings to a high standard and grow Investors' equity (to the extent possible).

The objectives and strategy will be implemented by Oyster through proactive management of the Scheme and Home Straight Park. Some of the key policies that will be used are:

- **Distributions:** Oyster's policy is to distribute up to 100% of the Adjusted Operating Profit of the Scheme to Investors after permitted retentions, such as contingencies against increases in the interest rates on any bank borrowing, or for any budgeted expenses of the Scheme.
- **Cash flow management:** a regular cash flow budget for a minimum of 12 months is maintained and monitored.
- **Bank Covenants:** regular review of key bank covenants being Interest Cover Ratio maintained at not less than 2 times the interest payments (such that the Scheme's income is 2 times the interest payments payable under its bank debt) and Gearing Ratio maintained at no more than 55% (once the Bridging Loan is repaid – from the subscription monies from the issue of Interests).
- **Capital expenditure:** Oyster undertakes regular monitoring of the condition of Home Straight Park and building services to ensure ongoing routine repairs and maintenance are undertaken to a high standard. Service contracts will be put in place with reputable contractors to provide regular servicing and maintenance of the buildings.
- **Hedging/interest rate policy:** the main expense of the Scheme will be interest payments on its bank debt. Oyster will actively manage the Scheme's interest rate expense by entering into interest rate hedging contracts, which can be used to fix interest rates in advance. Oyster's current policy is to hedge between 50% to 100% of bank debt.

The SIPO and the investment strategy for the Scheme will be reviewed at least annually, or as otherwise required, by Oyster's Board in relation to market conditions and regulatory requirements.

If the SIPO or investment strategy is to be amended or updated Oyster's Board will liaise with the Supervisor as required. Investors will be advised of any changes to the SIPO.

The SIPO can be found in the scheme register at www.disclose-register.companiesoffice.govt.nz.

2. THE PROPERTY – HOME STRAIGHT PARK, 17, 19 AND 21 HOME STRAIGHT, TE RAPA, HAMILTON

Legal Description

Home Straight Park is located at 17, 19 and 21 Home Straight, Te Rapa, Hamilton. The land is comprised in record of title 698512 (being Lot 1 Deposited Plan 487788), record of title 698513 (being Lot 2 Deposited Plan 487788) and record of title 698514 (being Lot 3 Deposited Plan 487788, which is to be subdivided to create a new record of title described as Lot 1 on Survey Plan 530462 and as shall be more particularly described as record of title 862782 on completion of the subdivision prior to settlement).

Features of the Property

Home Straight Park is a high quality modern commercial office park located north of Hamilton's CBD, in the commercial precinct known as Te Rapa. The property comprises three titles across a total site area of 2.925 hectares and hosts three modern office buildings that have been developed in two stages with the first in 2012 (17 and 19 Home Straight) and the most recent in 2018 (21 Home Straight). The buildings predominately comprise office accommodation with some associated ground floor retail. The business park provides accommodation to three major corporate and government tenants who provide 67% of the property's income. These tenants include RD1, the Ministry of Education and the Inland Revenue Department ("IRD"), with other office and retail occupiers making up the remainder of the tenant mix.

Seismic Rating

Investigations by Harrison Grierson indicate that 17 and 19 Home Straight have a seismic strength rating of 100% of NBS.

Investigations by Envelope Structural indicate that 21 Home Straight has a seismic strength rating of 100% of NBS.

A copy of the engineers' letters can be found on the scheme register at www.disclose-register.companiesoffice.govt.nz.

Leases

Home Straight Park is expected to have a Weighted Average Lease Term of 5.75 years (as at 6 April 2020). The property has a net lettable area of 14,738sqm and is occupied by 11 tenants.

17 Home Straight is leased to the following tenants:

- RD1 Limited. The current renewed term of three years expires on 9 May 2023.
- Hamilton City Fitness Limited. The current 15 year term expires in 10 April 2027.
- Te Kiinaki i a Tako Limited. The current 12 year term expires on 3 March 2025.

19 Home Straight is leased to the following tenants:

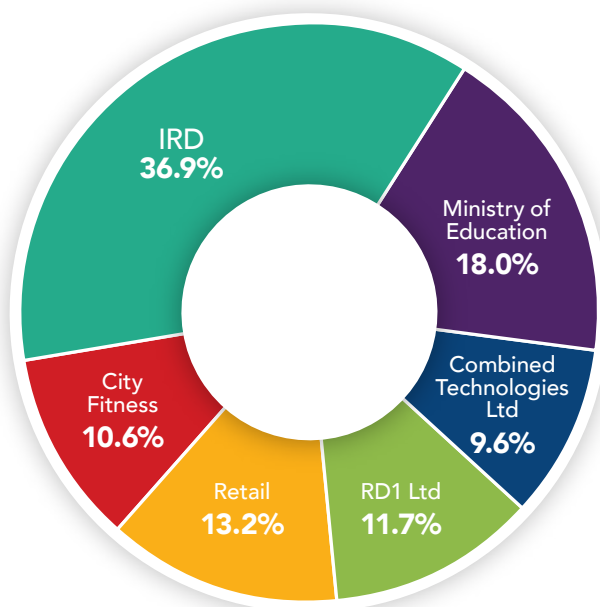
- Her Majesty the Queen acting by and through the Secretary for Education. The current ten year term expires on 9 April 2022.

Leases (continued)

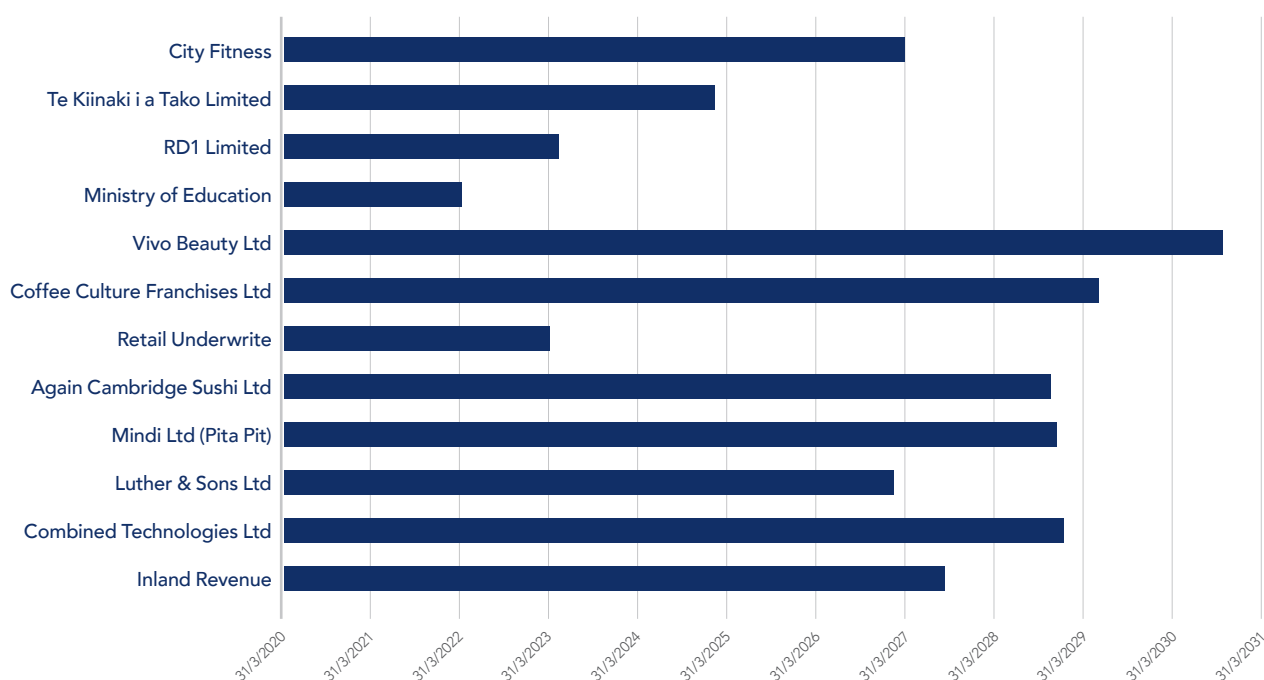
21 Home Straight is Leased to the following tenants:

- The Sovereign in right of New Zealand acting by and through the Commissioner of Inland Revenue. The current term of nine years expires on 30 September 2027.
- Vivo Beauty Limited. The current term of twelve years expires on 4 November 2030.
- Combined Technologies Limited. The current term of ten years expires on 31 January 2029.
- Again Cambridge Sushi Limited. The current term of ten years expires on 11 January 2029.
- Mindi Limited. The current term of ten years expires on 16 January 2029.
- Luther & Sons Limited. The current term of eight years expires on 6 March 2027.
- Coffee Culture Franchises Limited. The current term of ten years expires on 30 June 2029.

**Rent Profile
as % of Income**



Lease Expiry Profile





3. SCHEME MANAGEMENT

THE MANAGER

Oyster has been appointed under the Deed of Participation to manage and administer the Scheme on behalf of Investors. Oyster will carry out the day-to-day activities that are required for the Scheme to operate.

These activities include property and facilities management, managing monthly distributions, investor communications, administering creditors and debtors and ensuring compliance with relevant legislation and regulations.

Oyster is licensed under the Financial Markets Conduct Act 2013 to manage other Managed Investment Schemes; which are Property Syndicates/ Real Property Proportionate Ownership Schemes, and Managed Investment Schemes – Managed Schemes where the funds are invested solely in real property (listed and unlisted). Oyster manages a number of other schemes as well as the Scheme. Its duties as manager of other

properties and schemes are separate to its duties as manager of this Scheme. When it is acting as a manager of a scheme it has a duty to act in the best interests of the investors in that scheme.

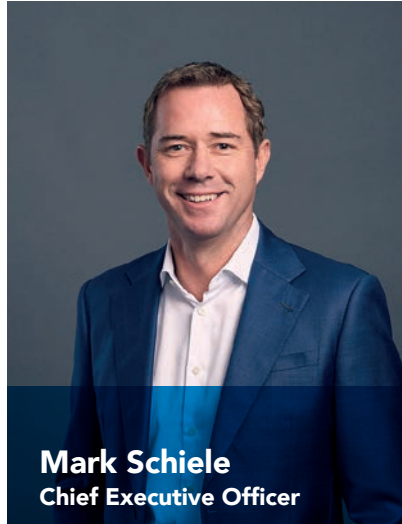
Oyster will continue as manager of the Scheme until it retires or is removed from office. Under the Deed of Participation the manager can be removed by:

- The High Court, pursuant to section 209 of the Financial Markets Conduct Act 2013 (on application by the Supervisor or an Investor).
- The Supervisor (for example, for material breach of its obligations or duties, or if it is in the best interests of the Investors that the manager be removed).
- The Investors by Special Resolution.

See clauses 7.20 and 7.21 of the Deed of Participation for full details. No fees (other than all management fees due to the manager up to the date the manager is removed pursuant to the Deed of Participation) are payable to the manager on removal from office.

OYSTER MANAGEMENT STAFF

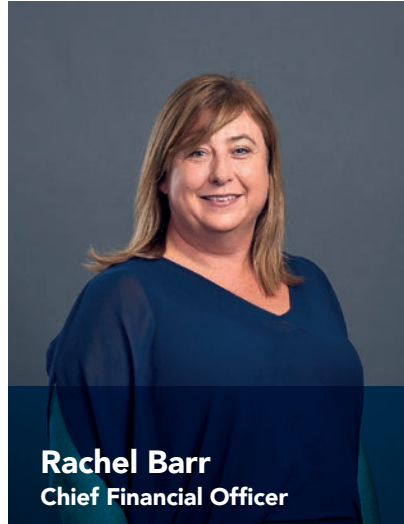
Key personnel involved in management of the Scheme are:



Mark Schiele
Chief Executive Officer

Mark completed a Bachelor of Property Administration degree at the University of Auckland in 1991. He went on to hold various management positions with Challenge Properties, St Lukes Group, Richard Ellis and Westfield.

In 1997, he joined Prime Retail Management Limited as General Manager and was appointed to the Board in 2001. Mark is responsible for overseeing all of Oyster's operations and implementing the group's agreed strategy. Mark is a director of Oyster.



Rachel Barr
Chief Financial Officer

Rachel is CA qualified and holds a Bachelor of Commerce degree from the University of Auckland, with a double major in Financial Accounting and Commercial Law.

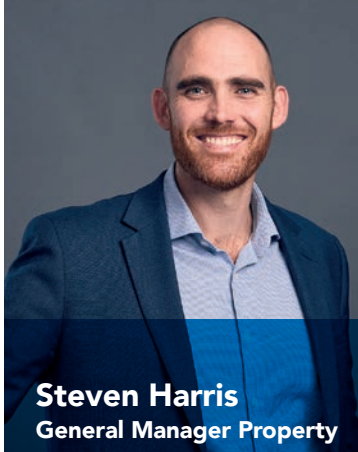
She has over 20 years' experience working in accounting and finance roles in both New Zealand and the UK. Rachel leads Oyster's Finance Team and is responsible for financial management and reporting, capital and cash flow management, and taxation compliance functions.



James Molloy
Head of Transactions

James holds a Bachelor of Property from the University of Auckland, and is a member of the Royal Institute of Chartered Surveyors. James heads Oyster's asset sourcing team which includes the investment analysis, due diligence and negotiations for proposed property transactions.

He matches capital with investment opportunities and manages Oyster's capital raising process for funds and syndicates.



Steven Harris
General Manager Property

Steven holds a Bachelor of Property degree, is a member of the Property Institute of New Zealand and is a non-practising registered valuer.

Steven is responsible for overseeing Oyster's commercial portfolio, liaising with investors, tenants, contractors and external consultants. Steven leads a team of property managers and facilities managers.



Ian Hasell
General Counsel
and Company Secretary

Ian holds a Bachelor of Law and Bachelor of Arts degree from the University of Canterbury, and is a Member of the New Zealand Law Society and a past president of the In-house Lawyers Association of New Zealand.

Ian is responsible for the legal and regulatory affairs of Oyster, ensuring legal compliance and limiting risk exposure.

Refer to Section 10 on page 61 of this PDS for more information on Oyster and others involved in the Scheme.

4. PURPOSE OF THE OFFER

The purpose of this Offer is to enable the Scheme to raise sufficient funds, which together with bank funding, will allow the Scheme to purchase Home Straight Park, pay the Scheme establishment costs and provide working capital.

To ensure that the Scheme will be able to purchase Home Straight Park on the Settlement Date, even if all the Interests have not been subscribed for, the Scheme has entered into:

- a short term Bridging Loan of \$6,950,000 with ASB Bank repayable within 6 months from the initial drawdown date from the subscription monies from the issue of Interests; and
- an underwrite agreement with Oyster pursuant to which Oyster has agreed to subscribe for any Interests that have not been subscribed for by 5 business days prior to the Settlement Date up to a maximum of 67 Interests (\$3,350,000) ("Oyster Underwrite").

Oyster has entered into an underwrite agreement with Wyborn Capital Properties Limited ("Wyborn") pursuant to which Wyborn has agreed to subscribe for any Interests that have not been subscribed for by 5 business days prior to the Settlement Date up to a maximum of 122 Interests (\$6,100,000) ("Wyborn Underwrite").

The Oyster Underwrite and Wyborn Underwrite may only be called upon once the full amount of the Bridging Loan has been drawn down.

Five business days prior to the Settlement Date, any additional funding required to settle Home Straight Park will be satisfied firstly by the Bridging Loan, secondly the Oyster Underwrite and finally the Wyborn Underwrite.

A minimum of \$21,700,000 is required to allow the Scheme to purchase Home Straight Park and issue the Interests. The total funding required to settle Home Straight Park and pay the Scheme's establishment costs is \$72,800,000 (excluding working capital of \$1.4 million) which is made up as follows:

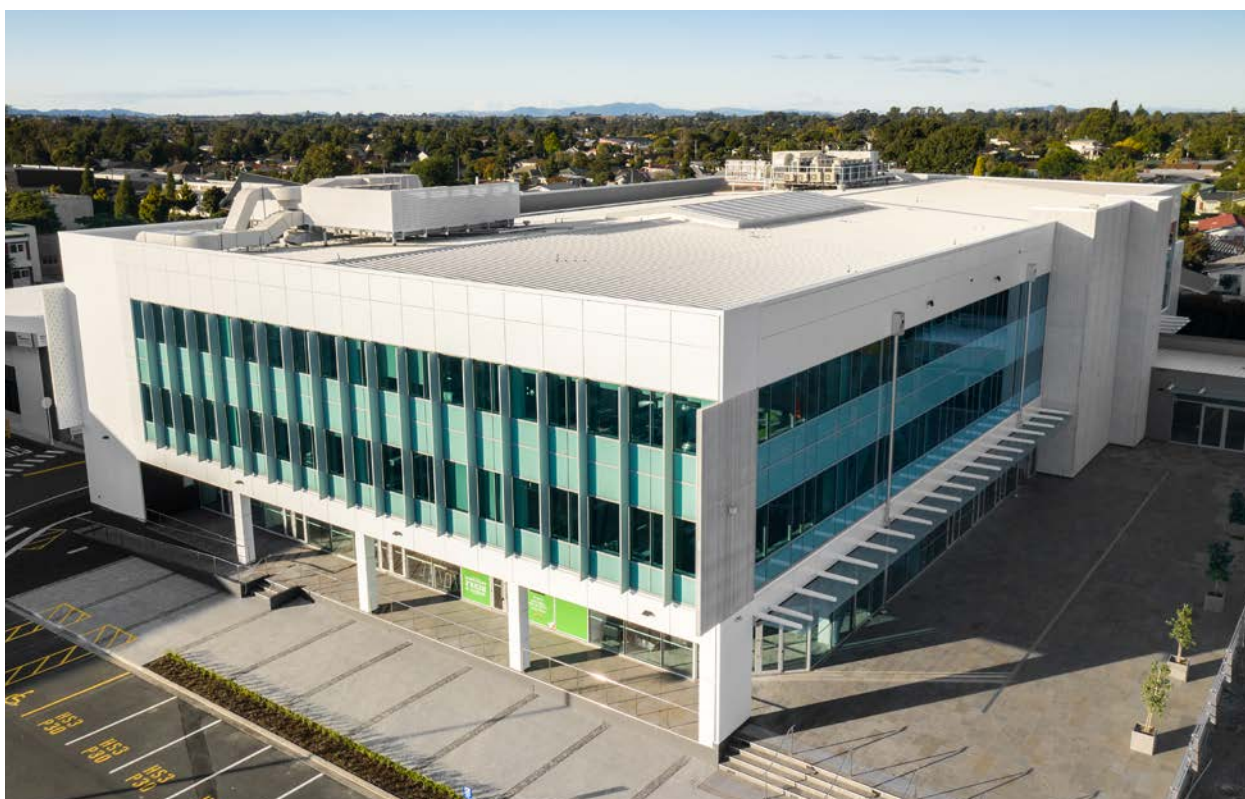
- \$31,100,000 of subscription monies received from Investors or the Oyster Underwrite or Wyborn Underwrite
- \$6,950,000 of subscription monies received from Investors or from the Bridging Loan
- \$34,750,000 from the Term Loan

Given the purpose of this Offer is to purchase Home Straight Park, the use of the money raised under the Offer (together with other sources of finance) will not change depending on the total amount of money that is raised.

Should Oyster determine that the Bridging Loan will be drawn down to settle Home Straight Park, subscription monies received from the issue of Interests after settlement will be applied to the repayment of the Bridging Loan. Once that is repaid, if the underwrites were required to settle Home Straight Park, Oyster on behalf of Wyborn will sell down any Interests issued to Wyborn under the Wyborn Underwrite. Once all of the Interests subscribed for under the Wyborn Underwrite have been re-sold, Oyster will re-sell any Interests subscribed for under the Oyster Underwrite.

The money raised from Investors will be allocated in accordance with the objectives and policies of the SIPO as follows:

Expenditure	\$	Description of expenditure
Purchase price	\$69,500,000	This is the key expenditure required to purchase Home Straight Park and to implement the investment strategy and purpose of the Scheme.
Establishment Costs	\$3,212,168	<p>The establishment costs include:</p> <ul style="list-style-type: none"> ■ Oyster's acquisition fees, brokerage, marketing fees, underwriting, investigating accountant fees, legal fees, supervisor fees, PDS registration fee, disbursements, and bank fees which are necessary to carry out the Offer, raise money and complete the acquisition of Home Straight Park in accordance with the SIPO. ■ Fees relating to due diligence on Home Straight Park which are to ensure that Home Straight Park meets the investment strategy and objectives of the Scheme.
Working capital	\$1,487,832	Of this \$950,000 is budgeted to be used to fund 5 years of future capital expenditure at Home Straight Park.
Total	\$74,200,000	



5. FUTURE PERFORMANCE OF THE SCHEME

The key current and future aspects of the Scheme that have or may have the most impact on the financial performance of the Scheme and Oyster's key strategies and plans to address these are detailed below:

1. Rental income

Home Straight Park is leased to 11 tenants which spreads the risk of a loss of income from a tenant defaulting on their lease, the top tenant accounts for just over a third of the Scheme's rental income. The leases have a variety of rent review mechanisms (market, fixed and CPI reviews) and the dates of the reviews vary across the tenancies. This should reduce the impact of any changes to rental from a tenancy due to a decrease at a market rent review, as the market reviews are spread out over a number of years.

2. Bank Loan interest

This will be the largest expense for the Scheme. Changes in interest rates charged on the Scheme's Bank Loans can have a material impact on the Scheme's operating expenses and the distributions paid from the Scheme. Interest rate risk can be managed by fixing the interest rate for a period on all or part of a loan. Oyster will regularly review the Scheme's Bank Loans and assess the benefits of fixing or floating interest rates, entering into short-term and long-term interest swap agreements, or a combination of these. Oyster on behalf of the Scheme intends to fix at least 50% of the loan amount by way of an interest rate swap contract on settlement of Home Straight Park. The interest rate for the 3 year Term Loan is currently floating at 3.46%.

3. Property value

The net asset value of the Scheme is primarily influenced by the market value of Home Straight Park. The market value will be influenced by factors such as the remaining lease terms, the rental income and market conditions.

Oyster will endeavour to maintain and improve the capital value of Home Straight Park by measures such as:

- active management of Home Straight Park to ensure Home Straight Park continues to be fit for use and presents well;
- proactive repairs and maintenance to reduce long term capital expenditure; and
- proactive engagement with tenants on renewal of their leases prior to lease expiry.

4. Capital expenditure and operating expenses

Expenses for repairs and maintenance to Home Straight Park and any operating expenses which are not recoverable from tenants will have an impact on cashflow. These expenses can be managed through negotiating service contracts for regular maintenance and proactive preventative maintenance to extend the life of building services. Planned major capital works are included in the long term budgets for Home Straight Park and where possible working capital will be accumulated over time to pay for these works.

6. NATURE OF RETURNS

The return on your investment is made up of two elements: the distributions from the Scheme and the change in value of Home Straight Park.

a. Income

The Scheme's primary source of income is rental income from Home Straight Park. The rental income from the tenants and the operating costs for running Home Straight Park determine the Scheme's income from this investment. From the Scheme's income the Scheme will pay its expenses. These include the fees paid to Oyster, the Supervisor and auditor. A full list of the fees paid by the Scheme can be found in Section 8 on page 52 of this PDS. You will pay tax on your share of the profit of the Scheme.

b. Capital Growth / Loss

The change in value of an Interest in the Scheme is primarily tied to the change in value of Home Straight Park. The value of Home Straight Park will be influenced by property market, changes in rental paid by the tenants and the remaining terms of the leases of Home Straight Park. When Home Straight Park is valued the valuation will change the asset value of the Scheme. A market valuation of Home Straight Park will be undertaken annually, usually as at 31 March each year. This change in value of Home Straight Park may be reflected in the value of the Interests you hold. Any change in value of an Interest will be realised when Home Straight Park is sold or if you sell your Interest.

ACQUISITION OF KEY PROPERTY

Property valuation

Independent valuations of Home Straight Park have been obtained from Jones Lang LaSalle for a total of \$69,500,000 plus GST (if any) as at 22 January 2020 in accordance with current Australia and New Zealand Valuation and Property Standards. The valuations, as set out in the Valuation Reports was prepared using both the capitalisation of net income approach and a discounted cash flow approach. The valuation of each property is:

17 Home Straight:	\$17,000,000
19 Home Straight:	\$11,500,000
21 Home Straight:	\$41,000,000

For the purposes of undertaking the valuation, the valuers made assumptions about Home Straight Park which are set out in the Valuation Reports. Oyster does not consider any of the assumptions made in the Valuation Reports to be unreasonable or unusual market practice based on its experience of obtaining and considering such valuation advice.

Copies of the Valuation Reports dated 22 January 2020 may be found on the Offer Register at www.disclose-register.companiesoffice.govt.nz.

Real property

This section of the PDS provides a summary of important information on Home Straight Park in relation to:

- the Sale and Purchase Agreements;
- the leases;
- titles to Home Straight Park and all interests registered on the titles; and
- the land information memorandums issued by Hamilton City Council.

SUMMARY OF SALE AND PURCHASE AGREEMENTS

Oyster has entered into Sale and Purchase Agreements with:

- Home Straight Trustees Limited, for 17 and 19 Home Straight, Te Rapa, Hamilton; and
- Hamilton Homezone Limited, for 21 Home Straight, Te Rapa, Hamilton,

which set out the terms and conditions pursuant to which the Custodian (as nominated purchaser of Home Straight Park) will acquire Home Straight Park.

In accordance with the Deed of Participation, the Custodian will hold Home Straight Park on trust for the Investors in the Scheme.





A summary of the key terms of the Sale and Purchase Agreements are set out below.

Key terms of the Sale and Purchase Agreement for 17 and 19 Home Straight

TERM	COMMENTARY
Purchaser	Oyster Management Limited and/or nominee
Vendor	Home Straight Trustees Limited
Consideration	The consideration payable under the Sale and Purchase Agreement is \$28,500,000 plus GST (if any). Upon the agreement being declared unconditional Oyster will pay the deposit of \$500,000 which constitutes part of the consideration payable for 17 and 19 Home Straight.
Settlement	Anticipated to occur on the date that is the "Settlement Date" under the Sale and Purchase Agreement between Oyster and Hamilton Home Zone Limited in relation to 21 Home Straight, provided that the purchaser shall provide the vendor with no less than 5 working days' notice of that date.
Conditions	The agreement is conditional on the purchaser confirming that the Sale and Purchase Agreement for 21 Home Straight is unconditional and, the title being issued for 21 Home Straight.

Key terms of the Sale and Purchase Agreement for 21 Home Straight

TERM	COMMENTARY
Purchaser	Oyster Management Limited and or nominee
Vendor	Hamilton Homezone Limited
Consideration	The consideration payable under the Sale and Purchase Agreement is \$41,000,000 plus GST (if any). Upon the agreement being declared unconditional Oyster will pay a deposit of \$1,000,000 which constitutes part of the consideration payable for 21 Home Straight.
Settlement	Anticipated to occur on the later of: (a) 6 April 2020; and (b) the date being 10 working days following the date on which search copies of the new record of title for 21 Home Straight created on completion of the subdivision are provided to Oyster by the vendor.
Conditional on Equity Raise	The agreement is conditional on the purchaser raising \$21,700,000 by 23 March 2020. If the purchaser does not raise this amount by that date the purchaser is to advise the vendor who may elect to subscribe for the remaining Interests. If the vendor does not subscribe for the remaining Interests the purchaser must advise the vendor whether the condition is satisfied, unsatisfied (in which case the agreement shall be at an end) or waived.
Conditional on Subdivision	To create a record of title to comprise 21 Home Straight, the vendor needs to complete a subdivision of the vendor's land. Upon signing of the Sale and Purchase Agreement, the vendor shall with all speed and diligence: ¹ (a) carry out any works necessary to complete the subdivision in accordance with the subdivision consent and any requirements of the relevant authority; (b) deposit the Survey Plan at Land Information New Zealand; and (c) obtain a single unique record of title for the property. The vendor must complete the subdivision and obtain a single unique record of title for 21 Home Straight on or before 5pm on 30 April 2020 ("Sunset Date"). If the vendor fails to obtain the record of title on or before the Sunset Date, the purchaser may by notice in writing to the vendor, given at any time prior to the date on which the vendor does obtain a single unique record of title for the property, cancel the Sale and Purchase Agreement with immediate effect.

¹ "all speed and diligence" means that the vendor must get the subdivision works underway promptly and complete the steps required without delay.

Key terms of the Sale and Purchase Agreement for 21 Home Straight (continued)

TERM	COMMENTARY
Future Development	<p>The purchaser covenants with the vendor that the purchaser shall not, either directly or indirectly, through an agent or other third party, now or in the future, lodge or support in any way any objection or submission in respect of the vendor's applications for any consents related to the adjoining land or any other proposal by the vendor to rezone, subdivide, develop or use the adjoining land.</p> <p>The purchaser shall also support in writing any application for any resource or building consent for the adjoining land as may be required regarding the adjoining land.</p> <p>The purchaser acknowledges that the vendor will, at some stage following the Settlement Date, cause and procure that major building and construction works are undertaken on the adjoining land. The vendor will, as much as reasonably possible, undertake the future works in a manner which is least disruptive to the purchaser, the property and its tenants.</p>
First Right of Refusal	<p>If at any time the vendor develops the adjoining land and the vendor wishes to enter into any agreement to sell the adjoining land during or following completion of such development then the purchaser has a right of first refusal to purchase the adjoining land.</p>
Vendor Underwrite	<p>The vendor has agreed to underwrite the rent and outgoings payable on three vacant retail spaces if these are not leased at settlement. The term of the underwrite is 3 years from settlement or the date that these units are let, whichever is the earlier.</p> <p>The vendor shall be entitled to grant (prior to settlement) or procure the Scheme to enter into (during the underwrite period) a lease in respect of any underwritten space, with the approval of the Scheme which shall not be unreasonably withheld, where the terms of the lease meet a specified criteria outlined in the agreement.</p> <p>The vendor will pay all incentives and costs of any alterations and additions to be undertaken by the lessor in relation to a new lease except to the extent paid by the Scheme.</p>



Development of a Carpark Building

The Sale and Purchase Agreement for 21 Home Straight ("Agreement") includes an option for the vendor to construct a carpark building on land currently used for carparking at the property. The carpark building will provide the same number of carpark spaces to the Scheme, while allowing the vendor to provide any extra carpark spaces required to meet the requirements of a potential tenant of the remaining undeveloped land adjoining Home Straight Park (once this land is developed).

The vendor must give a notice activating the provisions within 4 years of settlement, otherwise the right will expire. The vendor is required to develop detailed plans and specifications of the carpark building based on the outline plans and specifications attached to the Agreement. The plans will be submitted to the Scheme for approval (acting reasonably) at the preliminary, developed and detailed design stage. The vendor is required to construct the building at its expense, including all required legal approvals. The vendor is required to remediate any defects found at the building during the 12 months following practical completion of the construction.

The carpark building will be owned by the Scheme, no payments to the vendor are required.

On completion of the construction the Scheme and the vendor will enter into a "Co-Sharing Agreement" under which the parties will manage the building and licence out the carpark spaces. The Scheme is entitled to keep and use (and not licence out to the vendor) that number of parking spaces that were located in or in the vicinity of the part of the land that is the subject of the carpark works and that shall no longer be used or capable of being used following the commencement and completion of the carpark works, as agreed by the parties (acting reasonably). The vendor is entitled to licence the rest of the carpark spaces available in the building.

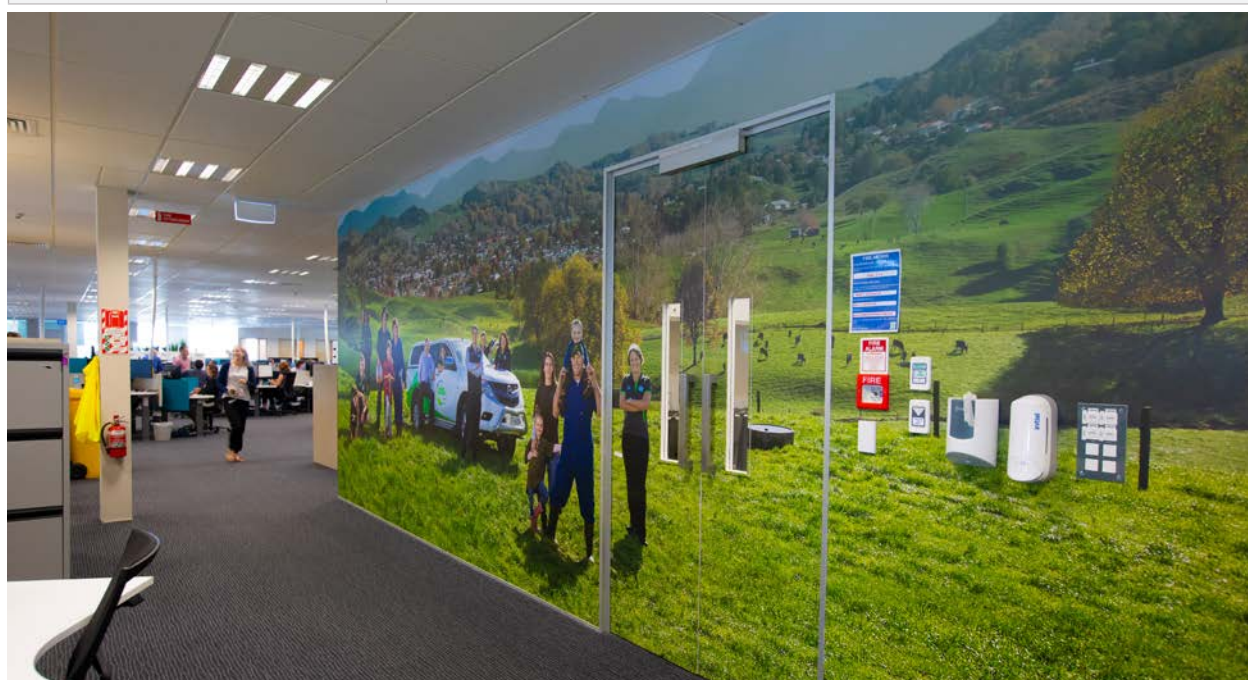
The Scheme takes on responsibility for cleaning and maintaining the building and its systems, and undertaking repair and replacement works when required, and obtaining a BWO. Each of the Scheme and the vendor will pay for its proportionate share of the costs of these works.

SUMMARY OF THE LEASES

Oyster is not aware of any tenants failing to meet any of their obligations under the leases of Home Straight Park.

A copy of the leases can be found on the scheme register at www.disclose-register.companiesoffice.govt.nz

PROPERTY DETAILS – 17 Home Straight	
Tenant	RD1 Limited
Area	2,175m ²
Annual rent (excluding GST)	\$504,335 plus GST
Current term	Eight years
Expiry date	9 May 2023 (the tenant has given notice that it is renewing the lease for a further 3 years from 10 May 2020).
Future rights of renewal and next renewal date	The tenant has two further rights of renewal of three years each remaining. The next renewal date is 10 May 2023.
Final expiry date (if all renewals exercised)	9 May 2029
Future rent reviews	CPI adjustment on 10 May 2022 and market review on 10 May 2025. Next review is due on 10 May 2022.
Rent review mechanism	Market and CPI.
Oyster's view of tenant/guarantor financial standing	RD1 Limited is a wholly owned subsidiary of Fonterra Co-Operative Group Limited. Fonterra is one of New Zealand's largest companies. The lease is not guaranteed by Fonterra. Oyster views the tenant as having sufficient financial standing to meet its lease obligations.



PROPERTY DETAILS – 17 Home Straight	
Tenant	Hamilton City Fitness Limited
Area	1,936m ²
Annual rent (excluding GST)	\$458,637.97 plus GST
Current term	15 years
Expiry date	10 April 2027
Future rights of renewal and next renewal date	The tenant has two further rights of renewal of five years each. The next renewal date is 11 April 2027.
Final expiry date (if all renewals exercised)	10 April 2037
Future rent reviews	CPI plus 1% capped at an 8% increase on 11 April in each of 2020, 2023, 2025, 2029, 2031, 2034 and 2036. Market review with a 12% cap and a 9% collar on 11 April in each of 2021, 2027 and 2032. Next review is due on 11 April 2020.
Rent review mechanism	Market (12% cap and 9% collar) and CPI plus 1% (capped at 8%)
Oyster's view of tenant/guarantor financial standing	City Fitness Group Limited are providing a limited guarantee to an amount equal to 1 year's rental and operating expenses due and payable at the date of default together with the Landlord's legal costs.

PROPERTY DETAILS – 17 Home Straight	
Tenant	Te Kiinaki i a Tako Limited
Area	265m ²
Annual rent (excluding GST)	\$86,710.13
Current term	12 years
Expiry date	3 March 2025
Future rights of renewal and next renewal date	The tenant has two further rights of renewal of six years each. The next renewal date is 4 March 2025.
Final expiry date (if all renewals exercised)	3 March 2037
Future rent reviews	CPI plus 1.5% on each two year anniversary of the commencement date. Except for renewal dates where the reviewed rent will be the greater of the current market rental or the current rental multiplied by CPI plus 1.5%. Next review is due 4 March 2020.
Rent review mechanism	Market and CPI plus 1.5%.
Oyster's view of tenant/guarantor financial standing	The lease is personally guaranteed by the tenant's sole director and there is a bank guarantee for \$81,142.65 being the equivalent of 9 months' rent and outgoings payable under this lease.

PROPERTY DETAILS – 19 Home Straight	
Tenant	Her Majesty the Queen acting by and through the Secretary for Education
Area	3,031m ²
Annual rent (excluding GST)	\$780,000
Current term	Ten years
Expiry date	9 April 2022
Future rights of renewal and next renewal date	The tenant has three further rights of renewal, one of six years followed by two of three years. The next renewal date is 10 April 2022.
Final expiry date (if all renewals exercised)	9 April 2034
Future rent reviews	Market review on 10 April 2021, 10 April 2024, 10 April 2027, 10 April 2030 and 10 April 2033. Next review is due 10 April 2021.
Rent review mechanism	Market
Oyster's view of tenant/guarantor financial standing	The New Zealand Government is the tenant, on this basis Oyster views the tenant as having a strong financial standing.



PROPERTY DETAILS – 21 Home Straight	
Tenant	The Sovereign in right of New Zealand acting by and through the Commissioner of Inland Revenue
Area	5,087m ²
Annual rent (excluding GST)	\$1,510,387 plus GST
Current term	Nine years
Expiry date	30 September 2027
Future rights of renewal and next renewal date	The tenant has four further rights of renewal of three years each. The next renewal date is 1 October 2027.
Final expiry date (if all renewals exercised)	30 September 2039
Future rent reviews	The first rent review occurs 6 years after the commencement date and then every three years after the first review date and the renewal dates. Next review is due 1 October 2024.
Rent review mechanism	Market review
Oyster's view of tenant/guarantor financial standing	The New Zealand Government is the tenant, on this basis Oyster views the tenant as having a strong financial standing.

PROPERTY DETAILS – 21 Home Straight	
Tenant	Vivo Beauty Limited
Area	100m ²
Annual rent (excluding GST)	\$57,150
Current term	Twelve years
Expiry date	4 November 2030
Future rights of renewal and next renewal date	The tenant has one further right of renewal of eight years. The next renewal date is 5 November 2030.
Final expiry date (if all renewals exercised)	4 November 2038
Future rent reviews	Market rent reviews on 5 November 2024, 5 November 2030 and 5 November 2036 and CPI plus 2.5% increase on 5 November 2020, 5 November 2022, 5 November 2024, 5 November 2026, 5 November 2028, 5 November 2030, 5 November 2032, 5 November 2034 and 5 November 2036. Next review is due on 5 November 2020.
Rent review mechanism	Market and CPI plus 2.5%.
Oyster's view of tenant/guarantor financial standing	The lease is personally guaranteed by the tenant's two directors. There is a bank guarantee for six month's rental plus GST and outgoings.

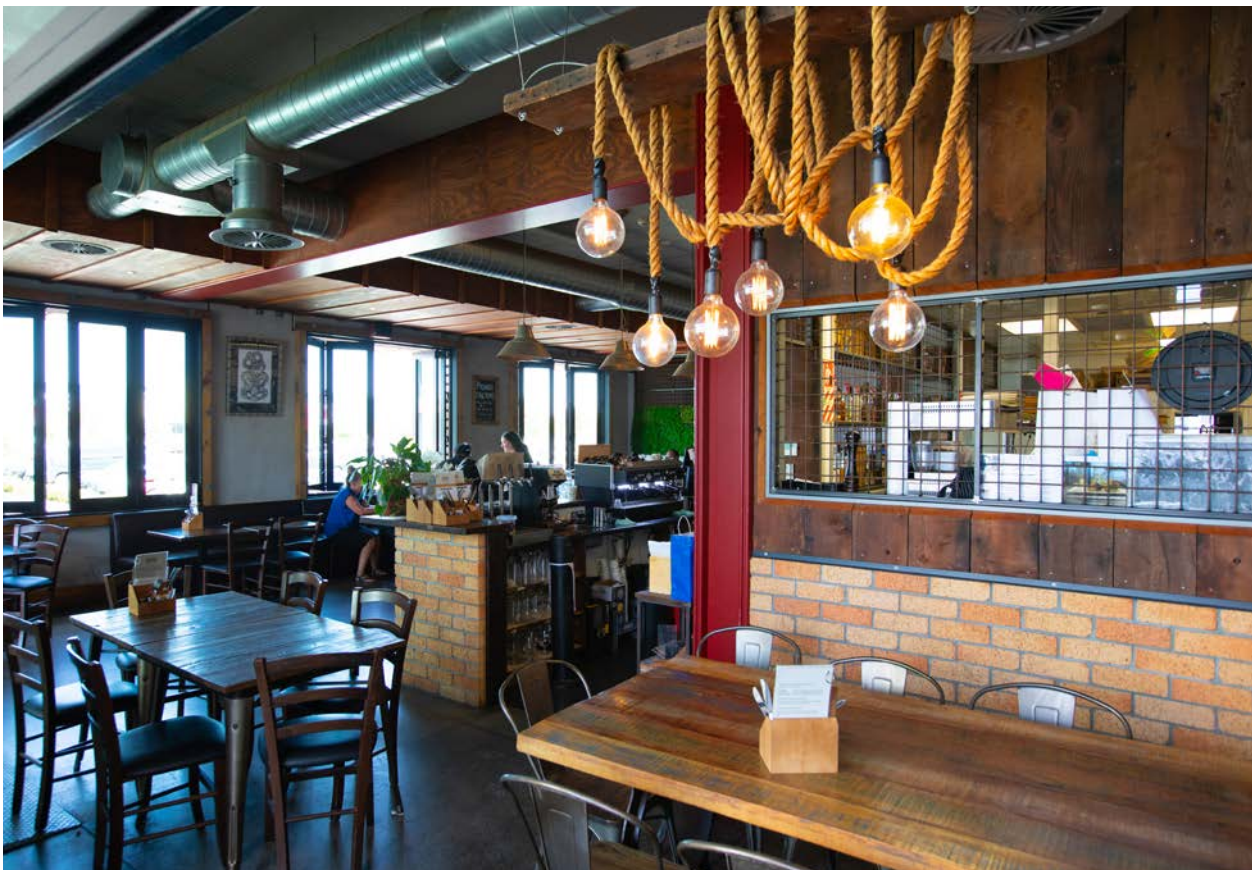
PROPERTY DETAILS – 21 Home Straight	
Tenant	Combined Technologies Limited
Area	1,270m ²
Annual rent (excluding GST)	\$415,530.82 plus GST
Current term	Ten years
Expiry date	31 January 2029
Future rights of renewal and next renewal date	The tenant has one further right of renewal of six years. The next renewal date is 1 February 2029.
Final expiry date (if all renewals exercised)	31 January 2035
Future rent reviews	Fixed increase on each anniversary of the commencement date other than a market review date which is 1 February 2024, 1 February 2029 and 1 February 2032. Next review is due 1 February 2020.
Rent review mechanism	Market and fixed increase of 3%.
Oyster's view of tenant/guarantor financial standing	There is no publicly available information about Combined Technologies Limited.

PROPERTY DETAILS – 21 Home Straight	
Tenant	Again Cambridge Sushi Limited
Area	82m ²
Annual rent (excluding GST)	\$41,673.51 plus GST
Current term	Ten years
Expiry date	11 January 2029
Future rights of renewal and next renewal date	The tenant has two further rights of renewal of five years each. The next renewal date is 12 January 2029.
Final expiry date (if all renewals exercised)	11 January 2039
Future rent reviews	Market reviews on 12 January 2023, 12 January 2027, 12 January 2031 and 12 January 2035. CPI plus 2.5% reviews on 12 January 2021, 12 January 2023, 12 January 2025, 12 January 2027, 12 January 2029, 12 January 2031, 12 January 2033, 12 January 2035 and 12 January 2037. Next review is due 12 January 2021.
Rent review mechanism	Market and CPI plus 2.5%.
Oyster's view of tenant/guarantor financial standing	The lease is personally guaranteed by the tenant's sole director. There is also a bank guarantee for twelve month's rental plus GST and outgoings.

PROPERTY DETAILS – 21 Home Straight	
Tenant	Mindi Limited
Area	82m ²
Annual rent (excluding GST)	\$43,988.71 plus GST
Current term	Ten years
Expiry date	16 January 2029
Future rights of renewal and next renewal date	The tenant has one further right of renewal of ten years.
Final expiry date (if all renewals exercised)	16 January 2039
Future rent reviews	Market reviews on 17 January 2024, 2029 and 2034. CPI plus 2.5% reviews on 17 January 2021, 2023, 2025, 2027, 2029, 2031, 2033, 2035 and 2037. Next review is due 17 January 2021.
Rent review mechanism	Market and CPI plus 2.5%.
Oyster's view of tenant/guarantor financial standing	The lease is personally guaranteed by the tenant's two directors. There is a bank guarantee for four month's rental plus GST and outgoings.

PROPERTY DETAILS – 21 Home Straight	
Tenant	Luther & Sons Limited
Area	60m ²
Annual rent (excluding GST)	\$30,492.81 plus GST
Current term	Eight years
Expiry date	6 March 2027
Future rights of renewal and next renewal date	The tenant has one further right of renewal of six years. The net renewal date is 7 March 2027.
Final expiry date (if all renewals exercised)	6 March 2033
Future rent reviews	Market reviews on 7 March 2025 and 7 March 2031. CPI plus 2% reviews on 7 March 2022, 7 March 2025, 7 March 2028 and 7 March 2031. Next review is due on 7 March 2022.
Rent review mechanism	Market and CPI plus 2%.
Oyster's view of tenant/guarantor financial standing	The lease has three personal guarantors. There is a bank guarantee for six month's rental plus GST and outgoings.

PROPERTY DETAILS – 21 Home Straight	
Tenant	Coffee Culture Franchises Limited
Area	204m ²
Annual rent (excluding GST)	\$60,000 plus GST
Current term	Ten years
Expiry date	7 July 2029
Future rights of renewal and next renewal date	The tenant has one further right of renewal of six years. The renewal date is 8 July 2029.
Final expiry date (if all renewals exercised)	7 July 2035
Future rent reviews	Market reviews on every sixth anniversary of the Commencement Date. CPI plus 2% reviews on every second anniversary of the Commencement Date. Next review is due 7 July 2021.
Rent review mechanism	Market and CPI plus 2%.
Oyster's view of tenant/ guarantor financial standing	The lease is guaranteed by Homestrait Coffee Limited and personal guarantees from four individuals. There is no publicly available information on Coffee Culture Franchises Limited.



TITLE

Home Straight Park is located at Home Straight, Te Rapa Hamilton. Home Straight Park is made up of the following:

- the land at 17 and 19 Home Straight, Te Rapa, Hamilton more particularly described as Lot 1 Deposited Plan 487788 comprised in record of title 698512 with a total land area of 4,700m² and Lot 2 Deposited Plan 487788 comprised in record of title 698513 with a total land area of 6,024m²; and
- the land at 21 Home Straight, Te Rapa, Hamilton more particularly shown as Lot 1 on Survey Plan 530462 and as shall be more particularly described in record of title 862782 on completion of the subdivision of Lot 3 Deposited Plan 487788 comprised in record of title 698514.

Oyster has reviewed the instruments and memorials noted on the titles. There are no interests registered on the titles that Oyster regards as being material in the context of the transactions.

LAND INFORMATION MEMORANDUM REPORT

The LIM Report for 21 Home Straight dated 29 May 2019 obtained as part of Oyster's due diligence on Home Straight Park indicates that:

- there are four outstanding code compliance certificates but all of these have since been issued;
- there are wastewater manholes, which run through the property;
- there are two resource consents currently in process for change of conditions and offices; and
- the property was previously used and investigated for certain HAIL land uses, being wood treatment and preservation, storage tanks or drums and motor vehicle workshop.

The LIM report 17 Home Straight dated 15 May 2019 obtained as part of Oyster's due diligence on Home Straight Park indicates that:

- there are various public waste and water services including a storm water pipeline, stormwater manholes, a public sanitary sewer pipeline and sanitary manholes on the property;
- an approval notice has been issued to authorise trade waste to be discharged from the property; and
- the property was previously used and investigated for certain HAIL land uses, being wood treatment and preservation, storage tanks or drums and motor vehicle workshop.

The LIM report 19 Home Straight dated 15 May 2019 obtained as part of Oyster's due diligence on Home Straight Park indicates that:

- there are various public waste and water services including a storm water pipeline, stormwater manholes, a public sanitary sewer pipeline and sanitary manholes on the property; and
- the property was previously used and investigated for certain HAIL land uses, being wood treatment and preservation, storage tanks or drums and motor vehicle workshop.

BUILDING INSPECTION REPORTS

Building inspection reports have been obtained from KPMG SGA Property Consultancy and Hampton Jones. Copies of the reports can be found on the scheme register at **www.disclose-register.companiesoffice.govt.nz**.

7. BORROWINGS

The Scheme has entered into Bank Loans to finance the purchase of Home Straight Park. Under the Deed of Participation the Scheme may borrow up to 55% of the value of Home Straight Park. If the Bridging Loan is drawdown this limit is increased to 60% until the date that loan is repaid. The Term Loan will be used as long term funding for the Scheme. It is intended that this loan will be refinanced at the expiry of its 3 year term. The Bridging Loan will only be used to enable the purchase of Home Straight Park should the Offer not be fully subscribed prior to the Settlement Date. The Bridging Loan will be repaid from the proceeds of subscriptions from issuing Interests.

The terms of the Scheme's Bank Loans are:

Description	Bridging Loan
Bank	ASB Bank
Interest rate	The 30-day BKBM Bid Rate, plus a margin of 2.14% per annum
Loan amount	\$34,750,000
Term	36 months from the date of drawdown. This is an extendable facility which is reviewed annually by ASB Bank, who at these reviews may offer to extend the facility so that it is reset to 36 months.
Personal guarantees	No personal guarantees. The Term Loan has no recourse in respect of Investors.
Principal payments	Interest only. The loan is to be fully repaid at the end of the term.

Description	Bridging Loan
Bank	ASB Bank
Interest rate	The 30-day BKBM Bid Rate, plus a margin of 2.20% per annum
Loan amount	\$6,950,000
Term	6 months from drawdown
Personal guarantees	No personal guarantees. The Bridging Loan has no recourse in respect of Investors.
Principal payments	Interest only. The loan is to be fully repaid at the end of the term.

The financial covenants under the Bank Loans are:

Gearing ratio	Not to exceed 60% of the value of Home Straight Park and all other assets secured to ASB Bank. This covenant will reduce to 55% on the date 6 months from initial drawdown.
Interest cover ratio	Earnings to be not less than 2 times funding costs, comprising all interest, charges and fees related to funding.

The Bank Loans are secured by first ranking mortgages over Home Straight Park. There is also a general security deed over all the assets of the Scheme, a Deed of Assignment over the Agreement for Sale and Purchase for 21 Home Straight and a Deed of Assignment over the carpark licence agreement for the car park building (if the car park building is built).

As the borrowings detailed above will likely be due before the date the Scheme is wound up, Oyster considers that refinancing is likely to be needed.

On the wind up of the Scheme, the Bank Loans, and all other liabilities of the Scheme (including under the leases, and the Scheme's business as usual activities), will rank in priority ahead of the Interests issued to Investors.

3. KEY DATES AND OFFER PROCESS

Opening Date	12 March 2020
Closing Date	3 April 2020 (Unless fully subscribed earlier)
Anticipated date of settlement of Home Straight Park	6 April 2020
Issue of Interests	Interests will be issued on or immediately after the Settlement Date and thereafter the first day of the month following the date of subscription

The timetable above is indicative only and the dates are subject to change. In particular, the issue of Interests to Investors may be delayed if the settlement of Home Straight Park is delayed.

Oyster reserves the right to close the Offer at any time prior to the closing date or extend the Offer at any time prior to that date.

The Oyster Direct Property Fund may subscribe for Interests under this Offer, subject to approval by Oyster's Investment Committee.

ALLOTING INTERESTS

Existing investors in the Home Straight POS (the vendor of 17 and 19 Home Straight) have a preferential right to apply for Interests in the period up to 13 March 2020. The preferential right applies to 1 Interest in the Scheme for each 1 interest held in the Home Straight POS. Those investors will also receive a 2% brokerage fee rebate on these Interests which will be paid to them by Oyster following allotment. These investors will need to complete the relevant sections of the Application Form if they wish to take advantage of the preferential right.

All other applications for Interests, including those from existing Home Straight POS investors above their preferential right, received before the Closing Date will be allotted on a first come first served basis. No rebate is payable on these Interests.

All Interests will be offered at the same price and confer equal rights on the Investor in all respects including in respect of entitlements to income and capital belonging to the Scheme and to voting at meetings of Investors.

The allotment process for Interests is as follows:

- An investor makes an application for Interests in the Scheme and deposits the subscription amount for those Interests.
- Oyster receives the application form and the subscription amount is received in the subscription account designated in the application form.
- On or immediately after the Settlement Date and monthly on the first day of the following month where applications are received by 3pm three business days prior to the last calendar day of a month:
 - Oyster will cause and procure that the relevant Interests are allotted or transferred to the relevant Investor; and
 - the relevant Investor(s) then become Investors for the purposes of the Scheme.

4. TERMS OF THE OFFER

Managed Investment Product	Interests in a managed investment scheme which invests in commercial property.
Opening Date	12 March 2020
Closing Date	3 April 2020 (unless fully subscribed earlier)
Anticipated date of settlement of Home Straight Park	6 April 2020 or later if the issue of the title for 21 Home Straight Park is delayed.
Total Interests on Offer	789 Interests at \$50,000 each. The total value of the Offer is \$39,450,000.
Underwrite	<p>Oyster is underwriting \$3,350,000 (67 Interests).</p> <p>Wyborn is underwriting \$6,100,000 of the Offer (122 Interests). See page 16 for details.</p>
Offer of Interests	<p>Existing investors in the Home Straight POS will have a preferential right to apply for Interests in the period up to 13 March 2020. The preferential right applies to 1 Interest in the Scheme for each interest held in the Home Straight POS. Those investors will also receive a 2% brokerage fee rebate on these Interests which will be paid to them by Oyster following allotment.</p> <p>All other applications for Interests, including those from existing Home Straight POS investors above their preferential right, received before the Closing Date will be allotted on a first come first served basis and incur the usual establishment costs associated with the investment.</p>
Issue of Interests	Interests subscribed for prior to the Settlement Date will be allotted on or immediately after the Settlement Date. If the Offer remains open post the Settlement Date any further interests subscribed for will be allotted monthly on the first day of the following month for applications received by 3pm three business days prior to the last calendar day of a month.
Price per Interest and Minimum Holding	The price to be paid for Interests will be \$50,000 per Interest. The minimum holding is one Interest (\$50,000).
Cash Distributions	Monthly, by the 10th of each month. See page 36 for more details.
Minimum Amount	A minimum of \$21,700,000 is required to be raised from subscriptions by Investors before the Interests are issued.
What are the returns?	<p>Forecast pre-tax cash returns of:</p> <ul style="list-style-type: none"> ■ 6.0% for the period ending 31 March 2021* ■ 6.0% for the year ending 31 March 2022 <p>These returns are not guaranteed. The actual distribution rates may vary.</p>

*12 month annualised return

How can investments be made?

Applications for Interests can only be made on the application form that is included in this PDS. Applications by Investors must be for a minimum subscription of \$50,000 and thereafter in multiples of \$50,000. Note that applications once made cannot be withdrawn. Current investors in Home Straight POS (the vendor of 17 and 19 Home Straight) are entitled to direct that their share of the proceeds of the sale of these properties be utilised to pay all/part of the subscription monies payable for Interests. The application form details how this direction can be made.

Applications must be accompanied by payment of the full subscription amount. Payment may be made by direct credit or cheque. Cheques must be drawn on a registered New Zealand bank.

How can I withdraw my investment from the Scheme?

You may only withdraw from the Scheme if:

- You sell your Interests in the Scheme; or
- A resolution is passed to wind up the Scheme and sell Home Straight Park.

Once Interests are issued Oyster will offer a secondary market facility under which it will facilitate the transfer of Interests between Investors. The fee for using this facility is 2% of the sale price plus GST. There is no guarantee that there will be a willing buyer for your Interests. You may sell your Interests to any person, so long as: you have paid all monies owing in relation to the Scheme; you are not in breach of the terms of the Deed of Participation; and the purchaser is approved by Oyster and satisfies Oyster's anti-money laundering requirements. You will be responsible for all costs in connection with the transfer.

DISTRIBUTIONS

Cash distributions from the Scheme are scheduled to be paid monthly, by the 10th of the month directly to your nominated bank account. Distributions are not paid by cheque. These distributions are made up of the Scheme's Adjusted Operating Profit and may also include any surplus working capital of the Scheme as discussed further below.

Cash distributions are made at the discretion of Oyster from the Scheme's Adjusted Operating Profit. It is the Scheme's policy to distribute up to 100% of the Scheme's Adjusted Operating Profit, targeting a 6% return per annum to Investors (see page 39 for details). The Scheme may retain monies required for contingencies against increases in the interest rates on any bank borrowing, or for any budgeted expenses of the Scheme. Where working capital exceeds the amount required for budgeted expenditure of the Scheme, the surplus working capital may be distributed to Investors.

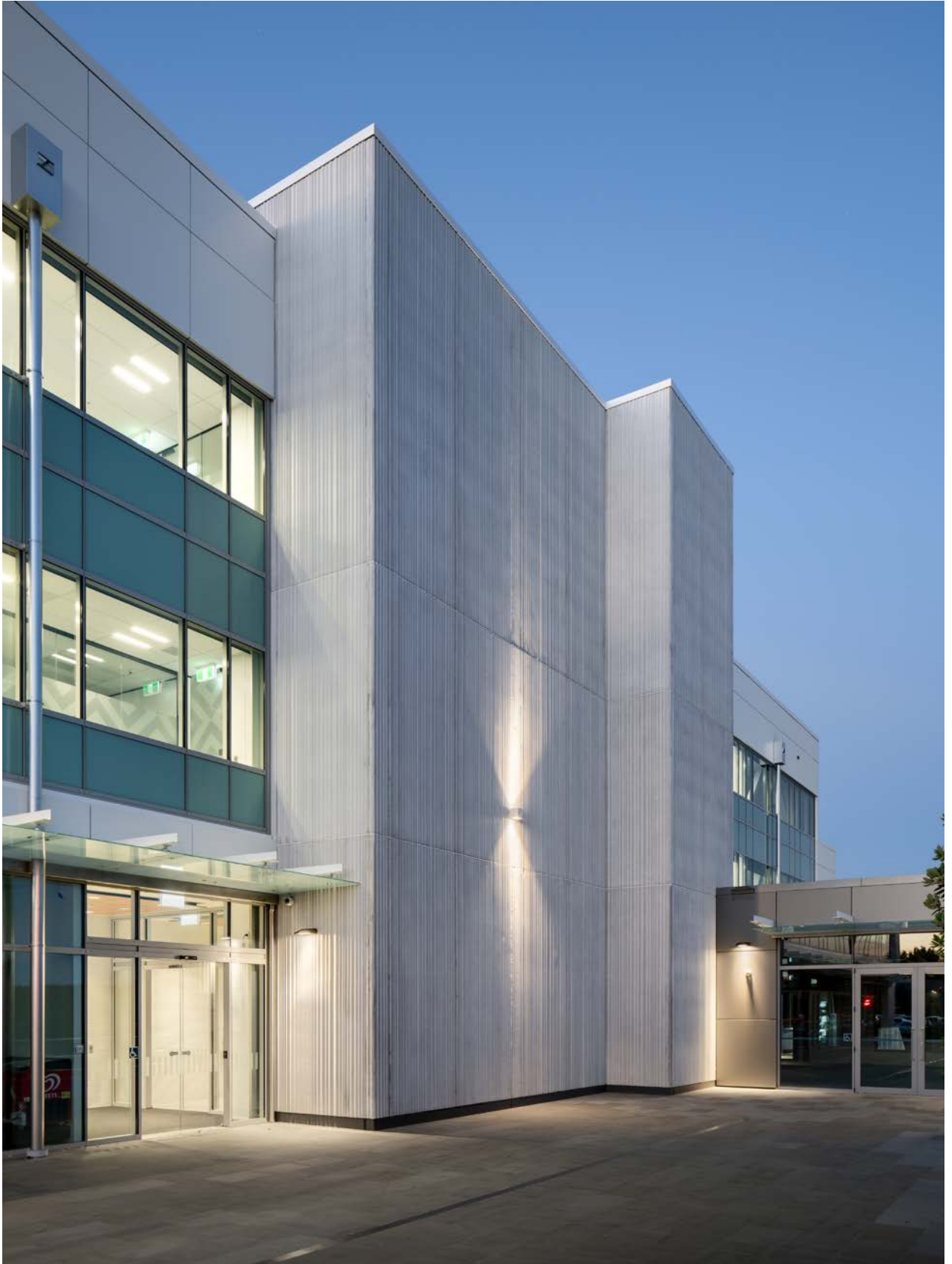
The distributions to Investors forecasted for the financial periods of 11 months and 25 days to 31 March 2021 and year to 31 March 2022 are funded from the operations of the Scheme and working capital. The Scheme is using an amount of working capital to assist with the maintenance of the distribution during the initial years of the Scheme.

Oyster believes that the use of working capital is commercially sustainable over the life of the Scheme as it is not expected that material amounts of working capital will be required in future years to maintain distributions at the targeted rate of 6%. See page 40 for more details.

Investors will receive their first cash distribution in the month following the month their Interests are issued. For example a subscription received prior to 30 June 2020 will have Interests issued on 1 July 2020 and the first distribution paid by 10 August 2020.

Deed of Participation

Further details on the key terms of the Scheme and the Interests can be found in the Deed of Participation which can be found in the scheme register at www.disclose-register.companiesoffice.govt.nz.



5. HOW HOME STRAIGHT PARK PROPORTIONATE OWNERSHIP SCHEME WORKS

The Offer is an offer for Interests in a managed investment scheme for the purposes of the Financial Markets Conduct Act 2013. The Scheme is designed as a proportionate ownership scheme which will use the funds from Investors' subscription for Interests and the Bank Loans to acquire Home Straight Park. Each Interest confers equal rights and obligations on each Investor in respect of entitlements to income and capital belonging to the Scheme and to voting at meetings of Investors. Under the Scheme, Investors are liable for no more than their initial investment in the Scheme.

The investment objective of the Scheme is to provide investors with a stable monthly income stream combined with the potential for capital growth. By investing in the Scheme, Investors will take advantage of Oyster's experience and expertise in managing property investments.

The Scheme is established under a Deed of Participation. Covenant Trustee Services Limited is appointed supervisor of the Scheme and agrees to act in respect of the Scheme as trustee for the Investors, and to hold Home Straight Park as the exclusive property of the Scheme on trust solely for the Investors, upon and subject to the terms and conditions expressed or implied in the Deed of Participation and any legislation governing the Scheme. The Supervisor has nominated Home Straight Park Trustees Limited to be the custodian and to hold the assets of the Scheme.

The Deed of Participation covers matters such as the duties and responsibilities of the manager, removal of the manager and the procedure for holding meetings of Investors. Except for the annual general meeting which must be held, meetings will not be held unless they are requested by Investors holding not less than 5% of the Interests or at the direction of Oyster or the Supervisor.

A copy of the Deed of Participation can be found on the scheme register at **www.disclose-register.companiesoffice.govt.nz**.

BENEFITS OF INVESTING IN THE SCHEME

The benefits of investing in the Scheme are:

- The forecast pre-tax returns described in Section 6 (Home Straight Park Proportionate Ownership Scheme's Prospective Financial Information).
- The ability to invest in a property which would not typically be available for investment, for a minimum investment amount of \$50,000.
- The Investors' investment in the Scheme is passive. The day to day management of Home Straight Park (including preparation of accounts, arranging maintenance of Home Straight Park, negotiation of the leases, liaising with the tenants and obtaining bank financing) will be undertaken by Oyster.

RELATED PARTY BENEFITS

There are no related party benefits to be given to, or received by, a related party in the future other than fees and expenses disclosed in Section 8 (What are the fees?).

6. HOME STRAIGHT PARK PROPORTIONATE OWNERSHIP SCHEME'S PROSPECTIVE FINANCIAL INFORMATION

SELECTED PROSPECTIVE FINANCIAL INFORMATION

The following tables provide selected prospective financial information about the Scheme. Full prospective financial information is available on the offer register at www.disclose-register.companiesoffice.govt.nz. If you do not understand this sort of prospective financial information, you can seek professional advice.

Selected prospective financial information in respect of the Scheme for the 11 months and 25 days ending 31 March 2021 and the year ending 31 March 2022 is set out below. The prospective financial information included in the tables below have been derived from the prospective financial statements which have been prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42) and Generally Accepted Accounting Practice in New Zealand as it relates to prospective financial statements. The prospective financial information has been subject to a limited assurance engagement and an unqualified conclusion issued by Ernst & Young Transaction Advisory Services Limited. A copy of the Independent Limited Assurance Report and the prospective financial information are available on the offer register.

Forecast Investor Returns

The forecast returns, which are derived from the prospective financial information, are not guaranteed and actual distribution returns may vary from time to time.

Non-GAAP measure

– Adjusted Operating Profit per Interest

A reconciliation of Total Profit per Interest to Adjusted Operating Profit per Interest is presented below.

Adjusted Operating Profit is a non-GAAP financial measure adopted to assist the Scheme in assessing the operating profit available for distribution. Adjusted Operating Profit represents total profit, excluding revaluations, non-cash and non-recurring transactions and initial borrowing costs which were paid on establishment and may also include any surplus working capital. Further information is provided in the prospective financial information on the offer register.

Forecast Investment return	11 months and 25 days ending 31 March 2021	12 Months ending 31 March 2022
Prospective total profit for the year (\$)	908,103	2,438,961
Amount invested per Interest (\$)	50,000	50,000
Total number of Interests	789	789
Prospective total profit per Interest (\$)	1,151	3,091
Total Investor cash return per Interest (\$)	2,958	3,000
Forecast cash return per annum (\$)	5.9%*	6.0%
Reconciliation of Total Profit to Adjusted Operating Profit (per Interest)	11 months and 25 days ending 31 March 2021	12 Months ending 31 March 2022
Prospective total profit (per Interest) (\$)	1,151	3,091
Initial finance cost amortised (per Interest) (\$)	49	50
Accrual for fixed rental growth (\$)	(225)	(114)
Unrealised movement in the fair value of Investment Property (per Interest) (\$)	1,887	-
Working capital (per Interest) (\$)	96	(27)
Adjusted Operating Profit (per Interest) (\$)	2,958	3,000
Funding breakdown of Forecast Investment return	11 months and 25 days ending 31 March 2021	12 Months ending 31 March 2022
Total Investor cash return per Interest	2,958	3,000
Funded by:		
Cash flows from operating activities (per Interest)	3,202	3,033
Working capital (per Interest)	(244)	(33)
Total Investor cash return per Interest	2,958	3,000

*6% annualised return

The purpose of the prospective financial information is to assist Investors in assessing the viability of and return from the investment. The prospective financial information should be used for this purpose and may not be suitable for any other purpose.

The principal assumptions on which the prospective financial information is based are set out under the heading "Principal Assumptions" at page 43.

PROSPECTIVE INCOME, EXPENSES AND RETURNS

Summary of Prospective Statement of Comprehensive Income	11 months and 25 days ending 31 March 2021	12 Months ending 31 March 2022
Rental income from Investment Property	4,278,563	4,450,159
Accrual for fixed rental growth	177,949	89,964
Property operating expense recoveries	325,043	339,178
Gross Property Income	4,781,555	4,879,301
Recoverable property operating expenses	(790,819)	(824,253)
Net property income	3,990,735	4,055,048
Administration expenses	(368,891)	(374,263)
Operating profit before financing costs	3,621,844	3,680,785
Net finance expenses	(1,224,813)	(1,241,824)
Operating profit before Fair Value Movements	2,397,031	2,438,961
Unrealised movement in the fair value of Investment Property	(1,488,928)	-
Operating profit before tax	908,103	2,438,961
Income tax	-	-
Total profit for the year	908,103	2,438,961
Other comprehensive income	-	-
Total comprehensive income	908,103	2,438,961

Summary of Prospective Statement of Financial Position	As at 31 March 2021	As at 31 March 2022
Current assets	1,792,946	1,789,531
Non current assets	69,677,949	69,797,674
Total assets	71,470,894	71,587,205
Current liabilities	426,077	430,952
Non current liabilities	34,709,985	34,749,459
Total liabilities	35,136,062	35,180,411
Equity	36,334,832	36,406,794

Summary of Prospective Statement of Changes in Equity	Issued Capital	Retained Earnings/ (Deficit)	Total
Balance at 6 April 2020	-	-	-
Contributions from Investors	39,450,000	-	39,450,000
Offer establishment costs	(1,689,611)		(1,689,611)
Profit for the year	-	908,103	908,103
Distributions to Investors	-	(2,333,660)	(2,333,660)
Balance at 31 March 2021	37,760,389	(1,425,557)	36,334,832
Profit for the year	-	2,438,962	2,438,962
Distributions to Investors	-	(2,367,000)	(2,367,000)
Balance at 31 March 2022	37,760,389	(1,353,595)	36,406,794
Summary of Prospective Statement of Cash Flow		11 months and 25 days ending 31 March 2021	12 Months ending 31 March 2022
Cash as the beginning of the period		-	1,792,946
Cash flows from operating activities		2,526,318	2,393,347
Cash flows from investing activities		(70,988,928)	(29,761)
Cash flows from financing activities		70,255,556	(2,367,000)
Cash at the end of the period		1,792,946	1,789,531

Notes and assumptions to and forming part of the summary prospective financial information

A summary of the principal assumptions on which the summary prospective financial information above is based is provided below. Further information on these assumptions are available on the offer register at www.disclose-register.companiesoffice.govt.nz.

PRINCIPAL ASSUMPTIONS

Settlement

Pursuant to the Sale and Purchase Agreements for Home Straight Park, settlement is the later of:

- a) 6 April 2020; and
- b) the date being 10 working days following the date on which search copies of the new record of title for 21 Home Straight created on completion of the subdivision are provided to Oyster by the vendor.

For the purpose of the prospective financial information settlement is assumed to occur on 6 April 2020.

Therefore, for the purpose of the prospective financial information, rental income has been recognised from 7 April 2020.

Home Straight Park is assumed to be purchased by the Scheme on 6 April 2020 for a purchase price of \$69,500,000.

Establishment Costs

Total establishment costs are expected to be \$3,212,168. This includes the acquisition, brokerage, underwrite, legal, accounting and valuation fees as well as marketing and finance costs. Half of these costs are deemed to be issue costs of the Offer, with the exception of \$1,404,134 associated with the acquisition of Home Straight Park, and \$118,423 of financing costs.

Investment Property

On settlement date, 6 April 2020, the value of the investment property is assumed to equal the cost, plus any directly related acquisition costs.

At 31 March 2021 the investment property is recorded at valuation. The revaluation adjustment in the prospective financial information reflects the most recent valuation that was conducted for due diligence purposes. The fair value of the property will be determined annually based on an independent valuation. No further movement in valuation is assumed during the prospective financial information periods due to the uncertainty in predicting the fair value movement. This uncertainty arises due to having to predict the future market conditions that will influence the fair value.

Rental Income

The rental income used in the prospective financial information is based on the proposed rental level from the leases that have been entered into as at the date of the prospective financial information. The prospective financial information factor in and include an adjustment for the fixed rental increases as per the tenancy agreements.

Rental income is assumed to commence from 7 April 2020.

For the forecast prospective periods it is assumed that there is no vacancy and no tenant default. It is also assumed that there are no delays in receipt of debtors.

All operating costs are payable (including rates, management fees, material damage insurance premiums, utilities and maintenance costs) by the landlord. Under the lease structure 41% of these costs are unable to be recovered from the tenants.

Property Management Fee

The annual property management fee (payable to Oyster for property and facilities management services) is calculated as 2.5% of gross property income. As per the leases 41.0% of the annual property management fee is recoverable from the tenants. The balance is payable by the Scheme.

Borrowings

Total debt limit for the Scheme will be \$34,750,000 (assuming the Bridging Loan will not be drawn down). The Term Loan will be interest only and will have an initial 3 year term.

Interest Expense

A 3.46% per annum interest rate on the Term Loan has been assumed for the purposes of the prospective financial information.



Administration Expenses

Accounting, audit, supervisor fees and valuation are based on quotes received. The annual scheme management fee is calculated as 0.45% of the capital value (as determined annually by an independent valuation) of Home Straight Park. For the prospective financial information, the capital value is based on the independent valuation prepared by Jones Lang LaSalle dated 22 January 2020.

Unrealised Movement in the Fair Value of Investment Property

Home Straight Park will initially be recorded at its original cost, and thereafter, annually reviewed to its fair value based on an independent valuation from a registered valuer. The movement in the fair value reflects the difference between the independent valuation and carrying value prior to the valuation. However, no further movement in valuation during the prospective financial information periods has been assumed due to the uncertainty in predicting the fair value movement.

This uncertainty arises due to having to predict the future market conditions that will influence the fair value. Any gain or loss arising from the change in the fair value is recognised in the statement of comprehensive income as the unrealised movement in the fair value.

Actual results

Actual results may differ from the prospective financial information. The resulting variance may be material. Oyster gives no guarantee or assurance that the figures in the prospective financial information will be achieved.

Cash Distributions

Cash distributions are forecast to be paid out of cash reserves from the operating activities of the Scheme monthly in arrears at a rate of 6% per annum for the prospective financial periods of 11 months and 25 days to 31 March 2021 and year to 31 March 2022. These rates are disclosed as a percentage of the initial investment based on the forecast number of Interests on issue.

Oyster's objective is to ensure the Scheme continues as a going concern as well as to maintain optimal returns to the Investors. As the market is constantly changing, Oyster will consider capital management initiatives, such as changing the level of distributions paid or providing funding for capital expenditure requirements.

FINANCIAL MEASURES FOR SCHEME BORROWINGS

GEARING AND INTEREST COVER RATIOS

The “Gearing Ratio” is how much the Scheme owes (the Bank Loans) as a portion of its assets including cash.

The higher the Gearing Ratio the greater the Scheme’s exposure to risk from a movement in interest rates or the requirement to repay the Bank Loans should they not be able to be renewed or refinanced on expiry.

The “Interest Cover Ratio” tells you how much of the Scheme’s net income is used to pay the interest on the Bank Loans. The higher the ratio, the more comfortably the Scheme’s income can cover any interest owing.

The following table forecasts the gearing and interest cover ratios:



	As at 6 April 2020 on acquisition of Home Straight Park and issue of the Interests		As at 31 March 2021 ³	As at 31 March 2022 ³
	Term Loan Only ¹	Term Loan and Bridging Loan ²		
Gearing Ratio	49.0%	58.7%	48.6%	48.5%
Interest Cover Ratio	Not applicable	Not applicable	3.05 times	3.06 times

¹ The prospective financial measures assume that only the Term Loan has been drawn down.

² This has been included to show the impact on the Gearing Ratio if the Bridging Loan of \$ 6,950,000 is required to settle the purchase of Home Straight Park.

³ The figures for 31 March 2021 and 31 March 2022 assume that the Bridging Loan has either not been drawn down or has been repaid from the subscription monies from the issue of Interests.

BORROWING REPAYMENT DATES

Loan facility	Repayment date
Term Loan	36 months from date of drawdown
Bridging Loan	6 months from date of drawdown



7. RISKS TO RETURNS FROM HOME STRAIGHT PARK PROPORTIONATE OWNERSHIP SCHEME

This section describes the circumstances that Oyster is aware of that exist, or are likely to arise, which significantly increase the risk to returns for Investors.

The summary below sets out:

- A description of the risk
- An assessment of the nature and magnitude of the risk
- The mitigating factors of the risk
- An assessment of the likelihood of the circumstances arising
- An assessment of the impact, were the circumstances to arise

The circumstances described below do not take into account the personal circumstances, financial position or investment requirements of any prospective Investor.

Therefore, it is important for prospective Investors to consider the suitability of an investment in the Scheme in light of individual risk profile for investments, investment objectives, personal circumstances (including financial position and taxation issues).

These circumstances may not encompass all of the circumstances that may present a risk to returns of Investors now or in the future. The risks described do not include the normal and generic risks of an investment of this type.

Oyster strongly recommends that all prospective Investors consider the following risk factors thoroughly, in conjunction with the other information in the PDS, before investing in this Scheme.



RISKS IN RELATION TO THE SCHEME

Description of Risk	Oyster's assessment of nature and magnitude	Mitigating factors
New Zealand Government Lease (21 Home Straight) Seismic Warranty	<p>The New Zealand Government lease (IRD Lease) at 21 Home Straight provides for a landlord warranty, which warrants that the building has a minimum seismic rating of 100% of NBS. The tenant is also able to undertake their own Detailed Engineering Evaluation on the basis that there is either a change in code, seismic event with a magnitude of M7, or an earthquake which is classified as "Severe" to ensure the building still meets the seismic requirements.</p> <p>If the building is found to be less than 100% of NBS the Scheme will be required to upgrade the building to meet the seismic requirements, and/or the tenant has an ability to abate rent during the strengthening period or terminate the Lease.</p> <p>While the Scheme will hold insurance cover for natural disasters it will still be liable to pay the excess amount on any claim.</p>	<p>The building has been designed and constructed under the current seismic standard NZS1170.5:2004 NBS and was recently completed in November 2018.</p> <p>The property has a small area of hollowcore 300 to the ground floor supporting the podium area. Oyster appointed Envelope Engineering to assess the seismic capacity of the building based on drawings, design and issued compliance certificates, and confirms that in their opinion the building achieves a 100% of NBS rating. Furthermore, Envelope Engineering believe there is sufficient seating within the hollowcore seating that meets C5 guidelines.</p> <p>Oyster has obtained reliance from the Vendor's engineer to the seismic design, Gray Consulting for a minimum of 7 years. Gray Consulting hold \$5M Professional Indemnity cover. Oyster has also obtained reliance from Envelope Engineering who hold \$10M Professional Indemnity cover.</p> <p>On settlement, the Scheme will place a typical real estate insurance policy to cover material damage to Home Straight Park and loss of rents. In the event of a natural disaster the policy would respond accordingly.</p>
<i>Oyster's assessment of likelihood of circumstances arising</i>	<i>The likelihood of an event that enacts the seismic warranty is unlikely – GeoNet has not recorded any earthquakes of M7 or greater in the Hamilton region.</i>	
<i>Oyster's assessment of the impact, were the circumstance to arise</i>	<i>Significant – loss of up to 36.9% of income from Home Straight Park for a period, cost of paying insurance excess.</i>	



Description of Risk	Oyster's assessment of nature and magnitude	Mitigating factors
Availability of Debt Funding	<p>Term Loan: The Scheme is borrowing from ASB Bank to fund the purchase of Home Straight Park. If ASB Bank is unwilling to extend or refinance the Term Loan on its expiry in 3 years then another bank will need to refinance the loan. The terms of the refinancing may be unfavourable to the Scheme or finance may be difficult to obtain.</p> <p>Bridging Loan: If drawn down the Bridging Loan will need to be repaid in 6 months. If insufficient funds are raised to repay the Bridging Loan, then Oyster will need to negotiate an extension of the loan. The gearing of the Scheme will then be higher than anticipated, which could impact on the terms of a refinance and the returns available to Investors.</p>	<p>Oyster, based on its experience, considers the potential impact of changes to the Scheme's funding arrangements will be able to be adequately minimised through active management of the Scheme's finances and banking relationships.</p> <p>Home Straight Park consists of three building on separate titles. This can provide the Scheme with more options on refinancing, such as obtaining funding from separate banks on each asset or selling one building to reduce the level of bank debt.</p>
Oyster's assessment of likelihood of circumstances arising	Low	
Oyster's assessment of the impact, were the circumstance to arise	Significant – the Scheme could be forced to sell all, or part of Home Straight Park.	



Description of risk	Oyster's assessment of nature and magnitude	Mitigating factors
Illiquid Investment	<p>This is an investment for an indefinite period without a redemption or liquidity mechanism. There is not an established secondary market for sale of the Interests. Oyster offers a secondary market facility under which it facilitates the transfer of Interests between Investors and third-party buyers. However, there is no guarantee that a sale will be possible, or at which price a sale can be achieved. Investors may not be able to exit their investment until Home Straight Park is sold and the Scheme is wound up.</p>	<p>Oyster facilitates a secondary market where it has established a large database of potential Investors to whom opportunities to purchase Interests are sent. There is no guarantee that there will be a willing buyer for your Interests.</p> <p>Home Straight Park consists of three building on separate titles. This provides the Scheme with the option of selling one of the buildings should there be a need to return some of Investors' capital without having to wind-up the Scheme.</p>
<i>Oyster's assessment of likelihood of circumstances arising</i>	Moderate	
<i>Oyster's assessment of the impact, were the circumstance to arise</i>	Significant – Investors may not be able to access their funds until Home Straight Park is sold, and the Scheme is wound up.	



Description of risk	Oyster's assessment of nature and magnitude	Mitigating factors
Interest Rates	<p>The Scheme's primary expense is the interest payable under the Term Loan (and Bridging Loan if drawdown).</p> <p>The floating component is subject to movement until interest rate swap agreement/s can be entered into upon settlement of Home Straight. It will also be subject to change following the expiry of the term of any interest rate swap.</p> <p>Any increase in interest rates may impact the return Investors receive depending on the extent of the movement in the rates.</p>	<p>Oyster intends to enter an interest rate swap agreement of three years or greater on at least 50% of the Term Loan at settlement. However, this rate cannot be confirmed until the Term Loan is drawn on settlement.</p> <p>Entering into interest rate swap agreements over at least 50% of the Term Loan will ensure that exposure to movement in the floating rates will be limited to the total not covered by the interest rate swap agreement.</p>
<i>Oyster's assessment of likelihood of circumstances arising</i>	<i>Unable to be accurately predicted. However, there is a reasonable prospect of an increase in interest rates over time given the current interest rate environment.</i>	
<i>Oyster's assessment of the impact, were the circumstance to arise</i>	<i>Unknown – impact will depend on extent of interest rate movement.</i>	

8. WHAT ARE THE FEES?

This section sets out:

- The fees and expenses charged to the Scheme on its establishment.
- Ongoing fees and expenses charged to the Scheme by Oyster and its associated persons.
- Other ongoing fees and expenses paid to others by the Scheme.

ESTABLISHMENT FEES

The one-off fees and expenses charged in relation to the establishment of the Scheme are:

Establishment costs payable to Oyster	
Acquisition Fee	1,390,000
Brokerage Fee	789,000
Oyster Underwrite Fee	100,500
Deposit Fee	37,500
Legal Setup Costs – Oyster charge	15,000
Accountancy – internal	15,000
Total establishment costs payable to Oyster	2,347,000

Establishment costs payable to others	
Marketing	150,000
Wyborn Underwrite fee	183,000
Legal Setup Costs - external	352,735
Investigating Accountant	45,000
Seismic assessment	29,112
Property Due Diligence Reporting	33,441
Bank Legal	11,500
Asset Valuation	22,500
Plant & Machinery Valuation	9,350
PDS Registration Cost	5,690
Supervisor's fee	5,000
Directors & Officers and Professional Indemnity Insurance	14,840
Insurance Valuation	3,000
Total establishment costs payable to others	865,168
Total establishment costs	3,212,168

The above fees are exclusive of GST.

Acquisition Fee

The fee payable to Oyster for locating Home Straight Park and negotiating the contracts to purchase Home Straight Park, and developing this investment opportunity and establishing the Scheme.

Oyster Underwrite Fee

The fee payable to Oyster for its Underwrite of the Offer.

Brokerage Fee

Fee payable to Oyster for arranging the sale of the Interests including any Interests subscribed for by Oyster under the Underwrite. From the brokerage fee, Oyster will pay any commissions payable to Colliers for arranging the sale of Interests and the rebate payable to existing investors in the Home Straight POS.

Deposit Fee

The fee charged by Oyster as consideration for Oyster paying the deposit of \$1,500,000 on behalf of the Scheme. On the Settlement Date, the Scheme will pay Oyster the deposit fee and will also reimburse Oyster for the deposit funds paid.

Legal Setup Costs

Charge paid to Oyster which reflects the time spent by its internal legal team on this Offer.

Accountancy – internal

Charge paid to Oyster which reflects the time spent by its internal accountancy team on this Offer.

Marketing

These are the costs for printing and design of this PDS, producing advertising material and advertising expenses.

Wyborn Underwrite Fee

The fee payable to Wyborn for underwriting the Offer.

Legal Setup Costs – external

These costs include:

- The \$302,735 fee paid to the Scheme's solicitors Russell McVeagh for the costs of reviewing the Offer documents, due diligence on Home Straight Park, establishing the Scheme, settlement of Home Straight Park and reviewing the Bank Loan documentation.
- The \$50,000 fee payable to Thompson Blackie Biddles for processing subscriptions and providing trust account service for receipt of subscription monies.

Investigating Accountant

The fee payable to Ernst & Young Transaction Advisory Services Limited for their Independent Limited Assurance Report and financial due diligence in relation to the Scheme's prospective financial information.

Seismic Assessment

The fee paid to Harrison Grierson, Envelope Structural Limited and Grays Consulting for reviewing the seismic strength of Home Straight Park.

Property Due Diligence Reporting

The fees paid to KPMG SGA Property Consultancy Pty Limited and Hampton Jones for preparing technical due diligence reports on Home Straight Park.

Bank Legal

The fee charged by ASB Bank's solicitors for arranging the bank financing.

Asset Valuation

The fee payable to Jones Lang LaSalle for the preparation of the valuation reports on Home Straight Park.

Plant & Machinery Valuation

The fee payable to Jones Lang LaSalle for the preparation of the valuation reports on the plant and machinery located at Home Straight Park.

Supervisor's Fee

The Supervisor's fee for its services in relation to the establishment of the Scheme.

Directors & Officers/Professional Indemnity Insurance

The fee payable to Aon for insurance in relation to this Offer.

PDS Registration Cost

Fees charged by the Financial Markets Authority for the registration of the PDS and registration of the Scheme.

Insurance Valuation

The fee payable to Jones Lang LaSalle for the preparation of the insurance valuation report on Home Straight Park.

The above fees are payable by the Scheme; none are chargeable to Investors directly. In respect of certain fees set out above, Oyster has already met these costs on behalf of the Scheme or will pay those costs prior to settlement and, accordingly, is entitled to reimbursement on the Settlement Date. Other fees may be paid by Oyster between the date of this PDS and settlement.

Those fees will be reimbursed to Oyster on the Settlement Date.



ONGOING FEES AND EXPENSES CHARGED TO THE SCHEME BY OYSTER AND ITS ASSOCIATED PERSONS

The Scheme will pay to Oyster and its associated persons as manager the following fees:

Ongoing fees and expenses the Scheme by Oyster and its associated persons	
Property Management Fee	<p>The property management fee paid by the Scheme is an annual fee for management services provided in relation to Home Straight Park, which will be the greater of:</p> <ul style="list-style-type: none"> ■ 2.5% of the Gross Rental received under the tenancies (or any replacement or additional tenancy arrangement) plus GST (calculated on a pro-rata basis for the period from the Settlement Date to 31 March 2021); and ■ \$115,000 plus GST ("Minimum Property Management Fee"). <p>On the first day of each Financial Year commencing from 1 April 2022, the Minimum Property Management Fee shall automatically increase by the same percentage as the percentage increase (if any) in the CPI for the 12 month period ending 31 December in the immediately preceding calendar year.</p>
Scheme Management Fee	<p>The scheme management fee paid by the Scheme is an annual fee for services provided in relation to managing and administering the Scheme, which will be calculated 0.45% of the capital value of Home Straight Park (as determined by an independent valuer) in each financial year plus GST (calculated on a pro-rata basis for the period from the Settlement Date to 31 March 2021). From 1 April 2021 the Scheme Management fee will be the greater of the fee as calculated above and \$300,000 plus GST ("Minimum Scheme Management Fee").</p> <p>On the first day of each Financial Year commencing from 1 April 2022, the Minimum Scheme Management Fee shall automatically increase by the same percentage as the percentage increase (if any) in the CPI for the 12 month period ending 31 December in the immediately preceding.</p>
Performance Fee	<p>In the event that Home Straight Park is sold, the Deed of Participation provides that Oyster is entitled to be paid a performance fee on settlement and from the proceeds of the sale of Home Straight Park. The amount of performance fee will be 15% (plus GST) of the excess amount above an internal rate of return ("IRR") of 8.0% from Home Straight Park, including the distributions actually paid to Investors from the Settlement Date of the purchase of Home Straight Park until the settlement date of the sale of Home Straight Park. The IRR calculation will take into account initial Investor equity including establishment costs and working capital.</p> <p>The performance fee will only be paid to Oyster once, and only if Home Straight Park is sold.</p>
Termination Fee	<p>On termination of the Scheme, Oyster is entitled to a fee of 1.25% (plus GST) of the sale price of Home Straight Park. This fee is only paid when the Scheme is wound-up.</p>

Ongoing fees and expenses the Scheme by Oyster and its associated persons	
Accounting Fee	<p>This fee of \$10,000 per annum is for preparing the end of year financial accounts for the Scheme if Oyster does not arrange for a third party to do so. This fee shall be paid annually on completion of the service. This fee will be adjusted annually at 31 March by the movement in the CPI for the previous 12 months.</p>
Leasing Fee	<p>Oyster charges a leasing fee for leasing services provided in relation to Home Straight Park as follows:</p> <ul style="list-style-type: none"> a) an administration fee of \$500.00; b) for tenancy renewals (including options to extend or renew) 1.5% of the gross annual rent (exclusive of GST) multiplied by the number of years of the renewed term; c) for a new tenancy of Home Straight Park or part of Home Straight Park to an existing tenant 2% of the gross annual rent (exclusive of GST) multiplied by the number of years of the term of the new tenancy; and d) for a new tenancy (not being a tenancy to which sub-clause (c) above applies), 3% of the gross annual rent (exclusive of GST) multiplied by the number of years of the term of the new tenancy. <p>For the purposes of calculating the leasing fee, gross annual rent shall mean and include the annual rent together with any outgoings and/or operating expenses, any rent or fee payable in relation to carparks, naming rights, signage rights or any other right granted to any tenant under any tenancy.</p> <p>The rent on which the above charges are based shall be as if there had been no rebate, concession, rent holiday or other incentive.</p>
Rent Review Fee	<p>Oyster charges a fee for the rent review services being 10% of the increase:</p> <ul style="list-style-type: none"> ■ in the annual rent (exclusive of GST); and ■ in the rent or fee payable annually in relation to car parks, naming and signage rights (exclusive of GST). <p>In the event that a rent review proceeds to arbitration the rent review fee payable to the Manager will reduce to 5% of the increase referred to above.</p>
Refinancing Fee	<p>Oyster charges a fee for its services related to any refinancing undertaken by the Scheme. The refinancing fee of 0.10% plus GST of the total loan facilities is payable:</p> <ul style="list-style-type: none"> ■ at the expiry of any existing loan term if the existing loan is re- documented in relation to any subsequent or further loan term; or ■ if the Bank Loan is refinanced to another bank. <p>if the existing Bank Loan amount is increased (in which case the refinancing fee is paid on the value of the increased amount).</p>

Ongoing fees and expenses charged to the Scheme by Oyster and its associated persons

Additional Service Fees	Oyster may charge fees at a rate of \$175.00 per hour plus GST for additional services which are not contemplated within Oyster's duties as manager of the Scheme under the Deed of Participation.
Legal and Project Management Fees	Oyster may charge fees for legal services provided to the Scheme by Oyster's in-house legal team or project management services provided by Oyster's in-house project managers, at a rate determined by Oyster acting reasonably.
Governmental Fees	In the case of any governmental levies or fees payable by Oyster as a result of it establishing or managing schemes (including the Scheme), a proportionate share of those levies or fees, shared with any other schemes managed by Oyster (if applicable).

	The 11 months and 25 days ending 31 March 2021	The year ending 31 March 2022
Estimate of aggregate expenses and fees payable to Oyster and its associated persons	<p>\$2,780,556 plus GST</p> <p>Which as a percentage of the net assets of the Scheme is anticipated to be 7.7%</p>	<p>\$442,663 plus GST</p> <p>Which as a percentage of the net assets of the Scheme is anticipated to be 1.2%</p>

Aggregate fees for the accounting period ended 31 March 2021 include \$2,347,000 of establishment costs.

Changes to Fees

The fees detailed above are all payable under the Deed of Participation. These fees can only be changed by amending the Deed of Participation which will require the approval of the Investors.

The above fees and expenses have been estimated by Oyster, based on the information known to it as at the date of this PDS. These are subject to change based on the amounts invoiced to the Scheme. Details of the fees and expenses actually incurred by the Scheme will be stated in the Scheme's annual report, however Investors will not be specifically notified of any changes.



ONGOING FEES AND EXPENSES PAID TO OTHERS BY THIS SCHEME

Ongoing fees and expenses charged to the Scheme by Others	
Administration Costs	These are other minor costs in relation to the administration of the Scheme that have not been covered under the other headings in this table. These fees are not fixed and can vary from year to year.
Auditor's Fees	This fee is for the audit of the annual financial statements of the Scheme. This fee may be altered in the future by agreement between the auditor and Oyster.
Interest Expense	<p>This is the amount of interest paid by the Scheme to ASB Bank in relation to the Bank Loans. The interest rate charged can be changed by the bank under the terms of the Bank Loan documents. The Scheme's current interest rates are:</p> <ul style="list-style-type: none"> ■ in respect of the Term Loan it is floating at 3.46% per annum. ■ in respect of the Bridging Loan, it is floating at 3.52% per annum.
Legal Fees	This fee reflects the ongoing legal costs of the Scheme to be paid to the Scheme's solicitor, Russell McVeagh. This fee is not fixed and is incurred on a case by case basis.
Marketing Fees	These are the fees paid by the Scheme to advertising agencies for the creation of advertising material and to advertisers for placement of advertisements. These fees are not fixed and are negotiated on a case by case basis.
Non-Recoverable Property Expenses	These are the fees paid to others in relation to the operation of Home Straight Park that are not recoverable from the tenants. These fees are not fixed and are incurred on a case by case basis.
Supervisor's Fees	<p>The Supervisor will be paid an annual fee of \$19,725 plus GST paid quarterly in arrears. The Supervisor is entitled to charge the Scheme for the Supervisor's disbursements.</p> <p>The Supervisor's disbursements are those routine expenses related to the ongoing administration of the Supervisor's appointment, including, but not limited to, travel costs, printing, photocopying and postage.</p> <p>In addition to its annual fee, the Supervisor is entitled to charge a special duties fee charged at the Supervisor's usual time and attendance rates to cover the Supervisor's ongoing review of any amendment to any documentation, the exercise of its powers and discretions, the Supervisor's attendance at any special meetings and time spent on non- routine matters.</p> <p>The Supervisor's fees may be altered in the future by agreement between the Supervisor and Oyster.</p>
Valuation Fees	These are the fees paid to independent valuers for preparing the annual market valuations for Home Straight Park. These are not fixed fees and are incurred on a case by case basis.

	The period ending 31 March 2021	The year ending 31 March 2022
Estimate of aggregate expenses and fees payable to other persons	<p>\$1,591,322 plus GST</p> <p>Which as a percentage of the net assets of the Scheme is anticipated to be 4.7%</p>	<p>\$755,853 plus GST</p> <p>Which as a percentage of the net assets of the Scheme is anticipated to be 2.1%</p>

Aggregate fees for the accounting period ended 31 March 2021 include \$865,168 of establishment costs.



Changes to Fees

The above fees and expenses have been estimated by Oyster, based on the information known to it as at the date of this PDS. These are subject to change based on the amounts invoiced to the Scheme. Details of the fees and expenses actually incurred by the Scheme will be stated in the Scheme's annual report, however Investors will not be specifically notified of any changes.

Further information on the Scheme's anticipated fees and expenses is set out in the financial information for the Scheme available on the offer register at www.disclose-register.companiesoffice.govt.nz.

9. TAX

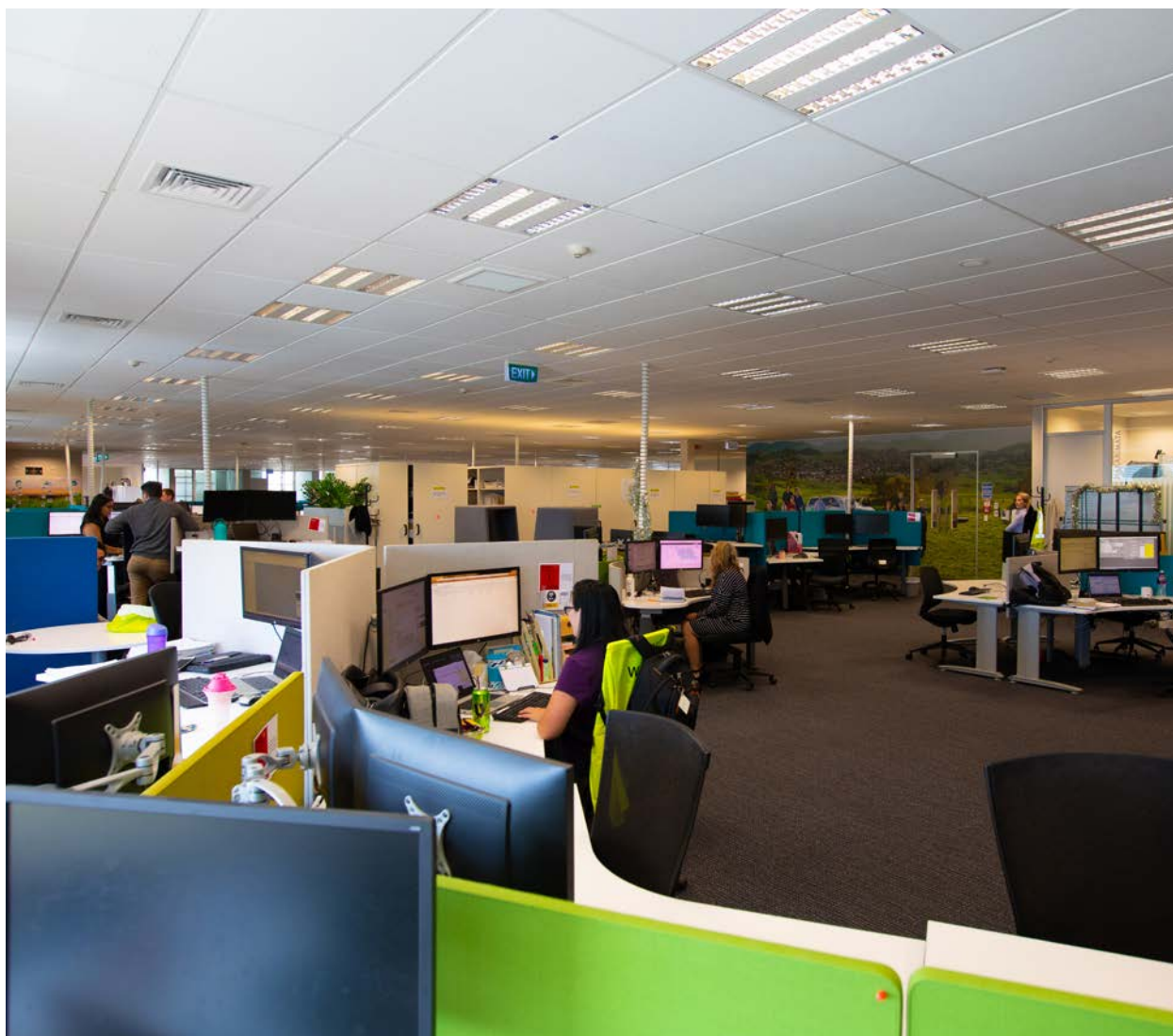
The Scheme is not a portfolio investment entity. Tax can have significant consequences for investments.

If you have queries relating to the tax consequences of an investment in the Scheme, you should obtain professional advice on those consequences.

As a proportionate ownership scheme, the Scheme is not liable for income tax. Each Investor will be taxed on their proportionate share of the Scheme's income,

regardless of whether any cash distributions are received from the Scheme or not. Investors are individually responsible for the payment of their tax on the investment. No tax is deducted from distributions.

Oyster will provide details to Investors on the income of the Scheme, its expenses and any depreciation claimable on the assets so that Investors can complete their tax returns.



10. ABOUT OYSTER MANAGEMENT LIMITED AND OTHERS INVOLVED IN HOME STRAIGHT PARK PROPORTIONATE OWNERSHIP SCHEME

ABOUT OYSTER MANAGEMENT LIMITED

This Scheme is managed by Oyster Management Limited. Oyster is a specialist property and Scheme manager with a proven track record in commercial property syndication, scheme management and asset management of retail, office and industrial property throughout New Zealand.

Nationally Oyster manages a portfolio of properties in Auckland, Hamilton, Tauranga, Wellington, Nelson, Christchurch and Dunedin, ranging from central city high-rise buildings to suburban retail shopping centres and industrial property.

Oyster manages investment properties with a value of over \$1.7 billion.

The address for Oyster is:

Oyster Management Limited
Level 18, 55 Shortland Street, Auckland
PO Box 8302, Symonds Street, Auckland 1150
Ph: (09) 632 1287
Email: investor@oystergroup.co.nz

Further information on properties currently managed by Oyster together with its personnel, can be found on its website at www.oystergroup.co.nz.

WHO ELSE IS INVOLVED?

	Name	Role
Supervisor	Covenant Trustee Services Limited	Supervisor of the Scheme under the Financial Markets Conduct Act 2013 and responsible for supervising Oyster as manager of the Scheme.
Custodian	Home Straight Park Trustees Limited	The Custodian is a company set up by the Supervisor to hold the assets of the Scheme on behalf of the Investors. The Custodian is owned by the Supervisor and they also appoint the directors of the Custodian. The only activity that the Custodian will be involved in is the holding of the Scheme's assets.



11. HOW TO COMPLAIN

HOW TO COMPLAIN

A complaint about your investment may be made to:

Oyster	Level 18 55 Shortland Street Auckland OR PO Box 8302 Symonds Street Auckland 1150 Ph. (09) 632 1287
The Supervisor Covenant Trustee Services Limited	Level 6 191 Queen Street OR PO Box 4243, Auckland 1010 Ph. (09) 302 0638
Financial Dispute Resolution	Freepost 231075 PO Box 2272 Wellington 6140 Ph: 0508 337 337 Email: enquiries@fdrs.org.nz This is the dispute resolution scheme Oyster has joined for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Oyster and the approved dispute resolution scheme will not charge you a fee to investigate or resolve a complaint.
The Financial Markets Authority	PO Box 106 672 Auckland 1143 Ph. 0800 434 566

12. WHERE YOU CAN FIND MORE INFORMATION

FURTHER INFORMATION

Further information about the Interests and the Scheme is available on the offer register and the scheme register. This information includes items such as:

- The Deed of Participation
- Prospective Financial Information
- Independent Valuation Reports
- Technical Due Diligence Report
- Seismic Letters
- Sale and Purchase Agreements for Home Straight Park
- Wyborn Underwrite Agreement
- Oyster Underwrite Agreement
- Deeds of Nomination
- The leases

The offer register and scheme register can be viewed at **www.disclose-register.companiesoffice.govt.nz**. A copy of information on the offer register or scheme register is available on request to the Registrar.

ANNUAL INFORMATION

You will be sent, annually, audited financial statements in respect of the performance and financial position and cash flows of the Scheme for the previous financial year. These will be provided within four months of each financial year ending 31 March. The annual report for the Scheme will be sent to you annually within four months of each financial year ending 31 March.

ON REQUEST INFORMATION

All the information listed above is available on request and free of charge. Requests for information should be made to Oyster (at the address set out in the directory on the back page of this PDS).

INFORMATION ON YOUR INVESTMENT DETAILS

These can be obtained by sending a request by email to **investor@oystergroup.co.nz** or by contacting Oyster at the address set out on the back page of this PDS.

13. HOW TO APPLY

1. COMPLETE THE APPLICATION FORM

Applications can only be made by completing the following Application Form.

Please ensure that all customer due diligence information is enclosed with the application. Without the customer due diligence information, Oyster is unable to accept your application.

2. PAYMENT

Payment of the full subscription amount must accompany the application form by either cheque or online bank transfer.

Existing investors in the Home Straight POS may apply part or all of the initial \$66,000 distribution from the Home Straight POS for the sale of 17 and 19 Home Straight towards their subscription in the Scheme. See the Application Form for further details.

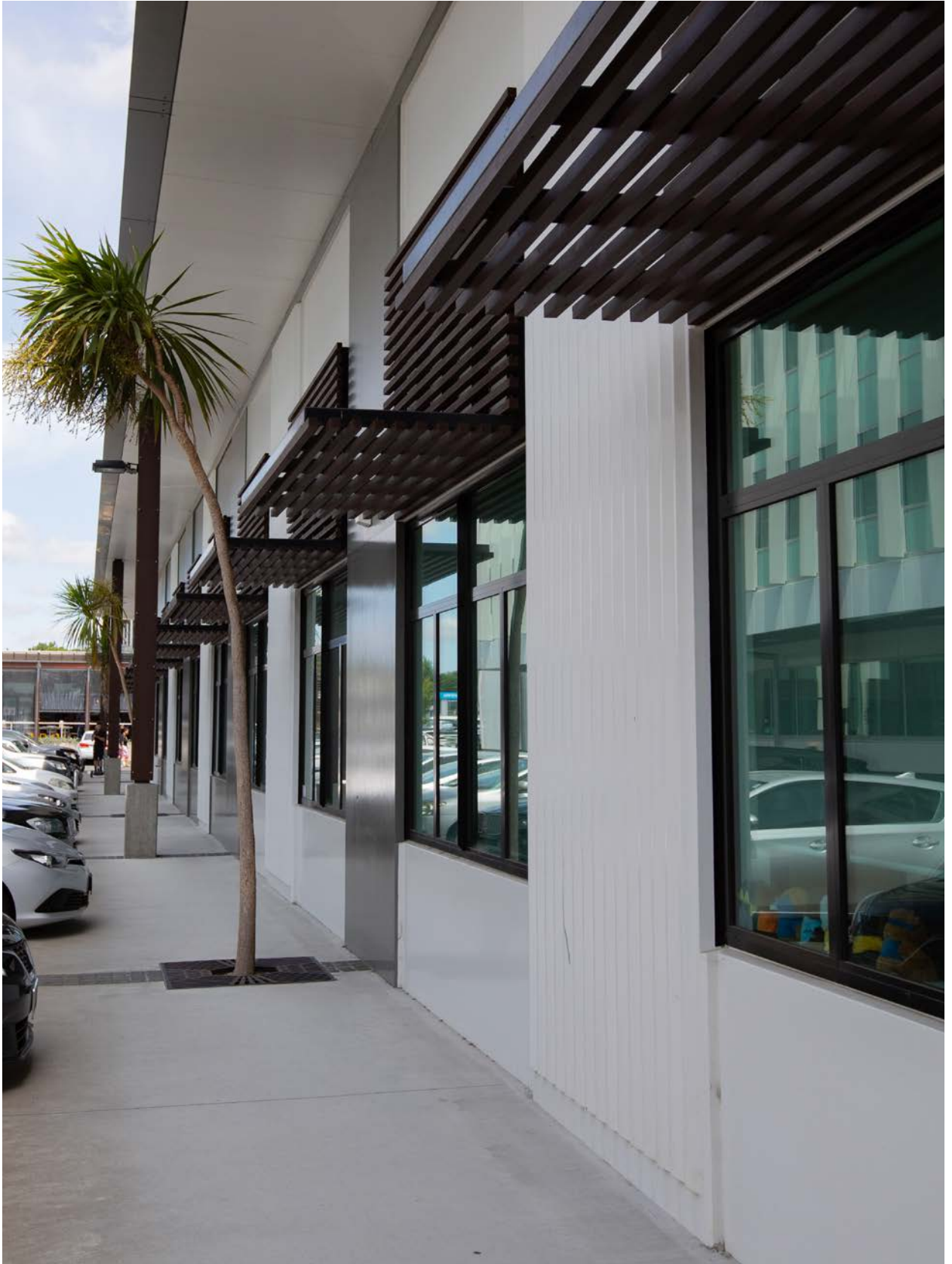
3. SEND THE FORM IN

Applications once made cannot be revoked or withdrawn. Application forms must be mailed or delivered to:

Oyster Management Limited
Level 18, 55 Shortland Street
PO Box 8302
Symonds Street, Auckland 1150

Existing Investors may email application forms to investor@oystergroup.co.nz. Cheques must be made out in favour of 'Thompson Blackie Biddles Limited Trust Account' and crossed 'Non-Transferable'.

Online banking can be made to the subscription account, Account No. 12-3109-0110792-02



14. GLOSSARY

Term	Definition
"Adjusted Operating Profit"	means total profit for the year excluding revaluations, non-cash and non-recurring transactions and initial borrowing costs which were paid on establishment, and may also include any surplus working capital. This is a non-GAAP measure.
"ASB Bank"	means ASB Bank Limited.
"Bank Loans"	means the Bridging Loan and the Term Loan, see page 33 for details.
"Bridging Loan"	means the ASB Bank bridging loan, see page 33 for details.
"CPI"	means the Consumer Price Index (All Groups) published by Statistics New Zealand.
"Custodian"	means Home Straight Park Trustees Limited, the company which holds Home Straight Park and the assets of the Scheme on behalf of Investors.
"Customer Due Diligence Information"	means the information required to be supplied by an Investor under the Anti- Money Laundering and Countering Financing of Terrorism Act 2009.
"Deed of Participation"	means the document that established the Scheme and sets out the rules under which the Scheme is operated.
"Financial Year"	means the period from 1 April in one year to 31 March in the next year (provided that the first financial year shall be for the period from Settlement Date to 31 March) or such other period as Oyster may elect.
"GAAP"	means generally accepted accounting practice. Financial statements that have been prepared in accordance with GAAP have been prepared using the applicable financial reporting standards.
"Gearing Ratio"	means the total bank debt as a percentage of net assets. A useful measure of how much debt an entity is carrying.
"Home Straight Park"	means the properties at 17, 19 and 21 Home Straight, Te Rapa, Hamilton.
"Home Straight POS"	means the existing Home Straight Proportionate Ownership Scheme.
"Interest"	means the managed investment product issued by the Scheme.
"Interest Cover Ratio"	means the ratio of the entity's income to its bank interest expense.
"Investigating Accountant"	means Ernst & Young Transaction Advisory Services Limited.
"IRR"	means the internal rate of return, which is a measure of the profitability of the investment over a period of time taking into account the net present value of all cashflows (both positive and negative).
"Investors"	means the people or entities that hold Interests in the Scheme.
"Minimum Holding"	means \$50,000 of Interests or such other number determined in accordance with the provisions of the Deed of Participation.

14. GLOSSARY continued

Term	Definition
"NBS"	means the new building standard under the Building Act 2004.
"Offer"	means the offer of Interests detailed in this PDS.
"Operating Profit"	means the Scheme's Operating Profit Before Fair Value Movements, as set out in the Scheme's financial statements or management accounts.
"Ordinary Resolution"	means a resolution passed by a simple majority (i.e. greater than 50%) of the votes cast on that resolution.
"Oyster"	means the manager of this Scheme, Oyster Management Limited.
"Oyster Underwrite"	means the agreement by Oyster to subscribe for up to 67 Interests (\$3,350,000).
"PDS"	means Product Disclosure Statement.
"Sale and Purchase Agreements"	<p>means the agreement for sale and purchase of real estate:</p> <ul style="list-style-type: none"> ■ entered into by Home Straight Trustees Limited to acquire the land and buildings at 17 and 19 Home Straight, Te Rapa, Hamilton for \$28,500,500, dated 17 December 2019; and ■ entered into by Hamilton Homezone Limited to acquire the land and buildings at 21 Home Straight, Te Rapa, Hamilton for \$41,000,000, dated 16 May 2019 and varied on 9 December 2019.
"Scheme"	means Home Straight Park Proportionate Ownership Scheme.
"Settlement Date"	means the settlement date of the purchase of Home Straight Park, which is anticipated to occur on 6 April 2020.
"Special Resolution"	means a resolution passed in compliance with the requirements of sub-clause (d) of the definition of "special resolution" in section 6 of the Financial Markets Conduct Act 2013.
"SIPO"	means a Statement of Investment Policies and Objectives. This document summarises the type of investments the Scheme is authorised to make.
"Supervisor"	means the statutory supervisor of the Scheme, Covenant Trustee Services Limited.
"Term Loan"	means the ASB Bank term loan, see page 33 for details.
"WALT"	means the "weighted average lease term". This means the length to run on each individual lease weighted by the lease's proportion of the total rental income attributable to that property.
"Wyborn"	means Wyborn Capital Properties Limited.
"Wyborn Underwrite"	means the agreement by Wyborn Capital Properties Limited to subscribe for up to 122 Interests (\$6,100,000).

Capitalised terms used but not defined in this PDS have the meaning given to them in the Deed of Participation.



PLEASE READ THIS BEFORE SIGNING

- I/ We agree to invest in the Scheme as detailed in this PDS.
- I/ We acknowledge and agree that this application is irrevocable once received by Oyster PROVIDED HOWEVER, it is still subject to acceptance by Oyster. On acceptance of this application by Oyster we agree to the following:
 - I/ We are bound by the Deed of Participation and the terms contained in this PDS and on this application form.
 - I/ We understand that Oyster reserves the right to accept or decline any application at its sole discretion.
 - Under the terms of the Privacy Act 1993 and the Unsolicited Electronic Messages Act 2007 ('UEMA'), by signing this application form, I/We acknowledge that:
 - my/our personal details provided in this application form will be retained for the purposes of mailing any further information in relation to the Scheme and my investment;
 - I/ We have provided 'consent' for the purposes of the UEMA;
- Oyster is entitled to disclose personal information about me/us to the Financial Markets Authority (upon request being made by the Financial Markets Authority).
- **PLEASE NOTE;** that Oyster is not able to repay an Investor's subscription amount to an Investor unless the Investor has complied with the customer due diligence requirements.
- Cheques are to be made payable to Thompson Blackie Biddles Limited Trust Account. All payments must be in New Zealand dollars. All cheques must be drawn on a registered New Zealand bank.
- Direct credit payments should be made to the subscription account details:
THOMPSON BLACKIE BIDDLES LIMITED TRUST ACCOUNT
Account No. 12-3109-0110792-02
- Oyster cannot accept applications without valid IRD numbers and a valid RWT declaration.

CUSTOMER DUE DILIGENCE REQUIREMENTS

- The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 applies to Oyster and all other New Zealand investment companies. The Act requires us to assess the money laundering and terrorist financing risk that we may face in our business. In order to make that assessment and to satisfy our internal policies we are required to carry out Customer Due Diligence on our Investors. We work with an external provider, First AML Limited, to carry out Customer Due Diligence on our behalf. First AML Limited may contact you to request information.
- Please note that Oyster cannot accept an applicant's application unless we have carried out satisfactory Customer Due Diligence on our Investors. Existing Oyster Investors should contact Oyster to understand any further Customer Due Diligence Required.

APPLICATION CHECKLIST

- Have you checked your application form and ensured it has been correctly completed? Yes ☐
- Have all parties to the investment signed the application form? Yes ☐

SENDING YOUR APPLICATION

Applications can be either emailed to investor@oystergroup.co.nz or posted to:

- or Oyster Property Group
Level 18, 55 Shortland Street, Auckland 1010
(Couriers accepted)
- or Oyster Property Group
PO Box 8302, Symonds Street, Auckland 1150
(Couriers not accepted)

PLEASE READ ALL INSTRUCTIONS BELOW TO ENSURE PROMPT PROCESSING OF APPLICATIONS

This Application Form is issued with the Product Disclosure Statement dated 5 March 2020, issued by Oyster Management Limited. Please return this application form and all other required additional documents to Oyster Management Limited.

Prospective investors are recommended to seek professional advice from an Authorised Financial Adviser which takes into account their personal circumstances before making an investment decision.

INSTRUCTIONS ON HOW TO COMPLETE

- There are four investment entity options: Individual(s); Partnerships; Company; Trust. Please choose and fill in the correct option.
- Insert your full name(s), IRD number(s), address, telephone number(s) and email address(es) (optional).
- Applications must be in the name(s) of natural persons, companies or other legal entities.
- Please insert the Bank Account name and Bank Account Number into which you want interest and/or distribution payments to be made.
- Customer Due Diligence information must be completed if you haven't previously provided this to Oyster.

ALL APPLICANTS TO COMPLETE

A. INVESTMENT

1. Existing investors in the Home Straight POS (the vendor of 17 and 19 Home Straight) have a preferential right to apply for Interests in the period up to 13 March 2020. The preferential right applies to 1 Interest in the Scheme for each 1 interest held in the existing Home Straight POS. Those investors will also receive a 2% brokerage fee rebate on these Interests which will be paid to them by Oyster following allotment.

These investors may apply part or all of the initial \$66,000 distribution from the Home Straight POS for the sale of 17 and 19 Home Straight towards their subscription in the Scheme. Any further payments from the wind-up of the existing Home Straight POS will be paid to these investors' currently nominated bank account.

Are you an existing investor in the Home Straight POS? Yes ☐ (go to question 2)

No ☐ (go to question 4)

2. How many interests do you hold in the Home Straight POS?

3. Do you wish to apply the proceeds of \$66,000 per Home Straight POS interest towards your subscription?

☐ Yes (read the authorisation below and complete the table)

By checking this box you irrevocably authorise Thompson Blackie Biddles to retain your proceeds from the sale of 17 and 19 Home Straight on trust, to be applied to all or part of your subscription of Interests in the Home Straight Park Proportionate Ownership Scheme.

☐ No (go to question 4)

Number of Interests being applied for	@ \$50,000 each	Total investment of	\$	A
Number of Interests in the Home Straight POS	@ \$66,000 each	Total credit of	\$	B
Amount payable (Box A minus Box B)			\$	

If the Amount in C is positive then you will need to pay this remaining amount (**go to question 5**).

If the Amount in C is negative then you have no further payment to make (**go to B: DISTRIBUTIONS**).

APPLICATION FORM

HOME STRAIGHT PARK PROPORTIONATE OWNERSHIP SCHEME

OYSTER®

4. If you are not an Investor in the Home Straight POS, please complete the following:

Number of Interests being applied for	@ \$50,000 each	Total investment of	\$
---------------------------------------	-----------------	---------------------	----

- 5.

Payment Method (please tick all that apply)	Cheque Attached
	Online Banking to the Subscription Account
	Payment from proceeds of wind-up of Home Straight POS

Payments must be made by and identified as coming from the Applicant/Investor Entity. Payments from any other person or entity on behalf of an Applicant/Investor Entity may be returned to the payer.

B. DISTRIBUTIONS

Please insert the Bank Account Name and Bank Account Number into which you want interest and/or distribution payments to be made.

Please nominate a New Zealand bank account, which will be used for all payments including interest on the subscription amount held pending allotment of Interests.

Provide a copy of a pre-printed bank deposit slip or bank statement to verify your bank account name and number. It is a requirement that you provide this information before you can earn interest on your subscription monies.

Account name													
Bank		Branch				Account Number						Suffix	

Resident Withholding Tax (RWT)

Please deduct from all interest earned on subscription monies held prior to allotment of interests.

- ☐ 10.5% Resident Withholding Tax ☐ 17.5% Resident Withholding Tax ☐ 28% Resident Withholding Tax (companies only)
- ☐ 30% Resident Withholding Tax ☐ 33% Resident Withholding Tax ☐ Exempt

If exempt from Resident Withholding Tax please attach a copy of your Certificate of Exemption.

If no valid RWT declaration is made then the default RWT rate of 45% will be applied to any interest earned.

INDIVIDUAL APPLICATION

TO BE COMPLETED BY THE APPLICANT

OYSTER®

Complete in BLOCK LETTERS

Title (Mr/Mrs/ Ms/Miss)	Legal first name(s) <i>Individuals</i>	Family name <i>Individuals</i>	Date of Birth <i>Individuals</i>	IRD Number <i>Individuals</i>

Primary Contact Name	
Postal Address (Street/PO Box)	
Suburb / City / Postcode	
Country	
Daytime Contact Phone Number	
Mobile Number	
Email Address	

Signature of Individual		Date	
Signature of Individual		Date	
Signature of Individual		Date	
Signature of Individual		Date	

CUSTOMER DUE DILIGENCE INFORMATION

Has the applicant previously provided Oyster with the required customer due diligence information?

Yes

☐

No

☐

If Yes, does the applicant's investment entity and/or investment amount differ to the applicant's existing investments with Oyster? Please provide an explanation below.

Yes

☐

No

☐

INDIVIDUAL APPLICATION

TO BE COMPLETED BY THE APPLICANT

OYSTER®

NATURE AND PURPOSE OF YOUR INVESTMENT

Establishing the nature and purpose of your investment is required as two separate explanations:

- the **nature** of the investment explains how regularly and for how long;
- the **purpose** explains your investment objectives and what you are trying to achieve by investing with Oyster.

This information is being requested solely for the purpose of regulatory compliance obligations and maintenance of investor records. We recommend you consider discussing your response with your financial adviser and/or tax adviser, to make sure that what you confirm to us is consistent with the treatment of your investment in your tax return.

TICK THE FOLLOWING THAT APPLIES TO YOU:

How often do you think you might want to invest with us?

- ☐ Existing Oyster Investor
- ☐ New Investor: One-off investment
- ☐ New Investor: Potential further investment in other Oyster Investments

What is your reason for the investment?

- ☐ To receive ongoing income ☐ For estate planning
- ☐ To preserve capital ☐ Other
- ☐ To achieve capital growth

COMMUNICATION PREFERENCES

Would you like your investor communications to be sent to the email address you have provided on the front page of this application form?

Yes ☐ No ☐

Would you like to be advised of other Offers from Oyster?

Yes ☐ No ☐

ADDITIONAL INVESTMENT ENQUIRER

If you would like someone else to be able to enquire about this investment on your behalf (e.g. your accountant/your spouse) please provide their details here.

First Name		Family Name	
Email		Company (if applicable)	

Would the enquirer like to be advised of other Offers from Oyster?

Yes ☐ No ☐

Complete in BLOCK LETTERS

Title (Mr/Mrs/ Ms/Miss)	Legal first name(s) <i>Individuals</i>	Family name <i>Individuals</i>	Date of Birth <i>Individuals</i>	IRD Number <i>Individuals</i>

Primary Contact Name	
Postal Address (Street/PO Box)	
Suburb / City / Postcode	
Country	
Daytime Contact Phone Number	
Mobile Number	
Email Address	

Signature of Individual		Date	
Signature of Individual		Date	
Signature of Individual		Date	
Signature of Individual		Date	

CUSTOMER DUE DILIGENCE INFORMATION

Has the applicant previously provided Oyster with the required customer due diligence information?

Yes

☐

No

☐

If Yes, does the applicant's investment entity and/or investment amount differ to the applicant's existing investments with Oyster? Please provide an explanation below.

Yes

☐

No

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NATURE AND PURPOSE OF YOUR INVESTMENT

Establishing the nature and purpose of your investment is required as two separate explanations:

- the **nature** of the investment explains how regularly and for how long;
- the **purpose** explains your investment objectives and what you are trying to achieve by investing with Oyster.

This information is being requested solely for the purpose of Oyster's regulatory compliance obligations and maintenance of our investor records. We recommend you consider discussing your response with your financial adviser and/or tax adviser, to make sure that what you confirm to us is consistent with the treatment of your investment in your tax return.

TICK THE FOLLOWING THAT APPLIES TO YOU:

How often do you think you might want to invest with us?

- ☐ Existing Oyster Investor
- ☐ New Investor: One-off investment
- ☐ New Investor: Potential further investment in other Oyster Investments

What is your reason for the investment?

- ☐ To receive ongoing income ☐ For estate planning
- ☐ To preserve capital ☐ Other
- ☐ To achieve capital growth

COMMUNICATION PREFERENCES

Would you like your investor communications to be sent to the email address you have provided on the front page of this application form?

Yes ☐ No ☐

Would you like to be advised of other Offers from Oyster?

Yes ☐ No ☐

ADDITIONAL INVESTMENT ENQUIRER

If you would like someone else to be able to enquire about this investment on your behalf (e.g. your accountant/your spouse) please provide their details here.

First Name		Family Name	
Email		Company (if applicable)	

Would the enquirer like to be advised of other Offers from Oyster?

Yes ☐ No ☐

If you are applying in the name of a Company, the names of directors and shareholders of the company do not need to be included. Only the IRD number of the Company is required.

Complete in BLOCK LETTERS

Name of Company	
IRD Number of Company	
Postal Address (Street/PO Box)	
Suburb / City / Postcode	
Country	
Title (Mr / Mrs / Ms / Miss)	
Name of Primary Contact of Company	
Daytime Contact Phone Number	
Mobile Number	
Email Address	

Signature of Company Director		Date	
Signature of Company Director		Date	

CUSTOMER DUE DILIGENCE INFORMATION

Has the applicant previously provided Oyster with the required customer due diligence information?

Yes ☐ No ☐

If Yes, does the applicant's investment entity and/or investment amount differ to the applicant's existing investments with Oyster? Please provide an explanation below.

Yes ☐ No ☐

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COMMUNICATION PREFERENCES

Would you like your investor communications to be sent to the email address you have provided on the front page of this application form?

Yes ☐ No ☐

Would you like to be advised of other Offers from Oyster Property Group?

Yes ☐ No ☐

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If you would like someone else to be able to enquire about this investment on your behalf (e.g. your accountant/your spouse) please provide their details here.

First Name		Family Name	
Email		Company (if applicable)	

Would the enquirer like to be advised of other Offers from Oyster Property Group?

Yes ☐ No ☐

If you are applying as a Trust, all trustee names are required. Please also insert the Trust's name.
Only the IRD number of the Trust is required.

Complete in BLOCK LETTERS

Name of Trust	
IRD Number of Trust	
Postal Address (Street/PO Box)	
Suburb / City / Postcode	
Country	
Title (Mr / Mrs / Ms / Miss)	
Name of Primary Contact of Trust	
Daytime Contact Phone Number	
Mobile Number	
Email Address	

Title (Mr/Mrs/ Ms/Miss)	Legal first name(s) <i>Trustees</i>	Family name <i>Trustees</i>	Date of Birth <i>Trustees</i>

Name of Corporate Trustee (if applicable)	
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Note: All trustees must sign the application form including director(s) of Corporate Trustee if applicable.

Signature of Trustee		Date	
Signature of Trustee		Date	
Signature of Trustee		Date	
Signature of Trustee		Date	

CUSTOMER DUE DILIGENCE INFORMATION

Has the applicant previously provided Oyster with the required customer due diligence information?

Yes

☐

No

☐

If Yes, does the applicant's investment entity and/or investment amount differ to the applicant's existing investments with Oyster? Please Provide explain below.

Yes

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No

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☐ To achieve capital growth

☐ For estate planning

☐ Other

COMMUNICATION PREFERENCES

Would you like your investor communications to be sent to the email address you have provided on the front page of this application form?

Yes

☐

No

☐

Would you like to be advised of other Offers from Oyster Property Group?

Yes

☐

No

☐

ADDITIONAL INVESTMENT ENQUIRER

If you would like someone else to be able to enquire about this investment on your behalf (e.g. your accountant/your spouse) please provide their details here.

First Name		Family Name	
Email		Company (if applicable)	

Would the enquirer like to be advised of other Offers from Oyster Property Group?

Yes

☐

No

☐

NOTES

DIRECTORY

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