

Product Disclosure Statement

for an initial public offering of ordinary shares in Investore Property Limited

investore

Managed by Stride Investment Management Limited

10 June 2016

The issuer under this offer is Investore Property Limited

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.business.govt.nz/disclose, offer number (OFR10625).

Investore Property 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.

Sole Bookrunner and
Arranger, Lead Manager



Co-Managers

DeutscheCRAIGS

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1. Key Information Summary

1.1 What is this?

- This is an offer of ordinary shares in Investore Property Limited ("Investore"). Ordinary shares in Investore ("Shares") give you a stake in the ownership of Investore. You may receive a return if dividends are paid or Investore increases in value and you are able to sell your Shares at a higher price than you paid for them.
- If Investore runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

1.2 About Investore

- Investore has been established by Stride Property Limited ("Stride") to invest in Large Format Retail property throughout New Zealand. Other than in certain circumstances that it has agreed with Investore, Stride will hold its exposure to Large Format Retail properties through its 19.9% holding in Investore upon completion of the Offer.
- Investore will comprise a portfolio of 39 Large Format Retail properties ("Investore Portfolio") with properties located in the main urban areas throughout New Zealand, consisting of 25 properties owned by Investore ("Existing Assets") and 14 assets contracted to be acquired (the "SCA Portfolio" or "SCA Acquisition") from Shopping Centres Australasia Property Group Trustee NZ Limited ("SCA").
- The Existing Assets include Large Format Retail properties previously owned by Stride ("Stride Transferred Portfolio"), as well as those acquired by Investore in 2015 from Antipodean Supermarkets.
- Investore will be managed by Stride Investment Management Limited ("SIML" or the "Manager"), the real estate investment management ("REIM") business formerly a wholly-owned subsidiary of Stride and intended to continue as part of the "stapled group" comprising SIML and Stride which will be owned by the current shareholders of Stride. SIML has an experienced management team that provides a full range of REIM services. Key aspects of the management agreement between Investore and SIML are summarised in Section 2.8.
- Investore will register to be a listed PIE for New Zealand taxation purposes.
- Investore is not a "managed investment scheme" for the purposes of the Financial Markets Conduct Act 2013 and does not have a FMA-licensed manager or an FMA-licensed independent supervisor to govern its investment activities. Investor rights are set out in the constitution of the company, which has been set up in accordance with the Companies Act 1993.

For more information about Investore, see Section 2 *Investore and what it does* and Section 7 *Investore's financial information*

1.3 Purpose of this Offer

- The purpose of the Offer, in order of priority, is to:
 - raise capital for Investore to partially fund the acquisition of the SCA Portfolio. Investore will borrow the remaining funds required to complete the acquisition;
 - repay the intragroup loan from Stride advanced to purchase the Stride Transferred Portfolio and Antipodean Portfolio;
 - if the full amount of the Offer is raised, provide capital to enable Investore to pursue additional growth opportunities;
 - provide a market for the Shares and an opportunity for investment in Investore and a unique property exposure to a listed entity that invests in Large Format Retail property; and
 - provide Investore with funding and access to capital markets (if required) to fund opportunities within Investore's investment strategy.
- Proceeds from the Offer will be primarily used to settle the acquisition of the SCA Portfolio and to provide capital to acquire additional Large Format Retail properties that meet Investore's investment strategy.

For more information about the purpose of the Offer, see Section 3 *Purpose of the Offer*

1.4 Key terms of the Offer	Description of securities	Fully paid ordinary shares in Investore
	Product Disclosure Statement lodged	Friday, 10 June 2016
	Stride Shareholder Offer Opening Date	Monday, 20 June 2016
	Bookbuild, Pricing and Allocation in respect of the Institutional Offer	Thursday, 23 June 2016
	Broker Firm Offer Opening Date	Friday, 24 June 2016
	Closing Date for the Broker Firm Offer and the Stride Shareholder Offer	Tuesday, 5 July 2016
	Settlement and Allotment on NZX	Monday, 11 July 2016
	Distribution of shares in Investore and SIML to Stride shareholders and listing of SIML effective	Monday, 11 July 2016
	Expected commencement of trading of Shares on the NZX Main Board and expected mailing of holding statements	Tuesday, 12 July 2016
	Expected payment of first dividend	December 2016
	Indicative Price Range ⁽¹⁾	\$1.37 - \$1.49
	Number of Offer Shares being offered by Investore ⁽²⁾	100.7m – 135.0m Offer Shares, representing 42.2% – 49.5% of the Shares on issue immediately after completion of the Offer
	Gross proceeds from the Offer ⁽³⁾	\$150m - \$185m
	Number of Shares on issue after completion of the Offer	238.3m – 272.6m
	Liabilities, fees, charges	If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares. You should seek your own tax advice in relation to your Shares.
	Conditions	<p>The issue of Shares under this Offer ("Offer Shares") is subject to and conditional upon:</p> <ul style="list-style-type: none"> • SIML advising Investore that SIML is satisfied that the Demerger will occur on or before the date that the Shares are quoted on the NZX Main Board; and • \$150 million being raised ("Minimum Raise"). <p>In the event that these conditions are not satisfied, the Offer Shares will not be issued.</p>
	Management Agreement	Investore has delegated the management of Investore and its portfolio of Large Format Retail properties to SIML pursuant to the Management Agreement. For further information, see Section 2.8.

The above dates are indicative only and may change. Investore, in conjunction with the Lead Manager, reserves the right to vary or extend these dates. Investore may also withdraw the Offer at any time before the Allotment Date or accept late Applications (either generally or in individual cases).

Notes:

- (1) The Indicative Price Range is indicative only. The price per Share at which the Offer Shares will be issued (the "Final Price") will be set after the conclusion of the Bookbuild and may be within, above or below this range. The Indicative Price Range may be varied at any time by Investore.
- (2) Range calculated based on Investore issuing such number of Offer Shares to raise the Minimum Raise under the Offer at the upper end of the Indicative Price Range and the PFI Case under the Offer at the lower end of the Indicative Price Range.
- (3) Equal to the number of Offer Shares being offered under the Offer at each end of the Indicative Price Range multiplied by the lower and upper end of the Indicative Price Range (as applicable).

For more information about the use of proceeds from the Offer, see Section 3 Purpose of the Offer, and for more information about the terms of the Offer, see Section 5 Terms of the Offer

1.5**How pricing of Offer Shares is fixed**

- Investore has set an Indicative Price Range of \$1.37 to \$1.49 per Offer Share. All Offer Shares issued under the Offer will be issued at the Final Price.
- The Final Price will be set by way of a bookbuild managed by the Lead Manager ("Bookbuild").
- The Final Price is expected to be announced and posted on the Offer website (www.shareoffer.co.nz/investore) on or about Friday, 24 June 2016.

For more information about pricing, see Section 5 Terms of the Offer

1.6**How you can get your money out**

- Investore intends to quote the Shares on the NZX Main Board. This means you may be able to sell them on the NZX Main Board if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.

1.7**Key drivers of returns**

- Investore's returns are driven by a combination of a portfolio with a long WALT, leased to significant national retailers with carefully managed debt and interest rate risk and the skills of an experienced manager. Investore considers that the current and future aspects of its business that drive its financial performance, together with the key strategies and plans for the business, are summarised in the table below.

Current and future aspects of Investore's business which drive financial performance	Key strategies and plans
Tenant rental contracts <ul style="list-style-type: none"> • Investore generates its revenue from rental income from the property it owns. The commercial terms of these contracts are a key driver of returns. 	<ul style="list-style-type: none"> • Investore will seek to maintain and optimise rental income through its relationship with tenants, contract negotiations and by attracting and retaining tenants on long term leases with rental increases resulting from a combination of structured, market and turnover based rental reviews. • Investore will target New Zealand properties that are well located within established markets.
Property opportunities <ul style="list-style-type: none"> • Investore will consider redevelopment and acquisition opportunities in line with its strategy and objectives to increase shareholder returns. In the case of acquisitions, this will include looking for opportunities in the near term where proceeds raised under the Offer exceeds the Minimum Raise and consequently provides funding capacity for future acquisitions. 	<ul style="list-style-type: none"> • Investore will identify opportunities for redevelopment of properties to meet the requirements of current and prospective tenants. • Investore will primarily seek to acquire properties that are new or able to be refurbished, reducing Lifecycle Costs and maximising total returns to shareholders.
Debt level and interest costs <ul style="list-style-type: none"> • Investore will manage debt and funding levels to its long term target LVR¹ of approximately 48% to assist in optimising shareholder returns. • Investore's interest expense represents approximately 29% of revenue in FY18. Managing debt and interest rates are a key driver of Investore's profitability. 	<ul style="list-style-type: none"> • Investore's banking covenants are set at a LVR of 65%, providing headroom to Investore's target LVR of approximately 48%. Investore also has the option to dispose of assets and/or raise equity to manage its banking position. • Investore will manage its interest expense through hedging to mitigate the risk of volatility in Investore's Distributable Profit due to changes in interest rates.
Management fees and operating costs <ul style="list-style-type: none"> • The management fee payable to the Manager will equate to 8.1% and 9.6% of revenue in FY17 and FY18 respectively and be a material cost. • Investore incurs other operating expenses, primarily in relation to repairs and maintenance and valuations. 	<ul style="list-style-type: none"> • The basis of fees payable by Investore to SIML is clearly established under the Management Agreement. The management fee is at the lower end relative to NZX Listed Peers. • Investore seeks to hold low Lifecycle Cost property assets which, on average, require lower maintenance and capital expenditure costs when compared to some other property assets like shopping malls and offices.

You should also read Section 2 Investore and what it does and Section 7 Investore's financial information for more information

1.8 Key risks affecting this investment

- Investments in shares are risky. You should consider if the degree of uncertainty about Investore's future performance and returns is suitable for you. The price of these Offer Shares should reflect the potential returns and the particular risks of these Shares. Investore considers that the most significant risk factors that could affect the value of the Shares are:
 - Exposure to significant tenant: General Distributors Limited ("GDL") is Investore's largest tenant constituting approximately 84% of Investore's Contract Rental as at 30 April 2016. If GDL's performance materially decreases or if GDL fails to meet its lease obligations, this could affect Investore.
 - Single class of property: Investore's performance is directly linked to the demand for, and supply of, Large Format Retail property in New Zealand. A decline in demand or increase in supply could adversely affect this investment.
 - Re-leasing risk on lease expiry: The leases established by Investore come up for renewal on a periodic basis. There is a risk that Investore may not be able to negotiate suitable renewals, maintain existing lease terms or replace outgoing tenants.
 - Increase in interest rates: Investore has a long term target LVR of approximately 48%. In the event of an increase in interest rates, Investore's interest costs will increase. Interest costs are Investore's most significant expected expense.

This summary does not cover all the risks of investing in the Shares. You should also read Section 8 *Risks to Investore's business and plans*

1.9 Where you can find Investore's financial information

- The financial position and performance of Investore are essential to an assessment of the Offer. You should also read Section 7 *Investore's financial information*. For further information, including a description of the assumptions underpinning the PFI in this PDS, please refer to the Offer Register.
- You should read the Prospective Financial Information in this PDS (including in the selected investment metrics presented in this section) in light of the assumptions, and in conjunction with the other information in this PDS (including in particular, the information in Section 8 *Risks to Investore's business and plans*).

Selected investment metrics for the Offer

The table below presents a selection of investment metrics commonly referred to in the property sector to assist you in assessing an investment in Investore.

Ranges in the table below are calculated based on the number of Shares that would be issued at each end of the Indicative Price Range based on the maximum amount of the Offer being raised (\$185 million) which is the Directors' best estimate at the time of lodgement of the PDS.

	FY17 Statutory	2HFY17 Annualised	FY18 Statutory
Implied cash dividend yield	4.3 - 4.5 %	5.1 - 5.4%	5.1 - 5.3 %
Implied gross dividend yield	6.4 - 6.7 %	7.7 - 8.0 %	7.6 - 8.0 %
NTA per Share (NZ\$)	\$1.40 - \$1.46		\$1.41 - \$1.47
Price / NTA per share	0.98 – 1.02 x		0.97 – 1.02 x

The FY17 yield metrics shown above only reflect the partial impact of the Existing Assets and acquisition of the SCA Portfolio whereas FY18 represents the first financial period where the entire portfolio is held for the entire 12 months. The 2HFY17 yield metrics are pro-forma information that have been prepared by taking the two dividends payable in relation to the six month period ending 31 March 2017 and annualising those dividends.

The selected investment metrics set out above, and further key investment metrics, are further disclosed in Section 7.6 *Selected financial information* under *Key investment metrics for the Offer*, together with accompanying notes which explain those metrics. **You must consider the above investment metrics in conjunction with the accompanying notes set out in that section.**

For a sensitivity analysis of the key investment metrics under the Minimum Raise, refer to the Offer Register.

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Letter from the Chair

Dear Investor

On behalf of the Board of Directors, I am delighted to invite you to become a shareholder in Investore Property Limited ("Investore").

Investment in Investore

Investore will be New Zealand's only listed property company with an investment strategy focused on the Large Format Retail property sector. This provides Investore's shareholders with a unique opportunity to invest in a property portfolio that is underpinned by characteristics such as high occupancy, long lease terms and nationally recognised tenants.

At completion of the Offer and associated acquisitions, Investore will hold 39 Large Format Retail properties located throughout New Zealand. In addition, Investore intends to consider further acquisitions of additional Large Format Retail properties that satisfy its investment criteria, strategy and objectives to further enhance shareholder returns.

In order to provide some context to the investment opportunity presented in this PDS, I have summarised below how Investore has been established by Stride Property Limited ("Stride") and the ongoing relationship between Investore and each of Stride and Stride Investment Management Limited ("SIML" or the "Manager").

Establishment of Investore

Stride established Investore as a subsidiary to invest in Large Format Retail property in October 2015. Twenty-five of the 39 properties to be owned by Investore were either acquired by Investore under Stride's ownership or transferred from Stride. Stride proposes to distribute shares in Investore ("Shares") to Stride shareholders for no additional consideration (the "Demerger") so that existing Stride shareholders will hold approximately 33.4% to 38.2% of Investore upon completion of the Offer. The Demerger will occur at the same time as this Offer and result in Investore becoming separately listed on the NZX Main Board and ceasing to be a wholly-owned subsidiary of Stride. However, Stride has advised Investore it intends to continue its involvement with Investore as a 19.9% cornerstone shareholder and through the provision of real estate investment management ("REIM") services by SIML.

In addition to the Shares that Stride shareholders will receive under the Demerger, Stride shareholders will be able to apply for Shares in the Offer under the Stride Shareholder Offer as well as the Broker Firm Offer or the Institutional Offer, if eligible to participate in those offers. Further details are set out in Section 5.2 *Broker Firm Offer, Stride Shareholder Offer and Institutional Offer*.

Stride restructure

On 30 May 2016, Stride announced the restructuring of its operations to separate its REIM services business from its property investment business, with Stride retaining the property portfolio and SIML operating the REIM services business. Stride's board of directors are proposing the restructure because Stride's REIM business has grown to the point where Stride could lose its PIE tax status if it undertook new REIM opportunities.

As part of the restructure, Stride and SIML will form the Stapled Group which will be owned by the current Stride shareholders. Further details are set out in Section 2.11 *Stride restructure*.

Role of the Manager

SIML's senior management team has a strong track record and proven experience in undertaking REIM activities, having managed Stride's own property portfolio, which has included a range of Large Format Retail properties. The agreement between SIML and Investore is intended to ensure the long term efficient delivery of REIM services. The Manager will have the right to nominate two of the four Investore directors, although the Chair will be independent and hold a casting vote in respect of resolutions of the Board.

The Board is confident in Investore's strategy and philosophy and believes that it can successfully execute its plan to provide shareholders with attractive and stable returns. The underlying portfolio of Large Format Retail properties provide shareholders with a stable income stream due to the long term leases with tenants that are significant national retailers. These portfolio characteristics provide flexibility in Investore's capital structure and support leverage at a higher level than other NZX Listed Peers – Investore's long term target loan-to-value ratio is approximately 48% (compared to NZX Listed Peers average of approximately 35%). Distributions will be paid quarterly with the first distribution for the period to 30 September 2016 expected to be paid in December 2016. The forecast implied cash dividend yield of 5.1% - 5.3% (and implied gross dividend yield of 7.6% - 8.0%) is based on the capital raise of \$185 million and leverage of 41.4% and has the potential to increase as Investore acquires additional properties and optimises its capital structure.

This PDS contains information about Investore, the sector in which it operates and important information about the Offer. I encourage you to read this PDS in its entirety and carefully consider the risks described in Section 8 *Risks to Investore's business and plans*.

On behalf of the Board and the Manager, we welcome your participation in this Offer and look forward to welcoming you as a shareholder.

Yours sincerely,



Mike Allen *Chair*
Investore Property Limited

2. Investore and what it does

2.1 Overview of the business of Investore

Overview and objectives

Investore has been established to invest in quality Large Format Retail property assets. Investore will initially own a portfolio of 39 Large Format Retail properties primarily located in the main urban areas throughout New Zealand. Investore's investment objective, as set out in the Management Agreement, is to provide a stable, secure return to its shareholders through investment in Large Format Retail properties.

Investore defines Large Format Retail as being:

- Properties have a single tenant or limited number of tenants and generally no more than 15 specialty tenants. The Anchor Tenant or tenants will occupy more than 50% of the net lettable area of the property and provide more than 50% of the rental income, which ensures the majority of income is contracted with nationally recognised retail companies
- Building improvements are typically large, free-standing, rectangular, generally single-floor structures built on a concrete slab. Building improvements are straight-forward with limited indoor common areas and public amenities thus minimising maintenance and capital expenditure requirements
- The properties are well serviced by car parking facilities, with most customers expected to access the property by car
- Anchor Tenants' net lettable area is typically in excess of 2,000 sqm. Specialty tenants are typically in excess of 150 sqm, although in some limited cases may be 60 sqm or less
- Uses include, but are not limited to, grocery, bulky goods retailing, factory outlets, general merchandise and convenience retailing
- Most leases are structured as Net Leases
- It includes property or land that is able to be converted into Large Format Retail real estate through asset management activities, such as change of use, leasing, development and redevelopment initiatives
- It includes property or land that is located adjacent or adjoining to existing assets, that provides the opportunity for future redevelopment and improved returns to existing Large Format Retail properties

The Anchor Tenant or tenants will typically occupy more than 90% of the net lettable area of the property and provide 90% – 100% of the rental income.

Management

SIML has been appointed to act as Manager of Investore and will be responsible for the day-to-day operation of Investore and its property portfolio. In return for management services, Investore will pay SIML management fees. In parallel to this offer process, Stride is undertaking a restructure to form a Stapled Group comprising Stride and SIML, with listing expected to occur on or before the date on which the Offer Shares commence trading on the NZX Main Board. Further details are set out in Section 2.8 *The Manager* and Section 2.11 *Stride restructure*.

Investore Portfolio

The Investore Portfolio is comprised of Large Format Retail properties with key attributes that include tenants that are significant national retailers, a WALT of 14.8 years as at 30 April 2016 and exposure to the Non-Discretionary Retail Sector. Further details about the characteristics of Large Format Retail properties are summarised in Section 2.6 *Overall industry*.

Focusing on property with the above attributes means the business expects stable rental income from tenants which provides flexibility in Investore's capital structure and supports leverage at a higher level than NZX Listed Peers average of approximately 35%. The forecast FY18 Implied Cash Dividend Yield of 5.1% - 5.3% has the potential to increase where Investore acquires additional properties and optimises its capital structure to operate at its long term target LVR of approximately 48%.

The Investore Portfolio will initially comprise:

- 19 Large Format Retail properties that comprised the Antipodean Supermarkets Portfolio;
- 6 Large Format Retail properties that comprised the Stride Transferred Portfolio; and
- 14 Large Format Retail properties that comprise the SCA Portfolio.

A description of the acquisitions of the Large Format Retail properties comprising the Investore Portfolio is set out below. A due diligence process was undertaken in respect of the properties comprising the Investore Portfolio. Further details are provided in Section 7.3 *Due diligence and valuation process*. However, under the terms of the relevant sale and purchase agreement negotiated with the relevant vendors or transferor, there is

very limited financial recourse against the vendors or transferor of the properties in the case of any material defects in the properties.

Antipodean Supermarkets Portfolio

Investore acquired the Antipodean Supermarkets Portfolio, on an arms' length basis, from Antipodean Supermarkets in November 2015.

Stride Transferred Portfolio

The transfer of the Stride Transferred Portfolio to Investore by Stride took place between 29 April 2016 and 9 June 2016 by way of sale and purchase for cash consideration equal to the most recently obtained independent valuation of the properties transferred (in each case, 31 March 2016). The cash consideration was advanced to Investore by way of loan from Stride. This intragroup loan will be repaid at the time of the Demerger from the proceeds of the Offer or from Investore's own banking facilities.

SCA Portfolio

Investore has entered into a contract, on an arms' length basis, to acquire the SCA Portfolio for \$267.4 million. This comprises 14 properties located throughout New Zealand that are leased to GDL and operated as "Countdown" branded supermarkets. The contract to acquire the SCA Portfolio was entered into on 9 June 2016, is subject to the condition that Investore is satisfied that the Bookbuild has successfully completed and the Demerger will take place, and is expected to become unconditional on 30 June 2016. Settlement of the SCA Acquisition by Investore is intended to occur in two stages:

- six properties will be acquired on 12 July 2016 ("Tranche 1 Assets"); and
- the remaining eight properties to be acquired on a date that is within six months thereafter ("Tranche 2 Assets").

The Tranche 2 Assets will be acquired under an agreement which provides that Investore can give notice to purchase the Tranche 2 Assets at any time in the period commencing the business day after settlement of the Tranche 1 Assets and expiring 10 business days later. If Investore fails to provide the notice to purchase in that period, SCA can, within a further 10 business days, require Stride to purchase the Tranche 2 Assets. In either case, settlement of the purchase of the Tranche 2 Assets will be between 28 September 2016 and 22 December 2016. Following settlement of the Tranche 1 Assets, Investore intends to provide notice to purchase the

Tranche 2 Assets, specifying a settlement date of 28 September 2016.

2.2

Investment philosophy, investment strategy and capital management

Investment philosophy

Investore's investment philosophy, as set out in the Management Agreement, is that Large Format Retail properties have a specific, differentiating set of attributes that can provide a reliable income return to shareholders. These attributes are:

- quality tenants, including significant national retailers, offering rental income stability;
- long WALTs; and
- buildings requiring low maintenance and capital expenditure requirements over the building life.

In SIML's management team's experience, these attributes provide a higher proportion of rental income pass through to shareholders (when compared to some other property assets like shopping malls and offices which, for example, on average have more regular leasing activity and higher Lifecycle Costs). The low income variability and low level of unrecoverable costs associated with Large Format Retail properties also support higher debt levels than is currently used by other NZX Listed Peers. Debt management and interest rate risk hedging strategies can be used to enhance returns while mitigating the risks associated with debt. Further details of Investore's capital management strategy and hedging policy are set out below.

Investore's Constitution limits Investore's business to investment in Large Format Retail properties by prescribing that it conducts only Permitted Business Activities. Further details of this restriction are set out in Section 2.16 under *Constitutional restriction on operation of Investore's business*.

Investment strategy

Investore's investment strategy, as set out in the Management Agreement, is to:

- invest in quality Large Format Retail properties that maximise distributions and total returns to shareholders over the medium to long term;

- actively manage the properties to increase their values and income growth prospects;
- grow rental income by attracting and retaining quality retail tenants on long leases with increases resulting from a combination of structured, market and turnover based rental reviews, targeting New Zealand properties that are well located within established markets;
- source investment opportunities through SIML's investment pipeline and market coverage to acquire additional Large Format Retail property and to enhance Investore shareholder returns by optimising Investore's capital structure with a LVR of not more than 50% (or such lower LVR set by the Board with the agreement of SIML)
 - Investment opportunities will include off-market transactions which have the benefit of lowering the transaction costs and accessing assets not available to the general market
 - All acquisitions and disposals of any real property asset by Investore require the recommendation of SIML
 - The source of funds for future acquisitions of Large Format Retail property will be debt and/or equity in a manner consistent with Investore's capital management strategy as set out below;
- regularly review and rebalance the portfolio to ensure that progress and performance are consistent with Investore's investment objective;
- actively manage the portfolio's WALT to offset the natural expiry of time; and
- source opportunities to redevelop and/or expand properties to meet current and prospective tenant requirements.

Having regard to the investment strategy, the Board has set a long term target LVR of approximately 48%.

Any change to the definition of Large Format Retail assets, Investore's investment objectives and limitations on other business, investment philosophy or investment strategy would require the agreement of both the Board and SIML.

A copy of the Management Agreement and a copy of the Constitution are available on the Offer Register. Further information is set out in Section 10.1 *Offer Register*.

Capital management

The portfolio characteristics provide flexibility in Investore's capital structure and support leverage at a higher level than peers (NZX Listed Peers average of approximately 35%). Investore is to have a LVR of not more than 50% (or such lower LVR set by the Board with the agreement of SIML). The Board has set a long term target LVR of approximately 48%.

As at completion of the acquisition of the 39 properties referred to in Section 2.1 above (including the Tranche 2 Assets of the SCA Portfolio), Investore is forecast to have an LVR of 41.2% – 46.5% depending on the amount raised under the Offer. Interest-bearing liabilities are comprised of the following funding sources:

Funding Sources

Facility	Funding source	Amount drawn at completion of all transactions ⁽¹⁾ (\$ million)	Amount undrawn at completion of all transactions ⁽¹⁾ (\$ million)	Total facility available (\$ million)	Facility term
Facility A	ANZ / Westpac / BNZ / CBA	\$165	\$nil	\$165	3 years
Facility B	ANZ / Westpac / BNZ / CBA	\$100.3	\$64.7	\$165	5 years
Facility C	ANZ / Westpac / BNZ / CBA	\$nil	\$100	\$100	4 years
Total		\$265.3	\$164.7	\$430	4 years average

Note:

(1) As at 30 September 2016 and includes the acquisition of the Tranche 2 Assets of the SCA Portfolio.

Investore has entered into bank financing agreements with a syndicate of four New Zealand banks: Westpac, ANZ, BNZ and CBA.² The financing arrangements have been split into three facilities to ensure debt terms mature over multiple years to mitigate debt maturity risks. Facilities A and B are committed facilities for the purpose of completing all transactions. Facility C is committed and able to be reduced in size following quotation of the Shares at Investore's sole discretion in order to match the Offer proceeds with Investore's target capital structure and liquidity requirements. Facility A and/or Facility B could be used to fund the SCA Acquisition.

Investore's debt facilities are subject to the following key covenants:

- The LVR will not exceed 65%. Investore's debt margins (and accordingly overall interest rate) are structured to increase if the LVR exceeds 55%, and a further step up if the LVR exceeds 60%. If the LVR exceeds 65%, Investore's facility agreement permits Investore time to resolve the LVR breach by way of asset disposals or raising additional equity, such as through a placement or a rights offer, the proceeds of which will be used to prepay and cancel its debt facilities;
- The ratio of EBIT to total interest and financing costs must be greater than 1.75x. As at completion of the acquisition of the 39 properties referred to in Section 2.1 above, and the Demerger and the Offer, Investore's Interest Coverage Ratio is forecast to be 3.0x under the PFI Case as at FY18; and

² Stride, as the sole shareholder of Investore at the time of approval, has approved the entry into the financing agreements and any refinancings, renewals or similar as a major transaction of Investore.

- WALT is at all times greater than 6 years.

If the covenants under Investore's debt facilities are breached, subject to any rights to cure the breach, the lenders may be entitled to bring enforcement against Investore including requiring early repayment of the relevant facilities and exercising their rights in respect of security taken over Investore's assets.

Investore's preference to fund future acquisitions is to utilise any existing debt funding capacity within its long term LVR target of approximately 48%. In addition, Investore may also consider disposing of property, raising additional equity, or increasing debt (or any combination) to fund future acquisitions, with a target of enhancing shareholder returns. There is no current intention to raise further equity capital following the successful completion of the full amount of the Offer.

The higher end of the FY18 Implied Cash Dividend Yield of 5.4% – 5.7% represents a LVR of approximately 47% and is in line with Investore's long term target capital structure.

Hedging policy

Investore's largest expense is interest expense. Investore will manage this cost and risk of volatility in interest rate movements through a hedging policy. This policy manages the risk of volatility in Investore's earnings resulting from changes in interest rates through spreading interest rate repricing risk over a range of maturities.

Fixed rate maturity risk control limit

Investore's debt/borrowings will, unless the Board and the Manager agree otherwise, be maintained within the following fixed/floating interest rate risk control limits:

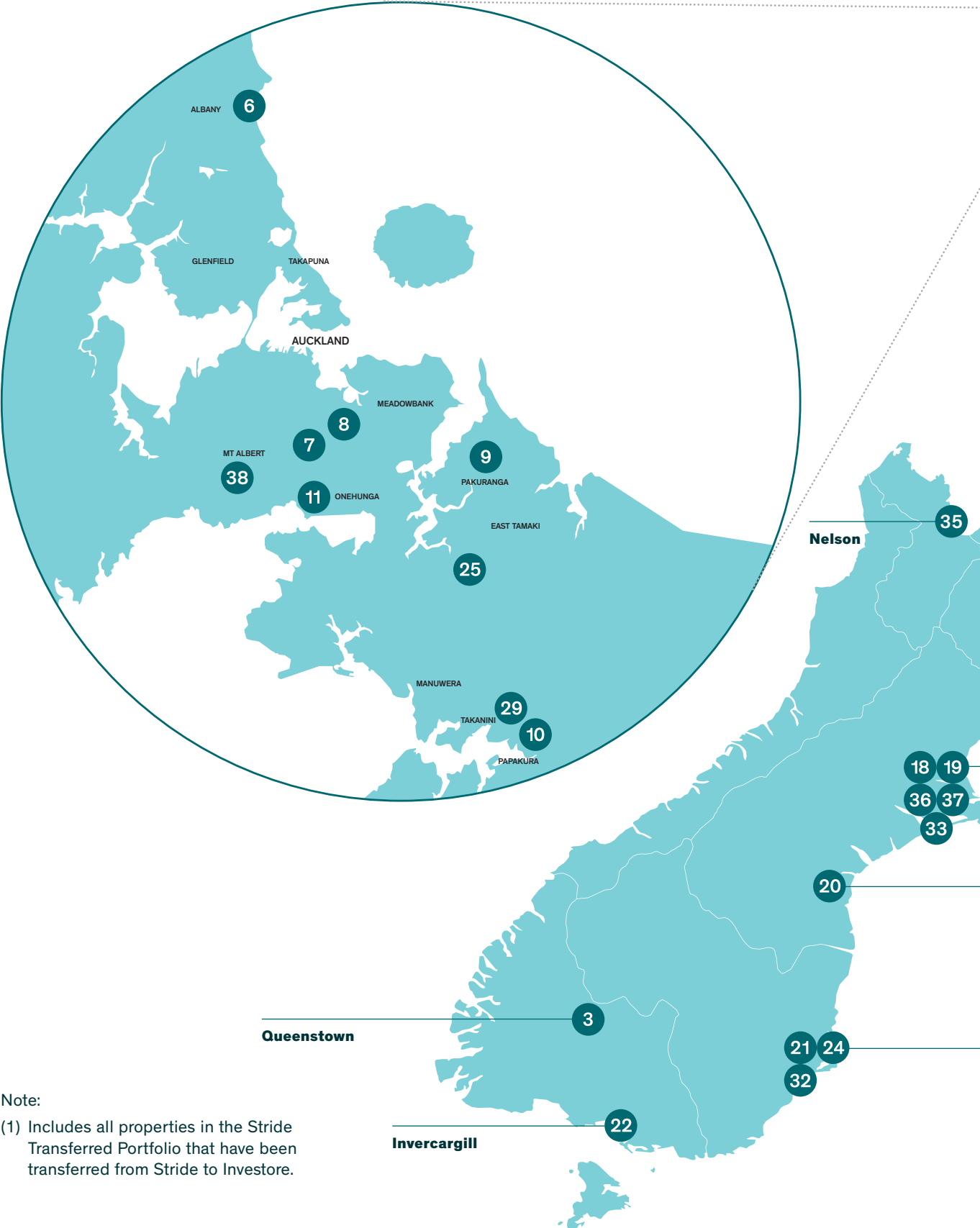
Fixed Rate Maturity Risk Control Limit		
Period	Minimum Cover	Maximum Cover
0 to 1 years	70%	100%
1 to 3 years	55%	100%
3 to 5 years	20%	80%
5 to 10 years	0%	60%

Hedging plan

Investore is currently party to five out-of-the-money swaps. Investore intends to break these swaps in July 2016 (post-IPO), at a cost of approximately \$2.7 million and contemporaneously enter into new swap agreements at prevailing market rates. The notional value of new swap agreements will be set once final capital raised and associated Investore debt levels (post-IPO) are determined. Investore plans to enter into fixed interest rate hedging agreements such that approximately 74% of Investore's interest rate exposure will be fixed for a term of two years from the IPO, reducing to approximately 66% between years two and three, approximately 50% between years three and four and approximately 25% between years four and five. Investore plans to have fixed rate interest rate hedging at all times at or above the Minimum Cover identified in the table above.

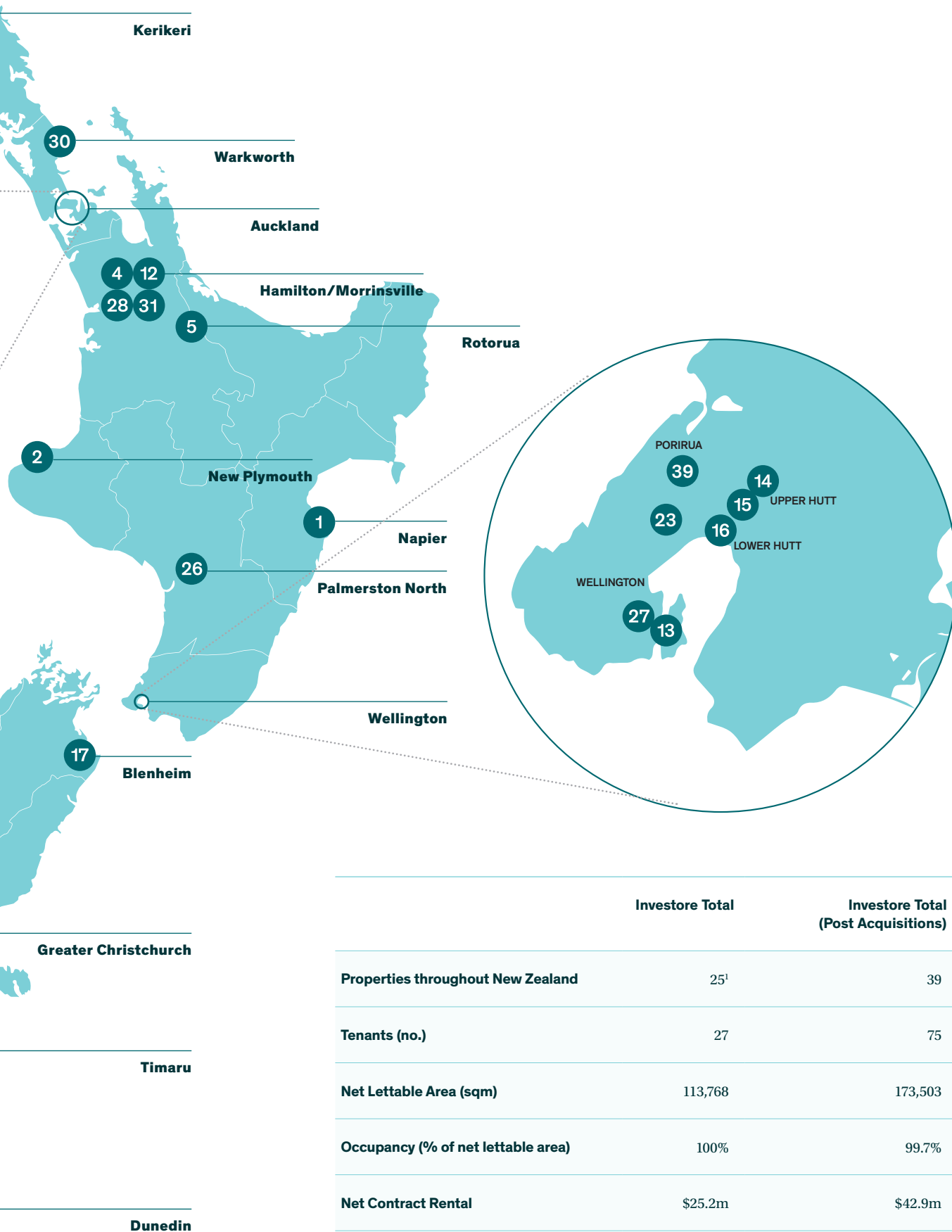
Investore's dividends could be adversely affected by increases in interest rates resulting in higher interest expenses. An interest rate sensitivity table is set out in Section 7.6 under *Interest rate sensitivity*.

Investore at a glance



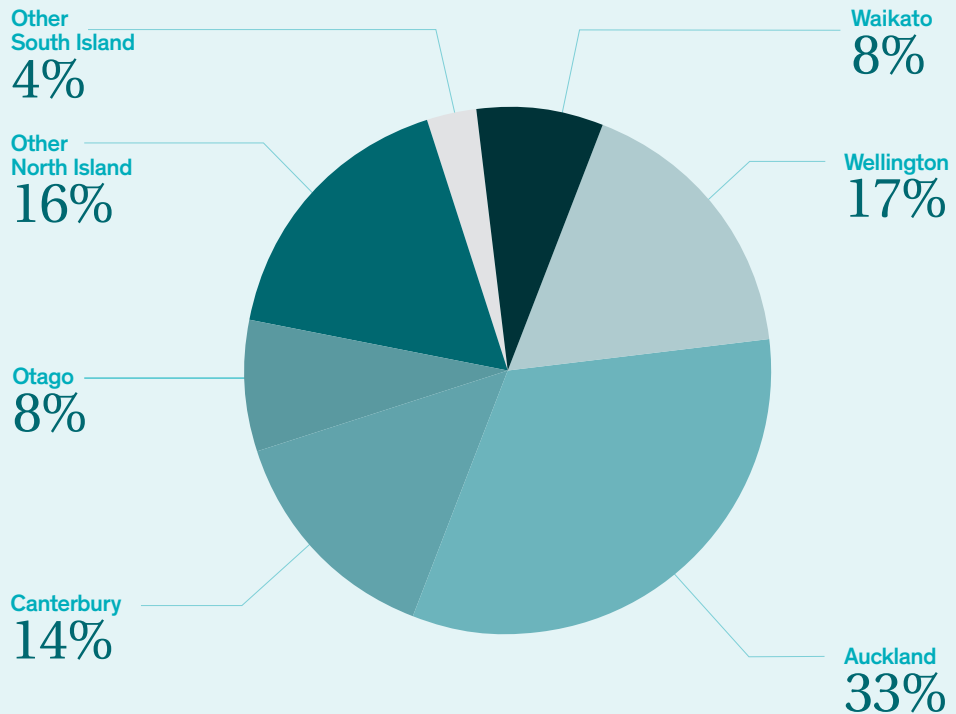
Note:

(1) Includes all properties in the Stride Transferred Portfolio that have been transferred from Stride to Investore.

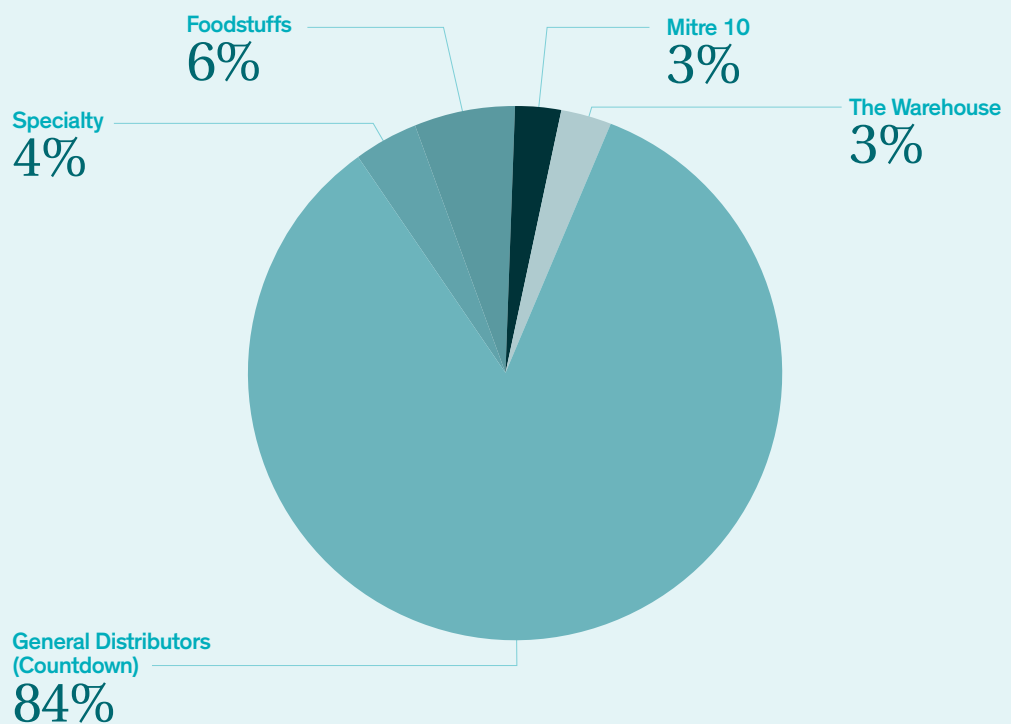


	Investore Total	Investore Total (Post Acquisitions)
Properties throughout New Zealand	25 ¹	39
Tenants (no.)	27	75
Net Lettable Area (sqm)	113,768	173,503
Occupancy (% of net lettable area)	100%	99.7%
Net Contract Rental	\$25.2m	\$42.9m
WALT (years)	14.6	14.8
Independent Valuation	\$374.0m	\$641.4m

Geographic diversification of Investore Portfolio (based on Contract Rental)



Tenant diversification of Investore Portfolio (based on Contract Rental)



2.3 Key features of the Investore Portfolio

1. National Large Format Retail property portfolio

Upon completion of the SCA Acquisition, the Investore Portfolio (consisting of 25 properties owned by Investore and 14 assets contracted to be acquired in the SCA Portfolio, as though acquired as at 30 April 2016) will be diversified across 39 Large Format Retail properties, well located throughout New Zealand. Despite being geographically diversified, 72% of Contract Rental income (following the SCA Acquisition) from the portfolio will be from tenants in properties located

in major urban areas of Auckland, Hamilton, Wellington and Christchurch.

Investore's portfolio consists of tenants that are significant national retailers. 84% of Contract Rental is received from GDL, the operator of Countdown supermarkets in New Zealand and an ultimate subsidiary of Woolworths Limited. Other major tenants include Foodstuffs, The Warehouse and Mitre 10.

2. Stable income streams due to long lease terms and stability of tenants

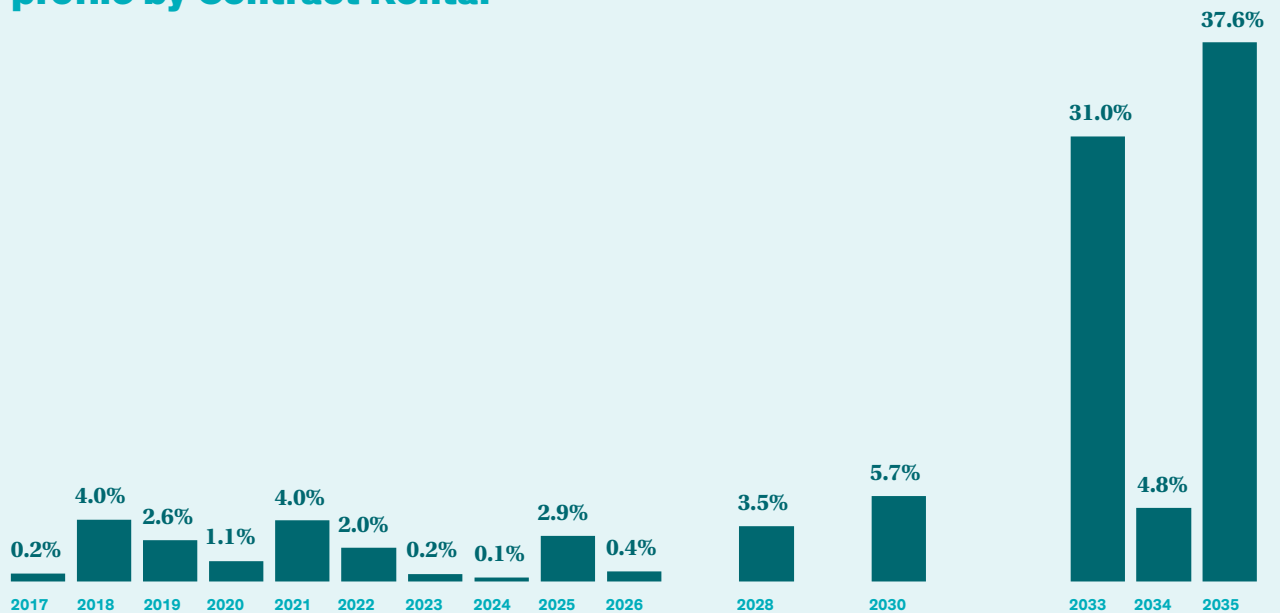
Whilst some large format retailers are exposed to fluctuations in market cycles, for example, building product retailers, the Investore Portfolio largely consists of retailers that target non-discretionary customer spending. Approximately 90% of the Investore Portfolio by Contract Rental is tenanted by supermarket retailers.

The Investore Portfolio has a long WALT of 14.8 years, with only 17.5% of Contract Rental due to expire over the next 10 years (the graph on page 18 headed *Investore Portfolio lease expiry*

profile by Contract Rental illustrates that the leases representing 73.4% of Investore's contracted rental are not due to expire for the next 15 years).

Stable income streams are created due to the leases in the Investore Portfolio typically having structured rental increases, with 71% of Contract Rental subject to fixed rent reviews or CPI based rent reviews as at 30 April 2016, as shown by the chart on page 18 headed *Investore Portfolio rent review mechanism by Contract Rental*.

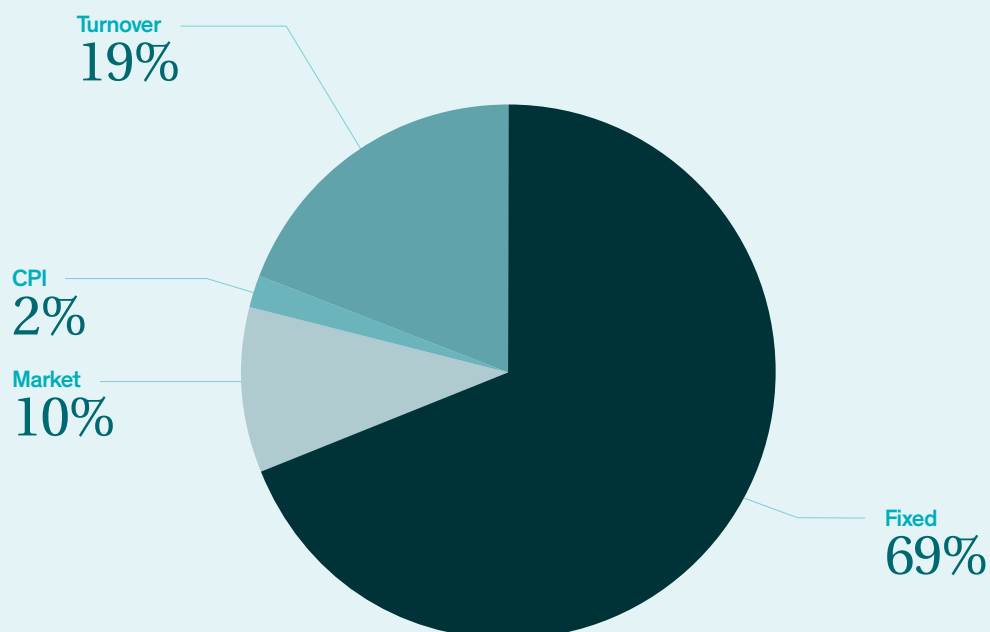
Investore Portfolio lease expiry⁽¹⁾ profile by Contract Rental



Note:

(1) Represents the scheduled expiry for each lease, excluding any rights of renewal that may be granted under each lease, for the entire portfolio as at 30 April 2016, as a percentage of portfolio Contract Rental.

Investore Portfolio rent review mechanism⁽¹⁾ by Contract Rental



Note:

(1) Applicable next rent review only. Fixed and CPI rent reviews involve a specified methodology being set out in the lease to calculate the revised rent. Market rent reviews are determined by then applicable market rents and may involve a valuer's determination. Turnover based rent reviews involve setting the revised rent by reference to the revenue or similar metrics of the tenant. Investore does not expect rental increases based on turnover will result in material increases in Contract Rental during the period covered by the PFI in this PDS. Certain leases in the Investore Portfolio include a ratchet mechanism whereby the revised rent can not decrease below agreed levels.

3. Investment in specific property investment sector

Large Format Retail property has unique characteristics that assist in delivering a stable yield to investors.

- Long-dated leases associated with this asset class ensure property income returns are less exposed to adverse changes in property market cycles.
- Leasing costs and other non-recoverable costs related to vacancies are incurred less frequently.
- Properties within the portfolio are not expected to require significant Lifecycle Costs, reducing maintenance and exposure to significant capital expenditure costs, resulting in high income pass through to Investore.

4. Manager has proven capability, resources and expertise in REIM

SIML has been appointed to act as Manager of Investore and will be responsible for the day-to-day operation of Investore and its property portfolio. SIML acquired the REIM business of Stride on 29 April 2016. This acquisition included fixed assets, systems, know-how and other assets related to Stride's management business. SIML also took on all employees of Stride, including the senior executive team referred to in Section 2.9, from the date it acquired Stride's management business. The board of directors of the Manager comprises the same individuals who are the directors of Stride. SIML's team has proven expertise in REIM as well as resource to provide assistance to Investore with corporate functions such as finance, compliance, treasury management and tax. SIML's management business currently manages Stride, Investore and

Diversified. SIML's team has managed Stride and Investore since 29 April 2016 and has managed Diversified since the establishment of Diversified's predecessor property business in 2007. Diversified is a wholesale fund owning New Zealand property that is majority owned by two Australian-based industry superannuation funds.

In return for management services, Investore will pay management fees to SIML. Key aspects of the Management Agreement between Investore and SIML are summarised in Section 2.8 *The Manager*.

In addition to the Manager, Investore has an experienced Board. For further details, refer to Section 2.7 *Investore Board of Directors*.

2.4 Existing Assets

The existing 25 Large Format Retail properties owned by Investore operate in the supermarket, building materials/hardware and discount retail categories. The Existing Assets are 100% occupied with leases offering stable income streams and a WALT of 14.6 years as at 30 April 2016, and are valued at \$374.0 million which reflects an Initial Yield of 6.7%. The Existing Assets are expected to deliver a dependable income stream (\$26.5 million FY18 net rental) due to the long lease term.

All Existing Assets are fee simple (freehold) titles other than the property at Anglesea Street, Hamilton and 3 Averill Street, Auckland where part of the properties are subject to ground leases to a third party.

All statistics in the following table are as at 30 April 2016 (unless noted otherwise).

	Anchor Tenant	Address	Val. (NZ\$m) (1)	Initial Yield (2)	Net Lettable Area (sqm)	WALT (years)	Occupancy Rate (3)	Building Age (year)	Specialty rental leases (no.) ⁽⁴⁾
1	Foodstuffs (New World)	9 Gloucester Street, Napier	\$ 14.8	6.2 %	4,386	13.4	100.0%	2008	-
2	Foodstuffs (Pak'nSave)	78 Courtenay Street, New Plymouth	\$ 25.0	6.5 %	8,522	13.4	100.0%	2006	-
3	GDL (Freshchoice)	64 Gorge Road, Queenstown	\$ 10.3	5.7 %	1,727	18.8	100.0%	2013 ⁵	-
4	GDL (Countdown)	Cnr Anglesea and Liverpool Streets, Hamilton	\$ 6.3	12.9 %	5,265	2.8	100.0%	1991	-
5		230 – 240 Fenton Street, Rotorua	\$ 14.2	7.4 %	5,172	4.3	100.0%	1993	-
6		24 Anzac Road, Auckland	\$ 20.7	6.0 %	4,382	18.8	100.0%	1995 ⁵	-
7		326 Great South Road, Auckland	\$ 29.0	5.9 %	4,633	18.8	100.0%	2000	-
8		35a St Johns Road, Auckland	\$ 21.4	6.2 %	4,457	18.8	100.0%	2009 ⁵	-
9		507 Pakuranga Road, Auckland	\$ 17.4	6.1 %	4,812	18.8	100.0%	2007 ⁵	-
10		3 Averill Street, Auckland	\$ 16.4	7.8 %	5,435	17.2	100.0%	2006 ⁵	1
11		Cnr Church & Selwyn Streets, Auckland	\$ 10.1	6.2 %	2,011	8.8	100.0%	1989 ⁵	-
12		66 Studholme Street, Morrinsville	\$ 6.5	6.7 %	1,724	8.8	100.0%	1995	-

	Anchor Tenant	Address	Val. (NZ\$m) (1)	Initial Yield (2)	Net Lettable Area (sqm)	WALT (years)	Occupancy Rate (3)	Building Age (year)	Specialty rental leases (no.) (4)
13	GDL (Countdown) Cont.	47 Bay Road, Wellington	\$ 11.5	6.3 %	3,490	18.8	100.0%	1996 ⁵	-
14		13-19 Queen Street, Wellington	\$ 9.6	6.8 %	3,427	18.8	100.0%	2000	-
15		Russell Street, Wellington	\$ 9.0	6.8 %	3,037	8.8	100.0%	1992 ⁵	-
16		261 High Street, Wellington	\$ 17.2	6.3 %	5,078	18.8	100.0%	2007 ⁵	-
17		51 Arthur Street, Blenheim	\$ 11.5	6.4 %	3,136	18.8	100.0%	2000	-
18		87-97 Hilton Street, Kaiapoi	\$ 12.1	6.4 %	3,025	18.8	100.0%	2000	-
19		219 Colombo Street, Christchurch	\$ 18.4	6.3 %	3,976	18.8	100.0%	2002	-
20		Cnr Victoria & Browne Street, Timaru	\$ 8.6	6.7 %	2,767	18.8	100.0%	1997	-
21		309 Cumberland Street, Dunedin	\$ 18.5	6.4 %	4,123	18.8	100.0%	1991	-
22		172 Tay Street, Invercargill	\$ 18.0	6.5 %	4,341	18.8	100.0%	1990 ⁵	-
23	GDL (Countdown) and The Warehouse	91 Johnsonville Road, Wellington	\$ 20.8	7.1 %	6,316	13.6	100.0%	1993 ⁵	-
24	The Warehouse	35 MacLaggan Street, Dunedin	\$ 9.5	8.6 %	6,433	5.3	100.0%	1997	-
25	Mitre 10 (New Zealand)	Cnr Te Irirangi Drive & Bishop Dunn Place, Auckland	\$ 17.2	8.8 %	12,124	1.5	100.0%	2004	-
Total / Total Weighted Average			\$374.0m	6.7%	113,768	14.6	100%		1

Notes:

- (1) The valuations were conducted on the properties as at 31 March 2016 and were updated by the valuer to confirm no change as at 23 May 2016.
- (2) Initial Yield is the net contract rental of the property expressed as a percentage of the value of the property.
- (3) Occupancy rate is the leased or occupied net lettable area expressed as a percentage of the total net lettable area of the property.
- (4) Specialty rental leases relate to a secondary tenant in a property, typically occupying less than 10% of the net lettable area of the property.
- (5) Date of major refurbishment.

2.5 The SCA Portfolio

The SCA Portfolio consists of 14 supermarkets leased to GDL. These assets contain the key attributes Investore seeks when considering acquisitions, including:

- high occupancy rates of ~99.0%;
- a long WALT of 15.1 years; and
- located in catchment areas with exposure to non-discretionary consumer spending which collectively provides stable returns.

The SCA Portfolio is expected to deliver a dependable income stream (\$19.6 million FY18 net rental) due to the long lease term. On acquisition, the SCA Portfolio will represent approximately a third of the total investment property value in Investore, making the SCA Acquisition an important transaction for Investore.

The SCA Portfolio acquisitions are expected to settle in July 2016 (Tranche 1 Assets) and September 2016 (Tranche 2 Assets). This means full year impact of the SCA Acquisition will not be seen until FY18.

All properties in the SCA Portfolio are fee simple (freehold) titles other than the property at Bridge Street, Hamilton where part of the property is subject to a ground lease to a third party.

All statistics in the following table are as at 30 April 2016 (unless noted otherwise).

Anchor Tenant	Address	Indep. Valuation (NZ\$m)	Initial Yield ⁽¹⁾	Net Lettable Area (sqm)	WALT (years)	Occupancy rate ⁽²⁾	Building age (year)	Specialty rental leases (no.) ⁽³⁾
26 GDL (Countdown)	Cnr Fernlea Avenue and Roberts Line, Palmerston North	\$ 13.0	6.9 %	3,611	14.7	100.0%	2012	5
27	Cnr Hanson St, John St & Adelaide Road, Wellington	\$ 23.8	6.4 %	4,878	15.2	98.7%	2012	6
28	Cnr Hukanui and Thomas Road, Hamilton	\$ 15.2	6.7 %	4,504	13.4	100.0%	2006	6
29	226 Great South Road, Auckland	\$ 37.7	6.3 %	7,384	11.5	94.0%	2011	11
30	3-7 Mill Lane, Warkworth	\$ 20.9	6.5 %	3,815	15.9	98.0%	2012	6
31	Bridge Street and Anglesea Street, Hamilton	\$ 18.5	6.3 %	4,200	17.0	100.0%	2013	-
32	323 Andersons Bay Road, Dunedin	\$ 17.5	7.0 %	4,071	16.6	100.0%	2012	-

Anchor Tenant	Address	Indep. Valuation (NZ\$m)	Initial Yield ⁽¹⁾	Net Lettable Area (sqm)	WALT (years)	Occupancy rate ⁽²⁾	Building age (year)	Specialty rental leases (no.) ⁽³⁾
33	17 Chappie Place, Christchurch	\$ 19.4	6.7 %	4,317	16.6	100.0%	2010	-
34	Cnr Butler Road and Kerikeri Road, Kerikeri	\$ 17.2	7.2 %	3,887	16.6	100.0%	2011	-
35	Cnr Putaitai Street and Main Road, Nelson	\$ 12.2	6.7 %	2,659	16.6	100.0%	2008	-
36	40-50 Ivory Street, Rangiora	\$ 15.4	6.7 %	3,759	16.6	100.0%	2011	-
37	Cnr Rolleston and Masefield Drive, Rolleston	\$ 16.9	6.8 %	4,251	16.6	100.0%	2011	-
38	112 Stoddard Road, Auckland	\$ 23.6	6.2 %	4,200	11.8	100.0%	2012	-
39	3 Main Road, Wellington	\$ 16.1	6.9 %	4,200	16.9	100.0%	2012	-
Total / Total Weighted Average		\$267.4m	6.6%	59,735	15.1	99.0%		34

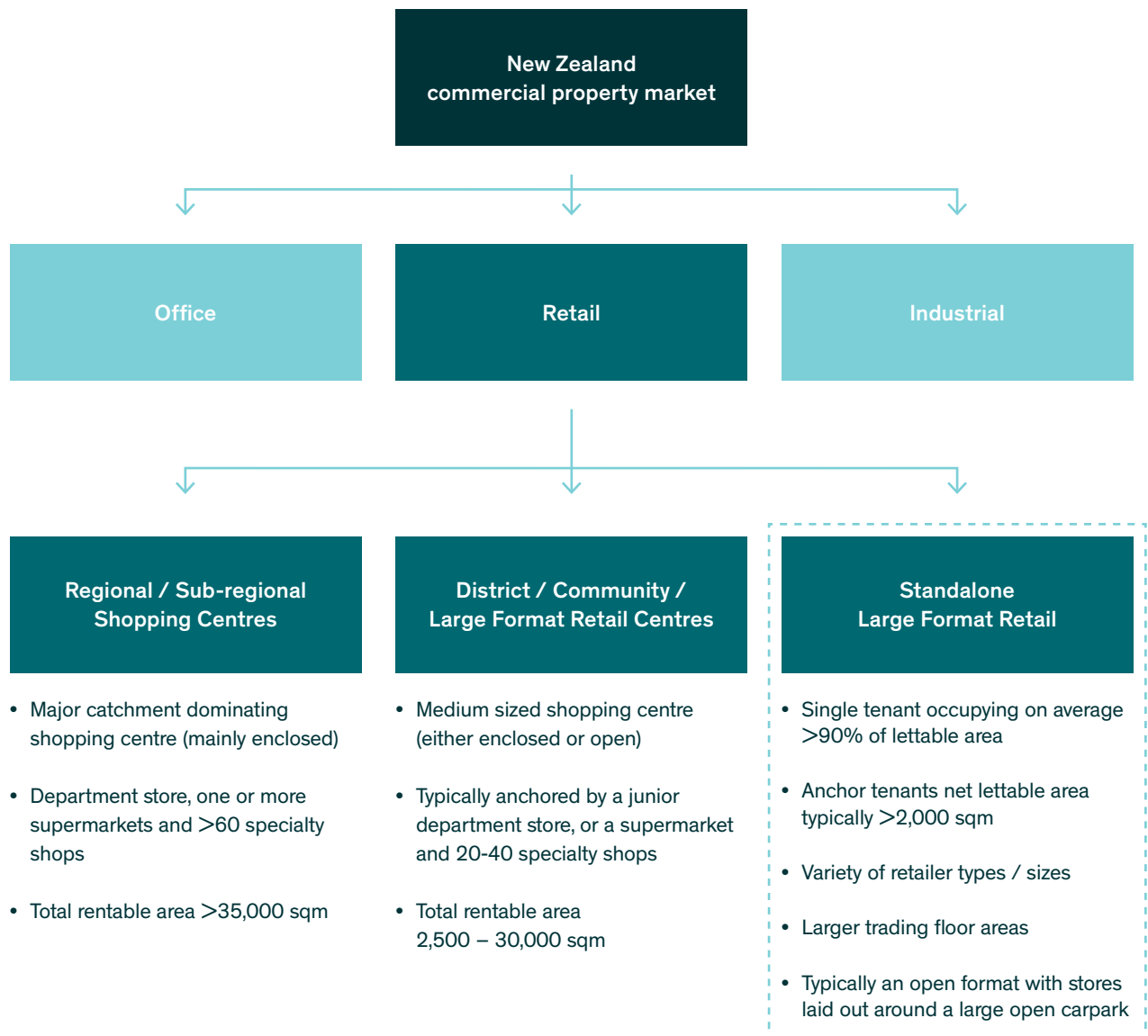
Notes:

- (1) Initial Yield is the net contract rental of the property expressed as a percentage of the purchase price of the property.
- (2) Occupancy rate is the leased or occupied net lettable area expressed as a percentage of the total net lettable of the property.
- (3) Specialty rental leases relate to a secondary tenant in a property, typically occupying less than 10% of the net lettable area of the property.

2.6 Overall industry

Commercial property market

The commercial property market in New Zealand is relatively broad. Investore defines the market to comprise three distinct sectors: office, retail and industrial. Office and industrial sectors are not targeted by Investore and are not discussed in this PDS. The retail sector has its own characteristics, as described below:



Standalone large format retail

A component of the retail sector is “large format retail” stores, which have the following characteristics:

- large retail facilities that offer a variety of products to customers;
- a single-storey or low level property comprising retail shops and outlets and car parking areas;
- more than 50% of the property is generally occupied by a single major tenant or a limited number of major tenants under Net Leases; and
- more than 50% of the rental generally provided by a single major tenant or a limited number of major tenants under Net Leases.

Large format retailers are able to achieve economies of scale by focusing on large sales volumes and reduced margins, allowing them to offer competitively priced goods.

Large format retailers can be located within a larger shopping centre (often acting as an Anchor Tenant), amongst a cluster of other large format retailers or on a standalone basis. Store location is a key driver where land and building costs are relatively efficient in order to maintain low margins. Sufficient space for foot traffic and parking is also necessary for the convenience of consumers.

The Large Format Retail store type has evolved to supply customers' wants with a large range of products at low prices. Stores now offer either a specific category of products, such as hardware stores and supermarkets, or a wide range of products, such as department stores, both of which provide convenience for an increasingly time-deprived society.

The scale and diversity of the product offerings of large format retailers provides them with greater insulation from fluctuations in the retail market than smaller retailers, allowing them to have a more stable market share.

Ownership of the Large Format Retail property sector in New Zealand is fragmented, with a number of private owners or syndicates, together with tenants who are owner occupiers.

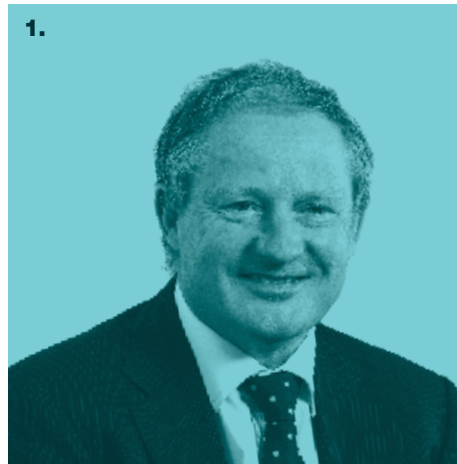
Retail sector

The retail sector has experienced stable seasonally adjusted sales growth of 4.9% across all core industries for the year to March 2016. Over the same period, supermarket and grocery stores, the largest sub-sector contributing to 28.9% of core industries total sales, grew by 2.2%. Hardware, building and garden supplies experienced growth of 8.2% while comprising 10.6% market share. Geographically there has been strong retail sales growth across both the North Island and South Island. This has been underpinned by enduring net migration into Auckland, Waikato and Christchurch which saw the largest growth in sales of 7.5%, 3.0% and 3.5% respectively. The remainder of the North and South Islands saw moderate growth of 1.8% over the same period.

Forecast retail sales growth is expected to continue, driven by a number of key macroeconomic factors. Net migration has sustained robust growth, totalling over 68,000 in the year to April 2016. New Zealand tourism growth remains healthy following steady increases in visitor arrivals of 10.6% for the year to April 2016 and interest rates are well below their long run average. Increasing household valuations, particularly in Auckland, over the last two years have resulted in increased wealth, supporting ongoing retail consumption.

2.7 Investore Board of Directors

Investore has an experienced Board. Its members collectively contribute a diverse range of skills and backgrounds, including roles at various property ownership and management companies and publicly listed companies.



Investore's Constitution permits a maximum of four Directors on the Board, which does not contain a majority of independent Directors. The Board comprises:

- an independent non-executive Chairman (who holds a casting vote in respect of resolutions of the Board);
- a second independent non-executive Director; and
- two non-executive Directors (nominated by SIML).

SIML, as manager, has the right to appoint and remove two directors. The other two directors, being the two independent directors, are appointed (and subject to removal) in the normal manner (by Shareholders who are not associated with SIML).

In addition, under and subject to the Management Agreement, the business and affairs of Investore are to be managed by the Manager under the direction and supervision of the Board. The Board retains complete discretion to oversee the Manager's management of Investore, and to direct the Manager to act in relation to Investore as the Board believes is reasonably necessary. Decisions of the Board to acquire or dispose of properties or raise new capital require a recommendation to be made to the Board by the Manager.

1. Mike Allen *Chairman & Independent Director*

Mike was appointed Chair of Investore in 2016. He has extensive experience in investment banking and general management in both New Zealand and the United Kingdom.

Mike is currently Deputy Chair of Watercare Services, and a Director of Coats Group PLC, Godfrey Hirst Australia and related companies, China Construction Bank (New Zealand) Limited, Waikato-Tainui Fisheries Limited and Tainui Group Holdings Limited.

Mike holds a Bachelor of Commerce and a Bachelor of Laws from the University of Otago.

2. Kate Healy *Independent Director*

Kate was appointed as an independent director of Investore in 2016. Kate has held the position of Chief Operating Officer at Ngati Whatua Orakei Whai Rawa Limited, the commercial arm of Ngati Whatua Orakei, since August 2013. Prior to that she was a partner at a national law firm specialising in commercial property and property finance.

Kate is a current member of the Institute of Directors in New Zealand (Inc.), and also of the New Zealand Law Society. She is also the Deputy Chair of the Keystone New Zealand Property Education Trust, a not-for-profit focused on assisting tertiary students studying in property and construction related disciplines.

3. Tim Storey *Director SIML nominee*

Tim has more than 30 years' experience as a company director and commercial lawyer, practicing in Australia and New Zealand, retiring from the Bell Gully partnership in 2006.

Tim is a member of the Institute of Directors in New Zealand (Inc.) and is a director of JustKapital Litigation Partners Limited (ASX Listed) and a number of private companies.

Tim is also a director and the Chair of Stride and SIML.

4. John Harvey *Director SIML nominee*

John has over 35 years' professional experience as a chartered accountant. He was a partner in PricewaterhouseCoopers for 23 years and held a number of management and governance responsibilities. He holds a Chartered Accountant (CA) designation from Chartered Accountants Australia and New Zealand.

John retired from PwC in June 2009 to pursue a career as a director. He is a member of the Institute of Directors in New Zealand (Inc.) and is currently a director of Port Otago Limited, Kathmandu Holdings Limited, Heartland Bank Limited, Ballance Agri-Nutrients Limited and Chairman of New Zealand Opera Limited.

John is also a director of Stride and SIML.

2.8 The Manager

Under the Management Agreement, Investore has appointed SIML as its exclusive provider of ongoing REIM services. Stride is not a party to that Agreement.

SIML was formed on 16 February 2016 as a wholly-owned subsidiary of Stride. On 29 April 2016, SIML acquired Stride's REIM business including the employment of all of Stride's staff to create a company focused solely on REIM services.

The appointment of SIML as manager took effect on the date of the Management Agreement. SIML's duties are to manage, supervise and protect Investore's interests in relation to each property and to provide general administration and management services to Investore in accordance with the Management Agreement. The Management Agreement will continue unless the Management Agreement is terminated by either Investore or SIML in accordance with its provisions. SIML has a right to terminate the Management Agreement without cause with 12 months' notice. Either Investore or SIML may terminate the Management Agreement by giving notice on the occurrence of certain events in relation to the other party, such as liquidation, receivership, insolvency, composition with creditors, appointment of a statutory manager or a material breach of material provisions of the Management Agreement. Investore may only exercise this right of termination if the termination has been approved by special resolution of its shareholders (other than SIML or its associated persons).

In return for the performance of its duties as manager, SIML is entitled to be paid the following fees (plus GST, if any) with effect from the date on which Shares are first issued to investors pursuant to this PDS:

- a performance fee. The calculation of the performance fee comprises a number of components and is set out in the Management Agreement, a copy of which is available on the Offer Register together with a worked example of the performance fee for illustrative purposes only. However, in summary, the Management Agreement provides as follows:
 - The performance fee is calculated and payable on a quarterly basis as 10% of the actual increase in shareholder returns (being share price, as adjusted for dividends, rights issues and other changes in capital structure), which is above 2.5% and under 3.75% in a quarter.
 - Where shareholder returns exceed 3.75% in a quarter, no payment is due for the actual amount of the increase above 3.75% but the amount of the increase above 3.75% is carried forward and added to the calculation of shareholder returns in later quarters. However, if shareholder returns are less than 2.5% in a quarter, the deficit is also carried forward and subtracted from the calculation of shareholder returns in later quarters. Increases and deficits will cease to be taken into account two years after the quarter in which they were incurred.
 - The opening and closing share prices for a quarter are ordinarily calculated on a volume weighted average price basis in accordance with the Management Agreement. For the initial calculation the opening share price will be deemed to be the higher of the closing share price prior to the start of that quarter and the price at which Shares were issued to investors pursuant to this PDS.
 - No performance fee will be payable for an initial period of six months from listing, with the first performance fee being calculated for the period from the six month anniversary of listing (11 January 2017) to 31 March 2017.
- an asset management fee, the first part of which is 0.55% of the value of the properties (other than Development Properties) per year to the extent that the value is less than or equal to \$750 million, calculated on a daily basis and in respect of the entire Investore Portfolio, including the SCA Portfolio once acquired. The second part of the asset management fee is 0.45% of the value of the properties (other than Development Properties) per year to the extent that the value exceeds \$750 million calculated on a daily basis;

- A cap on the performance fee applies so that the performance fee is no more than 0.20% over the last four quarters (adjusted on a pro rata basis) of the value of the properties as at the end of the last quarter (provided that if, due to a reduction in the value of the properties in a quarter, the performance fee paid for preceding quarters exceeds the cap, SIML is not liable to refund the excess). If the cap is applied in any quarter, the unpaid performance fee amount will be carried forward and added to performance fees in later quarters, but will cease to be taken into account two years after the quarter in which the cap was applied;
- a building management fee of \$10,000 per year in respect of each property held by Investore, calculated on a daily basis;
- on a sale of a property, a sale fee of 0.50% of the sale price (except where the sale was arranged before Shares are first issued to investors pursuant to this PDS);
- where SIML arranges a new lease, or a right of renewal under an existing lease is exercised, a leasing fee of 8.0% of the annual gross rent payable under the lease (except where the lease was arranged before Shares are first issued to investors pursuant to this PDS);
- a capital expenditure fee of 4.0% of the cost of any development, project or other work of a capital nature;
- a maintenance fee of 4.0% of the cost of any repair and maintenance work (other than work carried out by lessees); and
- an accounting services fee of \$250,000 per year.

Prior to Shares being issued to investors pursuant to this PDS, in place of payment of fees, SIML's operating costs and expenses applicable to REIM services carried out under the Management Agreement are reimbursed by Investore on a cost recovery basis.

The fees payable under the Management Agreement will be paid in cash, and will not be satisfied by the issue of Shares. Management fees are estimated to equate to 8.1% and 9.6% of revenue in FY17 and FY18 respectively. No acquisition fees are payable under the Management Agreement. There is no ability for Investore or SIML to change the fees payable under the Management Agreement unilaterally.

Under the Management Agreement, Investore and the Manager have agreed Investore's investment objectives (including the definition of Large Format Retail assets and limitations on business other than Large Format Retail assets), investment philosophy, investment strategy and capital management strategy. Any change to any of these matters would require the agreement of both the Board and the Manager.

The Manager has the right under the Management Agreement to assign its rights and obligations under the Management Agreement with the consent of Investore, provided that such consent may not be unreasonably withheld or delayed in the case of an assignment to a related company, or to another person where Investore is reasonably satisfied such person is respectable, responsible and has the financial resources and technical background to meet the Manager's commitments under the Management Agreement.

The Manager has applied for a licence under the Real Estate Agents Act 2008. As at the date of this PDS, the relevant licence has not been granted. The Manager will be restricted in the functions that it can perform until such time as the licence is granted, and accordingly intends to contract with another licenced party to provide the services if required (at the Manager's cost).

2.9 Board of directors and senior executive team of the Manager

SIML has an experienced board of directors. It comprises an independent non-executive Chairman and four other independent non-executive Directors. The SIML and Stride boards are made up of the same directors. Tim Storey and John Harvey are also Directors of Investore.



Tim Storey
Chairman



Michelle Tierney
Independent
Director



**David van
Schaardenburg**
Independent Director



John Harvey
Independent Director



Michael Stiasny
Independent Director

The Manager's senior executive team in respect of Investore will include the six members of the senior executive team described below who will perform the following roles:



Peter Alexander
Chief Executive Officer



Jennifer Whooley
Chief Financial Officer
–
Finance, compliance,
administration, human
resources.



Philip Littlewood
GM Investment
Management
–
Investment management,
research & strategy.



Roy Stansfield
GM Shopping Centres
–
Shopping centre
management,
marketing, asset
management, leasing.



Andrew Hay
GM Commercial
& Industrial
–
Safety & sustainability,
asset management,
property management,
facilities management
(including large
format retail).



Steve Lewis
National Manager
Retail Development
–
Shopping centre
development
management.

2.10 Manager's conflicts management processes

As a professional REIM manager, SIML acts for participants in the property sector other than Investore. As at the date of this PDS, the other parties managed by SIML are Stride and Diversified, each of whom are associated with SIML as set out in the table below.

	Stride	Diversified
Management	SIML appointed as manager	SIML appointed as manager
Ownership	SIML and Stride shares are stapled and jointly listed on NZX. 100% commonality of shareholding	Stride will own approximately 2% of the interests in Diversified
Governance	Stride and SIML boards are constitutionally required to be comprised of the same directors	SIML's role as manager is overseen by Diversified's trustee in accordance with a trust deed. SIML appoints the members of Diversified's investment committee
Relationship with Investore	19.9% shareholder upon listing of Investore	Nil

Note:

This table assumes that Stride shareholders approve the special resolution to amend Stride's constitution and the Stride and SIML boards of directors approve the stapling of their securities at the meeting of Stride shareholders to be held on 30 June 2016.

From time to time SIML may also establish or be appointed as manager of other companies or may acquire other management rights from existing industry participants.

Details of managed entities

Diversified

Diversified is a wholesale fund owning New Zealand property that is majority owned by two Australian-based industry superannuation funds. Diversified was established on 29 April 2016 to acquire the assets of Diversified NZ Property Fund Limited, a company managed by Stride, and the Queensgate Shopping Centre and the Chartwell Shopping Centre. The acquisition is subject to approval of the Overseas Investment Office under the Overseas Investment Act 2005.

Under the terms of the Diversified Management Agreement, SIML manages Diversified and its property portfolio. Diversified's investment mandate is different from Investore's. The Diversified Management Agreement sets out the investment strategy, which includes:

Investment Criteria	Requirement
Asset type	Diversified portfolio of investment grade assets
Location	Across the major urban centres of New Zealand
Value	Total equity investment of not less than \$15 million
Return threshold	Internal rate of return of not less than 10.5% per annum
Gearing	At or below 35%. Up to 50% with trustee approval but must reduce to 35% within two years

Stride

Stride is the current owner of Investore and intends to be an approximately 19.9% shareholder in Investore upon completion of the Offer. The Stride and SIML boards are constitutionally required to be comprised of the same directors.

Stride maintains a diversified mandate covering the office, retail and industrial sectors. Direct real estate investment is focused in the Auckland and Wellington regions. Stride does not maintain either sector or regional weighting. Stride's investment objective is to grow net operating income to support the Stapled Group's target to increase distributable profit per share by at least 2.5% per annum. Debt levels are currently targeted at 38-42% LVR. Stride has a guideline of up to 15% of assets committed to development. Stride will invest in direct real estate, co-investment structures, real estate investment products and NZX listed property trusts and companies.

Despite having established Investore to hold any investments in Large Format Retail properties, Stride has retained ownership of four Large Format Retail properties leased to Bunnings because acceptable terms for their transfer were not able to be agreed with Bunnings in the required timeframe.

In the Stride Management Agreement, Stride has acknowledged that SIML:

- (i) has been appointed by each of Investore and Diversified to provide management services similar to the management services provided under the Management Agreement; and
- (ii) may from time to time be appointed by other parties to perform management services similar to the management services provided under the Management Agreement for those parties,

and has adopted the Conflicts Policy, which sets out the Manager's procedures for managing conflicts that may arise by virtue of its role as manager for different entities. SIML has agreed to act in accordance with the Conflicts Policy.

Conflicts Policy

Because SIML is managing more than one investment entity, SIML has adopted a comprehensive Conflicts Policy which is intended to assist it in making decisions relating to Stride, Investore and Diversified in the event of any conflict of interest. A copy of the Conflicts Policy is available on the Offer Register.

All transactions in which SIML has, or may be perceived to have, a conflict of interest will be conducted in accordance with SIML's Conflicts Policy. Under the Conflicts Policy, SIML will be obliged to identify all potential, actual or perceived conflicts of interest and may be required to disclose the existence of a conflict to the relevant parties managed by SIML. SIML's conflicts manager will oversee the application of the Conflicts Policy and, where required, report to SIML's board of directors to ensure that all conflicts are managed in an appropriate manner.

Properties for acquisition or potential tenants for leasing will be considered by SIML in accordance with the Acquisition and Leasing Protocol that forms part of SIML's Conflicts Policy. Opportunities identified by SIML, whether by it or through any approaches to SIML or any entity managed by SIML, will be considered by SIML for potential further investigation on behalf of the entity managed by it based upon fund mandates, contractual obligations, business plans and any applicable constraints. In the event that this process results in more than one potential party interested in an opportunity, independent teams within SIML will act on behalf of each party. These opportunities may not be offered by SIML exclusively to Investore, and SIML might allocate an opportunity to another company managed by it.

The Conflicts Policy, including the Acquisition and Leasing Protocol, may not be amended without the consent of each entity managed by SIML (which consents are not to be unreasonably withheld or delayed) unless, in respect of a particular entity, SIML considers (acting reasonably and in good faith) that the interests of that entity will not be materially prejudiced by the amendment.

Under the Management Agreement, Investore has agreed with SIML that, in the event that the application of the Conflicts Policy results in an investment opportunity being appropriate for consideration by both Investore and Diversified, or in any other circumstances where Investore could be competing with Diversified in respect of the acquisition of real property, Investore will not participate in any process for that investment opportunity or acquisition until Diversified notifies SIML it does not wish to pursue the opportunity or acquisition, or SIML determines that Diversified will not proceed with the opportunity or acquisition. Investore will have the right to pursue that opportunity from that point and, subject to the rights that Stride has agreed with Investore referred to

below, SIML will not recommend the opportunity to any other person managed by SIML. Such right shall continue until Investore notifies SIML it does not wish to pursue the opportunity or acquisition, or SIML determines that Investore will not proceed with the opportunity or acquisition.

As part of the establishment of Investore, Stride has agreed with Investore that, for such time as SIML manages Investore, Stride will hold its exposure to Large Format Retail property through its shareholding in Investore, except for (a) Large Format Retail properties already owned by Stride; (b) where the Investore Board does not wish to pursue an opportunity or where the property does not meet its investment criteria in place; or (c) where a property forms part of a broader strategy or mixed use opportunity being considered within the Stride Portfolio or where Stride is co-investing with Diversified in accordance with the co-investment arrangements more fully set out in the Conflicts Policy (a copy of which is available on the Offer Register).

2.11 Stride restructure

Separate to this Offer, Stride is undertaking a restructure at the same time as this Offer process to separate its REIM services business which is held by SIML from Stride's property ownership business.

Stride will seek the approval of its shareholders to approve certain amendments to Stride's constitution described in Stride's Notice of Meeting which will

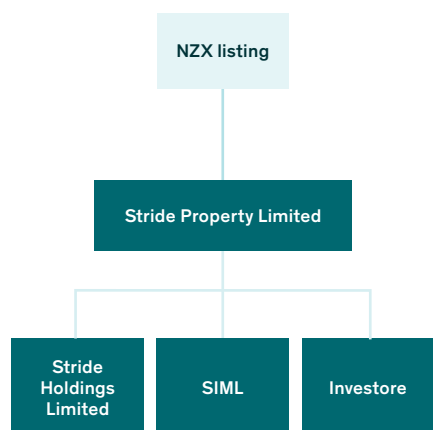
allow the shares in Stride and SIML to be stapled. If shareholder approval is obtained, Stride will transfer all of the shares it holds in SIML to its shareholders for no consideration, which will result in SIML being owned by Stride's shareholders and ceasing to be a wholly-owned subsidiary of Stride. A copy of the Notice of Meeting can be viewed on the Offer Register.

Stride and SIML shares are to be "stapled" so that each share cannot be traded without the other. It is intended that the "stapled securities", comprising one share in Stride and one share in SIML will be quoted on the NZX Main Board on or before the date that the Shares are to be quoted on the NZX Main Board.

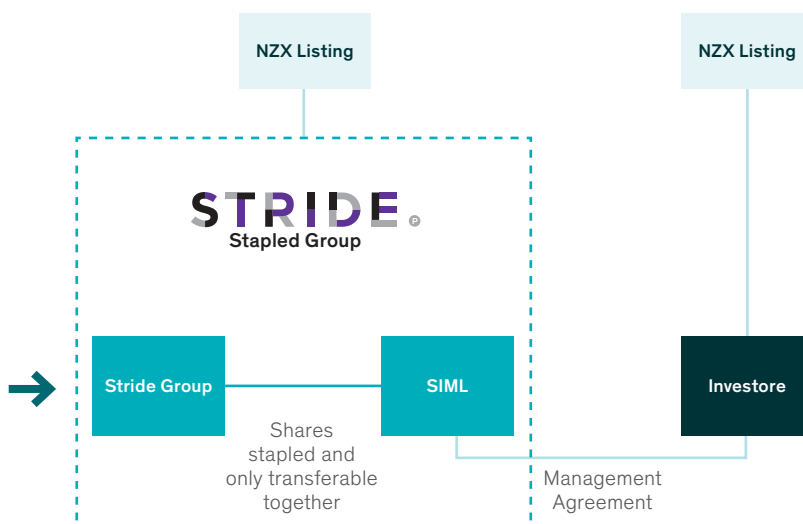
The Demerger of Investore from Stride will occur on the Allotment Date by Stride distributing the ordinary shares that it holds in Investore to its shareholders. No consideration will be payable by Shareholders for the distribution of Investore shares to them by Stride under the Demerger (i.e., those Investore shares will be distributed to Shareholders for no additional consideration). The issue ratio will be one share in Investore for every four shares held in Stride. The distribution of Investore shares to Stride shareholders under the Demerger should have no New Zealand tax consequences for investors provided that Stride is a listed PIE at the time of the distribution (which Stride expects to be the case).

Upon completion of the Offer and the Demerger, Investore will cease to be a wholly-owned subsidiary of Stride. However, Stride intends to retain a 19.9% holding in Investore.

Pre-Offer structure



Post-Offer structure



2.12 Substantial shareholders and relevant interests held by Directors and senior managers

Existing substantial shareholdings in Investore

The table below lists the Shareholders with a relevant interest in 5% or more of the Shares (which is the only class of shares on issue) as at the date of this PDS.

Name	Legal ownership or other nature of the relevant interest	Number of Shares	Percentage of the total relevant securities of each class that the person has a relevant interest
Stride Property Limited	Registered holder Stride is listed on the NZX Main Board and its shares are widely-held.	100	100%

Expected substantial shareholdings in Investore upon completion of the Offer

The table below lists the persons who are likely to have a relevant interest in 5% or more of the Shares (which will be the only class of shares on issue) immediately after completion of the Offer.

Stride intends to retain 19.9% of the Shares following completion of the Offer, which may require Stride to subscribe for Offer Shares in the Offer to ensure it holds that percentage of Shares. Stride reserves the right to hold more or less Shares than referred to in the table at its discretion.

Name	Legal ownership or other nature of the relevant interest	Indicative number of Shares	Indicative percentage of Shares
Stride Property Limited	Registered holder Stride is listed on the NZX Main Board and its shares are widely-held.	47.4m – 54.3m	19.9%

Note:

Stride's minimum holding in Investore of 47.4 million Shares is a combination of 46.5 million Shares retained and 0.9 million Shares acquired under the Offer giving it a cornerstone shareholding of 19.9% based on the Minimum Raise. Stride may subscribe for up to an additional 7.8 million Offer Shares if the PFI Case is met in order to maintain this cornerstone stake of 19.9% in Investore.

Shareholdings in Investore of Directors

Investore is 100% owned by Stride as at the date of this PDS. Accordingly, no Directors have a relevant interest in the Shares as at the date of this PDS.

The table below lists the Directors who will have a relevant interest in the Shares (which will be the only class of shares on issue) immediately after completion of the Offer.

Name	Legal ownership or other nature of relevant interest	Approximate number of Shares	Percentage of Shares
Directors of Investore			
Tim Storey	Beneficial owner	31,638	0.01% - 0.01%
John Harvey	Joint legal and beneficial owner of Shares held jointly with Susan Harvey	31,638	0.01% - 0.01%
Mike Allen	Legal and beneficial owner	25,000	0.01% - 0.01%
Kate Healy	Legal and beneficial owner	17,500	0.01% - 0.01%

Investore will have no employees. Accordingly, there will be no senior managers of Investore who have a relevant interest in the Shares as at the date of this PDS or will have a relevant interest in the Shares immediately after completion of the Offer.

2.13 Options to acquire equity securities

No options to acquire equity securities have been granted by Investore, or are proposed to be granted by Investore, to any person as at the date of this PDS.

The Directors are entitled to be reimbursed for reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or Shareholder meetings, or otherwise in connection with Investore's business. No retirement benefits will be paid to the non-executive Directors on their retirement.

2.14 Other classes of equity securities

The Board may issue a class of equity securities that rank equally with, or in priority to, Shares without a special resolution of Shareholders. However, any issue of equity shares of a different class to the Shares would affect Investore's PIE tax status. Any such issue may require an ordinary resolution of Shareholders under the NZX Listing Rules unless an exception to the general rules requiring Shareholder approval is applicable.

Employees

Investore does not have any employees and will be fully managed by SIML.

Material interests in Investore

Prior to listing, Investore intends to enter into a deed of access, indemnity and insurance ("Deed of Indemnity"). Under the Deed of Indemnity, Investore will indemnify, maintain insurance for, and grant access to documents of Investore to, each person who holds the office of director of Investore or its subsidiaries. You can also find out more information about the Deed of Indemnity on the Offer Register in the document entitled "*Deed of Access, Indemnity and Insurance*".

2.15 Interests of Directors

Directors

No Director received any remuneration or other benefits from Investore during FY16.

Directors will receive directors' fees following completion of the Offer for the remainder of FY17. Because no Directors' fees will be paid prior to the completion of the Offer, the remuneration and other benefits provided to Directors during FY17 will be materially different from the previous financial year. The remuneration and other benefits to be provided to Directors during FY18 are expected to be consistent with the amounts payable during the current financial year on an annualised basis.

As at the date of this PDS, the Directors will receive the following annual Directors' fees:

Position	Fees per annum
Chairperson	NZ\$70,000
Non-executive Directors (including SIML nominees)	NZ\$40,000
Chairperson of Audit and Risk Committee	NZ\$5,000

2.16 Other material governance disclosures

Appointment of Directors

The Management Agreement and the Constitution each provide that, for such time as SIML is the manager of Investore, SIML will have the right to appoint up to two directors to the Investore Board. The Board is constitutionally required to be made up of four directors, with shareholders to elect two directors. Stride, as a shareholder of Investore and an Associated Person of SIML for the purposes of the NZX Listing Rules, will not be permitted to vote on the election (or removal) of Directors in the event that SIML exercises its right to appoint directors.

For further discussion see Section 6.2. *Right to appoint two Directors to a board of four Directors.*

Constitutional restriction on operation of Investore's business

The Constitution limits Investore's business to "Permitted Business Activities", being the sole purpose of acquiring, owning, selling, developing and leasing properties that are predominantly Large Format Retail properties, including acquiring or selling land or properties which can be developed or redeveloped into Large Format Retail properties and such other activities that are agreed with the Manager.

Investore is not permitted to carry on any business activities other than the Permitted

Business Activities, and is not to acquire any land or buildings, or any interest in any other land or buildings, other than properties that are predominantly Large Format Retail properties, or land or properties which can be developed or redeveloped into Large Format Retail properties.

These restrictions will limit the discretion that the Board has when considering strategies and plans for Investore and its business. Any change to this constitutional restriction would require a special resolution of shareholders of Investore to be approved by not less than 75% of those Shares entitled to vote and voting on the resolution.

In addition, any change would (pursuant to an express constitutional provision) also require the approval of the Manager.

Corporate governance policies and procedures

The Board intends to adopt from listing, various board policies and charters as are typical for a company listed on the NZX Main Board, including in relation to compliance with Investore's continuous disclosure obligations under the NZX Listing Rules. In addition, under the Management Agreement the Manager must, amongst other things, assist Investore to comply with the NZX Listing Rules, including in relation to any reports or announcements required under the NZX Listing Rules.

3. Purpose of the Offer

3.1 Purpose of the Offer

The purpose of this Offer, in order of priority, is to:

- raise capital for Investore to partially fund the acquisition of the SCA Portfolio. Investore will borrow the remaining funds required to complete the acquisition;
- repay the intragroup loan from Stride advanced to purchase the Stride Transferred Portfolio and Antipodean Portfolio;
- if the full amount of the Offer is raised, provide capital to enable Investore to pursue additional growth opportunities;
- provide a market for the Shares and an opportunity for investment in Investore and a unique property exposure to a listed entity that invests in Large Format Retail property; and
- provide Investore with funding and access to capital markets (if required) to fund opportunities within Investore's investment strategy.

The Offer comprises an offer by Investore of between 100.7m and 135.0m Offer Shares with a value between NZ\$150m and NZ\$185m based on the Indicative Price Range. The Minimum Raise has been set at the amount that Investore needs, together with its available bank borrowings, to fund the purchase of the SCA Acquisition while maintaining its targeted gearing. If more than the Minimum Raise is met, Investore intends to use the additional amount (together with any available bank borrowings) to fund the purchase of additional Large Format Retail properties that meet the investment strategy.

No transaction related fees or costs will be paid to, or by, SIML or Stride in connection with the Offer or related acquisitions. Further details relating to the transaction costs payable by Investore are provided on the Offer Register.

The NZ\$150 million - \$185 million of gross proceeds from the offer of new Offer Shares will be used by Investore as follows:

(NZ\$m)	Use of proceeds by Investore	Strategy and plans
\$145.4 – \$179.7	To partially fund the acquisition of the SCA Portfolio, to repay the intragroup loan from Stride advanced to purchase the Stride Transferred Portfolio and Antipodean Portfolio and, if the full amount of the Offer is raised, provide capital to enable Investore to pursue additional growth opportunities	<p>The acquisition of the SCA Portfolio will enable Investore to:</p> <ul style="list-style-type: none"> • increase contract rental • add size and scale to the existing portfolio <p>Investore will also consider acquisitions of additional Large Format Retail properties that satisfy its investment criteria, strategy and objectives to further enhance shareholder returns</p>
\$4.6 – \$5.3	Transaction costs	Payment for legal, accounting, lead manager and brokerage fees, plus any listing costs by Investore
\$150 – \$185	Gross proceeds	

Further details of the transaction costs are provided on the Offer Register in the document entitled “*Material Information – Other*”.

The issue of Offer Shares under this Offer is subject to and conditional upon:

- SIML advising Investore that SIML is satisfied that the Demerger will occur on or before the date that the Shares are quoted on the NZX Main Board; and
- the Minimum Raise being achieved (being \$150 million).

In the event that these conditions are not satisfied, the Offer Shares will not be issued and all Application Monies will be refunded in full (without interest) within five Business Days after the announcement of the failure to satisfy the condition.

The Offer is not underwritten.

4. Key dates and Offer process

Key dates	
PDS registered	10 June 2016
Stride Shareholder Offer Opening Date	20 June 2016
Bookbuild, Pricing and allocation in respect of the Institutional Offer	23 June 2016
Broker Firm Offer Opening Date	24 June 2016
Closing Date for the Broker Firm Offer and the Stride Shareholder Offer	5 July 2016
Settlement and Allotment Date	11 July 2016
Expected date of quotation and commencement of trading of the Shares on the NZX Main Board and expected mailing of holding statements	12 July 2016
Expected date of first dividend payment following the Offer	December 2016

These key dates are indicative only and the dates may change. Investore, in conjunction with the Lead Manager, reserves the right to vary or extend these dates. Changes will be advised by NZX Announcement. Investore may also withdraw the Offer at any time before the issue of the Offer Shares on the Allotment Date or accept late Applications (either generally or in individual cases).

Further information about these dates is set out in Section 5 *Terms of the Offer*.

5. Terms of the Offer

5.1 Key terms

The table below sets out the terms of the Offer. The Constitution sets out the terms of the Shares. You can find a copy of the Constitution on the offer register at www.business.govt.nz/disclose, offer number (OFR10625).

What is the Offer

For an overview of what the Offer involves, see Section 1.1 *What is this?*

No person guarantees the Shares offered under this Offer, nor warrants or guarantees the future performance of Investore, the Shares or any return on investment pursuant to this Offer.

Key dates

See Section 4 *Key dates and Offer process* for information about the key dates of the Offer.

Price

Investore has set an Indicative Price Range of \$1.37 to \$1.49 per Offer Share. All Offer Shares issued under the Offer will be issued at the Final Price. The Final Price will be set by way of the Bookbuild.

The Final Price is expected to be announced and posted on the Offer website (www.shareoffer.co.nz/investore) on or about Friday, 24 June 2016.

The Bookbuild will take place on Thursday, 23 June 2016. The Bookbuild is a process through which information is collated about the demand for the Offer Shares by selected Institutional Investors and NZX Firms on behalf of their clients participating in the Offer submitting bids for the number of Offer Shares they wish to purchase or be allocated at a range of prices for the Offer Shares. That information is then used to assist with the determination of the Final Price and allocations of the Offer Shares.

Investore, in agreement with Stride and the Lead Manager, will set the Final Price following completion of the Bookbuild. Investore reserves the right to set the Final Price within, above or below the Indicative Price Range.

In setting the Final Price, several factors will be taken into account, including:

- the level of demand for Offer Shares at various prices;
 - pricing indications from Institutional Investors and NZX Firms;
 - Investore's desire for an informed and active trading market for the Shares on the NZX Main Board; and
 - any other factors that Investore deems relevant.
-

Structure of the Offer

The Offer is an offer by Investore of \$150 million to \$185 million Offer Shares (being 100.7 million to 135.0 million Shares based on the Indicative Price Range).

For the purposes of NZX Listing Rule 7.1.8, based on the Indicative Price Range, Stride, being the existing Shareholder of Investore is expected to retain approximately 47.4 million to 54.3 million of existing Shares, representing 19.9% of the total Shares on issue following the Offer.

The Offer includes:

- the Stride Shareholder Offer, which consists of an offer to Eligible Stride Shareholders as at 10 June 2016;
- the Broker Firm Offer, which is only available to New Zealand resident clients of selected NZX Firms who have received a firm allocation from that NZX Firm; and
- the Institutional Offer, which consists of an invitation to bid for Shares made to selected Institutional Investors in New Zealand, Australia and certain other jurisdictions.

There is no general public offer. Members of the public wishing to subscribe for Shares must be allocated Shares by an NZX Firm; there is no public pool under which you may subscribe for Shares. You should contact an NZX Firm to determine whether you may be offered Shares under the Broker Firm Offer.

The key terms of each of the Broker Firm Offer, Stride Shareholder Offer and Institutional Offer are described further in Section 5.2 *Broker Firm Offer, Stride Shareholder Offer and Institutional Offer*.

Size of the Offer

\$150 million – \$185 million

Refunds and scaling

The Offer may be withdrawn by Investore at any time before the issue of the Offer Shares, at Investore's sole discretion. If the Offer or any part of it is withdrawn, then the relevant Application amounts will be refunded without interest no later than five Business Days after the decision to withdraw the Offer is announced.

If you apply for a total Application amount that is not a multiple of the Final Price, your Application will be rounded down to the nearest multiple of the Final Price and any difference will be retained by Investore.

Money received in respect of Applications which are declined in whole or in part will be refunded in whole or in part (as the case may be). Refunds will be paid to unsuccessful Applicants within five Business Days after allocation of Offer Shares or after an Application has been declined (as applicable).

Refunds will be paid in the manner you elect any future dividend payments to be paid. Interest will not be paid on any Application Monies refunded to Applicants.

Oversubscriptions will not be accepted.

Applications

An Application is an offer by you to subscribe for Offer Shares having the value specified in the Application Form, at the Final Price, on the terms and conditions set out in this PDS (including any replacement of it), the offer register (at www.business.govt.nz/disclose, offer number (OFR10625)) and the Application Form. By submitting an Application Form, you irrevocably agree to purchase the Offer Shares on those terms, notwithstanding any variations or extensions to the Closing Date or other dates which Investore and the Lead Manager are entitled to so vary or extend.

Investore and the Lead Manager may, at their sole discretion, treat any Application Form as valid, notwithstanding that it does not comply with the requirements above or is irregular. Investore and the Lead Manager may also, at their sole discretion, rectify any errors in, or omissions from, any Application Form to enable that form to constitute a valid acceptance of the Offer and to facilitate registration of the Applicant as a Shareholder, including inserting or correcting details and filling in any blanks. An Application Form may be treated by Investore and the Lead Manager as a valid Application whether or not it is received before the Closing Date, and may be accepted in respect of the full dollar amount specified in the Application Form or a lesser amount, without further notice to the Applicant. If the amount of your cheque(s) for Application Monies is less than the amount specified on your Application Form, you may be taken to have applied for such lower dollar amount for Shares as for which your clear Application Monies will pay, or your Application Form may be rejected at the discretion of Investore and/or in consultation with the Lead Manager. Acceptance of your Application will give rise to a binding contract.

Investore and the Lead Manager reserve the right to refuse all or any part of any Application without giving a reason. Until the allotment of Offer Shares, Application Monies received will be held in a separate account for the benefit of the Applicants according to their respective entitlements and for Investore. Any interest on Application Monies will be paid to Investore to offset against its issue costs. If you apply for Offer Shares, you should ensure that sufficient funds are held in your account(s) to cover the amount of your Application.

The banking of Application Monies does not constitute confirmation of allotment of any Offer Shares or the acceptance of an Application. Further, if your cheque does not clear, your Application may be rejected.

See Section 11 *How to apply* for further information about Applications and how to apply for Offer Shares.

Allocation

The allocation of Offer Shares between the Broker Firm Offer, the Stride Shareholder Offer and the Institutional Offer will be determined by Investore with the agreement of Lead Manager and Stride following completion of the Bookbuild, having regard to the allocation policies outlined in Section 5.2 *Broker Firm Offer, Stride Shareholder Offer and Institutional Offer*.

Allotment

The issue of Offer Shares to successful Applicants is scheduled to take place on 11 July 2016.

You should ascertain your allocation (if any) before trading in the Offer Shares. If you applied under the Broker Firm Offer, you can do this by phoning the NZX Firm from whom you received an allocation of Offer Shares. If you applied under the Stride Shareholder Offer, you can do this by contacting the Share Registrar.

If you wish to sell your Shares on the NZX Main Board after confirming your allocation you must have a Common Shareholder Number (CSN) and an Authorisation Code (FIN). New Zealand residents with a CSN will have their Offer Shares allotted under their CSN if the CSN was provided on the Application Form. If a CSN is not provided on the Application Form, or the Application details do not match the CSN details, a new CSN and Authorisation Code (FIN) will be allocated to the Applicant. Allotment statements with your allotment details and CSN will be despatched within five Business Days after allotment. Where an email address is provided on the Application Form, the allotment statement will be despatched electronically to you.

5.2 Broker Firm Offer, Stride Shareholder Offer and Institutional Offer

	Broker Firm Offer	Stride Shareholder Offer	Institutional Offer
Overview of the Offer	<p>The Broker Firm Offer is open to New Zealand resident retail clients of NZX Firms who have received an allocation from their NZX Firm. If you have been offered an allocation from an NZX Firm, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your NZX Firm to determine whether they will allocate Offer Shares to you under the Broker Firm Offer.</p>	<p>The Stride Shareholder Offer, which consists of an offer to Eligible Stride Shareholders, in particular those who may not be able to access the Offer through the Broker Firm Offer or Institutional Offer.</p> <p>Eligible Stride Shareholders will also be entitled, if eligible, to participate in the Broker Firm Offer or the Institutional Offer, as applicable.</p>	<p>The Lead Manager will invite selected Institutional Investors in New Zealand, Australia and certain other overseas jurisdictions (excluding the United States and any persons who are, or are acting for the account of or benefit of, US Persons), along with NZX Firms, to bid for Offer Shares in the Bookbuild process.</p> <p>The Lead Manager has separately advised Institutional Investors of the bidding and settlement procedures for the Bookbuild.</p>
How to apply	<p>See Section 11 <i>How to apply</i> and the Broker Firm Offer Application Form for detailed instructions on how to apply.</p>	<p>If you were an Eligible Stride Shareholder as at 5.00 pm on 10 June 2016 you can participate in the Stride Shareholder Offer, and you can apply for Offer Shares either online at www.shareoffer.co.nz/ investore or by completing the personalised Stride Shareholder Offer Application Form accompanying the PDS.</p> <p>See Section 11 <i>How to apply</i> and the Stride Shareholder Offer Application Form for detailed instructions on how to apply.</p>	<p>Full details on how to participate, including bidding instructions, will be provided by the Lead Manager to invited participants in due course.</p>
Treatment of Application	<p>An Application in the Broker Firm Offer constitutes an irrevocable offer by the Applicant to Investore to acquire the number of Offer Shares specified in the Broker Firm Offer Application Form (or any lesser number allocated to the Applicant) on the terms and conditions set out in this PDS, the Broker Firm Offer Application Form, the Offer Register and the Constitution. An Application cannot be withdrawn or revoked once it has been submitted.</p>	<p>An Application in the Stride Shareholder Offer constitutes an irrevocable offer by the Applicant to Investore to acquire the number of Offer Shares specified in the Stride Shareholder Offer Application Form (or any lesser number allocated to the Applicant) on the terms and conditions set out in this PDS, the Stride Shareholder Offer Application Form, the Offer Register and the Constitution. An Application cannot be withdrawn or revoked once it has been submitted.</p>	<p>Bidding instructions will be provided by the Lead Manager to invited participants in due course.</p>

	Broker Firm Offer	Stride Shareholder Offer	Institutional Offer
Minimum and maximum application amount	<p>Allocations will be determined by your NZX Firm. However, the minimum Application amount under the Broker Firm Offer is \$1,000, and thereafter in multiples of \$1,000.</p> <p>The amount applied for will be divided by the Final Price to calculate the number of Offer Shares applied for, rounded down to the nearest whole Offer Share.</p>	<p>Applications under the Stride Shareholder Offer must be for a minimum of \$1,000, and thereafter in multiples of \$1,000.</p> <p>The amount applied for will be divided by the Final Price to calculate the number of Offer Shares applied for, rounded down to the nearest whole Offer Share.</p> <p>There is no maximum amount that can be applied for by Eligible Stride Shareholders applying under the Stride Shareholder Offer, although an amount of Offer Shares will be reserved for the Stride Shareholder Offer at completion of the Bookbuild.</p>	n/a
How to pay	You should make payment in accordance with the directions of the NZX Firm from whom you receive an allocation and as set out on the Broker Firm Offer Application Form.	See the Stride Shareholder Offer Application Form for payment details.	Full details will be provided by the Lead Manager to successful participants.
Closing date for receipt of applications	<p>The Broker Firm Offer opens at 9.00am on 24 June 2016 and will close at 5.00pm on 5 July 2016 (being the Closing Date).</p> <p>The Closing Date may be changed by Investore with the written consent of the Lead Manager. Changes will be advised by NZX announcement.</p> <p>Applicants are encouraged to submit their Application Form and Application Monies as early as possible in advance of the Closing Date to enable the NZX Firm to forward the Application to the Share Registrar by the Closing Date.</p>	<p>The Stride Shareholder Offer opens at 9.00am on 20 June 2016 and will close at 5.00pm on 5 July 2016 (being the Closing Date).</p> <p>The Closing Date may be changed by Investore with the written consent of the Lead Manager. Changes will be advised by NZX announcement.</p> <p>Applicants are encouraged to submit their Application Form and Application Monies as early as possible in advance of the Closing Date to allow a sufficient period for mail processing time.</p>	n/a

	Broker Firm Offer	Broker Firm Offer	Institutional Offer
Allocation policy	<p>The allocation of Offer Shares under the Broker Firm Offer to NZX Firms for the purpose of making Firm Allocations to their New Zealand resident retail clients will be determined by Investore, with the agreement of Stride and the Lead Manager. That decision will be influenced by a number of factors, which may include:</p> <ul style="list-style-type: none"> • the price for Offer Shares bid by particular bidders; • the number of Offer Shares bid for by particular bidders; • the timeliness of the indication of demand and the bid by particular bidders; • the shareholding in Stride that clients of the NZX Firm hold; • the overall support of the NZX Firm for the Offer; • the overall level of demand, including under the Institutional Offer; and • any other factors that Investore considers appropriate. <p>Offer Shares which have been allocated under the Broker Firm Offer to NZX Firms as a Firm Allocation for allocation to their New Zealand retail clients will be issued to the Applicants nominated by those NZX Firms.</p> <p>The NZX Firms will determine how they allocate firm stock among their retail clients, and they (and not Investore, Stride, the Lead Manager or any other person) will be responsible for ensuring that their retail clients who they have allocated Offer Shares receive the relevant Shares.</p>	<p>The number of Shares to be offered under the Stride Shareholder Offer, and the allocation of Shares among participants in the Stride Shareholder Offer, will be determined by Investore, with the agreement of Stride and the Lead Manager.</p> <p>Applicants should contact the Share Registrar by email at investore@computershare.co.nz to find out if their Application was successful.</p>	<p>The number of Shares to be offered under the Institutional Offer, and the allocation of Shares among participants in the Institutional Offer, will be determined by Investore, with the agreement of Stride and the Lead Manager. That decision will be influenced by a number of factors, which may include:</p> <ul style="list-style-type: none"> • the price for Offer Shares bid by particular bidders; • the number of Offer Shares bid by particular bidders; • the timeliness of the indication of demand and the bid by particular bidders; • consistency of demand indication and the actual bids received; • whether the bidders are shareholders of Stride and their holding in Stride; • Investore's desire for an informed and active trading market for the Shares on the NZX Main Board; • Investore's desire to establish a wide spread of institutional Shareholders on Investore's share register; • the overall level of demand, including under the Broker Firm Offer; • the size and type of funds under management of particular bidders; • an assessment of whether particular bidders will be long-term Shareholders; and • any other factors that Investore considers relevant. <p>There is no assurance that any participant in the Bookbuild will be allocated any Shares or the number of Shares for which it had bid.</p>

5.3 NZX listing

NZX application for listing	<p>Investore has applied to NZX for permission to list Investore and to quote the Shares on the NZX Main Board. All of NZX's requirements relating to that application that can be complied with on or before the date of this PDS have been duly complied with. However, NZX accepts no responsibility for any statement in this PDS.</p> <p>NZX has authorised NZX Firms to act on the Offer. The NZX Main Board is a licensed market operated by NZX, which is a licensed market operator regulated under the FMC Act.</p> <p>Initial quotation of the Shares on the NZX Main Board is expected to occur on 11 July 2016 under the stockcode 'IPL'.</p>
Selling your Shares on the NZX Main Board	<p>If you wish to sell your Shares on the NZX Main Board, after confirming your allocation, you must contact an NZX Firm and have a Common Shareholder Number (CSN) and an Authorisation Code (FIN). Opening a new broker account can take a number of days depending on the NZX Firm's new client procedures. New Zealand residents with a CSN will have their Offer Shares transferred under this CSN, if the CSN was provided on the Broker Firm Offer Application Form. If you do not have a CSN, you will:</p> <ul style="list-style-type: none"> • be assigned one when you set up an account with an NZX Firm; or • receive one from the Share Registrar when you receive your holding statement for your Offer Shares. <p>If you do not have a FIN, it is expected that you will be sent one as a separate communication by the Share Registrar on 8 July 2016 (or later if the Offer is extended).</p> <p>If you have a broker and have not received a FIN by the date you want to trade your Shares, your broker can obtain one, but may pass the cost for doing so on to you.</p>
Failure to achieve NZX listing	<p>In the event that the application to NZX for listing of Investore or quotation of the Shares is denied, all Application Monies will be refunded in full (without interest) within five Business Days after the announcement of that decision.</p>

5.4 Stride's intention in relation to holding of Shares

Stride is not subject to any escrow arrangements that would prevent it from selling or otherwise disposing of any Shares that it holds. However, Stride has advised Investore that Stride has no present intention to sell or otherwise dispose of any of the 19.9% shareholding in Investore that it will hold upon completion of the Offer. Other than in the case of a proposed transaction affecting Investore shareholders generally, Stride does not intend to review its optimal shareholding level in Investore until 1 April 2018 at the earliest. Stride will not be able to exceed, when aggregated with any of its associates, a 20% shareholding in Investore otherwise than in compliance with the Takeovers Code.

5.5 Further information

The following information can be found on the Offer Register at www.business.govt.nz/disclose, offer number (OFR10625) in the document entitled "*Material information – Other*":

- information on NZX Listing Rule waivers obtained by Investore;
- a copy of the NZX Listing Rule waivers obtained by Stride and SIML;
- information on an exemption from the FMC Regulations obtained;
- selling restrictions relating to the Takeovers Code; and
- selling restrictions relating to the Overseas Investment Act 2005.

6. Key features of the Shares

6.1 Key features

All Offer Shares issued under the Offer will be fully paid ordinary shares in Investore which rank equally with each other and all other ordinary shares in Investore on issue. The Offer Shares have the same key features as ordinary shares in a company generally.

6.2 Right to appoint two Directors to a board of four Directors

The Management Agreement and the Constitution each provide that, for such time as SIML is the manager of Investore, SIML will have the right to appoint two Directors to the Investore Board. Each of Tim Storey and John Harvey have been appointed by SIML under this right. The Investore Board is constitutionally required to be made up of four Directors, with Shareholders to elect the other two Directors by way of ordinary resolution and the Investore Board having the right to appoint additional Directors to fill a casual vacancy (e.g., if at any time SIML has not appointed two Directors). The chairperson is a Director elected by Shareholders and, provided that he or she is "Independent of the Manager" (as described below), holds a casting vote in respect of resolutions of the Board. Ordinarily, all directors of a company that has its shares quoted on the NZX Main Board would be elected by shareholders by ordinary resolution, but NZX has issued a waiver to permit SIML to have this right of appointment. Further information on, and a copy of, the waiver granted by NZX is set out in the Offer Register. NZX has also issued a waiver to allow the Directors appointed by SIML to vote on board resolutions to the extent that those Directors are restricted from voting on the grounds that they are "interested" in the matter solely due to being directors of SIML but for no other reason.

Stride, as a shareholder of Investore and an Associated Person of SIML for the purposes of the NZX Listing Rules, will not be permitted to vote on the election (or removal) of Directors in the event that SIML exercises its right to appoint Directors. However, under the terms of a waiver granted by NZX, any Director appointed by SIML will be permitted to vote on such matters in respect of Shares owned or held on their behalf in their personal capacity.

One Director will be required to retire by rotation each year, but the Director who retires by rotation will be eligible for re-election at the annual meeting. The Director who will be required to retire by rotation will be determined as follows:

- (a) the Director who has been longest in office since they were last elected or deemed elected; or
- (b) if more than one Director was last appointed as a Director on the same day, by agreement between those directors or, if they cannot agree, by lot.

Any Directors appointed by SIML are excluded from the obligation to retire by rotation.

The normal requirements under the NZX Listing Rules for "Independent Directors" will apply to Investore. In addition, if SIML has (or is deemed to have) appointed Directors, then at least two of the other Directors (and at least one of whom must be chairperson of the Board) must be "Independent of the Manager". Under the Constitution, a Director will be considered "Independent of the Manager" if:

- (a) the Director is not an Associated Person of:
 - (i) SIML; or
 - (ii) a person who holds or controls more than 25% of the ordinary shares of SIML; or
 - (iii) a related company of a person who holds or controls more than 25% of the ordinary shares of SIML; or

- (b) the Director has not been appointed by the Manager; or
- (c) the Director is not an officer of SIML and has no Disqualifying Relationship for the purposes of the NZX Listing Rules with SIML; or
- (d) pursuant to a ruling or other written consent of NZX, the Director is to be treated as being independent of SIML for the purposes of this Constitution even though the Director may not be Independent of the Manager under paragraph (a), (b) or (c) of this definition.

If, at any time when SIML has (or is deemed to have) appointed Directors, at least two of the other Directors are not "Independent of the Manager", then a sufficient number of those Directors who are required to be (but are not) "Independent of the Manager" shall resign as Directors and the Board shall appoint such additional number of Directors as is necessary so that, following such resignation(s) and appointment(s), two of the Directors are "Independent of the Manager". Any Director so appointed will only hold office until the next annual meeting of Investore, but will be eligible for election at that meeting and is not to be taken into account in determining the Directors who are to retire by rotation.

If, at any time, the chairperson of the Investore Board is required to be (but is not) "Independent of the Manager", then the chairperson of the Investore Board shall resign as chairperson of the Investore Board and the directors shall elect one of their number who is "Independent of the Manager" as chairperson in his or her place.

If, at any time, none of the Directors have been appointed (or deemed to have been appointed) by SIML, then SIML can elect to appoint two Directors by notice in writing to Investore. In that case, two of the then current Directors must resign from office. The Directors who are to resign are to be determined as follows:

- (a) any Directors who are not "Independent of the Manager", or are not otherwise Independent Directors, must resign first provided that if there are more than two Directors in this category then those Directors are to decide amongst themselves which two of them are to resign as Directors and failing agreement the two who are to resign will be determined by lot; and
- (b) if additional Directors need to resign after Directors who are not "Independent of the Manager", or are not otherwise Independent Directors, have resigned, then the remaining Directors are to decide amongst themselves who is to resign and failing agreement the Director(s) to resign will be determined by lot.

SIML's right to appoint two directors is unusual. SIML understands that some externally managed listed companies have some directors who are also directors of (or otherwise associated with) their managers as a result of appointment rights vested in the relevant managers. The Board structure is different from these precedents in not requiring a majority of directors who are independent of its manager (i.e., Investore only requires half of its Directors to be independent of SIML, its manager). SIML wishes to align the day-to-day management of Investore (by SIML) and Investore's strategic direction (as determined by the Investore Board) as much as possible by ensuring it is as fully informed as practicable about the Investore Board's views, while doing so with a small board reflecting the narrow mandate that Investore has. Investore believes that the Shareholders' investments are protected by providing that the chairperson of the Board (who is required to be "Independent of the Manager" at any time when SIML has (or is deemed to have) appointed Directors) has a casting vote on resolutions of the Board.

6.3 Non Standard Designation

An issuer which does not comply with all of the requirements of the NZX Listing Rules may be granted listing with the designation “Non-Standard” or “NS”. A term of the waiver granted to Investore to permit SIML to have the right to appoint two Directors is that Investore will be given a Non-Standard Designation upon its listing and the quotation of its Shares.

6.4 Dividend policy

The Board of Investore will target a cash dividend to Shareholders that is between 95% and 100% of Distributable Profit. Distributable Profit is a non-GAAP financial measure adopted by Investore to assist Investore and its investors in assessing Investore's profit available for distribution. It is defined as net profit/(loss) before income tax adjusted for non-recurring and/or non-cash items (including non-recurring adjustments for incentives payable to Anchor Tenants for lease extensions) and current tax.

The Board intends to pay dividends on a quarterly basis and anticipates that the dividend for the quarter ended 30 September 2016 will be payable in December 2016.

Dividends and other distributions on Shares are made at the Board's discretion and depend on the financial performance of Investore. The payment of dividends is not guaranteed. Investore's dividend policy may change over time. The Board's decisions as to the level of reserves and retentions may affect any dividends or distributions on the Shares. Dividends will only be paid once the Board determines that Investore will meet the solvency requirements specified in the Companies Act. Despite the intentions set out above, Investore can give no assurances as to the level or frequency of any dividend (or other distributions, if any) payable, or the level of imputation or franking credits, if any, attached to any dividends.

Additional information on forecast dividends on the Shares is set out in Section 7.6 *Selected financial information*.

7. Investore's financial information

7.1 Introduction

The tables in this section provide key financial information about Investore. Full financial statements are available on the Offer Register at www.business.govt.nz/disclose, offer number (OFR10625). If you do not understand this financial information, you can seek advice from a financial adviser or an accountant. This information is disclosed in New Zealand dollars and rounded to the nearest thousand.

This PDS contains Prospective Financial Information ("PFI"), which is based on the Directors' assessment of events and conditions existing at the date of this PDS and the accounting policies and assumptions set out in the PFI on the Offer Register in the document entitled *Investore's Prospective Financial Information, Reconciliations and other selected financial information*. You should read the PFI in this PDS in light of the assumptions, and in conjunction with the other information in this PDS (including, in particular, the information in Section 8 *Risks to Investore's business and plans*). There is no guarantee that the results set out in the PFI will be achieved.

The Board believes that the PFI has been prepared with due care and attention, and considers that the assumptions, when taken as a whole, are reasonable at the time of preparing this PDS. However, forward looking statements, including PFI, are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of Investore and which may cause the actual results, performance or achievements of Investore or the Shares to differ materially from those expressed or implied by the statements. Accordingly, no assurance can be given that the PFI will be achieved and you are cautioned not to place undue reliance on any PFI or forward looking statement contained in this PDS. You should not regard the PFI or any other forward looking statement as a representation or warranty by Investore, Stride or their respective directors, officers or advisers or any other person referred to in this PDS with respect to the achievement of the results set out in any such statement, or that the underlying assumptions used will in fact be realised.

7.2 Investore is not providing information usually required

The FMC Regulations would usually require Investore to provide selected historical financial information in respect of the Antipodean Supermarkets Portfolio and the SCA Portfolio. Instead, pursuant to the Financial Markets Conduct Act (Investore Property Limited) Exemption Notice 2016 granted by the Financial Markets Authority, the only historical financial information provided in relation to those Acquisitions is the financial information of Investore for approximately six months between 1 October 2015 and 31 March 2016. This is because Investore does not hold, and is unable to obtain or recreate, sufficient historical financial information to enable financial statements to be provided in respect of the Antipodean Supermarkets Portfolio and the SCA Portfolio.

The Directors are of the view that:

- not including the historical financial information required by the FMC Regulations will not have a material adverse effect on investors;
- it is appropriate to provide alternative information to the historical information in the PDS, as set out in Sections 7.3 and 7.4 below; and

- such alternative information is likely to be useful to prospective investors in assessing the merits of the offer and the PFI included in Section 7.5 because investors will be able to:
 - understand the process undertaken by Investore to assess and verify the value of the Antipodean Supermarkets Portfolio and the SCA Portfolio prior to acquisition of those assets; and
 - compare the FY16 historical rental income and net rental income estimated to have derived from each of the Antipodean Supermarkets Portfolio and the SCA Portfolio (on an annualised basis) with the comparable PFI for FY17 and FY18 for each of the portfolios and with the PFI included in Section 7.5 *Financial information*.

7.3 Due Diligence and valuation process

Investore undertook customary legal and technical due diligence and commissioned independent valuations in respect of each of the properties in the Antipodean Supermarkets Portfolio and the SCA Portfolio. The results of the due diligence were provided to the Board in the form of written reports which were taken into account in the Board's decision to proceed with the acquisitions of the properties and for the purposes of assessing the reasonableness of the PFI included in Section 7.5 *Financial information*.

Legal due diligence

Legal due diligence was carried out by independent legal advisers in respect of the Antipodean Supermarkets Portfolio and the SCA Portfolio, including:

- reviewing the titles and land information memorandums reports ("LIM Reports") for each property and reporting on any encumbrances, covenants or other interests on the titles or other material issues;
- reviewing each lease to identify any material issues;
- conducting public searches in respect of contamination; and
- completing a Q&A process with relevant vendors in respect of the properties.

Technical

Technical due diligence was carried out by an independent Chartered Building Surveying, environmental and compliance consultancy firm in respect of the Antipodean Supermarkets Portfolio and the SCA Portfolio, including:

- review of maintenance and replacement obligations;
- conducting site inspections to review the building structure and services;
- reviewing available seismic and environmental assessment reports, contamination reports and LIM Reports;
- producing a current condition assessment report; and
- preparing a 10 year capital expenditure and maintenance cost schedule for each property.

Valuations

Valuations in respect of each property within the Antipodean Supermarkets Portfolio and the SCA Portfolio were conducted. The valuations were performed by independent registered valuers who hold an annual practising certificate with the Valuers Registration Board and are members of the New Zealand Institute of Valuers. The valuers were provided with copies of the 10 year capital expenditure and maintenance cost schedules referred to above which were prepared as part of the technical due diligence undertaken.

The fair value of each property, representing the estimated price for which the property could be sold on the date of valuation in an orderly transaction between market participants was calculated. The accepted methods for assessing the current fair value of an investment property are:

- the capitalisation approach: this is considered a 'point in time' view of the investment property's value, based on the current contract and market income and an appropriate market yield or return for the particular investment property. Capital adjustments are then made to the value to reflect under or over renting, pending capital expenditure, and upcoming expiries including allowance for lessee incentives and leasing costs.
- the discounted cash flow approach: this approach adopts a ten year investment horizon and makes appropriate allowances for rental income growth and leasing costs on expiries, with an estimated terminal value at the end of the investment period. The present value is a reflection of market based income (inflows) and expenditure (outflows) projections over the ten year period discounted at a market analysed return.

In all valuations, both the capitalisation approach and discounted cash flow approach were applied in assessing the adopted value.

Each of the valuations have been carried out in accordance with the requirements set down within the International Valuation Standards 2013 and the Property Institute of New Zealand Valuation and Property Standards 2012.

In addition, each of the valuations in respect of the Antipodean Supermarkets Portfolio have been carried out in accordance with:

- Property Institute of New Zealand - NZ Valuation Guidance Note 1 – Valuations for use in New Zealand Financial Reports;
- International Valuation Standards - IVS 300 Valuations for Financial Reporting;
- New Zealand Equivalent to International Accounting Standard 40 – Investment Property (NZ IAS 40); and
- New Zealand Equivalent to International Financial Reporting Standard 13 (NZ IFRS 13).

In respect of the SCA Portfolio, the valuations have been carried out in accordance with:

- Property Institute of New Zealand – Australia New Zealand Valuation Guidance Note 2 – Valuations for Mortgage and Loan Security Purposes;
- International Valuation Standards – IVS 310 Valuations of Real Property Interests for Secured Lending; and
- ANZ Professional Services Brief – Valuations.

In calculating the valuation of the properties, various assumptions were made by the valuers. In deriving a fair value, all assumptions were based, where possible, on market based evidence and transactions for properties with similar locations, construction detail and quality of lessee covenant. The specific assumptions applied varied from property to property. However, the key assumptions were:

- estimates of the cashflows for each period of a projected holding period net of any capital expenditures such as leasing commissions, structural repairs, tenant incentives and other allowances;
- estimates of the terminal capitalisation rate and discount rate;
- growth rates for rentals and operating expenses; and
- vacancy periods and likely incentive payments for new listings.

A ten year holding period was applied with the reversion calculation based upon capitalised net market rentals from year 11.

In selecting the discount rate at which future cashflows are discounted, a number of factors were considered, including the degree of apparent risk, market expectations of growth rates, prospective rates of return for alternative investments and rates of return earned by comparable properties.

Stride's executive team discussed the processes and results of the valuations with the relevant valuers and verified all major inputs to the valuation reports. The Board believes that the valuations prepared by the independent valuers are based on reasonable grounds and is not aware of findings of the valuations or aspects of the valuation process which it believes could be materially adverse to investors in the context of the Offer. However, if any of the information or assumptions on which the valuations were based are subsequently found to be incorrect, the valuation figures may also be incorrect.

7.4 Alternative historical financial information

Antipodean Supermarkets Portfolio

NZ\$000	FY16	FY16 ⁽¹⁾ (annualised)	FY17	FY18
Rental Income	7,721	18,531	19,114	19,482
Net Rental Income	7,489	17,975	18,327	18,902

Notes:

- (1) Investore acquired the Antipodean Portfolio in November 2015. The FY16 annualised information takes the FY16 reported financial information for Investore and extrapolates that on a pro-rata basis for a full financial year, in order to show a comparable basis for FY17 and FY18.

SCA Portfolio

NZ\$000	FY16 ⁽¹⁾ (annualised)	FY17 ⁽¹⁾ (annualised)	FY17 ⁽²⁾	FY18
Rental Income	19,384	19,476	11,832	19,607
Net Rental Income	17,750	17,710	11,341	18,175

Notes:

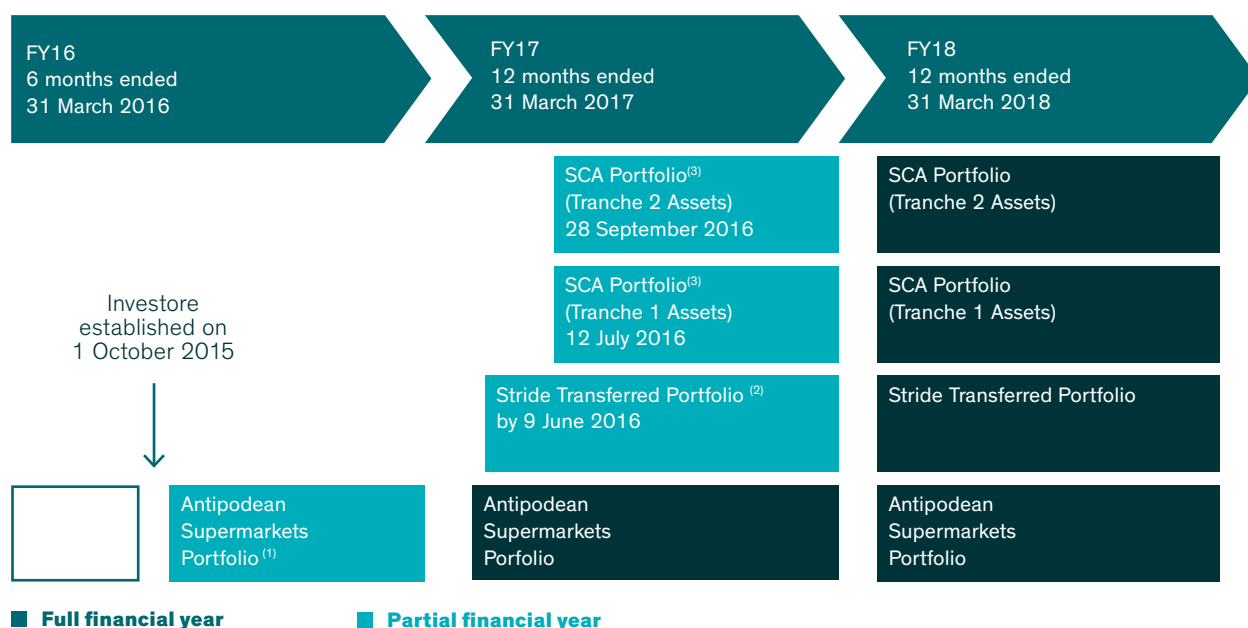
- (1) The SCA Acquisition is assumed to occur on 12 July 2016 (Tranche 1 Assets) and 28 September 2016 (Tranche 2 Assets). FY17 PFI therefore does not represent a full financial year. The annualised FY16 and FY17 figures shown in the table above estimate the level of rental income and net rental income that would have been generated had Investore operated and owned the SCA Portfolio since 1 April 2015. The annualised FY17 figures are based on the current lease terms. The annualised FY16 figures are based on the current lease terms adjusted to reflect known changes in rental terms between FY16 and FY17. The annualised financial information shows a comparable basis to the FY18 PFI.
- (2) FY17 PFI only reflects the partial impact of the acquisition of the SCA Portfolio (which settles in two tranches, in July and September 2016). As a result, FY17 is not representative of a full financial year.

7.5 Financial information

The financial information presented in the Table of Selected Financial Information included in this PDS shows three financial periods ending 31 March 2018:

- Historical financial information for FY16 (ended 31 March 2016) reflecting Investore's financial performance for approximately six months between 1 October 2015 and 31 March 2016
- Forecast financial information for FY17 (ended 31 March 2017), actual results for the month ended 30 April 2016 have been compared against corresponding PFI and are materially consistent
- Forecast financial information for FY18 (ending 31 March 2018). FY18 represents the first financial period where the entire portfolio is held for a full 12 month period alongside an ongoing cost base, and therefore represents the first period where Investore's profitability is fully demonstrated. Investore believes this provides a better basis than FY17 for investors to assess the prospective financial information.

The following chart shows the acquisition of the portfolio's assets during FY16 and FY17:



Notes:

- (1) 19 properties comprising the Antipodean Supermarkets Portfolio acquired and held by Investore from 5 November 2015.
- (2) 6 properties which were transferred to Investore from Stride between 29 April 2016 and 9 June 2016.
- (3) Additional 14 assets to be acquired in two tranches ("SCA Acquisition"). The Tranche 1 Assets (six assets) to be completed on 12 July 2016 (the PFI assumes rental income from 13 July 2016) and Tranche 2 Assets to be completed between 28 September and 22 December 2016. For the purposes of the PFI, settlement of the Tranche 2 Assets of the SCA Portfolio (eight assets) is assumed to occur at the earliest available date, being 28 September 2016, with rental income from 1 October 2016.

7.6 Selected financial information

The summary information presented in the table below is extracted from more detailed information which is available on the Offer Register.

Given the recent and assumed acquisitions, FY16 and FY17 are not representative of a full financial performance of the business.

Selected financial information ⁽¹⁾ NZ\$000	FY16	FY17	FY18
	6 Months Ended 31 March 2016 ⁽²⁾	12 Months Ended 31 March 2017 ⁽³⁾	12 Months Ended 31 March 2018 ⁽⁴⁾
	Historical Statutory	Forecast Statutory	Forecast Statutory
Rental Income (revenue)	7,721	37,303	46,659
Net Rental Income	7,489	34,876	43,951
EBITDA	6,501	26,209	37,863
Net profit before tax	3,680	16,000	25,210
Net profit after tax	2,974	11,508	19,183
Distributable Profit ⁽⁵⁾	3,582	17,190	20,418
Dividends on all equity securities of the issuer	900	11,832	19,778
Total assets	288,184	654,728	658,122
Cash and cash equivalents	34	8,472	9,365
Total liabilities	288,160	270,627	274,616
Total debt	159,749	266,919	269,688
Net cash flows from operating activities	4,741	18,269	20,671
Net Tangible Assets ⁽⁶⁾	24	384,101	383,506

Notes:

- (1) Financials are based on the PFI base case raise of \$185 million of capital. This has the effect of reducing gearing (relative to Investore's long run target level of gearing) and allows Investore to undertake further acquisitions (which have not been forecast in the PFI).
- (2) Investore was established on 1 October 2015. The first acquisition (the Antipodean Supermarkets Portfolio) was settled on 5 November 2015. Therefore the FY16 results represent only approximately 5 months of financial performance. No management fee, corporate costs and interest on the intercompany advance was payable during this period. As a result, FY16 is not representative of a full financial year.
- (3) FY17 reflects the partial impact of the acquisition of the Stride Transferred Portfolio and the SCA Portfolio (which settles in two tranches, in July and September). No management fees, corporate costs or interest on the intercompany advance have been forecasted to be payable in the period prior to 11 July 2016. As a result, FY17 is not representative of a full financial year.
- (4) FY18 represents the first financial period where the portfolio is held for the entire 12 months and therefore representing the first period where the profitability and yield are fully demonstrated.
- (5) Distributable Profit is a non-GAAP financial measure adopted by Investore to assist Investore and investors in assessing Investore's profit available for distribution. It is defined as net profit/(loss) before income tax adjusted for non-recurring and/or non-cash items (including non-recurring adjustments for incentives payable to Anchor Tenants for lease extensions) and current tax.
- (6) NTA represents the total assets of the company excluding intangible assets (Investore does not carry any intangible assets on its balance sheet) less total liabilities.

Certain information included in this section (being Distributable Profit) is non-GAAP information. An explanation of the non-GAAP measures employed by Investore, and reconciliations to information prepared in accordance with GAAP, are available on the Offer Register in the document entitled *"Investore's Prospective Financial Information, Reconciliations and other selected financial information"*.

The Directors consider that the PFI presented in the table above is likely to be useful to prospective investors in assessing the merits of the Offer because it provides PFI for Investore including the respective intended acquisition assets, which reflects the actual expected financial performance and position of the company over the PFI period.

Interest rate sensitivity

Investore's dividends could be adversely affected by increases in interest rates resulting in higher interest expenses. Scenarios where this could occur include:

- During the period prior to entering into the new swap arrangements described in Investore's hedging plan. That is, between the date of issuance of this PDS and when interest rate swaps are entered into (July 2016). In this scenario, changes to interest rates would affect interest expense on all of Investore's debt ("Total Interest Rate Exposure"); or
- At any time over the forecast period. In this scenario, changes to interest rates would impact Investore's interest expense on its proportion of unhedged debt to total debt ("Floating Rate Exposure").

The following sensitivity table compares Investore's interest expense, Distributable Profit per Share and, Interest Coverage Ratio to increases and decreases in Total Interest Rate Exposure and Floating Rate Exposure for FY18:

FY18 Sensitivity to PFI case \$000s

Total Interest Rate Exposure	-0.30%	-0.20%	-0.10%	PFI Case	+0.10%	+0.20%	+0.30%
Net interest expense	(11,270)	(11,731)	(12,192)	(12,653)	(13,114)	(13,576)	(14,038)
Distributable Profit per Share (CPS)	8.02	7.90	7.77	7.65	7.52	7.40	7.27
Interest Coverage Ratio (times)	3.41x	3.28x	3.15x	3.04x	2.93x	2.83x	2.74x
Floating Rate Exposure	-1.0%	-0.75%	-0.50%	PFI Case	+0.50%	+0.75%	+1.0%
Net interest expense	(12,060)	(12,208)	(12,356)	(12,653)	(12,950)	(13,099)	(13,249)
Distributable Profit per Share (CPS)	7.81	7.77	7.73	7.65	7.57	7.53	7.49
Interest Coverage Ratio (times)	3.19x	3.15x	3.11x	3.04x	2.97x	2.93x	2.90x

Manager Performance Fee Sensitivity

The Manager is entitled to a performance fee in circumstances where total shareholder returns exceed a threshold. Key aspects of the performance fee payable under the Management Agreement are summarised in Section 2.8.

The calculation of the performance fee comprises a number of components and is set out in the Management Agreement, a copy of which is available on the Offer Register together with a worked example of the performance fee for illustrative purposes only.

Due to the inherent uncertainty and subjectivity in attempting to forecast future movements in Investore's Share price, the PFI does not assume that any performance fee will be payable during the PFI period. Payment of a performance fee will only be triggered in the event that Investore's share price increases to such an extent that the total shareholder return to Investore shareholders exceeds the performance fee thresholds specified in the Management Agreement.

The following table outlines the impact on FY18 full year Distributable Profit and dividends per Share of the respective performance fee thresholds being met (together with the total performance fee that would be payable and the implied share price gains that would be required in order to meet those thresholds). Given the performance fee is based on total shareholder returns which is comprised of both changes in share price and dividends, an increase in the performance fees payable could arise in circumstances where there is no equivalent increase in dividends.

Quarterly total shareholder returns⁽¹⁾ in FY18	Performance fees to be paid (\$'000)	Distributable Profit (\$'000)	FY18 full year dividend per Share⁽²⁾ (CPS)	Implied annual share price gain⁽²⁾ (%)
< 2.50%	-	20,418	7.41	< 5.1%
2.50%	-	20,418	7.41	5.1%
2.50% - 3.75%	0 - 1,331	19,101 - 20,418	7.05 - 7.41	5.1% - 10.8%
3.75%	1,331	19,101	7.05	10.8%
> 3.75%	1,331	19,101	7.05	> 10.8%

Notes:

- (1) Total shareholder returns include both dividends paid and share price appreciation over the period and demonstrates the increase in shareholder returns even if the DPPS declines as a result of performance fee.
- (2) Based on a \$185 million raise under the Offer at the midpoint of the Indicative Price Range.

Key investment metrics for the Offer

The table below presents a range of investment metrics to assist you in assessing an investment in Investore. Ranges in the table below are calculated based on the number of Shares that would be issued at each end of the Indicative Price Range, assuming the PFI Case raise of \$185 million.

	FY17 ⁽¹⁾	2HFY17 ⁽²⁾	FY18 ⁽³⁾
	Statutory	Annualised dividend / yield	Statutory
Distributable Profit per Share (CPS) ⁽⁴⁾	6.3 - 6.6 cents		7.5 - 7.8 cents
Dividends per Share (CPS) ⁽⁵⁾	6.1 - 6.4 cents	7.4 - 7.7 cents	7.3 - 7.6 cents
Implied cash dividend yield ⁽⁶⁾	4.3 - 4.5 %	5.1 - 5.4 %	5.1 - 5.3 %
Implied gross dividend yield ⁽⁷⁾	6.4 - 6.7 %	7.7 - 8.0 %	7.6 - 8.0 %
Earnings per Share (CPS) (as determined in accordance with GAAP)	4.2 - 4.4 cents		7.0 - 7.3 cents
Price/earnings per Share (where earnings is as determined in accordance with GAAP)	32.4 - 33.9 x		19.5 - 20.3 x
Implied enterprise value / EBITDA	24.1 - 24.8 x		16.8 - 17.2 x
NTA per Share (NZ\$) ⁽⁸⁾	\$1.40 - \$1.46		\$1.41 - \$1.47
Price / NTA per share ⁽⁹⁾	0.98 - 1.02 x		0.97 - 1.02 x

Notes:

- (1) The FY17 Key Investment Metrics only reflect the partial impact of the Existing Assets and acquisition of the SCA Portfolio (which settles in two tranches, the first tranche in July 2016 and the second tranche assumed to settle in September 2016). As a result, FY17 is not representative of a full 12 month financial year.
- (2) 2HFY17 yield metrics are pro-forma information that have been prepared by taking the dividend payable in relation to the three month period ending 31 December 2016 and the three month period ending 31 March 2017 (which are periods that reflect the first full trading impact from the Existing Assets and the SCA Acquisition) and annualising those dividends for the 12 month period ending 31 March 2017. Investore believes this is more representative of a full year of trading. Refer to the document entitled "Investore's Prospective Financial Information, Reconciliations and other selected financial information" for further information in relation to the principal assumptions on which this pro-forma information is based and the non-GAAP reconciliation table.
- (3) FY18 represents the first financial period where the entire portfolio is held for the entire 12 months and therefore representing the first period where the profitability and yield is fully demonstrated.
- (4) Distributable Profit is a non-GAAP financial measure adopted by Investore and investors in assessing Investore's profit available for distribution. It is defined as net profit/(loss) before income tax adjusted for non-recurring and/or non-cash items (including non-recurring adjustments for incentives payable to Anchor Tenants for lease extensions) and current tax. Refer to the non-GAAP reconciliation table on the Offer Register in the document entitled "Investore's Prospective Financial Information, Reconciliations and other selected financial information".
- (5) Dividend per Share is based on the application of Investore's dividend policy (see Section 6.4 Dividend Policy) to the Distributable Profit per Share over the relevant accounting period and the range of total number of Shares on issue following the Offer. Dividend per Share includes all dividends in the relevant financial period (including those paid by Investore to Stride prior to the Demerger).
- (6) Implied cash dividend yield is the Dividend per Share divided by the Indicative Price Range.
- (7) Investore will be a listed PIE with effect from 12 July 2016 and from this date is subject to the taxation regime for listed PIEs. The implied gross dividend yield shows the gross yield a 33% New Zealand resident taxpayer would require to get the same net yield as they do under the PIE taxation regime for a listed PIE.
- (8) NTA per Share is calculated on NTA at the start of the relevant financial period divided by the total Shares on issue which are derived from the Indicative Price Range. In FY17, NTA is based on the pro-forma balance sheet as at 31 March 2016 which is calculated on page 63. NTA at the start of the relevant period is adopted as typical industry benchmarks reference the most recently reported NTA from the previous financial period.
- (9) Price / NTA per Share is calculated by dividing the Indicative Price Range by NTA per Share. This will vary depending on the final offer price, which in turn will also vary at each offer price through the Indicative Price Range.

Investore intends to raise up to \$185 million under the Offer ("PFI Case") and the Offer is subject to raising a minimum of \$150 million ("Minimum Raise"). The PFI Case, as shown above, is based on the maximum amount of the Offer being raised (\$185 million) which is the Directors' best estimate at the time of lodgement of the PDS and results in a forecast FY17 gearing level of 41.4%. If the Offer proceeds and only the Minimum Raise is achieved, this would alter Investore's forecast level of gearing to 46.8%. For a sensitivity analysis of the key investment metrics under the Minimum Raise, refer to the Offer Register. If the Minimum Raise of \$150 million the FY18 Implied Cash Dividend Yield will increase from 5.1% – 5.3% to 5.4% - 5.7% and increase the implied gross dividend yield from 7.6% - 8.0% to 8.0% - 8.4%.

Capitalisation table

The figures below are based on the PFI Case raise and the Minimum Raise size, and are calculated based on the number of Shares that would be issued at each end of the Indicative Price Range, unless stated otherwise below.

		Percentage of ownership
Number of new Offer Shares being offered under the Offer ⁽¹⁾	100.7m - 135.0m	42.2% - 49.5%
Number of Shares being distributed to Stride shareholders	91.1m	33.4% - 38.2%
Number of Shares held by Stride after the Offer ⁽²⁾	47.4m - 54.3m	19.9%
Total number of Shares following completion of the Offer ⁽³⁾	238.3m - 272.6m	100%
Total Offer size (gross proceeds of the Offer)	\$150.0m - \$185.0m	
Implied market capitalisation ⁽⁴⁾	\$338.5m - \$390.0m	
Implied enterprise value ⁽⁵⁾	\$633.0m - \$650.0m	

Notes:

- (1) This includes up to 7.8 million Offer Shares that Stride would subscribe for in order to maintain its 19.9% stake in Investore under the PFI Case.
- (2) Stride's minimum holding in Investore of 47.4 million Shares is a combination of 46.5 million Shares retained and 0.9 million Shares acquired under the Offer, giving Stride a cornerstone shareholding of 19.9% based on the Minimum Raise. Stride intends to subscribe for up to an additional 7.8 million Offer Shares if the PFI Case is met in order to maintain this cornerstone stake of 19.9% in Investore.
- (3) The total number of Shares following completion of the Offer is based on the addition of the Shares above and is adjusted to include the assumed number of new Offer Shares to be issued (inclusive of Stride's participation per note 1 above). Under the PFI Case raise (\$185 million) the number of Shares on issue following completion of the Offer would be in the range of 261.8 million to 272.6 million.
- (4) Implied market capitalisation is the value of all of Investore's equity securities, as implied by the price of the ordinary Shares being offered. It tells you what Investore is proposing that Investore's equity is worth.
- (5) Implied enterprise value is a measure of the total value of the business of Investore, as implied by the price of the Offer Shares being offered. Implied enterprise value is the amount that a person would need to pay to acquire all of Investore's equity securities and to settle all of Investore's borrowings. It is a measure of what Investore is proposing the business of Investore as a whole is worth. The implied enterprise value range is calculated as the implied market capitalisation adding total debt and subtracting cash as at completion of the Tranche 2 Assets in September 2016.

7.7 A summary of how Investore generates revenue and profits

Investore owns a portfolio of Large Format Retail properties that are leased to significant national retailers.

The Investore Portfolio is:

- Diversified over 39 assets (upon SCA Portfolio Acquisition);
- Geographically spread throughout New Zealand in major urban areas of Auckland, Hamilton, Wellington and Christchurch;
- Exposed to non-discretionary retail sector – approximately 84% of Contract Rental is generated by the owners of GDL; and
- Long dated leases – WALT of 14.8 years as at 30 April 2016, with the next lease expiry not due to occur until late 2017.

All these factors significantly contribute to the stable, secure and long-term rental income.

The two largest expenses in Investore will be:

- Interest expense which Investore will manage through its hedging policy used to manage the risk of volatility in interest rate movements; and
- REIM fees.

Investore is expected to generate Distributable Profit of \$20.4 million in FY18. A sensitivity analysis of the impact of movement in key PFI assumptions on Distributable Profit is included in the Offer Register in the document entitled "*Investore's Prospective Financial Information, Reconciliations and other selected financial information*".

7.8 Summary of PFI principal assumptions

The PFI presented in the selected financial information table in Section 7.6 has been based on the principal assumptions described below. These principal assumptions are described in more detail in the Investore prospective financial statements and assumptions underlying financial information, a copy of which is available on the Offer Register under Investore's offer number (OFR10625) in the document entitled "*Investore's Prospective Financial Information, Reconciliations and other selected financial information*".

Principal specific assumptions

- (a) The Existing Assets and SCA Acquisition timing as outlined in Section 7.5 above.
- (b) No further acquisitions have been assumed.
- (c) The PFI assumes the Maximum Raise of \$185 million and no further acquisitions. As a result, LVR averages approximately 42% throughout the PFI period which is less than Investore's target LVR of approximately 48%.
- (d) The target for a cash dividend to shareholders between 95% and 100% of Distributable Profit.
- (e) The fair value of investment properties has been based on independent valuations undertaken between 27 April 2016 and 23 May 2016 by independent registered valuers. The PFI makes no allowance for further revaluations of the investment properties.
- (f) Listed company costs has been estimated at \$214,000 annually.

- (g) The Offer will be completed in July 2016 and \$185 million of equity will be raised through this Offer, offset by equity raising costs of \$5.3 million.
- (h) The management of Investore and the Investore Portfolio will be undertaken pursuant to the Management Agreement entered into between Investore and SIML. Investore will have no employees.
- (i) Interest costs from bank loan will be hedged using interest rate swaps in accordance with the hedging policy.

7.9 Dividends

Immediately prior to the Demerger, Investore intends to declare a dividend of \$3.1 million to Stride in relation to any accumulated earnings in Investore.

The Board intends to pay dividends on a quarterly basis and anticipates that the dividend for the quarter ended 30 September 2016 will be payable in December 2016.

The dividends will be imputed to the extent possible. Refer to the dividend policy in Section 6.4 *Dividend policy*.

7.10 Offer Register

The following financial information is available on the Offer Register at www.business.govt.nz/disclose, offer number (OFR10625):

Historical financial information

- Historical financial information for FY16 (ended 31 March 2016) reflecting Investore's financial performance for six months between 1 October 2015 (incorporation date) and 31 March 2016 (note: Investore did not acquire the Antipodean Portfolio until November 2015 and so the FY16 financials only represent five months of actual operations);

Prospective financial information

- Forecasted financial information for FY17 and FY18;
- Principal assumptions on which the summary PFI in this Section 7 has been prepared;
- Principal assumptions on which the Pro-forma Statement of Financial Position as at 31 March 2016 in this Section 7 has been prepared;
- Principal assumptions on which the annualised 2HFY17 yield metrics in Section 1.9 and Section 7.6 have been prepared;

Reconciliations

- Reconciliation between information prepared in accordance with GAAP and annualised 2HFY17 yield metrics in Section 1.9 and Section 7.6;
- Reconciliation between information prepared in accordance with GAAP and Distributable Profit; and

Other

- Investigating Accountant's Limited Assurance Report on Prospective Financial Information.

7.11 **Pro-forma Statement of Financial Position as at 31 March 2016**

This Section contains a pro forma statement of financial position of Investore as at 31 March 2016 ("Pro-forma Statement of Financial Position").

The Pro-forma Statement of Financial Position has been prepared for illustrative purposes, to assist investors understand the financial position of Investore. By its nature, pro-forma financial information is illustrative only. Consequently, the Pro-forma Statement of Financial Position does not purport to reflect the actual financial position of Investore at the relevant time.

The Pro-forma Statement of Financial Position has been prepared by extracting Investore's statement of financial position from Investore's FY16 audited financial statements. The FY16 Investore financial statements have been audited by PricewaterhouseCoopers in accordance with New Zealand Auditing Standards and the audit opinion issued relating to those financial statements was unqualified.

The Pro-forma Statement of Financial Position has been prepared on the basis that the following transactions occurred on 31 March 2016:

- the transfer of six properties from Stride to Investore, together with a best estimate of the movement in other balances up to the date of the Demerger;
- conversion of intercompany advance due by Investore to Stride to share capital;
- repayment (in cash) of remaining intercompany advance following equity capitalisation;
- issuance of new shares arising from the Offer; and
- acquisition of the SCA Portfolio.

Unless otherwise noted, the Pro-forma Statement of Financial Position has been prepared in accordance with the recognition and measurement principles prescribed by financial reporting accounting standards, which comply with the recognition and measurement principles of the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. The accounting policies used in the preparation of the Pro-forma Statement of Financial Position are consistent with those set out in Investore's FY16 audited financial statements.

The financial information in this Section 7.11 is presented in an abbreviated form and does not contain all the disclosures that are usually provided in accordance with the Financial Reporting Act 2013.

The Pro-forma Statement of Financial Position has been prepared in order to give investors an indication of Investore's statement of financial position in the circumstances noted in the basis of preparation above, and does not state the actual financial position of Investore at the completion of the transactions.

Pro-forma Balance sheet

	Step 1		Step 2		Step 3		Step 4		
31 March 2016 \$'000	Statutory Balance sheet	Stride properties transferred	Balance Sheet Pre-Recap	Re- capitalisation and Demerger	Balance Sheet Post-Recap	Offer proceeds (net)	Balance Sheet Post-IPO	SCA Acquisition	Pro-forma Balance Sheet
Investment properties	287,000	87,182	374,182	-	374,182	-	374,182	267,400	641,582
Shareholder advance	(123,893)	(89,886)	(213,779)	213,779	-	-	-	-	-
Bank and other borrowings	(159,749)	(16)	(159,765)	(11,164)	(170,929)	179,734	8,806	(267,400)	(258,594)
Other net assets	(3,334)	2,696	(638)	-	(638)	-	(638)	-	(638)
Equity	24	(24)	-	202,615	202,615	179,734	382,350	-	382,350
LVR	56%		43%		45%		N/A		40%

Assumptions

As at 31 March 2016, Investore is a 100% subsidiary of Stride and owns the Antipodean Supermarkets Portfolio valued at \$287 million. The acquisition of these assets was originally funded by a bank loan of \$160 million and shareholder advance from Stride of \$127 million.

The following transactions will impact on the Investore statement of financial position during FY17 and have been applied to the FY16 statement of position, as described above:

Step 1: Transfers of six large format retail properties valued at \$87 million to Investore during April, May and June 2016, by way of shareholder advance, together with a best estimate of the movement in other balances up to the date of the Demerger.

Step 2: The settlement of the resultant intercompany balance of \$214 million by way of the following transactions:

- (i) \$134 million is capitalised into equity and Shares are distributed to Stride's shareholders;
- (ii) \$69 million is capitalised into equity and Shares are held by Stride; and
- (iii) the remaining intercompany balance of \$11 million is repaid in cash.

Step 3: Raising \$185 million of equity capital (\$180 million net of issuance costs).

Step 4: Acquisition of SCA Portfolio for \$267 million financed from Offer proceeds and new bank debt.

8. Risks to Investore's business and plans

8.1 Introduction

This section describes the circumstances that Investore and the Manager are aware of that exist or are likely to arise that significantly increase the risk to Investore's financial position, financial performance or stated plans.

The selection of risks has been based on an assessment of a combination of the probability of a risk occurring and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors and the Manager as at the date of this PDS. There is no guarantee or assurance that the importance of different risks will not change or that no other risks may emerge over time.

Where practicable, Investore and the Manager will seek to implement risk mitigation strategies to minimise the exposure to some of the risks outlined below, although there can be no assurance that such arrangements will fully protect Investore from such risks.

You should carefully consider these risks (together with the other information in this PDS and available on the Offer Register) before deciding to invest in the Offer Shares. This summary does not cover all of the risks of investing in the Shares.

The statement of risks in this section does not take account of the personal circumstances, financial position or investment requirements of any particular person. It is important, therefore, that before making any investment decision, you give consideration to the suitability of an investment in the Shares in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).

8.2 Risks

Description of Risk	Our assessment of nature and magnitude	Mitigation strategies
Exposure to significant tenant	<p>GDL is Investore's largest tenant constituting approximately 84% of Investore's Contract Rental as at 30 April 2016. If GDL's performance materially decreases, this could affect Investore. If GDL fails to meet its lease obligations, this could materially affect Investore. Given the contemporaneous expiry of a number of leases with GDL, GDL could have significant influence over the terms of concurrent lease renewals.</p> <p>Information is not available to Investore to verify the financial strength of GDL.</p>	<p>Investore will attempt to manage this risk in the following manner:</p> <ul style="list-style-type: none"> actively managing the expiry of its leases so that these are extended or spread out over a period of time; maintaining the long term relationship it has with GDL and other key tenants, including through working with them to deliver a service and premises that meets their business needs; and considering opportunities to add new tenants, particularly where new properties are available for acquisition.
Our assesment of likelihood of circumstance arising:		Low
Our assessment of impact:		Severe

Description of Risk	Our assessment of nature and magnitude	Mitigation strategies
Single class of property exposes Investore to downturn in Large Format Retail property sector	Investore's performance is directly linked to the demand for, and supply of, Large Format Retail property in New Zealand. A drop in demand or increase in supply, competition from other property vehicles, and overall economic conditions could adversely affect Investore. Investore may not be able to sell its Large Format Retail properties due to adverse market conditions. Investore is constitutionally restricted to carrying out the Permitted Business Activities without the agreement of the Manager, so any change in strategy would require approval to the change by the Manager or in Investore's Constitution (75% of Shares entitled to vote and voting).	<p>A downturn in Large Format Retail property in New Zealand is largely outside of Investore's control. However, Investore will attempt to manage this risk in the following manner:</p> <ul style="list-style-type: none"> • working with its existing tenants to retain them as tenants; and • attracting new long-term tenants.
Our assesment of likelihood of circumstance arising:		Medium
Our assessment of impact:		Moderate to Severe
Re-leasing risk on maturity and related impact on valuation or sale	There is a risk that Investore may not be able to negotiate suitable renewals, maintain existing lease terms or replace outgoing tenants, particularly Anchor Tenants. Investore could also incur additional costs associated with re-leasing, including vacancy. Although there are a low number of lease expiries prior to 2020, a number of leases expire on the same date after this time. Refer to the table in Section 2.3 <i>Investore Portfolio lease expiry profile by Contract Rental</i> .	Investore will attempt to manage this risk by ensuring that the expiry terms of its leases are spread out over a period of time where desirable. This may involve renegotiating existing leases in advance of maturity.
Our assesment of likelihood of circumstance arising:		Low to Medium
Our assessment of impact:		Low to Severe

Description of Risk	Our assessment of nature and magnitude	Mitigation strategies
Increase in interest rates adversely affecting the financial performance	<p>Investore has long term targeted leverage of approximately 48%. In the event of an increase in interest rates Investore's interest costs will increase and could adversely impact Investore's ability to pay dividends or result in Investore breaching its financial covenants under its banking facilities, thereby impacting its continued or future access to debt funding.</p> <p>Interest costs are Investore's most significant expected expense. In addition, in that scenario potential investors in Investore may seek to invest in alternative instruments such as debt or bonds. A reduction in demand for Investore shares could reduce the price at which shareholders were able to sell Investore shares. For further information, see Section 2.2 under <i>Capital management</i> and the sensitivity analysis of the effect of movement in interest rates on Distributable Profit per Share on the Offer Register in the document entitled "<i>Investore's Prospective Financial Information, Reconciliations and other selected financial information</i>".</p>	<p>Investore will attempt to manage this risk by implementing capital management strategies, including a hedging policy to mitigate the risk of volatility in Investore's Distributable Profit due to changes in interest rates.</p>
Our assesment of likelihood of circumstance arising:		Medium to High
Our assessment of impact:		Moderate
Continued access to debt on commercially acceptable terms	<p>Investore's ability to raise funds from sources of debt on favourable terms is dependent on a number of factors including the:</p> <ul style="list-style-type: none"> • general economic climate; • state of debt markets; and • performance and reputation of Investore. <p>Changes to any of these factors could lead to increased cost of funding or limited access to capital for Investore. Investore's relative high leverage for a listed property company makes it more exposed to uncertainty in the debt markets.</p>	<p>Investore will attempt to manage this risk in the following manner:</p> <ul style="list-style-type: none"> • investigating extensions to its existing hedging policy; • diversification of its banking syndicate, and the ability to increase the size of the syndicate. Investore's banking syndicate includes four banks, which mitigates the risk of a single bank being unable to provide facilities; • ensuring that not all its bank debt matures at the same time. Investore's facilities are separated into three tranches to vary debt maturities;

Description of Risk	Our assessment of nature and magnitude	Mitigation strategies
<p>Continued access to debt on commercially acceptable terms Cont.</p>		<ul style="list-style-type: none"> • engaging with its banking syndicate to provide early extensions of debt maturities; • maintaining its leverage at a level consistent with the investment strategy; • negotiating lending terms which allow an acceptable level of tolerance; and • actively consider the use of long-term debt instruments or other capital funding including secured bonds.
Our assesment of likelihood of circumstance arising:	Low	
Our assessment of impact:	Moderate to Severe	
<p>Impact of revaluation of properties on compliance with banking covenants</p>	<p>The valuations ascribed to each property will be influenced on an ongoing basis by a number of factors. If any of these factors change, property values may fall. This could have a significant negative impact on Investore's financing arrangements.</p>	<p>LVR covenants are set at 65% for an event of default, compared with Investore's long term target LVR ratio of approximately 48%, providing headroom. With an average property value in the Investore Portfolio of approximately \$16 million as at 30 April 2016, Investore has marketable parcels of property that can be sold. If Investore's LVR exceeds 65%, its facility agreement contains rights to resolve an LVR breach, by way of asset disposals or equity raise, depending on the timeframe for curing the LVR breach, to occur within 40 working days of the identified breach.</p> <p>Investore will further attempt to manage this risk by negotiating flexibility in the terms of its banking covenants.</p> <p>Investore could consider asset sales or equity capital raisings to ensure compliance with its banking arrangements.</p>
Our assesment of likelihood of circumstance arising:	Low to Medium	
Our assessment of impact:	Moderate to Severe	

Description of Risk	Our assessment of nature and magnitude	Mitigation strategies
Performance of external manager	<p>Investore is reliant on the management of SIML and the expertise and experience of SIML's senior management team. If SIML does not perform under the terms of the Management Agreement, this could have an impact on the performance of Investore. From time to time the Manager may have to make decisions regarding the allocation of opportunities that are consistent with SIML's Conflicts Policy but which do not necessarily prefer Investore. There is a risk that Investore will lose out on opportunities due to this overlap in the mandate of the Manager under different management agreements.</p>	<p>SIML and its related company Stride derive a significant economic interest from the Management Agreement and the 19.9% cornerstone shareholding in Investore. SIML will be incentivised through the performance fee to comply with its performance obligations under the Management Agreement. The Board will oversee the management of the Management Agreement to ensure that SIML provides the services contemplated by the Management Agreement.</p> <p>The Management Agreement can be terminated for material non-performance as described in Section 2.8. However, this would require a special resolution of Investore shareholders (75% of shares entitled to vote and voting, excluding SIML and any Associated Person of SIML for the purposes of the NZX Listing Rules).</p> <p>The Manager has the Conflicts Policy under which asset allocation and leasing opportunities are transparently resolved. For further information, see Section 2.10 under <i>Conflicts Policy</i>.</p>
Our assesment of likelihood of circumstance arising:	Low	
Our assessment of impact:	Moderate	

9. Tax

9.1 Taxation

Tax can have significant consequences for investments and can affect your return from the Offer Shares. If you have any queries relating to the tax consequences of investing in the Offer Shares, you should obtain professional advice on those consequences.

Investore will be a listed PIE

Investore will register to be a listed PIE, for New Zealand taxation purposes. As a listed PIE, tax will be payable by Investore on its assessable income at the prevailing company taxation rate (28% at the time of printing of this PDS). Investore will monitor its PIE tax status, but will not impose any transfer restrictions on the Shares in order to preserve its PIE tax status.

Distributions from Investore

When Investore becomes a listed PIE, the New Zealand taxation treatment of any distributions made to investors, including dividends, from Investore will depend on the type of distribution and type of investor.

- An investor who is a New Zealand tax resident individual (or trustee) does not need to include any distribution from Investore in their tax return. However, there may be situations where an investor may wish to treat a distribution (or part thereof) as taxable.
- An investor who is a New Zealand tax resident company may need to treat distributions (or part of distributions) from Investore as taxable, in some circumstances.
- An investor who is not a New Zealand tax resident may be subject to New Zealand withholding tax on distributions from Investore. This withholding tax liability may be reduced or removed if Investore is able to pay a supplementary dividend under the Supplementary Dividend regime.

As investors' personal circumstances will differ, you should seek professional taxation advice on the taxation treatment of distributions from Investore.

Sale of Offer Shares

Proceeds from the sale of Offer Shares will be taxable if the Shares were acquired with the dominant purpose (or intention) of resale, or if you are in the business of buying and selling shares. Other rules could also apply to tax any sales proceeds.

You should seek professional taxation advice on the sale, or other disposal, of the Offer Shares.

Further information on the tax consequences of investing in equity securities generally can be found on the Offer Register.

10. Where you can find more information

10.1 Offer Register

Further information relating to Investore and the Shares is available on the Offer Register, including copies of:

- Investore's constitution;
- the Notice of Meeting;
- the Management Agreement;
- the Deed of Indemnity;
- the Conflicts Policy;
- the information referred to in Section 5.5; and
- the financial information, assumptions and reconciliations referred to in Section 7.11.

You can also find out more information about:

- the Offer Management Agreement in the document entitled "*Offer Management Agreement - Summary*". The Offer Management Agreement is an agreement between Investore, Stride and the Lead Manager that sets out the terms on which the Lead Manager will manage the Offer process;
- a worked example, for illustrative purposes only, of the performance fee payable to the Manager under the Management Agreement; and
- tax consequences of investing in equity securities.

The Offer Register can be accessed at www.business.govt.nz/disclose, offer number (OFR10625).

A copy of the information on the Offer Register is available on request to the Registrar (email: registrar@fspr.govt.nz).

10.2 Companies Office

Further information relating to Investore is also available on the public register at the Companies Office of the Ministry of Business, Innovation and Employment. This information can be accessed on the Companies Office website at www.business.govt.nz/companies.

10.3 NZX disclosures

Once Investore is listed, it will need to make half-yearly and annual announcements to NZX and such other announcements to comply with the continuous disclosure rules of the NZX Listing Rules (including as modified by any waivers, rulings or exemptions applicable to Investore or the Shares) from time to time.

You will be able to obtain all information provided to NZX in accordance with the NZX Listing Rules free of charge by searching under Investore's stock code "IPL" on the NZX website (www.nzx.com).

11. How to apply

11.1 Instructions

You should read this PDS and other available information (including the information on the Offer Register under offer number (OFR10625) carefully before applying for Offer Shares.

You can apply for Offer Shares as follows:

Broker Firm Offer:

Once you have received confirmation of a firm allocation from an NZX Firm, you can apply for Shares under the Broker Firm Offer by completing the Broker Firm Offer Application Form at the back of this PDS. The Broker Firm Offer Application Form must be completed in accordance with the instructions set out in this section and on the Broker Firm Offer Application Form itself. If you wish to apply under the Broker Firm Offer you should contact your NZX Firm if you require further instructions.

Stride Shareholder Offer:

If you are an Eligible Shareholder, you can apply for Shares by completing the personalised Stride Shareholder Offer Application Form accompanying this PDS or by completing the online application form at www.shareoffer.co.nz/investore by following the on screen instructions.

Institutional Offer:

Full details of how to participate, including bidding instructions, will be provided by the Lead Manager to invited participants in due course.

11.2 Privacy Policy

If you apply for Offer Shares, you will be asked to provide personal information to Investore, the Share Registrar and their respective agents who will collect and hold the personal information provided by you in connection with your Application. Your personal information will be used for:

- (a) considering, processing and corresponding with you about your Application;
 - (b) in connection with your holding of Shares, including sending you information concerning Investore, your Shares and other matters Investore considers may be of interest to you by virtue of your holding of Shares; and
 - (c) for conducting an audit or review of the activities contemplated above.
- To do these things, Investore or the Share Registrar may disclose your personal information to:
- (d) each other;
 - (e) their respective related companies; and
 - (f) agents, contractors or third party service providers to whom they outsource services such as website, mailing and registry functions. However, all of these parties will be bound by the same privacy policies as Investore and the Share Registrar.

In addition, if you elect to pay by one-time direct debit, the Share Registrar will communicate with your nominated bank (including providing your personal information) for the purposes of processing your payment. Failure to provide the required personal information may mean that your Application Form is not able to be processed efficiently, if at all.

Where Investore and the Share Registrar hold personal information about you in such a way that it can be readily retrieved, you have a right to obtain from Investore and the Share Registrar confirmation of whether or not they hold such personal information, and to access and seek correction of that personal information under the Privacy Act 1993 by contacting the privacy officers of Investore and the Share Registrar at their respective addresses shown in Section 12 *Contact information*.

You can also access your information on the Share Registrar's website www.investorcentre.com/nz (you will be required to enter your CSN and Authorisation Code (FIN) to register).

12. Contact information

Investore Property Limited

Investore Property Limited
Level 12
34 Shortland Street
Auckland 1010
Phone: +64 (9) 912 2690

Stride Property Limited

Stride Property Limited
Level 12
34 Shortland Street
Auckland 1010
Phone: +64 (9) 912 2690

New Zealand legal advisers

Bell Gully
Level 21, Vero Centre
48 Shortland Street
Auckland 1010
Phone: +64 (9) 916 8800

Auditor

PricewaterhouseCoopers
PricewaterhouseCoopers Tower
188 Quay Street
Auckland 1010
Phone: +64 (9) 355 8000

Investigating accountant

PricewaterhouseCoopers
PricewaterhouseCoopers Tower
188 Quay Street
Auckland 1010
Phone: +64 (9) 355 8000

Sole Bookrunner and Arranger, Lead Manager

*Goldman Sachs
New Zealand Limited*
Level 39, Vero Centre
48 Shortland Street
Auckland 1010
Phone: +64 (9) 362 7300

Retail Distributor of the Lead Manager

JBWere (NZ) Pty Limited
Level 38, Vero Centre
48 Shortland Street
Auckland 1010
Phone: 0800 555 555

Co-Managers

Deutsche Craigs Limited
Level 36, Vero Centre
48 Shortland Street
Auckland 1010
Phone: +64 (9) 919 7400

Forsyth Barr Limited
Level 23 Lumley Centre
88 Shortland Street
Auckland 1010
Phone: 0800 367 227

Share Registrar

*Computershare Investor
Services Limited*
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
Phone: +64 (9) 488 8777

13. Glossary

\$, or NZ\$	New Zealand dollars
Acquisition and Leasing Protocol	the protocol governing the acquisition of properties and potential tenants for leasing that forms part of SIML's Conflicts Policy
Allotment Date	the date that Offer Shares are issued, expected to be 11 July 2016
Anchor Tenant	the primary tenant in a property, typically occupying more than 90% of the net lettable area of the property (but in some instances may be as low as 50%)
Antipodean Supermarkets	Antipodean Supermarkets Limited and Antipodean Properties Limited, each as a vendor of properties to Investore
Antipodean Supermarkets Portfolio	the 19 properties comprising the Antipodean Supermarkets Portfolio acquired from Antipodean Supermarkets and held by Investore from November 2015
Antipodean Supermarkets Portfolio Acquisition	the acquisition of the Antipodean Supermarkets Portfolio
Applicant	a person who makes an application for Offer Shares under the Offer
Application	an application to subscribe for Offer Shares under the Offer, made on the Broker Firm Offer Application Form or the Stride Shareholder Offer Application Form (as applicable) and accompanied by the relevant Application Monies
Application Form	the Broker Firm Offer Application Form or the Stride Shareholder Offer Application Form, as the case may be
Application Monies	the amount payable on an Application
Associated Person	an "associated person" for the purposes of the NZX Listing Rules
Board or Board of Directors	the board of Directors of Investore
Bookbuild	the process used to assist Investore to set the Final Price, as described in Section 5.1 under <i>Price</i>
Broker Firm Offer Application Form	the application form to subscribe for Offer Shares under the Broker Firm Offer included in this PDS
Broker Firm Offer	the portion of the Offer that is open to New Zealand resident retail clients of NZX Firms who have received an allocation of Offer Shares from their NZX Firm as part of a Firm Allocation
Broker Firm Offer Opening Date	24 June 2016, unless varied by Investore
Business Day	a day on which the NZX Main Board is open for trading
Closing Date	5 July 2016, unless varied by Investore
Companies Act	the Companies Act 1993
Conflicts Policy	conflicts policy adopted by SIML which is intended to assist it in making decisions relating to Investore, Diversified or Stride
Constitution	the new constitution of Investore to be adopted at and with effect from completion of the Offer, as it may be amended from time to time
Contract Rental	the amount of rent payable by each tenant, plus other amounts payable to Investore by that tenant under the terms of the relevant lease as at 30 April 2016, annualised for the 12 month period on the basis of the occupancy level for the relevant property as at 30 April 2016, and assuming no default by the tenant
CPS	cents per share
CSN	common shareholder number
Demerger	the demerger of Investore from Stride, following which Investore will no longer be a wholly-owned subsidiary of Stride
Development Properties	any real property asset which is either under construction or is fully vacant and undergoing refurbishment work, in each case for which no certificate of practical completion has been issued in respect of such development or refurbishment work
Director	a director of Investore
Distributable Profit	distributable profit is a non-GAAP financial measure adopted by Investore to assist Investore and investors in assessing Investore's profit available for distribution. It is defined as net profit/(loss) before income tax adjusted for non-recurring and/or non-cash items (including non-recurring adjustments for incentives payable to Anchor Tenants for lease extensions) and current tax. Refer to the non-GAAP reconciliation table on the Offer Register
Diversified	Diversified NZ Property Trust, an Australian unit trust that is managed by SIML and which is to acquire the business and assets of Diversified NZ Property Fund Limited as a result of a restructuring that is subject to approval by the Overseas Investment Office. References to Diversified or its business also include a reference to Diversified NZ Property Fund Limited and its business
Diversified Management Agreement	the management agreement dated 29 April 2016 under which SIML manages Diversified and its property portfolio

EBITDA	earnings before interest, income tax, depreciation and amortisation
Eligible Stride Shareholder	a person who, at 5.00pm on 10 June 2016, was recorded in Stride's share register as being a registered holder of ordinary shares in Stride and having an address in New Zealand, unless that person holds ordinary shares in Stride on behalf of another person who resides outside New Zealand. For the avoidance of doubt, no US Person will be an Eligible Stride Shareholder
Existing Assets	25 properties owned by Investore, comprising the Stride Transferred Portfolio and the Antipodean Supermarkets Portfolio
FIN	shareholder unique authorisation code (New Zealand)
Final Price	the price per Share at which the Offer Shares will be sold under the Offer, to be determined on or around 23 June 2016
Firm Allocation	Offer Shares reserved for subscription by clients of the Lead Manager, NZX Firms and Institutional Investors as determined by Investore
FMC Act	the Financial Markets Conduct Act 2013
FMC Regulations	the Financial Markets Conduct Regulations 2014
FY	the financial year ended or ending 31 March of that year. For example, "FY15" means the financial year ended on 31 March 2015
GAAP	New Zealand generally accepted accounting practice
GDL	General Distributors Limited, a subsidiary of Progressive Enterprises Limited, which is an ultimate subsidiary of Woolworths Limited
Implied Cash Dividend Yield	implied cash dividend yield is the dividend per Share divided by the indicative price range
Indicative Price Range	\$1.37 - \$1.49
Initial Yield	the net contract rental of the property expressed as a percentage of the purchase price of the property
Institutional Investor	<p>an investor outside the United States to whom an offer or invitation in respect of securities can be made without the need for a product disclosure statement or similar disclosure document (or other formality, other than a formality which Investore are willing to comply with), including:</p> <ul style="list-style-type: none"> • in New Zealand, persons to whom an offer or invitation can be made without the need for a product disclosure statement under the FMC Act; and • Investors located in Australia who meet the requirements of section 708(8) and 708(11) of the Australian Corporations Act 2001 (Cth)
Institutional Offer	the offer of Offer Shares under this PDS to selected Institutional Investors in New Zealand, Australia and certain other overseas jurisdictions (excluding the United States and any persons who are, or are acting for the account or benefit of, US Persons) and to NZX Firms
Interest Coverage Ratio	represents EBIT cover of total interest and financing costs
Investore Portfolio	the total portfolio of 39 properties located in the main urban areas throughout New Zealand, representing the Existing Assets and 14 assets contracted to be in the SCA Portfolio
Large Format Retail	has the meaning given to such term on page 9
Lead Manager	Goldman Sachs New Zealand Limited
Lifecycle Cost	capital expenditure and planned maintenance costs
LVR	the ratio of bank debt owing by Investore to the aggregate value of the properties owned by Investore
Manager or SIML	Stride Investment Management Limited, including its management team
Management Agreement	the management agreement dated 10 June 2016, under which Investore has appointed SIML as the exclusive provider to Investore of ongoing management services
Minimum Raise	where \$150 million is raised under the Offer
Net Interest and Finance Expense	the aggregate of interest income offset against interest expense, bank fees and refinancing costs, excluding swap break expenses
Net Lease	a lease where the tenant is responsible for the property's operating expenses (rates, utilities and insurance), and the landlord is responsible for the maintenance of the building structure, building services and grounds maintenance)
Net Rental income	rental income less property operating expenses
Non-Discretionary Retail Sector	the retail sector relating to consumer staples, including food and convenience retailing such as supermarkets
Notice of Meeting	Stride's notice of meeting dated 10 June 2016 in relation to the Stride shareholder meeting to, amongst other things, approve certain amendments to Stride's constitution
NTA	net tangible assets, defined as the total assets of the company excluding intangible assets (such as goodwill) less total liabilities
NTA per Share	NTA per Share is calculated based on NTA at the start of the relevant financial period divided by the total shares on issue which are derived from the Indicative Price Range

NPAT	net profit after tax, determined in accordance with GAAP
NZX	NZX Limited
NZX Firm	any company, firm, organisation or corporation designated or approved as a Primary Market Participant (as defined in the NZX Listing Rules) from time to time by NZX
NZX Listed Peers	the companies represented on the NZX All Real Estate comprising Argosy Property Limited, Augusta Capital Limited, CDL Investments New Zealand Limited, Goodman Property Trust, Kiwi Property Group Limited, NPT Limited, Precinct Properties New Zealand Limited, Property for Industry Limited, Vital Healthcare Trust and Stride
NZX Listing Rules	the listing rules applying to the NZX Main Board in force from time to time
NZX Main Board	the main board equity security market operated by NZX
Offer or IPO	the offer of Offer Shares under this PDS
Offer Register	the online register maintained by the Companies Office and the Registrar of Financial Service Providers known as "Disclose" and accessible online at www.business.govt.nz/disclose (offer number (OFR10625))
Offer Shares	the Shares offered by Investore under the Offer
PDS	this product disclosure statement
Permitted Business Activities	the permitted business activities for Investore set out in the Constitution, being the sole purpose of acquiring, selling, owning, developing and leasing properties that are predominantly Large Format Retail properties, including acquiring or selling land or properties which can be developed or redeveloped into Large Format Retail properties and such other activities that are agreed with the Manager
PFI or Prospective Financial Information	prospective financial information
PFI Case	where \$185 million is raised under the Offer
PIE	a portfolio investment entity as defined in the Income Tax Act 2007
Pro-forma	refers to financial information being presented on a pro forma basis. An explanation of the use of pro-forma financial information is set out in Section 7 <i>Investore's financial information</i>
REIM	real estate investment management
Registrar	Registrar of Financial Service Providers (New Zealand)
SCA	Shopping Centres Australasia Property Group Trustee NZ Limited in its capacity as trustee for the Shopping Centres Australasia Property NZ Retail Trust
SCA Acquisition	the contracted acquisition of the SCA Portfolio
SCA Portfolio	the 14 Large Format Retail properties contracted to be acquired from SCA
Share	a fully paid ordinary share in Investore
Shareholder	a holder of one or more Shares
Share Registrar	Computershare
Stapled Group	Stride - SIML together, and only subsidiaries of Stride or SIML
Stride	Stride Property Limited
Stride Management Agreement	the management agreement dated 10 June 2016, under which SIML manages Stride and its property portfolio
Stride Shareholder Offer	consists of an offer of Offer Shares to Eligible Stride Shareholders under the PDS
Stride Shareholder Offer Application Form	the application form to subscribe for Offer Shares under the Stride Shareholder Offer included in this PDS
Stride Shareholder Offer Opening Date	20 June 2016, unless varied by Investore
Stride Transferred Portfolio	the six Large Format Retail properties comprising the properties transferred to Investore from Stride
Stride Transferred Portfolio Acquisition	the transfer of the Stride Transferred Portfolio to Investore
Takeovers Code	the Takeovers Code promulgated under the Takeovers Code Approval Order 2000
Tranche 1 Assets	six properties to be acquired by Investore under the SCA Acquisition which is expected to settle on 12 July 2016
Tranche 2 Assets	eight properties to be acquired by Investore under the SCA Acquisition which is expected to settle between 28 September 2016 and 22 December 2016
US Person	"U.S. Person" as defined in Rule 902(k) of the US Securities Act
US Securities Act	United States Securities Act of 1933, as amended
WALT	weighted average lease term

investore

Managed by Stride Investment Management Limited