

OYSTER[®]

LARGE FORMAT
RETAIL FUND



Product Disclosure Statement

OFFER OF UNITS IN THE OYSTER
LARGE FORMAT RETAIL FUND
ISSUED BY OYSTER MANAGEMENT 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. Oyster Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

dated: 29 March 2021



ALBANY
lifestyle centre

1. KEY INFORMATION SUMMARY

WHAT IS THIS?

This is an offer of Oyster Large Format Retail Fund Units. Your money will be pooled with other Investors' money and invested. Oyster Management Limited (Oyster) invests the money in assets such as Large Format Retail Properties, and takes fees. The assets and fees are described in this document. By investing in this scheme, you are relying on the investment decisions of Oyster and returns from the assets that the scheme invests in. There is a risk that you may lose some or all of the money you invest.

WHO MANAGES THIS SCHEME?

Oyster Management Limited manages the Oyster Large Format Retail Fund (Fund). Section 10 of this PDS includes further details of Oyster and others involved in the Fund.

WHAT ARE YOU INVESTING IN?

This is a managed investment scheme established to hold a Large Format Retail Property portfolio (Property Investments). Initially the Fund will be purchasing the Albany Lifestyle Centre, 260 Oteha Valley Road, Albany, Auckland (the Property). The Fund expects to utilise bank funding to assist with the purchase of the Property and future Property Investments.

The Fund intends to purchase further Property Investments once this initial Offer is closed. A new PDS will need to be issued in relation to issuing new Units for the funding of the purchase of further Property Investments.

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

The costs of establishing the Fund and acquiring the Property are:

Purchase price	\$87,500,000
Establishment costs	\$5,878,542
Working capital	\$2,621,458
Total costs	\$96,000,000

The costs of establishing the Fund and acquiring the Property will be funded by:

Subscriptions from Investors, the Oyster Underwrite or the Alvarium Underwrite	\$52,250,000 (up to \$46,800,000 from the Alvarium Underwrite and \$5,450,000 from the Oyster Underwrite)
Bank Loan	\$43,750,000
Total Funding	\$96,000,000

Investment Objectives

Commercial property is a long term investment. The investment objectives of the Fund are to

- Provide investors with a stable monthly income stream;
- Grow the Fund's investment portfolio by acquiring additional Large Format Retail Properties; and
- Increase the Net Asset Value of the Fund and as a consequence provide the potential for capital growth in the value of Investors' Units.

Investment Strategy

To achieve the Fund's investment objectives the investment strategy will focus on growth of the Fund's investment portfolio through the acquisition of further Large Format Retail Properties in New Zealand. Large format retail stores are stores which have a larger floor area than a smaller speciality retail store. The stores may be standalone or part of a bulk retail centre.

KEY TERMS OF THE OFFER

Managed Investment Product	Units in a managed investment scheme.
Offer Opening Date	7 April 2021
Offer Closing Date	30 April 2021 (this can be extended at the option of the Manager).
Total Units on Offer	52,250,000
Unit Price	\$1 per Unit, each parcel of 50,000 Units will cost \$50,000.
Issue of Units	Units will be issued on the Settlement Date, which is scheduled to be 30 April 2021.
Cash Distributions	Monthly in arrears, by the 10th of each month.
Liability to make further payments under the Offer	Investors are not required to make any further payments.
Minimum Subscription	The minimum amount that is required to be raised from subscriptions is \$52,250,000. This amount is fully underwritten.
Maximum Subscription	To ensure that the Fund maintains its PIE status no Investor may own over 20% of the Fund (unless the Investor is a PIE or is a certain other qualifying investor type).

HOW YOU CAN GET YOUR MONEY OUT

The Fund does not offer a buy back or redemption facility for the Units.

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

KEY DRIVERS OF RETURNS

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

Income

The Fund's primary source of income is rental income from its Property Investments. From this rental income the Fund is required to pay its operating expenses which include any unrecoverable operating costs of the Property Investments, fees, fund expenses and interest on the Bank Loan. The growth in rental income from the Property is currently underpinned by 88.5% of the leases (by rental) containing fixed or indexed rental increases.

Bank interest rates

The Fund's greatest expense is the payment of interest on the Bank Loan. A change in this will increase or decrease the amount of money available to distribute

to Investors. The Fund has an interest rate management strategy that considers the length of the remaining Bank Loan term and the WALT for the Property Investments when hedging interest rate risk.

Capital expenditure

The replacement of building services and structural building are not usually recoverable from tenants under their leases, these are a cost to the Fund. The working capital of the Fund is sufficient to fund the forecast capital expenditure for the Property for the period to 31 March 2023.

Value of the Property

The change in value of a Unit in the Fund is predominantly tied to the change in value of its Property Investments. The value of the Property Investments will be influenced by a number of factors, including the property market, changes in rental paid by the tenants and the remaining term of the leases.

Future acquisitions

The Fund intends to grow its Property Investments which will diversify the Property Investments and affect the Fund's net income and distributions payable to Investors. The Fund's investment strategy is detailed on page 8. The key strategies and plans in relation to the return from the Fund are detailed in Section 2 under the heading 5. Future Performance of the Fund on page 18.

OYSTER LARGE FORMAT RETAIL FUND'S FINANCIAL INFORMATION

Gearing and Interest Cover Ratios

	As at 30 April 2021 on acquisition of the Property and issue of the Units	As at 31 March 2022	As at 31 March 2023
Gearing Ratio	48.3%	47.4%	46.8%
Interest Cover Ratio	Not applicable	4.25 times	4.07 times

	Annualised Return for the eleven months ending 31 March 2022	For the Year ending 31 March 2023
Forecast pre-tax cash return	5.00%	5.00%

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

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

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

The selected prospective financial information included in this document has been derived from prospective financial information prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the Offer Register at www.disclose-register.companiesoffice.govt.nz. The prospective financial information has been subject to a limited assurance engagement by Ernst & Young Strategy and Transactions Limited, a copy of the Independent Limited Assurance Report is included on the Offer Register.

Valuation

An independent valuation of the Property has been obtained from Jones Lang LaSalle at \$88,000,000 plus GST (if any) as at 19 February 2021 in accordance with current Australia and New Zealand Valuation and Property Standards. The valuation, as set out in the Valuation Report was prepared using both the capitalisation of net income approach and a discounted cash flow approach ("Valuation Report"). The valuer has highlighted in their valuation report that due to the outbreak of COVID-19, there continues to be heightened uncertainty and unknown impact that COVID-19 may have on the real estate market in New Zealand. See page 19 for further details. A copy of the Valuation Report is available on the offer register at www.disclose-register.companiesoffice.govt.nz.

KEY RISKS OF THIS INVESTMENT

Investments in managed investment schemes are risky. You should consider whether the degree of uncertainty about the Fund's future performance and returns is suitable for you. The price of these Units should reflect the potential returns and the particular risks of these Units. Oyster considers that the most significant risk factors that could affect the value of the Units are:

Tenant and property concentration

Until further property acquisitions are made Investors are exposed to the risks and returns of one property with 12 tenants. The largest tenant is Mitre 10 (New Zealand) Limited at 41% of the gross rental. Part of the Property may be vacant for a period of time until a new tenant is found if a tenant defaults on its lease, or does not renew its lease on the expiry of the current term, if the Property suffers damage and is untenable, or is no longer sought after. During the period of vacancy the Fund will have reduced income to pay its expenses or pay distributions to Investors.

Interest Rates

The Fund's largest expense is the interest payable under the Bank Loan. An increase in interest rates could affect the Fund's ability to maintain a 5% per Unit per annum distribution rate. The impact on the rates of return of any increase in interest rates would be dependent on the extent of the movement in the rates.

This summary does not cover all of the risks. You should also read Section 7 of the PDS (Risks to Returns from Oyster Large Format Retail Fund) on page 43.

WHAT FEES WILL YOU PAY?

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

Establishment costs payable to Oyster	
Acquisition Fee	1,750,000
Brokerage Fee	1,045,000
Oyster Underwrite Fee	163,500
Deposit Fee	41,667
Legal Setup Costs – Oyster charge	25,000
Accountancy – internal	25,000
AML compliance Fee	10,000
Total establishment costs payable to Oyster	3,060,167

Establishment costs payable to others	
Alvarium Underwrite Fee	1,872,000
Marketing	350,000
Legal Setup Costs – external	321,510
Investigating Accountant	55,000
Property Due Diligence Reporting	19,000
Bank fee	90,625
Bank Legal	34,500
Asset Valuation	22,000
Plant & Machinery Valuation	16,800
Supervisor's fee	5,000
Supervisor's legal fee	5,000
Directors & Officers and Professional Indemnity Insurance	19,300
PDS Registration Cost	5,690
Insurance Valuation	1,950
Total establishment costs payable to others	2,818,375
Total establishment costs	5,878,542

The fees above do not include GST.

Ongoing fees and expenses (payable for the duration of the Fund)

Oyster and its associated persons' aggregate fees and expenses for the accounting periods to:	31 March 2022 will be \$3,592,682 plus GST which as a percentage of the net assets of the Fund is anticipated to be 7.4%
	31 March 2023 will be \$577,472 plus GST which as a percentage of the net assets of the Fund is anticipated to be 1.2%
Other persons' aggregate fees and expenses for the accounting periods to:	31 March 2022 will be \$4,019,056 plus GST which as a percentage of the net assets of the Fund is anticipated to be 8.3%
	31 March 2023 will be \$1,364,452 plus GST which as a percentage of the net assets of the Fund is anticipated to be 2.8%

Fees and expenses for the period ended 31 March 2022 include establishment costs.

HOW WILL YOUR INVESTMENT BE TAXED?

The Fund is a Portfolio Investment Entity (PIE). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR, go to the Inland Revenue Department's website www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. See Section 9 of this PDS (Tax) on page 56 for more information.



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LETTER TO INVESTORS

Dear Investor,

We are pleased to present you with the first capital raise for the Oyster Large Format Retail Fund. The Fund has been established as an open-ended unlisted property fund with the aim to grow through further acquisitions, a stable and diversified portfolio of Large Format Retail property.

The Fund's targeted investments will provide tenant and property diversification within the Large Format Retail sector, a strong performing, resilient, asset class. The Fund will have a particular focus on properties anchored by supermarkets, DIY/hardware and bulk retail stores. A key objective for the Fund will be to deliver a stable monthly income to investors whilst providing the potential for long-term capital gain.

The total returns generated by the Large Format Retail subsector in the last twelve months has outperformed all other commercial property asset classes. Total core retail spending has reached record highs in the past twelve months and a significant contributor has been DIY/hardware stores, recreational goods outlets, electrical and electronic good retailers and supermarkets with many of these operations able to trade through higher Covid-19 alert levels or provide click and collect services. Occupancy, specifically in the Large Format Retail sector, experienced little change over the course of 2020, with Auckland vacancy rates remaining at extremely low levels of 1% at the end of December 2020.*

With changing consumer habits and the growth of online retail, some secondary shopping locations and strip retail precincts have been impacted however Large Format Retail premises, both standalone and premises which offer a wider range of products and convenience, have retained high levels of consumer appeal.

The Fund will initially comprise the acquisition of the Albany Lifestyle Centre, located at 260 Oteha Valley Road, Albany, Auckland. The property is a high profile 1.8-hectare site with three road frontages which provides easy access to State Highway 1. The property is expected to have a weighted average lease term of 7.69 years (as at 30 April 2021) and provides a diversified tenant mix, anchored by a Mitre 10 MEGA (remaining lease term of 12 years), providing a total gross lettable area of 26,687m². In addition to Mitre 10, the property is leased to nine Large Format Retail tenants including new leases to Freedom Furniture and Dankse Møbler as well as two office tenants. Due to the strong investment fundamentals of the Large Format Retail asset class, the tenant mix of the initial property, specifically the anchor tenant Mitre 10, and the objective of growing the Fund and diversification through further acquisitions, we believe this offer will be highly sought-after by investors.

The Fund will be managed by Oyster Management Limited, a leading New Zealand commercial property fund manager. Oyster manages a range of retail, office and industrial assets throughout New Zealand, with a combined value in excess of \$1.9 billion.

This PDS contains important information about this offer. We encourage you to read the PDS carefully before making your investment decision.

*Source: Colliers. A copy of the Large Format Retail Market report is available on the Scheme Register at www.disclose-register.companiesoffice.govt.nz.

2. WHAT OYSTER LARGE FORMAT RETAIL FUND INVESTS IN

KEY FEATURES OF THE FUND

1. SIPO SUMMARY

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

- Large Format Retail Property and any leases/licences of Large Format Retail Property;
- cash deposits with registered New Zealand banks; and
- any other assets arising in connection with holding the Property Investments including prepayments, accounts receivables, interest rate swap agreements and insurance receivables.

Investment Objectives

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

- provide Investors with a stable monthly income stream;
- grow the Fund's investment portfolio by acquiring additional Large Format Retail Properties; and
- increase the Net Asset Value of the Fund and as a consequence provide the potential for capital growth in the value of Investors' Units.

Investment Strategy

The objectives and strategy will be implemented by Oyster through proactive management of the Fund and its Property Investments. Some of the key policies that will be used are:

- a. **Distributions:** It is the Fund's policy to distribute up to 100% of the Fund's Adjusted Operating Profit to Investors over the medium term. The Fund may pay less than 100% of the Adjusted Operating Profit when cash reserves are required to be built up for a future event, such as planned capital expenditure. Due to fluctuations in the Fund's income and expenses, it is possible that the Fund may pay more than 100% of Adjusted Operating Profit in a particular period, but this will only occur where it is commercially sustainable over the life of the Fund.

The Adjusted Operating Profit is calculated by adding to the Operating Profit certain one off and unpredictable costs, including acquisition fees, marketing costs in relation to raising investor capital, and performance fees.

- b. **Cash Reserves:** Where Oyster determines that the cash reserves exceed the amount required to fund future capital works or the purchase of property investments the surplus cash may be used to repay bank debt with any surplus distributed to Investors. Oyster will only pay distributions from the Fund's working capital where this is commercially sustainable over the life of the Fund.
- c. **Leverage:** The Manager has been authorised by the Trust Deed to direct the Supervisor to borrow and give guarantees for up to 55% of the aggregate value of the assets of the Fund. It is the policy of the Fund to limit borrowing to 50% of the aggregate value of the assets of the Fund.



d. Interest Rate Risk: Fixing interest rates on any bank borrowing reduces the risk profile of the Fund by providing certainty as to interest rate cost. The trade-off is that long term interest rates may be higher than floating or short term rates. The Manager will actively monitor interest rates and assess on a case by case basis whether it is in the interests of the Fund to fix interest rates and the appropriate term.

e. Valuation Policy: The Fund's property will be valued at least annually by a registered valuer. If there has been a significant event such as a major new leasing, or other material event, Oyster may commission a valuation of the property and the Net Asset Value of the Fund will be calculated based on management accounts as at that date.

f. Conflicts of Interests/Related Party Transactions: Oyster has adopted policies in relation to conflicts of interest and related party transactions. Each director and employee will act in the best interests of Investors in relation to any transaction between an Oyster Group fund and the Fund.

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

If the SIPO or investment strategy is to be updated, any proposed amendments will be made in consultation with the Supervisor. Investors will be advised of any change to the SIPO.

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

2. THE PROPERTY

– ALBANY LIFESTYLE CENTRE

Legal Description

The Albany Lifestyle Centre is located at 260 Oteha Valley Road, Albany, Auckland. The land is more particularly described as Lot 4 Deposited Plan 512977 comprised in record of title 791182 with a total land area of 1.8348 hectares.

Features of the Property

The Albany Lifestyle Centre is a well located bulk retail and office centre within the heart of Albany in Auckland. The property comprises a three-level large format retail centre with a mixture of 12 tenants including a Mitre 10 MEGA (Ground floor and accessed off Oteha Valley Road), large format retail (second floor) including Freedom Furniture, Danske Mobler, Bedpost (plus 6 others) and office (third floor) which is leased to EROAD and NZX.

Seismic Rating

The Albany Lifestyle Centre has been rated with a seismic strength of 100% of NBS by Stephen Mitchell Engineers Limited. A copy of the engineer's letter can be found on the Scheme Register at www.disclose-register.companiesoffice.govt.nz.

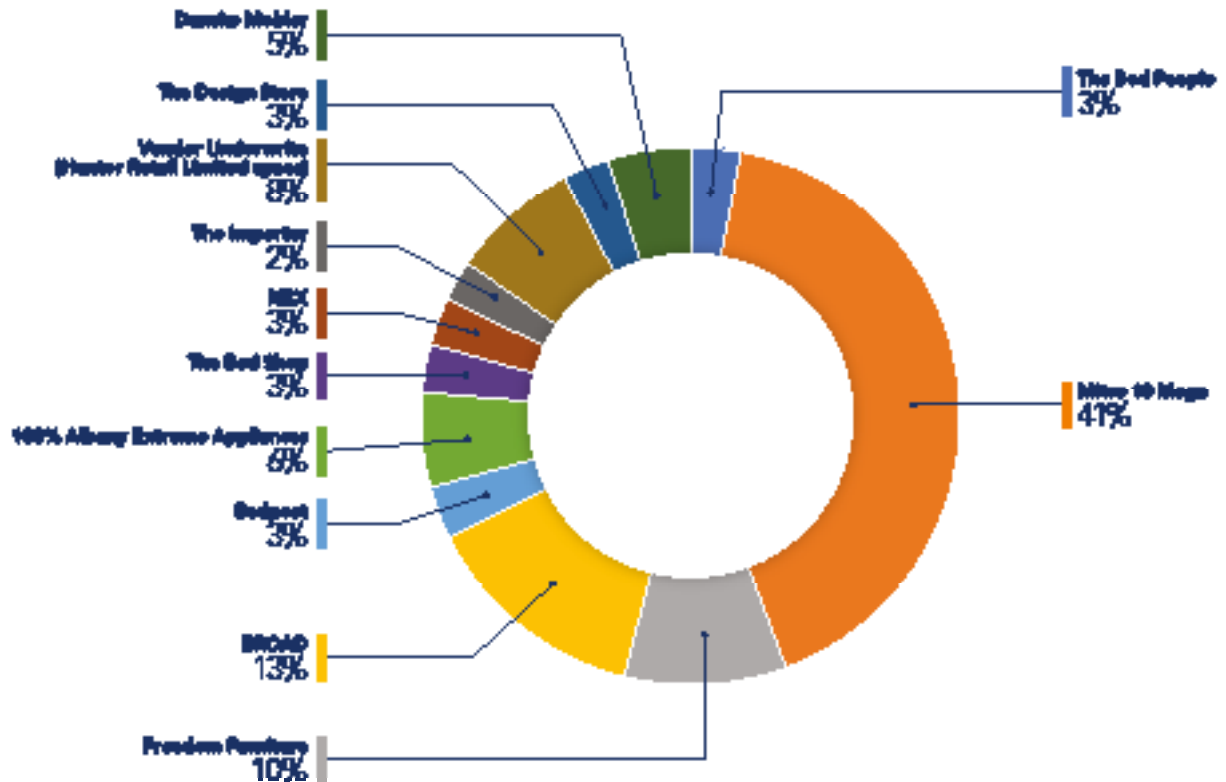


Leases

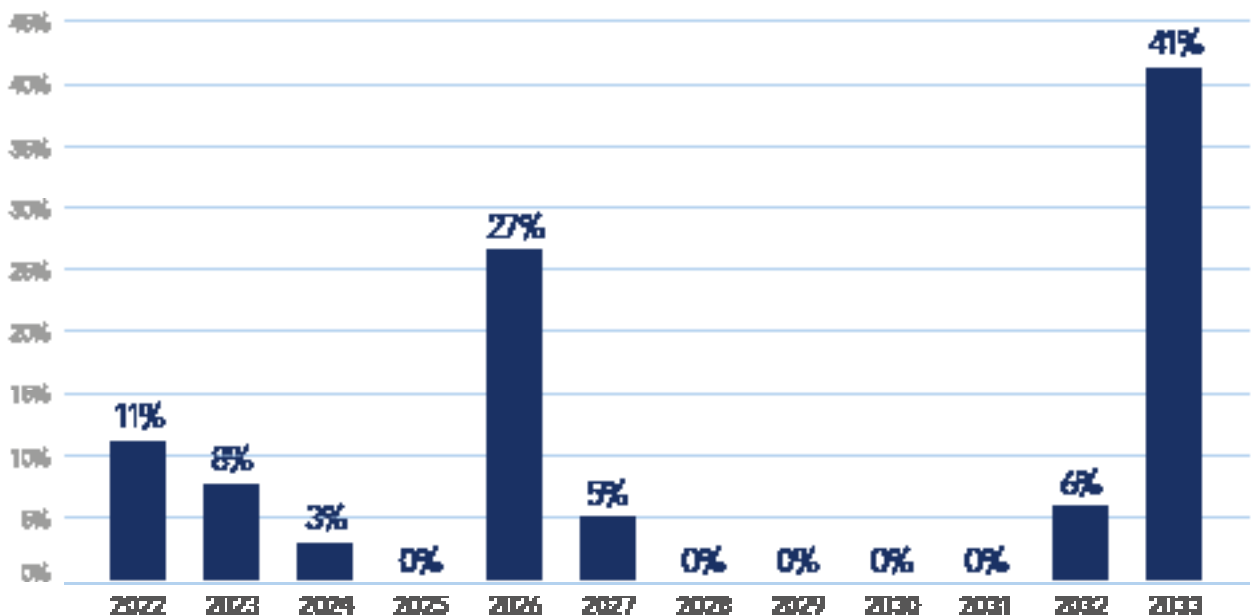
The Albany Lifestyle Centre is expected to have a Weighted Average Lease Term of 7.69 years (as at 30 April 2021). The property has a gross lettable area of 26,687 and is occupied by 12 tenants.

- Mitre 10 (New Zealand) Limited. The current 15 year term expires on 30 April 2033.
- Freedom Furniture New Zealand Limited. The current 17 years 6 months and 11 days term expires on 30 November 2026.
- EROAD Limited. The tenant has two leases, one has a current 9 year term that expires on 21 March 2028 and one with a current term of 7 years, 6 months and 10 day term that expires on 10 July 2022.
- Danske Mobler Limited. The current term of 6 years expires on 31 January 2027.
- PK Extreme Limited (trading as 100% Albany Extreme Appliances). The current 20 year term expires on 26 August 2032.
- Owenantonious Limited (trading as Bedpost). The current term of 6 years expires on 30 April 2022.
- The Furniture Store Limited (trading as the The Bed Shop). The current term of 9 years expires on 30 April 2024.
- Fergs Beds Silverdale Limited (trading as the Bed People). The current 9 year term expires on 11 January 2026.
- Importers NZ Limited (trading as The Design Store). The current 5 year term expires on 31 March 2026 with a break right at 1 April 2022.
- Hunter Retail Limited. The lease is a monthly tenancy, terminable on one months' notice by either party. This space is covered by a vendor rental underwrite for two years from settlement.
- The Importer Limited. The current term of 8 years expires 13 July 2022.
- NZX Limited. The current term of 6 years expires on 28 February 2026.

RENT PROFILE AS A % OF GROSS INCOME



LEASE EXPIRY PROFILE AS A PERCENTAGE OF GROSS INCOME





3. FUNDS MANAGEMENT

The Manager

Oyster has been appointed in the Trust Deed to manage and administer the Fund on behalf of Investors. Oyster will, on behalf of the Fund, carry out the day-to-day activities that are required for the Fund to operate. These duties include property and facilities management, managing monthly distributions, investor communications, administering creditors and debtors, review and purchase of Property Investments and compliance with relevant legislation and regulations.

Oyster is licensed to manage other managed investment funds; which are invested in property syndicates/real property proportionate ownership funds, and managed investment funds – managed funds; where the managed funds are invested solely in real property (listed and unlisted). Oyster manages a number of other schemes for investors as well as the Fund. Its duties as manager of other properties and schemes are separate to its duties as manager of this Fund. When it is acting as a manager of a scheme it has a duty to act in the best interests of the investors in that scheme.

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

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

See clauses 17.1 and 17.2 of the Trust Deed for full details. No fees (other than all management fees due to the manager up to the date the manager is removed pursuant to the Trust Deed) are payable to the manager on removal from office.



OYSTER MANAGEMENT STAFF

Key personnel involved in management of the Fund are:



Mark Schiele
– Chief Executive Officer

Mark is responsible for overseeing all of Oyster's operations and implementing Oyster's agreed strategy. Mark is a Director of Oyster.

Prior to his time with Oyster, Mark held various management positions with Challenge Properties, St Lukes Group, Richard Ellis and Westfield. In 1997, he joined Prime Retail Management Limited as General Manager and was appointed to the Board in 2001.

Mark completed a Bachelor of Property Administration degree at the University of Auckland in 1991.



Rachel Barr
– Chief Financial Officer

Rachel leads Oyster's Finance Team and is responsible for financial management and reporting, capital and cash flow management, and taxation compliance functions.

She has over 20 years' experience working in accounting and finance roles in both New Zealand and the UK. She worked for nine years at NZX-listed Goodman Property Trust where, during that time, Goodman grew from managing \$250M in property assets to managing over \$2 billion in property assets. In the UK, she gained fund management experience with Rockspring Property Investment Managers, working on various Pan-European property funds.

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



James Molloy
– Head of Transactions

James heads Oyster's asset sourcing team which includes the investment analysis, due diligence and negotiations for proposed property transactions. He matches capital with investment opportunities and manages Oyster's capital raising process for funds and syndicates.

Previous to his time with Oyster, James spent two years representing national retail brands such as Kathmandu, Warehouse Stationery, Noel Leeming Group and Bendon, where he provided strategic property advice to help optimise the performance of their businesses.

James was recognised with the New Zealand Property Council's GreensceneNZ Sheree Cooney Memorial Award – Young Achiever of the Year in 2017. He holds a Bachelor of Property degree from the University of Auckland and is a member of the Royal Institute of Chartered Surveyors.



Steven Harris
– General Manager Property

Steven joined Oyster in 2012 and is responsible for the strategic direction of Oyster's entire property portfolio. Steven provides consistent asset management processes, strategy and leadership to the entire property team.

Prior to his time with Oyster, Steven was a commercial property valuer at CBRE for six years which, combined with his more recent Oyster experience, enables him to offer expertise in what drives the value of commercial property.

Steven completed a Bachelor of Property at the University of Auckland in 2005, and is a member of the Property Institute of New Zealand.



Ian Hasell – General Counsel
and Company Secretary

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

Ian has over 20 years' experience providing in-house legal advice to corporates, including five years at Mitre 10 New Zealand as Associate Legal Counsel and Privacy Officer. Prior to that, Ian spent 14 years at DNZ Property Group, with the last six years as General Manager Corporate Services where he undertook a wide range of legal and compliance work ranging from prospectus preparation and registration, to compliance and governance processes.

Ian holds Bachelor of Laws and Bachelor of Arts degrees from the University of Canterbury and is a Member of the New Zealand Law Society and a past president of the Inhouse Lawyers Association of New Zealand.

Refer to Section 10 on page 58 of this PDS for more information on Oyster and others involved in the Fund.

4. PURPOSE OF THE OFFER

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

To ensure that the Fund will be able to purchase the Property on the Settlement Date, even if all the Units have not been subscribed for, the Fund has entered into:

- a) an underwrite agreement with Oyster pursuant to which Oyster has agreed to subscribe for any Units that have not been subscribed for up to a maximum of 5,450,000 Units (\$5,450,000). The underwrite fee is 3% of the underwritten amount; and
- b) an underwrite agreement with Alvarium Investments (NZ) Limited (Alvarium) pursuant to which Alvarium has agreed to subscribe for any Units that have not been subscribed for up to a maximum of 46,800,000 Units; (\$46,800,000) if Units remain unsubscribed after the full amount of the Oyster Underwrite has been called upon. The underwrite fee is 3% of the underwritten amount plus 1% of the amount drawn down. There is a penalty return payable on the amount of the underwrite drawn down of 9% p.a., payable by the Fund to Alvarium on any amount of the drawdown amount not repaid 5 months after the drawdown, calculated daily and paid monthly in arrears.

A minimum of \$52,250,000 is required to allow the Fund to purchase the Property and issue the Units. The total funding required to settle the Property and pay the Fund's establishment costs is \$96,000,000 which is made up as follows:

- \$52,250,000 of subscription monies received from Investors or the Oyster Underwrite or Alvarium Underwrite.
- \$43,750,000 from the Bank Loan.

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

If the Alvarium Underwrite is required to settle the Property, Oyster will, on behalf of Alvarium, re-sell any Units subscribed for under the Alvarium Underwrite. Once all of the Units subscribed for under the Alvarium Underwrite have been re-sold, Oyster will re-sell any Units subscribed for under the Oyster Underwrite.





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

Expenditure	\$	Description of expenditure
Purchase price	\$87,500,000	This is the key expenditure required to purchase the Property and to implement the investment strategy and purpose of the Fund.
Establishment costs	\$5,878,542	<p>The establishment costs include:</p> <ul style="list-style-type: none"> ■ Oyster's acquisition fees, brokerage, marketing fees, underwriting, investigating accountant fees, legal fees, supervisor fees, PDS registration fee, disbursements, and bank fees which are necessary to carry out the Offer, raise money and complete the acquisition of the Property in accordance with the SIPO. ■ Fees relating to due diligence on the Property which are to ensure that the Property meets the investment strategy and objectives of the Fund.
Working capital	\$2,621,458	Of this \$82,550 for the period ending 31 March 2022 and \$334,979 for the year ending 31 March 2023 is budgeted for general capital expenditure at the Property.
Total	\$96,000,000	

5. FUTURE PERFORMANCE OF THE FUND

The financial performance of the Fund is closely tied to the performance of its Property Investments. The Fund intends to grow its Property Investments through further property purchases. Initially the Fund will acquire the Albany Lifestyle Centre.

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

1. Rental income

The 12 tenants of the Property each make up a portion of the rental which diversifies the impact of an issue with any one of the tenants. The largest tenant is Mitre 10 (New Zealand) Limited at 41% of the gross rental. The majority of the rental income 88.5% is subject to fixed or indexed rental increases. These fixed rent reviews will provide a large degree of certainty of income to the Fund. As the Fund acquires further Property Investments its rental income will be spread over a larger group of tenants.

2. Bank Loan interest

This will be the largest expense for the Fund. Changes in interest rates charged on the Fund's Bank Loan can have a material impact on the Fund's operating expenses and the distributions paid from the Fund. Interest rate risk can be managed by fixing the interest rate for a period on all or part of a loan. Oyster will regularly review the Bank Loan and assess the benefits of fixing or floating interest rates, entering into short-term and long-term interest swap agreements, or a combination of these.

3. Property value

The Net Asset Value of the Fund is primarily influenced by the market value of the Property Investment. The market values will be influenced by factors such as the remaining lease term, changes in the rental income and market conditions.

Oyster will endeavour to maintain and improve the capital value of the Property Investment by measures such as:

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

4. Capital expenditure and operating expenses

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

6. NATURE OF RETURNS

The return on your investment is made up of two elements: the distributions from the Fund and the change in value of the Property Investments.

a. Income

The Fund's primary source of income is rental income from the Property Investment. The rental income from the tenants and the operating costs for running the Property Investment determine the Fund's income from its investments. The Fund will pay its expenses from its income. These include the bank interest and the fees paid to Oyster, the Supervisor and auditor. A full list of the fees paid by the Fund can be found in Section 8 on page 47 of this PDS. You will pay tax on your share of the profit of the Fund.

b. Capital Growth / Loss

The change in value of a Unit in the Fund is primarily tied to the change in value of the Property Investment. The value of the Property Investment will be influenced by a number of factors, such as the remaining lease term, changes in the rental income and market conditions. When the Property Investment is valued the valuation may change the asset value of the Fund. A market valuation of the Property Investment will be undertaken annually, usually as at 31 March each year. This change in value of the Property Investment may be reflected in the value of the Units you hold. Any change in value of a Unit will be realised when the Property Investments are sold or if you sell your Units.

7. ACQUISITION OF KEY PROPERTY

PROPERTY VALUATION

An independent valuation of the Property has been obtained from Jones Lang LaSalle at \$88,000,000 plus GST (if any) as at 19 February 2021 in accordance with current Australia and New Zealand Valuation and Property Standards. The valuation, as set out in the Valuation Report was prepared using both the capitalisation of net income approach and a discounted cash flow approach.

The COVID-19 pandemic and associated restrictions have had a significant impact on the global and local economies. The valuer, Jones Lang LaSalle, note that the valuation was based on their opinion of 'Market Value', incorporating an assumption of a willing buyer and seller, and with regards to the current market outlook. Given the circumstances of COVID-19, they had regard to a range of inputs and market evidence in coming to their opinion of Market Value adopted for the final valuation included in the prospective financial information. The valuer has highlighted in their valuation report that due to the outbreak of COVID-19, there continues to be heightened uncertainty and unknown impact that COVID-19 may have on the real estate market in New Zealand.

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

A copy of the Valuation Report may be found on the Offer Register at **www.disclose-register.companiesoffice.govt.nz**.

ALBANY LIFESTYLE CENTRE

This section of the PDS provides a summary of important information on the Property in relation to:

1. the Sale and Purchase Agreement;
2. the leases at the Property;
3. title to the Property and all interests registered on the title; and
4. the land information memorandum issued by Auckland Council.

Summary of the Sale and Purchase Agreement

Oyster Property Holdings Limited has entered into a Sale and Purchase Agreement with Argosy Property No.1 Limited to purchase the Albany Lifestyle Centre which sets out the terms to which the Custodian (as the nominated purchaser) will acquire the property.

In accordance with the Trust Deed, the Custodian will hold the Albany Lifestyle Centre on trust for the Investors in the Fund.

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

A copy of the Sale and Purchase Agreement can be found on the Scheme Register at www.disclose-register.companiesoffice.govt.nz.

Term	Commentary
Vendor	Argosy Property No.1 Limited
Purchaser	Oyster Property Holdings Limited (or nominee)
Purchase Price	\$87,500,000 plus GST (if any). A \$2,000,000 deposit, which constitutes part of the consideration payable, was paid upon the agreement becoming unconditional.
Settlement Date	30 April 2021
Conditions	The agreement has been declared unconditional.
Rental Underwrites	<p>The vendor has agreed to provide a rental underwrite for the first two years from the settlement date in relation to the Hunter Furniture tenancy.</p> <p>The vendor shall be entitled to grant (prior to settlement) or procure the purchaser to enter into (during the underwrite period) a lease in respect of any underwritten space with the approval of the purchaser. The purchaser may not unreasonably withhold its consent, where the terms of the lease meet the criteria specified in the agreement.</p> <p>The vendor will pay all incentives and costs of any alterations and additions to be undertaken by the lessor in relation to a new lease if entered into prior to settlement and will pay a portion of any incentives in respect of the underwritten space where the lease is entered into during the underwrite period.</p> <p>The vendor has also agreed to provide a rental underwrite for the first two years from the settlement date in relation to the Importers NZ Limited tenancy. If the tenant exercises its break right on 1 April 2022 the vendor will pay a gross rental of \$328,186 plus GST per annum to the Fund for the remainder of the period ending two years from settlement.</p>
Code Compliance Certificates	<p>Code compliance certificates have not been issued in respect of building consents BD-1249648.</p> <p>This building consent is for landlord's works in relation to creating the NZX and EROAD office tenancies. The vendor is pursuing the issue of the code of compliance certificate with Auckland Council.</p> <p>The vendor will use all reasonable endeavours to remedy the outstanding consent prior to settlement. If the consent remains outstanding at settlement, the vendor's solicitor will hold a retention sum \$35,000 (or such other sum as agreed between the parties) until such time as the outstanding consent has been remedied. If the consent has not been remedied within two years following settlement, the retention sum will be released to the purchaser.</p>

Summary of the Leases

Oyster is not aware of any tenants failing to meet any of their obligations under the leases of the Albany Lifestyle Centre.

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

Tenant	Mitre 10 (New Zealand) Limited (Mitre 10 MEGA Albany)
Area	13,725.8m ²
Current Rent	\$2,219,851 plus GST per annum.
Term	Fifteen years.
Commencement Date	1 May 2018
Current Term Expiry	30 April 2033
Rights of Renewal	One further term of nine years and one further term of six years. The next renewal date is 1 May 2033.
Final Expiry Date (if all renewals exercised)	30 April 2048
Future Rent Reviews	Market rent reviews on 1 May 2033 and 1 May 2042 (if renewed). CPI adjustments on each anniversary of the commencement date.
Rent Review Mechanism	Market and CPI (being the increase in CPI x 1.0022).
Guarantees	None
No Access Clause	Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months. The Lease provides for a fair proportion of the rent to be abated in the case of restricted access due to COVID-19.



Tenant	Freedom Furniture New Zealand Limited (Freedom Furniture)
Area	2,628.1m ² plus a pro-rata share of the shared facilities of 139.2m ²
Current Rent	\$655,000 plus GST per annum
Term	Seventeen years six months and eleven days.
Commencement Date	20 May 2009
Current Term Expiry	30 November 2026
Rights of Renewal	One further term of four years.
Final Expiry Date (if all renewals exercised)	30 November 2030
Future Rent Reviews	CPI adjusted on every anniversary of the commencement date. Market rent reviews on the renewal dates (if renewed).
Rent Review Mechanism	Market and CPI.
Guarantees	None
No Access Clause	None



Tenant	EROAD Limited (office tenant)
Area	1,689.5m ² and 120 allocated carparks (Monday to Friday)
Current Rent	\$649,623 plus GST per annum as at 22 March 2020.
Term	Nine years. The tenant has a break right on or after 22 March 2026 (with six months' notice).
Commencement Date	22 March 2019
Current Term Expiry	21 March 2028
Rights of Renewal	One further term of four years.
Final Expiry Date (if all renewals exercised)	21 March 2032
Future Rent Reviews	Market rent review on 22 March 2028 (if renewed). Fixed rent reviews on each anniversary of the commencement date, except on the renewal date.
Rent Review Mechanisms	Fixed increase of 3% and Market.
Guarantees	Bank guarantee of 12 months' rent and estimated outgoings inclusive of GST.
No Access Clause	Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months. The Lease provides for a fair proportion of the rent to be abated in the case of restricted access due to COVID-19.

Tenant	EROAD Limited (office tenant)
Area	520.9m ² and 10 allocated caparks
Current Rent	\$144,097 plus GST per annum as at 12 June 2020.
Term	Seven years, six months and ten days.
Commencement Date	1 January 2015
Current Term Expiry	10 July 2022
Rights of Renewal	Nil.
Final Expiry Date (if all renewals exercised)	10 July 2022
Future Rent Reviews	Fixed rent review on each anniversary of the commencement date.
Rent Review Mechanisms	Fixed increase of 3%
Guarantees	Bank guarantee of 12 months' rent and estimated outgoings inclusive of GST.
No Access Clause	Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months. The Lease provides for a fair proportion of the rent to be abated in the case of restricted access due to COVID-19.

Tenant	Danske Mobler Limited (Danske Møbler)		
Area	1,784.5m ² plus a pro-rata share of the shared facilities of 24.7m ²		
Rent	Period (all dates inclusive)	\$/m²	\$ per annum (plus GST)
	1 February 2021 to 31 January 2022	\$140	\$253,288
	1 February 2022 to 31 January 2023	\$150	\$271,380
	1 February 2023 to 31 January 2024	\$160	\$289,472
	1 February 2024 to 31 January 2025	\$170	\$307,564
	1 February 2025 to 31 January 2026	\$180	\$325,656
	1 February 2026 to 31 January 2027	\$200	\$361,840
Term	Six years.		
Commencement Date	1 February 2021		
Current Term Expiry	31 January 2027		
Rights of Renewal	Two rights to renew for a further six years each.		
Final Expiry Date (if all renewals exercised)	31 January 2039		
Future Rent Reviews	<p>Starting 1 February 2028 CPI review annually on each anniversary of the commencement date (but excluding the renewal dates).</p> <p>Market review on 1 February 2027 and 1 February 2033 (if renewed).</p>		
Rent Review Mechanism	Stepped rental to 31 January 2027 then market and CPI.		
Turnover Rent Percentage	5% of the turnover in excess of \$4,500,000 but less than \$5,500,000.		
Guarantees	None		
No Access Clause	<p>Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months.</p> <p>The Lease provides for a fair proportion of the rent to be abated in the case of restricted access due to COVID-19.</p>		

Tenant	PK Extreme Limited (100% Albany Extreme Appliances)
Area	1,164.0m ² plus a pro-rata share of the shared facilities of 61.6m ²
Current Rent	\$325,000 plus GST per annum as at August 2018.
Term	Twenty years.
Commencement Date	27 August 2012
Current Term Expiry	26 August 2032
Rights of Renewal	Nil.
Final Expiry Date (if all renewals exercised)	26 August 2032
Future Rent Review	Two yearly during the term.
Rent Review Mechanism	Market.
Guarantees	Personal guarantees from the tenant's directors, Paul Stewart Edwards and Peter Roger Hill.
No Access Clause	None

Tenant	Owenantonious Limited (Bedpost)
Area	536.0m ² plus a pro-rata share of the shared facilities of 92.5m ²
Current Rent	\$183,594
Term	Three years.
Commencement Date	1 May 2010
Current Term Expiry	30 April 2022
Rights of Renewal	One further term of three years.
Final Expiry Date (if all renewals exercised)	30 April 2025
Future Rent Reviews	CPI plus 1% adjustment on each anniversary of the commencement date. Market rent review on 1 May 2022, 1 May 2025 and 1 May 2028 (if renewed).
Rent Review Mechanism	Market and CPI.
Guarantees	Personal guarantees from the tenant's directors Christine Gerarda Maria Batty and Michael James Batty.
No Access Clause	None



Tenant	The Furniture Store Limited (The BedShop)
Area	499.4m ² plus a pro-rata share of the shared facilities of 26.4m ²
Current Rent	\$171,898 plus GST per annum.
Term	Nine years.
Commencement Date	1 May 2015
Current Term Expiry	30 April 2024
Rights of Renewal	Nil.
Final Expiry Date (if all renewals exercised)	30 April 2024
Future Rent Review	Fixed on each anniversary of the commencement date.
Rent Review Mechanism	Fixed rent increase of 3.5%.
Turnover Rent Percentage	10%. Lessee must pay turnover rent in addition to the base rent where turnover exceeds \$2,000,000 per year.
Guarantees	<p>Bank guarantee of \$40,900.00 and personal guarantees from the tenant's directors Leslie Robert Lovell and Malcolm Lyell Hancox.</p> <p>At each rent review date the lessee will provide a replacement bank guarantee so the total amount guaranteed is the same proportion to the new base rent as the initial bank guarantee sum.</p>
No Access Clause	<p>Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months.</p> <p>The Lease provides for a fair proportion of the rent to be abated in the case of restricted access due to COVID-19.</p>



Tenant	Fergs Beds Silverdale Limited (Bed People)
Area	500.1m ² plus a pro-rata share of the shared facilities of 114.9m ²
Current Rent	\$169,372 plus GST per annum.
Term	Nine years.
Commencement Date	12 January 2017
Current Term Expiry	11 January 2026
Rights of Renewal	Nil.
Final Expiry Date	11 January 2026
Future Rent Review	Fixed on each anniversary of the commencement date.
Rent Review Mechanism	Fixed increase of 3%.
Turnover Rent Percentage	10%
Guarantees	Personal guarantees from the tenant's directors Brett Ross Ferguson and Nicholas Jon Ferguson.
No Access Clause	<p>Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months.</p> <p>The Lease provides for a fair proportion of the rent to be abated in the case of restricted access due to COVID-19.</p>

Tenant	Importers NZ Limited (The Design Store)
Area	504.0m ² plus a pro-rata share of the shared facilities of 7.0m ²
Current Rent	\$161,667 plus GST per annum.
Term	Five years (the tenant has agreed to extend their lease from 1 April 2021).
Commencement Date	1 April 2017
Current Term Expiry	31 March 2026 (with a right to terminate the lease on 1 April 2022 with six month's notice).
Rights of Renewal	One right to renew the term for four years.
Final Expiry Date (if all renewals exercised)	31 March 2030
Rent Review	Fixed rent review on each anniversary of the commencement date. Market rent review on 1 April 2021 (if renewed).
Rent Review Mechanism	Fixed increase of 3% and Market.
Vendor Underwrite	This space is subject to an underwrite from the vendor (Argosy Property No.1 Limited). If the tenant exercises its break right on 1 April 2022 the vendor will pay a gross rental of \$328,186 plus GST per annum to the Fund for the remainder of the period ending two years from settlement.
Turnover Rent Percentage	10%
Guarantees	Bank guarantee of three months rental and operating expenses.
No Access Clause	<p>Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months.</p> <p>The lease provides for a rent abatement if the tenant is prevented from trading from the premises due to a Government decreed closure. During such closure, the tenant will be granted an 80% rebate of net rent. Operating expenses will remain payable as normal.</p>



Tenant	Hunter Retail Limited
Area	550.0m ²
Current Rent	\$151,250 plus GST.
Term	Monthly tenancy, terminable on one months' notice by either party.
Commencement Date	1 September 2020
Current Term Expiry	Monthly tenancy, terminable on one months' notice by either party.
Rights of Renewal	N/A
Final Expiry Date (if all renewals exercised)	Monthly tenancy, terminable on one months' notice by either party.
Initial Rent	\$151,250 plus GST
Future Rent Reviews	Fixed rent review on each anniversary of the commencement date.
Rent Review Mechanism	Fixed increase of 4%.
Vendor Underwrite	This space is subject to an underwrite from the vendor (Argosy Property No.1 Limited) for two years from settlement. The rent guarantee amount is a gross rental of \$519,181 plus GST per annum. The vendor and Oyster will work together to obtain a lease for this space, at which time the underwrite will terminate.
Guarantees	None
No Access Clause	Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months. The Lease provides for a fair proportion of the rent to be abated in the case of restricted access due to COVID-19.

Tenant	The Importer Limited (The Importer)
Area	432.5m ² plus a pro-rata share of the shared facilities of 26.4m ²
Current Rent	\$137,691 plus GST
Term	Eight years.
Current Term Expiry	13 July 2022
Rights of Renewal	One further term of six years.
Final Expiry Date (if all renewals exercised)	13 July 2028
Future Rent Reviews	Every second anniversary of the commencement date the rent is reviewed to the greater of the current market rent and the CPI adjusted rent.
Rent Review Mechanism	Market or CPI.
Guarantees	None
No Access Clause	Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months. The Lease provides for a fair proportion of the rent to be abated in the case of restricted access due to COVID-19.

Tenant	NZX Limited (office tenant)
Area	520.9m ² and 13 carparks
Current Rent	\$137,270 plus GST
Term	Six years.
Commencement Date	1 March 2014
Current Term Expiry	28 February 2026
Rights of Renewal	Nil remaining.
Final Expiry Date (if all renewals exercised)	28 February 2026
Future Rent Reviews	Fixed rent review on each anniversary of the commencement date.
Rent Review Mechanism	Fixed increase of 3%.
Guarantees	None
No Access Clause	<p>Either party may terminate the lease if the Tenant is unable to gain access to the premises for nine (9) consecutive months.</p> <p>The Lease provides for a fair proportion of the rent to be abated in the case of restricted access due to COVID-19.</p>



Summary of the Licences

Licensee	EROAD Limited
Area	30 car parks at Level 3, 260 Oteha Valley Road, Albany, Auckland.
Term	Licence continues on a monthly basis until terminated by either party by giving one month written notice to the other party.
Monthly Licence Fee	Single car park per week: \$20 (plus GST). Monthly total: \$2,600 (plus GST). The Monthly Licence Fee is payable in advance on the first day of each month.

Licensee	NZX Limited
Area	20 car parks at Level 3, 260 Oteha Valley Road, Albany, Auckland.
Term	Licence continues on a monthly basis until terminated by either party by giving one month written notice to the other party.
Monthly Licence Fee	Single car park per week: \$25 (plus GST). Monthly total: \$2,166.60 (plus GST). The Monthly Licence Fee is payable in advance on the first day of each month.



Oyster's view of the financial standing of the tenants

Oyster does not have access to all financial information related to the tenants. Oyster has carried out due diligence on the financial standing of the tenants and is satisfied with its findings. Such enquiries included searches of the Insolvency Register, and publicly available information. However, the Manager cannot comment with any certainty on the financial standing of any tenant and the impact any economic or market pressures may have.

Oyster is not aware of any of the tenants failing to meet any of their material obligations under their agreements in relation to the property.

Oyster has reviewed the financial standing of the three tenants who contribute 10% or more of the Fund's gross rental income:

- **Mitre 10 (New Zealand) Limited (Mitre 10):**
Mitre 10's shareholders are the owner operators of its retail stores. Mitre 10 operates a chain of hardware stores throughout New Zealand. The tenant's most recently filed financial statements are available on the New Zealand Companies Office website. Oyster has completed its due diligence on the tenant and is satisfied with its findings.
- **ERoad Limited:** EROAD is listed on the New Zealand Stock Exchange (NZX) under the stock symbol of ERD. They design and manufacture in-vehicle hardware, operate secure payment and merchant gateways and offer web-based value-added services. The tenant's most recently filed financial statements are available on the New Zealand Companies Office website. Oyster has completed its due diligence on the tenant and is satisfied with its findings.
- **Freedom Furniture New Zealand Limited:**
Freedom Furniture operates a chain of 14 furniture stores throughout New Zealand. The tenant's most recently filed financial statements are available on the New Zealand Companies Office website. Oyster has completed its due diligence on the tenant and is satisfied with its findings.

Title

The Albany Lifestyle Centre is located at 260 Oteha Valley Road, Albany, Auckland. The land is more particularly described as Lot 4 Deposited Plan 512977 comprised in record of title 791182 with a total land area of 1.8348 hectares.

- The title is subject to two land covenants in favour of surrounding properties prohibiting the Property, for all time, from being used as a fully integrated shopping centre, a department store, a discount store or a supermarket.
- The title is subject to a consent notice in favour of Auckland Council recording certain obligations on the owner of the Property relating to earthworks, retaining walls, building foundations and stormwater management in the case of redevelopment of the Property.
- The title is subject to an encroachment and easement agreement with Oteha Valley Holdings Limited, which generally relates to access links between the property and Oteha Valley Holdings Limited's land, and requirements associated with fire protection on the property and Oteha Valley Holdings Limited's land associated with the development.

Land Information Memorandum Report

The LIM report for 260 Oteha Valley Road, Albany dated 29 January 2020 obtained as part of Oyster's due diligence on Albany Lifestyle Centre indicates that:

- The Property is zoned as Business – Metropolitan Centre Zone.
- The code compliance certificate has not been issued for the building consent BD-1249648 in relation to the landlord's works which divided a tenancy in two.
- This sale and purchase agreement deals with this by requiring the vendor to use all reasonable endeavours to remedy the outstanding consent prior to settlement, and a retention sum to hold on settlement if there are outstanding consents which relate to landlord's works.

- The Property intersects with an overland flow path. Any proposed developments on the Property may require a flooding assessment to be provided by the applicant as part of the consenting process, and any potential impacts of the development on the overland flow path is to be avoided or mitigated as part of the development.
- There is a private wastewater line on the land. If the building is demolished, the license holder is responsible (if required by council) to remove the private wastewater line and associated manholes, and remediate the berm to the satisfaction of the Council.
- There is a private stormwater management system located on the Property. Maintenance of this system is the responsibility of the landowner.

Building Inspection Report

A building inspection report has been obtained from CBRE (A) Pty Limited. The report has identified that the carpark surfacing on the upper level will need replacement in three to four years time and that there are 2 air conditioning units that will need to be progressively replaced over the next four years. Part of the working capital raised under this Offer will be utilised to fund these works. A copy of the report can be found on the Scheme Register at www.disclose-register.companiesoffice.govt.nz.

8. BORROWINGS

The Fund is to enter into a Bank Loan to assist in the purchase of the Property. Under the Trust Deed the Fund may borrow up to 55% of the aggregate value of the Fund's assets. It is the policy of the Fund to limit borrowing to 50% of the aggregate value of the assets of the Fund. Further loans are expected to be entered into to fund any future Property Investments. The Bank Loan will be used as long term funding for the Fund. It is intended that this loan will be refinanced at the expiry of its term (if the term is not extended).

The terms of the Fund's bank loan are:

Description	Bank Loan
Bank	ASB Bank, ICBC and Kiwibank
Interest rate	Base rate (BKBM) plus a margin of 2.50%
Loan amount	\$43,750,000
Term	3 years from the date of drawdown. The borrower may apply to have the term extended by a year at each anniversary of the loan's commencement.
Personal guarantees	Nil
Principal payments	Interest only for the term with full clearance of the loan at the end of the term.

The financial covenants under the Bank Loan are:

Gearing ratio	Not to exceed 55% of the value of the Property and all other assets secured to ASB Bank.
Interest cover ratio	Earnings before interest and tax to be not less than 2 times interest expense.
WALT	WALT must be more than 3.0.

The Bank Loan is secured by a first ranking mortgage over the Property. There is also a general security deed over all the assets of the Fund and a specific security assignment over the leases and bank guarantees at the Property.

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

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

3. KEY DATES AND OFFER PROCESS

Opening Date	7 April 2021
Closing date	30 April 2021 (this can be extended at the option of the Manager)
Anticipated date of settlement of the Property	30 April 2021
Issue of Units	Units will be issued on the Settlement Date.

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

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

ALLOTING UNITS

The process for offering, marketing and allotting all Units will be the same. All Units will be offered at the same price and confer equal rights on the Investor in all respects including in respect of entitlements to income and capital belonging to the Fund and to voting at meetings of Investors.

The allotment process for Units is as follows:

- An Investor makes an application for Units in the Fund and deposits the subscription amount for those Units.
- Oyster receives the application form and the subscription amount is received in the subscription account designated in the application form.
- On the Settlement Date Oyster will cause and procure that the relevant Units are allotted to the relevant Investor.
- The relevant Investor(s) then become Investors for the purposes of the Fund.



4. TERMS OF OFFER

Managed Investment Product	Units in a managed investment scheme
Opening Date	7 April 2021
Closing Date	30 April 2021 (this can be extended at the option of the Manager)
Total Units on Offer	52,250,000
Underwrite	Alvarium is underwriting 46,800,000 Units Oyster is underwriting 5,450,000 Units.
Unit Price	\$1 per Unit, each parcel of 50,000 Units will cost \$50,000.
Issue of Units	The Units will be issued on the Settlement Date. Which is scheduled to be 30 April 2021.
Cash Distributions	Monthly in arrears, by the 10th of each month.
Minimum Subscription	The minimum amount that is required to be raised from subscriptions is \$52,250,000. This amount is fully underwritten.
Maximum Subscription	To ensure that the Fund maintains its PIE status no Investor may own 20% or more of the Fund (unless the Investor is a PIE or is a certain other qualifying investor type).
What are the returns?	<p>Forecast pre-tax cash returns of:</p> <ul style="list-style-type: none"> ■ 5.00% for the period ending 31 March 2022 (12 months annualised) ■ 5.00% for the period ending 31 March 2023 <p>These returns are not guaranteed. The actual distribution rates may vary.</p>

How can investments be made?

Applications for Units can only be made on the application form that is included in this PDS. Applications by Investors must be for a minimum subscription of \$50,000 and thereafter in multiples of \$50,000. Note that applications once made cannot be withdrawn.

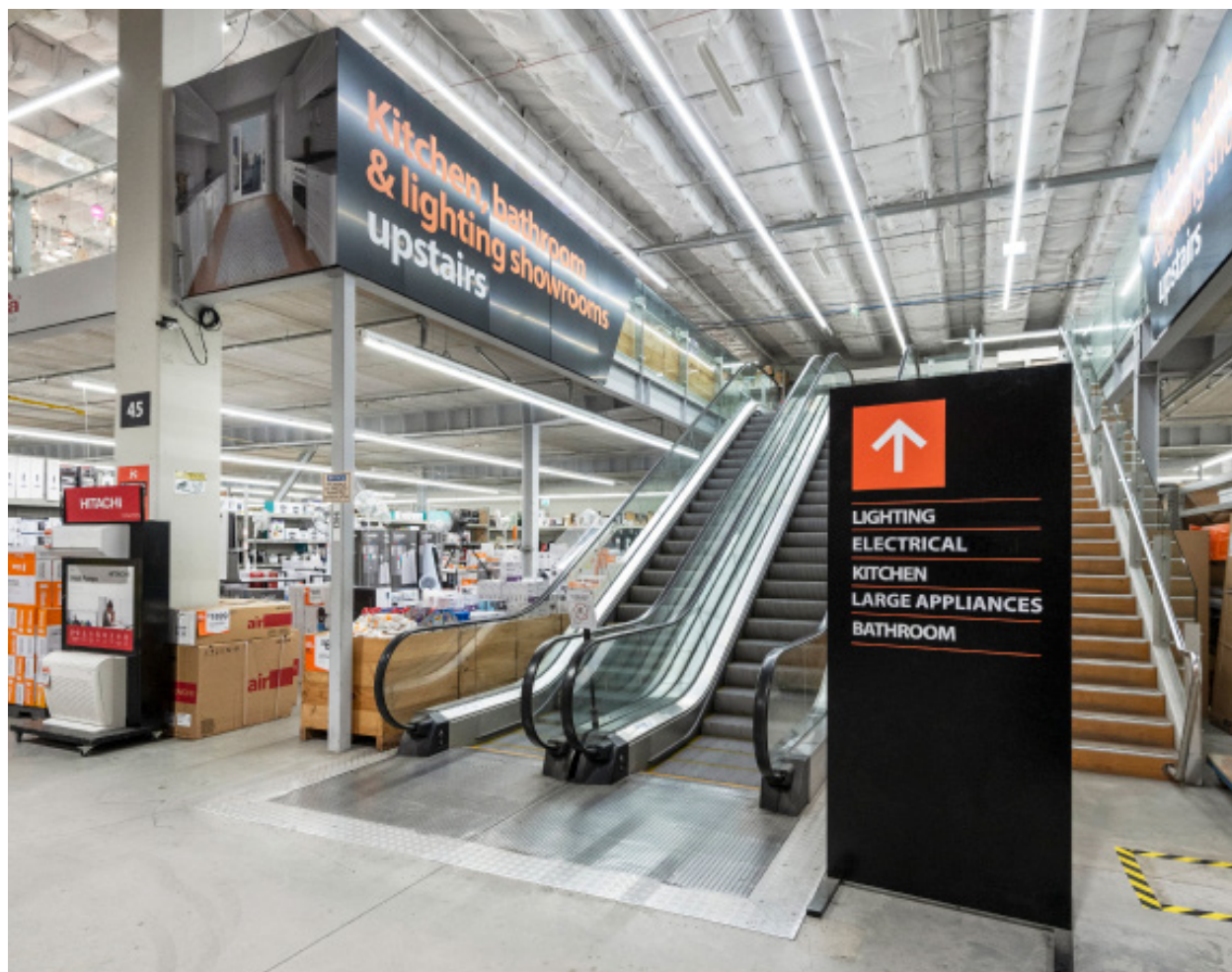
Applications must be accompanied by payment of the full subscription amount. Payment may be made by direct credit or cheque. Cheques must be drawn on a registered New Zealand bank.

How can I withdraw my investment from the Fund?

You may only withdraw from the Fund if:

- You sell your Units in the Fund.
- A resolution is passed to wind up the Fund and sell its Property Investments.

Once Units are issued Oyster will offer a secondary market facility under which it will facilitate the transfer of Units between Investors. The fee for using this facility is 2% of the sale price plus GST. Oyster has an established investor and prospective investor base however there may be circumstances where market conditions or the Fund's performance impacts the ability to sell your Units, therefore Oyster cannot guarantee that there will be a willing buyer for your Units or a willing buyer at an acceptable price for your Units. You may sell your Units to any person, so long as: you have paid all monies owing in relation to the Fund; you are not in breach of the terms of the Trust Deed; and the purchaser is approved by Oyster and satisfies Oyster's anti-money laundering requirements. You will be responsible for all costs in connection with the transfer.



DISTRIBUTIONS

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

Cash distributions are made at the discretion of Oyster from the Fund's Adjusted Operating Profit. It is the Fund's policy to distribute up to 100% of the Fund's Adjusted Operating Profit, targeting a 5% return per annum to Investors (see page 39 for details). The Fund may retain monies required for contingencies against

increases in the interest rates on any bank borrowing, or for any budgeted expenses of the Fund. Where working capital exceeds the amount required for budgeted expenditure of the Fund, the surplus working capital may be distributed to Investors.

Investors are scheduled to receive their first cash distribution on 10 June 2021 (based on the scheduled Settlement Date of 30 April 2021).

TRUST DEED

Further details on the key terms of the Fund and the Units can be found in the Trust Deed which can be found in the Scheme Register at www.disclose-register.companiesoffice.govt.nz.

5. HOW OYSTER LARGE FORMAT RETAIL FUND WORKS

The Fund is a unit trust that has been established to hold a Large Format Retail Property portfolio. Initially the Fund will be purchasing the Albany Lifestyle Centre, 260 Oteha Valley Road, Albany, Auckland. In the future it intends to purchase further Large Format Retail Properties. The Fund will utilise bank funding to assist with the purchase of its Property Investments. A new PDS will need to be issued in relation to issuing new Units for the funding of the purchase of further Property Investments.

You invest in the Fund by acquiring Units in the Fund which is a trust established under a Trust Deed. The Supervisor is appointed supervisor of the Fund and agrees to act in respect of the Fund as trustee for the Investors, and to hold the Property Investments as the exclusive property of the Fund in trust solely for the Investors, upon and subject to the terms and conditions expressed or implied in the Trust Deed and any legislation governing the Fund. The Supervisor has nominated Oyster LFR Trustees Limited to be the Custodian and to hold the assets of the Fund.

The beneficial interest held by Investors in the Fund is divided and unitised into Units. Each Unit confers equal rights and obligations on each Investor in respect of entitlements to income and capital from the Fund and each Unit will confer one vote upon the holder in respect of matters on which Investors are entitled to vote under the Trust Deed.

The Trust Deed covers matters such as the removal of the Manager and the procedure for holding meetings of Investors. Except for the annual general meeting which must be held, meetings will not be held unless they are requisitioned by Investors holding not less than 5% of the Units or at the direction of Oyster, the Supervisor or the Custodian. A copy of the Trust Deed can be found on the Scheme Register at **www.disclose-register.companiesoffice.govt.nz**.

BENEFITS OF INVESTING IN THE SCHEME

The benefits of investing in the Scheme are:

- The forecast pre-tax returns described in Section 6 "Oyster Large Format Retail Fund's Financial Information".
- The ability to have an investment in a property that would not typically be available to Investors who are only able to invest a minimum of \$50,000.
- The Investors' investment in the Scheme is passive. The day to day management of the Property (including preparation of accounts, arranging maintenance of the Property, negotiation of the leases, liaising with the tenants and obtaining bank financing) will be undertaken by Oyster.
- A PIE tax structure with a maximum tax rate of 28%.

RELATED PARTY BENEFITS

There are no related party benefits to be given to, or received by, a related party in the future other than fees and expenses disclosed in Section 8 (What are the fees?) or those permitted under the Financial Markets Conduct Act 2013.



6. OYSTER LARGE FORMAT RETAIL FUND'S FINANCIAL INFORMATION

In this section you will find a summary of the prospective financial information for the periods ending 31 March 2022 and 31 March 2023.

The tables in this section provide selected prospective financial information about the Fund. The full prospective financial information is available on the Offer Register at www.disclose-register.companiesoffice.govt.nz/disclose. If you do not understand this sort of prospective financial information, you can seek professional advice.

The prospective financial information has been subject to a limited assurance engagement by Ernst & Young Strategy and Transactions Limited, a copy of the Independent Limited Assurance Report is also included in the Offer Register.

The summarised prospective financial information included in the tables in this section has been prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42) and Generally Accepted Accounting Practice in New Zealand as it relates to prospective financial statements.

Selected Prospective Financial Information

The summary information presented in the table below is derived from the more detailed information in the full prospective financial information, a copy of which is on the Offer Register.

	Forecast 11 Months ending 31 March 2022	Forecast 12 months ending 31 March 2023
Total revenue	6,419,165	6,834,516
Expenditure	(1,733,196)	(1,941,924)
Operating profit before financing costs	4,685,967	4,892,592
Total profit before and after tax¹	2,867,065	3,564,425
Adjusted operating profit ²	2,394,792	2,612,500
Distributions	2,394,792	2,612,500
Net cash flows from operating activities	3,780,663	3,649,609

¹ The Fund is a PIE and therefore does not pay tax directly, which results in the profit before tax being the same as profit after tax.

² Adjusted Operating Profit represents net profit before tax, excluding revaluations, non-cash or non-recurring transactions and initial borrowing costs which were paid on establishment and may include surplus working capital. This is a non-GAAP measure.

	As at 31 March 2022	As at 31 March 2023
Total assets	92,363,588	93,445,677
Cash and cash equivalents	4,142,788	4,294,209
Total liabilities	44,043,316	44,173,480
Total debt	43,750,000	43,750,000
Net assets³	48,320,272	49,272,197
Gearing ratio⁴	47.4%	46.8%
Interest Cover ratio⁵	4.25	4.07

	Forecast 11 Months ending 31 March 2022	Forecast 12 months ending 31 March 2023
Reconciliation of total comprehensive income to adjusted operating profit		
Prospective total comprehensive income	2,867,065	3,564,425
Adjust for:		
Initial finance costs amortised	114,622	125,042
Accrual for fixed rental growth	(138,550)	(85,620)
Amortisation of lease costs and lease incentives	-	40,640
Unrealised Movement in the Fair Value of Investment Property	601,417	-
Working Capital retained	(1,049,761)	(1,031,986)
Adjusted Operating Profit	2,394,792	2,612,500

³ Net assets represents the total assets of the Fund less total liabilities.

⁴ The Gearing Ratio tells you how much the Fund owes (debt) as a portion of what it owns (total assets). The higher the gearing ratio, the greater the Fund's exposure to risk from movements in interest rates or the requirement to repay debt if loan facilities cannot be renewed or refinanced on expiry.

⁵ The Interest Cover Ratio tells you how much the Fund's net income exceeds interest on its loans (as a multiple). The higher the ratio, the more comfortably the Fund's income can cover any interest owing (and the lower the risk to the Fund).

The Fund is an unlisted PIE and tax is withheld from Investor distributions and not payable directly by the Fund.

Adjusted Operating Profit is a non-GAAP financial measure adopted by the Fund in assessing the adjusted operating profit available for distribution. Adjusted Operating Profit represents net profit before tax, excluding revaluations, performance fees, non-cash or non-recurring transactions and may include surplus working capital. Non-recurring items include (but are not limited to) due diligence costs for acquisition that don't proceed and marketing costs in relation to raising investor capital. The additional working capital balance will be established from funds raised following the offer and be partly utilised in supporting the capital expenditure in the PFI period.

A reconciliation of Non-GAAP financial information including a reconciliation of the Adjusted Operating Profit is included in the prospective financial information a copy of which is available on the Offer Register.

Net Tangible Assets represents the total assets of the Fund excluding intangible assets (for which the Fund is assumed to not carry any) less total liabilities.

The Gearing Ratio and Interest Cover Ratios are also Non-GAAP information. The Gearing Ratio tells you how much the Fund owes (debt) as a portion of what it owns (total assets). The Interest Cover Ratio tells you how much the Fund's net income exceeds interest on its loans (as a multiple).

The Manager considers that the summarised prospective financial information presented in the table above is likely to be useful to prospective investors in assessing the merits of the Offer.

Principal assumptions

The prospective financial information presented in the selected prospective financial information tables has been based on the key assumptions described below. These assumptions are described in more detail in the prospective financial information and further information on these assumptions may be found at www.disclose-register.companiesoffice.govt.nz/disclose by searching Oyster Large Format Retail Fund under search offers.

The key assumptions on which the prospective financial information has been based are set out below.

Settlement of the Property

Pursuant to the sale and purchase agreement settlement is to occur on 30 April 2021. For the purposes of the prospective financial information, rental income has been recognised from the day after settlement.

It is assumed that \$52,250,000 of equity is raised in the Offer and \$43,750,000 of debt is drawn to facilitate settlement and pay the offer and acquisition costs.

Investment, Offer and acquisition costs:	
Investment property	87,500,000
Capitalised Offer and acquisition costs	1,101,417
Costs of raising equity	4,402,000
Borrowing costs	375,125
Working capital	2,621,458
Total investment, offer and acquisition costs	96,000,000
Funded by:	
Debt	43,750,000
Equity	52,250,000
Total	96,000,000

Offer and acquisition costs

Total Offer and acquisition costs are assumed to be \$5,878,542. This includes acquisition, underwriting, brokerage, due diligence, legal and valuation fees as well as financing and marketing costs. The bulk of these costs are deemed to be issue costs, with the exception of \$375,125 in borrowing costs and \$1,101,417 associated with the acquisition of the Property. It is assumed that the penalty interest provision in the underwrite agreement will not be triggered.

Return on investment

A gross return of 5.0% per annum (before depreciation and taxation) is assumed to be paid to Investors. The gross distribution is supported by the forecast operating earnings and represents a pay-out ratio of 100% of Adjusted Operating Profit.

Investment Properties

For the purposes of the prospective financial information the assumption has been made that the valuation as at 31 March 2022 will be \$88,000,000, and no further revaluations are assumed. Any capital expenditure incurred up to 31 March 2023 is also assumed as an increase in carrying value.

The COVID-19 pandemic and associated restrictions have had a significant impact on the global and local economies. The valuers, Jones Lang Lasalle, note that the valuation was based on opinion of 'Market Value', incorporating an assumption of a willing buyer and seller, and with regards to the current market outlook. Given the circumstances of COVID-19, they had regard to a range of inputs and market evidence in coming to their opinion of Market Value adopted for the final valuation included in the prospective financial information. The valuers have highlighted in their valuation report that due to the outbreak of COVID-19, there continues to be heightened uncertainty and unknown impact that COVID-19 may have on the real estate market in New Zealand.

Rental income

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

Rental income is assumed to commence on settlement and the prospective financial information reflects all fixed rent reviews within the periods ending 31 March 2022 and 31 March 2023.

For the periods ending 31 March 2022 and 31 March 2023 vacancy assumptions have been made for tenancies that are due to expire during the PFI period. Vacancy periods of 4.5 months have been assumed. These assumptions are based on the Manager's experience.

The vendor of 260 Oteha Valley Road, Albany has provided a 24 month rental and outgoings underwrite for one of the tenancies at the property that is vacant as at settlement.

The vendor has also provided a 24 month rental and outgoings underwrite from settlement for one tenancy that is assumed to expire on 31 March 2022. The vendor underwrite will cover any vacancy from expiry to re-lease upto 30 April 2023.

Other income for the periods ending 31 March 2022 and 31 March 2023 recognises the assumed signage and carpark rental.

The prospective financial information assumes that in the FY22 and FY23 periods there will be no rental abatements given to tenants due to restrictions on tenants' access to their premises due to COVID-19 lockdowns. From reviewing the impact from past lockdowns it is not expected that the rental income from the property will be materially impacted by a future lockdown. To provide a 50% rent and operating expenses abatement in the FY22 and FY23 periods for all tenants for one week would cost the Fund \$71,000.

It is also assumed there are no delays in receipt of debtors.

The tenants are responsible for operating costs including rates, insurance premiums, utilities and certain maintenance obligations when in occupation and in respect to net leases. There are elements of non-recoverable operating costs and these are the responsibility of the landlord.

Management fees

The annual property management fee (payable to the Manager for property and facilities management services) is calculated as 2.5% of Gross Rental plus GST.

Administration costs

Compliance costs are based on quotes received.

Audit fees and valuation fees are based on quotes received.

The annual fund management fee is calculated on 0.45% of the aggregate capital value of the Property.

Borrowings

The borrowings for the Fund will be \$43,750,000. The Term Loan will be interest only and will have an initial 3 year term from drawdown.

Interest expense

The interest expense on drawn debt is assumed to be 2.75% for the periods ending 31 March 2022 and 31 March 2023.

Taxation

The Fund is a multi-rate Portfolio Investment Entity (PIE). The Fund attributes income and tax credits to its Investors based on their unitholding and pays tax based on their advised prescribed investor rates (PIRs).

Actual results

Actual results may differ from the prospective financial information. The resulting variance may be material.

The Fund and the Manager give no guarantee or assurance that the prospective financial information presented will be achieved.



7. RISKS TO RETURNS FROM OYSTER LARGE FORMAT RETAIL FUND

This section sets out a description of the circumstances that Oyster is aware of that exist or are likely to arise that significantly increase the risk to returns to Investors. The table below sets out particulars of why each circumstance is of particular significance and an assessment of the likelihood of any impact arising, the nature of that impact, and the potential magnitude of that impact along with strategies to mitigate the impact.

The circumstances have been identified by Oyster on the basis of information known to it as at the date of this PDS and on an assessment of the probability of a circumstance occurring and the anticipated impact of that circumstance if it did occur. These circumstances may not encompass all of the circumstances that may present a risk to returns of Investors now or in the future, and there is no guarantee that the importance of each circumstance will not change.

These circumstances, were they to occur and if they were not appropriately managed by Oyster, could have a material adverse effect on the Fund's financial position or future financial performance through a decrease in revenue or an increase in costs. Oyster has taken, and will, in the future, take, steps to mitigate the effects of these circumstances. However, some circumstances may not be fully capable of mitigation.

Potential Investors should carefully consider these risks (together with other information in this PDS) before deciding whether to invest in the Fund.

The description of the circumstances in this section does not take into account the personal circumstances, financial position or investment requirements of any person. It is therefore important that, before deciding to invest in the Fund, you consider the suitability of an investment in the Fund in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).



Description of Risk	Oyster's assessment of nature and magnitude	Mitigating factors
Tenant and Property concentration	<p>Until further property acquisitions are made Investors are exposed to the risks and returns of one property with 12 tenants. A significant amount of the Fund's income is from the lease to Mitre 10 (New Zealand) Limited which comprises 41% of the gross rental from the Property.</p> <p>Part of the Property may be vacant for a period of time until a new tenant is found if a tenant defaults on its lease, or does not renew its lease on the expiry of the current term, if the Property suffers damage and is untenable, or is no longer sought after. During the period of vacancy the Fund will have reduced income to pay its expenses or pay distributions to Investors.</p>	<p>The 12 tenants each make up a portion of the rental which diversifies the impact of an issue with any one of the tenants.</p> <p>The Fund will enter into renewal negotiations with the tenants of the Property sufficiently prior to the lease expiry dates in order to obtain advance warning should the tenants not wish to renew their respective leases.</p> <p>The Fund has insurance cover for material damage to the Property and insurance for loss of rents with cover for at least 24 months.</p> <p>An alternate tenant or tenants should be able to be found for any of the leases at the Property within a reasonable time.</p> <p>Underwrites have been entered into with the Vendor of the Property for four of the leases that have short term lease expiry or renewal risk. The underwrites cover the rental income under the current leases for a period of two years from settlement and will come into effect if the tenants don't renew or extend their leases or terminate their leases.</p>
<i>Oyster's assessment of likelihood of circumstances arising</i>	<p><i>Tenant default: Possible</i></p> <p><i>Tenants not renewing their leases: Possible</i></p> <p><i>The Property suffering damage and being untenable: Unlikely</i></p>	
<i>Oyster's assessment of the impact, were the circumstance to arise</i>	<i>Moderate (depending on the tenant) – loss of some income for a period.</i>	



Description of Risk	Oyster's assessment of nature and magnitude	Mitigating factors
Bank Funding	<p>Term Loan: The Fund has a syndicated term loan facility to partly fund the purchase of Albany Lifestyle Centre. If funding from the banks is not available on its expiry then a new bank facility will be needed to refinance the loan. The terms of the refinancing may be unfavourable to the Fund or finance may be difficult to obtain.</p> <p>Adverse market movements in interest rates and property values may cause the Fund to breach its banking covenants. If the breach is not remedied, lenders may enforce their security and sell the Property at a lower than market price in a "forced sale" situation.</p>	<p>The Manager considers the potential impact of changes to the Fund's funding arrangements will be able to be adequately minimised through active management of the Fund's finances and banking arrangements.</p> <p>The syndicated term loan facility has funding from three banks which provides greater flexibility as to funding and spreads the risk of any one of the banks not wishing to extend their funding on expiry.</p> <p>The facility is an evergreen facility, which allows the Fund to request that the facility be extended by a year at each anniversary of the loan's commencement. If the extensions are granted the Fund will be able to maintain a loan term of at least two years.</p>
<i>Oyster's assessment of likelihood of circumstances arising</i>	<p>Unlikely</p> <p>– Oyster is not aware of any reason that the Term Loan will not be extended.</p>	
<i>Oyster's assessment of the impact, were the circumstance to arise</i>	<p>Major</p> <p>– the Fund could be forced to sell the Albany Lifestyle Centre in a 'forced sale' and windup the Fund, which may result in Investors not being able to recoup the full value of their original investment.</p>	



Description of Risk	Oyster's assessment of nature and magnitude	Mitigating factors
Interest rates	The Fund's largest expense is the interest payable under the Bank Loan. An increase in interest rates could affect the Fund's ability to maintain a 5% per Unit per annum distribution rate. The impact on the rates of return of any increase in interest rates would be dependent on the extent of the movement in the rates.	Oyster actively monitors interest rates and assesses on a case by case basis whether it is in the interests of the Fund to fix interest rates and if so the appropriate term. 88.5% of the rental income from leases of the Property has fixed or indexed rental increases. The fixed rental increases will assist in mitigating the impact of any interest rate increases.
<i>Oyster's assessment of likelihood of circumstances arising</i>	<i>Any changes in interest rates cannot be accurately predicted, particularly towards the end of the forecast distributions period and beyond. Interest rates will likely continue to be a key risk for so long as the Fund has outstanding debt.</i>	
<i>Oyster's assessment of the impact, were the circumstance to arise</i>	Unknown – an increase in interest rates will increase expenses and reduce the Fund's profit that is available for distribution to Investors. The extent of the impact will depend on extent of interest rate movement. If the interest rate increases by 1% per annum, the Fund's income per parcel of 50,000 Units would reduce by \$419 per annum.	

8. WHAT ARE THE FEES?

This section sets out:

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

ESTABLISHMENT FEES

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

Establishment costs payable to Oyster	
Acquisition Fee	1,750,000
Brokerage Fee	1,045,000
Oyster Underwrite Fee	163,500
Deposit Fee	41,667
Legal Setup Costs – Oyster charge	25,000
Accountancy – internal	25,000
AML Compliance Fee	10,000
Total establishment costs payable to Oyster	3,060,167
Establishment costs payable to others	
Marketing	350,000
Alvarium Underwrite fee	1,872,000
Legal Setup Costs – external	321,510
Investigating Accountant	55,000
Property Due Diligence Reporting	19,000
Bank fee	90,625
Bank Legal	34,500
Asset Valuation	22,000
Plant & Machinery Valuation	16,800
PDS Registration Cost	5,690
Supervisor's fee	5,000
Supervisor's legal fee	5,000
Directors & Officers and Professional Indemnity Insurance	19,300
Insurance Valuation	1,950
Total establishment costs payable to others	2,818,375
Total establishment costs	5,878,542

The above fees are exclusive of GST.

Acquisition Fee

The fee payable to Oyster for locating the Property and negotiating the contracts to purchase the Property, and developing this investment opportunity and establishing the Fund.

Brokerage Fee

Fee payable to Oyster for arranging the sale of the Units including any Units subscribed for by Oyster under the Underwrite. From the brokerage fee, Oyster will pay any commissions payable to Colliers for arranging the sale of Units.

Oyster Underwrite Fee

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

Deposit Fee

The fee charged by Oyster as consideration for Oyster paying the deposit of \$2,000,000 on behalf of the Fund. On the Settlement Date, the Fund will pay Oyster the deposit fee and will also reimburse Oyster for the deposit funds paid.

Legal Setup Costs

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

Accountancy – internal

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

AML Compliance Fee

Charge paid to Oyster which reflect the time spent by its internal Anti Money Laundering team on this Offer.

Marketing

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

Alvarium Underwrite Fee

The fee payable to Alvarium for its underwrite of the Offer.

Legal Setup Costs – external

These costs include:

- The \$185,000 fee paid to the Fund's solicitors Russell McVeagh for the costs of reviewing the Offer documents, due diligence on the Property, establishing the Fund, settlement of the Property and reviewing the Bank Loan documentation.
- The \$55,000 fee payable to Thompson Blackie Biddles for processing subscriptions and providing trust account service for receipt of subscription monies.
- The estimated fee of \$81,510 payable to First AML for completing anti-money laundering checks on subscriptions.

Investigating Accountant

The fee payable to Ernst & Young Strategy and Transactions Limited for their Independent Limited Assurance Report and financial due diligence in relation to the Fund's prospective financial information.

Property Due Diligence Reporting

The fees paid to CBRE (A) Pty Limited for preparing technical due diligence reports on the Property.

Bank Fee

The fee charged by ASB Bank for arranging the Bank Loan.

Bank Legal

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

Asset Valuation

The fee payable to Jones Lang LaSalle for the preparation of the valuation report on Albany Lifestyle Centre.

Plant & Machinery Valuation

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



PDS Registration Cost

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

Supervisor's Fee

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

Supervisor's Legal Fee

The Supervisor's fee for the legal review of the Fund's offer documents.

Directors & Officers/Professional Indemnity Insurance

The fee payable to Crombie Lockwood for insurance in relation to this Offer.

Insurance Valuation

The fee payable to Jones Lang LaSalle for the preparation of the insurance valuation report on Albany Lifestyle Centre.

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

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

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

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

Ongoing fees and expenses the Fund by Oyster and its associated persons	
Property Management Fee	<p>The property management fee paid by the Fund is an annual fee for management services provided in relation to the Property Investments, which will be calculated as 2.5% of the Gross Rental payable under the tenancies (or any replacement or additional tenancy arrangement) calculated and payable on the last day of each calendar month, or at such other time as the Manager and the Supervisor shall agree, plus GST (calculated on a pro-rata basis for the period from the Settlement Date to 31 March 2022). From 1 April 2022 the Property Management fee will be the greater of the fee as calculated above and \$166,000 plus GST (Minimum Property Management Fee).</p> <p>On the first day of each Financial Year commencing from 1 April 2022, the Minimum Property Management Fee shall automatically increase by the same percentage as the percentage increase (if any) in the CPI for the 12 month period ending 31 December in the immediately preceding calendar year.</p>
Fund Management Fee	<p>The fund management fee paid by the Fund is an annual fee for services provided in relation to managing and administering the Fund, which will be calculated as 0.45% of the Fund's Total Assets calculated and payable on the last day of each calendar month, or at such other time as the Manager and the Supervisor shall agree, plus GST (calculated on a pro-rata basis for the period from the Settlement Date to 31 March 2022). From 1 April 2022 the Fund Management fee will be the greater of the fee as calculated above and \$390,000 plus GST (Minimum Fund Management Fee).</p> <p>On the first day of each Financial Year commencing from 1 April 2022, the Minimum Fund Management Fee shall automatically increase by the same percentage as the percentage increase (if any) in the CPI for the 12 month period ending 31 December in the immediately preceding.</p>
Performance Fee	<p>Oyster is entitled to be paid a Performance Fee to reflect the excess performance of Investors' returns (total of distributions and movement in Adjusted Net Asset Value per Unit) over the Benchmark return, of an amount equivalent to 20% (plus GST) of such excess performance amount. This fee is calculated and payable annually in arrears. The performance is calculated in respect of each financial year by calculating Investors' returns and the Benchmark return and comparing the two. There is no maximum limit for the Performance Fee. This fee is calculated for each year ending 31 March and paid annually in arrears in July.</p> <p>The Fund does not apply a high water mark, which may be applied by other funds. A 'high water mark' is the value the Fund must reach before Oyster can charge a performance fee. Managers who apply a high water mark must ensure the fund's value is at least equal to the high water mark the last time they charged performance fees. If a fund loses value, the manager must ensure the value of the fund increases above the high water mark before being able to charge further performance fees.</p>

Ongoing fees and expenses the Fund by Oyster and its associated persons

Performance Fee (continued)

The impact of this fund not applying a high water mark is that if this fund drops in value and then recovers, you may be paying a performance fee twice for the same return, once for the recovered growth, as well as the original growth.

BENCHMARK

No market indexes for Large Format Retail Properties are currently available to be used to measure the Fund's performance. If an appropriate market index is published in the future Oyster may (with the Supervisor's consent) use that market index. In the absence of a market index Oyster believes that an appropriate benchmark to measure the Fund's performance is the average 10 year Government Bond Rate plus 6% (as set out in the Trust Deed). This is calculated using the average of the published rates at the end of each month. The rates at each monthly close are listed on the Reserve Bank website at <http://www.rbnz.govt.nz/statistics/b2>. As an example, if the rate was 1.00% the Benchmark would be 7.00% (the rate of 1.00% plus 6.00%).

Termination Fee

On termination of the Fund, Oyster is entitled to a fee of 1.75% (plus GST) of the gross value of all Relevant Assets. This fee is only paid when the Fund is wound-up.



Ongoing fees and expenses the Fund by Oyster and its associated persons	
Accounting Fee	<p>This fee of \$12,500 per annum is for preparing the end of year financial statements for the Fund if Oyster does not arrange for a third party to do so. This fee shall be paid annually on completion of the service. This fee will be adjusted annually at 31 March by the movement in the CPI for the previous 12 months.</p>
Leasing Fee	<p>Oyster charges a leasing fee for leasing services provided in relation to the Fund as follows:</p> <ul style="list-style-type: none"> a) an administration fee of \$500.00; b) for tenancy renewals (including options to extend or renew) 1.5% of the gross annual rent (exclusive of GST) multiplied by the number of years of the renewed term; c) for a new tenancy to an existing tenant 2% of the gross annual rent (exclusive of GST) multiplied by the number of years of the term of the new tenancy; and d) for a new tenancy (not being a tenancy to which sub-clause (c) above applies), 3% of the gross annual rent (exclusive of GST) multiplied by the number of years of the term of the new tenancy. <p>For the purposes of calculating the leasing fee, gross annual rent shall mean and include the annual rent together with any outgoings and/or operating expenses, any rent or fee payable in relation to carparks, naming rights, signage rights or any other right granted to any tenant under any tenancy.</p> <p>The rent on which the above charges are based shall be as if there had been no rebate, concession, rent holiday or other incentive.</p>
Rent Review Fee	<p>Oyster charges a fee for the rent review services being 10% of the increase:</p> <ul style="list-style-type: none"> ■ in the annual rent (exclusive of GST); and ■ in the rent or fee payable annually in relation to car parks, naming and signage rights (exclusive of GST). <p>In the event that a rent review proceeds to arbitration the rent review fee payable to the Manager will reduce to 5% of the increase referred to above.</p>
Refinancing Fee	<p>Oyster charges a fee for its services related to any refinancing undertaken by the Fund. The refinancing fee of 0.10% plus GST of the total loan facilities is payable:</p> <ul style="list-style-type: none"> ■ at the expiry of any existing loan term if the existing loan is re-documented in relation to any subsequent or further loan term; or ■ if the Bank Loan is refinanced to another bank; or ■ if the existing Bank Loan amount is increased (in which case the refinancing fee is paid on the value of the increased amount).



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

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

	The 11 months ending 31 March 2022	The year ending 31 March 2023
Estimate of aggregate expenses and fees payable to Oyster and its associated persons	<p>\$3,592,682 plus GST</p> <p>Which as a percentage of the net assets of the Fund is anticipated to be 7.4%</p>	<p>\$577,472 plus GST</p> <p>Which as a percentage of the net assets of the Fund is anticipated to be 1.2%</p>

Aggregate fees for the accounting period ended 31 March 2022 include \$3,060,167 of establishment costs.

Changes to Fees

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

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

ONGOING FEES AND EXPENSES PAID TO OTHERS BY THIS FUND

Ongoing fees and expenses charged to the Fund by Others	
Administration Costs	These are other minor costs in relation to the administration of the Fund that have not been covered under the other headings in this table. These fees are not fixed and can vary from year to year.
Auditor's Fees	This fee is for the audit of the annual financial statements of the Fund. This fee may be altered in the future by agreement between the auditor and Oyster.
Interest Expense	This is the amount of interest paid by the Fund to ASB Bank, ICBC and Kiwibank in relation to the Bank Loan. The interest rate charged can be changed by the banks under the terms of the Bank Loan documents. The Fund's current interest rate for the Bank Loan is floating at 2.75% per annum.
Legal Fees	This fee reflects the ongoing legal costs of the Fund to be paid to the Fund's solicitor, Russell McVeagh. This fee is not fixed and is incurred on a case by case basis.
Marketing Fees	These are the fees paid by the Fund to advertising agencies for the creation of advertising material and to advertisers for placement of advertisements. These fees are not fixed and are negotiated on a case by case basis.
Non-Recoverable Property Expenses	These are the fees paid to others in relation to the operation of the Albany Lifestyle Centre that are not recoverable from the tenants. These fees are not fixed and are incurred on a case by case basis.
Supervisor's Fees	<p>The Supervisor will be paid an annual fee which is \$500 per \$1,000,000 of equity in the Fund plus GST and paid quarterly in arrears. The Supervisor is entitled to charge the Fund for the Supervisor's disbursements.</p> <p>The Supervisor's disbursements are those routine expenses related to the ongoing administration of the Supervisor's appointment, including, but not limited to, travel costs, printing, photocopying and postage.</p> <p>In addition to its annual fee, the Supervisor is entitled to charge a special duties fee charged at the Supervisor's usual time and attendance rates to cover the Supervisor's ongoing review of any amendment to any documentation, the exercise of its powers and discretions, the Supervisor's attendance at any special meetings and time spent on non-routine matters.</p> <p>The Supervisor's fees may be altered in the future by agreement between the Supervisor and Oyster.</p>
Valuation Fees	These are the fees paid to independent valuers for preparing the annual market valuations for the Property Investments. These are not fixed fees and are incurred on a case by case basis.

	The period ending 31 March 2022	The year ending 31 March 2023
Estimate of aggregate expenses and fees payable to other persons	<p>\$4,019,056 plus GST</p> <p>Which as a percentage of the net assets of the Fund is anticipated to be 8.3%.</p>	<p>\$1,364,452 plus GST</p> <p>Which as a percentage of the net assets of the Fund is anticipated to be 2.8%.</p>

Aggregate fees for the accounting period ended 31 March 2022 include \$2,818,375 of establishment costs.

Changes to Fees

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

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



9. TAX

Tax can have significant consequences for investments and can affect your returns from this investment. If you have any queries relating to tax consequences of the investment you should seek independent tax advice from a professional advisor.

The Fund is a portfolio investment entity (PIE). The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to the Inland Revenue Department's Internet site www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department.

It is your responsibility to tell Oyster your PIR when you invest, or if your PIR changes. If you do not tell the Manager, a default rate may be applied. If the rate applied to your PIE income is lower than the correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

You must also provide the Fund with your Inland Revenue Department (IRD) Number in order for the Manager to be able to process your application.

Prescribed Investor Rate (PIR)

Your advised PIR is the tax rate that the Fund will use to calculate the PIE tax payable on the income the Fund allocates to you. For natural persons, your PIR is based on your net taxable income in one of the two previous tax years, if you are a NZ tax resident.

If you are investing jointly, with another investor, you will need to provide each joint investor's IRD number and PIR to the Fund. There are also special PIR rules for new and transitional tax residents.

There are four PIRs available to New Zealand resident investors, being 28%, 17.5%, 10.5% or 0%. By way of brief summary, the following PIRs are available for different entities:

- Companies – 0%
- Trusts – 28%, 17.5%, 10.5%, 0%
- Individuals – 28%, 17.5%, 10.5%
- Charities and PIEs – 0%
- Non-New Zealand residents – 28%
(subject to certain exceptions)

Distributions

As the Fund is a PIE status, distributions from the Fund would not separately be subject to tax on the basis that the Fund will calculate and pay tax to the Inland Revenue on Investors' advised PIRs (discussed below). Further, there should be no withholding tax on distributions to non-resident investors.

If the Fund does not maintain its PIE status then any distribution will be a taxable distribution. In such a scenario, for New Zealand resident investors, any imputation credits attached can be used to reduce or offset the Investor's tax liability. And in the case of non-resident investors, distributions would be subject to the non-resident withholding tax regime (including the supplementary distribution and foreign investor tax credit and any applicable Double Tax Agreement rates).

Deduction of PIE tax

The Fund will calculate and pay tax to the Inland Revenue based on Investors' advised PIRs. Secondary market Unit sales are restricted to the end of each month to enable PIE income to be attributed to, and PIE tax to be calculated, based on an Investor's unitholding for the entire month. Any PIE tax calculated will generally be deducted from Investors' distributions, to discharge the Investor's tax liability.

Investors will be advised of their allocation of PIE taxable income and PIE tax paid on their behalf each year by the Fund.

Maintaining PIE Status

To ensure that the Fund maintains its PIE status, the Fund must, among other things:

- have a minimum of 20 Investors (this minimum requirement does not apply if an Investor is a PIE or is a certain other qualifying investor type);
- ensure that no Investor owns 20% or more of the Fund (unless an Investor is a PIE or is a certain other qualifying investor type);
- not hold voting interests in a company of 20% or more (unless that company is a PIE or land investment company, or other qualifying investment type, and subject to certain exceptions);
- ensure that 90% of the income is derived from a lease of land (i.e. rental income from unrelated tenants), interest, distributions and / or the proceeds from the disposal of property; and
- ensure that 90% of the asset value is held in either land (i.e. retail property assets), financial arrangements or rights or options to acquire property.



10. ABOUT OYSTER MANAGEMENT LIMITED AND OTHERS INVOLVED IN THE OYSTER LARGE FORMAT RETAIL FUND

ABOUT OYSTER MANAGEMENT LIMITED

This Fund is managed by Oyster Management Limited, which is a wholly owned subsidiary of Oyster Property Group Limited. The Manager manages a range of retail, office and industrial assets throughout New Zealand, with a combined value in excess of NZ\$1.9 billion.

The Manager's team comprises specialists in transactions, asset and property management, development and finance.

The address for Oyster is:

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

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

WHO ELSE IS INVOLVED?

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

11. HOW TO COMPLAIN

A complaint about your investment may be made to:

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

The Financial Markets Authority	PO Box 106 672 Auckland 1143 Ph. 0800 434 566
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12. WHERE YOU CAN FIND MORE INFORMATION

FURTHER INFORMATION

Further information about the Units and the Fund is available on the Offer Register and the Scheme Register.

This information includes items such as:

- Trust Deed
- Prospective Financial Information
- Independent Valuation Report
- Technical Due Diligence Report
- Seismic Letter
- Sale and Purchase Agreement for the Albany Lifestyle Centre
- Alvarium Underwrite Agreement
- Oyster Underwrite Agreement
- Deed of Nomination
- The leases of the Albany Lifestyle Centre

The Offer Register and Scheme Register can be viewed at **www.disclose-register.companiesoffice.govt.nz/disclose**. A copy of information on the Offer Register or Scheme Register is available on request to the Registrar at: Companies Office, Private Bag 92061, Victoria Street West, Auckland 1142, Ph. 0508 377 746.

ANNUAL INFORMATION

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

The annual report for the Fund will be sent to you annually within four months of each financial year ending 31 March.

ON REQUEST INFORMATION

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

INFORMATION ON YOUR INVESTMENT DETAILS

These can be obtained by email:

investor@oystergroup.co.nz or by contacting Oyster at the address set out on the back page of this PDS.

13. HOW TO APPLY

1. COMPLETE THE APPLICATION FORM

Applications can only be made by completing the following application form.

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

2. PAYMENT

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

3. SEND THE FORM IN

Applications once made cannot be revoked or withdrawn.

Application forms must be mailed or delivered to:

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

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

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

GLOSSARY

Term	Definition
Adjusted Operating Profit	means the net profit before tax, excluding revaluations, non-cash or non-recurring transactions and initial borrowing costs which were paid on establishment and may include surplus working capital. This is a non-GAAP measure.
Albany Lifestyle Centre	means the property located at 260 Oteha Valley Road, Albany, Auckland.
Annualised	means taking an amount for part of a year and recalculating it as an annual amount. This is necessary when figures are not available for the full year.
Alvarium	means Alvarium Investments (NZ) Limited.
Alvarium Underwrite	means the agreement by which Alvarium has agreed to subscribe for up to 46,800,000 Units.
Bank Loan	means the syndicated bank loan facility entered into with ASB Bank Limited, see page 33 for details.
Customer Due Diligence Information	means the information required to be supplied by an Investor under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.
Fund	means this managed investment scheme, the Oyster Large Format Retail Fund.
Gearing Ratio	means the total bank debt as a percentage of net assets. A useful measure of how much debt an entity is carrying.
Investors	means the people or entities that hold Units in the Fund.
Large Format Retail	means stores which have a larger floor area than a smaller speciality retail store. The stores may be standalone or part of a bulk retail centre. This is an asset class that includes: <ul style="list-style-type: none"> – supermarkets – DIY or hardware stores – bulk retail stores – bulk retail centres
Large Format Retail Property	means a property that is predominately Large Format Retail.
Manager	means the manager of this Fund, Oyster.
Net Asset value or NAV	means net asset value. This is a method of measuring the total assets held by the entity after deducting total liabilities.
Offer	Means the offer of Units detailed in this PDS.
Oyster	means Oyster Management Limited.
Oyster Underwrite	means the agreement by which Oyster has agreed to subscribe for up to 5,450,000 Units.

GLOSSARY continued

Term	Definition
PIE	means a Portfolio Investment Entity, as defined in the Income Tax Act 2007.
Property	means the Albany Lifestyle Centre, 650 Oteha Valley Road, Albany, Auckland.
Property Investment	means the Fund's acquisition of a Large Format Retail Property or other authorised investment.
Scheme	means this Fund.
SIPO	means a Summary of Investment Policies and Objectives. This document summarises the type of investments the Fund is authorised to make.
Supervisor	means the statutory supervisor of the Fund, Covenant Trustee Services Limited.
Trust deed	means the document that established the Fund and sets out the rules under which the Fund is operated.
Units	means a security to be issued in the Fund.
WALT	means the weighted average lease term. This is used to provide detail on how long leases for a property have to run.



PLEASE READ THIS BEFORE SIGNING

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

APPLICATION CHECKLIST

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

APPLICATION CHECKLIST

- Have you checked your application form and ensured it has been correctly completed? Yes ☐
- Have all parties to the investment signed the application form? Yes ☐
- Have you provided a bank statement or deposit slip to verify the account number on the application form? Yes ☐

SENDING YOUR APPLICATION

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

or Oyster Property Group
Level 18, 55 Shortland Street
Auckland 1010
(Couriers accepted)

or Oyster Property Group
PO Box 8302, Symonds Street
Auckland 1150
(Couriers not accepted)

PLEASE READ ALL INSTRUCTIONS BELOW TO ENSURE PROMPT PROCESSING OF APPLICATIONS

This Application Form is issued with the Product Disclosure Statement dated 29 March 2021 issued by Oyster Management Limited. Please return this application form and all other required additional documents to Oyster Management Limited. Prospective investors are recommended to seek professional advice from an Authorised Financial Adviser which takes into account their personal circumstances before making an investment decision.

INSTRUCTIONS ON HOW TO COMPLETE

- There are four investment entity options: Individual(s); Partnerships; Company; Trust. Please choose and fill in the correct option.
- Insert your full name(s), IRD number(s), address, telephone number(s) and email address(es).
- Applications must be in the name(s) of natural persons, companies or other legal entities.
- Please insert the Bank Account name and Bank Account Number and Bank Account Number where you would like your monthly distributions paid.
- AML Customer Due Diligence information must be completed if you haven't previously provided this to Oyster. Our partners at First AML will be in touch with you following the receipt of your application form to commence this process.

INDIVIDUAL APPLICATION

TO BE COMPLETED BY THE APPLICANT

OYSTER®

ALL APPLICANTS TO COMPLETE INVESTMENT

SUBSCRIPTION PAYMENT DETAILS

Parcels of Units (50,000 Units per Parcel)	@ \$50,000 each	Total investment of	\$															
Payment Method (please tick)	<input type="checkbox"/>	Cheque Attached																
	<input type="checkbox"/>	Online Banking to the Subscription Account																
Account name	THOMPSON BLACKIE BIDDLES LIMITED TRUST ACCOUNT																	
Bank	1	2	Branch	3	1	0	9	Account Number	0	1	1	0	7	9	2	Suffix	0	2
Payment Reference	Please insert "Oyster LFR" and your surname or investment entity into the reference field																	

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

If you have instructed your bank to manually make the payment your behalf, please provide Oyster with a copy of the payment remittance.

PAYMENTS

Please insert the Bank Account Name and Bank Account Number and Bank Account Number where you would like your monthly distributions paid.

Please nominate a New Zealand bank account, which will be used for all payments pending allotment of Units.

Provide a copy of a pre-printed bank deposit slip or bank statement to verify your bank account name and number. It is a requirement that you provide this information before Oyster can confirm acceptance of your application.

Account name																			
Bank			Branch					Account Number									Suffix		

Prescribed Investor Rate (PIR), for all dividends from Oyster Industrial (tick one)

<input type="checkbox"/> 0% PIR	<input type="checkbox"/> 10.5% PIR
<input type="checkbox"/> 17.5% PIR	<input type="checkbox"/> 28% PIR

Please refer to the Product Disclosure Statement, the Inland Revenue website or your accountant or tax adviser to determine your PIR.

For office use only

INDIVIDUAL APPLICATION

TO BE COMPLETED BY THE APPLICANT

OYSTER®

Complete in BLOCK LETTERS

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

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

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

CUSTOMER DUE DILIGENCE INFORMATION

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

Yes ☐ No ☐

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

Yes ☐ No ☐

NATURE AND PURPOSE OF YOUR INVESTMENT

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

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

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

TICK THE FOLLOWING THAT APPLIES TO YOU:

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

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

What is your reason for the investment?

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

INDIVIDUAL APPLICATION

TO BE COMPLETED BY THE APPLICANT

OYSTER®

COMMUNICATION PREFERENCES

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

Yes ☐ No ☐

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

Yes ☐ No ☐

ADDITIONAL INVESTMENT ENQUIRER

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

First Name		Family Name	
Email		Company (if applicable)	

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

Yes ☐ No ☐

Complete in BLOCK LETTERS

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

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

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

CUSTOMER DUE DILIGENCE INFORMATION

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

Yes ☐ No ☐

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

Yes ☐ No ☐

NATURE AND PURPOSE OF YOUR INVESTMENT

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

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

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

TICK THE FOLLOWING THAT APPLIES TO YOU:

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

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

What is your reason for the investment?

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

COMMUNICATION PREFERENCES

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

Yes ☐ No ☐

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

Yes ☐ No ☐

ADDITIONAL INVESTMENT ENQUIRER

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

First Name		Family Name	
Email		Company (if applicable)	

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

Yes ☐ No ☐

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

Complete in BLOCK LETTERS

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

Signature of Company Director		Date	
Signature of Company Director		Date	

CUSTOMER DUE DILIGENCE INFORMATION

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

Yes ☐ No ☐

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

Yes ☐ No ☐

NATURE AND PURPOSE OF YOUR INVESTMENT

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

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

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

TICK THE FOLLOWING THAT APPLIES TO YOU:

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

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

What is your reason for the investment?

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

COMMUNICATION PREFERENCES

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

Yes ☐ No ☐

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

Yes ☐ No ☐

ADDITIONAL INVESTMENT ENQUIRER

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

First Name		Family Name	
Email		Company (if applicable)	

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

Yes ☐ No ☐

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

Complete in BLOCK LETTERS

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

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

Name of Corporate Trustee (if applicable)	
--	--

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

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

CUSTOMER DUE DILIGENCE INFORMATION

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

Yes

☐

No

☐

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

Yes

☐

No

☐

NATURE AND PURPOSE OF YOUR INVESTMENT

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

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

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

TICK THE FOLLOWING THAT APPLIES TO YOU:

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

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

What is your reason for the investment?

☐ To receive ongoing income☐ To preserve capital☐ To achieve capital growth☐ For estate planning☐ Other**COMMUNICATION PREFERENCES**

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

Yes

☐

No

☐

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

Yes

☐

No

☐**ADDITIONAL INVESTMENT ENQUIRER**

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

First Name		Family Name	
Email		Company (if applicable)	

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

Yes

☐

No

☐

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

OYSTER®

Only complete this if you are applying on behalf of
someone for whom you hold a Power of Attorney.

I, (Name of Attorney)

Of (Address of Attorney) (Attorney's Occupations)

Hereby certify

That I am the Attorney of:

(Donor)

of (address)

Given to me by him/her/them (a certified copy of which is
attached to this application form) ("Power of Attorney").

THAT I have executed the application for subscription on the
face of this form as Attorney under that Power of Attorney and
pursuant to the powers thereby conferred upon me.

THAT at the date of this certificate I have not received any
notice or information of the revocation of that Power of
Attorney by the death or winding up of the Donor or otherwise.

Signed (Attorney)

Dated

DIRECTORY

Oyster

Oyster Management Limited

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

Custodian

Oyster LFR Trustees Limited

C/- Covenant Trustee Services Limited
Level 6, 191 Queen Street
PO Box 4243
Auckland 1010
Ph. (09) 302 0638

Solicitors to Oyster

Russell McVeagh

Level 30, Vero Centre
48 Shortland Street
PO Box 8
Auckland 1140
Ph. (09) 367 8163

Supervisor

Covenant Trustee Services Limited

Level 6, 191 Queen Street
PO Box 4243
Auckland 1010
Ph. (09) 302 0638

Investigating Accountant

Ernst & Young Strategy and Transactions Limited

2 Takutai Square
Britomart
PO Box 2146
Auckland 1140
Ph: (09) 377 4790

OYSTER[®]

OYSTER PROPERTY GROUP

Level 18, 55 Shortland Street, Auckland
PO Box 8302, Symonds Street 1150
Auckland, New Zealand

Ph. +64 9 632 1287
oyster.management@oystergroup.co.nz

oystergroup.co.nz