



Valuation Report

20 Paisley Place
Mt Wellington
Auckland

Augusta Industrial Fund Limited
(Or its Subsidiaries)

Attn: Ben Harding

November 2018

Ref: 20805/RAC

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1. Valuation in Detail
2. Computer Freehold Register

20 Paisley Place, Mt Wellington, Auckland

Brief Description

The subject property comprises a substantial industrial premise being a purpose-built cool store and distribution complex with two levels of offices constructed in 1999. Improvements include five cool store rooms, two blast freezers, an environmental loading area, container area, seven loading docks and associated plant and engine rooms.

The property is leased to Americold NZ Limited expiring on 30 November 2019 at a current contract rental of \$1,642,415 per annum. Icepak Limited has agreed to a new 12 year lease at an annual rental of \$1,709,000 per annum, plus GST from 1 December 2019.

The new lease to Icepak will be increased by 2% per annum. This gives a WALD to the subject of 13.08 years. The lease is to be a triple net lease.



Instruction & Approach

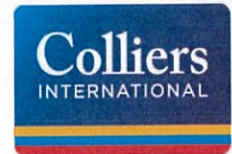
Instructing Party	Augusta Industrial Fund Limited
Reliant Parties	Augusta Industrial Fund Limited (or its Subsidiaries) Ernst & Young ASB Bank Limited (as Security Trustee) ASB Bank Limited (as Lender)
Extended Reliance for Lending Group	Westpac New Zealand Limited Bank of New Zealand
Purpose of Report for Reliance	First Mortgage Security Financial Reporting Capital Raising
Purpose of Report for Non-Reliance	This valuation has been prepared for prospective investors in that company on a non-reliance basis only.
Interest Valued	100%
Date of Valuation	8 November 2018
Date of Inspection	8 November 2018

Property Details

Legal Description	Lot 2 Deposited Plan 198664
Tenure	Freehold
Proprietary Owner	Augusta Industrial Fund No. 1 Limited
Land Area	13,630 m ²
Lettable Area	7,877 m ²
Zoning	Business - Heavy Industry
Major Tenancies	Americold NZ followed by Icepak
Current Net Contract Income	\$1,642,415 per annum increasing to \$1,709,000 per annum in December 2019
WALD	13.08 years

Key Data & Assumptions

Outgoings	\$196,915 per annum
Net Market Rental	\$1,709,740 per annum
Capex Assumptions	Budgeted & General Capex Allowances Section 4.4
Letting Up Allowance	N/A



Tenant Retention	N/A
Average Growth	2.52% per annum
Market Capitalisation Rate	6.50%
Discount Rate	7.50%
Terminal Capitalisation Rate	7.75%

Valuation Conclusions

Adopted Value (100%)	\$26,000,000 plus GST (if any)
Passing Initial Yield	6.32%
Equivalent Market Yield	6.48%
Internal Rate of Return (including capex)	7.56%
Internal Rate of Return (excluding capex)	7.70%
Direct Comparison Rate	\$3,301 /m ² of NLA

Valuer

RUSSELL CLARK BCOM (VPM), MPINZ
Registered Valuer
Director | Valuation & Advisory Services

CALLUM KAYES BCOM, BPROP
Graduate Valuer

CIVAS Limited trading as COLLIERS INTERNATIONAL
Level 27, 151 Queen Street, Auckland 1010
PO Box 1631, Shortland Street, Auckland 1140
Phone No. (09) 3581888

NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.

1.0 INTRODUCTION

1.1 SCOPE OF WORK

We have received instructions from Wendy Roycroft of Augusta Industrial Fund Limited dated 18 October 2018 to assess the market value of the subject property.

We outline in the following subsections key assumptions, limitations and restrictions with regard to this valuation. We further note that this valuation is undertaken in accordance with the agreed written Scope of Work between the above instructing party and CIVAS Limited trading as Colliers International (“The Company”).

We confirm that the individual valuers who are signatories to this report are experienced in the location and category of the property valued.

1.2 NAME AND ADDRESS OF VALUERS

RUSSELL CLARK BCOM (VPM), MPINZ
Registered Valuer
Colliers International New Zealand Limited
Level 27, 151 Queen Street
Auckland 1010

PO Box 1631
Shortland Street
Auckland 1140

Russell Clark is a registered valuer and a Member of the Property Institute of New Zealand. Russell has a Bachelor of Commerce (Valuation & Property Management) from Lincoln University.

1.3 BASIS AND PURPOSE OF VALUATION

We confirm that this valuation has been prepared to establish market value for the purpose of acquisition and Proportionate Ownership Scheme purposes and for use by prospective subscribers for specified participatory securities, we have had reference to ANZVGN8 – Valuations for Use in Offer Documents.

We have adopted the International Valuation Standards definition of “Market Value” as follows:

“market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

1.4 INFORMATION SOURCES

Augusta Industrial Fund Limited have provided the following information which has been adopted in the valuation process:

- Lease documents

- Tenancy Schedule
- Capital Expenditure Estimates

We have searched Computer Freehold Register details independently from public records and rental and sales evidence from our own records.

1.5 STATEMENT BY REGISTERED VALUER

We hereby certify that the principal Valuer is a Registered Valuer in accordance with the Valuers Act 1948, holds a current practising certificate, has at least five years continuous experience in valuation and does not have a pecuniary interest that could conflict with the valuation of the property.

This report is made by registered Valuers as independent registered Valuers.

1.6 RELIANCE & EXTENSION OF LIABILITY

This valuation has been prepared for the following parties and for the following purposes:

- Augusta Industrial Fund Limited (or its Subsidiaries) for financial reporting purposes only.
- Augusta Industrial Fund Limited (or its Subsidiaries) for capital raising purposes only.
- Ernst & Young for audit purposes only.
- ASB Bank Limited for first mortgage security purposes only.
- ASB Bank Limited For security trustee purposes only.

We have been requested by Augusta to extend reliance to an additional bank once the lending group is confirmed. We have been advised of the possible banks that would require this report for reliance. As such the following parties may rely in this report for lending purposes only:

- Westpac New Zealand Limited
- Bank of New Zealand

No responsibility is accepted or assumed to any third parties, nor should there be any reliance upon this report by any third party other than the party(s) explicitly noted above without our express written agreement.

This report is confidential between The Company and the above party(s) to whom The Company agrees in writing may rely upon the valuation report for the purpose stated.

1.7 ASSUMPTIONS

Assumptions

1. We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant.
2. We have assumed that there are no easements, rights of way or encroachments except those shown on the Computer Freehold Register or in the valuation.

3. A current survey has not been sighted. The valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by a current survey or report and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report we reserve the right to review our valuation.
4. Other than the Computer Freehold Register, we are not aware of any notices currently issued against the property and we have made no enquiries in this regard.
5. We have not inspected the plant and equipment or obtained any advice on its condition or suitability.
6. In the course of preparing this report we have relied upon information provided by the owner of the property unless otherwise stated. We have assumed that this information is correct and have adopted this information in our assessment.
7. We have inspected all readily accessible parts of the improvements considered necessary for the purposes of our valuation. We have not sighted a structural survey of the improvements, nor its plant and equipment, by a qualified engineer. The Valuer is not a building construction and/or structural expert, and is therefore unable to certify as to structural soundness of the improvements. A prospective purchaser or mortgagee would need to make their own enquiries in this regard. We have not inspected unexposed or inaccessible portions of the premises. We therefore cannot comment on the structural integrity, defect, rot or infestation of the improvements.
8. Our valuation has been completed on the assumption the building(s) and associated site development are adequately covered by normal full reinstatement insurance, including earthquake cover, both now and in the future. Should this not be the case or should this situation change in the future we caution the valuation may change.
9. There will be no major economic downturn during the projection period, beyond that envisaged at the date of valuation.
10. The property is managed in a prudent and professional manner.
11. There will be no new taxes or rates introduced which have a direct impact on the property over the projected period.

1.8 COMPLIANCE STATEMENT

This valuation has been performed in accordance with the International Valuation Standards (IVS) and we confirm that;

- The statements of fact presented in this report are correct to the best of the Valuer(s) knowledge;
- The analysis and conclusions are limited only by the reported assumptions and conditions;
- The Valuer(s) have no interest in the subject property;
- The Valuer(s) fee is not contingent upon any aspect of this report;
- The valuation has been performed in accordance with the NZIV Code of Ethics and performance standards;
- The Valuer(s) has satisfied professional education requirements;
- The Valuer(s) has experience in the location and category of the property being valued;
- The Valuer(s) (as noted in the executive summary and final section of this report) has made a personal inspection of the property and
- No one, except those specified in the report has provided professional assistance in preparing the report
- Further, the principal Valuer is a Registered Valuer in accordance with the Valuers Act 1948 and holds an Annual Practising Certificate.

- We confirm that we are not aware of any conflicts of interest or pecuniary interests of the property being valued on the part of CIVAS Limited.

2.0 SITE PARTICULARS

2.1 LEGAL DESCRIPTION

The property is legally described as all that parcel of land containing 1.3630 hectares more or less being Lot 2, Deposited Plan 198664. This is contained in a Computer Freehold Register (formerly known as the Certificate of Title) Identifier NA127C/413, a copy of which is appended to this report at **Appendix 2**.

We note from our perusal of the Computer Freehold Register that as at the date of this report the property is subject to the following interests:

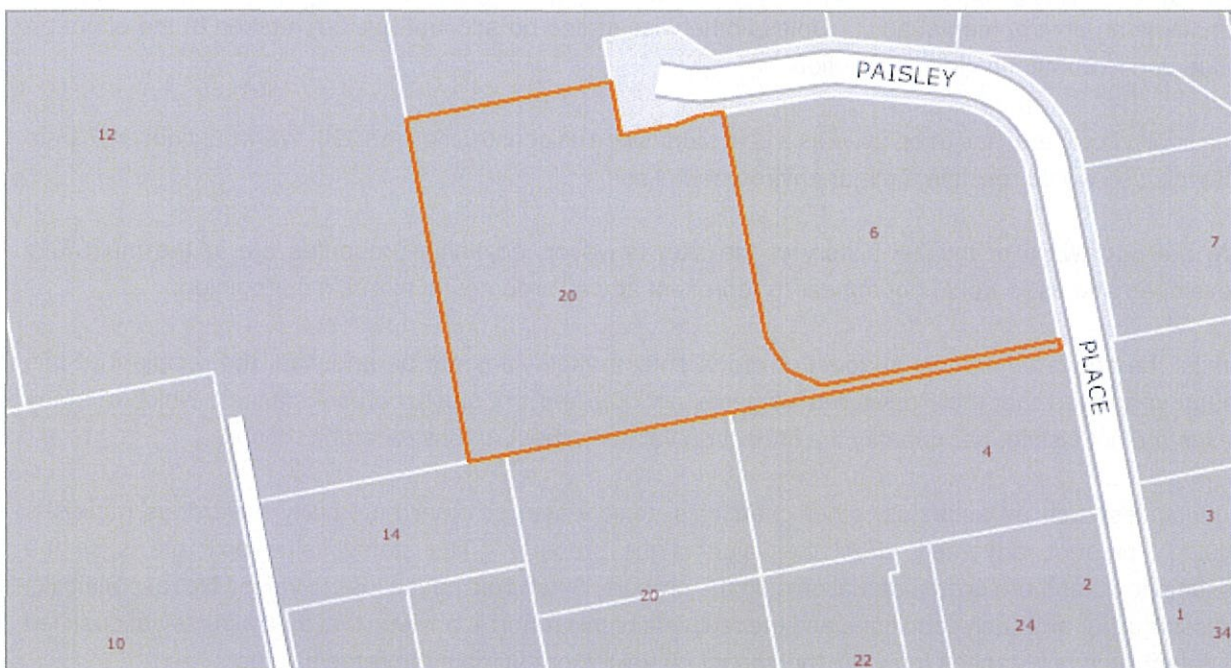
- D489654.3 Consent Notice pursuant to Section 221(l) Resource Management Act 1991. Requiring a registered engineer experience in geotechnical engineering and who is also familiar with the report by Foundation Engineering dated 27 November 1986 numbered 4724.
- Subject to a party wall easement over part marked A on DP 316510 created by Transfer 5466501.2.
- Appurtenant hereto is a party wall easement created by Transfer 5466501.2.

We do not believe that these encumbrances have a detrimental effect on value.

Ownership

We note from our perusal of the Computer Freehold Register that the property is in the registered proprietorship of Augusta Industrial Fund No. 1 Limited with a mortgage registered to ASB Bank Limited.

2.2 SITE DESCRIPTION



Topography

The site is of a functional slightly irregular shape with a small L-shaped frontage to Paisley Place of some 48 metres at the head of the cul-de-sac together with a second driveway frontage of some 3.5 metres further round Paisley Place. The site has a total area of 13,630 sqm.

In terms of contour the site is essentially level.

Access to the Site

The property has three formed and sealed driveways all off Paisley Place providing access to the offices, carparking and warehouse.

Utilities

We understand that the property is connected to all major utility services including electricity, water, telephone and sewerage.

Geotechnical

We have not undertaken a geotechnical survey of the property, and therefore cannot comment as to the subsoil condition of the land. We recommend that before any action is taken involving this site, that you obtain advice regarding soil stability and contamination from persons appropriately qualified to provide such advice.

Environmental and other Special Risks

We have been unable to contact Auckland Council due to a change in procedures as to whether the property is on their contamination register. While due care has been taken to note any contamination liability, our investigations have been undertaken for valuation purposes only, and this report does not constitute an environmental audit. Unless otherwise stated no account has been taken of the effect on value due to contamination or pollution.

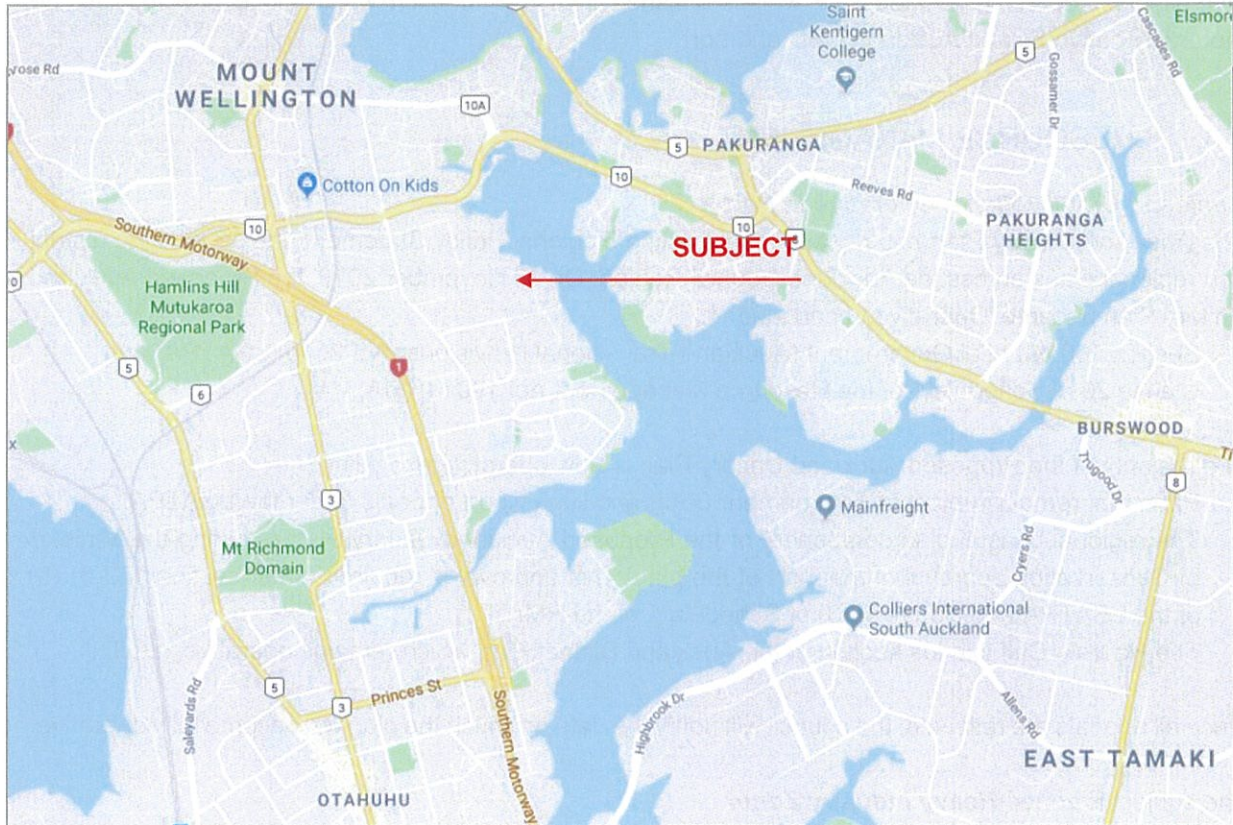
The subject property has been used as a cold store since its construction in 1999. We would not anticipate that this use would result in a major environmental risk.

We are not aware of the full history of the site, however, adjoining properties are in the main fully developed and uses would not appear to represent any environmental threat in our opinion.

Whilst the above comments suggest environmental matters may not be an issue, the recipient of this report is advised that the Registered Valuer is not qualified to detect such substances, which in many cases are not visible, nor quantify the impact on values without an environmental report.

Substances such as asbestos, other chemicals, toxic waste or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the valuer is not qualified to detect such substances, quantify the impact on values or estimate the remedial cost.

2.3 SITUATION AND LOCALITY



The subject property is situated on the southern side of Paisley Place which is a small cul-de-sac located within the industrial suburb of Mt Wellington. Mt Wellington is an established industrial location in South Auckland and is located alongside the main State Highway 1 Southern Motorway and is surrounded by other predominantly industrial suburbs such as Penrose, Westfield and Onehunga.

Paisley Place extends from Gabador Place which links to Carbine Road and a number of other transportation links such as Mt Wellington Highway located to the northwest connecting to the South-Eastern Highway. The South-Eastern Highway provides access from the Southern Motorway to Ti Rakau Drive in the east. The site offers easy access to the Southern Motorway, South-Eastern Highway and Mt Wellington Highway.

Mt Wellington is a more established industrial locality with some streets being developed in the 1940s and 1950s although the majority of the area was developed in 1980s with immediate locality to the subject having been developed more recently in the late 1990s early 2000s. On an overall basis this immediate locality is characterised by quality industrial office, showroom and warehouse premises on large sites.

The Penrose/Mt Wellington area is generally recognised as being the pre-eminent industrial area of New Zealand, being keenly sought after whenever development land or vacant premises arise.

The subject is located approximately 15 kilometres or 20 minutes' drive in normal traffic conditions from Auckland CBD which is located to the north and accessed via the Southern Motorway. The subject is located a similar distance to Auckland International Airport in the south-west although it is an approximate 25 minute drive during normal traffic conditions.

Overall the property is located in a well-established industrial location within close proximity to the motorway networks and Auckland CBD and port.

2.4 RESOURCE MANAGEMENT

Auckland Unitary Plan – Operative in Part

The Auckland Unitary Plan has replaced the existing Regional Policy Statement and 13 existing district and regional plans across the Auckland Council Region. On 15 November 2016, the Proposed Auckland Unitary Plan became 'Operative in part' under:

- Section 160 of Local Government (Auckland Transitional Provisions) Act 2010 (LGATPA) and
- Clause 20 of Schedule 1 of the Resource Management Act 1991 (RMA).

The majority of the Proposed Auckland Unitary Plan is now operative excluding:

- Parts that remain subject to Environment Court and High Court appeals under the LGATPA.
- The regional coastal plan component of the Proposed Auckland Unitary Plan requiring the Minister of Conservation approval of that part of the plan. This approval is required under section 152(3) (b) of the LGATPA and clause 18(3) of Schedule 1 of the RMA.
- The Hauraki Gulf Islands section of the Auckland District Plan which remains operative in full.

Once all appeals are resolved, the council will notify the date on which the plan will become fully operative.

The subject is zoned ***Heavy Industry Zone***.

Heavy Industry Zone

Heavy Industry Zone provides for industrial activities that may produce objectionable odour, dust and noise emissions. Air quality emissions standards that are different to the rest of Auckland will often apply. A low level of air quality amenity applies in the Business – Heavy Industry Zone. A key attribute of the zone is that it contains sites large enough to accommodate large-scale industrial activities.

Activities sensitive to air discharges and activities sensitive to noise are not appropriate in the zone and buildings are expected to have a mainly functional standard of amenity. The zone is typically located close to key freight routes.

Permitted Activity

Permitted activities in the Heavy Industry Zone include the following:

- Workers accommodation (one per site)
- Dairies up to 100m² gross floor area
- Food and beverage up to 120m² gross floor area
- Offices that are accessory to the primary activity on the site with a gross floor area does not exceed 30 percent of all buildings on the site; and does not exceed 100m²
- Retail accessory to an industrial activity on the site, where the goods sold are manufactured on site and the retail gross floor area does not exceed 10 percent of all buildings on the site
- Service stations
- Tertiary education facilities that are accessory to an industrial activity on the site
- Industrial activities
- Development of New buildings, additions and alterations to buildings and demolition to buildings

Development Standards

Under the Heavy Industry Zone restrictions the following rules apply:

- Buildings must not exceed 20m in height
- Buildings must not project beyond a 35 degree recession plane measured from a point 6m vertically above ground level along the boundary of residential zones, open space zones, Special Purpose – Māori Purpose Zone or School Zone
- Maximum impervious area within a riparian yard must not exceed 10 per cent of the riparian yard area
- Yards are to be provided at the front with a minimum depth of 2 metres and where a rear or side boundary adjoins; a residential zone, Special Purpose - Maori Purpose Zone, stream, lakeside or coast these vary from 3 metres to 30 metres
- Any outdoor storage or rubbish collection areas that directly face and are visible from a residential zone, rural zone, open space zone, Special Purpose– School Zone or Māori Purpose Zone adjoining a boundary with, or on the opposite side of the road from, an industrial zone, must be screened from those areas by landscaping, a solid wall or fence at least 1.8m high.

Overlays

- Natural Resources: Quality-Sensitive Aquifer Management Areas Overlay - Auckland Isthmus Volcanic
 - a) The Quality-sensitive Aquifer Management Areas Overlay contains aquifers that are shallow and unconfined and therefore susceptible to pollution from surface sources such as excess fertiliser application or discharges of contaminants such as storm water or sewage. The potential for contamination is highest in the volcanic aquifers where discharge to aquifers is most direct.
 - b) The objective of the overlay is to protect the quality and quantity of water from contamination.

Controls

- Macroinvertebrate Community Index - Urban

Designations

- Airspace Restriction Designations - ID 1102, Protection of aeronautical functions - obstacle limitation surfaces, Auckland International Airport Ltd

General Comments

The building is currently used for industrial purposes which appears to comply with the current zoning. In any event, the existing improvements enjoy existing use rights under the provisions of Section 10 of the Resource Management Act 1991.

2.5 STATUTORY INFORMATION

Building Act

Parliament passed the Building Act 2004, which replaces the Building Act 1991 and affects the building consent process. Some new measures came into effect on 30 November 2004, but the main changes came into effect on 31 March 2005, when the 1991 Building Act was repealed.

The main change from November 2004 is that it is now an offence to permit the public use of a building before a Code Compliance Certificate (CCC) for any new building work has been issued. Building owners had until 31 March 2005 to obtain the CCC. After that date, the offence became enforceable. We are not aware whether or not any new work that requires a Code Compliance Certificate has recently been undertaken. If such work has been undertaken and a Code Compliance Certificate has not been issued there may be cost/value implications for the property.

Under the Building Act, property owners are responsible for the safety and sanitation of their buildings. Certain systems and features such as fire alarms, lifts and air-conditioning require ongoing monitoring and maintenance.

Where necessary, owners must provide a Building Warrant of Fitness (BWOFF) annually to verify systems are in working order. This must be accompanied by copies of Licenced Building Practitioner (LBP) Certificates to support that requirements of the Compliance Schedule have been met for the preceding year. A Compliance Schedule is an inventory of a building's systems and features that specifies inspection, testing and maintenance procedures as well as the frequency of work, and who should perform it.

The Warrant of Fitness is displayed in the building.

Rating Valuation

<i>Assessment Number:</i>	2591/11208
<i>Date of Assessment</i>	1 July 2017
<i>Land Value:</i>	\$5,600,000
<i>Value of Improvements:</i>	\$18,400,000
<i>Capital Value:</i>	\$24,000,000

We point out that rating valuations are carried out under statutory criteria and may not reflect market value at any point in time.

3.0 DESCRIPTION OF IMPROVEMENTS

3.1 DESIGN AND CONSTRUCTION

The subject property comprises a substantial industrial premises being a speciality coolstore and distribution complex with two levels of offices built circa 1999. The configuration of the space is made up of five coolstore rooms, two blast freezers, an environmental loading area, curtainsider container area, seven loading docks and associated plant rooms. The facility uses an ammonia refrigerant which is widely used for large industrial plants.

Coolstore

The coolstore consists of five different coolstore rooms, blast freezers and an environmental loading area containing approximately 58,718 cubic metres of accommodation.



ELA



Coolstore

General construction comprises precast reinforced concrete panels with interior walls and roof insulation panels. Lighting is by way of halogen bulbs and a VESDA smoke detection system is provided throughout the space.

The coolstore facility features coldstore technology including temperature-controlled rooms, rapid open cooler/freezer doors, selective pallet racking and curtainside unloading, all of which is included in this valuation.

The loading bay area configures seven partially canopied loading docks, to the rear of the loading area is a curtainsider container area which features power points for up to nine containers with a minimum stud height of 6 metres and provides covered loading/unloading for up to two trucks.

The loading dock and curtainsider leads to the ELA which is fully secure and maintains a temperature between 4 to 7 degrees offering a stud height of approximately 8.2 metres. Situated away from the ELA area are two blast freezers and five coldstore rooms are positioned to the rear of the ELA. The coldstore rooms have the ability to be utilised as either a freezer or chiller featuring a stud height of 10.85 metres to the underside of the trusses.



Curtainsider Container Area



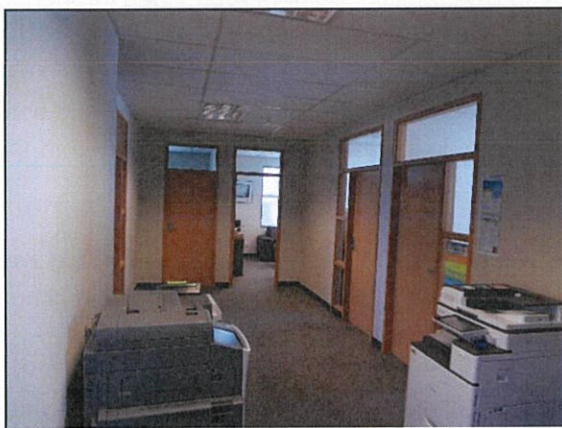
Loading Dock / Yard

Offices

The offices and amenities are located to the front of the complex with entrance gained from Paisley Place to the reception area which leads to the ground floor offices. Construction of the office premises consist of aluminium panelling with a steel frame and reinforced concrete floors.

The ground floor offices offer a basic standard of accommodation provided carpeted with some partitioning and are air-conditioned. Also located to this level are staff amenities which comprise a female, male and paraplegic toilet with associated facilities and a staff lunchroom. The lunchroom provides kitchen facilities with metal bench tops, vinyl floor coverings and access to an outside sealed courtyard.

Entrance to the first floor offices can be gained from the lower level reception area. A staircase provides access to the first floor offices which have been refurbished to a good standard offering three separate partitioned offices. The space is provided with suspended ceilings and fluorescent lighting.



Office



Office

3.2 FLOOR AREAS

The floor areas adopted within our valuation are those which have been supplied to us by from lease documents. We have assumed that these areas have been measured in accordance with the

PINZ/PCNZ recommended guidelines for measurement of industrial areas. We summarise the areas as follows:

Level/Suite	Tenant	Use	Lettable Area NLA
First Floor Offices	Americold NZ / Icepak	Industrial	159.60
Ground Floor Offices	Americold NZ / Icepak	Industrial	78.80
Ground Floor Amenities	Americold NZ / Icepak	Industrial	176.50
First Floor Offices	Americold NZ / Icepak	Industrial	93.80
Ground Floor Coolstore	Americold NZ / Icepak	Industrial	5,354.10
Ground Floor ELA	Americold NZ / Icepak	Industrial	1,795.80
Ground Floor Freezers	Americold NZ / Icepak	Industrial	47.00
Ground Floor Battery Room	Americold NZ / Icepak	Industrial	66.00
Ground Floor Plant Room	Americold NZ / Icepak	Industrial	105.00
Container Canopy	Americold NZ / Icepak	Canopy	1,026.60
Dock Canopy	Americold NZ / Icepak	Canopy	120.00
			7,876.60

3.3 OTHER IMPROVEMENTS

The site is largely sealed offering approximately 33 car parks which are situated to the front of the subject property along the northern side of the building. We note also that the loading docks areas are concrete sealed. Landscaping is provided to the front of the entrance offering a nice level of presentation.

3.4 CONDITION AND REPAIR

The property appeared to be in a reasonable condition given the age of the premises, we note the property is leased to Americold on a Net Lease basis. We note that upon inspection of the property we noticed deferred items of maintenance that were affecting the performance of the property including leaking from the roof causing panels to expand from water penetrating in to the panels. We have been informed this will be part of make good provisions when the current tenant lease expires.

Although the lease agreement with the new tenant is set on a Triple Net Lease basis we believe it necessary to note the deferred items of maintenance due to the tenant set to move in and the current tenant being direct competitors of one another, posing the potential of teething issues when expiry of the current lease term runs out.

We are aware that an engineering survey has taken place, which we believe will cover the condition of the refrigeration plant and equipment along with the structure of the property and the refrigeration panels. We have been informed any outstanding maintenance items will be at the vendors expense, being Hall's who were the vendor and will be the tenant from December 2019. We therefore have assessed the market value on a completely functional high quality cool store. Should this not be the case, we reserve the right to amend this valuation accordingly.

We are not aware of any notices currently issued against the property and we have made no enquiries in this regard. Expert opinion has not been sought in respect to the building structure or the plant and equipment, however our limited enquiries have not revealed any major defects. The improvements are considered to be in reasonable condition for their age.

Unless stated elsewhere in this report, we have assumed that the property complies with the appropriate statutory, building and fire safety regulations, and we have also assumed that there is no timber infestation, asbestos or other defect and have made no investigations for them nor have we undertaken a structural survey or tested the building services.

We are of the opinion that the improvements are unlikely to suffer from functional or physical obsolescence.

For the purpose of this valuation we have assumed that no significant capital expenditure is required for the subject property at the present time.

3.5 SEISMIC

We have requested but not been provided with an Initial Evaluation Procedure (IEP) Seismic Assessment nor a Detailed Engineering Evaluation (DEE). The subject property may well have issues relating to this however we are not qualified to make comment and as such for the purposes of this valuation we have assumed that there are no significant costs required and no issues identified that would adversely impact value.

We note that despite the regulatory framework setting 34%NBS (*New Building Standard*) as the minimum threshold for a building to be not earthquake prone, both the occupational and investment markets are currently adopting a level of 67%NBS in terms of their decision making and discounting. As such our valuation has been undertaken on the basis that the subject building is currently at or above this level on a DEE basis.

Given the age of the property having been constructed in 1999 with modern construction methods along with being located in the low risk Auckland region, we would not expect the market to discount this property for potential earthquake issues. We do advise that a formal independent DEE be commissioned, and if any issues are raised that would adversely impact on value we ask that this valuation be returned to the valuer for further consideration and review.

4.0 OCCUPANCY ARRANGEMENTS

4.1 TENANCY SCHEDULE

We provide below a summary tenancy schedule providing the information adopted in our valuation:

Level/Suite	Tenant	Use	Lettable Area NLA	Lease Commence	Lease Term	Lease Expiry	% NLA	Base Passing		
								Rent	Rent \$/m ²	
First Floor Offices	Americold NZ / Icepak	Industrial	159.60	1-Dec-14	17.00	30-Nov-31	2.03%	35,910	225.00	
Ground Floor Offices	Americold NZ / Icepak	Industrial	78.80	1-Dec-14	17.00	30-Nov-31	1.00%	17,730	225.00	
Ground Floor Amenities	Americold NZ / Icepak	Industrial	176.50	1-Dec-14	17.00	30-Nov-31	2.24%	39,713	225.00	
First Floor Undeveloped Offices	Americold NZ / Icepak	Industrial	93.80	1-Dec-14	17.00	30-Nov-31	1.19%	14,070	150.00	
Ground Floor Cool Store	Americold NZ / Icepak	Industrial	5,354.10	1-Dec-14	17.00	30-Nov-31	67.97%	1,197,561	223.67	
Ground Floor ELA	Americold NZ / Icepak	Industrial	1,795.80	1-Dec-14	17.00	30-Nov-31	22.80%	242,433	135.00	
Ground Floor Freezers	Americold NZ / Icepak	Industrial	47.00	1-Dec-14	17.00	30-Nov-31	0.60%	14,100	300.00	
Ground Floor Battery Room	Americold NZ / Icepak	Industrial	66.00	1-Dec-14	17.00	30-Nov-31	0.84%	8,910	135.00	
Ground Floor Plant Room	Americold NZ / Icepak	Industrial	105.00	1-Dec-14	17.00	30-Nov-31	1.33%	8,925	85.00	
Container Canopy	Americold NZ / Icepak	Canopy	1,026.60	1-Dec-14	17.00	30-Nov-31	0.00%	56,463	55.00	
Dock Canopy	Americold NZ / Icepak	Canopy	120.00	1-Dec-14	17.00	30-Nov-31	0.00%	6,600	55.00	
							7,876.60	100.00%	1,642,415	

Arrears

We have enquired of Augusta Industrial Fund Limited, and understand that collections with respect to rental and outgoings are generally up to date and that there are no substantial arrears.

4.2 LEASE DETAILS

Americold NZ Limited

We have been provided with a signed copy of the Deed of Lease and Deed of Renewal of Lease which is summarised below:

<i>Premises:</i>	20 Paisley Place, Mt Wellington.
<i>Lease Term & Commencement:</i>	Renewed five year term from 1 December 2014.
<i>Rights of Renewals:</i>	No remaining rights of renewal.
<i>Final Expiry:</i>	30 November 2019.
<i>Annual Rental:</i>	\$1,642,415 per annum plus GST.
<i>Rent Reviews:</i>	Three yearly rent reviews to current market.
<i>Proportion of Outgoings:</i>	100%
<i>Business Use:</i>	Coolstore and coldstore storage and operations, controlled atmosphere storage, blast freezing, dry goods storage and handling, transportation, freight forwarding, general logistics, and incidental and ancillary administration facilities.

Outgoings: Standard net lease with outgoings including rates, utility charges, rubbish collection charges, fire service charges, landlords land tax, insurance premiums, building services charges, cleaning maintenance, ground maintenance and yard and carpark maintenance and building WOF costs.

Halls Refrigeration Transport Limited

We have been provided with an unsigned Deed of Lease of the proposed lease to Halls Refrigeration Transport Limited (Icepak), we have sighted a copy of the proposed lease and outline the salient details below. Should this lease not be executed in accordance with the details provided, we reserve the right to amend this valuation.

Premises: 20 Paisley Place, Mt Wellington.

Lease Term & Commencement: 12 years from 1 December 2019.

Rights of Renewals: N/A.

Final Expiry: 30 November 2031.

Annual Rental: \$1,709,000 per annum plus GST.

Rent Reviews: Annually by 2% per annum.

Proportion of Outgoings: 100%

Business Use: Coolstore and coldstore storage and operations, controlled atmosphere storage, blast freezing, dry goods storage and handling, transportation, freight forwarding, general logistics, and incidental and ancillary administration facilities.

Outgoings: Triple Net lease.

Clause 5.3:

No Liability for the Lessor

“The parties acknowledge that this Lease is intended to be a ‘triple net lease’ and the Lessor shall not have any liability to repair, maintain, replace, reseal, clean or redecorate the whole or any part or parts of the Premises (except as set out in clause 7.2(a))”.

4.3 OPERATING EXPENSES

We have been in contact with Auckland Council and have been informed that the rates for this property are \$121,283 per annum. The total operating expenses for the property are be approximately \$196,915 per annum including rates which equates to approximately \$25 per sqm.

Based on our involvement with the valuation of industrial property, we can confirm that these operating expenses are not out of context with the market level.

4.4 CAPITAL EXPENDITURE

In terms of capital expenditure, we note the property has a triple net lease which means all capital expenditure is paid by the lessee. However, as mentioned in section 3.4 we believe that some capital expenditure may need to be paid by the Landlord.

We have been provided with preliminary details by way of email from Augusta Industrial Fund outlining initial capital expenditure items amounting to approximately \$150,000 which includes works to cladding, roofing and additional fixtures to the property that will allow regular maintenance works to the property in a safe manner and mitigate deferred maintenance in the future. We have also been notified by Augusta that some capital expenditure at the end of Americolds lease is likely to occur, as such we have budgeted \$100,000 of remedial / refurbishment works to the property. This is over and above make good from the current tenant.

As we have not been provided with an expert opinion on the likely costs of the remedial works to the property, we reserve the right to amend our assumptions and the valuation report should the amounts be any different. We also expect all works that will be completed, to be completed in a workmanlike manner. Should this not be the case we reserve the right to amend this valuation.

We note our budgeted capital expenditure assumptions below:

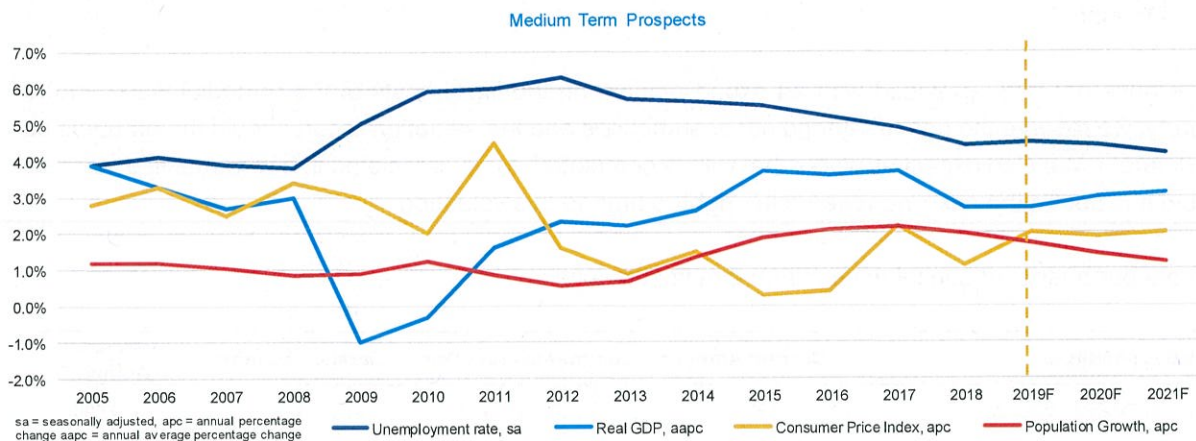
Capital Expenditure	Current Amount	Commencement Date	Duration Months	Escalated Amount
Repairs to Exterior Cladding	\$50,000	Feb-2019	4	\$50,000
Repairs to Roof	\$80,000	Feb-2019	4	\$80,000
Installation of Roof Access Points	\$20,000	Dec-2018	2	\$20,000
General Capex end of Americold Lease	\$100,000	Dec-2019	6	\$100,000
Total Budgeted Capex	\$250,000			\$250,000
Total General Allowance	\$0	Nov-2018	121	\$0
Total Tenant Refurb upon Lease Expiry	\$0		121	\$0
Total Capital Expenditure	\$250,000			\$250,000
% of Adopted Value	0.96%			0.96%

5.0 MARKET COMMENTARY

5.1 ECONOMIC COMMENTARY

In determining the current market value of the subject property, we have had regard to underlying economic conditions and the flow-on implications that these may have on investment and divestment decisions made across the broader property markets.

This commentary is effective as at November 2018 and is based on the most recently sourced data from Government and independent sources. The following graph provides an overview of key market indicators in recent times plus forecasts.



Interest Rates

The Official Cash Rate (OCR) has remained unchanged by the RBNZ at 1.75% since November 2016. Despite interest rates rising globally, the RBNZ have indicated there is little urgency to raise the OCR while the RBNZ assess how new policies affect New Zealand's economic growth. NZIER have pushed back their prediction indicating a rise in mid-2020.

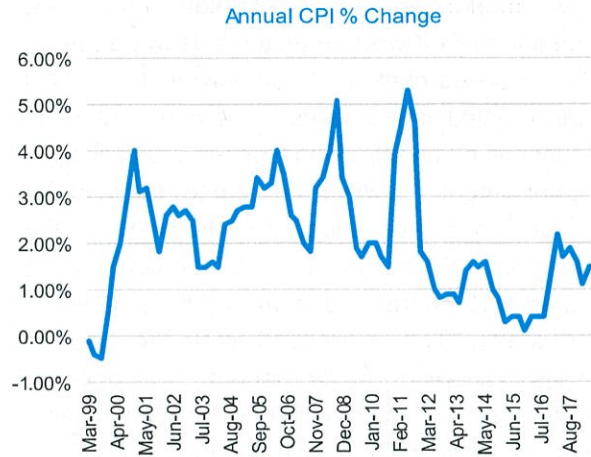
RBNZ's Monetary Policy Statement highlighted that interest rates could go down as much as 100 basis points if GDP remains below 3% over 2019 as business confidence and profitability weakens. This move could leave little room to manoeuvre through the next downturn. The graph shows the downward trend in rates since 2014.



Inflation / CPI

Annual CPI change for September 2018 quarter increased 1.9 percent, up 0.9 percent from previous quarter. The sector pushing inflation the highest was petrol (19%) and transport costs (5.6%).

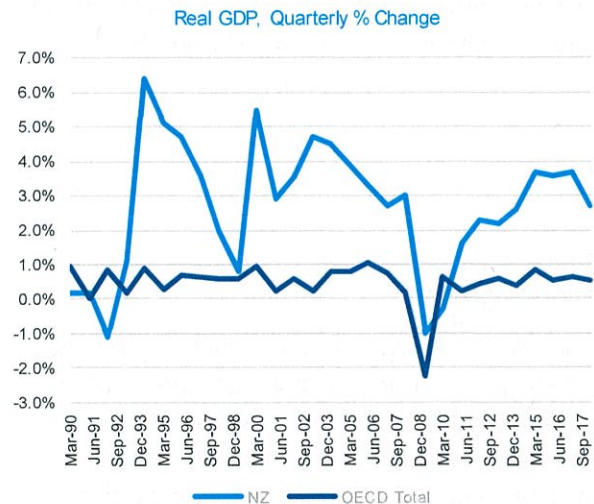
NZIER expect annual headline inflation to lift over 2 percent in H2 2019, reflecting the effects of higher global oil prices, lower exchange rates and petrol excise taxes. The current signs of inflation lifting are on the back of higher petrol prices at the pump, continued strong construction cost inflation as well as rental housing inflation picking up as population growth outweighs housing supply.



GDP

Gross Domestic Product (GDP), a measure of economic productivity, grew 1.0% in the June 2018 quarter, exceeding forecasts and higher than the previous March quarter. Annual GDP growth was 2.7% for the year ended June 2018 and is forecasted by NZIER to average around 3.0% over the next five years on the back of expected slower population growth as more Kiwis move overseas and expected tightening to migration policies looms.

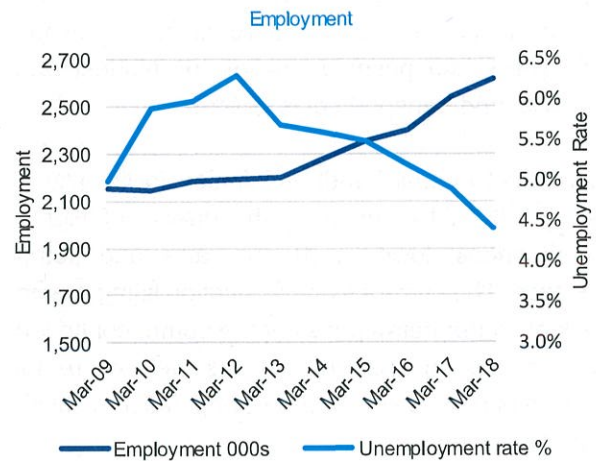
NZIER's business confidence survey about demand within businesses own operations, a measure of business confidence unaffected by the Government in office, had remained strong up until June with businesses now reporting a softening in demand, which could potentially lead to moderating growth ahead. Business profitability has also deteriorated as cost pressures intensify and businesses struggle to pass these costs on to the consumer, particularly so in the retail sector following changes to the minimum wage. Heightened uncertainty and weakening profitability are making businesses cautious with expansion, particularly when investing in new buildings and plant & machinery.



Employment

The labour market has begun to tighten with slowing migration and more Kiwis looking towards overseas job markets. Proposed changes to employment laws and immigration including increases in the minimum wage and elimination of the 90-day trial period are unlikely to deter employment. However, a strong demand for labour has had a balancing effect with the unemployment rate dropping to 3.9 percent in the September 2018 quarter, down from 4.5 per cent the previous quarter. This is believed to be the result of businesses reporting acute labour shortages – particularly so in the construction sector. Employment will continue to be an obstacle for the construction sector as only 24 percent of work visas issued have been for technicians or trade workers.

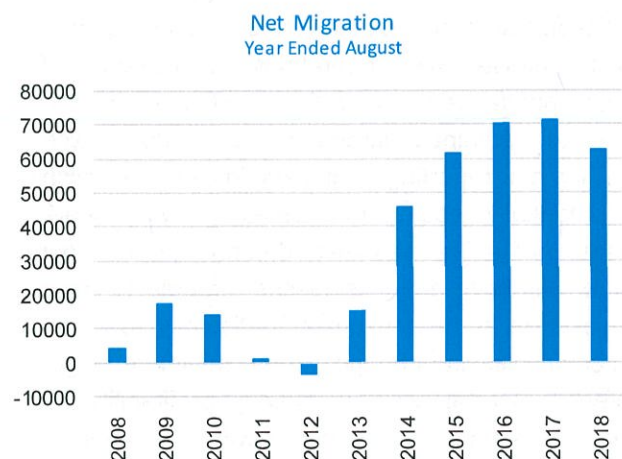
The underutilisation and employment rates have both improved in the September 2018 quarter with underutilisation down 0.7 per cent and employment up 0.5 percent compared to the June 2018 quarter.



Population/Migration

Strong population growth is a key factor which has flowed through to many sectors of the economy including construction and retail spending. Despite remaining relatively strong by historical standards, there has been a decrease in the number of permanent & long-term migrants with annual net inflows edging below 65,000.

The drop in net migration is potentially the effect of the composition change in visa types. There is a continued surge in the number of people coming in on work visas, however this has been countered by a significant drop in the number of student visas as a result of the crackdown on fraudulent student visas. Net migration has also been affected by a negative net migration of NZ Citizens with permanent and long-term departures up 10 percent in the August 2017/18 year.

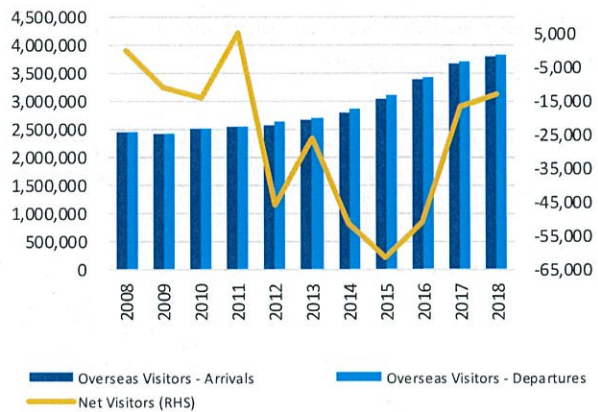


Tourism

Strong tourism will continue to be a major supporter in economic activity around a range of sectors including retail spending and commercial construction. Visitor arrivals in September 2018 were up to 258,200 on September 2017.

NZIER expects tourism to remain strong over the coming years due to a buoyant Chinese economy and a more competitive New Zealand Dollar. Tourism spending will be an important contributor to New Zealand's regional economic development and NZIER's global demand forecast expects this positive momentum experienced in the tourism sector to continue.

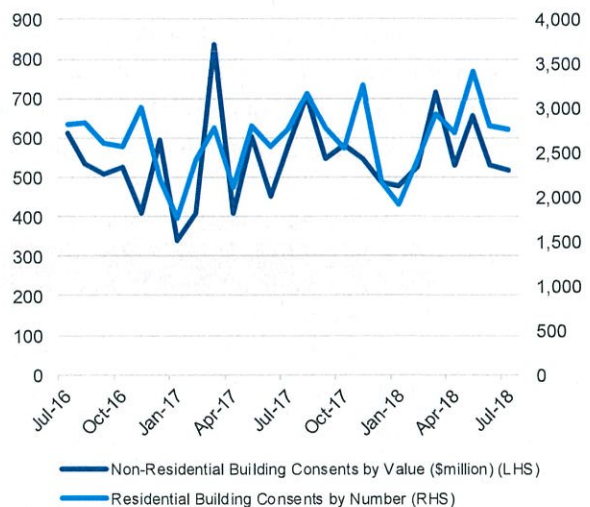
Tourism - Arrivals & Departures
Year Ended September



Construction

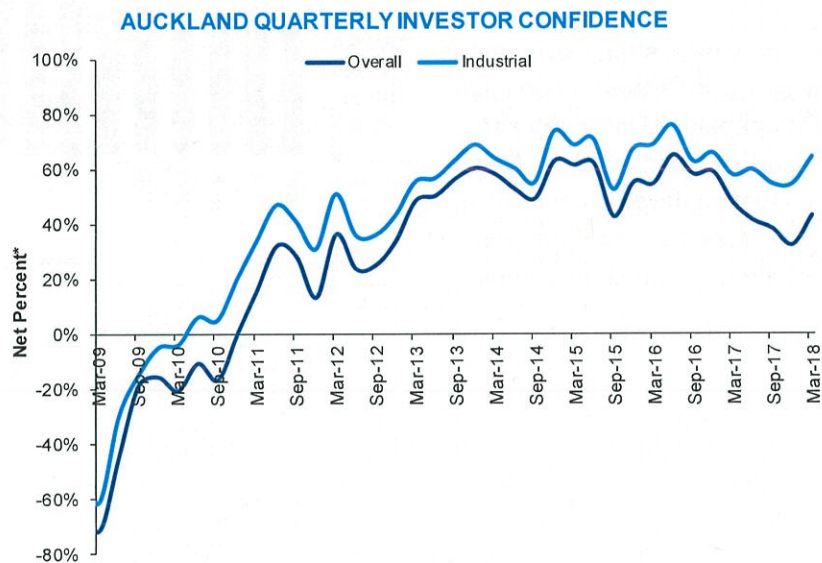
Effects of high tourism and net migration continue to trickle throughout the economy impacting the construction sector. The construction pipeline remains strong, however NZIER's business confidence survey indicates there is a softening in new demand for buildings, suggesting that the change in priorities of the new government and capacity constraints in the sector are leading to increased uncertainty as to which projects will be going ahead. July 2018 saw an increase of 10 percent compared to July 2017 on the value of non-residential building activity, while the year ended July 2018 has seen an 8 percent rise in actual number of dwellings from the July 2017 year. Cost pressures remain intense in the sector impacting negatively on profitability, pushing some firms off projects and others in to receivership, affecting multiple sites across the country. Concerningly, building sector firms are no longer expecting a recovery in profitability, with a net 14 percent expecting profitability to worsen in the next quarter. Uncertainty remains in the economy as the effects are yet to be fully realised.

Construction



5.2 AUCKLAND INDUSTRIAL MARKET

New Zealand's industrial property market has continued to perform strongly in most localities since 2015 and through to the third quarter of 2018, with still relatively positive economic sentiment fuelling demand by occupiers and investors.



Source: Colliers International Research
*Optimists minus pessimists

Results from Colliers International's September 2018 quarterly Confidence Survey showed industrial investor confidence has decreased to 58.0% net positive. This is a fall of 6.3% from the March 2018 quarter, however this is slightly up by 3.4% for the Auckland Region for the same time period a year earlier. Industrial investors remain the most optimistic of the three main sectors.

AUCKLAND INDUSTRIAL KEY MARKET INDICATORS

		12 month change	12 months forecast
Industrial Stock (sqm)	11,332,763	↑	↑
Net Absorption* (sqm)	116,063	↑	↔
Overall Vacancy	2.2%	↑	↔
Yields**	5.50%	↓	↔
Rents***	\$150	↑	↑

*12 month net absorption

**Auckland Region Prime Average (as at June-18)

***Auckland Region Prime Average Net Combined (as at Jun-18)

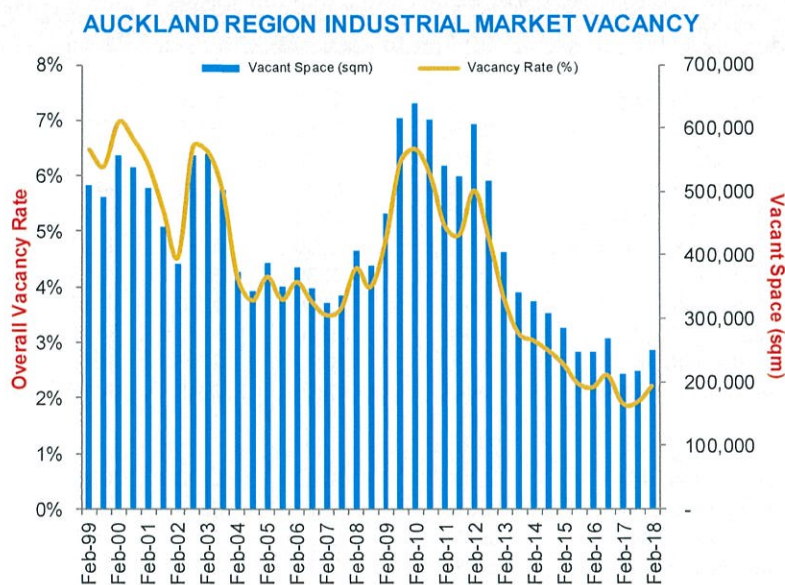
Note: Physical indicators based on Feb-18

Source: Colliers International Research

Vacancy

- Colliers International research undertook the latest vacancy survey in February 2018. The overall Auckland industrial vacancy rate increased slightly to 2.2% from 1.9% recorded a year ago in February 2017, being a 0.3% increase over 12 months.

- The vacancy rate has declined steadily since the start of 2010 with the vacancy rates recorded in the past year having been the lowest recorded since the survey began in the mid-1990s.
- The lowest vacancy rate by suburb recorded was in Mt Wellington at 0% for prime industrial properties, with all other precincts sitting below 2% with the exception of Rosebank/Avondale at 7.1%.
- Overall, the largest decrease in vacancy was in Penrose/Onehunga mainly due to the spec build at The Gate Industry Park being leased up when compared to six months prior.
- The vacancy for secondary industrial properties across all precincts range from between 1.0% and 3.3%, with the highest vacancy being in the Airport Corridor when compared to six months prior.



Source: Colliers International Research

Land Supply & Development Update

- Land transactions have increased over the last 12 months; on average industrial land values sit at \$546 per sqm for the Auckland Region as at in June 2018, a 11.7% increase relative to a year ago.
- Land continues to be in limited supply, particularly in the central industrial areas and what is available is tightly held.
- While industrial land is also tightly held in South Auckland, Manukau continues to have the bulk of vacant industrial land available for development, notwithstanding this, much of the development land is tightly held and only a very small proportion is available to the wider market to develop.
- The Unitary Plan has allowed for several new areas of Light and Heavy Industry zoned land largely in Drury and Puhinui, however this land is greenfield and will require significant development work before coming to the market.
- The Bunnings distribution centre is has recently been completed at Auckland Airport being a 20,000 sqm facility.
- The Ministry of Primary Industries 17,000 sqm facility at Auckland Airport has recently been completed comprising over 4,000 sqm of office space, significant storage and warehousing and kennels for up to 80 dogs.
- Foodstuffs North Island is set to develop a new 65,000 sqm distribution centre with a five green star office complex in the Landing Business Park at Auckland Airport. Construction is to begin in 2018 with completion scheduled for late 2020.

Rental Rates & Tenant Demand

- With vacancy rates dropping to historically low levels in most areas and incentives reducing, net effective rents for prime industrial property in particular are showing signs of growth after remaining flat for several years. This has flowed through to increased demand in the secondary grade properties with increases in rentals and values, with vacancy for secondary property set also at historic lows.
- Increased construction costs have also put upward pressure on rental rates as developers try to achieve an adequate return.

	Vacancy Rate*	Net Prime Office Rental Range**		Net Prime Warehouse Rental Range**		
Prime						
Airport Corridor	2.4%	\$230	\$280	\$115	\$130	
East Tamaki	0.9%	\$250	\$290	\$120	\$135	
Manukau/Wiri	1.8%	\$240	\$290	\$120	\$135	
Mt Wellington	0.0%	\$250	\$290	\$120	\$135	
Penrose / Onehunga	0.3%	\$250	\$290	\$120	\$135	
Rosebank / Avondale	7.1%	\$230	\$290	\$120	\$135	
New Lynn	N/A	\$230	\$280	\$115	\$125	
Henderson	1.5%	\$230	\$270	\$115	\$125	
Mairangi Bay^	1.4%	\$220	\$265	\$115	\$130	
North Harbour^	0.1%	\$200	\$250	\$115	\$130	
Wairau Valley^	N/A	\$200	\$245	\$115	\$130	
Secondary						
Airport Corridor	3.3%	\$150	\$190	\$85	\$105	
East Tamaki	1.3%	\$170	\$210	\$95	\$115	
Manukau/Wiri	2.9%	\$170	\$210	\$95	\$115	
Mt Wellington	3.2%	\$170	\$210	\$95	\$115	
Penrose / Onehunga	2.9%	\$170	\$210	\$95	\$115	
Rosebank / Avondale	1.0%	\$170	\$210	\$90	\$115	
New Lynn	3.2%	\$160	\$200	\$90	\$105	
Henderson	2.8%	\$160	\$200	\$90	\$105	
Mairangi Bay^	1.9%	\$200	\$220	\$115	\$120	
North Harbour^	2.5%	\$200	\$220	\$110	\$120	
Wairau Valley^	1.9%	\$180	\$200	\$110	\$120	

Source: Colliers International Research

Assuming fully leased at market rates, warehouse / office ratio of 80/20, 2,000 sqm building with 50% site coverage

Rates may fall outside the parameters for very large or small premises

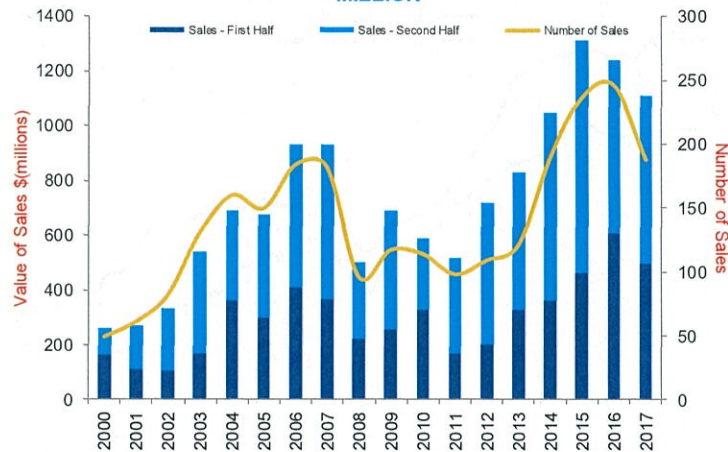
*Feb 2018

**June 2018 Quarter

Sales Activity & Yields

- The number of Industrial property sales above \$2 million have decreased in total value and sales volume from the record highs set in 2015, our 2017 figures are as of December 2017.
- The sales transactions that have occurred in the Auckland industrial market have shown high net worth individuals in particular to be active in the investor market, with significant demand for quality investments across a wide price range.

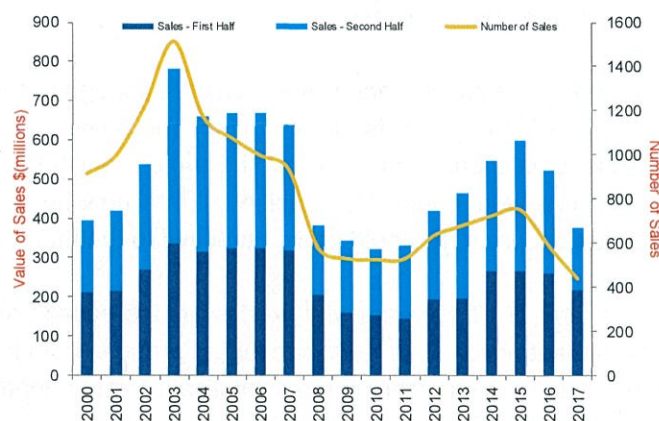
AUCKLAND REGION INDUSTRIAL PROPERTY SALES - GREATER THAN \$2 MILLION



Source: CoreLogic & Colliers International Research
Sales of properties over \$2 million in sale price only.
*2017 transactions inclusive up to end of December

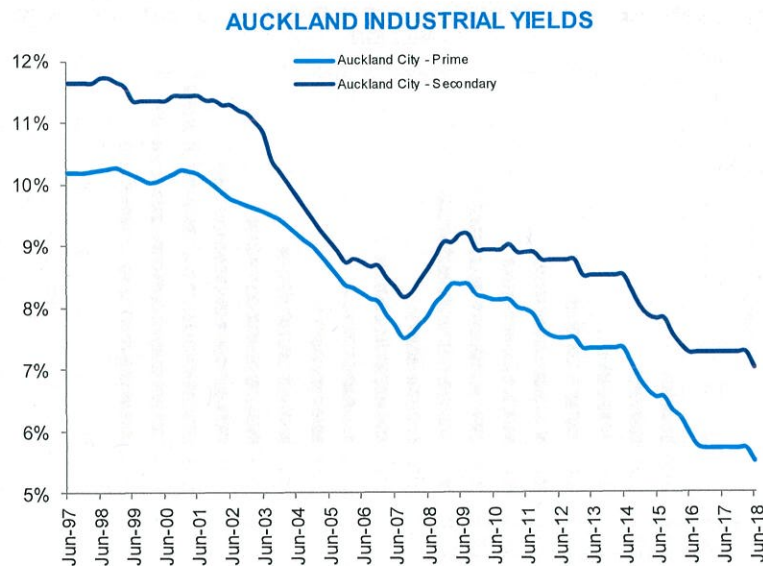
- A lack of quality stock available for purchase still remains the most challenging aspect of the investment market. Analysing industrial property sales \$2 million or less, shows that 2017 transaction volumes and value figures have decreased drastically since the rise in 2012 and record high total values set in 2015.

AUCKLAND REGION INDUSTRIAL PROPERTY SALES - EQUAL TO AND LESS THAN \$2 MILLION



Source: CoreLogic & Colliers International Research
Sales of properties equal to and less than \$2 million in sale price only.
*2017 transactions inclusive up to end of December

- Prime industrial yields in the Auckland Region have levelled out in recent months after continued tightening over the 18 months prior. This reflects the demand for quality assets in the market, however future capital growth is anticipated to be from a higher proportion of rental growth rather than yield compression.
- The shortage of supply of prime industrial property in the face of increasing demand has also resulted in a firming of yields for good quality second tier assets, where the low vacancy levels have reduced vacancy risks.
- There is continued interest in the owner occupier section of the market, stimulated by the low interest rate environment and as insulation from future rental increases.



Source: Colliers International Research

5.3 IMPLICATIONS FOR 20 PAISLEY PLACE

Whilst the subject is a highly specialised coolstore which is expensive to replicate, this means the tenant is likely to be captive once in occupation. The property is a full turn key operation with a triple net lease which serves to reduce risk around maintenance costs.

The property occupies a higher end price bracket and is specialised, although this is somewhat negated by the 13.08 years remaining to the WALT. Tenants for this type of specialised property tend to be long-term although if they do vacate can create long term vacancy. The subject facility is expensive to replicate, and subsequently higher rental rates would need to be achieved in a new build facility to achieve an adequate return, therefore the subject property would prove attractive to the market.

The property is well leased for a term of 13.08 years with fixed rental increases from 1 December 2019. This provides an attractive investment option. The tenant covenant reduces from international to a large private company which requires a minor adjustment in the capitalisation rate adopted.

6.0 VALUATION CONSIDERATIONS

6.1 VALUATION METHODOLOGY

In undertaking the subject valuation we have applied the following accepted methods of valuation which are considered to be appropriate in concluding a market value for the subject property. Below is a brief outline of each approach and how it is adopted:

Contract Income Approach

This method of valuation applies direct capitalisation of passing income. This is considered to be a well proven method of determining value for an investment property where income is receivable for a reasonable term from secure tenants.

However, this method can prove less effective where the current contract rent varies from the assessed market rent due to over or under renting, vacant space and a number of other factors.

Market Income Approach

This approach requires the assessment of a current market rental for the property and capitalisation at an appropriate yield. It is then possible to make capital adjustments to allow for the difference between contract rent (either over or under) discounted until a notional equilibrium point in the lease term. Vacancies and other capital adjustments are made where appropriate.

Discounted Cashflow

In addition we have carried out a discounted cashflow valuation over a ten year horizon in accordance with established practice.

This method involves projecting the cashflow of the property over the 10 year period and making explicit forecasts for many variables within the property including:

- Discount Rate
- Growth Rates
- Sustainable Rental Levels
- Vacancy Allowances
- Capital Expenditure and Outgoings
- End of Period Valuation / Terminal yield

6.2 LEASING EVIDENCE

In assessing the appropriate market rental we have had regard to comparable rental for similar coolstore properties in the greater Auckland Region and we have summarised below some of the relevant transactions of interest.

Address	Tenant	Effective Date	Rental Type	Type	Area (sqm)	Rate (per sqm)
1-15 Spartan Road Takanini	Icepak NZ	Jul-18	NL	Yard	11,740	\$33
				Offices	830	\$200
				ELA	1,514	\$153
				Coolstore 1	257	\$190
				Coolstore 2 & 3	981	\$205
				Mezzanine Plant Room	86	\$80
				Covered Deck	22	\$50
				Utility Shed	12	\$50
138 Wiri Station Road Wiri	Provida Foods Ltd	Aug-17	NL	ELA/Chiller	673	\$208
				Dry Goods	357	\$130
				Offices	350	\$200
				Refrigeration	45	\$225
				Yard	2,500	\$25
				Freezer	760	\$225
78 Ascot Road Mangere	Yogurtmore	Jul-17	NL	Dry Store	220	\$110
				Processing Areas	685	\$154
				Freezer	31	\$225
				Plant Room	21	\$100
				Office & Amenities	286	\$150
				Chillers	361	\$175
12-16 Brigade Road Airport Oaks	My Food Bag Ltd	Jun-17	NL	Control Office & Amenities	169	\$155
				Plant Room	83	\$100
				Canopy	150	\$50
				Mezzanine Floor	78	\$100
				Main Office	740	\$120
				Chiller	3,187	\$175

Address	Tenant	Effective Date	Rental Type	Type	Area (sqm)	Rate (per sqm)
10 Transport Place East Tamaki	Hall's Logistics Limited	Aug-16	RR	Warehouse Canopy	700	\$50
				Office	369	\$185
				Office Addition	119	\$180
				Chiller A & B	1,447	\$170
				ELA	1,006	\$140
				Freezer	2,234	\$235
				Chiller	1,039	\$225
				Plant Room	39	\$80
				Generator	1	\$15,000
				Warehouse	4,150	\$107
				Dispatch Office	41	\$115
				Drivers Amenity	197	\$155
				Breezeway Canopy	2,043	\$55
7 Armstrong Road Albany	Bidvest NZ Ltd	Aug-16	NL	Offices	216	\$170
				Plant Room	59	\$75
				Yard	960	\$23
				Chiller	250	\$220
				Dock Canopy	221	\$55
				Canopy	360	\$55
				Freezer	673	\$250
				ELA	500	\$220
				Dry Store	917	\$112

1-15 Spartan Road, Takanini

The property comprises a specialised coolstore facility constructed in 2000 - 2001 located within the Takanini industrial area with proximity to the Takanini Motorway interchange. The main component of the building is a substantial ELA servicing three separate coldstores constructed of a lean-to design with 8.2 metre stud heights and six cart docks. The first coolstore has a temperature range of -2°C to -5°C and a stud height of approx. 8 metres, while the second and third coolstores have a temperature range of -18°C to -20°C and stud heights of 8 metres rising to 10 metres at the apex. Offices are provided to the front elevation of the property over two levels with reception, partitioned offices and lunch room to the ground floor. The first level is partitioned offices and boardroom with kitchenette facilities. The property also comprises substantial yard areas. The property was subject to a new 12 year, triple net lease as of July 2018 with annual rent reviews to 1.5% and market renewal in the sixth year capped and collared at 5%. This is a smaller, inferior quality coolstore facility, the improvements are of a similar quality with similar standard facilities to the chillers and coolstores, although located in an inferior location.

138 Wiri Station Road, Wiri

The property comprises a purpose built cool store facility constructed in 2011. The building has cool store, cold store, ELA areas and a single level of offices. The remainder of the site comprises asphalt sealed yard and car parking areas. The refrigeration equipment is owned by the Lessee. Leased for a 15 year

term as part of a sale/leaseback transaction with annual 1.75% increases and a market review in year seven. This property comprises a smaller coolstore facility with lower stud heights to the coolstore areas. Access to the property is inferior due to the shared truck and pedestrian circulation and parking areas.

78 Ascot Road, Mangere

Yogurtmore have entered in to a new lease to occupy a cool store effective as of July 2017. The premises comprises a 1980's industrial building with a total floor area of 1,604 sqm. A single level of offices and amenities are located to the road frontage while the food grade facilities are adjoined to the rear. The processing areas provide a stud height of approx 4.6m and include space for the chillers and freezers. There is a clearspan warehouse otherwise known as the dry good store which adjoins the rear of the processing areas bordering the southern boundary. This property is considered vastly inferior to the subject and is also substantially smaller.

12-16 Brigade Road, Airport Oaks

The property comprises a quality second tier coolstore development purpose built for Wrightson's in 1986 for a venison processing facility. After various modifications and extensions, the property now provides good quality transit coolstore accommodation. The premises have a large tidy office block to the road frontage with various cool store areas to the rear. The landlord owns and has fully replaced the refrigeration equipment to refrigerate the premises to 4°C. The tenant will fit out the offices. The premises were leased for a 9 year term with annual 2.5% increases. This property is considered vastly inferior to the subject and is also substantially smaller.

10 Transport Place, East Tamaki

The property comprises a large industrial development with a mixture of office, warehouse, cool store and freezer space. The specialist cool store component comprises 55% of the lettable area of this property. The property is fully leased to Hall's Logistics Limited on a 14 year lease term with two yearly market rent reviews. This is a high-quality development which offers comparable evidence when compared to the subject. Due to coolstore specifications provides the most comparable evidence.

7 Armstrong Road, Albany

The subject property comprises a purpose built development and incorporates dry goods storage, cool stores and office accommodation. The property is provided with two levels of offices, dry store with a stud height of 9 metres to the knee and clear span. The cool store and chillers are built adjacent to the offices, with the dry store at the rear of the property. The ELA is provided with 5 loading docks accessed via a full concrete/asphalt sealed and secured yard with cantilevered canopies above. A new six year lease with two yearly market rent reviews. This is a smaller coolstore, due to fitout and specification offers useful evidence when compared to the subject.

Rental Conclusion

The subject property is a large coolstore facility located in a central location. Having regard to the above mentioned evidence and others of which we are aware of we would believe that the subject coolstore would sit towards the upper end of the scale given the location and the specifications of the facilities within the property.

6.3 MARKET RENT ASSESSMENT

In assessing the market rental, we have had regard to the evidence presented, and the current rental along with the rental set for December 2019. Giving consideration to this, along with the current market and transactions listed above, we set out our market rental as follows:

Level/Suite	Tenant	Use	Lettable Area NLA	Base Passing		Adopted Market	
				Rent	Rent \$/m ²	Rent	Rent \$/m ²
First Floor Offices	Americold NZ / Icepak	Industrial	159.60	35,910	225.00	35,910	225.00
Ground Floor Offices	Americold NZ / Icepak	Industrial	78.80	17,730	225.00	17,730	225.00
Ground Floor Amenities	Americold NZ / Icepak	Industrial	176.50	39,713	225.00	39,713	225.00
First Floor Offices	Americold NZ / Icepak	Industrial	93.80	14,070	150.00	14,070	150.00
Ground Floor Coolstore	Americold NZ / Icepak	Industrial	5,354.10	1,197,561	223.67	1,258,214	235.00
Ground Floor ELA	Americold NZ / Icepak	Industrial	1,795.80	242,433	135.00	242,433	135.00
Ground Floor Freezers	Americold NZ / Icepak	Industrial	47.00	14,100	300.00	15,040	320.00
Ground Floor Battery Room	Americold NZ / Icepak	Industrial	66.00	8,910	135.00	8,910	135.00
Ground Floor Plant Room	Americold NZ / Icepak	Industrial	105.00	8,925	85.00	8,925	85.00
Container Canopy	Americold NZ / Icepak	Canopy	1,026.60	56,463	55.00	61,596	60.00
Dock Canopy	Americold NZ / Icepak	Canopy	120.00	6,600	55.00	7,200	60.00
			7,876.60	1,642,415		1,709,740	

6.4 SALES EVIDENCE

We have had regard to a variety of specialised transactions within the wider north island of similar quality specialised properties, a summary of some of these transactions are as follows:

Address	Tenant	Sale Date	Sale Price	WALD (yrs)	NLA (sqm)	Initial Yield	Market Yield	IRR	Land & Bldg Rate (per sqm)
1-15 Spartan Road Takanini	Icepak NZ	Jul-18	\$16,850,000	12.00	3,679	6.19%	6.16%	7.52%	\$4,580
20 Paisley Place Mount Wellington	Americold/Halls	Mar-18	\$25,384,615	14.00	7,877	6.50%	6.70%	7.65%	\$3,223
100 Kerwyn Avenue East Tamaki	Mr. Chips	Feb-18	\$16,500,000	15.00	5,541	6.88%	7.17%	8.75%	\$2,978
248 East Tamaki Road East Tamaki	Vacant	Nov-17	\$4,250,000	-	2,545	-	9.50%	11.31%	\$1,670
10 Clemow Drive Mount Wellington	Fonterra	Sep-17	\$8,250,000	7.70	2,475	6.80%	6.70%	8.32%	\$3,333
17 Saleyards Road Otahuhu	Vacant	Sep-17	\$6,300,000	-	3,491	-	8.00%	9.45%	\$1,805
138 Wiri Station Road Wiri	Provida Foods Ltd	Jul-17	\$8,345,000	15.00	2,185	5.99%	6.15%	8.66%	\$3,819

1-15 Spartan Road, Takanini

The property comprises a specialised coolstore facility constructed in 2000 - 2001 located within the Takanini industrial area with proximity to the Takanini Motorway interchange. The main component of the building is a substantial ELA servicing three separate coldstores constructed of a lean-to design with 8.2 metre stud heights and six cart docks. The first coolstore has a temperature range of -2°C to -5°C and a stud height of approx. 8 metres, while the second and third coolstores have a temperature range of -18°C to -20°C and stud heights of 8 metres rising to 10 metres at the apex. Offices are provided to the front elevation of the property over two levels with reception, partitioned offices and lunch room to the ground floor. The first level is partitioned offices and boardroom with kitchenette facilities. The property also comprises substantial yard areas. The property sold in July 2018 for \$16.85m reflecting an initial yield of 6.19% and a market yield 6.16%. The sale formed part of a sale and lease back to which represents a 12 year WALD. A similar quality property with similar efficiencies. The property holds a similar length remaining lease term with the same tenant covenant. Overall a useful property for comparison.

20 Paisley Place, Mount Wellington

The subject property comprises a substantial industrial premises being a speciality cool store and distribution complex with two levels of offices constructed in 1999. Improvements include five cool store rooms, two blast freezers, an environmental loading area, container area, seven loading docks and associated plant and engine rooms. The property is leased to Americold NZ Limited for a 5 year term expiring in 29 November 2019. Icepak Ltd, a subsidiary of Hall's Group Ltd, has agreed to lease the property on a new 12-year triple net lease from 1 December 2019. The property sold for \$25,384,615 showing an initial yield of 6.50%. This is a useful comparison due to being the subject property. The yields achieved reflect the strengthening Auckland industrial market and time since the transaction.

100 Kerwyn Avenue, East Tamaki

The property comprises three buildings including an original main building, processing building and coldstore. The main building is a production facility with inward goods and storage areas, as well as main offices. The second building comprises food production and packaging areas with offices and amenities and the third building is a coldstore with loadout areas. The property is disjointed in nature with various building varying in age. The site has frontage to Kerwyn Avenue and has strong transport linkages. The property sold in February 2018 for \$16.5m reflecting an initial yield of 6.88% and market yield of 7.17%. At the time of sale the property sold with 15 years remaining on the lease. This is an inferior property due to the efficiencies and layout of the property. The improvements are slightly dated when compared to the subject property which reflect the yields achieved. Sold with a slightly longer lease term.

248 East Tamaki Road, East Tamaki

The property comprises a large industrial building which appears to have been originally constructed in the 1970s with subsequent extensions and alterations. The property provides medium stud warehouse to a food grade standard with associated offices. The site has surplus land of approximately 2,475 sqm and yard setbacks of approximately 1,535 sqm. Sold vacant in November 2017 for \$4,250,000. This is an inferior property due to the multiple additions made over time. The property sold vacant which is reflected in the yields achieved.

10 Clemow Drive, Mount Wellington

The premises comprises a cool store on a larger site that was constructed circa 1970's and extended in 1983 and is situated to the western boundary of the site. The building is constructed with a single row of columns to a stud height of approximately 10 metres at the apex. Analysis from the main site shows a

sale price of \$8,250,000 and a yield of 6.80% with 7.7 years remaining. An older and substantially smaller coolstore facility compared to the subject. The property sold with a much shorter lease term than the subject, the yields achieved reflect vacancy costs at the end of the lease term.

17 Saleyards Road, Otahuhu

The property comprises a mid-1980s constructed industrial building with specialised modern additions providing office/warehousing and freezer/chiller/processing accommodation which occupy a rear site of 6,807 sqm, contained on a single title. The specialised additions were completed in 2010. The property adjoins railway lines to the rear. The property sold in September 2017 with a two year deferred settlement whereby the tenant is in occupation until June 2019, but is not required to pay any rent. This property is inferior due to not being a purpose-built facility. The property essentially sold vacant with the deferred settlement which is reflection the rates achieved.

138 Wiri Station Road, Wiri

The property comprises a purpose built cool store facility constructed in 2011. The building has cool store, cold store, ELA areas and a single level of offices. The remainder of the site comprises asphalt sealed yard and car parking areas. The refrigeration equipment is owned by the Lessee. Leased for a 15 year term as part of a sale/leaseback transaction with annual 1.75% increases and a market review in year seven. Site coverage of 24% allowing for further expansion. A smaller coolstore facility compared to the subject of lower quality.

6.5 CAPITALISATION RATE CONCLUSION

In assessing the appropriate capitalisation rate we have made adjustments for the following factors and carried out SWOT analysis.

- Location
- Specialisation
- Size
- Zoning and Utility
- Quality
- Lease Term
- Rental Cashflow
- Potential for Rental Growth

Strengths

- Good quality well maintained facility.
- Specialised property which is expensive to replicate.
- Suited to a variety of food processing uses.
- Ammonia refrigerant.
- Long term lease in place with 13.08 years remaining.

Weaknesses

- Specialised property which will limit potential tenants.
- Large price bracket limits potential purchasers.

Opportunities

- Captured tenant due to specialisation.
- Rental growth in the medium to long term.
- Long term new lease or renewal.

Threats

- Long term vacancy upon lease expiry.
- Competition from new developments.

The property occupies a higher end price bracket and is specialised, although this is somewhat negated by the 13.08 years remaining to the WALT. Tenants for this type of specialised property tend to be long-term although if they do vacate can create long term vacancy. The subject facility is expensive to replicate, and subsequently higher rental rates would need to be achieved in a new build facility to achieve an adequate return, therefore the subject property would prove attractive to the market.

Bearing in mind the evidence in the market we believe a market equivalent yield of around 6.50% is applicable to the subject property on the assessed market rent and 6.25% on the contract rental.

6.6 DISCOUNTED CASHFLOW ANALYSIS

We have also analysed the property applying discounted cashflow analysis, adopting a 10 year cashflow time horizon and making appropriate allowances for rental income growth, leasing up allowances on expiries, along with a terminal value at the end of the time period. The resultant Net Present Value being a reflection of market based income and expenditure projections over the 10 year period.

The key assumptions adopted in the cashflow are as follows:

- Market Rental:** We have adopted market rental rates in our cashflow in line with our static valuation.
- Rental Growth:** It is difficult to accurately predict rental growth rates particularly for industrial property when demand is directly linked to the performance of the economy. Accordingly, we have projected growth rates.

Calendar Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Inflation (CPI)	1.80%	1.80%	1.90%	1.90%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
Industrial (Net Effective)	2.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.30%	2.30%	2.30%

- Terminal Yield:** Discounted cashflow appraisal technique requires a consideration for the property to be sold at the end of the 10 year cashflow period. In adopting the terminal capitalisation rate, it is appropriate to recognise that the property by that stage is 10 years older and accordingly may warrant a higher capitalisation rate.

We have adopted a terminal capitalisation rate of 7.75%.

- Discount Rate:** We have adopted a property discount rate of 7.50% which is analysed from our sales evidence.
- Capital Expenditure:** The lease is a triple net lease therefore no allowance has been made for capital expenditure through the term of the lease.

7.0 VALUATION CONCLUSION

We refer you to **Appendix 1** that contains our Valuation Calculations and Cashflow in Detail. We summarise the result hereunder.

<i>Contract Income Approach</i> Capitalised at 6.25%	\$26,000,000
<i>Market Income Approach</i> Capitalised at 6.50%	\$25,900,000
<i>Discounted Cashflow Approach</i> Discounted at 7.50%	\$26,100,000
<i>Adopted Current Market Value</i> As at 8 November 2018	\$26,000,000

Having regard to available market evidence and factors outlined in the body of this report, we confirm our assessed market value of the property as at the valuation date as follows:

\$26,000,000 plus GST, (if any)
(TWENTY SIX MILLION DOLLARS)

The above current market value is analysed as follows:

Valuation Summary

Adopted Value	\$26,000,000
Passing Initial Yield	6.32%
Equivalent Market Yield	6.48%
Internal Rate of Return (including capex)	7.56%
Direct Comparison	\$3,301 per m ² of NLA
Weighted Lease Duration by Income (incl vacancy)	13.08 years (incl vacancy)
Weighted Lease Duration by Income (excl vacancy)	13.08 years (incl vacancy)

Land and Building Apportionment

The market value can be hypothetically apportioned between land and improvements as follows:

Building	\$18,500,000
Land	\$ 7,500,000

8.0 GENERAL

Our valuation is subject to CIVAS Limited's Statement of Valuation Qualifications and Conditions as follows:

1. In accordance with PINZ Guidance Notes, unless otherwise stated, all non-residential valuations are on the basis of **plus GST (if any)**. Valuations of residential property are stated as **including GST (if any)**.
2. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable but we can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from Government or other appropriate sources.
3. We have been engaged to provide a valuation only and while due care was taken to note obvious building defects in the course of our inspection, we have not been engaged for any purpose other than the valuation and we are not able to advise on matters such as structural or site surveys or any other defects in the building.
4. In preparing the valuation it has been assumed that all lifts, hot and cold water systems, electrical systems, ventilating systems and other devices, fittings, installations or conveniences in the building are in proper working order and functioning for the purposes of Government regulations and codes. We will not include in our valuation those fixtures and fittings owned and able to be removed by the tenant(s).
5. Where applicable, our valuation includes those items which form part of the building including special wall and floor finishes, toilet amenities, integrated heating and ventilation equipment, external lighting and all site works including landscaping.
6. In preparing the valuation and/or providing valuation services, it has been assumed that a full and frank disclosure of all relevant information has been made.
7. We do not hold ourselves out to be experts in environmental contamination. Unless otherwise stated our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.
8. In preparing the valuation, we have relied on photocopies of the Computer Freehold Register and the leases provided. It has been assumed that these are accurate copies of the original documents and that no dealings or changes have occurred since the date such photocopies were made.
9. This valuation and all valuation services are provided by us solely for the use of our client. We do not assume any responsibility to any person other than the client for any reason whatsoever by reason of or arising out of the provision of this valuation.

10. This report is relevant as at the date of preparation and to circumstances prevailing at the time. However, within a rapidly changing economic environment experiencing fluctuations in interest rates, availability of finance, insurance, rents, building expenditure and returns on investments, values can be susceptible to variation over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal, mortgage advance, shareholding restructure or other transaction, that you consult further with us.
11. **Confidentiality and Disclaimer of Liability**

Our valuation and report is strictly confidential to the party to whom it is addressed and is prepared solely for the specific purpose to which it refers. No responsibility whatever is accepted for reliance on the valuation report for other purposes. Further, no responsibility whatever is accepted to persons other than the party to whom the valuation and report is addressed for any errors or omissions whether of fact or opinion.
12. Neither the whole nor any part of this valuation and/or report or any reference to it may be included in any published document, circular, or statement without our written approval.
13. **PINZ: Valuation Standards & Guidance Notes**

All valuations are carried out in accordance with the Valuation Standards and Guidance Notes recommended by the Property Institute of New Zealand.
14. Please note that personnel in this firm will or may have stocks, shares or other interests in entities that directly or indirectly hold properties which are the subject of this valuation and/or may have direct or indirect personal relationships with third parties with interests in these same entities. The Company's valuers are required to abide by an industry standard disclosure regime and The Company's internal policies with respect to conflicts of interest, and will disclose any material conflict of interest that arises in its capacity as valuer concerning the property which is the subject of this valuation.
15. **Valuation Basis**

Unless otherwise stated no allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued.
16. **Currency**

Unless otherwise stated all figures including the valuation contained within this report are expressed in New Zealand Dollars (NZD).

We trust that this report is suitable for current purposes. If you have any questions, please contact the writer directly.

Yours faithfully

CIVAS Limited trading as COLLIERS INTERNATIONAL



RUSSELL CLARK BCOM (VPM), MPINZ
Registered Valuer
Director | Valuation & Advisory Services

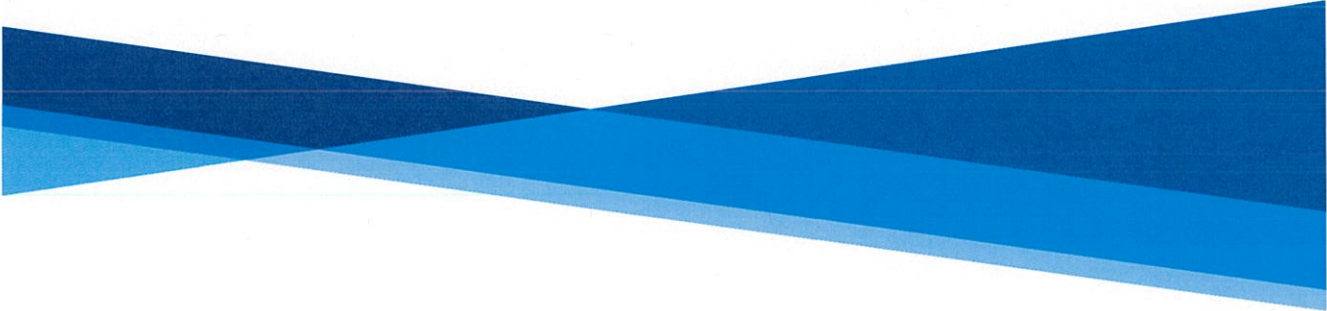


CALLUM KAYES BCOM, BPROP
Graduate Valuer

Inspection of Property:	Russell Clark & Callum Kayes
Valuation Calculations:	Russell Clark & Callum Kayes
Authoring of report:	Russell Clark & Callum Kayes
Director Review:	Russell Clark

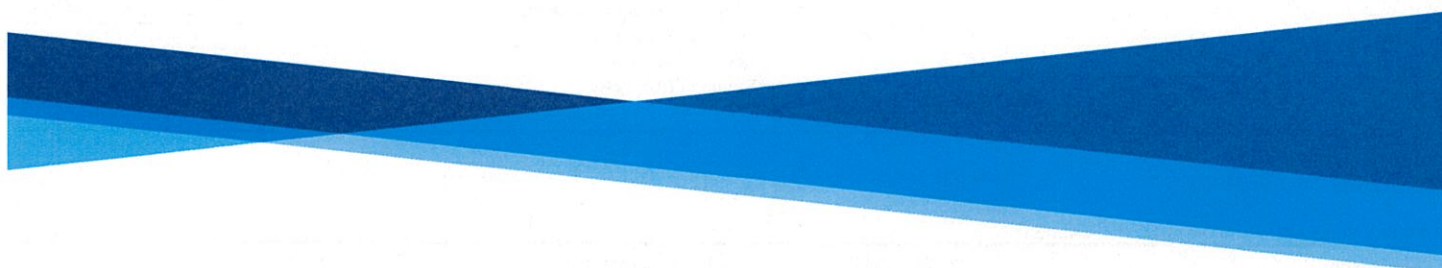
APPENDIX 1

Valuation in Detail



Valuation Calculations

Augusta Industrial Fund



As At

30 October 2018

Reference: 20805/RAC

Valuation Calculations Summary

20 Paisley Place, Mt Wellington, Auckland



VALUATION DETAILS

Valuation Date	30 October 2018	Cash Flow Model Date	1 November 2018
Interest Valued	Freehold Interest	Purpose of Valuation	Mortgage Finance

CORE VALUATION ASSUMPTIONS

Financial Details

Gross Passing Income (Fully Let)	\$1,839,330	Adopted Gross Market Income	\$1,906,655
Outgoings (pa)	\$196,915	Outgoings (pa)	\$196,915
Net Passing Income (Fully Let)	\$1,642,415	Adopted Net Market Income	\$1,709,740
Net Passing Income (Current)	\$1,642,415		

Passing Income is \$67,326 below current market levels

Over / Under rented % -3.94%

Fully Leased - over / under rented % -3.94%

Total NLA 7,876.60 m²

Total Carparks 0 parks

Industrial NLA 7,876.60 m²

Proportion of Occupied Industrial Area 100.00%

	Net	Gross
Average Passing Industrial Rental*	\$201/m ²	\$226/m ²
Average Market Industrial Rental	\$208/m ²	\$233/m ²

*Passing rental averages are based on the proportion of occupied area.

Global Assumptions

Agents Leasing Fees (Gross)	16.00%
Renewal Leasing Fee (Gross)	5.00%

Industrial

Lease Term	6 years
Letting Up - Market	16 months
Retention Probability (Letting Up & Leasing Fees)	50.0%
Letting Up - Applied	8 months
Renewal Probability (Incentives)	0.0%
Reviews	2 yearly rent reviews to market rent

Traditional Valuation Approach

Core Initial Capitalisation Rate	6.250%
Core Market Capitalisation Rate	6.500%
Pending Vacancies Allowances within	24 months
Capital Expenditure Allowances for	0 months
Rental Reversions (PV)	Current tenants at expiry/market review with subsequent leases at 24 months

VALUATION CONCLUSIONS

Traditional Valuation Approach

Initial Yield Approach	\$26,000,000
Market Yield Approach	\$25,900,000

Discounted Cash Flow Approach

Cash Flow Term		10 years
Terminal Capitalisation Rate	+125.00 bps	7.750%
Terminal Allowances & Reversions within		12 months
Discount Rate		7.500%
10 Yr Rental Growth (compounded)	Industrial (Net Effective)	2.52%

Discounted Cash Flow Approach

Discounted Terminal Value	52%	\$13,461,723
NPV of Cash Flows	48%	\$12,653,055
Sum of Discounted Cash Flows		\$26,114,778
Less Acquisition Costs		-
Net Present Value		\$26,114,778
Rounded DCF Value		\$26,100,000

ADOPTED VALUE

\$26,000,000 - GST Exclusive
(TWENTY SIX MILLION DOLLARS)

RESULTANT YIELDS AND IRR'S ON ADOPTED VALUE

Direct Comparison	\$3,301 per m ² NLA	Terminal Initial Yield	7.21%
Passing Initial Yield	6.32%	Terminal Market Yield	7.75%
Equivalent Initial Yield	6.26%	Terminal Capital Value	\$3,525 per m ² NLA
Equivalent Market Yield	6.48%	Rate of Increase in Capital Value	0.62%
Average Lease Duration	13.08 years	IRR (Incl. Capex)	7.56%
Weighted Lease Duration by Area	13.08 years	IRR (Excl. Capex)	7.70%
Weighted Lease Duration by Income (inc vacancy)	13.08 years		
Weighted Lease Duration by Income (exc vacancy)	13.08 years	3 Year IRR (incl. Capex)	6.64%
Total Capital Expenditure (Nominal)	\$250,000	5 Year IRR (incl. Capex)	7.04%
% of Adopted Value (Nominal)	0.96%	7 Year IRR (incl. Capex)	7.29%

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES
 Annual Summary by Tenant - Rental Summary
 20 Paisley Place, Mt Wellington, Auckland



Valuation Date: 30 October 2018

Level/Suite	Tenant	Year 1 01-Nov-18	Year 2 01-Nov-19	Year 3 01-Nov-20	Year 4 01-Nov-21	Year 5 01-Nov-22	Year 6 01-Nov-23	Year 7 01-Nov-24	Year 8 01-Nov-25	Year 9 01-Nov-26	Year 10 01-Nov-27
First Floor Offices	Americold NZ / Icepak	39,910	40,055	40,799	41,611	42,448	43,304	44,176	45,067	45,975	46,901
Ground Floor Offices	Americold NZ / Icepak	19,705	19,983	20,373	20,779	21,197	21,624	22,060	22,505	22,958	23,421
Ground Floor Amenities	Americold NZ / Icepak	44,136	44,468	45,310	46,213	47,142	48,092	49,061	50,050	51,059	52,088
First Floor Offices	Americold NZ / Icepak	16,421	17,310	17,707	18,060	18,424	18,796	19,176	19,563	19,958	20,362
Ground Floor Coolstore	Americold NZ / Icepak	1,331,746	1,382,821	1,412,778	1,440,919	1,469,896	1,499,511	1,529,722	1,560,543	1,591,895	1,624,061
Ground Floor ELA	Americold NZ / Icepak	287,439	290,483	296,060	301,943	308,035	314,289	320,628	327,117	333,737	340,491
Ground Floor Freezers	Americold NZ / Icepak	15,278	17,038	17,512	17,861	18,220	18,586	18,960	19,341	19,730	20,127
Ground Floor Battery Room	Americold NZ / Icepak	10,564	10,672	10,877	11,093	11,316	11,545	11,779	12,017	12,261	12,509
Ground Floor Plant Room	Americold NZ / Icepak	11,557	11,666	11,888	12,123	12,369	12,621	12,877	13,139	13,407	13,679
Container Canopy	Americold NZ / Icepak	56,463	61,539	63,137	64,399	65,687	67,001	68,341	69,708	71,102	72,524
Dock Canopy	Americold NZ / Icepak	6,600	7,883	8,147	8,310	8,476	8,645	8,818	8,995	9,174	9,358
	Total Passing Income	1,839,818	1,903,929	1,944,588	1,983,311	2,023,211	2,063,994	2,105,600	2,148,045	2,191,346	2,235,520
	Total Gross Passing Income	1,839,818	1,903,929	1,944,588	1,983,311	2,023,211	2,063,994	2,105,600	2,148,045	2,191,346	2,235,520
	Outgoings	197,404	200,478	204,256	208,173	212,570	217,141	221,909	226,578	231,449	236,426
	Vacancy Allowance	-	-	-	-	-	-	-	-	-	-
	Net Income before Capital Expenditure	1,642,415	1,703,451	1,740,332	1,775,138	1,810,641	1,846,854	1,883,791	1,921,467	1,959,896	1,999,094
	Capital Expenditure	150,000	100,000	-	-	-	-	-	-	-	-
	Refurbishment Allowance	-	-	-	-	-	-	-	-	-	-
	Agents Fees	-	-	-	-	-	-	-	-	-	-
	Incentives	-	-	-	-	-	-	-	-	-	-
	Ground Rent	-	-	-	-	-	-	-	-	-	-
	Other Adjustments	-	-	-	-	-	-	-	-	-	-
	Net Income after Capital Expenditure	1,492,415	1,603,451	1,740,332	1,775,138	1,810,641	1,846,854	1,883,791	1,921,467	1,959,896	1,999,094

Terminal Value Calculations

20 Paisley Place, Mt Wellington, Auckland



Level/Suite	Tenant	NLA	Terminal Rent		Shortfall/ Overage	Next Review or Expiry	Number of Months	PV (within 12mths) Reversions
			Market	Passing				
First Floor Offices	Americold NZ / Icepak	159.60	46,045	42,180	3,865	30-Nov-31	37.0	10,704
Ground Floor Offices	Americold NZ / Icepak	78.80	22,734	21,090	1,644	30-Nov-31	37.0	4,553
Ground Floor Amenities	Americold NZ / Icepak	176.50	50,921	46,866	4,054	30-Nov-31	37.0	11,228
First Floor Offices	Americold NZ / Icepak	93.80	18,041	17,575	466	30-Nov-31	37.0	1,291
Ground Floor Coolstore	Americold NZ / Icepak	5,354.10	1,613,320	1,465,746	147,574	30-Nov-31	37.0	408,703
Ground Floor ELA	Americold NZ / Icepak	1,795.80	310,855	287,057	23,798	30-Nov-31	37.0	65,909
Ground Floor Freezers	Americold NZ / Icepak	47.00	19,285	18,747	538	30-Nov-31	37.0	1,491
Ground Floor Battery Room	Americold NZ / Icepak	66.00	11,425	10,545	880	30-Nov-31	37.0	2,436
Ground Floor Plant Room	Americold NZ / Icepak	105.00	11,444	10,545	899	30-Nov-31	37.0	2,490
Container Canopy	Americold NZ / Icepak	1,026.60	78,980	72,643	6,337	30-Nov-31	37.0	17,551
Dock Canopy	Americold NZ / Icepak	120.00	9,232	9,373	(141)	30-Nov-31	37.0	(391)
Total		7,876.60	2,192,281	2,002,366				525,965

Terminal Value Calculations - Market Approach

Industrial	2,104,069
Canopy	88,212
Market Income	2,192,281
Add Recoverable Outgoings	237,258
Total Gross Market Income	2,429,539
Less Outgoings	\$30.12/m ² 237,258
Net Market Income	2,192,281
Vacancy Allowance	0.00%
Net Income	2,192,281
Capitalised at	7.75%
Capitalised Value	28,287,497

Terminal Value Adjustments

Existing Vacant Tenancy Allowances	
Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-
Pending Vacancy Allowances (expiries within 12 months)	
Downtime	-
Agents Leasing Fees	-
Incentives	-
Refurbishment Allowance	-
NPV Outstanding Current Incentives	-
PV Rental (Shortfall) / Overage	525,965
General Capital Expenditure Allowance (0 months)	-
Budgeted Capital Expenditure (24 months)	-
Other Adjustments	-
Total Adjustments	525,965

Assessed Terminal Value as at 30 October 2028

Value \$/m ²	27,761,532
	3,525

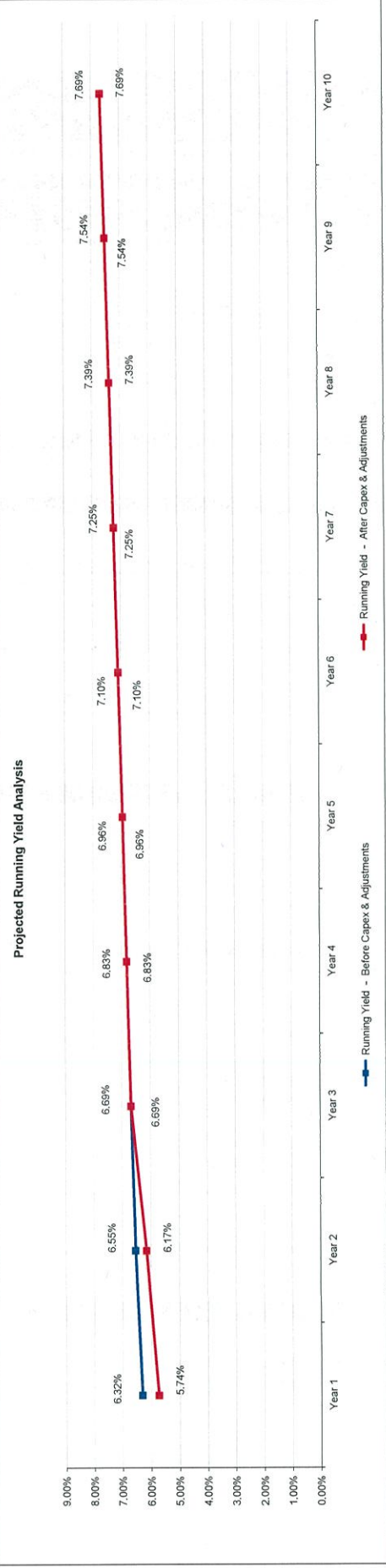
Terminal Value Analysis

Terminal Initial Yield	7.21%
Equivalent Market Yield With Vacancy Factor	7.75%
Equivalent Market Yield Without Vacancy Factor	7.75%
Rate per metre of NLA	\$3,525/m ²



For Year Commencing	Year 1 01-Nov-18	Year 2 01-Nov-19	Year 3 01-Nov-20	Year 4 01-Nov-21	Year 5 01-Nov-22	Year 6 01-Nov-23	Year 7 01-Nov-24	Year 8 01-Nov-25	Year 9 01-Nov-26	Year 10 01-Nov-27
Industrial	1,579,352	1,634,029	1,669,048	1,702,429	1,736,478	1,771,207	1,806,632	1,842,764	1,879,620	1,917,212
Canopy	63,063	69,422	71,283	72,709	74,163	75,646	77,159	78,703	80,277	81,882
Outgoings Recoveries	197,404	200,478	204,256	208,173	212,570	217,141	221,809	226,578	231,449	236,426
	-	-	-	-	-	-	-	-	-	-
Total Income	1,839,818	1,903,929	1,944,588	1,983,311	2,023,211	2,063,994	2,105,600	2,148,045	2,191,346	2,235,520
Outgoings	197,404	200,478	204,256	208,173	212,570	217,141	221,809	226,578	231,449	236,426
Vacancy Allowance	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Net Income Before Capital Expenditure	1,642,415	1,703,451	1,740,332	1,775,138	1,810,641	1,846,854	1,883,791	1,921,467	1,959,896	1,999,094
Capital Expenditure (Budgeted & General)	150,000	100,000	-	-	-	-	-	-	-	-
Refurbishment Allowance	-	-	-	-	-	-	-	-	-	-
Agents Fees	-	-	-	-	-	-	-	-	-	-
Incentives	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-
Net Income After Capital Expenditure	1,492,415	1,603,451	1,740,332	1,775,138	1,810,641	1,846,854	1,883,791	1,921,467	1,959,896	1,999,094
Terminal Value	-	-	-	-	-	-	-	-	-	27,761,532
Disposal Costs	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	1,492,415	1,603,451	1,740,332	1,775,138	1,810,641	1,846,854	1,883,791	1,921,467	1,959,896	29,760,626

Adopted Value @	\$	7,500%
Acquisition Costs	\$	-
Adopted Value before Acquisition Costs	\$	26,000,000
Running Yield - Before Capex & Adjustments	6.32%	6.55%
Running Yield - After Capex & Adjustments	5.74%	6.17%
Running Yield - Before Capex & Incl. Adjustments	6.32%	6.55%
Running Yield - After Capex, Adjustments & Incl. Acquisition Costs	5.74%	6.17%



Note: This running yield analysis is based upon the projected net income and includes potential downtime and associated re-letting costs, as per our specific assumptions.

DCF Summary

20 Paisley Place, Mt Wellington, Auckland



Present Value of Cash Flows	\$26,114,778	
Discount Rate	7.500%	
Terminal Value	\$27,761,532	
Less Disposal Costs	-	
Net Terminal Value	\$27,761,532	
Discounted Terminal Value	\$13,461,723	51.55%
Discounted Cash Flow	\$12,653,055	48.45%
Sum of Discounted Cash Flows	\$26,114,778	
Less Acquisition Costs	-	
Present Value	\$26,114,778	
Rounded Present Value	\$26,100,000	
Rate \$/m ²	\$3,314	
Rate of Increase in Capital Value	0.62%	
IRR (incl. Capex)	7.56%	
IRR (excl. Capex)	7.70%	
3 Year IRR (incl. Capex)	6.64%	
5 Year IRR (incl. Capex)	7.04%	
7 Year IRR (incl. Capex)	7.29%	

Net Present Value Matrix

		Terminal Yield		
		7.500%	7.750%	8.000%
Discount Rate	7.000%	27,512,544	27,033,479	26,584,356
	7.250%	27,036,824	26,568,819	26,130,065
	7.500%	26,572,003	26,114,778	25,686,129
	7.750%	26,117,796	25,671,077	25,252,279
	8.000%	25,673,925	25,237,448	24,828,252

IRR Matrix

		Terminal Yield		
		7.500%	7.750%	8.000%
Adopted Value	23,465,000	9.34%	9.09%	8.84%
	24,700,000	8.57%	8.32%	8.08%
	26,000,000	7.82%	7.56%	7.32%
	27,300,000	7.11%	6.86%	6.62%
	28,665,000	6.42%	6.17%	5.92%

Purpose of the Report	Mortgage Finance
Type of Property	Investment Style
Method of Arriving at the Discount Rate	Analysis of comparable sales, discussions with industry participants, consideration of the long term bond rate plus adjustment factors.
Purchase and Sale Costs	Included in the Discounted Cash Flow * Costs are based upon the normal market terms of each party paying their own purchase/sale costs
Rest Periods	Monthly, assumed cash received in arrears
Term of the cash flow (years)	10 Years
Terminal Value	Calculated using the market capitalisation approach * We have taken the rental value in the 121 month, capitalised this and deducted or added the value of the shortfalls or overages.
Financing Costs and Taxation	All cash flows are calculated before financing costs and tax.
Returns	Quoted in annual terms.
Commencement Date	Nov-18
Inflows and Outflows	The inflow comprises estimated revenue and the outflows the estimated costs.
Specific Exceptions	None
Debt	Calculations prepared on a pre-debt basis.
Cash Flow Developer	Colliers International Valuation & Advisory Services
Tax	All calculations are prepared on a net of Income Tax and other general taxes, including GST, basis but after the deduction of direct property taxes including Rates etc., if applicable unless specifically stated as below.

Some definitions

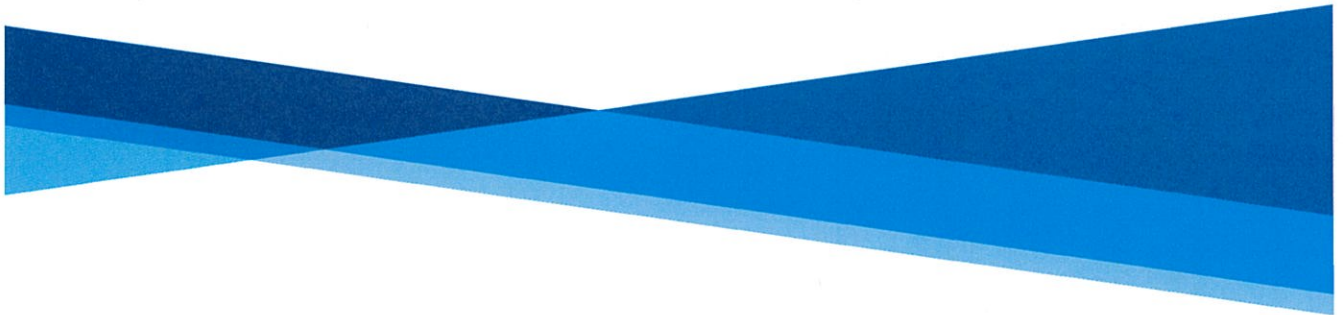
Discounted Cash Flow	The method involves the discounting of the net cash flow on a monthly basis over the assumed cash flow period at an appropriate rate to reflect risk to derive a market value. The net cash flow comprises the cash inflows less the cash outflows over the cash flow period, with the addition of the terminal value in the final cash flow period.
Initial yield	The initial net income at the date of transaction or valuation expressed as a percentage of the sale price or valuation.
Market yield	The assessed net market income divided by the sum of the sale price or the adopted value plus any capital adjustments to the core value such as letting up allowances, capital expenditure and present value of reversions (to obtain this net market income).
Terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period or property resale value.
Discount rate	A rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, i.e., the rate of return the capital can earn if put to other uses having similar risk. (Determined with reference to 10-year bond and risk margin - Also referred to as the required rate of return).
Net Present Value	The measure of the difference between the discounted revenues, or inflows, and the costs, or outflows, in a DCF analysis. In a valuation that is done to arrive at Market Value, where discounted inflows and outflows and the discount rate are market derived.
Internal Rate of Return	The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects the total return over an investment horizon having regard to the assumed inherent growth and cost assumptions.

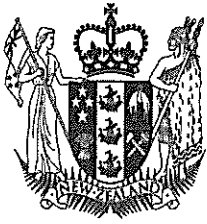
Notes

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date. This information includes the current expectations as to property values and income that may not prove to be accurate.

APPENDIX 2

Computer Freehold Register





COMPUTER FREEHOLD REGISTER UNDER LAND TRANSFER ACT 1952



Search Copy


R. W. Muir
Registrar-General
of Land

Identifier NA127C/413
Land Registration District North Auckland
Date Issued 29 March 2000

Prior References

NA23B/355

Estate Fee Simple
Area 1.3630 hectares more or less
Legal Description Lot 2 Deposited Plan 198664

Proprietors

Augusta Industrial Fund No.1 Limited

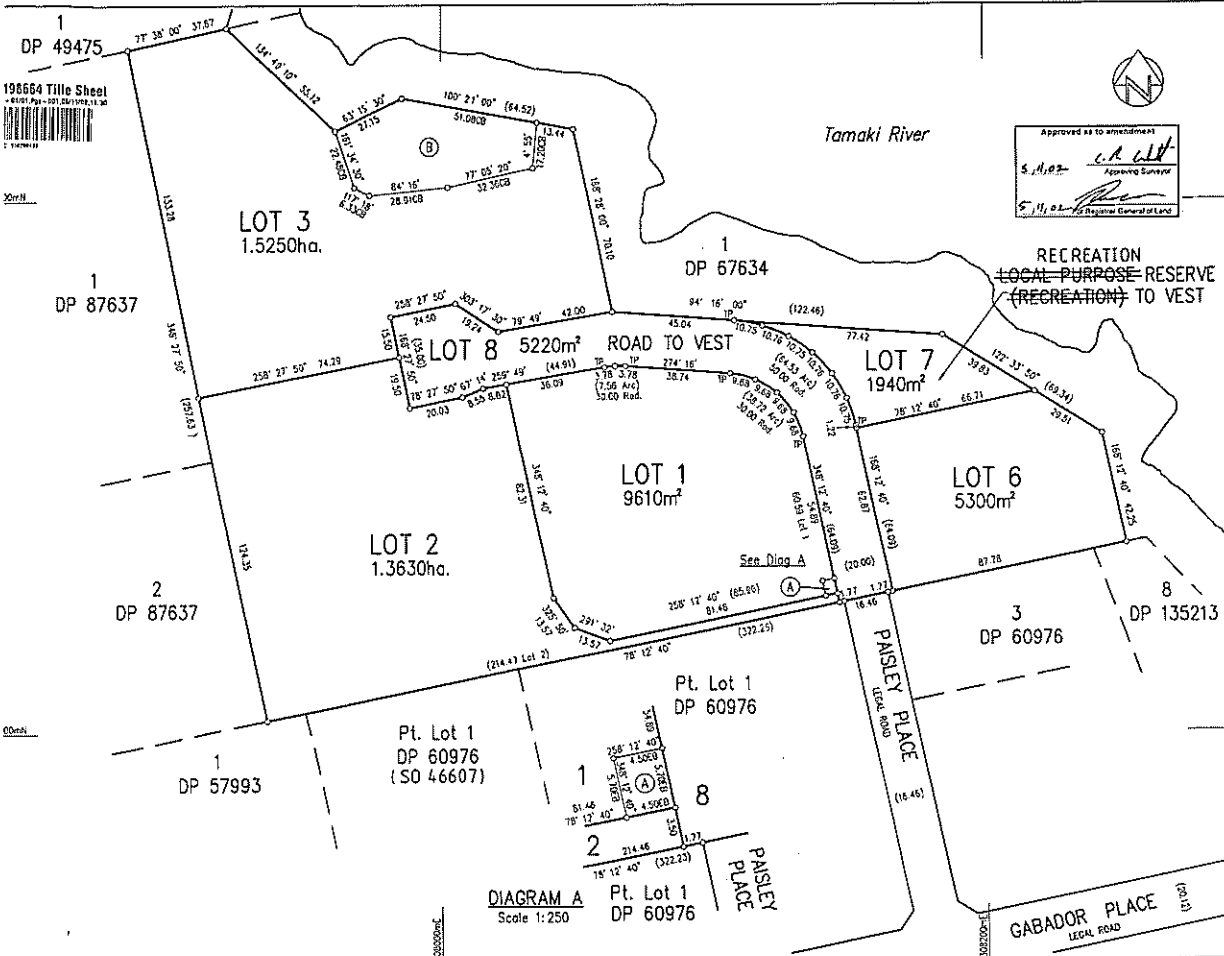
Interests

D489654.3 Consent Notice pursuant to Section 221(1) Resource Management Act 1991 - produced 22.3.2000 at 9.25 am and entered 29.3.2000 at 9.00 am

Subject to a party wall easement over part marked A on DP 316510 created by Transfer 5466501.2 - 23.1.2003 at 9:00 am

Appurtenant hereto is a party wall easement created by Transfer 5466501.2 - 23.1.2003 at 9:00 am

11145307.3 Mortgage to ASB Bank Limited - 15.6.2018 at 4:47 pm



Approved as to amendment
 S. H. O. 2
 C. A. W. W.
 Approving Surveyor
 S. H. O. 2
 Regional General of Land

Approval Signed by Perpetual Trust Limited
 Signed for and on behalf of
PERPETUAL TRUST LIMITED
 AUTHORIZED SIGNATORY
 AUTHORIZED SIGNATORY
 Authorized Signatory

I hereby certify that this plan was approved by the Auckland City Council pursuant to Section 223 of the Resource Management Act 1991 on the 19th day of March 1999.

Principal Administrative Officer A.C.C. PLAN 198664/10

Proposed Easement in Gross

Purpose	Shown	Servient Tenement	Grantee
Electrical Supply	(A)	Lot 1 hereon	Vector Limited

Area (B) to be subject to a Land Covenant
 Recreation
 Lot 7 to vest as a Local Purpose Reserve in the Auckland City Council
 Lot 8 to vest as road in the Auckland City Council
 There are no Lots 4 & 5 on this plan

New C'sT Allocated:
 LOT 1: 127C/412
 LOT 2: 127C/413
 LOT 3: 127C/414
 LOT 6: 127C/415
 LOT 7: 127C/416

Total Area 5.0950 ha.
 Comprised in CT 238/355 (All)

David ALLEN of Auckland Registered Surveyor and holder of an annual practicing certificate for who may act as a registered surveyor pursuant to section 22 of the Survey Act 1963 hereby certifies that this plan has been made from surveys executed by me or under my directions, that both plan and survey are correct and have been made in accordance with the Survey Regulations 1972 or any regulations made in substitution thereof.

Dated at Auckland this 11th day of October 1999
 Signature
 Field Book p. Inverse Book p.
 Reference Plans DP 67634

Examined Correct
 Approved as to Survey
 29/3/2000
 Chief Surveyor
 Deposited this 29th day of MARCH 1999
 Registrar-General of Land

VND DISTRICT North Auckland
 Survey Blk. & Dist. II Otahuhu
 ZMS 261 Sheet R11 Record Map No. Auck. 156

PLAN OF LOTS 1, 2, 3, 6, 7 & 8 BEING A
 SUBDIVISION OF LOT 2 DP 67634

TERRITORIAL AUTHORITY Auckland City
 Surveyed by **Connell Wagner**
 Scale 1:1000 Date Feb 1999

DP 198664
 Approved as to Survey
 29/3/2000
 Chief Surveyor
 Deposited this 29th day of MARCH 1999
 Registrar-General of Land