



OFFER OF INTERESTS IN THE PASTORAL HOUSE PROPORTIONATE OWNERSHIP SCHEME

ISSUED BY OYSTER MANAGEMENT LIMITED
ON 24 JANUARY 2020

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

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

PASTORAL HOUSE
PROPORTIONATE OWNERSHIP SCHEME

1. KEY INFORMATION SUMMARY

WHAT IS THIS?

This is an offer of interests ("Interests") in the Pastoral House Proportionate Ownership Scheme ("Scheme"), a proportionate ownership scheme. Your money will be pooled with other investors' money and invested. Oyster Management Limited ("Oyster") invests the money in the property at 25 The Terrace, Wellington ("Pastoral House"), and takes fees. The assets and fees are described in this document. By investing in this Scheme, you are relying on the investment decisions of Oyster and returns from the assets that the Scheme invests in.

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

WHO MANAGES THIS SCHEME?

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

WHAT ARE YOU INVESTING IN?

This is an offer for Interests in a proportionate ownership scheme. The Scheme has been designed as a single purpose long term investment in commercial real estate. Investors' investments in the Scheme will be used to acquire a single asset – Pastoral House, at 25 The Terrace, Wellington – and to provide working capital for the Scheme.

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

The costs of establishing the Scheme and acquiring Pastoral House are:

Purchase price	\$77,000,000
Establishment costs	\$4,011,580
Working capital	\$1,188,420
Total costs	\$82,200,000

The costs of establishing the Scheme and acquiring Pastoral House will be funded by:

Subscriptions from Investors, the Oyster Underwrite or the Wyborn Underwrite	\$44,350,000 (up to \$3,600,000 from the Oyster Underwrite and \$19,650,000 from the Wyborn Underwrite)
Term Loan	\$37,850,000
Total Funding	\$82,200,000

The purchase price is subject to variation once the final measurement of the MBIE tenancies has been completed. The movement is capped at an increase or decrease of no more than 2.97% This may impact the figures in the tables above. See page 24 for details.

Investment Objectives

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

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

Investment Strategy

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

KEY TERMS OF THE OFFER¹

Managed Investment Product	Interests in the Scheme
Offer Opening Date	31 January 2020
Offer Closing Date	31 December 2020 (unless fully subscribed earlier)
Total Interests on Offer	<p>887 Interests at \$50,000 each. The total value of the Offer is \$44,350,000.</p> <p>Depending on the purchase price adjustment, the number of Interests available for subscription under the Offer may increase or decrease. See page 24 for details.</p>
Allotment of Interests	Interests subscribed for prior to the Settlement Date will be allotted on or immediately after the Settlement Date. If the Offer remains open post the Settlement Date any further interests subscribed for will be allotted monthly on the first day of the following month for applications received by 3pm three business days prior to the last calendar day of a month.
Cash Distributions	Monthly, by the 10th of each month.
Liability to make further payments under the Offer	<p>Investors are not required to make any further payments.</p> <p>This excludes the payment of fees and expenses which are payable and referred to in Section 8 on page 48.</p>
Minimum Subscription	<p>On the basis of the forecast purchase price of \$77,000,000, the minimum amount that is required to be raised from subscriptions by Investors to settle Pastoral House is \$20,000,000.</p> <p>The Sale and Purchase Agreement for Pastoral House is conditional on a minimum amount of subscriptions being received of \$20,000,000 by 28 February 2020. If the minimum subscription is not reached the Scheme will not be established and Investors will be paid back their subscription amounts (plus interest if any).</p>

¹ This table is drafted on the basis the purchase price for Pastoral House is \$77,000,000. See page 24 for details on the adjustment to the purchase price.

HOW YOU CAN GET YOUR MONEY OUT

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

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

KEY DRIVERS OF RETURNS

The return on your investment is made up of two elements, the income from Pastoral House and the movement in the value of Pastoral House. The key current and future aspects of the Scheme that will, or may, have an impact on the Scheme's financial performance are the rental income from Pastoral House, interest rates on any bank funding, capital expenditure and the value of Pastoral House.

Income

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

Bank Interest Rates

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

Capital Expenditure

Expenses for repairs and maintenance to Pastoral House and any operating expenses which are not recoverable from the tenants will have an impact on cashflow. The working capital of the Scheme includes \$890,000 to fund 5 years of budgeted capital expenditure (details on these items are in the Technical Due Diligence Report). After this period capital expenditure (where necessary) will be funded by the Scheme's cashflow or additional debt. The replacement of building services (such as lighting and air conditioning) and structural works to the building are not recoverable from the tenants under the leases; those are a cost to the Scheme.

Value of Pastoral House

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

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

SCHEME'S FINANCIAL INFORMATION

Gearing and Interest Cover Ratios²

	As at 30 April 2020 on acquisition of Pastoral House and issue of the Interests	As at 31 March 2021	As at 31 March 2022
Gearing Ratio	48.4%	48.0%	47.8%
Interest Cover Ratio	Not applicable	3.16 times	3.30 times

	Annualised Return for the twelve months ending 31 March 2021	For the Year ending 31 March 2022
Forecast pre-tax cash return ³	6.00%	6.00%

² The figures in this table are calculated on the basis of the forecast purchase price of \$77,000,000. See page 24 for details on the adjustment to the purchase price.

³ The forecast pre-tax cash returns for the periods ending 31 March 2021 and 31 March 2022 are not affected by any adjustment to the purchase price.

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

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

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

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

Valuation

Jones Lang LaSalle has prepared an independent valuation report for Pastoral House dated 1 November 2019 ("Valuation Report"). A copy of the Valuation Report is available on the offer register at www.disclose-register.companiesoffice.govt.nz.

Pastoral House was independently valued at \$77,000,000 plus GST (if any) at 1 November 2019 in accordance with current Australia and New Zealand Valuation and Property Standards, using both a capitalisation of net income approach and a discounted cash flow approach. If there is a purchase price adjustment the valuation will also change, see page 24 for details.

KEY RISKS OF THIS INVESTMENT

Investments in managed investment schemes are risky. You should consider whether the degree of uncertainty about the Scheme's future performance and returns is suitable for you. The price of these Interests should reflect the potential returns and the particular risks of these Interests. Oyster considers that the most significant risk factor that could affect the value of the Interests is the seismic warranty provided under the MBIE lease, which requires that the building has a minimum seismic rating of 80% NBS.

While that rating will be met at the time the lease commences, in the event that there is either a change in the Building Act 2004 or the building code, a seismic event with a magnitude of M7, or an earthquake which is classified as "Severe" during the term of the MBIE lease, the tenant is able to undertake their own DEE (Detailed Engineering Evaluation). If the building is found to be less than 80% NBS the Scheme will be required to upgrade the building to meet the seismic requirements, and/or MBIE will have the right to terminate the lease. Please see further detail on this risk, and its mitigants, on page 45.

This summary does not cover all of the risks. You should also read Section 7 of the PDS (Risks to Returns from Pastoral House Proportionate Ownership Scheme) on page 44.

WHAT FEES WILL YOU PAY?

The table below summarises the fees and expenses that the Scheme will be charged. Further information about the fees is set out in Section 8 of this PDS.⁴

Establishment costs payable to Oyster	
Acquisition Fee	1,540,000
Brokerage Fee	887,000
Oyster Underwrite Fee	108,000
Deposit Fee	50,000
Legal Setup Costs – Oyster charge	15,000
Accountancy – internal	10,000
Total establishment costs payable to Oyster	2,610,000
Establishment costs payable to others	
Wyborn Underwrite Fee	589,500
Marketing	250,000
Legal Setup Costs – external	363,500
Investigating Accountant	45,000
Seismic assessment	20,200
Property Due Diligence Reporting	67,250
Bank Legal	15,000
Asset Valuation	11,000
Plant & Machinery Valuation	11,000
Supervisor's fee	5,000
Directors & Officers and Professional Indemnity Insurance	16,440
PDS Registration Cost	5,690
Insurance Valuation	2,000
Total establishment costs payable to others	1,401,580
Total establishment costs	4,011,580

The fees above do not include GST.

⁴ The fees in this table are calculated on the basis of the forecast purchase price of \$77,000,000. See page 24 for details on how the establishment costs are impacted by the purchase price adjustment.

Ongoing fees and expenses (payable for the duration of the Scheme)	
Oyster and its associated persons' aggregate fees and expenses for the accounting periods to:	31 March 2021 will be \$2,997,992, plus GST which as a percentage of the net assets of the Scheme is anticipated to be 7.4%
	31 March 2022 will be \$427,449, plus GST which as a percentage of the net assets of the Scheme is anticipated to be 1.0%
Other persons' aggregate fees and expenses for the accounting periods to:	31 March 2021 will be \$3,425,780, plus GST which as a percentage of the net assets of the Scheme is anticipated to be 8.5%
	31 March 2022 will be \$2,245,457, plus GST which as a percentage of the net assets of the Scheme is anticipated to be 5.5%

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

HOW WILL YOUR INVESTMENT BE TAXED?

The Scheme is not a portfolio investment entity (PIE). As a proportionate ownership scheme, the Scheme is not liable for income tax. Investors are assessed individually on their proportionate share of taxable profit and are individually responsible for the payment of their taxes. See Section 9 of this PDS (Tax) on page 56 for more information.



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LETTER TO INVESTORS

Oyster is excited to introduce our next investment opportunity, Pastoral House, a primarily New Zealand Government-tenanted commercial office building exceptionally located at 25 The Terrace, Wellington, in the heart of the parliamentary precinct.

The Wellington office market has a very strong outlook underpinned by low vacancy rates and ongoing supply constraints. Tenant demand for the limited amount of available quality office space is high, and rental rates are forecast to increase further as a result of this demand.

We believe Pastoral House provides very good property investment fundamentals capable of attracting quality occupiers well into the future. The building has been recently seismically upgraded and the office floors are in the process of being substantially refurbished for a New Zealand Government tenant, Ministry of Business, Innovation and Employment (MBIE). On completion of the refurbishment the office floors are to be leased to MBIE for 15 years with fixed annual rental growth. The New Zealand Government office leases account for 90% of the rental of the property providing an excellent covenant well into the future.

Pastoral House, situated on a single freehold land holding, provides a net lettable area of 15,960m². The 18-storey office tower offers dual access via Lambton Quay and The Terrace, comprising Lambton Quay fronting retail tenancies, two podium levels of office accommodation, a podium car park, and 15 levels of tower office accommodation above.

The new 15 year leasing to MBIE and the leases to retail tenancies NZ Post (Kiwibank), BNZ and two cafes, provide an overall weighted average lease term of 14.04 years as at 30 April 2020.

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

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

We look forward to hearing from our existing Oyster investors and welcome the opportunity to discuss this further with new investors.

2. WHAT PASTORAL HOUSE PROPORTIONATE OWNERSHIP SCHEME INVESTS IN

KEY FEATURES OF THE SCHEME

1. SIPO SUMMARY

The Scheme has a Statement of Investment Policies and Objectives ("SIPO").

In accordance with the SIPO, Oyster will only invest in the following assets:

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

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

Investment Objectives

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

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

Investment Strategy

The Scheme's strategy is to acquire Pastoral House, continue to lease Pastoral House to quality tenants, maintain Pastoral House to a high standard and grow Investors' equity (to the extent possible).

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

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

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

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

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

2. THE PROPERTY – PASTORAL HOUSE, 25 THE TERRACE, WELLINGTON

The building at Pastoral House comprises primarily office accommodation, with retail premises at ground level and 23 car parks.

Legal Description

Pastoral House is located at 25 The Terrace, Wellington. It has dual street frontage to both Lambton Quay and The Terrace. The land is comprised in computer freehold register WN13B/1061 (being Lot 2 Deposited Plan 34724) and WN34C/703 (being Section 1316 Town of Wellington), which together are the parcel of land on which the building is constructed.

Features of the Property

Pastoral House is an 18-storey office tower located within 250m of the Beehive at the centre of Wellington's Government precinct. The tower comprises ground floor retail which fronts Lambton Quay, two podium levels of office accommodation and 15 levels of tower office accommodation above, which is accessed off The Terrace. The building was constructed in the late 1970s, has been maintained to a high-quality standard and has been continually upgraded since construction. Before the current works program due for completion in February 2020, the last major refurbishment took place during 2004 to 2005.

The property is currently undergoing a significant refurbishment and upgrade works program. The refurbishment and upgrade works include the provision of new HVAC services, lift upgrades, works to the lobby, refurbishment and upgrade of core services and amenities in the office floors, and the installation of new access and security control systems. Works have also been undertaken to upgrade the building to a seismic strength rating of 80% NBS to meet the tenant's seismic strength requirements.

Following the upgrade works the New Zealand Government (through MBIE) will commit to new 15-year leases across all of the office accommodation. MBIE will account for 90% of the property's income, and 92% of net lettable area. The New Zealand Government will be the single largest occupier of the property.

The purchase of Pastoral House is conditional on the commencement of the MBIE lease (which requires the completion of the refurbishment and upgrade works). If the MBIE lease has not commenced by 22 November 2020 then either party can cancel the Sale and Purchase Agreement.

Further information on the leases is provided on page 26.

Seismic Rating

As part of Oyster's due diligence Harrison Grierson were engaged to undertake a Peer Review of all seismic documentation in relation to Pastoral House. As a result of Harrison Grierson's review, they concluded that the strengthening that was completed meets 80% of New Building Standard ("NBS"). Harrison Grierson holds professional indemnity cover for this project capped at \$10,000,000. A copy of Harrison Grierson's report can be found on the Disclose Register www.disclose-register.companiesoffice.govt.nz.

Leases

WALT

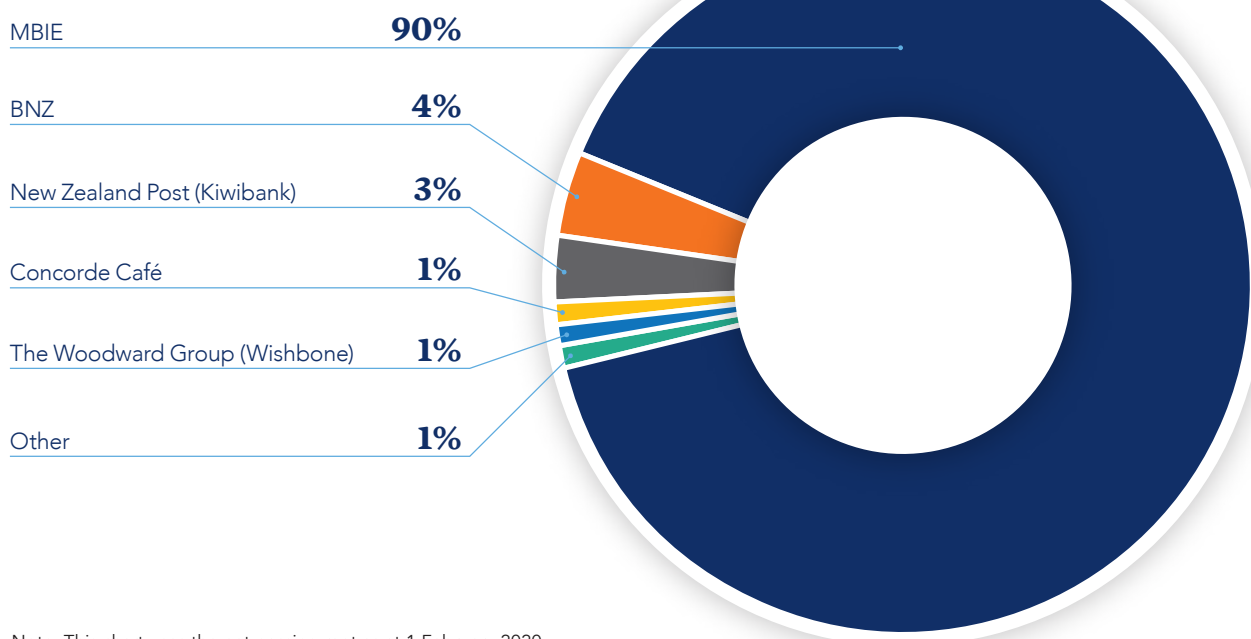
Pastoral House is expected to have a Weighted Average Lease Term of 14.04 years⁵ as at 30 April 2020. Pastoral House is leased to the following tenants:

- Ministry of Business, Innovation and Employment will take up new 15 year leases throughout the entire office accommodation upon completion of the current refurbishment and upgrade works (expected lease commencement is during February 2020).

The following tenants occupy the ground floor retail fronting Lambton Quay:

- BNZ Branch Properties Limited. The current 8 year and 6 month lease term expires on 29 February 2020.
- Concorde Café Limited. The current ten year term expires on 30 June 2021.
- New Zealand Post Limited (Kiwibank branch). The current lease term expires on 13 June 2024.
- The Woodward Group Limited (Wishbone Café). The current lease term expires on 9 March 2021.

RENT PROFILE AS A PERCENTAGE OF INCOME



Note: This chart uses the net passing rent as at 1 February 2020 assuming that the MBIE lease has commenced.

⁵ Assuming the new MBIE leases commences on 1 March 2020 and BNZ Branch Properties Limited does not renew its lease.



3. SCHEME MANAGEMENT

The Manager

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

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

Oyster is licensed under the Financial Markets Conduct Act 2013 to manage Other Managed Investment Schemes; which are Property Syndicates/ Real Property Proportionate Ownership Schemes, and Managed Investment Schemes – Managed Schemes where the Managed Schemes are invested solely in real property (listed and unlisted). Oyster manages a number of other schemes as well as the Scheme. Its duties as manager of other properties and schemes are separate to its duties as manager of this Scheme. When it is acting as a manager of a scheme it has a duty to act in the best interests of the investors in that scheme.

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

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

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

OYSTER MANAGEMENT STAFF

Key personnel involved in management of the Fund are:



Mark Schiele
– Chief Executive Officer

Mark completed a Bachelor of Property Administration degree at the University of Auckland in 1991. He went on to hold various management positions with Challenge Properties, St Lukes Group, Richard Ellis and Westfield. In 1997, he joined Prime Retail Management Limited as General Manager and was appointed to the Board in 2001. Mark is responsible for overseeing all of Oyster's operations and implementing the group's agreed strategy. Mark is a director of Oyster.



Rachel Barr
– Chief Financial Officer

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

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

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



James Molloy
– Head of Transactions

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

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

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



Steven Harris
– General Manager Property

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

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

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



Ian Hasell – General Counsel and Company Secretary

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

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

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

4. PURPOSE OF THE OFFER

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

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

- an underwrite agreement with Oyster pursuant to which Oyster has agreed to subscribe for any Interests that have not been subscribed for by 5 business days prior to the Settlement Date up to a maximum of 72 Interests (\$3,600,000); and
- an underwrite agreement with Wyborn Capital Properties Limited ("Wyborn") pursuant to which Wyborn has agreed to subscribe for any Interests that have not been subscribed for by 5 business days prior to the Settlement Date up to a maximum of 393 Interests; (\$19,650,000) if Interests remain unsubscribed after the full amount of the Oyster Underwrite has been called upon.

On the basis of the forecast purchase price (\$77,000,000) a minimum of \$20,000,000 (plus \$23,250,000 from the Oyster Underwrite and the Wyborn Underwrite) is required to allow the Scheme to purchase Pastoral House and issue the Interests. The total funding required to settle Pastoral House and pay the Scheme's establishment costs is \$81,100,000 (excluding working capital of \$1.1 million) which is made up as follows:

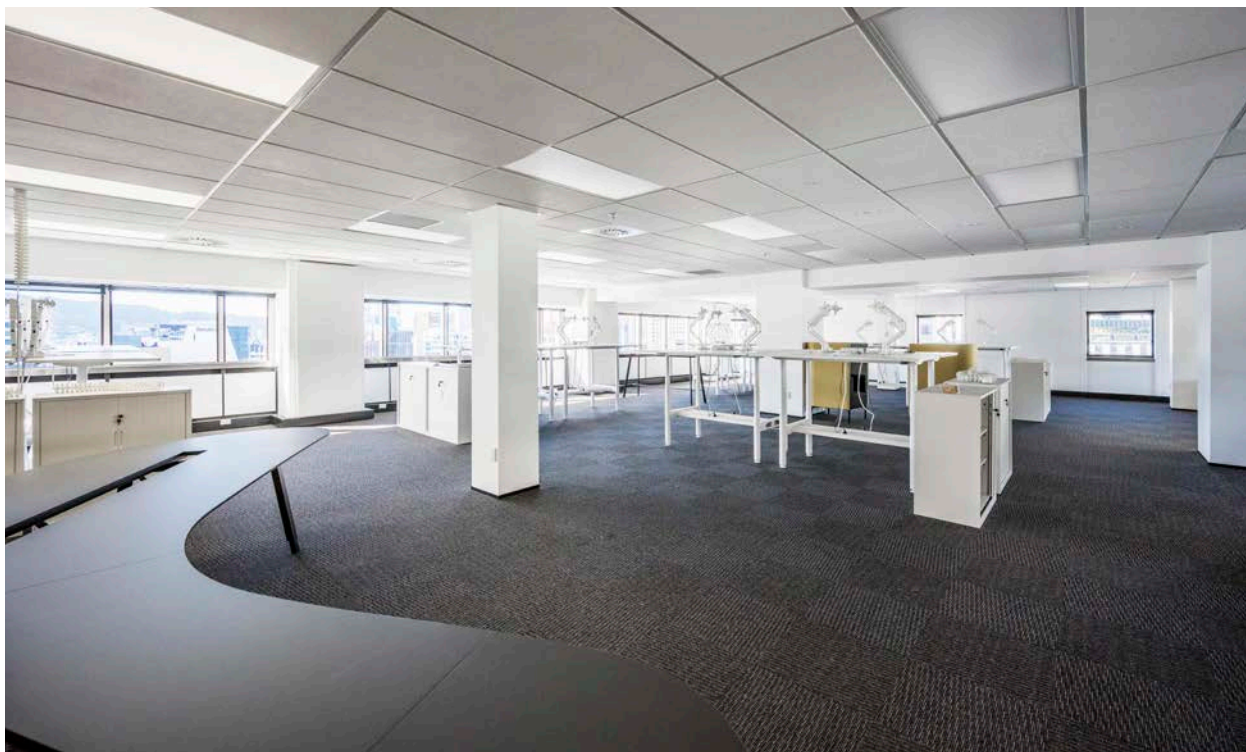
- \$43,250,000 of subscription monies received from Investors or the Oyster Underwrite or Wyborn Underwrite.
- \$37,850,000 from the Term Loan.

If at the Settlement Date fewer Interests have been subscribed for than is required to satisfy the Scheme's working capital requirements, then the Offer will remain open until sufficient Interests have been subscribed for to satisfy such amount. During this period the Scheme may be required to defer scheduled capital works, or reduce distributions to Investors, until such time as the Offer is fully subscribed. The impact on Investors and the Scheme will depend on the number of unsubscribed Interests and the time taken for the Offer to be fully subscribed.

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

If the Wyborn Underwrite is required to settle Pastoral House, Oyster will, on behalf of Wyborn, re-sell any Interests subscribed for under the Wyborn Underwrite. Once all of the Interests subscribed for under the Wyborn Underwrite have been re-sold, Oyster will re-sell any Interests subscribed for under the Oyster Underwrite.





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

Expenditure	\$	Description of expenditure
Purchase price	\$77,000,000 ⁶	This is the key expenditure required to purchase Pastoral House and to implement the investment strategy and purpose of the Scheme.
Establishment costs	\$4,011,580	<p>The establishment costs include:</p> <ul style="list-style-type: none"> ■ Oyster's acquisition fees, brokerage, marketing fees, underwriting, investigating accountant fees, legal fees, supervisor fees, PDS registration fee, disbursements, and bank fees which are necessary to carry out the Offer, raise money and complete the acquisition of Pastoral House in accordance with the SIPO. ■ Fees relating to due diligence on Pastoral House which are to ensure that Pastoral House meets the investment strategy and objectives of the Scheme.
Working capital	\$1,188,420	Of this \$890,000 is budgeted to be used to fund 5 years of future capital expenditure at Pastoral House.
Total	\$82,200,000	

⁶ The purchase price is subject to variation, as described on page 24.

5. FUTURE PERFORMANCE OF THE SCHEME

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

1. Rental income

The leases to MBIE will have fixed annual rental increases of 1.5% per annum. Every six years the leases will be reviewed to market with a 10% cap and collar (the rental on review cannot change by more than 10% from the current amount). These fixed rent reviews will provide a large degree of certainty of income to the Scheme. The lease to BNZ Branch Properties Limited expires in February 2020. The Scheme has budgeted for an 11-month vacancy on this space in its financial forecasts.

2. Bank Loan interest

This will be the largest expense for the Scheme. Changes in interest rates charged on the Scheme's Bank Loans can have a material impact on the Scheme's operating expenses and the distributions paid from the Scheme. Interest rate risk can be managed by fixing the interest rate for a period on all or part of a loan. Oyster will regularly review the Bank Loans of the Scheme and assess the benefits of fixing or floating interest rates, entering into short-term and long-term interest swap agreements, or a combination of these. Oyster on behalf of the Scheme intends to fix at least 50% of the loan amount by way of an interest rate swap contract on settlement of Pastoral House. The interest rate for the 3 year Term Loan is currently floating at 3.62%.

3. Property value

The net asset value of the Scheme is primarily influenced by the market value of Pastoral House. The market value will be influenced by factors such as the remaining lease term, changes in the rental income and market conditions.



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

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

4. Capital expenditure and operating expenses

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

6. NATURE OF RETURNS

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

a. Income

The Scheme's primary source of income is rental income from Pastoral House. The rental income from the tenant and the operating costs for running Pastoral House determine the Scheme's income from this investment. The Scheme will pay its expenses from its income. These include the fees paid to Oyster, the Supervisor and auditor. A full list of the fees paid by the Scheme can be found in Section 8 on page 48 of this PDS. You will pay tax on your share of the profit of the Scheme.

b. Capital Growth / Loss

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

ACQUISITION OF KEY PROPERTY

Property valuation

An independent valuation of Pastoral House has been obtained from Jones Lang LaSalle at \$77,000,000 plus GST (if any) as at 1 November 2019 in accordance with current Australia and New Zealand Valuation and Property Standards. The valuation, as set out in the Valuation Report was prepared using both the capitalisation of net income approach and a discounted cash flow approach. If there is a purchase price adjustment the valuation will also change, see page 24 for details.



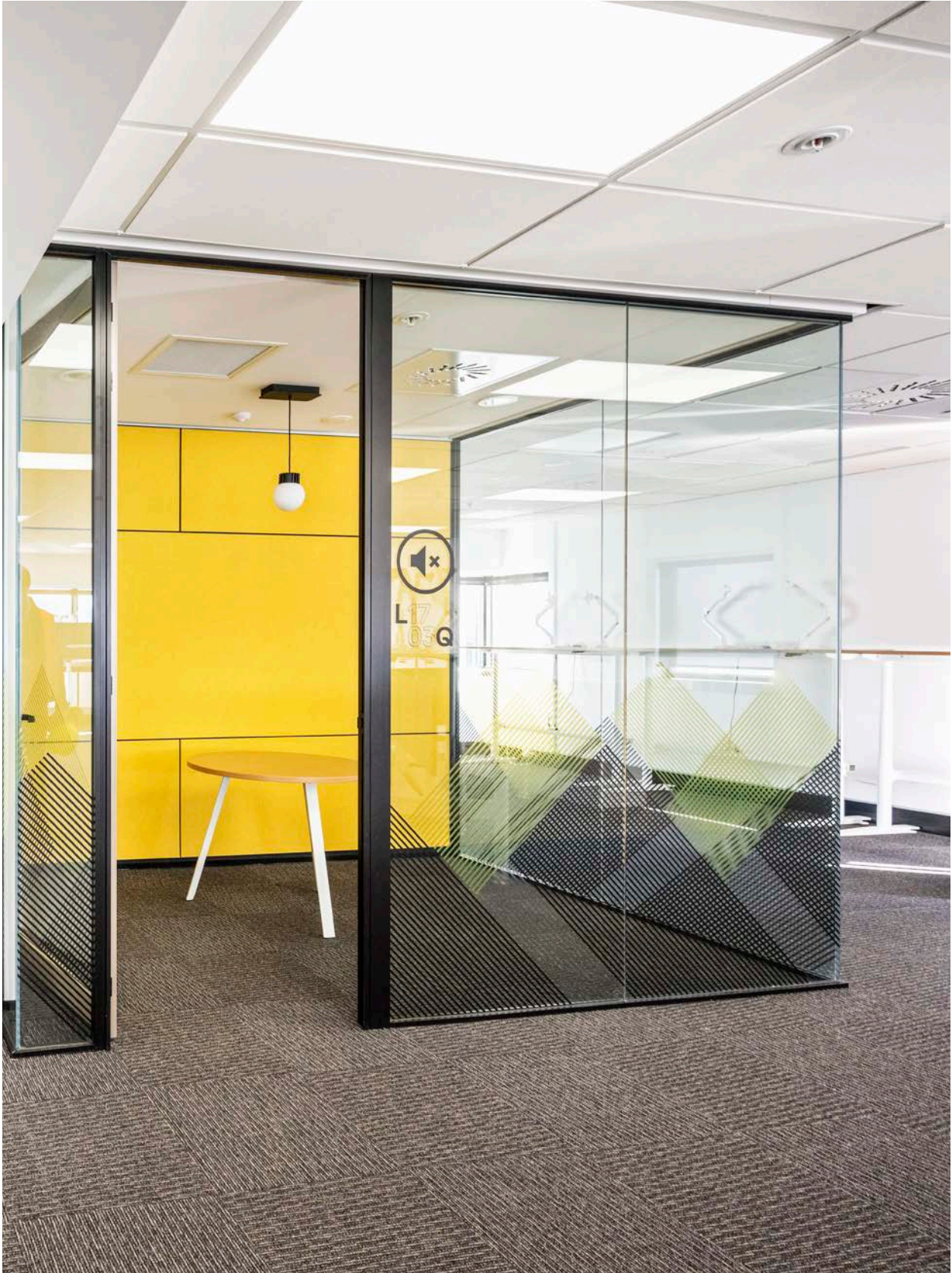
For the purposes of undertaking the valuation, the valuers made assumptions about Pastoral House which are set out in the Valuation Report. Oyster does not consider any of the assumptions made in the Valuation Report to be unreasonable or unusual market practice based on its experience of obtaining and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

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

Real property

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

- the Sale and Purchase Agreement;
- the development agreement and the lease with MBIE, and other leases at Pastoral House;
- title to Pastoral House and all interests registered on the title; and
- the land information memorandum issued by Wellington City Council.



SUMMARY OF SALE AND PURCHASE AGREEMENT

Oyster Property Holdings Limited and the Vendor entered into the Sale and Purchase Agreement which sets out the terms and conditions pursuant to which the Custodian (as nominated purchaser of Pastoral House) will acquire Pastoral House. In accordance with the Deed

of Participation, the Custodian will hold Pastoral House on trust for the Investors in the Scheme.

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

Key terms of the Sale and Purchase Agreement

Term	Commentary
Consideration	<p>The consideration payable under the Sale and Purchase Agreement is \$77,000,000 plus GST (if any), subject to adjustment as described below. Oyster will pay a deposit of \$1,500,000 which constitutes part of the consideration payable for Pastoral House.</p> <p>The Sale and Purchase Agreement recognises that the final rent payable by MBIE may adjust as a consequence of a final measurement of the MBIE tenancies that will be undertaken prior to settlement. See "Purchase Price Adjustment" on page 24 for details.</p>
Equity Raise Condition	<p>The Sale and Purchase Agreement is conditional on Oyster raising \$20million in cleared funds through the equity raising process described in this document by 5pm on 28 February 2020.</p>
Vendor works	<p>The Sale and Purchase Agreement requires the Vendor to carry out and complete various refurbishment works that the Vendor has agreed to complete for MBIE under the Development Agreement. The Vendor works include the provision of new HVAC services, lift upgrades, works to the lobby in the building, refurbishment and upgrade of core services and amenities in the office floors, and the installation of new access and security control systems.</p> <p>The leases to MBIE do not commence until the Vendor has achieved "Final Completion", as defined under the Development Agreement, of these works. Settlement under the Sale and Purchase Agreement occurs after Final Completion and after the leases to MBIE have commenced. The Vendor is required to remedy any defects in the Vendor works that arise during the 12 month period following Final Completion.</p>
Settlement Date	<p>The settlement date is expected to be 30 April 2020.</p> <p>The actual contracted settlement date is the later of 30 April 2020 and the last working day of the calendar month in which the leases to MBIE commence (provided that if that last working day occurs earlier than 10 working days following the commencement date of the MBIE leases, the settlement date shall be the last working day of the following month).</p> <p>At the time at which the Sale and Purchase Agreement was signed, Final Completion of the Vendor works and the commencement of the MBIE leases was expected to occur in February 2020, meaning that settlement under the Sale and Purchase Agreement would be due on 30 April 2020. It is possible that the settlement date will not occur until after 30 April 2020.</p>

Term	Commentary
Vendor Payment in relation to Equity Raise	<p>In the event that settlement has not occurred on or before 30 June 2020 then for each calendar month or part thereof on and from 30 June 2020 up to and including the Settlement Date, or the date on which the Sale and Purchase Agreement is cancelled (each such month or part thereof being an Interest Earning Month), the Vendor will pay to the Purchaser an amount equal to the difference between:</p> <ul style="list-style-type: none"> ■ the total interest (less bank charges, withholding tax and reasonable commission charged or incurred by the relevant Purchaser's lawyer responsible for holding the relevant funds) earned in each Interest Earning Month (Equity Raise Interest) on the funds (Invested Funds) raised through the Offer and held by the Purchaser's lawyer in an interest bearing deposit account for the relevant Interest Earning Month; and ■ the amount required to ensure that, when combined with the Equity Raise Interest, the Purchaser has available to it sufficient funds to pay each Investor who has deposited Invested Funds with the Purchaser's lawyer pursuant to the Equity Raise process a return equivalent to 7% per annum on those Invested Funds for the Interest Earning Month (or, for any given investor, part thereof if and to the extent that the Invested Funds for that investor were deposited with the Purchaser's lawyer for part only of the Interest Earning Month) calculated as at the end of the Interest Earning Month.
Assumption of Development Agreement Obligations	<p>The Scheme is required to sign a tripartite agreement between it, MBIE and the Vendor. Under the tripartite agreement:</p> <ul style="list-style-type: none"> ■ On settlement, all of the Vendor's rights under the Development Agreement will be transferred to the Scheme, and all of the Vendor's obligations and liabilities (whether past, present, future or contingent) under the Development Agreement will be transferred to the Scheme; and ■ the Vendor is released and discharged by MBIE from all obligations and liabilities (whether past, present, future or contingent) under the Development Agreement (including in respect of any prior breaches) with effect from settlement, other than in relation to certain defects remediation obligations which the Vendor remains responsible to complete for a period of 12 months following Final Completion. <p>As between the Vendor and the Scheme, the Vendor is required (save for a few limited exceptions, including in relation to the seismic performance of the building) to perform all of the obligations that the Scheme assumes to MBIE until the end of the 12 month defects remediation period.</p>
Oyster Cancellation Rights	<p>If the MBIE leases have not commenced by 22 November 2020, then either party may cancel the Sale and Purchase Agreement.</p>

Term	Commentary
Rent and Operating Expenses Top-up Payments	<p>The Vendor will pay to the Scheme \$141,628 plus GST on settlement, and \$71,341 plus GST on the first anniversary of settlement. These amounts are paid by way of 'top up' to the annual rent paid by MBIE under its leases, and may be increased or decreased on a proportional basis to reflect the final measured area of (and corresponding rent paid by MBIE for) the MBIE premises.</p> <p>Further, if the Wellington City combined rates payable to the Wellington City Council and the Greater Wellington Regional Council during each of the first two years following settlement exceeds \$711,511.64 excluding GST, the Vendor shall pay to the Scheme the excess amount, provided that the Vendor's payment obligation in each of those first two years shall not in either year exceed \$100,000 excluding GST.</p>
BNZ Lease	<p>The parties acknowledge that the lease to BNZ Branch Properties Limited ("BNZ") will, unless it is renewed or extended, expire on 29 February 2020. The Vendor agrees to endeavour to procure BNZ to agree to extend the term of the BNZ lease, or enter into a new lease of the relevant premises and car parks, with effect from 1 March 2020 for a 6 year term which would include the potential to break at year 3, at the same current annual rent (\$201,043.44 plus GST per annum, in total) at a minimum. The Vendor is also required to endeavour to procure the BNZ to agree to a market review with effect from 1 March 2023, and that the new or extended lease will otherwise be on terms the same as currently in place. The Scheme will enter into a new or extended lease with the BNZ on this basis if the Vendor procures its agreement to do so.</p>
Limitations on Liability	<p>The Sale and Purchase Agreement includes various limitations on the Vendor's liability. These include that:</p> <ul style="list-style-type: none"> ■ the Vendor's liability to the purchaser is capped at 10% of the purchase price, unless the liability relates to a failure on the part of the Vendor to complete a defects remediation obligation under the Development Agreement, or relates to direct losses caused to MBIE under the Development Agreement; and ■ claims in relation to the Vendor's defects remediation obligations under the Development Agreement must be raised before the Vendor's defects remediation works are certified as having been completed, and claims in relation to the Vendor's other obligations must be raised within 12 months of settlement.

PURCHASE PRICE ADJUSTMENT

On the completion of the refurbishment works at Pastoral House (scheduled to be February 2020) in accordance with the Development Agreement there is to be a final measurement of the MBIE tenancies. The final measurement involves the Vendor re-measuring each floor to be leased to MBIE following completion of the development works and comparing it against the floor measurements taken from the architectural plans used to estimate the gross annual rental payable by all the tenants (\$6,382,307 plus GST per annum). The final measurements will determine the rental payable under the new leases to MBIE. If that final measurement causes the annual rent payable to change from the assumed gross annual rental of \$6,382,307 plus GST per annum, the purchase price will adjust proportionally based on certain assumptions regarding the property's annual operating expenses and the rents payable for other tenancies.

If the final measured area on any MBIE leased floor is less than 95% of the interim measure, or the final measured area of all MBIE leased floors is less than 97.5% of the interim measure, MBIE has the right to terminate the leases. In this situation, unless MBIE elects to waive its termination rights, Oyster will exercise its right to terminate the Sale and Purchase Agreement, and return all subscription monies to Investors (including interest if any).

The maximum purchase price that could be paid (if the annual rent payable by MBIE increases by the maximum amount permitted under the Development Agreement) is \$79,288,269 plus GST (if any). The minimum purchase price is \$74,712,870. It is expected that there will not be a material change from the estimated net lettable area and therefore the forecast purchase price for Pastoral House of \$77,000,000 is likely to be the final purchase price.

If the purchase price is decreased, Oyster will decrease the number of Interests available for subscription under the Offer and draw down less of the Term Loan.

If the purchase price is increased, Oyster will increase the number of Interests available for subscription under the Offer and draw down additional debt.



If the purchase price is adjusted it will have the following effect on the Offer and the Scheme.

Costs and Funding

	Purchase Price	Establishment Costs	Working Capital	Total Costs
Maximum	\$79,288,269	\$4,120,080	\$1,091,651	\$84,500,000
Forecast	\$77,000,000	\$4,011,580	\$1,188,420	\$82,200,000
Minimum	\$74,712,870	\$3,907,080	\$1,380,050	\$80,000,000

	Funding		Gearing Ratio
	Interests	Term Loan	
Maximum	\$45,600,000	\$38,900,000	49.1%
Forecast	\$44,350,000	\$37,850,000	49.2%
Minimum	\$43,300,000	\$36,700,000	49.1%

Valuation Movement

	Purchase Price	Valuation
Maximum	\$79,288,269	\$79,300,000
Forecast	\$77,000,000	\$77,000,000
Minimum	\$74,712,870	\$74,700,000

Investor Return

	Profit FY22	Interests	Number of Interests	Profit Per Interest
Maximum	\$3,172,942	\$45,600,000	912	\$3,479
Forecast	\$3,069,008	\$44,350,000	887	\$3,460
Minimum	\$2,969,130	\$43,300,000	866	\$3,428

SUMMARY OF THE LEASES

Pastoral House is currently leased to four ground floor retail tenants. On the completion of the refurbishment and upgrade works (expected to be in February 2020) the New Zealand Government will take individual leases over each of the 15 office floors. Oyster is not aware of any tenant failing to meet any of its obligations under its leases of Pastoral House.

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

Property Details	
Tenant	Ministry of Business Innovation & Employment ⁷
Area	14,771.9m ²
Annual rent (excluding GST)	\$5,709,383
Current term	15 years from the commencement date
Commencement date	The later of the date that is 1 day after: i. Final completion date; and ii. The target final completion date.
Expiry date	Expected to be February 2035 (on the assumptions that lease commencement occurs in February 2020)
Future rights of renewal and next renewal date	Three (3) further rights of six (6) years each. Minimum renewal notice of nine (9) months
Final expiry date (if all renewals exercised)	February 2053 if all rights of renewal are exercised
Future rent reviews	Fixed annual increases of 1.5% p.a. Market reviews every six (6) years, upon renewal and three (3) yearly thereafter with a 10% cap and collar.
Rent review mechanism	Fixed / market review
Seismic Warranty	The Lease provides for a landlord warranty, which warrants that, at Lease commencement and on the occurrence of certain specified events, the building has a minimum seismic rating of 80% NBS. See page 45 for more details.
Oyster's view of tenant/guarantor financial standing	The New Zealand Government is the tenant, on this basis Oyster views the tenant as having a strong financial standing.

⁷ The Development Agreement provides for MBIE to enter into 17 separate leases in relation to levels 2 to 18. The lease for level 4 will also include certain additional ancillary building features and 12 carparks.

Property Details	
Tenant	BNZ Branch Properties Limited
Area	588.6m ²
Annual rent (excluding GST)	\$263,532
Current term	8 years and 6 months
Expiry date	29 February 2020
Future rights of renewal and next renewal date	Nil
Final expiry date (if all renewals exercised)	29 February 2020
Future rent reviews	Nil
Rent review mechanism	Nil
Oyster's view of tenant/guarantor financial standing	Financial statements for BNZ Branch Properties Limited are not publicly available. It is part of the National Australia Bank Limited group of companies which reported a statutory net profit of AUD\$4,798M for the year ending 30 September 2019. Oyster views the tenant as having sufficient financial standing to meet its lease obligations.

Property Details	
Tenant	Concorde Cafe Limited
Area	113.9m ²
Annual rent (excluding GST)	\$80,869
Current term	Ten years
Expiry date	30 June 2021
Future rights of renewal and next renewal date	Nil
Final expiry date (if all renewals exercised)	30 June 2021
Future rent reviews	Nil
Rent review mechanism	Nil
Oyster's view of tenant/guarantor financial standing	There is no publicly available financial information about Concorde Cafe Limited.

Property Details	
Tenant	New Zealand Post Limited
Area	454.2m ²
Annual rent (excluding GST)	\$240,045
Current term	9 years
Expiry date	13 June 2024
Future rights of renewal and next renewal date	Nil
Final expiry date (if all renewals exercised)	13 June 2024
Future rent reviews	Next review 14 June 2021
Rent review mechanism	Market review.
Oyster's view of tenant/ guarantor financial standing	The tenant is a state owned enterprise. The tenant and its subsidiaries reported an underlying operating profit of \$17M for the year ending 31 July 2019 and reported cash and short term deposits of \$201M. Oyster views the tenant as having sufficient financial standing for its lease obligations.

Property Details	
Tenant	The Woodward Group Limited (Wishbone Café)
Area	32m ²
Annual rent (excluding GST)	\$48,647
Current term	6 years
Expiry date	March 2021
Future rights of renewal and next renewal date	Nil
Final expiry date (if all renewals exercised)	9 March 2021
Future rent reviews	Next review 11 March 2020.
Rent review mechanism	Market review.
Oyster's view of tenant/ guarantor financial standing	The Woodward Group Limited are the owners of the Wishbone café brand which since March 2000 has grown to 21 stores across New Zealand. There is no publicly available financial information about The Woodward Group.



TITLE

Pastoral House is located at 25 The Terrace, Wellington. Pastoral House is a fee simple estate contained in records of title WN13B/1061 and WN34C/703 with a total land area of 2,071 square metres more or less.

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

LAND INFORMATION MEMORANDUM REPORT

The LIM Reports dated 30 May 2019 and 2 July 2019 obtained as part of Oyster's due diligence on Pastoral House note that three building consents have been obtained for which no corresponding code compliance certificate has been issued. These are:

- SR No: SR409608
 - Seismic upgrade to Pastoral House.
- SR No: SR422729
 - Internal fitout works Level 1 Pastoral House.
 - Extension of Level 4 podium.
- SR No: SR427315
 - Pastoral House
 - internal fitout on all levels for MBIE.

The subject works are being undertaken under the Development Agreement between the Vendor and MBIE. Under the Sale and Purchase Agreement between the Vendor and Oyster, the Vendor is responsible for completing the relevant works in accordance with the Development Agreement and obtaining code compliance certificates for the works (unless the subject works are being undertaken by MBIE as tenant fitout works, in which case MBIE is responsible for obtaining those code compliance certificates).

GROUND ANCHOR LEASE

The Property is subject to a "Rock Anchor Lease" between Wellington City Council (as lessor) and the Vendor (as lessee) dated 13 August 2018 in respect of the use of subsoil under the road for the purposes of erecting and maintaining rock anchors. The rock anchors form part of the foundations of Pastoral House.

We note that the Sale and Purchase Agreement records an intention that the Rock Anchor Lease will be assigned to the Purchaser, but notes that Wellington City Council's consent to the assignment of the Rock Anchor Lease from the Vendor to the Purchaser is required pursuant to the Rock Anchor Lease (including, if required by Wellington City Council, on the condition that the Purchaser enters into a new lease of the subsoil).

TECHNICAL DUE DILIGENCE REPORT

A building condition report for Pastoral House has been obtained from Hampton Jones. A copy of their report is available on the scheme register at www.disclose-register.companiesoffice.govt.nz.



7. BORROWINGS

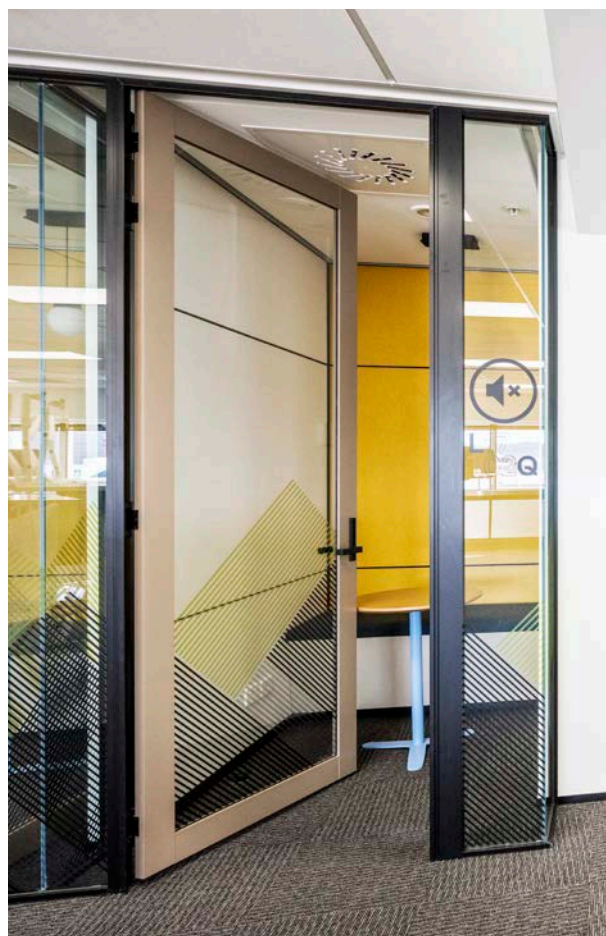
The Scheme is to enter into a Bank Loan to finance the purchase of Pastoral House. Under the Deed of Participation the Scheme may borrow up to 55% of the value of Pastoral House. The Term Loan will be used as long term funding for the Scheme. It is intended that this loan will be refinanced at the expiry of its 3 year term.

The terms of the Scheme's bank loan are:

Description	Term Loan
Bank	Kiwibank
Interest rate	Base rate (BKBM) plus a margin of 2.40%
Loan amount	\$37,850,000 ⁸
Term	3 years from the date of drawdown
Personal guarantees	Nil
Principal payments	Interest only for the initial 3 year term with full clearance of the loan at the end of the term.

The financial covenants under the Bank Loan are:

Gearing ratio	Not to exceed 55% of the value of the property and all other assets secured to Kiwibank.
Interest cover ratio	Earnings to be not less than 2.00 times funding costs, comprising all interest, charges and fees related to funding.



The Bank Loan is secured by a first ranking mortgage over Pastoral House. There is also a general security deed over all the assets of the Scheme and a specific security assignment over the leases at Pastoral House.

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

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

⁸ An additional amount of up to \$1,050,000 may be drawn down on the Term Loan on the same terms to fund any adjustment to the purchase price.

3. KEY DATES AND OFFER PROCESS

Opening Date	31 January 2020
Minimum Subscription Date (for initial \$20M of interests)	28 February 2020
Offer closing date	31 December 2020 (Unless fully subscribed earlier)
Anticipated date of settlement of Pastoral House	30 April 2020
Issue of Interests	Interests will be issued on or immediately after the Settlement Date and thereafter the first day of the month following the date of subscription

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

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

ALLOTING INTERESTS

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

The allotment process for Interests is as follows:

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

4. TERMS OF THE OFFER

Managed Investment Product	Interests in a managed investment scheme which invests in commercial property.
Opening Date	31 January 2020
Closing Date	31 December 2020 (unless fully subscribed earlier)
Anticipated date of settlement of Pastoral House	30 April 2020 or later if commencement of the MBIE leases are delayed.
Total Interests on Offer	<p>887 Interests at \$50,000 each. The total value of the Offer is \$44,350,000.</p> <p>Depending on the purchase price adjustment, the number of Interests available for subscription under the Offer may increase or decrease. See page 24 for details.</p>
Underwrite	<p>Oyster is underwriting \$3,600,000 of the Offer (72 Interests).</p> <p>Wyborn is underwriting \$19,650,000 of the Offer (393 Interests). See page 16 for details.</p>
Issue of Interests	Interests subscribed for prior to the Settlement Date will be allotted on or immediately after the Settlement Date. If the Offer remains open post the Settlement Date any further interests subscribed for will be allotted monthly on the first day of the following month for applications received by 3pm three business days prior to the last calendar day of a month.
Price per Interest and Minimum Holding	The price to be paid for Interests will be \$50,000 per Interest. The minimum holding is one Interest (\$50,000)
Cash Distributions	Monthly, by the 10th of each month. See page 34 for more details.
Minimum Amount	<p>On the basis of the forecast purchase price, the minimum amount that is required to be raised from subscriptions by Investors is \$20,000,000.</p> <p>The Sale and Purchase Agreement for Pastoral House is conditional on subscriptions being at a level of at least \$20,000,000 by 28 February 2020.</p>
What are the returns?	<p>Forecast pre-tax cash returns of:</p> <ul style="list-style-type: none"> ■ 6% for the period ending 31 March 2021* ■ 6% for the year ending 31 March 2022 <p>These returns are not guaranteed. The actual distribution rates may vary.</p>

*12 month annualised return

How can investments be made?

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

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

How can I withdraw my investment from the Scheme?

You may only withdraw from the Scheme if:

- You sell your Interests in the Scheme
- A resolution is passed to wind up the Scheme and sell Pastoral House

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

DISTRIBUTIONS

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

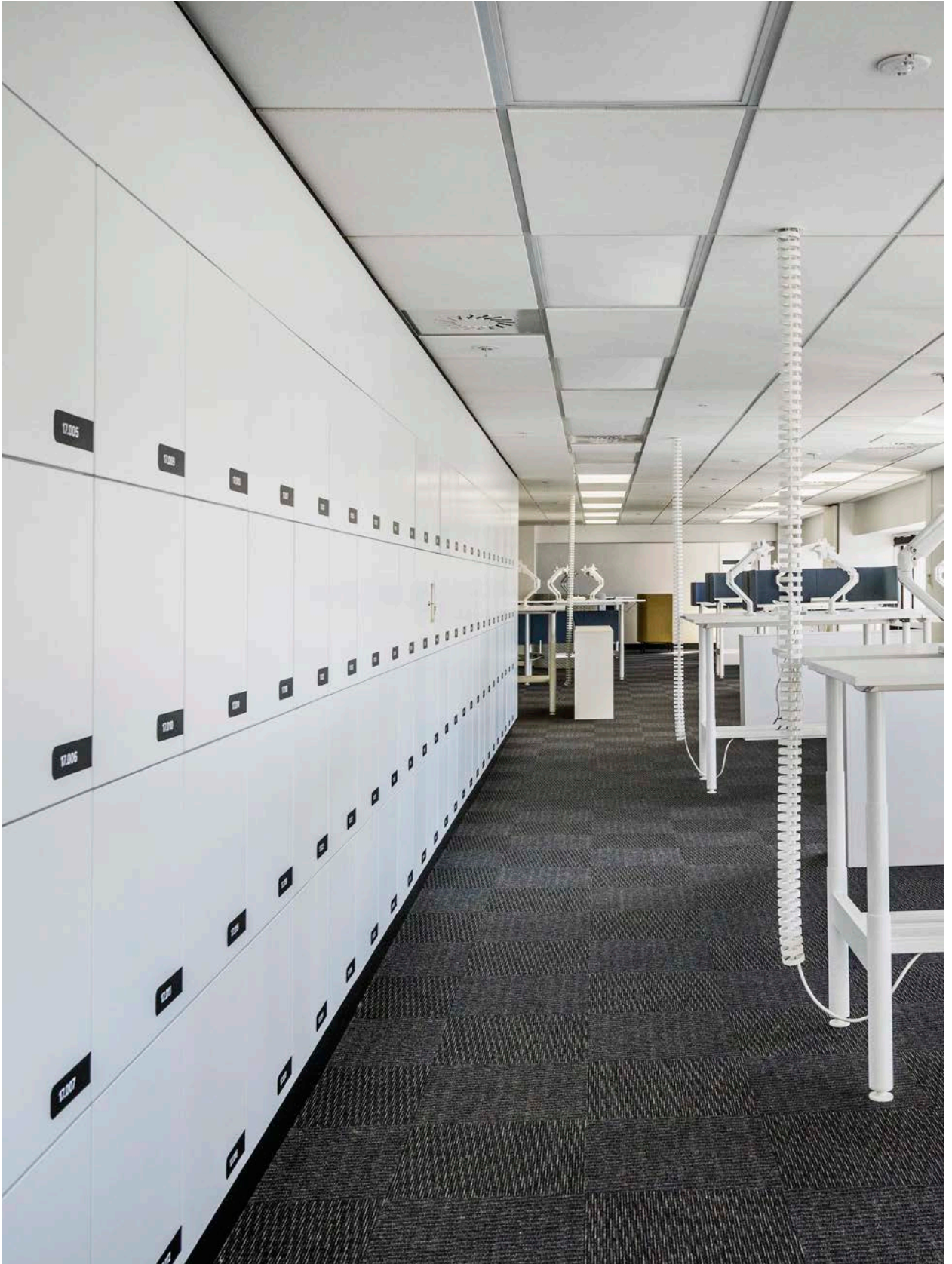
Cash distributions are made at the discretion of Oyster from the Scheme's Adjusted Operating Profit. It is the Scheme's policy to distribute up to 100% of the Scheme's Adjusted Operating Profit, targeting a 6% return per annum to Investors (see page 38 for details). The Scheme may retain monies required for contingencies against increases in the interest rates on any bank borrowing, or for any budgeted expenses of the Scheme. Where working capital exceeds the amount required for budgeted expenditure of the Scheme, the surplus working capital may be distributed to Investors.

The distributions to Investors forecasted for the financial periods to 31 March 2021 and 31 March 2022 are funded from the operations of the Scheme and working capital. The Scheme is using an amount of working capital to assist with the maintenance of the distribution during the initial years of the Scheme. Oyster believes that the use of working capital is commercially sustainable over the life of the Scheme as it is not expected that material amounts of working capital will be required in future years to maintain distributions at the targeted rate of 6%. See page 38 for more details.

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

Deed of Participation

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



5. HOW PASTORAL HOUSE PROPORTIONATE OWNERSHIP SCHEME WORKS

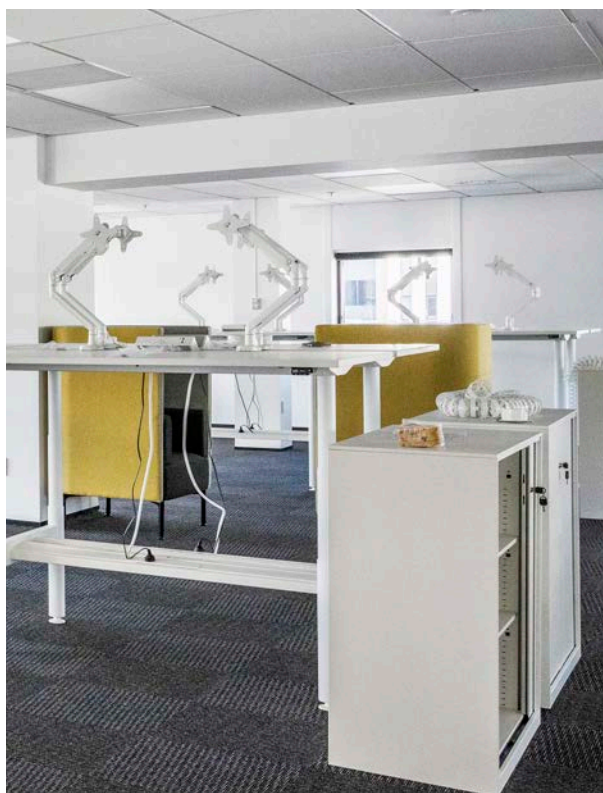
The Offer is an offer for Interests in a managed investment scheme for the purposes of the Financial Markets Conduct Act 2013. The Scheme is designed as a proportionate ownership scheme which will use the funds from Investors' subscription for Interests and the Bank Loan to acquire Pastoral House. Each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

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

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

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

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



BENEFITS OF INVESTING IN THE SCHEME

The benefits of investing in the Scheme are:

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

RELATED PARTY BENEFITS

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

6. PASTORAL HOUSE PROPORTIONATE OWNERSHIP SCHEME'S FINANCIAL INFORMATION

SELECTED FINANCIAL INFORMATION

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

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

Forecast Investor Returns

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

Non-GAAP measure

– Adjusted Operating Profit per Interest

A reconciliation of Total Profit per Interest to Adjusted Operating Profit per Interest is presented on the following page.

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



Projected Investment return	11 months ending 31 March 2021	12 months ending 31 March 2022
Prospective total profit for the year (\$)	997,042	3,069,008
Amount invested per Interest (\$)	50,000	50,000
Total number of Interests	887	887
Prospective total profit per interest (\$)	1,124	3,460
Total Investor cash return per interest (\$)	2,762	3,000
Forecast cash return per annum (%)	5.5%*	6.0%
Reconciliation of Total Profit to Adjusted Operating Profit (per interest)	11 months ending 31 March 2021	12 months ending 31 March 2022
Prospective total profit (per interest) (\$)	1,124	3,460
Initial finance cost amortised (per interest) (\$)	46	50
Accrual for fixed rental growth (\$)	(567)	(524)
Lease incentives and expenditure amortisation (per interest) (\$)	-	37
Unrealised movement in the fair value of Investment Property (per interest) (\$)	1,901	-
Working capital (per interest) (\$)	258	(23)
Adjusted Operating Profit (per interest) (\$)	2,762	3,000
Funding breakdown of Projected Investment return	11 months ending 31 March 2021	12 months ending 31 March 2022
Total Investor cash return per interest	2,762	3,000
Funded by:		
Cash flows from operating activities (per interest)	2,964	3,048
Working capital (per interest)	(202)	(48)
Total Investor cash return per interest	2,762	3,000

*6% annualised return

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

The principal assumptions on which the prospective financial statements are based are set out under the heading "Principal Assumptions" at page 41.

PROSPECTIVE INCOME, EXPENSES AND RETURNS

Summary of Prospective Statement of Comprehensive Income	11 months ending 31 March 2021	12 months ending 31 March 2022
Rental income from Investment Property	5,730,810	6,435,642
Accrual for fixed rental growth	503,315	464,514
Property operating expense recoveries	163,541	256,415
Gross Property Income	6,397,666	7,156,571
Property operating expenses	(2,104,721)	(2,334,338)
Net property income	4,292,945	4,822,233
Administration expenses	(307,471)	(338,568)
Operating profit before financing costs	3,985,474	4,483,665
Net finance expenses	(1,302,260)	(1,414,657)
Operating profit before Fair Value Movements	2,683,214	3,069,008
Unrealised movement in the fair value of Investment Property	(1,686,172)	-
Operating profit before tax	997,042	3,069,008
Income tax	-	-
Total profit for the year	997,042	3,069,008
Other comprehensive income	-	-
Total comprehensive income	997,042	3,069,008

Summary of Prospective Statement of Financial Position	As at 31 March 2021	As at 31 March 2022
Current assets	1,360,464	1,034,737
Non current assets	77,503,315	78,221,866
Total assets	78,863,779	79,256,603
Current liabilities	674,081	614,411
Non current liabilities	37,801,978	37,846,465
Total liabilities	38,476,059	38,460,876
Equity	40,387,720	40,795,727

Summary of Prospective Statement of Changes in Equity	Issued Capital	Retained Earnings/ (Deficit)	Total
Balance at 30 April 2020	-	-	-
Contributions from Investors	44,350,000	-	44,350,000
Offer establishment costs	(2,509,745)	-	(2,509,745)
Profit for the year	-	997,042	997,042
Distributions to investors	-	(2,449,577)	(2,449,577)
Balance at 31 March 2021	41,840,255	(1,452,535)	40,387,720
Profit for the year	-	3,069,008	3,069,008
Distributions to investors	-	(2,661,001)	(2,661,001)
Balance at 31 March 2022	41,840,255	(1,044,528)	40,795,727
Summary of Prospective Statement of Cash Flow	11 months ending 31 March 2021	12 months ending 31 March 2022	
Cash as the beginning of the year	-	1,271,686	
Cash flows from operating activities	2,629,100	2,703,784	
Cash flows from investing activities	(78,686,380)	(286,569)	
Cash flows from financing activities	77,328,966	(2,661,001)	
Net cash inflow/(outflow)	1,271,686	1,027,900	

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

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

PRINCIPAL ASSUMPTIONS

Settlement

Pursuant to the Sale and Purchase Agreement for Pastoral House, settlement is the later of 30 April 2020 and the last working day of the calendar month in which the leases to MBIE commence. For the purposes of the prospective financial information settlement is assumed to occur on 30 April 2020. Therefore, for the purpose of the financial information, rental income has been recognised from 1 May 2020.

Pastoral House is assumed to be purchased by the Scheme on 30 April 2020 for the purchase price of \$77,000,000. It is assumed that there will not be a purchase price adjustment.

Establishment Costs

Total establishment costs are expected to be \$4,011,580. This includes the acquisition, brokerage, underwrite, legal, accounting and valuation fees as well as marketing and finance costs. The majority of these costs are deemed to be issue costs, with the exception of \$1,368,373 associated with the acquisition of Pastoral House, and \$133,462 of financing costs.

Investment Property

On settlement date, 30 April 2020, the value of the investment property is assumed to equal the cost, plus any directly related acquisition costs.

On 31 March 2021 the investment property is recorded at valuation. The revaluation adjustment in the prospective financial information reflects the most recent valuation that was instructed for due diligence purposes. The fair value of the property will be determined annually based on an independent valuation. No further movement in valuation is assumed during the prospective financial information period due to the uncertainty in predicting the fair value movement.

Rental Income

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

Rental income is assumed from 1 May 2020.

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

Property Management Fee

The annual property management fee (payable to Oyster for property and facilities management services) is calculated as 2.2% of gross property income. As the majority of the leases are gross leases the property management fees are not recoverable from the tenant and is therefore a cost to the Scheme.

Borrowings

Total debt limit for the Scheme will be \$37,850,000. The Term Loan will be interest only and will have an initial 3 year term.

Interest Expense

A 3.62% per annum floating interest rate on the Term Loan has been assumed for the purposes of the prospective financial information. Oyster on behalf of the Scheme intends to enter into an interest rate swap contract to fix at least 50% of the interest rate for the 3 year term of the loan.

Administration Expenses

Accounting, audit, supervisor fees and valuation are based on quotes received. The annual scheme management fee is calculated as 0.35% (for the years ended 31 March 2021 and 31 March 2022) increasing to 0.45% from 1 April 2022 of the capital value (as determined annually by an independent valuation) of Pastoral House. For the prospective financial information, the capital value is based on the independent valuation prepared by Jones Lang LaSalle dated 1 November 2019.

Unrealised Movement in the Fair Value of Investment Property

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

Any gain or loss arising from the change in the fair value is recognised in the profit or loss as the unrealised movement in the fair value.

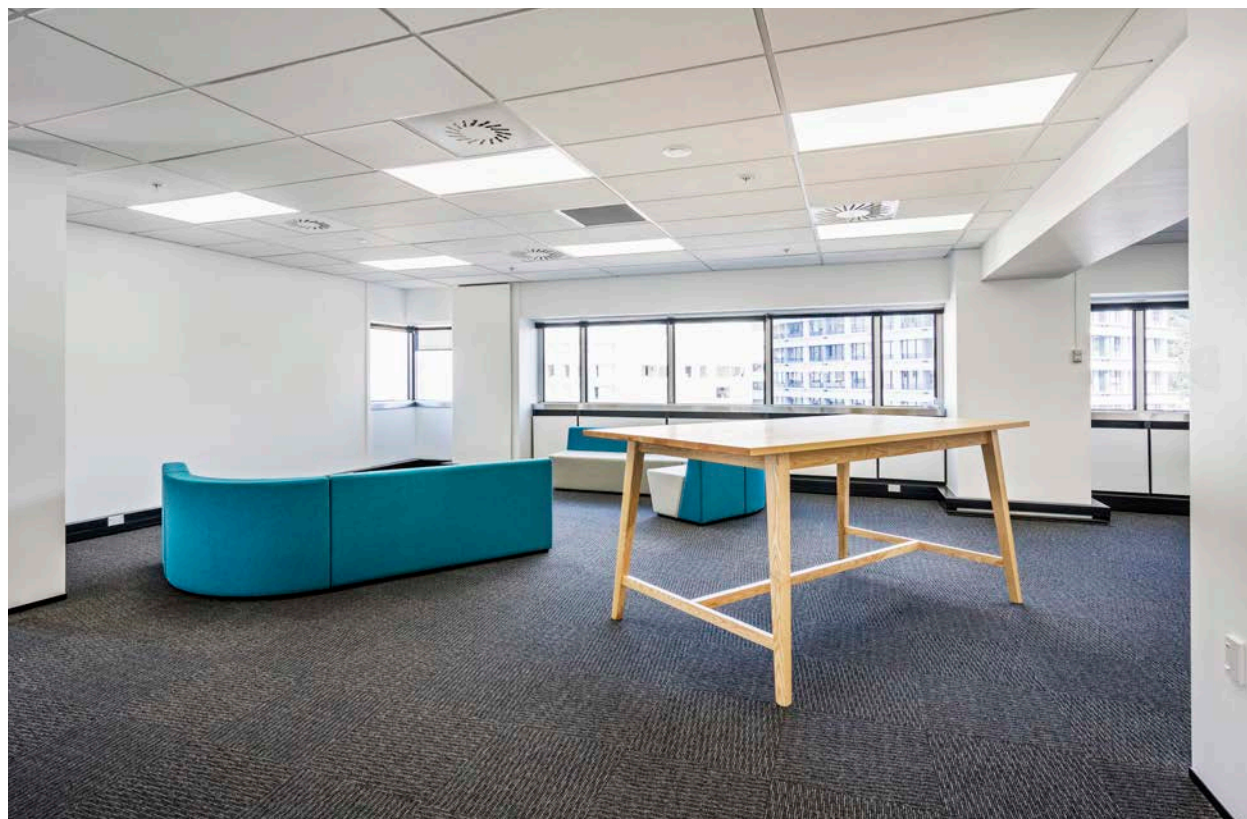
Actual results

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

Cash Distributions

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

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



FINANCIAL MEASURES FOR SCHEME BORROWINGS

GEARING AND INTEREST COVER RATIOS

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

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

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

The following table forecasts the gearing and interest cover ratios at the forecast purchase price:

	As at 30 April 2020 on acquisition of Pastoral House and issue of the Interests	As at 31 March 2021	As at 31 March 2022
Gearing Ratio	48.4%	48.0%	47.8%
Interest Cover Ratio	Not applicable	3.16 times	3.30 times

BORROWING REPAYMENT DATES

Loan facility	Repayment date
Term Loan	3 years from date of drawdown



7. RISKS TO RETURNS FROM PASTORAL HOUSE PROPORTIONATE OWNERSHIP SCHEME

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

The summary below sets out:

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

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

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

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

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



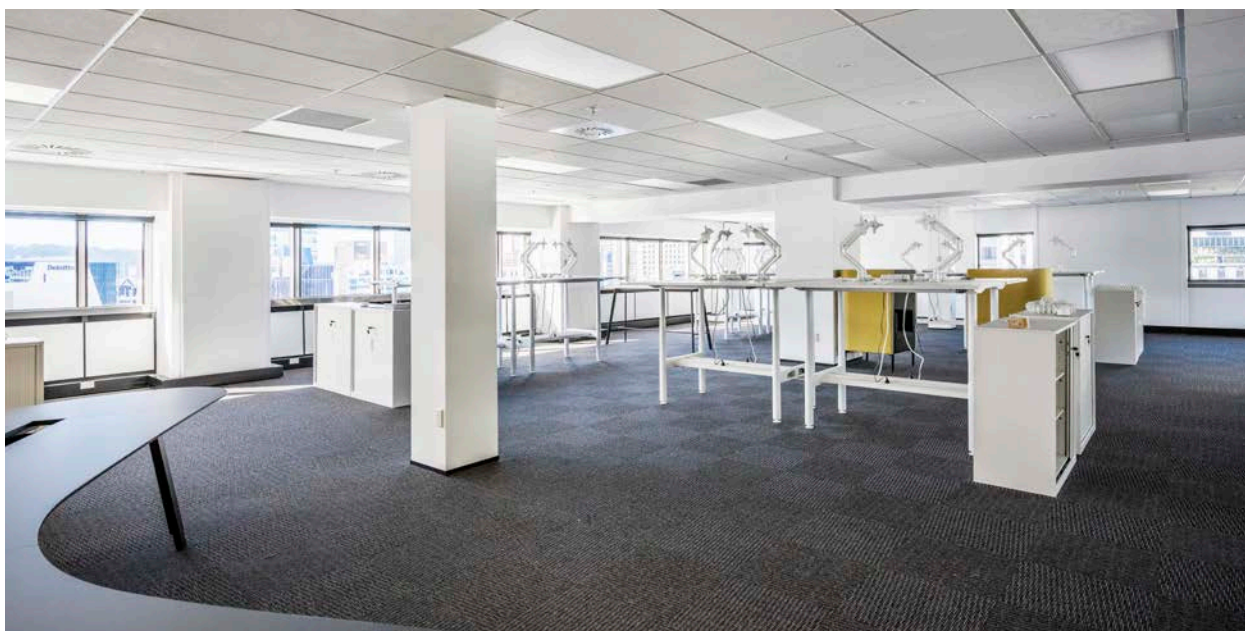
RISKS IN RELATION TO THE SCHEME

Description of risk	Oyster's assessment of nature and magnitude	Mitigating factors
Seismic Warranty	<p>The Lease provides for a landlord warranty, which warrants that at Lease commencement the building has a minimum seismic rating of 80% NBS. MBIE are also able to undertake their own Detailed Engineering Evaluation on the basis that there is either a change in code, seismic event with a magnitude of M7, or an earthquake which is classified as "Severe" to ensure the building still meets the seismic requirements.</p> <p>If the building is found to be less than 80% NBS (of the Building Code applicable at the date the building consent for the refurbishment works was issued), the Scheme will be required to upgrade the building to meet the seismic requirements, and/or MBIE has an ability to terminate the Lease.</p> <p>While the Scheme will hold insurance cover for natural disasters it will still be liable to pay the excess amount on any claim.</p>	<p>In 2018 the building was seismically strengthened. During the due-diligence investigation of Pastoral House Oyster engaged Harrison Grierson to undertake a peer review of the previous seismic documentation prepared for the vendor. Harrison Grierson concluded that the building meets 80% NBS.</p> <p>The property consists of poured in-situ concrete floors. This construction method is uncommon among office assets within the Wellington market, but is preferred as it is not subject to the C5 guidelines for precast floor systems which makes it a superior construction typology for the transfer of seismic loads in comparison with modern precast concrete floor systems.</p> <p>This design provides greater robustness, resilience and make it more likely that the property is well placed to meet future seismic requirements.</p> <p>On settlement, the Scheme will place a typical real estate insurance policy to cover material damage to Pastoral House and loss of rents. In the event of a natural disaster the policy would respond accordingly.</p>
<i>Oyster's assessment of the likelihood of circumstances arising</i>	<i>The likelihood of an event that enacts the seismic warranty is unable to be accurately predicted – GeoNet has recorded 15 earthquakes of M7 or greater in the New Zealand region in the period from 1960 to 2016 (out of the 20,067 earthquakes of M4 or greater).</i>	
<i>Oyster's assessment of the impact, were the circumstance to arise</i>	<i>Significant – loss of income from Pastoral House for a period, cost of paying insurance excess.</i>	

Description of risk	Oyster's assessment of nature and magnitude	Mitigating factors
Availability of Debt Funding	Term Loan: The Scheme is borrowing from Kiwibank to fund the purchase of Pastoral House. If Kiwibank is unwilling to extend or refinance the Term Loan on its expiry in 3 years then another bank will need to refinance the loan. The terms of the refinancing may be unfavourable to the Scheme or finance may be difficult to obtain.	Based on its experience, Oyster considers the potential impact of changes to the Scheme's funding arrangements will be able to be adequately minimised through active management of the Scheme's finances and banking arrangements.
<i>Oyster's assessment of the likelihood of circumstances arising</i>	Low	
<i>Oyster's assessment of the impact, were the circumstance to arise</i>	Significant – the Scheme could be forced to sell Pastoral House.	

Description of risk	Oyster's assessment of nature and magnitude	Mitigating factors
Illiquid investment	This is an investment for an indefinite period without a redemption or liquidity mechanism. There is not an established secondary market for sale of the Interests. Oyster offers a secondary market facility under which it facilitates the transfer of Interests between Investors and third party buyers. However, there is no guarantee that a sale will be possible, or at which price a sale can be achieved. Investors may not be able to exit their investment until Pastoral House is sold and the Scheme is wound up.	Oyster facilitates a secondary market where it has established a large database of potential investors to whom opportunities to purchase Interests are sent. There is no guarantee that there will be a willing buyer for your Interests.
<i>Oyster's assessment of the likelihood of circumstances arising</i>	Moderate	
<i>Oyster's assessment of the impact, were the circumstance to arise</i>	Significant – Investors may not be able to access their funds until Pastoral House is sold and the Scheme is wound up.	

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



8. WHAT ARE THE FEES?

This section sets out:

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

ESTABLISHMENT FEES

The one-off fees and expenses charged in relation to the establishment of the Scheme are:⁹

Establishment costs payable to Oyster	
Acquisition Fee	1,540,000
Brokerage Fee	887,000
Oyster Underwrite Fee	108,000
Deposit Fee	50,000
Legal Setup Costs – Oyster charge	15,000
Accountancy – internal	10,000
Total establishment costs payable to Oyster	2,610,000
Establishment costs payable to others	
Marketing	250,000
Wyborn Underwrite Fee	589,500
Legal Setup Costs – external	363,500
Investigating Accountant	45,000
Seismic assessment	20,200
Property Due Diligence Reporting	67,250
Bank Legal	15,000
Asset Valuation	11,000
Plant & Machinery Valuation	11,000
Supervisor's fee	5,000
Directors & Officers and Professional Indemnity Insurance	16,440
PDS Registration Cost	5,690
Insurance Valuation	2,000
Total establishment costs payable to others	1,401,580
Total establishment costs	4,011,580

The above fees are exclusive of GST.

⁹ The establishment fees in the table are based on the forecast purchase price of \$77,000,000.

Acquisition Fee

The fee payable to Oyster for locating Pastoral House and negotiating the contract to purchase Pastoral House, and developing this investment opportunity and establishing the Scheme.

Oyster Underwrite Fee

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

Brokerage Fee

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

Deposit Fee

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

Legal Setup Costs – Oyster charge

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

Accountancy – internal

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

Marketing

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

Wyborn Underwrite Fee

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

Legal Setup Costs – external

These costs include:

The \$313,500 fee paid to the Scheme's solicitors Russell McVeagh for the costs of negotiating and advising on the Sale and Purchase Agreement, reviewing the Offer documents, due diligence on Pastoral House, establishing the Scheme, settlement of Pastoral House and reviewing the Bank Loan documentation.

The \$50,000 fee payable to Thompson Blackie Biddles for processing subscriptions and providing trust account service for receipt of subscription monies.

Investigating Accountant

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

Seismic Assessment

The fee paid to Harrison Grierson for reviewing the seismic strength of Pastoral House.

Property Due Diligence Reporting

The fee paid to Hampton Jones for preparing a technical due diligence report on Pastoral House.

Bank Legal

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

Asset Valuation

The fee payable to Jones Lang LaSalle for the preparation of the valuation report on Pastoral House.

Plant & Machinery Valuation

The fee payable to CBRE for the preparation of the valuation report on the plant and machinery located at Pastoral House.

Supervisor's Fee

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

Directors & Officers/Professional Indemnity Insurance

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

PDS Registration Cost

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

Insurance Valuation

The fee payable to Jones Lang LaSalle for the preparation of the insurance valuation report on Pastoral House.

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

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



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

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

Ongoing fees and expenses charged to the Scheme by Oyster and its associated persons	
Property Management Fee	<p>The property management fee paid by the Scheme is an annual fee for management services provided in relation to Pastoral House, which will be the greater of:</p> <ul style="list-style-type: none"> ■ 2.2% of the Gross Rental received under the tenancies (or any replacement or additional tenancy arrangement) plus GST (calculated on a pro-rata basis for the period from the Settlement Date to 31 March 2021); and ■ \$140,000 plus GST per annum ("Minimum Property Management Fee")
Scheme Management Fee	<p>The scheme management fee paid by the Scheme is an annual fee for services provided in relation to managing and administering the Scheme, which will be the greater of:</p> <ul style="list-style-type: none"> ■ 0.35% of the capital value of Pastoral House (as determined by an independent valuer) in the financial periods up to 31 March 2022 plus GST (calculated on a pro-rata basis for the period from the Settlement Date to 31 March 2021), increasing to 0.45% of the capital value from 1 April 2022; and ■ \$269,000 plus GST per annum for the periods to 31 March 2022 and \$345,000 thereafter ("Minimum Scheme Management Fee") <p>On the first day of each Financial Year commencing from 31 March 2021, the Minimum Property Management Fee and the Minimum Scheme Management Fee shall automatically increase by the same percentage as the percentage increase (if any) in the consumer price index for the 12 month period ending 31 December in the immediately preceding calendar year.</p>
Performance Fee	<p>In the event that Pastoral House is sold, the Deed of Participation provides that Oyster is entitled to be paid a performance fee on settlement and from the proceeds of the sale of Pastoral House. The amount of performance fee will be 15% (plus GST) of the excess amount above an internal rate of return ("IRR") of 8.0% from Pastoral House, including the distributions actually paid to Investors from the Settlement Date of the purchase of Pastoral House until the settlement date of the sale of Pastoral House. The IRR calculation will take into account initial Investor equity including establishment costs and working capital.</p> <p>The performance fee will only be paid to Oyster once, and only if Pastoral House is sold.</p>
Termination Fee	<p>On termination of the Scheme, Oyster is entitled to a fee of 1.25% (plus GST) of the sale price of Pastoral House. This fee is only paid when the Scheme is wound-up.</p>

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

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

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

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

	The year ending 31 March 2021	The year ending 31 March 2022
Estimate of aggregate expenses and fees payable to Oyster and its associated persons	<p>\$2,997,992 plus GST</p> <p>Which as a percentage of the net assets of the Scheme is anticipated to be 7.4%</p>	<p>\$427,449 plus GST</p> <p>Which as a percentage of the net assets of the Scheme is anticipated to be 1.0%</p>

Aggregate fees for the accounting period ended 31 March 2021 include \$2,610,000 of establishment costs.

Changes to Fees

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

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



ONGOING FEES AND EXPENSES PAID TO OTHERS BY THIS SCHEME

Ongoing fees and expenses charged to the Scheme by Others	
Administration Costs	These are other minor costs in relation to the administration of the Scheme that have not been covered under the other headings in this table. These fees are not fixed and can vary from year to year.
Auditor's Fees	This fee is for the audit of the annual financial statements of the Scheme. This fee may be altered in the future by agreement between the auditor and Oyster.
Interest Expense	<p>This is the amount of interest paid by the Scheme to Kiwibank in relation to the Bank Loan. The interest rate charged can be changed by the bank under the terms of the Bank Loan documents. The Scheme's current interest rates are:</p> <ul style="list-style-type: none"> ■ in respect of the Term Loan it is floating at 3.62% per annum.
Legal Fees	This fee reflects the ongoing legal costs of the Scheme to be paid to the Scheme's solicitor, Russell McVeagh. This fee is not fixed and is incurred on a case by case basis.
Marketing Fees	These are the fees paid by the Scheme to advertising agencies for the creation of advertising material and to advertisers for placement of advertisements. These fees are not fixed and are negotiated on a case by case basis.
Non-Recoverable Property Expenses	These are the fees paid to others in relation to the operation of Pastoral House that are not recoverable from the tenant. These fees are not fixed and are incurred on a case by case basis.
Supervisor's Fees	<p>The Supervisor will be paid an annual fee of \$22,175 plus GST paid quarterly in arrears. The Supervisor is entitled to charge the Scheme for the Supervisor's disbursements.</p> <p>The Supervisor's disbursements are those routine expenses related to the ongoing administration of the Supervisor's appointment, including, but not limited to, travel costs, printing, photocopying and postage.</p> <p>In addition to its annual fee, the Supervisor is entitled to charge a special duties fee charged at the Supervisor's usual time and attendance rates to cover the Supervisor's ongoing review of any amendment to any documentation, the exercise of its powers and discretions, the Supervisor's attendance at any special meetings and time spent on non- routine matters.</p> <p>The Supervisor's fees may be altered in the future by agreement between the Supervisor and Oyster.</p>
Valuation Fees	These are the fees paid to independent valuers for preparing the annual market valuations for Pastoral House. These are not fixed fees and are incurred on a case by case basis.

	The year ending 31 March 2021	The year ending 31 March 2022
Estimate of aggregate expenses and fees payable to other persons	<p>\$3,425,780 plus GST</p> <p>Which as a percentage of the net assets of the Scheme is anticipated to be 8.5%</p>	<p>\$2,245,457 plus GST</p> <p>Which as a percentage of the net assets of the Scheme is anticipated to be 5.5%</p>

Aggregate fees for the accounting period ended 31 March 2021 include \$1,401,580 of establishment costs.

Changes to Fees

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

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



9. TAX

The Scheme is not a portfolio investment entity.

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

As a proportionate ownership scheme each Investor will be taxed on their proportionate share of the Scheme's

income, not on any distributions received from the Scheme. Investors are individually responsible for the payment of their tax on the investment, no tax is deducted from distributions.

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

10. ABOUT OYSTER MANAGEMENT LIMITED AND OTHERS INVOLVED IN PASTORAL HOUSE PROPORTIONATE OWNERSHIP SCHEME

ABOUT OYSTER MANAGEMENT LIMITED

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

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

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

The address for Oyster is:

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

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

WHO ELSE IS INVOLVED?

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

11. HOW TO COMPLAIN

HOW TO COMPLAIN

A complaint about your investment may be made to:

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

12. WHERE YOU CAN FIND MORE INFORMATION

FURTHER INFORMATION

Further information about the Interests and the Scheme is available on the offer register and the scheme register.

This information includes items such as:

- The Deed of Participation
- Prospective Financial Statements
- Independent Valuation Report
- Technical Due Diligence Report
- Seismic Letter
- Sale and Purchase Agreement for Pastoral House
- Wyborn Underwrite Agreement
- Oyster Underwrite Agreement
- Deed of Nomination
- The leases

The offer register and scheme register can be viewed at **www.disclose-register.companiesoffice.govt.nz**.

A copy of information on the offer register or scheme register is available on request to the Registrar.

ANNUAL INFORMATION

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

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

ON REQUEST INFORMATION

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

INFORMATION ON YOUR INVESTMENT DETAILS

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

13. HOW TO APPLY

1. COMPLETE THE APPLICATION FORM

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

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

2. PAYMENT

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

3. SEND THE FORM IN

Applications once made cannot be revoked or withdrawn.

Application forms must be mailed or delivered to:

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

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

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

14. GLOSSARY

Term	Definition
"Adjusted Operating Profit"	means total profit for the year excluding revaluations, non-cash or non-recurring transactions and initial borrowing costs which were paid on establishment, and may also include any surplus working capital. This is a non-GAAP measure.
"Bank Loan"	means the Term Loan, see page 31 for details.
"Pastoral House"	means the property at Pastoral House, 25 The Terrace, Wellington.
"CPI"	means the Consumer Price Index (All Groups) published by Statistics New Zealand.
"Custodian"	means Pastoral House Trustees Limited, the company which holds Pastoral House and the assets of the Scheme on behalf of Investors.
"Customer Due Diligence Information"	means the information required to be supplied by an Investor under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.
"Deed of Participation"	means the document that established the Scheme and sets out the rules under which the Scheme is operated.
"Development Agreement"	means the development agreement in respect of Pastoral House dated 29 July 2016 between the Vendor and MBIE, and includes all variations and amendments to that development agreement from time to time.
"Financial Year"	means the period from 1 April in one year to 31 March in the next year (provided that the first financial year shall be for the period from Settlement Date to 31 March) or such other period as Oyster may elect.
"GAAP"	means generally accepted accounting practice. Financial statements that have been prepared in accordance with GAAP have been prepared using the applicable financial reporting standards.
"Gearing Ratio"	means the total bank debt as a percentage of net assets. A useful measure of how much debt an entity is carrying.
"Interest"	means the managed investment product issued by the Scheme.
"Interest Cover Ratio"	means the ratio of the entity's income to its bank interest expense.
"IRR"	means the internal rate of return, which is a measure of the profitability of the investment over a period of time taking into account the net present value of all cashflows (both positive and negative).
"Investors"	means the people or entities that hold Interests in the Scheme.
"MBIE"	means the Ministry of Business, Innovation and Employment.
"Minimum Holding"	means \$50,000 of Interests or such other number determined in accordance with the provisions of the Deed of Participation.

14. GLOSSARY continued

Term	Definition
"NBS"	means New Building Standard.
"Offer"	means the offer of Interests detailed in this PDS.
"Operating Profit"	means the Scheme's Operating Profit Before Fair Value Movements, as set out in the Scheme's financial statements or management accounts.
"Ordinary Resolution"	means a resolution passed by a simple majority (i.e. greater than 50%) of the votes cast on that resolution.
"Oyster"	means the manager of this Scheme, Oyster Management Limited.
"Oyster Underwrite"	means the agreement by Oyster to subscribe for up to 72 Interests (\$3,600,000 million).
"PDS"	means Product Disclosure Statement.
"Precinct" or "Vendor"	means Precinct Properties Holdings Limited.
"Sale and Purchase Agreement"	means the sale and purchase agreement entered into by Precinct under which Pastoral House will be acquired, dated 15 August 2019 (as varied on 27 November 2019).
"Scheme"	means Pastoral House Proportionate Ownership Scheme.
"Settlement Date"	means the settlement date of the purchase of Pastoral House, which is anticipated to occur on 30 April 2020.
"Special Resolution"	means a resolution passed in compliance with the requirements of sub-clause (d) of the definition of "special resolution" in section 6 of the Financial Markets Conduct Act 2013.
"SIPO"	means a Statement of Investment Policies and Objectives. This document summarises the type of investments the Scheme is authorised to make.
"Supervisor"	means the statutory supervisor of the Scheme, Covenant Trustee Services Limited.
"Technical Due Diligence Report"	means the building condition report for Pastoral House obtained from Hampton Jones.
"Term Loan"	means the Kiwibank term loan, see page 31 for details.
"WALT"	means the "weighted average lease term". This means the length to run on each individual lease weighted by the lease's proportion of the total rental income attributable to that property.
"Wyborn"	means Wyborn Capital Properties Limited.
"Wyborn Underwrite"	means the agreement by Wyborn to subscribe for up to 393 Interests (\$19,650,000 million).

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



PLEASE READ THIS BEFORE SIGNING

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

CUSTOMER DUE DILIGENCE REQUIREMENTS

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

APPLICATION CHECKLIST

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

SENDING YOUR APPLICATION

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

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

PLEASE READ ALL INSTRUCTIONS BELOW TO ENSURE PROMPT PROCESSING OF APPLICATIONS

This Application Form is issued with the Product Disclosure Statement dated 24 January 2020, issued by Oyster Management Limited. Please return this application form and all other required additional documents to Oyster Management Limited.

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

INSTRUCTIONS ON HOW TO COMPLETE

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

A. ALL APPLICANTS TO COMPLETE INVESTMENT

Number of Interests		@ \$50,000 each				Total investment of \$												
Payment Method (please tick)		Cheque Attached																
		Online Banking to the Subscription Account																
Account name		THOMPSON BLACKIE BIDDLES LIMITED TRUST ACCOUNT																
Bank	1	2	Branch	3	1	0	9	Account Number	0	1	1	0	7	9	2	Suffix	0	2
Payment Reference		Please insert "Pastoral House" and your surname into the reference field																

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

PAYMENTS

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

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

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

Account name																		
Bank			Branch				Account Number									Suffix		

Resident Withholding Tax, please deduct from all interest earned on subscription monies held prior to allotment of Interests

- ☐ 10.5% Resident Withholding Tax
 ☐ 17.5% Resident Withholding Tax
 ☐ 28% Resident Withholding Tax
☐ 30% Resident Withholding Tax
 ☐ 33% Resident Withholding Tax
 ☐ Exempt

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

For office use only	
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INDIVIDUAL APPLICATION

TO BE COMPLETED BY THE APPLICANT

OYSTER®

Complete in BLOCK LETTERS

Legal first name(s) <i>Individuals</i>	Family name <i>Individuals</i>	Date of Birth <i>Individuals</i>	IRD Number <i>Individuals</i>

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

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

CUSTOMER DUE DILIGENCE INFORMATION

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

Yes

☐

No

☐

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

Yes

☐

No

☐

NATURE AND PURPOSE OF YOUR INVESTMENT

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

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

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

TICK THE FOLLOWING THAT APPLIES TO YOU:

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

☐

Existing Oyster Investor

☐

New Investor: One-off investment

☐

New Investor: Potential further investment in other Oyster Investments

What is your reason for the investment?

☐

To receive ongoing income

☐

To preserve capital

☐

To achieve capital growth

☐

For estate planning

☐

Other

INDIVIDUAL APPLICATION

TO BE COMPLETED BY THE APPLICANT

OYSTER®

COMMUNICATION PREFERENCES

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

Yes ☐ No ☐

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

Yes ☐ No ☐

ADDITIONAL INVESTMENT ENQUIRER

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

First Name		Family Name	
Company (if applicable)			

Complete in BLOCK LETTERS

Legal first name(s) <i>Individuals</i>	Family name <i>Individuals</i>	Date of Birth <i>Individuals</i>	IRD Number <i>Individuals</i>

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

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

CUSTOMER DUE DILIGENCE INFORMATION

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

Yes

☐

No

☐

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

Yes

☐

No

☐

NATURE AND PURPOSE OF YOUR INVESTMENT

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

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

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

TICK THE FOLLOWING THAT APPLIES TO YOU:

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

☐

Existing Oyster Investor

☐

New Investor: One-off investment

☐

New Investor: Potential further investment in other Oyster Investments

What is your reason for the investment?

☐

To receive ongoing income

☐

To preserve capital

☐

To achieve capital growth

☐

For estate planning

☐

Other

COMMUNICATION PREFERENCES

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

Yes☐

No☐

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

Yes☐

No☐

ADDITIONAL INVESTMENT ENQUIRER

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

First Name		Family Name	
Company (if applicable)			

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

Complete in BLOCK LETTERS

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

Signature of Company Director		Date	
Signature of Company Director		Date	

CUSTOMER DUE DILIGENCE INFORMATION

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

Yes

☐

No

☐

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

Yes

☐

No

☐

NATURE AND PURPOSE OF YOUR INVESTMENT

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

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

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

TICK THE FOLLOWING THAT APPLIES TO YOU:

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

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

What is your reason for the investment?

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

COMMUNICATION PREFERENCES

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

Yes ☐ No ☐

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

Yes ☐ No ☐

ADDITIONAL INVESTMENT ENQUIRER

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

First Name		Family Name	
Company (if applicable)			

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

Complete in BLOCK LETTERS

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

Legal first name(s) Trustees	Family name Trustees	Date of Birth Trustees

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

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

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

CUSTOMER DUE DILIGENCE INFORMATION

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

Yes

☐

No

☐

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

Yes

☐

No

☐

NATURE AND PURPOSE OF YOUR INVESTMENT

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

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

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

TICK THE FOLLOWING THAT APPLIES TO YOU:

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

☐

Existing Oyster Investor

☐

New Investor: One-off investment

☐

New Investor: Potential further investment in other Oyster Investments

What is your reason for the investment?

☐

To receive ongoing income

☐

To preserve capital

☐

To achieve capital growth

☐

For estate planning

☐

Other

COMMUNICATION PREFERENCES

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

Yes

☐

No

☐

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

Yes

☐

No

☐

ADDITIONAL INVESTMENT ENQUIRER

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

First Name		Family Name	
Company (if applicable)			

DIRECTORY

Oyster

Oyster Management Limited

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

Custodian

Pastoral House Trustees Limited

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

Solicitors to Oyster

Russell McVeagh

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

Supervisor

Covenant Trustee Services Limited

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

Investigating Accountant

Ernst & Young Transaction Advisory Services Limited

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

OYSTER[®]

OYSTER PROPERTY GROUP

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

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

oystergroup.co.nz