OTHER MATERIAL INFORMATION

PMG Direct Office Fund

This Other Material Information Document has been prepared to meet the requirements of clauses 48(1)(b) and 50(e) of Schedule 5 to the Financial Markets Conduct Regulations 2014 (FMCR) in relation to an offer of Units in the PMG Direct Office Fund, as set out in a product disclosure statement (PDS) dated on or around the date of this document.

Terms capitalised but otherwise undefined in this document have the meanings given to them in the PDS. This Document must be read alongside the PDS.

Dated 11 March 2019

Other Risks

Dilution Risk
Nature and magnitude: If the Manager of the Fund seeks to raise further capital in order to fund development at any of the properties or for the operating costs of any properties or for the acquisition of any further properties, the Unitholding of Unitholders may be diluted if a Unitholder is not able or willing to subscribe for further Units in the Fund.

Mitigation strategies: It is intended that existing Unitholders of the Fund will be provided the opportunity to participate in future capital raisings.

Assessment of likelihood of circumstances arising: Medium
Assessment of impact: Low

Damage or Destruction Risk
Nature and magnitude: There is a risk of damage or destruction to the Existing Properties or to the Acquisition Properties, and any other properties which are added to the Fund's portfolio, by fire, earthquake or other event which may result in the Fund being required to outlay capital expenditure to repair or reinstate the damaged or destroyed property, the loss of rental income while the damaged or destroyed property is being repaired or reinstated, or, if the tenant terminates the lease and the Fund is unable to find a suitable replacement tenant, vacancy of the property. These could impact on returns to Unitholders.

Mitigation strategies: The Manager will ensure that the Fund's property portfolio will have comprehensive insurance cover, including consequential loss of rental cover.

Assessment of likelihood of circumstances arising: Low
Assessment of impact: Low

Management Related Risks
Nature and magnitude: The Manager has been appointed as property manager for the Fund. The Manager is able to terminate the Management Agreements upon 12 months' notice. The Fund does not have the resources to manage the properties and would need to engage another manager to do so on its behalf. There is a risk that the Fund may not be able to find a suitable manager and/or will need to pay higher management fees than those applicable under the Management Agreements, which could have an adverse effect on performance.

Mitigation strategies: Some of the directors of the Manager are invested in the Fund. Given this relationship, it is highly unlikely that the Manager will terminate the Management Agreements. It is likely that if this scenario eventuated, a replacement manager would be identified prior to the termination of the Manager.

Assessment of likelihood of circumstances arising: Low
Assessment of impact: Low

Property Market Risk
The Fund's portfolio is concentrated in commercial properties. Property market conditions and fluctuations in supply and demand for these kinds of properties will affect the value of the Fund's portfolio and will affect the Fund's costs and other underlying property fundamentals. The Fund is reliant on its property investments to provide it with a return. Deterioration in the New Zealand

economy (and the property sectors in which it or it has invested, in particular) may result in Unitholders not receiving the forecasted return and/or not being able to recoup their original investment. This impact will not be offset by exposure to other classes of assets. The Manager's mitigation strategy is to diversify by tenant sector and property geography (charts illustrating the portfolio’s diversification are set out on page [13] of the PDS).

Assessment of likelihood of circumstances arising: Medium
Assessment of impact: Medium

Pricing of Units for the purposes of Redemption

Unit prices are determined annually on the first day of July using the Net Asset Value of the Fund as at 31 March of the audited financial statements.

The adjusted Net Asset Value of the Fund referred to in section 4.2 of the PDS under the heading "Redemption Price" is calculated using 'Total equity' from the prospective financial statements and making the following adjustment to take into account the Fund's investment activity. The following adjustment is a non-GAAP adjustment and therefore is not reflected in the Fund's financial statements.

Net Asset Value for the purposes of unit pricing	**Year ending 31 March 2020**	**Year ending 31 March 2021**
Total equity as per prospective statement of financial position	**50,255,424**	**50,255,781**
Remaining acquisition costs to be amortised	**361,945**	**265,497**
Adjusted Net Asset Value	**50,617,369**	**50,521,278**
Number of Units on issue	46,000,000	46,000,000
Price per Unit	**1.10**	**1.10**

As indicated in section 4.2 of the PDS, it is the Manager's intention that the redemption dates will be from 1 July to 31 July in each year. However, the Manager has confirmed that no redemptions will be allowed in the July 2019 redemption window due to proximity to the date of this Offer. As a result, the information for the period to 31 March 2019 is not disclosed above as it may be misleading.

Assumptions for Net Asset Value Table
The assumptions on which the Net Asset Value table above is based include:

1. The total equity for 2020 and 2021 is based on fair value adjustments to valuations received within 4 months before this PDS plus the acquisition price of assets and prospective capital expenditure. The adjusted net asset value takes no account of future capital value appreciation.

2. The acquisition costs are based on the costs associated with both this Offer, and those unamortised from the previous offer. It does not include costs associated with any future offers.

3. The Fund plans to purchase the Acquisition Properties on 17 April 2019, with no further purchases of property planned during the prospective periods.

4. Number of Units on issue presumes the equity raise of 18,000,000 units at $1.12 is successful.

5. More details on the Unit Price can be found in the Trust Deed.

Distributions

As indicated in section 4.4 of the PDS under the heading "Distributions", it is the Manager's intention to declare gross distributions of approximately 100% of the Fund's adjusted net profit before tax, after consideration of any required re-investment in capital expenditure programmes on existing properties and debt repayment on annual basis.

Adjusted net profit before tax is calculated using the "Net profit before and after income tax, and total comprehensive income" from the prospective financial statements and making the following adjustment to take into account the Fund's investment activity. The following adjustment is a non GAAP adjustment and therefore is not reflected in the Fund's financial statements.

Adjusted net profit before tax for the purposes of distributions	Year ending 31 March 2019	Year ending 31 March 2020	Year ending 31 March 2021
Net profit before and after income tax, and total comprehensive income	**2,723,555**	**3,370,787**	**3,450,357**
Reversal of unrealised gains or losses on revaluation of investment property	(1,415,305)	-	-
Reversal of realised gains or losses on disposal of investment property	160,627	-	-
Reversal of unrealised gains or losses in revaluation of derivative financial instruments	90,729	-	-
Total adjustments	**(1,163,949)**	**-**	**-**
Adjusted net profit before tax	**1,559,606**	**3,370,787**	**3,450,357**

Assumptions for Adjusted Net Profit Table
The assumptions on which the Adjusted Net Profit table above is based include:

1. Changes in fair value of Portfolio Properties beyond 31 March 2019 will only be as a result of capital expenditure. As future revaluation gains and losses cannot be reliably predicted, therefore no revaluations have been included in the prospective financial information beyond 31 March 2019.

2. Properties were disposed of during the year ending 31 March 2019, generating a realised loss on disposal of investment property. A further property, the Held for Sale Property, is to be disposed of on 28 March 2019 for nil gain/nil loss. Following the acquisition of the Acquisition Properties on the Settlement Date there are no forecasted property disposals, therefore no realised gains or losses on disposal have been included in the prospective financial information for the periods to 31 March 2020 and 31 March 2021.

3. Changes in fair value of derivative financial instruments cannot be reliably predicted, therefore no revaluations have been included in the prospective financial information beyond those already recorded for the year to 31 March 2019.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Earnings before interest, tax, depreciation and amortisation (EBITDA) referred to in sections 1.7, 6.1 and 6.3 of the PDS is a Non-GAAP measure. The following reconciling items have been extracted from the financial statements of the Fund and a reconciliation to GAAP information is provided below:

Financial Period	**FY2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**HY 2018**	**HY 2019**
Net Profit/(loss) after tax per Statement of Financial Performance	**2,454,823**	**3,995,845**	**2,723,555**	**3,370,786**	**3,450,357**	**2,079,963**	**500,670**
Net Financing Costs	244,064	864,208	1,040,030	1,481,770	1,576,021	425,961	467,173
EBITDA	**2,698,887**	**4,860,053**	**3,763,585**	**4,852,556**	**5,026,378**	**2,505,924**	**967,843**

Total Estimated Costs of Offer

The table below details the total of the amounts paid or agreed to be paid by, or on behalf of, the Manager in connection with the offer of Units in the Fund (this excludes fees and expenses payable to the Manager).

Type of Cost	Amount	Cost paid to	Reason for cost and description of services
Legal Fees	$120,000	Simpson Grierson and Cooney Lees Morgan	Legal fees are payable to: Simpson Grierson for the costs of preparing and advising on the PDS, advising on the SIPO, advice to the Manager relating to compliance with the FMCA, and attending to registration of the Offer Information. Cooney Lees Morgan for the costs of legal due diligence on the Acquisition Properties, negotiation of the sale and purchase agreements for the Acquisition Properties and settlement of the purchase of the Acquisition Properties.
Supervisor's Fees	$30,000	Covenant Trustee Services Limited	The fees payable to the Supervisor for their costs in relation to reviewing the PDS.
Marketing Costs	$185,000	Various parties	The costs payable for designing the PDS and producing advertisements in relation to the Offer and the costs associated with preparing and printing the PDS.
Review of prospective financial information	$30,000	Crowe Horwath	Compliance fees payable to Crowe Horwath for reviewing the prospective financial information
Deposit Fee	$54,358	PMG Capital Fund Limited	5% funding fee payable to related party in relation to deposit paid on Acquisition Properties on behalf of the Fund.
PDS Registration fee and FMA levies	$5,000	Financial Markets Authority	The costs payable to the Offer Register and Financial Markets Authority on registration of the Offer Information.

Valuations, Disbursements and Contingency Costs	$111,149	Various parties	Provision for any property valuation fees, sundry disbursements associated with the preparation of the Offer for the Fund and the acquisition of the Acquisition Properties.