

Investment	Description of Investment	Amount Invested	Fair Value (Audited Financial Statements)	Share of Ownership	Development stage																
Palm Grove Partnership	<p>The Palm Grove Partnership owns the assets of the Palm Grove Retirement Village (14 units) situated in Orewa.</p> <p>Adjacent properties have been acquired and construction has commenced on the multi-storey apartments. The securing of neighbouring properties means that a minimum of 69 apartments are envisaged for the combined property.</p> <p>Senior Trust Capital Limited (STCL) is an 80% Partner in the Palm Grove Partnership via STC-Orewa (which is owned 100% by STCL). The Palm Grove Partnership is developing The Grove Orewa (retirement village) which is financed through STCL loans, related party loans and other lending sources.</p> <p>STCL's exposure to credit risk:</p> <ul style="list-style-type: none"> The initial equity contribution of \$80, receivables due and loans provided An unlimited all obligations guarantee provided by STC-Orewa for the \$3.5m loan to Palm Grove Partnership from The New Zealand Guardian Trust Company Limited. A guarantee in favour of the Bank Of New Zealand up to the value of \$4.3m provided by STCL for all amounts payable by Palm Grove Partnership to the Bank of New Zealand. <p>The price for the new apartments will be priced from \$545,000 in keeping with the high quality of the development. The expansion of the village will be a joint venture between entities associated with us and Aegis Projects Limited whose principals have a long history of successful retirement village construction and operation. The first of three stages in the construction programme will include the community facilities, and the first residents are intended to be living in their</p>	\$0.0m	\$2.3m (Refer Note 10 of the audited Annual Financial Statements available on the Disclose Register)	80%	Construction of the first stage of 27 apartments is underway with construction expected to be completed towards the end of 2019																
Forest Glen Limited Partnership	<p>The Forest Glen Limited Partnership (the LP) was established in Nov-18 between STC-Orewa Limited and Coastal Retirement Limited (each with a 50% interest). Senior Trust GP Limited was established in Dec-18 to be the General Partner. STC-Orewa Ltd invested \$4,489,757 as its 50% share.</p> <p>STC-Orewa Ltd is 100% owned by Senior Trust Capital (STCL). STC-Orewa's investment in the LP was funded by an intercompany advance from Senior Trust Capital at 0% interest (secured by way of a GSA over the borrower).</p> <p>Coastal Retirement Limited (owning the other 50% of the LP) is associated with Brendan Coghlan who formerly held 100% of CPL. Brendan is a highly experienced residential builder who has been responsible for the delivery of 400 plus dwellings in the Orewa / Hibiscus Coast area.</p> <p>The LP has acquired 100% of the shares in Coastal Properties Orewa Forest Glen Limited (CPL) which owns 1.152 hectares of land. STC-Orewa Ltd undertook detailed due diligence prior to the establishment of the LP and acquisition of the CPL shares.</p> <p>Currently 6 residential properties are situated on a portion of the land and are subject to Residential Tenancy agreements with CPL generating approximately \$80,000 rent p.a. (These properties will be demolished upon construction of the retirement village and building inspections were consequently not carried out.)</p> <p>Consent has been granted to CPL for a retirement village containing 106 apartments and shared amenity spaces (including an indoor swimming pool, gymnasium, outdoor bowls area, recreation area, theatre and rooftop garden). The complex is accompanied by common ancillary facilities (including a lounge/dining area, library and chapel), associated landscaping, access and infrastructure, and 128 car parking spaces (117 basement car parks and 11 above ground spaces).</p> <p>A Development Management Contract has been signed and Brendan will manage the development of retirement village (having spent 4 years and significant funds in securing the resource consent for the new retirement village).</p> <p>The LP's purchase of the shares of CPL was based on the net value of the assets acquired being assessed as:</p> <p style="text-align: center;">Net assessed value of CPL Assets Acquired:</p> <table border="0"> <tr> <td colspan="2">Assets:</td> </tr> <tr> <td>Land at 488 Hibiscus Coast Highway, Orewa, Auckland (consented to develop a retirement</td> <td style="text-align: right;">\$18.5m (based on independent registered valuer "as-is" retirement village consented valuation Jul-17)</td> </tr> <tr> <td>Land at 19 Annalise Place, Orewa Auckland</td> <td style="text-align: right;">\$0.8m (Partners valuation based on surrounding land values)</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">\$19.3m</td> </tr> <tr> <td colspan="2">Liabilities:</td> </tr> <tr> <td>Loan from Austar Finance Limited. (Interest rate of 9% pa with 1st mortgage security over the property at 488 Hibiscus Coast Highway)</td> <td style="text-align: right;">-\$9.0m First Mortgage security over properties. Repayable 20-March 2019. Processes to re-finance the Austar loan with a new lender are underway</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">-\$9.0m</td> </tr> <tr> <td>Net Assets assessed</td> <td style="text-align: right;">\$10.2m</td> </tr> </table>	Assets:		Land at 488 Hibiscus Coast Highway, Orewa, Auckland (consented to develop a retirement	\$18.5m (based on independent registered valuer "as-is" retirement village consented valuation Jul-17)	Land at 19 Annalise Place, Orewa Auckland	\$0.8m (Partners valuation based on surrounding land values)	Total assets	\$19.3m	Liabilities:		Loan from Austar Finance Limited. (Interest rate of 9% pa with 1st mortgage security over the property at 488 Hibiscus Coast Highway)	-\$9.0m First Mortgage security over properties. Repayable 20-March 2019. Processes to re-finance the Austar loan with a new lender are underway	Total Liabilities	-\$9.0m	Net Assets assessed	\$10.2m	\$4.5m	NA - this acquisition was after the latest audited financial statements. The investment value and related loans will be included in the March 2019 Annual Financial Statements and updated to the Disclose Register once these are available.	50%	Governance structure is being put in place. Designs and plans are being drafted for the village.
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The Property acquired via the acquisition of CPLIs contained within two Certificates of Title's with a summary of interests as follows:

663877

The property is legally described as all that parcel of comprising of 1.0848 hectares more or less being Lot 15, Deposited Plan 478069. This is contained in a Computer Freehold Register (formerly known as the Certificate of Title) Identifier 663877

We note from our perusal of the Computer Freehold Register that the property is subject to the following interests:

- Subject to a drainage right (in gross) over parts marked FA and GA both on DP 478069 in favour of Waitemata County Council created by Transfer 637413
- The easements created by Transfer 637413 are subject to Section 37 (1) (a) Counties Amendment Act 1961
- Subject to a right of way and to electricity, telephone and water supply rights over parts marked A and FA both on DP 478069 specified in Easement Certificate C959927.12
- Appurtenant to the part formerly Lot 9 DP 171150 are water supply rights specified in Easement Certificate C959927.12
- Some of the easements specified in Easement Certificate C959927.12 are subject to Section 243 (a) Resource Management Act 1991 (see DP 171150)
- Subject to a right to manoeuvre vehicles over part marked A on DP 478069 created by Transfer D021885.7
- Subject to a right (in gross) to convey electricity over parts marked M and O both on DP 478069 in favour of Vector Limited created by Easement Instrument 9863739.8
- Subject to a right (in gross) to convey telecommunications and computer media over parts marked M and O both on DP 478069 in favour of Chorus New Zealand Limited created by Easement Instrument 9863739.9
- Subject to a right of way, right to convey electricity, gas, water supply, telecommunications and computer media over parts marked M and O both on DP 478069 created by Easement Instrument 9863739.15
- The easements created by Easement Instrument 9863739.15 are subject to Section 243 (a) Resource Management Act 1991
- 10390181.2 Mortgage to Newgate Capital Limited
- Land Covenant in Easement Instrument 10442643.1. The Grantee has agreed that the Covenanted Lot 15 is to be developed with a Retirement Village and consents to the development and will not object to the Resource Consent for the development subject to this Land Covenant.

NA104C/436

The property is legally described as all that parcel of comprising of 675 sqm more or less being Lot 8, Deposited Plan 171150 together with a ¼ share in Lot 10 Deposited Plan 171150 (378 sqm). This is contained in a Computer Freehold Register (formerly known as the Certificate of Title) Identifier NA104C/436,

We note from our perusal of the Computer Freehold Register that the property is subject to the following interests:

- Fencing Agreement in Transfer 584365 (affects part)
- Subject to a right of way over part marked C on DP 171150 created by Transfer 530113.1 (affects Lot 10 DP 171150)
- The easements created by Transfer 530113.1 are subject to Section 37 (1) (a) Counties Amendment Act 1961
- Subject to Section 241(2) Resource Management Act 1991
- C959927.6 Consent Notice pursuant to Section 221(1) Resource Management Act 1991
- C959927.8 Certificate pursuant to Section 321(3)(c) Local Government Act 1974
- Subject to a water supply right over parts marked C, H and I on DP 171150 specified in Easement Certificate C959927.12
- Subject to a right of way over part created by Transfer D021885.4
- 10390181.2 Mortgage to Newgate Capital Limited