



Mainland Retail Fund 2

Replacement Product Disclosure
Statement for the Product Disclosure
Statement dated 1 November 2017
relating to an Offer of Units in
the Mainland Retail Fund 2 Trust.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this Offer on www.business.govt.nz/disclose. Mainland Capital Investment 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 make an investment decision.

Dated: 08 November 2017.

Issued by Mainland Capital Investment Management Limited

MAINLAND
CAPITAL

1 | Key Information Summary



Key Information Summary

What Is This?

This is an Offer of units (**Units**) in the Mainland Retail Fund 2 Trust (**Trust**). Your money will be pooled with other investors' money and invested.

Mainland Capital Investment Management Limited invests the money in commercial property and takes fees. The property and fees are described in this document. By investing in this Trust, you are relying on the investment decisions of Mainland Capital Investment Management Limited and returns from the assets that the Trust invests in. There is a risk that you may lose some or all of the money you invest.

Who Manages this Scheme?

The Trust is managed by Mainland Capital Investment Management Limited (**Manager**). See section 10 of the PDS *About the Manager and Others Involved in Mainland Retail Fund 2 Trust* for more information.

What Are You Investing in?

This is a managed investment scheme established as a unit trust.

The investments in the Trust will be used to acquire and manage assets being the land and buildings forming part of the unit title development at 347 Moorhouse Avenue, Christchurch (**Property**).

The Trust has been structured as a long-term investment in commercial real estate. There is no set date for the sale of the Property or when your investment will be returned.

The Trust will obtain bank funding from ANZ Bank New Zealand Limited (**ANZ**) to partially fund the purchase price for the Property. The table sets out the total costs to establish the Trust and the borrowings to finance the purchase of the Property.

Purchase Price	\$27,640,000
Establishment Costs	\$908,360
Surplus Cash raised for unforeseen costs and contingency	\$131,640
Total	\$28,680,000
<i>Funded by</i>	
Bank Loan	\$13,820,000
Investor Subscriptions	\$14,860,000
Total	\$28,680,000

Investment Strategy

The Trust's investment strategy is to invest in commercial property, by acquiring and holding the Property. There is also a limited ability to invest in short term cash management deposits. The Trust will be actively managed.

Investment Objectives

The Trust's investment objectives are:

- to generate income through investment in commercial property; and
 - capital preservation and long term growth,
- by investing primarily in real property in New Zealand.



Key Terms of the Offer

Description	Units in Mainland Retail Fund 2 Trust
Price per Unit	\$1.00
Offer Opening Date	9 November 2017
Right of First Refusal Expiry Date	20 November 2017 Existing investors in the Vendor are given a right of first refusal to participate in the Offer. Refer to section 13 in the PDS <i>How to Apply</i> for further information for existing investors in the Vendor who wish to participate in the Offer. New Investors are still able to apply for Units before the Right of First Refusal Expiry Date.
Offer Closing Date¹	15 January 2018
Liability for further payments	Investors will have no liability to make further payments for Units.
Minimum Subscription and Number of Units on Offer	The minimum subscription is for \$14,860,000 (being 14,860,000 Units on Offer) to be raised from Investor subscriptions. The Offer is not underwritten and no underwrite fee will be charged to investors.
Minimum Investment Amount	\$100,000
Units are issued to Investors	The Units will be issued on the Settlement Date.
Intended Settlement Date²	31 January 2018

1 The Manager may extend the Offer by a further 15 Working Days provided the Purchaser can demonstrate to the Vendor that there is a reasonable likelihood that the Offer will be fully subscribed.

2 The contracted Settlement Date for the Property is 13 February 2018 or, if the Offer is extended, the Settlement Date will be 6 March 2018. The Manager intends to settle the purchase of the property on 31 January 2018 if this can be agreed with the Vendor (Intended Settlement Date). Otherwise the Settlement Date will be calculated pursuant to the Agreement for Sale and Purchase.

The Manager may vary the proposed Offer Opening Date or Offer Closing Dates at its discretion. The latest date that the Offer Closing Date may be extended to is 5 February 2018.



How You Can Get Your Money Out

Units in the Trust are not redeemable.

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

Key Driver of Returns

The key current and future financial drivers of the Trust are:

Rental Income – rents received by the Trust are the main source of the Trust's income and may increase or decrease over time. Vacancies and/or a reduction in rental income from the current leases could affect the return to Investors.

Interest Rates – interest payable on the Trust's loan is a major expense to the Trust therefore the financial performance of the Trust will be affected by changes in interest rates. The Manager intends to manage the interest rate risk through an appropriate hedging strategy.

Capital Value – The value of the Property may increase or decrease over time. The financial performance of the Trust will be affected by that movement.

The Manager's strategies and plans for these key drivers of financial returns are described in section 2 of this PDS *What Mainland Retail Fund 2 Trust Invests in*.

Mainland Retail Fund 2 Trust's Financial Information

Key Financial Metrics

The table below sets out the financial information of the Trust to provide an indication of ongoing financial position and performance.

	Intended Settlement Date (31 January 2018)	31 March 2018	31 March 2019	31 March 2020
Gearing ratio	49.8%	48.2%	48.1%	48.1%
The gearing ratio is the ratio of the Trust's interest bearing debt as a portion of its assets.				
Interest cover ratio	n/a	2.70 times	2.74 times	2.76 times
The interest cover ratio is the ratio of the Trust's interest payment against its income				
Forecast gross distribution	7.6% projected gross distribution for the first full financial year period ending 31 March 2019, paid quarterly. The gross distribution is made up of a cash distribution (which is expected to be based on net profit after tax, but before fair value adjustments) plus imputation credits (which are determined by the amount of tax the Trust pays). The overall effect is that gross distribution is expected to be equivalent to net profit before tax and fair value adjustments. This distribution is not guaranteed and the actual distribution may vary.			
Property valuation	\$28,250,000 as at 19 October 2017			

The prospective financial information contained within this PDS has been prepared in accordance with Financial Reporting Standard 42. A more detailed summary of this information is contained in section 6 of the PDS *Mainland Retail Fund 2 Trust's Financial Information*.



7.6%
Forecast gross
distribution
per annum*

* Forecast for the financial year 1 April 2018 to 31 March 2019. This distribution is not guaranteed and the actual distribution rate may vary.

Property Valuation

An independent valuation of the Property on an 'As If Complete' market value basis has been provided by Telfer Young (Canterbury) Limited at a value of \$28,250,000 plus GST (if any) as at 19 October 2017. The Property has been valued in accordance with the International Valuation Standards 2017 and Australia and New Zealand Valuation Guidance Notes and Technical Information Papers. The valuation was prepared using both an income capitalisation and a discounted cash flow methodology.

Key Risks of this Investment

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

Interest Rate Risk: A large portion of the Property's purchase price will be funded by a bank loan. This means interest payable will be a significant expense of the Trust. The Manager intends to manage the interest rate risk through an appropriate hedging strategy. Any increase in the underlying interest rates or bank margin could increase the interest expense and ultimately negatively affect Investors' returns. A substantial increase in interest rates may also cause a breach of the Trust's banking covenants and a default of the loan.

Tenant Default/Vacancy Risk: The Trust will invest primarily in the Property; therefore it is dependent upon the tenants meeting their rent obligations under the leases and the ability to re-let spaces which become vacant as a result of lease expiry. If any lease expires and it is not renewed or a new lease is entered into; or if tenants do not trade well or experience financial difficulties, this will have a negative impact on the net operating income of the Trust. This type of event could breach banking covenants and adversely affect Investors' returns. If a lease is cancelled, or expires and is not renewed or a new lease entered into, costs would be incurred by the Trust in re-leasing, and a vacancy period would be likely.

Liquidity Risk: Managed investment schemes investing in property are a relatively illiquid investment. Investors may not be able to sell Units in the Trust before the sale of the Property or winding up of the Trust. The Manager intends to provide a matching service for a fee to facilitate transfers of Units in the Trust (**Matching Service**). The Manager expects this to increase the liquidity of the Units; however this will depend on whether there are willing buyers and sellers.



This summary does not cover all of the risks. You should also read section 7 of the PDS *Risks to Returns from the Mainland Retail Fund 2 Trust* and section 2 of the PDS *What Mainland Retail Fund 2 Trust Invests In*.

What Fees Will You Pay?

The table below summarises the fees and expenses that you will be charged to invest in this Trust. Further information about fees is set out in section 8 of the PDS *What are the Fees?*

Establishment costs (one-off fees and expenses charged to the Trust on its establishment)

All amounts quoted in this PDS are in New Zealand dollars and are exclusive of GST unless specified otherwise.

Manager's offeror fee	\$663,360
Manager's total fees for establishment of the Trust	\$663,360
<i>Other fees for the establishment of the Trust</i>	
Legal fees*	\$130,000
Accounting fees*	\$10,000
Valuation fees	\$20,000
Supervisor's fees	\$5,000
Marketing fees*	\$40,000
Bank facility arrangement fee	\$30,000
Engineering fees*	\$10,000
Total other fees for the establishment of the Trust	\$245,000
Total fees for the establishment of the Trust	\$908,360

*These amounts are reasonable estimates, and the actual amount charged to the Trust will reflect the amount ultimately invoiced by the relevant third party.

Annual Ongoing Fees and Expenses

Fee or Expense	Estimate for 59 days ending 31 March 2018		Estimate for period ending 31 March 2019		Estimate for period ending 31 March 2020	
	Dollars	% of net assets	Dollars	% of net assets	Dollars	% of net assets
Manager's fees and expenses						
Offeror fee	663,360	4.54	-	-	-	-
Annual Management fee	18,833	0.13	113,000	0.77	113,000	0.77
Total fees and expenses estimated to be charged by the Manager	682,193	4.67	113,000	0.77	113,000	0.77
Other fees and expenses						
Establishment fees and expenses	245,000	1.68	-	-	-	-
Forecast interest charge	105,739	0.72	654,147	4.48	655,939	4.49
Annual accounting fees	3,500	0.02	5,000	0.03	5,000	0.03
Annual audit fees	8,000	0.05	12,600	0.09	12,600	0.09
Supervisor fees	1,883	0.01	11,300	0.08	11,300	0.08
Valuation fees	6,000	0.04	6,000	0.04	6,000	0.04
General	1,100	0.01	4,600	0.03	4,600	0.03
Property Expenses	64,617	0.44	416,316	2.85	429,406	2.94
Total fees and expenses estimated to be charged by others	435,839	2.98	1,109,963	7.60	1,124,845	7.70

Other Fees and Expenses

Matching Services Fee	1% of the sale price of Units sold or transferred payable by the individual Investor selling or transferring Units
Termination Fee	1% of the Property value at the time of termination
Project and Leasing Fees	To be charged at market rates
Other Charges	To be charged at market rates
Government and Regulatory Costs	These fees may be oncharged at cost to the Trust.

Other fees and expenses have been assumed to be nil for the prospective financial information periods.

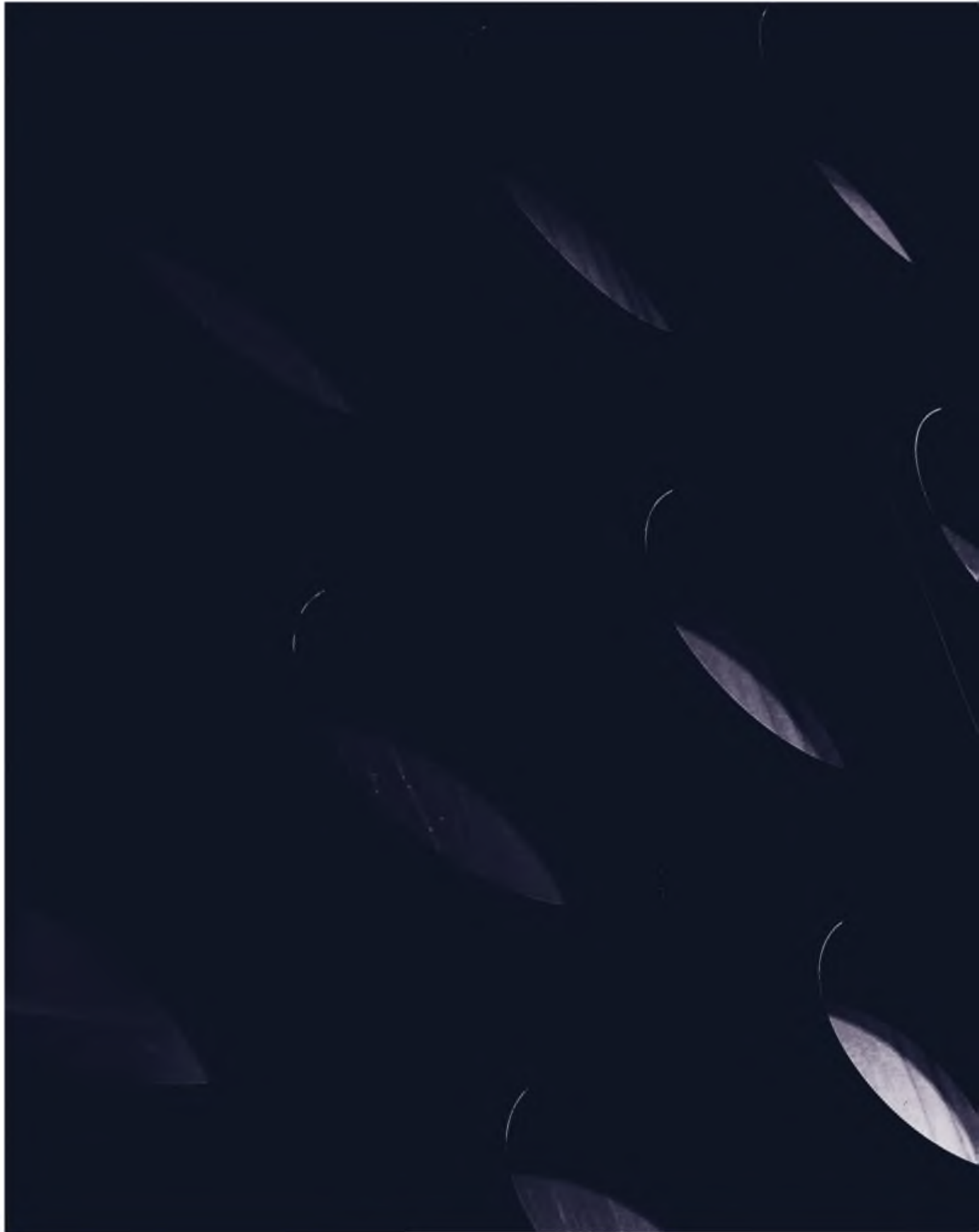
How Will Your Investment Be Taxed?

This Trust is not a portfolio investment entity. For more information, see Section 9 of the PDS *Tax*.



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2 | What Mainland Retail Fund 2 Trust Invests in



What Mainland Retail Fund 2 Trust Invests in

Key Features of the Trust

The key features of the Trust and the Property to be acquired by the Trust are set out in this section.

Summary of the Statement of Investment Policy and Objectives and Investment Strategy

The Manager has adopted a Statement of Investment Policy and Objectives (SIPO) which sets out its investment policies, objectives and strategies for the Trust. The SIPO includes the policies that the Manager will apply in respect of its management and its investment performance monitoring benchmarks of the Trust. A copy of the SIPO is available on the Offer Register at www.business.govt.nz/disclose.

Investment Strategy

The investment strategy of the Trust is to invest in commercial property. There is also a limited ability to invest in short term cash management deposits. The Trust is actively managed.

The Manager intends to strategically manage the Trust, recommending to Investors where necessary development, disposal or additional acquisition to ensure that the Property remains current in the market and maximises the Trust's potential.

Investment Objectives

The Trust's investment objectives are:

- to generate income through investment in commercial property; and
- capital preservation and long-term growth, by investing primarily in real property in New Zealand.

The investment objectives are to invest in the Property as a long-term hold and are measured as follows by:

- Providing Investors with an annualised gross distribution of 7.2% per annum for the part-year to 31 March 2018 and a minimum gross distribution of 7.6% for the first full financial year to 31 March 2019. Refer to *What are the Investment Returns?* under section 4 *Terms Of The Offer*, for further information on gross distributions.
- Sustaining gross distribution levels at a rate no lower than 7.0% on the Investors' original amount invested. The gross distribution does not take into account any increase or decrease in the value of the Property.
- Maintaining the loan to value ratio for Trust borrowing (LVR) at or below 55% of the value of any direct property holdings of the Trust in New Zealand at the time of borrowing the funds.



Key Investment Policies

Set out below is an outline of key investment policies that the Manager intends to follow in the management of the Trust in order to implement the investment strategy and objectives:

- **Liquidity and Cashflow Management Policy:**

The Trust's cashflow position is evaluated before making Investor distributions, ensuring that a reasonable level of cash is available.

Due to the illiquid nature of a commercial property investment, redemptions are not permitted from the Trust.

- **Hedging Policy:** The Trust intends to implement an interest hedging policy to attempt to manage the market risk associated with interest rate changes to its credit facilities by entering into various swap agreements to fix part of the floating component of the interest rate. Derivatives are to be utilised strictly for hedging for the management of interest rate risk and not with the aim of achieving short-term gains. The Trust will not speculate or take short term trading positions.

- **Related Party Transactions Policy:** The Manager's guiding principle is that it cannot use information obtained through its respective positions, or use those positions, to gain

an improper advantage or cause detriment to Investors. The Manager's related party transactions policy sets out how it endeavours to identify and deal with potential related party transactions appropriately. This is complemented by the restrictions the Manager places on itself, its directors, and staff when trading on its or their own account (a confirmation is required from the person trading that they are not in possession of material information).

- Transactions with related parties of the Manager or the Supervisor are only permitted in accordance with the Trust Deed and the Financial Markets Conduct Act 2013 (**FMCA**).

The SIPO (including the investment strategy) may be amended by the Manager in consultation with the Supervisor. Where a change requires Investor approval (for example, if it relates to a proposed re-development of the Property) the Manager will follow the process in the Trust Deed to seek that approval, and the change will not take place unless that approval is obtained. If investor approval is not required, the Manager will give Investors one month's prior notice of the change.

Description of the Property

The Manager has contracted to purchase the Property, being the four principal units and accompanying accessory units comprising the unit titled retail shopping centre at 347 Moorhouse Avenue, Christchurch, which the Trust proposes to acquire and manage. A more detailed description of the Property is set out later in this section under the heading Legal Description and Titles.

The table below sets out a summary of the key features of the Property:

Address	347 Moorhouse Avenue, Christchurch
Net Lettable Area	6,587m ²
Land Area	18,033m ²
Car Parking	237
Annual Net Rental Income*	\$1,953,114
Valuation	\$28,250,000
Occupancy by Area*	99%
Weighted Average Lease Term (WALT)**	8.3 years

*Includes the Rent Guarantee where the Vendor has agreed to guarantee the rent and outgoings in respect of any unlet space for a period of three years and the commencement of new Countdown lease as detailed below. Refer to the section titled "Rent Guarantee" for further detail.

**WALT is calculated by the Valuer as at the date of valuation of the property being 19 October 2017.

Buildings

Overview

The original commercial building was constructed in 1990 with a conventional design and construction. The building originally provided a supermarket, Deka department store, Liquor King bottle store, 15 speciality shops and a first floor office suite. The supermarket was originally occupied by the Big Fresh brand.

The Property was completely reconfigured in 2008 with substantial alterations and extensions completed to provide a new generation Countdown supermarket, Burger King quick service restaurant, one retail outlet occupied by a pharmacy and a food court comprising four outlets and a restaurant. At the same time the then owner undertook a unit title subdivision of the land and buildings to create four principal units for the existing retail centre and two further future development units for potential expansion. The title status and structure of the Property is discussed later in this section.

Part of the Property is currently undergoing a further minor reconfiguration, which will reduce the supermarket floor area comprised in Principal Unit 1 and result in the creation of five new retail spaces on the southern façade. These works are further described below.

Existing Accommodation

The existing supermarket accommodation provides an open plan supermarket with associated produce, bakery and butchery/delicatessen areas along the eastern side. There is a loading area on the western side accessed from Eaton Place and a small loading area on the north eastern corner. A warehouse incorporating chiller and freezer facilities is located along the western side together with two offices, male and female toilets, a staff training room and a cafeteria. On the mezzanine floor level, there are two plant rooms. The supermarket enjoys the benefit of a right of way over Rope Street situated adjacent to the northern boundary of the Property.

The Burger King restaurant was refurbished in 2011. There was some damage following the 22 February 2011 earthquake and the tenant took the opportunity to completely refurbish the premises at the same time as the repairs were being completed. Accommodation provides open plan restaurant dining areas, a drive through service booth, a kitchen, food preparation and storage areas, a lunchroom/locker room, an office and male, female and accessible toilets. The two mezzanine floor areas provide a staffroom and training room.

The pharmacy accommodation provides an open plan retail area and the food court is subdivided into four food court outlets and a restaurant. Extensive glazing is provided along the eastern elevation of the food court. There is a food court area which forms part of the common property located between the food court and the pharmacy units which is dedicated for use as a food court area for customers to sit and eat.

The table below sets out the main structural and service aspects of the Property:

Structure	
Foundations	Concrete slab
Floors	Concrete
External Walls	Concrete tilt slab, concrete block and composite panel
Roof	Long run aluminum
Seismic rating	67% NBS
Services	
Air conditioning & heating	Air conditioning throughout
Fire prevention	Fire sprinklers

Building Condition

The Manager has not directly obtained a building inspection report for the Property. The Vendor has provided a report to the Manager from a national engineering firm confirming the building at the Property has a seismic rating of 67% NBS. The Manager does not have permission to disclose the Vendor's report on the Offer Register and therefore investors should use their own judgement as to whether to rely on this information.

The existing property manager, Colliers International Real Estate Management Limited (**Colliers**), has provided advice from service providers on the roof, electrical services, fire services and heating and ventilation systems. This advice confirms that the Property has been well maintained and is in an appropriate condition for its age. Under the leases, a proportion of ongoing maintenance is recoverable from the tenants or carried out by the tenants directly.

As with most properties of this age, services within the building will at times require either non-recoverable expenditure or works of a capital nature. No capital expenditure is expected to occur within the forecast financial period. However, as part of the Offer the Manager will raise an additional amount of approximately \$130,000, which will be retained by the Trust to cover any unanticipated capital or non-recoverable expenditure. These funds will be held as cash until such time as they are required. Through a combination of proactive management, ongoing repairs and maintenance and where appropriate, capital expenditure, the Manager is confident that the Trust is appropriately provisioned for maintaining the quality of the Property.



Reconfiguration Works

As noted above, the Property is undergoing a reconfiguration of the southern section of the supermarket, which will reduce the floor area of the supermarket and create a new supermarket entrance together with five new retail spaces, four storage cages and new customer toilets all within the building footprint of Principal Unit 1 (**Reconfiguration Works**).

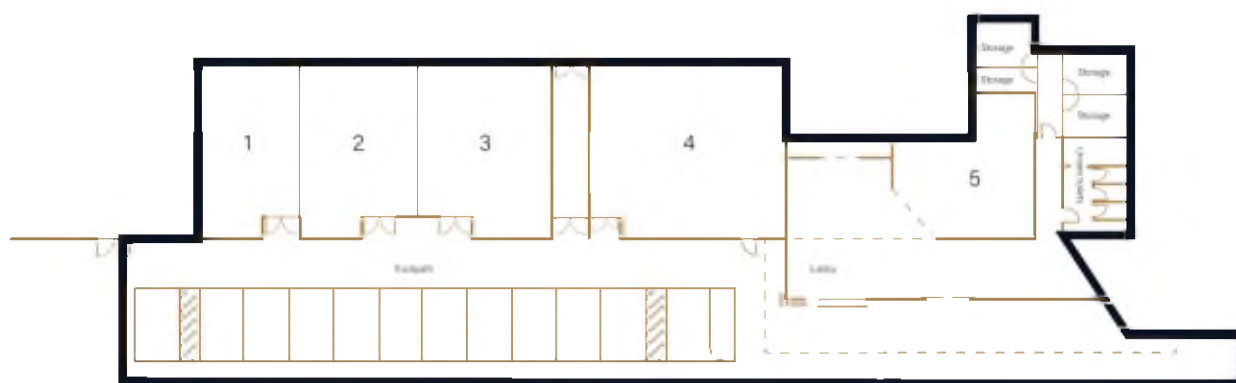
The new retail spaces and storage cages will comprise a total net lettable area (**NLA**) of approximately 397 square metres and will open either onto the existing carpark or onto the new supermarket entrance concourse.

The Reconfiguration Works will be completed by the Vendor at its cost. The Christchurch City Council has issued requisite consents and the work is currently in progress. The Reconfiguration Works are expected to be completed by December 2017. The Manager is advised by the Vendor that the total cost of the Reconfiguration Works is \$1,850,000, which is being funded by the Bank of New Zealand (**BNZ**) through monthly progress payments approved by the BNZ's quantity surveyor. As at the date of this PDS the work is approximately 40% complete and paid for.

The Agreement for Sale and Purchase provides that if the Reconfiguration Works have not been completed by the Settlement Date, the Vendor will remain liable to complete them after Settlement. The Purchaser in these circumstances is entitled to hold a retention from the purchase monies amounting to 120% of the estimated cost to complete the Reconfiguration

Works, pending actual completion and the issue of a code compliance certificate by the Christchurch City Council. The Vendor is permitted to draw against the retention to fund the completion of the Reconfiguration Works. If the Reconfiguration Works are not completed by 16 March 2018, the Trust (as the nominated Purchaser) has the ability to call for assignment of the construction contract and then to directly control the completion of the Reconfiguration Works, applying the balance of the retention for that purpose.

The Reconfiguration Works will reduce the NLA of the supermarket from 5,644 square metres to approximately 5,207 square metres. There is a legally binding agreement to lease between the Vendor and Countdown which requires the parties to enter into a new 10-year lease for the reduced area of the supermarket premises upon completion of the supermarket tenant's refurbishment works (which are being undertaken at the same time as the Reconfiguration Works). The NLA of the supermarket under this binding agreement to lease is approximately 5,169 square metres, however, the agreement is expected to be varied to slightly increase the NLA by 38 square metres to the 5,207 square metres noted above. In the event that the variation is not implemented by the Settlement Date the Vendor has agreed to guarantee the additional 38 square metres as part of the Rent Guarantee referred to below at the rate of \$400 plus GST per square metre excluding outgoings.



In conjunction with the Reconfiguration Works being undertaken by the Vendor, General Distributors Limited (trading as Countdown) is carrying out its own refurbishment works on the reduced supermarket space. The tenant's refurbishment works includes the reconfiguration of some lay-out aspects of the supermarket and the creation of a new space for its Click and Collect online shopping service. These tenant's works are being carried out by the same contractor (Naylor Love) as the Vendor is using for the Reconfiguration Works and all works are programmed to be completed by mid-December 2017. In the event that construction is not completed and the new 10 year lease has not commenced by the Settlement Date, General Distributors Limited will continue paying the higher base rent payable under the existing lease until commencement of the new lease. Accordingly, all parties are incentivised to complete both the Reconfiguration Works and the tenant works with due expedition.

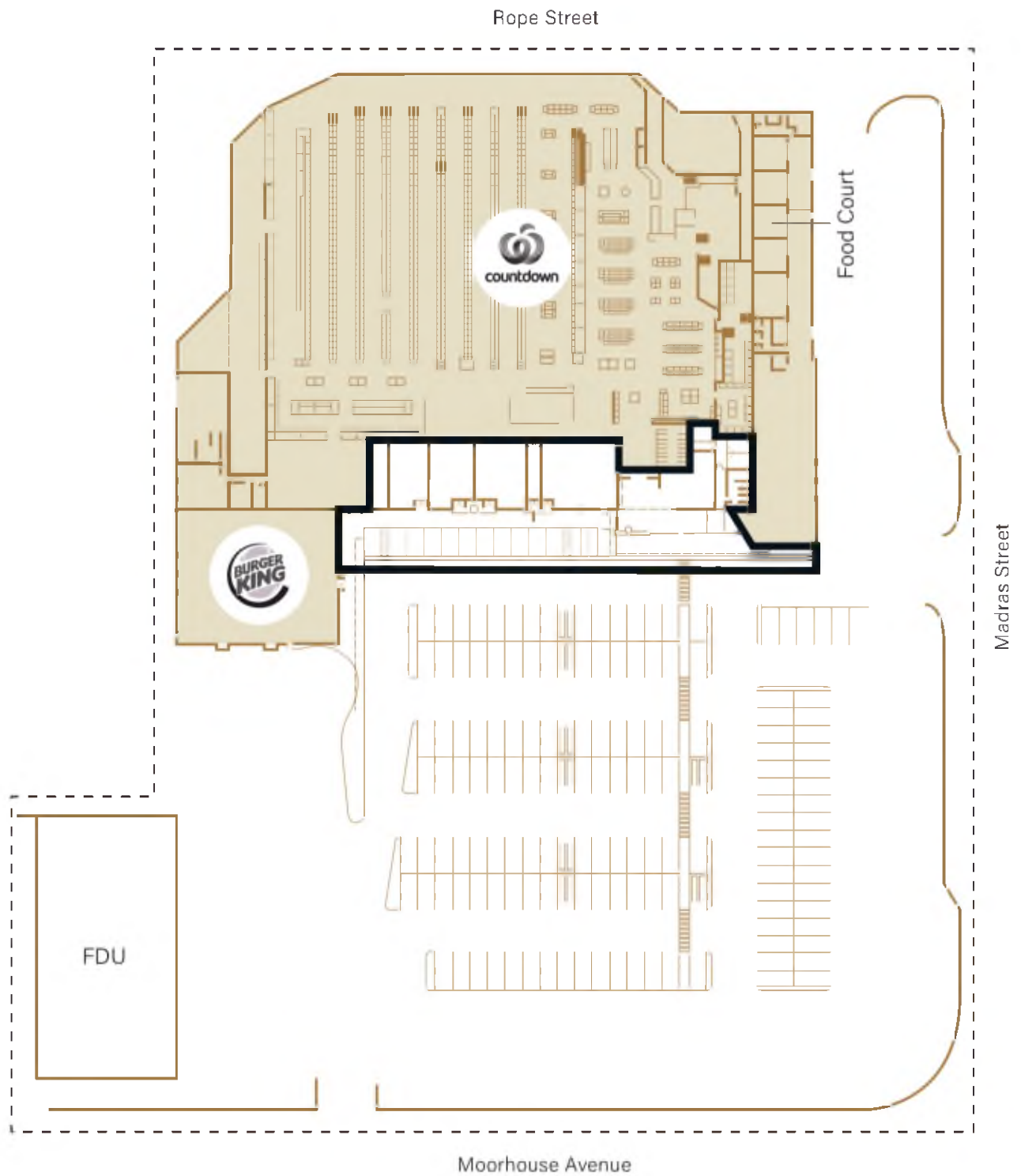
Reconfiguration Works will involve the creation of five new retail spaces and a new glazed frontage to the building's southern façade.

Rent Guarantee Summary

With respect to the five new retail spaces, the Vendor has agreed to guarantee the rent and outgoings in respect of any unlet space for a period of three years from the Settlement Date or, if the Reconfiguration Works are not completed until after the Settlement Date, three years from the date of issue of the code compliance certificate for the Reconfiguration Works. For the purposes of the Rent Guarantee, rent is to be calculated at the rate of \$450 per square metre plus GST whilst outgoings shall be estimated on a cost recovery basis (save for the slightly lower rate per square metre in respect of the 38 square metres referred to above if Countdown does not take up such additional space). An amount equal to the full liability of the Vendor under the Rent Guarantee is to be held by the Manager's solicitors and will be released on a monthly basis to meet rent and outgoing payments for the unlet space. Any balance held will be paid to the Vendor on a pro rata basis as and when tenants are found and rent is paid for the unlet portion of the retail spaces.

The total Rent Guarantee for all five retail spaces for each year of the three year guarantee period is \$163,260 plus GST plus outgoings. The full breakdown of the Rent Guarantee is in section 2 of this PDS under the heading *Rent Guarantee Detail*.

Site Plan





Situation and Locality

The Property occupies a strategic high profile location at the north-western intersection of Moorhouse Avenue and Madras Street on the southern fringe of the Christchurch Central Business District.

Both Moorhouse Avenue and Madras Street are major arterial traffic routes through the city. Madras Street forms part of the inner city one-way traffic system carrying vehicles in a northerly direction and Moorhouse Avenue is a multi-lane carriageway with a central median strip. Moorhouse Avenue is a high profile mixed use commercial location incorporating motor vehicle dealerships, bulk retail, showrooms and offices.

Secondary access is also provided from Mortimer Place which allows access to the western boundary of the Property adjacent to the Burger King drive through.

The Property is located opposite the Ara education campus (formerly known as Christchurch Polytechnic Institute of Technology). Ara has undertaken significant new building development

over the last five years with the most recent building commissioned being the Engineering Centre, a 6,500 square metre building. The campus has daily student numbers of over 5,000 which gives a significant shopping catchment for the Property.

The Property is also in close proximity to the new Innovation Precinct, being one of the major recovery projects, and the East and South Frames.

The Property occupies a strategic, high profile location within Christchurch's Four Avenues and on the southern edge of the CBD.

Site Location Map 1



Site Location Map 2

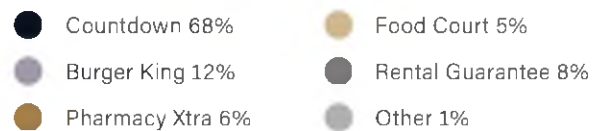
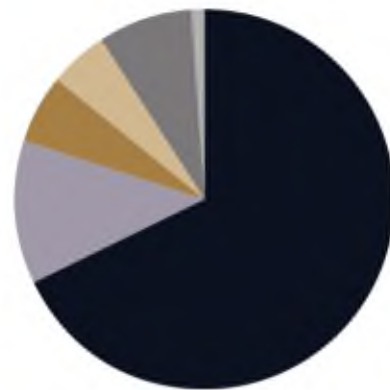


Tenants

The Property's anchor tenant is General Distributors Limited (trading as **Countdown**).

The second largest tenant is Antares Restaurant Group Limited (trading as Burger King).

These two largest tenants account for approximately 80% of total rental income. Further information on the standing of each of these key tenants is provided below. Other retail tenants include Westpac (automatic teller machine) and Pharmacy Xtra (pharmacy store). The food court operators account for 5.5% of rent and include Rice Box, Curry in a Hurry, Small Café, Hang Seng and Cambodian Noodle.



The Trust will be managed by Mainland Capital Investment Management, which is licenced under the FMCA as a manager of managed investment schemes which invest in property.

Management of the Trust

The Trust will be managed by the Manager, which is licenced under the FMCA as a manager of managed investment schemes which invest in property. The Manager will act as the fund and asset manager for the Trust. The Manager's ongoing role will include among other things: strategic asset management of the Property; Investor, bank and Supervisor reporting; tenant liaison and lease negotiations; income and capital budgeting; finance management; and payment of distributions.

Day to day facilities and property management services will be carried out by Colliers, which currently manages the Property for the Vendor. The Manager will ultimately be responsible and liable for all management functions. See section 10 of the PDS *About the Manager and Others Involved in the Mainland Retail Fund 2 Trust* for further information.

The key personnel of the Manager involved in the management of the Trust are as follows.

Ben Bridge Executive Director	Ben is an executive director and founding principal of the Manager. Ben has over 18 years' experience in commercial property with a particular focus on funds management and asset management. Ben leads the Manager's acquisition and funds management business as well as being involved in large scale corporate advisory and development management mandates.
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Tim Jones Executive Director	Tim is an executive director and founding principal of the Manager and has over 20 years' experience in commercial property. He is involved in all aspects of the Manager's funds management and advisory activities, with a focus on due diligence and risk analysis, financing strategies for both debt and equity, and transaction management.
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Rebecca Sparrow Legal & Compliance Manager	Rebecca is a qualified lawyer and has 18 years' experience working in legal, commercial and investment compliance roles. Rebecca manages the Manager's legal and compliance obligations including the Manager's interface with the Supervisor and Financial Markets Authority (FMA).
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Janna Fitzsimmons Fund Administrator	Janna has 20 years' financial services experience, primarily in superannuation and funds management. Janna is responsible for overseeing fund accounting, financial budgeting, distributions and Investor reporting.
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Purpose of Offer and Allocation of Finance

The purpose of the Offer is to raise Investor funds which, combined with bank financing, will allow the Trust to purchase the Property and pay the establishment costs.

The money raised in relation to the Offer, together with the bank financing, will be allocated as follows:

Purchase Price	\$27,640,000
Establishment Costs	\$908,360
Surplus Cash raised for Unforeseen Costs and Contingency	\$131,640
Total	\$28,680,000
<i>Funded by</i>	
Bank Loan	\$13,820,000
Investor Subscriptions	\$14,860,000
Total	\$28,680,000

The money raised and allocated above will be used to implement the objectives and strategy of the Trust, as is further described below:

- The primary intention of the investment strategy is to acquire the Property as a long term investment.
- To pay the Establishment costs (one off fees and expenses charged to the Trust on its establishment) as set out in section 8 of the PDS *What are the fees?*
- The Offer is not underwritten and no underwriting fees will be payable by Investors.

All other fees primarily relate to due diligence on the Property and feasibility of the investment strategy. A further explanation of fees is contained in section 8 of the PDS *What are the fees?*

Application of Funds and Minimum Subscription

Upon Settlement of the purchase of the Property all money raised will be applied to acquire the Property, pay the establishment costs, and establish a contingency amount to provide for unbudgeted expenditure. The use of the money raised will not change before Settlement or as a result of the amount raised (as a fixed sum is sought from Investors in order to acquire the Property).

The number of Units on Offer is 14,860,000 Units at \$1 per Unit. \$14,860,000 is the minimum amount required to be raised from Investors. In the event the minimum amount is not raised then the Offer will not proceed.

Nature of Returns and Key Factors that Determine Returns

Investors may receive the following returns from the Trust (according to their Unit entitlement):

- Distributions of surplus operating cash flows of the Trust relative to their respective unitholding; and
- Any gains which result from any profit achieved on the sale of the Property on termination of the Trust.

Investors may also receive positive or negative returns on the change in value of their Units. This return will remain unrealised unless the Units are sold or the Property is sold.

Factors that May Affect the Trust's Financial Performance and Investor Returns

The key factors that could impact financial performance of the Trust and Investor returns along with the strategies to mitigate those factors are set out below:

Factor	Strategy
Interest Rates: The interest cost incurred by the Trust through its bank loan is a significant expense. Changes in interest rates could negatively impact on Investor returns.	The Manager intends to manage this cost through an appropriate interest rate hedging strategy. The Trust's assumed interest rate of 4.73% comprises a mix of fixed and floating interest rates. The Manager's hedging policy is discussed in more detail under section 2 of this PDS under the heading <i>Summary of Investment Policy and Objectives and Investment Strategy</i> .
Rental Income: Tenant default and/or non-payment of rent may cause a reduction in distributable income.	Rent from tenants is the main source of income for the Trust. Approximately 80% of rental income is secured by long leases to national brands, in the form of Countdown and Burger King.
Vacancies: Lease expiries and the inability to lease vacant space may reduce rental income and increase non-recoverable expenses.	Excluding the new retail spaces, the Property is currently 100% occupied. The new retail spaces are subject to the Rent Guarantee from the Vendor. The Manager understands the Vendor is in discussions with a number of prospective tenants for this space; however the Rent Guarantee allows the Trust three years to secure new leases. The leases of a number of the smaller tenants are due to expire or be renewed during the forecast financial period. Based on discussions with Colliers and the historic performance of the Property, the Manager expects the Property occupancy to remain at current levels.
Other Expenses: Unforeseen expenses may cause a reduction in distributable income.	Not all operating expenses are recoverable from the Property's tenants. The Manager has allowed for certain non-recoverable operating expenses based on projections provided by the current property manager, Colliers. Other expenses related to the running of the Trust are based on estimates received from the various third party suppliers. A contingency amount will be established to assist in funding unforeseen expenses.
Capital Value: Property value may change over time. This may have an impact on the value of Investors' Units.	Investment in the Trust should be viewed as long-term. The Manager intends to maintain the value of the Property through actively managing the tenants and physical property. The quality of the Property, tenants and lease lengths will further mitigate negative capital value movement risk.

The strategies outlined above guide the Manager to manage these in response to changing economic settings.

Acquisition of Key Property

Property Valuation

An independent valuation of the Property on a market value basis has been provided:

Valuation Amount	\$28,250,000 plus GST (if any)
Valuer	Christopher Neil Stanley, M Prop Stud (Distn), FNZIV, FPINZ together with Hayden Andrew Doody, B Com (VPM), SPINZ, ANZIV of Telfer Young (Canterbury) Limited
Valuation Date	19 October 2017
Valuation Methodology	Valuation prepared using both an income capitalisation and a discounted cash flow
Valuation Standard	International Valuation Standards 2017 and Australia and New Zealand Valuation Guidance Notes and Technical Information Papers

A copy of the valuation report can be found on the Offer Register at www.business.govt.nz/disclose by searching 'Mainland Retail Fund 2 Trust' under "search scheme".

The critical assumption for the valuation of the Property is that the Vendor's Rent Guarantee on the vacant premises has been provided in the binding Agreement for Sale and Purchase. The Valuer has assumed for the purposes of its valuation that this Rent Guarantee is in place, and so there is no shortfall for vacancy or occupancy cost caps and rental income is in line with tenant base rentals. The Rent Guarantee will be in place from the later of the Settlement Date or the date of issue of code compliance for the Reconfiguration Works.

The valuation has been undertaken on an 'As If Complete' basis assuming completion of the Reconfiguration Works.

Other material valuation assumptions are as follows:

- The Valuer has assumed that there are no easements, rights of way or encroachments except those shown on the Computer Unit Title Registers or on the Supplementary Record Sheet or in the valuation.
- The valuation is made on the basis that there are no encroachments by or upon the Property and this should be confirmed by a current survey or report and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report, the Valuer reserves the right to review its valuation.
- Other than the Computer Unit Title Registers, the Valuer is not aware of any notices currently issued against the Property and the Valuer has made no enquiries in this regard.
- The Valuer has inspected all readily accessible parts of the improvements considered necessary for the purposes of its valuation. The Valuer has not sighted a structural survey of the improvements, nor its plant and equipment, by a qualified engineer. The Valuer is not a building construction and/or structural expert, and is therefore unable to certify as to structural soundness of the improvements. The Valuer has not inspected unexposed or inaccessible portions of the premises. The Valuer therefore cannot comment on the structural integrity, defect, rot or infestation of the improvements.
- There will be no major economic downturn during the projection period, beyond that envisaged at the date of valuation.
- The Property is managed in a prudent and professional manner.
- There will be no new taxes or rates introduced which have a direct impact on the Property over the projected period.

The valuation report has been made available to Investors by the Valuer for the purposes of the Trust and for use by prospective Investors on a non-reliance basis. It contains important information that prospective Investors should read.

The Leases

Countdown	
Tenant	General Distributors Limited
Premises / Area*	Unit 1 / 5,207 m ²
Car Parks	208
Term	10 years
Commencement Date*	Estimated December 2017
Rights of Renewal	2 x 6 years plus 2 x 5 years
Final Expiry Date*	December 2049
Annual Rent*	\$1,442,200 plus GST plus turnover rent (if any)**
Rent Reviews	Reviewed every 5 years from the Commencement Date in accordance with a formula. Any increase to be the aggregate of the turnover rent payable during the previous 3 years divided by 3 (if any)
Outgoings	Semi-gross lease with only insurance and some maintenance items recoverable from the tenant
Guarantor	None
Other Key Terms	<p>Non-competition restrictions preventing any other part of the Property being used by a perceived competitor.</p> <p>Option to purchase its premises should a competitor acquire control of the landlord.</p> <p>Tenant can call on landlord to undertake certain capital works. An improvement rent may be payable to the landlord on the cost of these works.</p>

*There is an existing lease in place for the whole of Unit 1 comprising 5,644.03 m² and for a base annual rental of \$1,527,976. The Vendor and General Distributors Limited have entered into a binding and unconditional agreement to lease pursuant to which the Vendor will undertake the Reconfiguration Works to reduce the footprint of the supermarket premises (as noted in the table above) and General Distributors Limited will complete works to refurbish the supermarket premises. Once the tenant's refurbishment works have been completed the existing supermarket lease will be surrendered and a new 10-year lease entered into for the reduced supermarket area. The information provided above records the position once those works have been completed and the new lease to General Distributors Limited has been granted. The information provided above also assumes the agreement to lease will be varied to include the additional 38 square metres in the new Countdown 10 year lease (and in the event this variation does not occur the 38 square metres will be included in the Rent Guarantee to be provided by the Vendor discussed earlier in this section).

**Turnover rent is payable in addition to the base rental stated and historically has not been paid by the tenant as the tenant's turnover has not exceeded the turnover rent threshold set out in the lease.

Burger King	
Tenant	Antares Restaurant Group Limited
Premises / Area	Unit 2 / 527 m ²
Car Parks	16
Term	10 years
Commencement Date	1 April 2017
Rights of Renewal	None
Final Expiry Date	31 March 2027
Annual Rent*	\$242,647 plus GST
Rent Reviews	Market reviews on every 3rd anniversary of the Commencement Date. Rent cannot fall below the 2007 commencement rental of \$220,000 plus GST per annum.
Outgoings	Tenant responsible for all usual outgoing expenses excluding structural and capital works.
Guarantor	None
Other Key Terms	<p>Non-competition restrictions preventing any other part of the Property being used by branded fast food restaurants and drive through operations.</p> <p>Warranty by the landlord that the premises are not contaminated (as defined in the lease) and there is an obligation on the landlord to remediate contamination if found.</p>

Pharmacy Xtra	
Tenant	TCS Pharmacy Group Limited
Premises / Area	Unit 3 / 231 m ²
Car Parks	Nil
Term	5 years
Commencement Date	17 March 2014
Rights of Renewal	1 x 5 years
Final Expiry Date	16 March 2024
Annual Rent	\$128,792 plus GST
Rent Reviews	<p>Market review on renewal if lease renewed (2019). Rent cannot fall below commencement rental.</p> <p>CPI increase 5 February 2022 if lease is renewed</p>
Outgoings	Tenant responsible for all usual outgoing expenses excluding structural and capital works.
Guarantor	Cameron and Kai Rolls
Other Key Terms	<p>Non-competition restrictions preventing any other part of the Property being used as a pharmacy (excludes Countdown). If Countdown operates a pharmacy the pharmacy tenant may operate any retail activity from the premises provided such activities are not in competition with the activities of any other tenants.</p>

*The market rent payable from the 2016 rent review date has recently been agreed and is in the process of being documented.



Westpac ATM (Licence)	
Tenant	Westpac (NZ) Investments Limited (ATM)
Premises / Area	Adjoining Unit 1 / 2 m ²
Car Parks	Nil
Term	5 years
Commencement Date	10 March 2014
Rights of Renewal	1 x 5 years
Final Expiry Date	9 March 2024
Annual Rent	\$15,500 plus GST
Rent Reviews	Market review on every 2nd anniversary of the Commencement Date
Outgoings	Gross
Guarantor	None
Other Key Terms	N/A

Small Cafe	
Tenant	Byung Don Yoo and Yeon Jung Lee
Premises / Area	Part Unit 4 / 36m ²
Car Parks	Nil
Term	4 years
Commencement Date	31 May 2015
Rights of Renewal	Nil
Final Expiry Date	30 May 2019
Annual Rent	\$23,686 plus GST
Rent Reviews	Market review on every 2nd anniversary of the Commencement Date
Outgoings	Tenant responsible for all usual outgoings excluding structural and capital works.
Guarantor	None
Other Key Terms	Landlord not permitted to allow other food court tenants to sell competing menu items other than generic items.



Curry in a Hurry	
Tenant	Twin Cities Restaurants Limited
Premises / Area	Part Unit 4 / 107 m ²
Car Parks	Nil
Term	6 years
Commencement Date	1 August 2012
Rights of Renewal	2 x 4 years
Final Expiry Date	31 July 2026
Annual Rent	\$37,534 plus GST
Rent Reviews	Market review on every 2nd anniversary of the Commencement Date
Outgoings	Tenant responsible for all usual outgoings excluding structural and capital works. This tenant is not responsible for costs for the provisioning of toilets and other shared facilities.
Guarantor	None
Other Key Terms	N/A

Rice Box	
Tenant	Hwan Hee Lee
Premises / Area	Part Unit 4 / 27 m ²
Car Parks	Nil
Term	6 years
Commencement Date	31 May 2015
Rights of Renewal	Nil
Final Expiry Date	30 May 2021
Annual Rent	\$17,566 plus GST
Rent Reviews	Market review on every 2nd anniversary of the Commencement Date
Outgoings	Tenant responsible for all usual outgoings excluding structural and capital works.
Guarantor	S H Lee and H S Park
Other Key Terms	Landlord not permitted to allow other food court tenants to sell competing menu items other than generic items.

Hang Seng	
Tenant	D.A.P.P Limited
Premises / Area	Part Unit 4 / 27 m ²
Car Parks	Nil
Term	4 years
Commencement Date	31 May 2015
Rights of Renewal	Nil
Final Expiry Date	30 May 2019
Annual Rent	\$17,589 plus GST
Rent Reviews	Market review on every 2nd anniversary of the Commencement Date
Outgoings	Tenant responsible for all usual outgoings excluding structural and capital works.
Guarantor	T Wong and H Wong
Other Key Terms	Landlord not permitted to allow other food court tenants to sell competing menu items other than generic items.

Cambodian Noodle	
Tenant	Khusnul Khotimah, Ulfatul Rohmah and Suharso
Premises / Area	Part Unit 4 / 27 m ²
Car Parks	Nil
Term	6 years
Commencement Date	1 June 2012
Rights of Renewal	1 x 2 years
Final Expiry Date	31 May 2020
Annual Rent	\$17,556 plus GST
Rent Reviews	Market review on every 2nd anniversary of the Commencement Date
Outgoings	Tenant responsible for all usual outgoings excluding structural and capital works.
Guarantor	None
Other Key Terms	Landlord not permitted to allow other food court tenants to sell competing menu items other than generic items.



Rent Guarantee Detail

The five new retail spaces will form part of Principal Unit 1 and comprise an approximate total area of 362.8 square metres. Additionally, there are four storage units with a combined area of approximately 34.1 square metres. The Rent Guarantee has been calculated at a rate of \$450 per square metre plus operating expenses plus GST. The Rent Guarantee applies to the retail spaces only and excludes the storage units. The Rent Guarantee will remain in

place for three years from the later of the Settlement Date or the issue of a code compliance certificate for the Reconfiguration Works until (if earlier than the expiry of the three year guarantee period) such time as the individual retail spaces are leased. The following table sets out the individual areas, guarantee amounts and estimated market rent (as assessed by the Valuer).

Premises	Area (m ²)	Guarantee (m ²)	Guarantee p.a. (ex GST and OPEX)	Market Rent (m ²)	Market Rent p.a. (ex GST and OPEX)
Retail Space 1	55.0	\$450	\$24,750	\$650	\$35,750
Retail Space 2	111.0	\$450	\$49,950	\$500	\$55,500
Retail Space 3	74.0	\$450	\$33,300	\$450	\$33,300
Retail Space 4	65.8	\$450	\$29,610	\$450	\$29,610
Retail Space 5	57.0	\$450	\$25,650	\$450	\$25,650
Storage 1	9.7	-	-	\$200	\$1,940
Storage 2	5.0	-	-	\$200	\$1,000
Storage 3	9.7	-	-	\$200	\$1,940
Storage 4	9.7	-	-	\$200	\$1,940
Total	396.9		\$163,260		\$186,630

Tenant Standing

General Distributors Limited	<p>General Distributors Limited (General Distributors) is wholly owned by Progressive Enterprises Limited (Progressive), which trades as the Countdown brand of supermarkets in New Zealand. General Distributors is the entity used by Progressive for the countdown supermarket sites that are leased throughout New Zealand.</p> <p>Progressive, through the Countdown brand, is the single largest supermarket owner and operator in New Zealand with 184 stores nationwide. Progressive is ultimately owned by the Australian group Woolworths Limited, which is listed on the Australian Stock exchange and in 2016 was Australia's second largest company by revenue (A\$59 billion).</p> <p>The Manager is not aware of any failure by General Distributors to meet its material obligations under its lease agreement.</p>
Antares Restaurant Group Limited	<p>Antares Restaurant Group Limited (Antares) is the holding company for the Burger King chain of fast food restaurants in New Zealand. Burger King is one of the largest fast food chains in New Zealand with 83 restaurants nationwide.</p> <p>Antares is wholly owned by Tango Holdings Limited, which in turn is controlled by the Blackstone Group (one of the world's leading investment firms with US\$387 billion under management as at September 2017).</p> <p>The Manager is not aware of any failure by Antares to meet its material obligations under its lease agreement.</p>
Other tenants	<p>The Manager is not privy to the historical financial performance or financial standing of other tenants including the food court operators and the pharmacy. The Manager is advised by the Vendor that these tenants appear to trade well and the Manager is not aware of any failure by the other tenants at the Property to meet the material obligations under their lease agreements. Due to the nature of the food court tenants and their perceived modest financial standing, there are expected to be ongoing rent arrears of a minor nature from time to time. Colliers confirms this is normal for a property such as this, and that any arrears are actively monitored and managed.</p>

Legal Description and Titles

Legal Description

The Property to be purchased comprises the majority of the land and buildings making up the unit title development registered with Unit Plan 403088.

The unit title development for 347 Moorhouse Avenue has four Principal Units (**Principal Units**) and two Future Development Units (**Future Development Units**) as described below. The Property comprises the four Principal Units which make up the existing retail shopping centre on the land together with a number of different interests in land which are briefly described below. For the avoidance of doubt, the Future Development Units are not owned by the Vendor and do not form part of the Property making up this retail investment opportunity.

- **Principal Units:** A stratum estate in freehold in Principal Units 1, 2, 3, and 4 and the accompanying Accessory Units as shown on Unit Plan 403088 and comprised in Computer Freehold Registers 410108, 410109, 410110 and 410111 (Canterbury Registry). For ease of reference, the four Principal Units comprise the Countdown supermarket and the newly created 5 new retail spaces (**Principal Unit 1**), the Burger King premises (**Principal Unit 2**), the pharmacy (**Principal Unit 3**) and the 5 food court tenancy areas (**Principal Unit 4**).
- **Lease of part of the Burger King drive through and car parking area:** The Vendor, as the registered proprietor of the Burger King unit (**Principal Unit 2**) also has a registered lease granted by the Body Corporate 403088 of parts of the common property included in the unit title development which is used as part of the drive through and an area for eight car parking spaces used by the Burger King restaurant tenant (**Registered Lease**). Such areas are known as Lots 1, 2 and 3 on DP 419830 and the lease is registered on the Supplementary Record Sheet 471557 for Unit Plan 403088. The lease has a term of 35 years from 9 June 2009 and is registered with Computer Interest Register 477544. The areas of the common

property included in the Registered Lease are permitted to be used by Burger King pursuant to their separate lease of Principal Unit 2 on terms which will allow the Trust (as the tenant pursuant to the Registered Lease) to properly manage its obligations under the Registered Lease.

- **Licences to Occupy parts of the common property:** The Property also includes the benefit of three separate Licences to Occupy granted by Body Corporate 403088 to the Vendor of parts of the common property on Unit Plan 403088, such areas being the canopy over the front of the supermarket premises, the basketball court in front of the Burger King restaurant and the communal toilets area at the end of the food court (**Licences to Occupy**). The term of each of the three licences to occupy is 30 years from 1 November 2016 and only nominal licence fees are payable for the terms of the licences.

These interests in the land under the Registered Lease and Licences to Occupy will be assigned by the Vendor to the Trust as a settlement deliverable.

Future Development Units: Future Development Units A and B are also registered with Unit Plan 403088. The Future Development Units are in separate ownership and do not form part of the Property. Given their status as future development units under the Unit Titles Act 2010 they have limited involvement in the operations and day to day management of the Property and the Body Corporate but they are required to comply with the terms of the Body Corporate Rules. The Future Development Units do not form part of the retail shopping centre at 347 Moorhouse Avenue and they are not included in the Property that is subject to the Offer. The Future Development Units are currently used for at grade car parking by the neighbouring car dealership. When stage 1 of the unit title development was first established in 2008 it was intended that the Future Development Units would be subsequently developed to extend the existing retail centre, however, those plans did not eventuate. The Manager is aware that the current owner of the Future Development Units wishes to remove the Future Development Units from Unit Plan 403088 and amalgamate that land

with their adjacent land. Such changes to the Unit Plan would require the approval of the owner of the Principal Units and the Manager would endeavour to ensure that any removal of the Future Development Units from the unit title development would be at the full risk and cost of the owner of the Future Development Units.

Title Interests: The Principal Units and the common property comprising the Property are subject to or have the benefit of a number of common place covenants, conditions, restrictions and easements in favour of third parties, utility/service providers and the local council which are registered or referred to on the registered titles for the Property.

Copies of the various registered instruments are available for review on the Offer Register at www.business.govt.nz/disclose. However, we note the following material matters:

- The Property has the benefit of a right of way over and along an access route which is located immediately adjacent to the northern boundary of the Property and passes from the western boundary of the Property to Madras Street on the eastern side. This access route is known as Rope Street (which is a private lane with no known owner and still remains as historic deeds land with no registered title). It is used by Countdown for gaining access to the rear of its premises (Principal Unit 1) and the loading bays on each of the north-western and north-eastern corners of Principal Unit 1. Under its lease of the supermarket premises Countdown is granted an exclusive right to use such access route for access to and from its premises and the two loading zones and for the purposes of the delivery and loading of goods including the right to stop and park on the access route. The landlord is required to ensure that no other person be permitted to use the access route although in practice it is known that at least three owners of properties located on Rope Street use Rope Street to gain access to and from their properties from Madras Street. Given the existence in practice of such other users of the right of way (whether or not such rights are legal or otherwise) the landlord is not able to perform to the exact

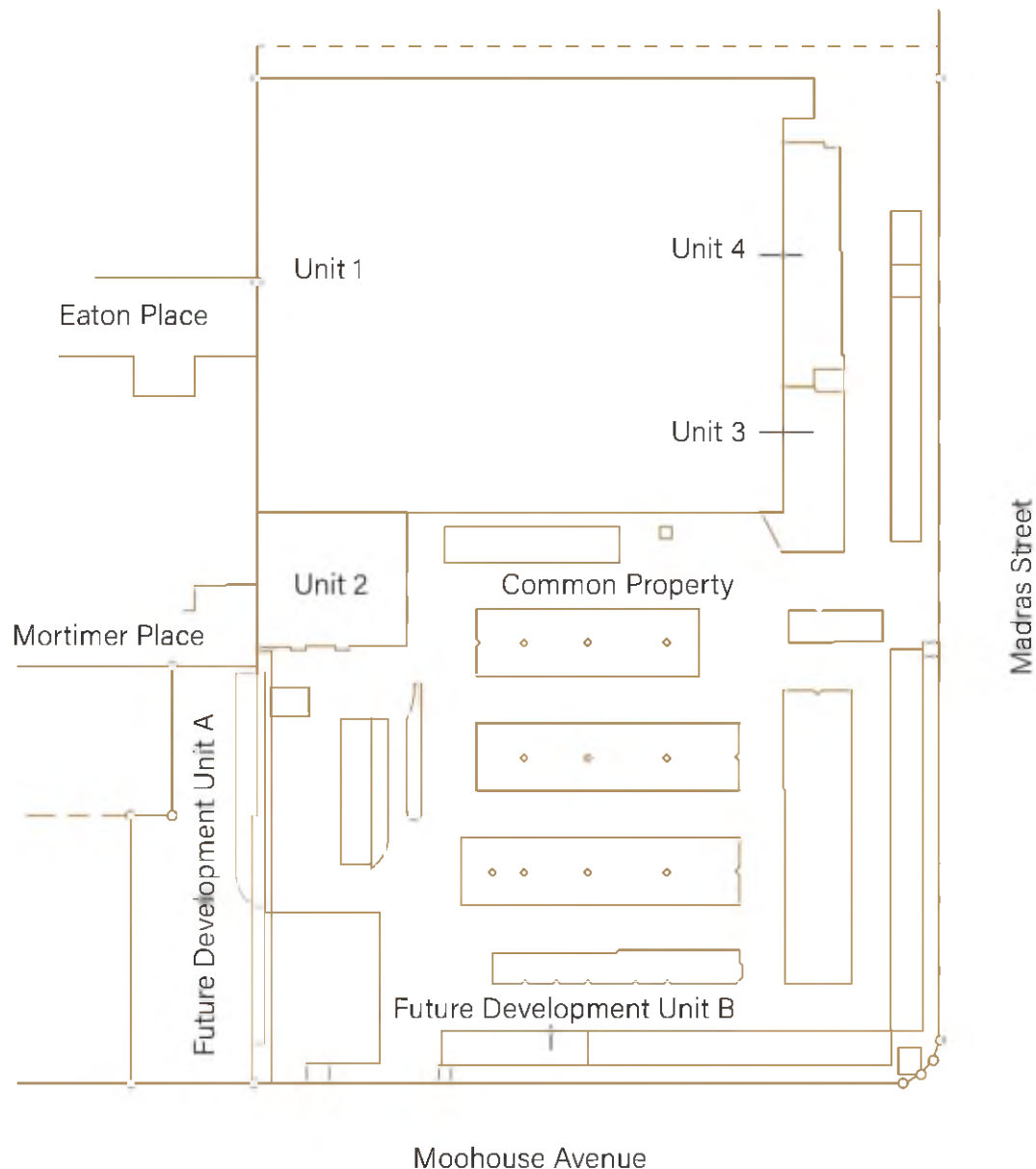
terms of the lease albeit this use of Rope Street has been in place for many years and prior to the grant of the existing lease to Countdown in 2008. The landlord may be required to take steps from time to time to ensure that no other users of the access route obstruct Countdown's access to the rear of its premises from Rope Street. It is not considered that the arrangements under Countdown's lease concerning Rope Street would pose a risk of termination of the lease but is a matter that requires awareness and monitoring by the Manager to ensure that when required to do so the landlord can take steps to preserve Countdown's exclusive use of the Rope Street right of way.

- The Property is subject to and governed by a set of registered Body Corporate Rules dated 31 January 2017. These rules deal with the management and care of the Principal Units, Accessory Units, Future Development Units and the common property comprised in Unit Plan 403088. The Vendor has committed to varying the existing body corporate rules on or before the Settlement Date to capture some terms and conditions arising out of various lease covenants for tenancies at the Property as had been included in an earlier set of Body Corporate Rules for Body Corporate 403088. Body Corporate 403088 is currently managed by Strata Title Administration Limited.

Body Corporate 403088: The manager of the Body Corporate works closely with the owner of the Principal Units to manage the retail centre comprising the Property in accordance with the requirements of the Unit Titles Act 2010 and the Body Corporate Rules. For most resolutions required to be passed by the Body Corporate for matters concerning the unit title development the Future Development Units will have no voting rights and the

voting rights will sit with the Principal Units. There are some limited provisions under the Unit Titles Act 2010 where the Future Development Units will have voting rights such as resolutions concerning any sale of part of the common property, any proposal to redevelop the land which would require a new unit plan to be lodged and any proposal to cancel the unit plan.

Unit Plan



Land Information Memorandum (LIM)

The Property is zoned Commercial Central City Mixed Use Zone (**Mixed Use Zone**) in the operative Christchurch District Plan (**District Plan**). The Mixed Use Zone is a commercial zone and provides for a wide range of other community, commercial and business activities, while supporting the role of the Commercial Central City Business zone as the focus for retail, offices and commercial services.

A LIM for Principal Unit 1, making up a substantial portion of the Property, was issued by Christchurch City Council on 15 August 2017. As Principal Unit 1 includes the majority of the NLA for the Property this LIM captures the key Council sourced information (in particular building and resource consents) relating to the Property as a whole. The key aspects arising from the LIM are:

- The Property is identified on the Hazardous Activities and Industries List which contains information about sites that have been used, or are currently used for activities which have the potential to have caused contamination. The LIM records that the Property previously contained some fuel tanks.
- No code compliance certificate has been issued in relation to the Reconfiguration Works being undertaken to Principal Unit 1 given the works are yet to be completed. The works are programmed to be completed by mid December 2017.
- A Seismic Capacity and Earthquake Damage Assessment report is attached to the back of the LIM. The scope of this report includes an assessment of the seismic capacity of the building against the current NBS and describes any earthquake damage observed. Although some minor works are recommended the report concludes that the building has a medium to low earthquake risk and that no strengthening is required.

Further Property Information

Copies of the leases, titles, registered instruments, unit plans and LIM are available for review on the Offer Register at www.business.govt.nz/disclose

Bank Loan

The Manager has received a committed term sheet from ANZ as lender to the Trust. The term sheet outlines the terms on which the bank is prepared to lend to the Trust, together with the bank's security requirements and financial covenants. The term sheet is subject to a number of conditions precedent to funding including, but not limited to ANZ's review of the Agreement for Sale and Purchase, valuation report, leases, engineering reports and insurance position. If the conditions precedent are not met, the Offer will not proceed.



The key terms of the loan are:

Terms	
Lender	ANZ
Amount	Up to a maximum of \$13,820,000 (being the lower of 50% of the purchase price or valuation)
Security	Registered first mortgage over the Property and general security agreement (GSA)
Loan Term	Initial term of 4 years from loan drawdown
Interest Rate	A margin of 2.40% over the prevailing floating (BKBM) or fixed rate (swap). As at the date of the term sheet, BKBM was 2.00% which would give an interest rate of 4.40%. The margin is capped for 3 years. The loan is interest only and interest is payable monthly.
Recourse	Limited recourse to the assets of the Trust.
Arrangement Fee	\$30,000
Financial Covenants	
LVR Covenant	The loan amount is not to exceed 55% of the value of the Property. The loan amount of \$13,820,000 represents 50% of the purchase price and 48.9% of the valuation.
Interest Cover Ratio (ICR) Covenant	Net rent to cover interest by at least 2.00 times. The current ICR as defined by the ANZ is 2.99 times.
Weighted Average Lease Term (WALT)	Must exceed 3.0 years at all times. The WALT of 8.3 years is calculated by the Valuer as at the date of the Property being 19 October 2017.

As the above borrowings for the Trust will be due before the Trust is likely to be terminated the Manager considers that refinancing is likely to be needed over the life of the investment.

Amounts owing to ANZ and all other liabilities of the Trust will rank ahead of the Investors' Units on a winding up of the Trust.

ANZ requires the assets of the Trust, including the Property to form security in order for ANZ to secure

its lending. The loan is a limited recourse loan, which means that Investors are not liable to make any payments to ANZ beyond the extent of their investment in the Trust. Security is limited to a registered first mortgage over the Property and a GSA over MRF2 Custodian Limited (the custodian company), which holds the Property on behalf of Investors.

3 | Key Dates and Offer Process

Offer Opening Date	9 November 2017
Right of First Refusal Expiry Date¹	20 November 2017 Under the Agreement for Sale and Purchase of the Property, existing investors in the Vendor are given a right of first refusal to participate in the Offer. Refer to section 13 in the PDS <i>How to Apply</i> , for more details for existing investors in the Vendor wishing to participate in the Offer. New Investors are still able to apply for Units before the Right of First Refusal Expiry Date.
Offer Closing Date²	15 January 2018
Units are issued to Investors	The Units will be issued on the Settlement Date for the purchase of the Property.
Intended Settlement Date³	31 January 2018

1 A copy of the Agreement for Sale and Purchase is available on the Offer Register.

2 Under the Agreement for Sale and Purchase, the Manager may extend the Offer by another 15 Working Days provided the Purchaser can demonstrate to the Vendor that there is a reasonable likelihood that the Offer will be fully subscribed.

3 The contracted Settlement Date for the Property is 13 February 2018 or, if the Offer is extended by a further 15 Working Days, 6 March 2018. The Manager intends to settle the purchase of the Property on 31 January 2018 subject to agreement of such date with the Vendor (**Intended Settlement Date**).

On or before the Offer Closing Date, the Manager must have received adequate anti money laundering (AML) identification documentation and completed Application Forms from Investors.

The above dates are indicative and may change. In particular, the Manager reserves the right to close the Offer at any time prior to the date specified above or extend the Offer at any time prior to that

date, and with the agreement of the Vendor of the Property may extend the Intended Settlement Date specified above. The latest date that the Closing Date may be extended to is 5 February 2018.

Distributions will not be paid until after settlement of the purchase of the Property and the issue of Units occurs. Application monies received from Investors will be held in the Lane Neave trust account.





4 | Key Terms of the Offer

Key Terms of the Offer

Description	Units in Mainland Retail Fund 2 Trust
Price per Unit	\$1.00
Key dates	Please see section 3 of the PDS <i>Key Dates and Offer Process</i>
Liability for further payments	Investors will have no liability to make further payments in relation to the Units.
Minimum Subscription and Number of Units on Offer	The minimum subscription is for \$14,860,000 (being 14,860,000 Units on offer) to be raised from Investor subscriptions. The Offer is not underwritten and no underwrite fee will be charged to Investors.
Minimum Investment Amount	\$100,000
How can investments be made	Investors may subscribe for Units in the Trust for at least the Minimum Investment Amount. Subscriptions must be completed on the Application Form attached to this PDS. Subscriptions may only be made before the Offer Closing Date. There is no continuous offer of Units in the Trust. The Manager reserves the right to accept or reject any application in whole or in part without giving any reason.
How can I withdraw my investment from the Trust	<p>The Units in the Trust are not redeemable under the Trust Deed and the Trust has no fixed term.</p> <p>The Trust may be terminated by Investors passing a special resolution to that effect. A special resolution is a resolution passed by a 75% majority of holders of Units entitled to vote. It could also be terminated in other circumstances set out in the Trust Deed.</p> <p>If the Trust is to be terminated the Manager will arrange for the Property to be sold and the proceeds, after the payment of all liabilities, costs and expenses of the Trust, will be divided among Investors in proportion to their holding of Units in the Trust.</p>
Can I sell my investment in the Trust	Investors may exit from the Trust by selling their Units. Investors may be able to transfer their Units to a third party through the Matching Service if there are interested buyers. The Manager may charge a fee for facilitating the sale or transfer of Units through the Matching Service. This fee is 1.0% of the transaction amount. The fee is deducted from the balance of sale proceeds paid to the seller. However, Investors may not find a buyer for their Units or may receive less than the amount they invested. Investors could transfer their Units through an off-market transfer. Any proposed incoming investors would have to satisfy the Manager's AML requirements. Legal documentation will be required to record the transfer. The Manager must approve of the incoming investor and may delay transfer until all AML information has been received.

What are the investment returns?	<p>Investment returns are by way of distributions from the Trust and are paid at the discretion of the Manager. They are dependent on a number of factors and will only be declared after meeting appropriate solvency requirements. Distributions are funded from the operating cashflows of the Trust. The Manager reserves the right to withhold distributions as may be necessary to cover any shortfall or anticipated shortfall as it, acting in a competent managerial capacity, may deem prudent, for example in the case of a major tenant default. See section 7 of the PDS <i>Risks to Returns from Mainland Retail Fund 2</i> for more information.</p> <p>The Manager intends to declare gross distributions of approximately 100% of the Trust's adjusted net profit before tax. Adjusted net profit before tax is calculated as net profit before tax, after subsequently reversing the following items (if applicable to the relevant period and forming part of profit before tax):</p> <ul style="list-style-type: none"> • Unrealised changes in the value of investment properties; • Realised gains on the disposal of investment properties; and • Unrealised changes in the value of derivative financial instruments. <p>The actual gross distribution yield for a period may vary from the prospective financial information.</p> <p>Adjusted net profit before tax is not determined in accordance with GAAP and a reconciliation to GAAP-compliant information is in Note 17 of the Prospective Financial statements which are available on the Offer Register at www.business.govt.nz/disclose</p> <p>The Manager is projecting an annualised gross distribution of 7.2% per annum for the part-year to 31 March 2018 and a gross distribution of 7.6% per annum for the first full financial year to 31 March 2019. The gross distribution is made up of a cash distribution (which is expected to be based on net profit after tax, but before fair value adjustments) plus imputation credits (which are determined by the amount of tax the Trust pays). The overall effect is that gross distribution is expected to be equivalent to net profit before tax and fair value adjustments. This distribution is not guaranteed and the actual distribution may vary if the actual result varies to the prospective financial information. Only those Investors registered as holding Units at the end of the preceding quarter are entitled to receive the distribution payment.</p>
When are distributions paid	<p>Distribution payments will only begin after the Settlement of the Property purchase and the issue of Units occurs. Distributions will usually be paid quarterly in arrears, with payments being made on the 15th of the month following quarter end or the next Working Day thereafter. The first distribution is expected to be paid on 15 April 2018, for the period from the Settlement Date until the end of the first quarter after the Settlement Date.</p>
No overseas investors	<p>Applications will not be accepted from persons located outside New Zealand.</p>
Description of Units	<p>Please see section 5 in the PDS <i>How Mainland Retail Fund 2 Trust Works</i> for a description of Units and how the Trust works.</p>

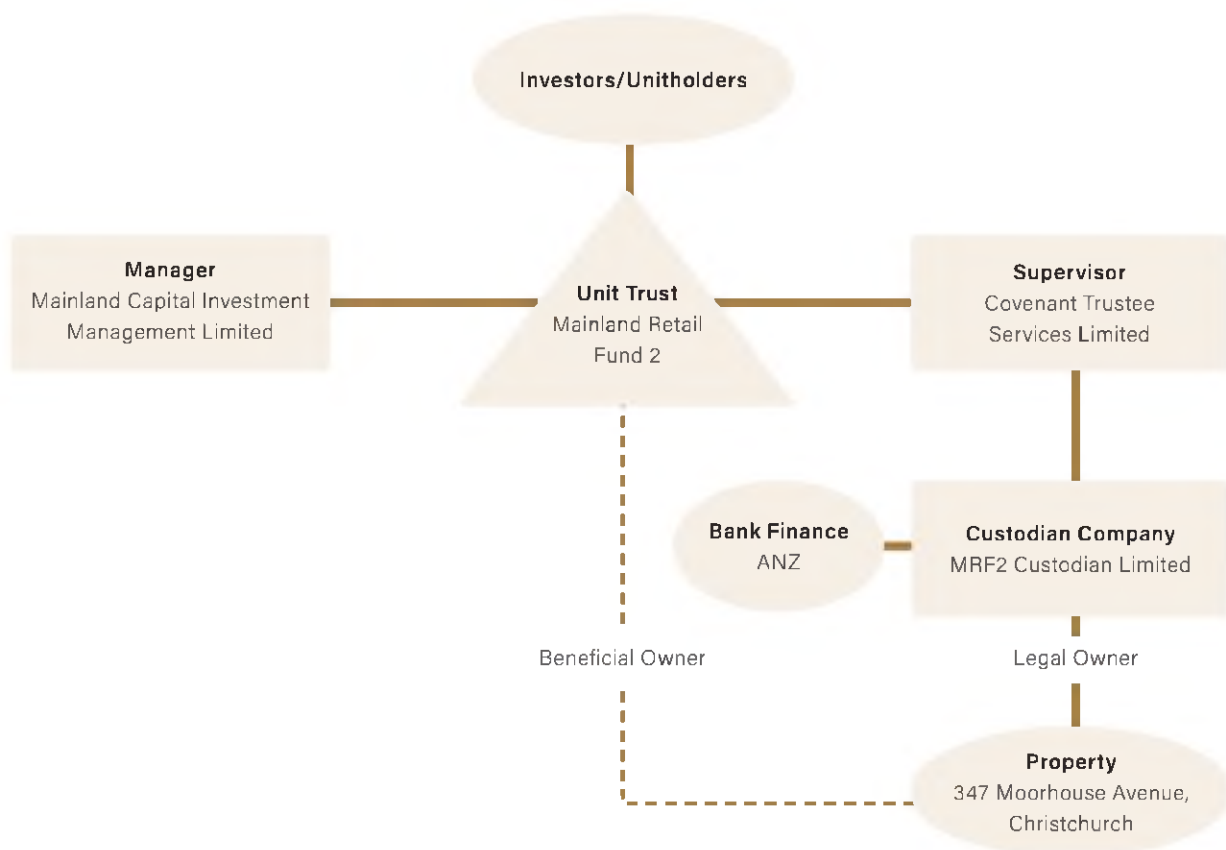
For further information on your investment in the Trust, refer to the Trust Deed available on the Offer Register at www.business.govt.nz/disclose.



5 | How Mainland Retail Fund 2 Trust Works

How Mainland Retail Fund 2 Trust Works

A diagram setting out how the Trust structure works is set out below.



What is a Unit Trust

The Trust is a managed investment scheme for the purposes of the FMCA, established as a unit trust. A unit trust is a type of managed investment scheme formed under a trust deed that enables investors to pool their funds with those of other investors. The beneficial interest in the assets of a trust is divided into units, which are of equal value to each other and give an equal interest in the unit trust. Investors will purchase Units in the Trust and the Custodian holds the Property on behalf of Investors.

Each Unit will confer one vote upon the holder regarding matters on which Investors are entitled to vote under the Trust Deed.

Under this type of structure, Investors are not liable for any additional payments other than their initial investment in the Trust.

The Trust will be managed and administered by the Manager pursuant to the Trust Deed. The Manager is responsible for offering and issuing Units in the Trust, managing the Property, and administering the Trust and is paid for this role. It has a range of specific functions under the Trust Deed, and is subject to various duties and obligations including to act in the best interests of Investors. A copy of the Trust Deed is available on the Offer Register at www.business.govt.nz/disclose. Investors are encouraged to read the Trust Deed.

The Manager is able to delegate its functions as manager but remains liable for the performance of the functions delegated or contracted out.

Covenant Trustee Services Limited (**Supervisor**) is the supervisor of the Trust. It will monitor

compliance by the Manager and the Trust with the Trust Deed and FMCA and fulfil its role of supervisor under the FMCA and the Financial Markets Supervisors Act 2011. The Supervisor will be holding the Trust's assets (i.e., the Property) on behalf of the Trust via its nominee company, MRF2 Custodian Limited.

For further details of the key features of the Trust, see section 2 of the PDS *What Mainland Retail Fund 2 Trust Invests In*.

Significant Benefits of Investing in the Trust

The significant benefits of the investment are:

- Receive distributions as a return on the investment in the Trust.
- The ability to have an investment in a property that would not typically be available to Investors who are only able to invest \$100,000 or similar amounts.
- The investment in the Trust represents a passive investment for the Investor, because the Manager carries out active fund and asset management.

This active management extends to strategic asset management of the Property; Investor reporting, bank and Supervisor reporting; tenant liaison and lease negotiations; income and capital budgeting; financial management; and payment of distributions.

- The sharing in any capital growth in the value of the Property if it is sold.
- The Trust's structure enables the Manager to conduct the business of the Trust, while the Investors' liability is limited to their initial investment in the Trust.

Related Party Benefits

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

The Manager and no associated person of the Manager is a Related Party of the Vendor who would be entitled to receive benefits from the sale of the Property.





6 | Mainland Retail Fund 2 Trust's Financial Information

Mainland Retail Fund 2 Trust's Financial Information

Selected Financial Information

The table on the following page provides selected financial information about the Trust. Full financial statements are available on the Offer Register at www.business.govt.nz/disclose. If you do not understand this sort of financial information, you can seek professional advice.

The purpose of the prospective financial statements is to assist Investors in assessing the viability of and return on funds invested. This PDS and the prospective financial information may not be appropriate for any other purpose.

The prospective financial information included in the following table has been extracted 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, which are available on the Offer Register at www.business.govt.nz/disclose.

The principal assumptions on which the prospective financial information is based are set out under the heading Principal Assumptions.



Prospective Income, Expenses and Returns

The table below presents summary prospective financial information.

Summarised Prospective Statement of Profit or Loss & Other Comprehensive Income

	For the 59 days ending 31 March 2018	For the year ending 31 March 2019	For the year ending 31 March 2020
	\$	\$	\$
Rental income	351,020	2,106,120	2,129,490
Property expenses recovered	38,845	258,049	264,119
Administration expenses	(33,317)	(146,500)	(146,500)
Operating expenses	(70,617)	(422,316)	(435,406)
Net operating income before revaluation & tax	285,931	1,795,353	1,811,703
Finance expenses	(107,354)	(664,140)	(665,959)
Net profit before revaluation & tax	178,577	1,131,213	1,145,743
Fair value gain on property revaluation	510,000	-	-
Net profit before tax	688,577	1,131,213	1,145,743
Taxation expense	(50,001)	(316,740)	(320,808)
Total comprehensive income attributable to unitholders	638,575	814,474	824,935

Summarised Prospective Statement of Changes in Equity

	Unit Capital \$	Retained Earnings \$	Total Equity \$
Total comprehensive income	-	638,575	638,575
Issue of units to unitholders	14,860,000	-	14,860,000
Capital raising costs	(768,360)	-	(768,360)
Distributions to unitholders	-	(128,575)	(128,575)
Closing balance of equity 31 March 2018	14,091,640	510,000	14,601,640
Opening balance 1 April 2018	14,091,640	510,000	14,601,640
Total comprehensive income	-	814,474	814,474
Distributions to unitholders	-	(814,474)	(814,474)
Closing balance of equity 31 March 2019	14,091,640	510,000	14,601,640
Opening balance 1 April 2019	14,091,640	510,000	14,601,640
Total comprehensive income	-	824,935	824,935
Distributions to unitholders	-	(824,935)	(824,935)
Closing balance of equity 31 March 2020	14,091,640	510,000	14,601,640

Summarised Prospective Statement of Financial Position

	As at 31 March 2018	As at 31 March 2019	As at 31 March 2020
	\$	\$	\$
Current assets	357,120	479,760	490,271
Non-current assets	28,288,385	28,278,392	28,268,371
Total assets	28,645,505	28,758,151	28,758,642
Current liabilities	213,117	328,562	331,858
Non-current liabilities	13,830,748	13,827,950	13,825,144
Total liabilities	14,043,865	14,156,511	14,157,002
Equity	14,601,640	14,601,640	14,601,640

Summarised Prospective Statement of Cashflows

	For the 59 days ending 31 March 2018	For the year ending 31 March 2019	For the year ending 31 March 2020
	\$	\$	\$
Cash at the beginning of the year	-	357,120	479,760
Cash flow from operating activities	256,230	860,433	833,813
Cash flow from investing activities	(27,755,000)	-	-
Cash flow from financing activities	27,855,890	(737,793)	(823,302)
Cash at the end of the year	357,120	479,760	490,271

Projected Investor Returns

The table below presents the method for calculating the projected return:*

	59 days ending 31 March 2018	12 Months ending 31 March 2019	12 Months ending 31 March 2020
Unit Price (for one unit)	1.00	1.00	1.00
Net Profit before tax	688,577	1,131,213	1,145,743
Less fair value gain on property revaluation	510,000	-	-
Adjusted Net Profit before tax	178,577	1,131,213	1,145,743
Adjusted net profit before taxation as percentage of total number of units	1.20%	7.61%	7.71%
Taxation	(50,001)	(316,740)	(320,808)
Cash Distribution	128,575	814,474	824,935
Total Number of Units	14,860,000	14,860,000	14,860,000

*The projected investor returns in the above table are consistent with the gross distribution rates set out in Section 1 of the PDS *Key Information Summary* and Section 2 of the PDS *What Mainland Retail Fund 2 Trust Invests In*.

Adjusted net profit before tax is not determined in accordance with GAAP. A reconciliation to GAAP-compliant information is in Note 17 of the Prospective Financial Statements, which are available on the Offer Register at www.business.govt.nz/disclose. A cash distribution payment is expected to be distributed on a quarterly basis in arrears. This amount is set by the Manager in accordance with the Trust Deed. Returns are not guaranteed and the actual distribution rate may vary.

Principal assumptions

Below is a brief summary of the principal assumptions on which the above prospective financial information is based. Further information on these assumptions may be found in the Prospective Financial Statements which are on the Offer Register at www.business.govt.nz/disclose.

The Trust

The Trust has been established and domiciled in New Zealand. The Trust is a commercial property investor that owns the Property.

Settlement

Pursuant to the Agreement for Sale and Purchase, the Settlement Date for the Property is 13 February 2018 or, if the Offer is extended by a further 15 Working Days, 6 March 2018. However, the Manager

intends to endeavour to settle on the Intended Settlement Date, if this can be agreed with the Vendor. Therefore, for the purpose of the prospective financial information, rental income has been recognised from 1 February 2018 and reported for a period of 59 days for the period ended 31 March 2018.

The Property is assumed to be purchased by the Trust at a purchase price of \$27,640,000.

Establishment Costs

Total establishment costs are expected to be \$908,360. This includes offeror, legal, accounting, supervisor, engineering and valuation fees as well as financing and marketing costs. The bulk of these costs are deemed to be issue costs.

The establishment costs have been based on quotes received and/or estimates made by the Manager.

Investment Property

The investment will be used for the purchase price of \$27,640,000 plus any directly related acquisition costs (which have been estimated to be \$100,000) and any further capital costs incurred during the prospective period (estimated to be nil).

An independent valuation of the Property on a market value basis has been provided by Christopher Neil Stanley, M Prop Stud (Distn), FNZIV, FPINZ together with Hayden Andrew Doody, B Com (VPM), SPINZ, ANZIV of Telfer Young (Canterbury) Limited and that valuation of \$28,250,000 (as at 19 October 2017) has been adopted as the fair value of the property being acquired for the prospective financial statements. This has resulted in a fair value gain on property revaluation of \$510,000 which has been reported in the prospective statement of comprehensive income for the 59 days ended 31 March 2018.

The future fair value gain or loss on the Property, however, cannot be reliably predicted and accordingly the fair value of \$28,250,000 is assumed as at 31 March 2019 and 31 March 2020.

The Trust is responsible for all works of a structural or capital nature.

Rental Income

The rental income calculations in the prospective financial statements are based on the expected rental level from the current leases and the rentals from the five new retail spaces subject to the Rent Guarantee provided by the Vendor.

It has been assumed that the new retail spaces are let at market rents from 1 April 2019 and that there is no other vacancy, tenant defaults or delays in receipt of debtors. The assumed market rents have been based on information provided by Colliers and have been confirmed by the Valuer in the valuation report, a copy of which is available on the Offer Register at www.business.govt.nz/disclose. It is assumed that the proposed leases for the new retail spaces will include fixed uplifts linked to the CPI.

It has assumed the leases for Westpac ATM, Pharmacy Xtra, Small Cafe, Hang Seng, Rice Box, Cambodian Noodle and Curry in a Hurry will all be renewed at their respective renewal dates or a new lease granted, at the current base rental amount per annum. This assumption is based on discussions with Colliers and the historic performance of the Property.

Any other leases that have rent reviews during the forecast period are assumed to be reviewed at existing base rent. This is supported by valuation advice.

The projections assume rental growth only where leases contain fixed or indexed linked rent reviews.

Operational Costs

The assumed level of non-recoverable operating expenses is based on forecasts prepared by the current property manager, Colliers. A proportion of operating costs including a portion of the rates, insurance premiums, utilities and certain maintenance obligations are passed onto the tenants of the Property.

Management fees

The annual fund management fees are to be 0.40% per annum of the Property's gross asset value prorated for the first 59 days at \$18,833 then 0.40% per annum from 1 April 2018 at \$113,000 for 12 months.

Administration Expenses

Annual accounting, audit, valuation and Supervisor fees are based on quotes received and/or estimates made by the Manager.

Interest Expense

The interest rate payable is BKBM (assumed to be 2%) plus a margin of 2.40% per annum fixed for three years. The Manager intends to manage the interest rate risk with interest rate swap agreements and/or floating rates.

It is assumed that the Trust will enter into two interest rate swaps with notional values of \$4,606,667 each (representing a third of the total loan amount each). Therefore the total amount hedged will be \$9,213,334 representing two thirds of the underlying loan amount. The remaining amount of \$4,606,667 will remain unhedged. Under the swap agreements, the Trust will receive floating rate payments and pay fixed rate amounts. The duration of the swaps are assumed to not exceed the loan term of four years, and the swaps are assumed to settle on a monthly basis.

The details of the interest rate swaps are as follows:

	Notional value	Interest p.a.	Margin p.a.	Total interest p.a.
Tranche 1	4,606,667	2.3%	2.4%	4.7%
Tranche 2	4,606,667	2.7%	2.4%	5.1%

The assumed interest rate will, therefore, total 4.73% per annum.

Borrowings

Based on an indicative term sheet provided by ANZ, a secured loan drawdown of \$13,820,000 on the Intended Settlement Date has been forecast for a loan term of four years (interest only).

The loan will be secured by way of a GSA and first registered mortgage over the Property.

It is assumed that the loan will be replaced with a loan on similar terms at the repayment date.

Gearing and interest cover ratios are noted and explained below.

Capital Expenditure

No non-recoverable capital expenditure is assumed to be incurred over the prospective period. Where leases expire and fit out work is required, it is assumed that this is a tenant cost.



Financial Measures for Trust Borrowings

	31 January 2018 (Intended Settlement Date)	31 March 2018 (end of first financial period)	31 March 2019 (end of second financial period)	31 March 2020 (end of third financial period)
Gearing ratio (%)	49.8%	48.2%	48.1%	48.1%
Interest cover ratio (times)	n/a	2.70	2.74	2.76

The “Gearing Ratio” is how much the Trust owes (interest bearing debt) as a portion of what it owns (assets). The higher the gearing ratio, the higher the risk to the Trust as it indicates that a higher portion of the Trust’s assets will need to be applied to repay its debt.

The “Interest Cover Ratio” tells you how much of the Trust’s income is used to pay interest on its loans. The higher the ratio, the more comfortably the Trust’s income can cover any interest owing.



Borrowing Repayment Dates

Loan Facility	Drawdown and Repayment Dates
ANZ Facility	The estimated draw down date of the loan is 31 January 2018.
\$13,820,000	The loan has a 48-month term from date of drawdown. The estimated loan repayment date is 31 January 2022.



7 | Risks to Returns from Mainland Retail Fund 2 Trust

Risks to Returns from Mainland Retail Fund 2 Trust

This section sets out the potential risks that the Manager is aware of that exist or that may arise and that significantly increase the risk to returns for Investors. The table sets out a description of each risk that is significant to the Trust, the likelihood, nature and magnitude of each risk and steps taken by the Manager to mitigate these risks.

Interest Rates

Description	Likelihood, Nature & Magnitude	Mitigating Factors
The interest expense incurred through bank financing is a material cost to the Trust. Any increase in underlying interest rates or bank margin could increase the interest expense and negatively impact Investor returns. A material increase in interest rates could also cause a breach of the ANZ's ICR covenant of no greater than 2.00 times.	<p>Likelihood: Interest rate movements are unable to be accurately predicted. However, given the current low interest rate environment it is prudent to assume there will be upwards movements in rates. The assumed interest rate for the Trust is 4.73%, which for the period to 31 March 2018 provides interest cover (as defined by ANZ) of 2.99 times. For example, this rate would have to rise by approximately 50% to 7.10% to cause a breach of the ANZ's ICR covenant.</p> <p>Nature: Changes in interest rates may affect the Trust's ability to maintain forecast returns to Investors. A breach of the ICR covenant could also impact on the Trust's banking arrangements, forcing early repayment of debt and loss of Investor funds.</p> <p>Magnitude: potentially significant, although can be managed through interest rate hedging.</p>	<p>The Manager will implement an appropriate interest rate hedging strategy in order to minimise the impact of any movement in underlying interest rates. This may include a combination of floating rate and interest rate swaps.</p> <p>The Manager has negotiated with the ANZ to cap the interest rate margin on the loan for the initial 3 years of the loan term.</p>

Tenant/Default Vacancy

Description	Likelihood, Nature & Magnitude	Mitigating Factors
<p>The Trust is reliant on rental income from tenants to fund Investor distributions, interest and other Trust expenses. The default of a tenant or the inability to find a tenant for vacant space could adversely affect Investor returns, and potentially breach banking covenants.</p>	<p>Likelihood: In the case of the larger tenants (Countdown and Burger King), the Manager considers the risk of default to be low. The Manager is not privy to the historical financial performance of smaller tenants including the food court operators and the pharmacy. The Manager is advised by the Vendor that these tenants appear to trade well and that none are in material breach of their existing lease obligations. Due to the nature of the food court tenants and their perceived modest financial standing, there are expected to be ongoing rent arrears of a minor nature from time to time. Colliers confirms this is normal for a property such as this, and that any arrears are actively monitored and managed. The Manager's view is that there is a medium risk of default for these tenants. The vacant units being developed by the Vendor are subject to the Rent Guarantee. This amount is to be held in cash by the Manager's solicitors. The risk of default is low.</p> <p>Nature: The default of a tenant and inability to re-lease vacant space may impact on the Trust's ability to pay forecast Investor returns and may reduce the value of Investors' original investment. Depending on the scale and nature of any default, it may also impact on the Trust's banking arrangements forcing early repayment of debt.</p> <p>Magnitude: Dependent on the size and nature of the tenant, potentially significant. For example, if all food court tenants were to default and the space was unable to be re-tenanted, this would reduce the forecast distribution by approximately 0.75% per annum.</p>	<p>The larger tenants account for 80% of total rental income. These tenants are perceived as strong national brands and the Manager believes the risk of default to be low. Additionally, these tenants have recently entered into new lease arrangements which secure their lease obligations for a further 10 years.</p> <p>Pharmacy Xtra accounts for 6% of total rent and has traded from the Property since 2008. The remaining food court tenants account for less than 6% of total net rent. The Manager is advised that Property has traded at 100% occupancy for the past 5 years and any units that have become vacant have been quickly re-tenanted.</p> <p>The vacant space being developed by the Vendor is subject to the Rent Guarantee. This amount represents 8% of total rent and includes operating expenses and any costs associated with the leasing of that space. The Manager is advised by the Vendor that there is strong interest in this space at rental rates at or in excess of the amount of the Rent Guarantee.</p> <p>ANZ's ICR covenant has been set at a level that would permit the default of approximately 30% of rent before a breach was called.</p>

Liquidity

Description	Likelihood, Nature & Magnitude	Mitigating Factors
Units in the Trust are not redeemable and do not trade on a recognised exchange. It may be difficult for Investors to sell Units, or the price may be below the net asset value or the initial Unit value of \$1 per Unit.	<p>Likelihood: Investment in the Trust should be viewed as a medium to long-term strategy. Should Investors wish to exit early, there is a possibility that there will be no buyers, or the Unit price may be below the amount of the original investment.</p> <p>Nature: Investors may not be able to exit the Trust at their preferred timing or for the amount of their original investment.</p> <p>Magnitude: Potentially significant dependent on individual Investor circumstances.</p>	<p>The Manager operates a Matching Service for a fee to facilitate the buying and selling of Units in the Trust. This gives Investors access to the Manager's wider Investor database. Units can only be sold if a buyer is available.</p> <p>The Trust Deed does not provide for pre-emptive rights. This means that Investors are able to sell to buyers outside of the Trust, and at a price dictated by them.</p>

Refinancing Risk

Description	Likelihood, Nature & Magnitude	Mitigating Factors
<p>A breach of financial covenants during the term of the loan that are unable to be remedied may result in the bank enforcing its security and selling the Property through a mortgagee sale.</p> <p>There may also be a change in the banking climate that results in bank finance being unavailable after the initial four-year loan term.</p>	<p>Likelihood: in the Manager's experience, the likelihood is low given the quality of the Property, tenants, lease lengths, and the structure of the bank facility. However, circumstances such as a material change in interest rate or a wider correction in property markets may increase this likelihood.</p> <p>It is noted that the ICR covenant is set at 2.0 times versus the estimated actual of 2.99 times. The LVR covenant is set at 55% versus the day one actual of 49%, allowing some downward movement in value before the loan is in breach.</p> <p>Nature: not being able to refinance could force the untimely sale of the Property. This could result in Investors receiving an amount less than their original investment.</p> <p>Magnitude: Potentially significant.</p>	<p>The majority of rental income is secured by leases that extend well beyond the term of the loan.</p> <p>The Manager actively manages its banking arrangements and has negotiated appropriate ICR and LVR covenants.</p>

Unforeseen Expenses

Description	Likelihood, Nature & Magnitude	Mitigating Factors
Increases in non-recoverable operating expenses over and above forecast increases and / or unexpected capital expenditure could impact on Investor distributions.	<p>Likelihood: forecasts for non-recoverable operating expenses have been based on historic trends and projections provided by Colliers. The Manager believes there is a low risk that actual expenses materially exceed these forecasts. Given the Property's age and condition, and based on discussions with Colliers, the Manager expects there may be minor and ongoing non-recoverable capital expenditure, however non-recoverable capital expenditure is not expected to exceed the contingency provided in the mitigating factor description within the forecast financial period.</p> <p>Nature: increased expenses and unexpected capital expenditure could reduce the level of distributable cash flow to Investors.</p> <p>Magnitude: potentially significant.</p>	<p>Forecast increases on operating expenses are based on historic trends. These increases are assumed to be partially offset by the letting of new retail spaces at market rents with fixed rental uplifts.</p> <p>A contingency of approximately \$130,000 will be established as part of the Offer to cover items of unforeseen expenditure.</p>

Development

Description	Likelihood, Nature & Magnitude	Mitigating Factors
The new retail spaces are being developed and funded by the Vendor. There is a risk that should these not be completed by Settlement, the Trust could be liable to complete the development with the potential for cost overruns.	<p>Likelihood: The Manager considers this unlikely. The Reconfiguration Works are consented and substantially underway and are subject to independent periodic review by the funding bank's quantity surveyor. The Reconfiguration Works are relatively straightforward in nature and there is a reputable professional team in place (refer section 2 of this PDS under the heading <i>Reconfiguration Works</i>).</p> <p>Nature: cost overruns could result in the Manager needing to seek additional investment into the Trust, which could impact on Investor returns.</p> <p>Magnitude: minor relative to the overall transaction value.</p>	Should the Reconfiguration Works not be completed by 16 March 2018, the Trust has the ability to take over the construction contract from the Vendor and complete the Reconfiguration Works. The Manager will be entitled to deduct an amount equal to 1.20 times the cost of the outstanding Reconfiguration Works from the purchase price, this cost to be determined by an independent quantity surveyor.

8 | What are the Fees?

The fees and expenses charged to the Trust on its establishment are:

Manager's offeror fee	Calculated as 2.40% of the total purchase price of the Property (\$27.64 million)	\$663,360
Manager's total fees for establishment of the Trust		\$663,360
Legal fees*	These fees are based on an estimate from our legal advisers	\$130,000
Accounting fees*	Based on estimate	\$10,000
Valuation fees	Fixed fee	\$20,000
Supervisor's fees	Fixed fee	\$5,000
Marketing*	Based on an estimate from Plato Creative Limited	\$40,000
Bank Facility Arrangement fee	Fixed fee	\$30,000
Engineering fees*	Based on estimate	\$10,000
Total fees for the establishment of the Trust		\$908,360

*These amounts are reasonable estimates, and the actual amount charged to the Trust will reflect the amount ultimately invoiced by the relevant third party.

The above fees are exclusive of GST.



The **Manager's fees**, the fees payable to the Valuer, and the bank facility arrangement fees are fixed. The other amounts set out above (marked with a *) are reasonable estimates, and the actual amount charged to the Trust will reflect the amount ultimately invoiced by the relevant third party.

The **offeror fee** is payable to the Manager for arranging and establishing the Trust. The Manager's role in the establishment of the Trust includes: negotiation of the Offer; feasibility analysis; property due diligence; establishment of the Trust; negotiation and documentation of bank finance; preparation of the PDS; equity raising; Investor due diligence; and documenting/completing settlement of the Property purchase.

Brokerage fees may be paid to advisers who introduce Investors to the Trust. These fees will be paid by the Manager from its offeror fee and will not result in additional expenses for the Trust. Advisers should disclose to you whether or not they are to be paid a brokerage fee.

The **accounting fees** are payable to BDO Christchurch Limited for the preparation of the prospective financial statements.

Legal fees are payable to the Trust's solicitors, Lane Neave, and the bank's solicitors for the costs

of all of the legal due diligence on the Property, documentation of the sale and purchase agreement, preparing the Trust documentation, advising on legal compliance, settlement of the purchase, and in connection with the Trust's financing arrangements.

Supervisor fees are payable to Covenant Trustee Services Limited for custodial and supervisory services to the Trust.

The **valuation fee** is payable to Telfer Young (Canterbury) Limited for preparing the valuation report on the Property.

Marketing fees payable to Plato Creative Limited and reflect the estimated costs of producing marketing material in relation to the Offer and preparing and printing this PDS.

The **bank fee** is payable to ANZ in connection with its provision of the loan facility to the Trust.

Engineering fees relate to fees payable to an engineering firm in respect of engineering and building advice required for due diligence on the Property.

All of the above fees are charged to the Trust or, alternatively, have been or will be paid by the Manager and will be reimbursed to the Manager following settlement.

Annual Costs

Fee or Expense & Basis of Calculation	Estimate for period ending 31 Mar 2018		Estimate for period ending 31 Mar 2019		Estimate for period ending 31 Mar 2020	
	Dollars	% of net assets	Dollars	% of net assets	Dollars	% of net assets
Manager's fees and expenses						
Establishment costs and expenses As outlined on the page 67	663,360	4.54	-	-	-	-
Annual Management fee 0.40% per annum of the Property's value (prorated and paid monthly in advance)	18,833	0.13	113,000	0.77	113,000	0.77
Total fees and expenses estimated to be charged by the Manager	682,193	4.67	113,000	0.77	113,000	0.77
Other fees and expenses						
Establishment fees and expenses As outlined on page 67	245,000	1.68	-	-	-	-
Forecast interest charge 4.73% p.a. of loan value	105,739	0.72	654,147	4.48	655,939	4.49
Annual accounting fees Fixed annual fee agreed with the Trust's accountant	3,500	0.02	5,000	0.03	5,000	0.03
Annual audit fees Annual fee agreed with the Trust's auditor	8,000	0.05	12,600	0.09	12,600	0.09
Supervisor fees 0.04% per annum of the Property's asset value (prorated and paid monthly in arrears) subject to a minimum annual fee of \$10,000. In addition, the Supervisor can charge a special duties fee charged on a time and attendance basis for any non-routine work	1,883	0.01	11,300	0.08	11,300	0.08
Valuation fees Fixed annual fee agreed with the Valuer	6,000	0.04	6,000	0.04	6,000	0.04
General Estimate of incidental costs (for example, postage or other experts not covered elsewhere)	1,100	0.01	4,600	0.03	4,600	0.03
Property fees Estimate of rates, insurance, repairs and maintenance and other property expenses	64,617	0.44	416,316	2.85	429,406	2.94
Total fees and expenses estimated to be charged by others	435,839	2.98	1,109,963	7.60	1,124,845	7.70



The fees on the previous page are exclusive of GST.

All of the fees and expenses outlined on the previous page are charged to the Trust.

The **annual management fee** is payable to the Manager for the ongoing management of the Trust. If the Manager delegates any of its functions that comprise the annual management fee then the Manager will pay for this expense out of the annual management fee.

Accountancy fees are payable to BDO Christchurch Limited for the preparation of the Trust's financial statements.

Interest charges are payable to ANZ in accordance with the loan and any hedging or swap agreements.

Audit fees are payable to the external auditor (PricewaterhouseCoopers) for its audit of the Trust's financial statements and the unit register and reporting to the Supervisor.

Supervisor fees are payable to Covenant Trustee Services Limited for custodial and supervisory services to the Trust.

Valuation fees are payable to an independent valuer for completing the annual valuation of the Property.

General fees are payable to various parties for other items not covered elsewhere. These are costs for the operation of the Trust and might include postage, registration fees on the FSPR and Offer Register, facility arrangement or advice from other experts.

Property fees are items such as rates, insurance, repairs and maintenance that are paid in respect of the Property.

Other Fees and Expenses

Other one-off fees and expenses may be incurred in the operation of the Trust as follows:

Fee or Expense	Explanation
Matching Service Fee	The Manager may charge a fee for facilitating the sale or transfer of Units through the Matching Service. This fee is 1.0% of the transaction amount and is paid by the seller via deduction from the sale proceeds. This fee is payable for individual Investors selling Units and is not a cost to the Trust.
Termination Fees	Should Investors and/or the Supervisor choose to terminate the Manager's role as manager in accordance with the Trust Deed, the Manager will receive a fee equivalent to 1.00% of the value of the Property at the time of such termination. No Termination Fee is assumed for the forecast financial period.
Project and Leasing Fees	Fees for the management of future development or project management and/or leasing of direct property holdings. Such fees being charged at levels comparable to going market rates for these activities and are subject to approval by the Supervisor. There are no fees for new leases or development/project management assumed during the forecast financial period. Leasing costs associated with the Reconfiguration Works are to be paid by the Vendor.
Other Charges	The Manager may charge for work outside of the Manager's duties and responsibilities under the Trust Deed. These fees to be charged at standard market rates and subject to approval by the Supervisor. No Other Charges are assumed for the forecast financial period.
Government Fees	The Manager may on-charge the Trust for any expenses it incurs by way of Government levies to make or manage the Offer or to manage the Trust. No Government fees are assumed for the forecast financial period.
Regulatory Costs	The Manager may charge the Trust a proportionate share of any reasonable costs it incurs to ensure compliance with any changes to the FMCA or to other laws or regulations affecting the operation or management of the Trust, shared with any other trust it manages. No Regulatory Costs are assumed for the forecast financial period.

Changes to Fees

The Manager may increase the fees payable to it, or start charging any fee permitted under the Trust Deed that is not initially being charged or vary fees, by giving at least one month's notice to Investors.

The Supervisor's fees can be changed if agreed in writing between the Supervisor and the Manager.

Other third party fees and expenses (such as those

charged by real estate agents, lenders, legal advisors, auditors, and valuers) are set by the relevant third party and are subject to change. Investors will not be notified of changes, but can obtain these details at any time by contacting the Manager. In addition, the actual amounts incurred in each year will be reflected in that year's financial statements.

9 | Tax

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

The Trust has not elected to become a portfolio investment entity and will be taxed as if it was a company.

Distributions from the Trust will be taxable income for Unitholders.

Distributions will be either fully, partially or not imputed. The Trust will advise you of the imputation credits attached in your end of year tax statement.



About Mainland and Others Involved in Mainland Retail Fund 2 Trust

About the Manager

The Manager brings together a unique set of skills which includes experience in property investment and development, fund and asset management, investment banking, structured finance, valuation and lending.

The Manager is a Christchurch based investment manager focused solely on the New Zealand property market. The Manager aims to provide Investors with a transparent platform through which to invest, with emphasis on long term value creation and clearly defined strategies.

The Manager is licenced under the FMCA as a manager of managed investment schemes which invest in property. The Manager's directors have experience in establishing and managing single and multi-asset property funds investing across all mainstream commercial property sectors. This includes fund structuring, capital raising, asset management and divestment.

Further detail can be found on the Manager's website at www.mcap.co.nz

The Manager has established an Audit and Compliance Committee to:

- oversee the integrity of the financial statements for the Manager's funds and the Manager's accounting and financial reporting processes and audits of the Manager funds' financial statements;
- monitor that the Manager has an appropriate framework in place to identify and effectively manage risk;
- monitor compliance with regulatory, legal and ethical standards;
- oversee the integrity of the Manager's fund operations, by reviewing compliance with internal guidelines, policies and procedures and other prescribed internal standards of behaviour;
- draw to the attention of the Manager's directors any matters that need to be addressed (such as resourcing) to ensure compliance; and
- oversee the policies, processes and frameworks for identifying, analysing and addressing complaints (including whistleblowing), and monitor material complaints and their resolution.

The members of the Audit and Compliance Committee are Ben Bridge and Tim Jones as Executive Directors of the Manager, and David Tier as Chairman of the Audit and Compliance Committee. David Tier is not a director of the Manager.

Ben Bridge – Executive Director, the Manager

Ben Bridge has 18 years' experience in a variety of commercial property related disciplines in New Zealand, Australia and the United Kingdom. His professional background includes funds management and asset management, along with significant transactional experience with acquisitions and divestments exceeding \$5 billion. Ben is experienced in the establishment and management of single and multi-asset property funds both in New Zealand and the United Kingdom.

Ben returned to New Zealand in 2006 to establish a property consultancy business. In 2010 the Manager was established in which Ben is a founding principal and executive director. Ben's property expertise and career history sees him well placed to lead the Manager's funds management business along with

a particular focus on larger corporate advisory and development management mandates.

Ben holds a Bachelor of Commerce (Valuation and Property Management) from Lincoln University, a Bachelor of Arts (Politics) from Canterbury University, and a post graduate diploma in Investment Property (DIP IPF) from University of Cambridge (UK). He is a member of the New Zealand Institute of Directors and the Property Council of New Zealand.

Tim Jones – Executive Director, the Manager

Tim Jones has over 20 years' experience in a variety of commercial property related disciplines in New Zealand and the United Kingdom. His experience includes property finance, equity analysis, valuation and transaction management culminating in his appointment as Head of UK Lending for Morgan Stanley's European Real Estate Finance Group in 2008. He has extensive experience in the structuring and financing of large scale commercial property transactions and has been involved in over \$6 billion of property deals over his career.

Tim returned to New Zealand in 2010 to establish the Manager as a principal and executive director. Tim's transactional experience sees him well placed to lead the Manager's acquisition and financing activities. He is involved in all aspects of the Manager's funds management and advisory activities, with a focus on due diligence and risk analysis, financing strategies for both debt and equity, and transaction management.

Tim holds a Bachelor of Commerce in Valuation and Property Management from Lincoln University, and is a registered representative of the Securities and Futures Authority (UK) and a member of the New Zealand Institute of Directors and Property Council of New Zealand.

David Tier –Chairman of Audit and Compliance Committee

David is a Chartered Accountant and a Chartered Member of the Institute of Directors and has over 25 years' senior executive, Chief Financial Officer and governance experience, principally in the property and finance industries. In recent years, he has provided business consultancy services and governance advice to a number of private companies and was instrumental in setting up a Family Office for a Christchurch based high net worth family. David is currently Chairman of Mutual Credit Finance Limited, a licenced Non Bank Deposit Taker, and a member of a number of advisory boards. He was also a trustee for 9 years of the Christchurch YMCA.

Contact Details

Registered Office

Ground Floor
279 Montreal Street
Christchurch 8140

Postal Address

PO Box 178
Cashel Street
Christchurch 8140

Phone +64 3 355 4244

Email info@mcap.co.nz

Who Else is Involved

Description	Name	Role
Supervisor	Covenant Trustee Services Limited	Monitors the compliance of the Manager and the Trust with the Trust Deed and FMCA; and holds custody of the Trust's assets on behalf of the Investors.
Custodian	MRF2 Custodian Limited	Wholly-owned subsidiary of the Supervisor, which holds the Property.
Banker	ANZ Bank New Zealand Limited	Principal banker and lender to the Trust.
Valuer	Telfer Young (Canterbury) Limited	Responsible for initial Property valuation and annual valuations for accounting and insurance purposes.
Accountant	BDO Christchurch Limited	Preparation of the Trust's prospective financial information and annual accounts.
Auditor	PricewaterhouseCoopers	To conduct annual Trust audit.
Property Manager	Colliers International Real Estate Management Limited	Day to day Property and facilities management.
Lawyers	Lane Neave	Involved in initial due diligence of the Property and Trust establishment and PDS preparation. Ongoing legal advice.



11 | How to Complain

You can lodge a complaint with us:

Call: +64 3 3554 244

Email: info@mainland.co.nz

Write to:

Executive Director
Mainland Capital Investment Management Limited
PO Box 178
Christchurch 8140

The Manager is a member of the Financial Dispute Resolution Scheme (FDRS), an approved dispute resolution scheme. If you have complained to us and you have reached the end of our internal complaints process without your complaint being resolved to your satisfaction, the FDRS may be able to consider your complaint. For the FDRS to consider your complaint the Manager must have 'deadlocked' your complaint and other criteria must be met.

Online: <http://www.fdr.org.nz/making-complaint/makecomplaint/make-complaint>

Call: 0508 337 337

Email: enquiries@fdr.org.nz

Write to:

Financial Dispute Resolution Service
Freepost 231075
PO Box 2272
Wellington 6140

FDRS will not charge a fee to any complainant to investigate or resolve a complaint.

You can also make a complaint to the Supervisor

Call: 09 302 0638 during normal business hours

Email: team@covenant.co.nz

Write to:

Covenant Trustee Services Limited
Physical Address: Level 6, 191 Queen Street,
Auckland Central
Postal Address: PO Box 4243, Auckland 1010

Where You Can Find More Information

Further information relating to the Trust and Units in the Trust (for example, prospective financial information) is available on the Offer Register at www.business.govt.nz/disclose and the scheme register. A copy of the information on the Offer Register or Scheme Register is available on request from the Registrar of Financial Service Providers and from the Manager. The Offer Register can be viewed at www.business.govt.nz/disclose by searching 'Mainland Retail Fund 2 Trust' under offers. No other information relating to the Trust and Units in the Trust is available other than the information contained in this PDS, the Offer Register and the Scheme Register.

Annual Information

Each year the Trust's audited financial statements for the previous financial year will be made available to Investors free of charge within four months of the end of each financial year. The Trust's Annual Report will be made available to Investors free of charge within five months of the end of each financial year.

On Request Information

All information available on the Offer Register and the Scheme Register is also available on request and free of charge.

Requests for information should be made by contacting the Manager:

Call: +64 3 3554 244

Email: info@mainland.co.nz

Write to:

Mainland Capital Investment Management Limited
PO Box 178
Christchurch 8140

Information About Your Investment

You can obtain information specific to your investment free of charge from the Manager on +64 3 3554 244.

13 | How to Apply

Applications can only be made by completing the Application Form attached to this PDS. Please ensure that all customer due diligence information is provided, as set out in the Application Form. Without this information the Manager cannot accept your application. Payment of the full subscription amount must accompany the Application Form by bank transfer, unless you are an investor in the Moorhouse Central Proportionate Ownership Scheme and have applied to invest in the Trust before the Right of First Refusal Expiry Date. Details for payments are included in the Application Form.

Completed Application Forms must be sent to:

Applications
Mainland Capital Investment Management Limited
PO Box 178
Christchurch 8140

Or via email to: applications@mcap.co.nz

Applications once made cannot be revoked or withdrawn.

The Manager reserves the right to accept or reject any application in whole or in part without giving any reason.

14 | Glossary

Agreement for Sale and Purchase means the agreement to purchase the Property dated 10 August 2017, as varied by a Deed of Variation dated 28 September 2017. Copies are available on the Offer Register at www.business.govt.nz/disclose.

AML means the Manager's obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

Antares means Antares Restaurant Group Limited (trading as Burger King).

ANZ means ANZ Bank New Zealand Limited as the bank of the Trust.

Application Form means the application form completed by the Investor to subscribe for Units in the Trust, as included in this PDS.

BNZ means Bank of New Zealand.

Colliers means Colliers International Real Estate Management Limited as property manager of the Property.

CPI means Consumer Price Index.

Custodian means the entity, MRF2 Custodian Limited, which holds the legal title of the Property on behalf of the Trust.

FDRS means the Financial Dispute Resolution Scheme.

FMA means the Financial Markets Authority.

FMCA means the Financial Markets Conduct Act 2013 as amended from time to time.

GSA means general security agreement.

GST means goods and services tax payable under the Goods and Services Tax Act 1985.

ICR means interest cover ratio, the net rental income divided by interest cost.

Intended Settlement Date means 31 January 2018 as the date on which the Manager intends to settle the purchase of the Property subject to formal agreement of such date with the Vendor.

Investor means a Unitholder in the Trust.

LIM means land information memorandum.

LVR means loan to value ratio, which calculates the amount of the loan compared to the value of the Property. LVR is calculated by dividing the amount of the loan by the value of the Property.

Manager means Mainland Capital Investment Management Limited.

Mainland Retail Fund 2 means Mainland Retail Fund 2 Trust.

Matching Service means the service provided by the Manager to facilitate the transfers of Units.

NBS means new building standards.

NLA means net lettable area.

Offer means the offer of Units in the Trust.

Offer Closing Date means 15 January 2018 or, if extended by the Manager, 5 February 2018.

Offer Opening Date means 9 November 2017.

Offer Register means the register for offers of financial products and managed investment schemes under the FMCA, which contains other information that may be relevant to the Offer, that is not contained in the PDS, available at www.business.govt.nz/disclose.

PDS means this product disclosure statement.

Progressive means Progressive Enterprises Limited.

Property means the property located at 347 Moorhouse Avenue, Christchurch.

Purchaser means MRF2 Custodian Limited, as nominated by the Manager under the Agreement for Sale and Purchase.

Reconfiguration Works means the reconfiguration of the southern section of the supermarket, being undertaken by the Vendor, which will result in a net reduction of the floor area of the supermarket and the creation of five new retail spaces, four storage cages and new customer toilets.

Rent Guarantee means the Vendor's guarantee of the rent and outgoings in respect of any unlet space from the five new retail spaces to be constructed by the Vendor. The guarantee is for a period of three years from the later of the Settlement Date and the date of issue of the code compliance certificate for the Reconfiguration Works and the terms of and the quantum of the rental guarantee are as detailed in section 2 of this PDS.

Right of First Refusal Expiry Date means 20 November 2017, being the date by which existing Investors in the Vendor are given a first right of refusal to participate in the Offer.

Settlement means the settlement of the purchase of the Property.

Settlement Date means the date that the purchase of the Property actually settles, being either the Intended Settlement Date, 13 February 2018 or if the Offer is extended by a further 15 Working Days, 6 March 2018, pursuant to the Agreement for Sale and Purchase.

SIPO means the Statement of Investment Policies and Objectives for the Trust adopted by the Manager which sets out its investment policies, objectives and strategies for the Trust regarding its investment in the Property as well as the policies it will apply in respect of its management and investment performance monitoring benchmarks.

Supervisor means Covenant Trustee Services Limited.

Trust means Mainland Retail Fund 2 Trust.

Trust Deed means the Retail Master Trust Deed between the Manager and the Supervisor dated 1 November 2017 and the Establishment Deed between the Manager and the Supervisor dated 1 November 2017 as amended by a Deed of Amendment dated 8 November 2017, and as available on the Offer Register at www.business.govt.nz/disclose by searching "Mainland Retail Fund 2 Trust" under "search offers".

Unit means the units in the Trust.

Valuer means Telfer Young (Canterbury) Limited as valuer of the Property.

Vendor means Moorhouse Central Limited.

WALT means weighted average lease term.

Working Day means a day other than a Saturday, Sunday or Public Holiday on which banks are open for general banking business in Christchurch.



15 | Mainland Retail Fund 2 Trust Application Form

Mainland Retail Fund 2 Trust Application Form

Section 1: Application Declaration

Please read this before signing

By signing this application form you agree and confirm that:

1. All information in this application form ('Application') is true and correct.
2. You have been given, read, and understand the Mainland Retail Fund 2 ('Trust') Product Disclosure Statement ('PDS') issued by Mainland Capital Investment Management Limited ('the Manager') and dated 8 November 2017 and understand that additional information about the Trust (including a copy of the Trust's Master Retail Trust Deed, dated 1 November 2017 and Establishment Deed dated 1 November 2017 as amended by a Deed of Amendment dated 8 November 2017 ('Trust Deed')). Copies of the PDS and Trust Deed are available from the Manager (or otherwise as described in the PDS).
3. You understand that this is an Application for units in a unit trust ('Units'), being the Trust, as issued by the Manager.
4. You understand that once submitted your Application is irrevocable (unless the Manager agrees), but may be accepted or rejected by the Manager in its absolute discretion.
5. You understand that no particular level of distribution is guaranteed, and that the actual distribution rate may vary, and that the differences could be significant.
6. You understand that an investment in the Trust has risk, that your investment is not redeemable, and that the secondary market for sale of your investment may be limited (meaning that you may not be able to sell your investment for the price you want (or at all) and may receive less than the amount you invested).
7. You understand that no person guarantees the returns from the Trust or the repayment of your investment.
8. You will be just and faithful to all other investors in the Trust and will not, during the term of the Trust, do anything that may prejudice the interests of the Trust.
9. If you have provided your email address, or if you provide it at any later date, you consent to receiving electronic communications (including email) from the Manager about the Trust and other investments that may be of interest to you. You may elect to not receive electronic communications at any time.
10. You acknowledge that neither the Manager nor any of its directors or employees have provided personalised financial advice under the Financial Advisers Act 2008 as to the suitability of an investment in the Trust.
11. You acknowledge that the Privacy Act 1993 gives you the right to access and request correction of personal information held by the Manager, Covenant and their associated entities and agents. You acknowledge that the information in this Application, and any information provided by you at any later date, will be used by the Manager to facilitate your investment in the Trust, may be disclosed to third parties involved in the operation of the Trust for that purpose, and may also be used to inform you of other investments that may be of interest to you. You may elect to not receive marketing communications at any time.
12. You authorise the Manager to disclose your personal information to third parties as needed to perform services in respect of the Trust on your behalf, to regulatory bodies or law enforcement agencies as required by law, and to meet legal or regulatory obligations.
13. **Anti-Money Laundering and Countering the Financing of Terrorism Act 2009:** You agree to provide any verification of identity or other information to the Manager, as requested by the Manager to comply with its obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. If you do not provide the information sought, the Manager may be unable to process your Application.
14. **Common Reporting Standard (CRS) Tax Residency:** If required under the CRS rules, you consent to the Manager providing any information relating to your CRS tax status to the New Zealand Inland Revenue Department ('IRD'). You will notify the Manager in writing immediately if you become a tax resident in any country other than New Zealand, and agree to provide additional information to the Manager on request.
15. Where this Application is executed by the trustees of a trust, references to "you" above will be deemed to be references to each of the trustees of that trust.

Unless they are wilfully negligent and / or dishonest, independent trustees are bound by these covenants as trustees under the relevant trust in their capacities as trustee and not personally.

Applicant(s) signature _____ Date: _____

Applicant(s) signature _____ Date: _____

Applicant(s) signature _____ Date: _____

Section 1A: Application Instructions

1. Complete Details

- Write in block letters.
- Insert your full name(s), IRD number(s), address(es), telephone number(s) and email address.
- Applications must be in the name(s) of natural person, companies or other legal entities.
- Application by a minor, trust, fund, estate, partnership, club or other unincorporated body cannot be accepted unless they are made in the individual name(s) of the person(s) who is (are) the legal guardian(s), trustee(s) proprietor(s), partner(s) or officer bearer(s) as appropriate.
- Insert bank account details for payment of distributions. Please include proof of the account holders name and the account number.

2. Signing

- Read the Application carefully and sign and date the Form.
- The Application must be signed by the applicant(s) personally, or by two directors of the company (or one director if there is only one director) or (in either case) by an attorney.
- If the Application is signed by an attorney, an original or certified copy of the relevant Power of Attorney must be lodged with the Application. The Manager will provide you with a certificate of non-revocation to complete.

- If applying as joint applicants, each of the joint applicants must sign the form.
- If applying as a trust, all trustees must sign the form.

3. Payment

- Payment of the full subscription amount must accompany the Application.
- Online banking can be made to

Lane Neave's Trust Account
Account No: 01 0797 0068976 02 Ref: MAI92011
Moorhouse Investor Funds

4. Closing Date

- 5pm on the Closing Date (being 15 January 2018), or such other date as the Manager may determine.

5. Delivery

- Applications cannot be revoked or withdrawn.
- Application forms must be mailed or delivered to Mainland Capital Investment Management Limited, 279 Montreal Street, Christchurch Central, Christchurch, PO Box 178, Christchurch 8140 or emailed to applications@mcap.co.nz

Section 1B: Application Instructions

Section 1: Application declaration ALL APPLICANTS TO COMPLETE

- ☐ Signed & dated

Section 2: Application details ALL APPLICANTS TO COMPLETE

- ☐ Signed & dated
- ☐ Attached proof of bank account (deposit slip)

Section 3: General AML/CFT Information ALL APPLICANTS TO COMPLETE

- ☐ Evidence of funds (if investing over \$500,000)
- ☐ Reason for Investing and Future Investment Intentions
- ☐ Politically Exposed Person declaration

Section 4: ID and Address Verifications ALL APPLICANTS TO COMPLETE

- ☐ Certified identity documents
- ☐ Proof of residential address
- ☐ Confirmation of tax residency declaration

Section 5: Trust ALL TRUSTS TO COMPLETE

The settlor and all trustees must provide the information required below:

- ☐ Certified proof of identity
- ☐ Proof of residential address
- ☐ Copy of trust deed(s)

Section 6: NZ Company ALL COMPANIES TO COMPLETE

All directors and shareholding of greater than 25% must provide:

- ☐ Certified proof of identity
- ☐ Proof of residential address

Section 7: NZ Partnership ALL PARTNERSHIPS TO COMPLETE

- ☐ Copy of Partnership Deed
- ☐ All partners must provide
- ☐ Certified proof of identity
- ☐ Proof of residential address

Section 2: Application Details

APPLICANT(S) TO COMPLETE (in BLOCK LETTERS)

Please provide full legal names of the investor. If you are applying as a Trust, include full names of all trustees, including any corporate or professional trustee company and all partners if investor is a partnership. Individuals must provide full names.

Legal First & Middle Names	Family Name	Date of Birth	IRD Number

Authorised persons – If any person is authorised to act on your behalf, please provide their details below:

Legal First & Middle Names	Family Name	Relationship

*An Authorised Person includes persons acting on your behalf, such as under a power of attorney.
These people must provide certified identify documents, verified proof of residential address and proof of authority
(if applicable, such as power of attorney document).*

Name of Trust / Company / Partnership / Other _____

IRD Number of Trust / Company / Partnership / Other _____

Postal Address in New Zealand including postcode _____

Postcode _____

PRIMARY CONTACT

Name _____ Mobile Phone _____

Daytime Contact Ph _____ Email _____

APPLICATION AMOUNT AND PAYMENT

Number of units _____ @NZD \$1 each ☐ Online banking Total Amount NZD\$ _____

Daytime Contact Ph _____ Email _____

Section 2: Continued

PAYMENT OF INVESTMENT MONIES

Applications must be accompanied by payment in full for the amount indicated above, unless advised otherwise by the Manager. Payment must be made in New Zealand dollars by bank transfer.

BANK TRANSFER - Please transfer the application monies to our solicitor's Lane Neave Trust Account below:

0	1	-	0	7	9	7	-	0	0	6	8	9	7	6	-	0	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Please include in the deposit details: Ref: MAI92011 Moorhouse investor funds

Particulars: Entity/Surname

YOU MUST INCLUDE THE INVESTORS NAME IN THE ACCOUNT PARTICULARS SO AS TO ENABLE YOUR PAYMENT OF THE FUNDS TO BE IDENTIFIED. IF YOU DO NOT DO THIS FURTHER VERIFICATIONS WILL BE REQUIRED FROM YOU.

Account name for distributions _____

Bank		Branch				Account Number								Suffix	

The nominated account must be a New Zealand bank account and will be used for all payments.

Note: You must enclose a bank encoded deposit slip, bank statement or confirmation from your bank verifying the bank account name and number. Mainland does not pay distributions to third parties on behalf of investors.

Please tick which applies: *Have you ever invested in any funds offered by Mainland?*

☐ Current investor

Please provide the name of other Mainland funds that you are an investor in:

☐ New investor - **New investors must provide the customer due diligence documentation with this Application. See Section 3 and complete the relevant sections of Mainland's Anti-Money Laundering Requirements**

☐ Investor in Moorhouse Central Proportionate Ownership Scheme - **Mainland will provide you with additional requirements about your Application.**

PLEASE NOTE THAT MAINLAND MAY REQUIRE FURTHER CUSTOMER DUE DILIGENCE IF IT DETERMINES THAT DETAILS HELD ARE INSUFFICIENT TO SATISFY ITS LEGAL OBLIGATION.

Applicant(s) signature _____ Date: _____

Applicant(s) signature _____ Date: _____

Applicant(s) signature _____ Date: _____

IF INVESTOR IS A TRUST ALL TRUSTEES MUST SIGN THE APPLICATION FORM.

Section 3: Anti-Money Laundering and Countering Financing of Terrorism Act 2009 – Customer Due Diligence – General Requirements

ALL CUSTOMER DUE DILIGENCE INFORMATION MUST BE CERTIFIED.

* Please refer next page for details on how to get your documents certified.

To be completed by the Applicant:

What is the source of your Funds? (please tick one*)

*Please provide evidence for your source¹

- ☐ Business profits
- ☐ Employment earnings
- ☐ Recent inheritance/gift (detail) _____
- ☐ Recent sale of investment (detail) _____
- ☐ Other (detail) _____

What is your reason for investing? (please tick any that apply)

- ☐ To provide an income stream
- ☐ Capital growth on investment
- ☐ Diversification
- ☐ Other (detail) _____

Do you intend to make any other investments with Mainland? (tick one)

- ☐ This is a one-off investment
- ☐ I intend to make additional investments in the next 12 months / 24 months [circle]
- ☐ Expected future investment \$.....
- ☐ Other (detail)

Are you a Politically Exposed Person?

A politically exposed person is an individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise.

Are you or any Authorised Person(s) either:

- ☐ A. Not applicable
 - ☐ B. An individual who holds, or has held at any time in the preceding 12 months, a "prominent public function" in any country (other than New Zealand);
- OR
- ☐ C. An immediate family member of a person referred to above (including spouse, partner, child, child's spouse/partner or parent)

If you have ticked B or C, please provide details of the public function held and the country:

¹ Mainland may in certain circumstances request additional information and/or supporting documents that verify the source of funds or wealth such as bank statements, sale and purchase agreements, payslips and any other documentation that shows the source of funds or wealth of the investor.

Section 3: Continued

Certification of Documents*

All identification address documents need to be current and certified as true copies by an independent New Zealand trusted referee.

A person who is authorised to certify documents must sight the original and the copy, and make sure both documents are identical. They must then make sure all pages have been certified as true copies by writing "I certify this is a true copy of the original document and represents the identity of the named individual" or stamping "certified true copy" followed by their signature, printed name, occupation and date.

The following persons are considered trusted referees and can certify copies of the originals as true and correct copies:
(Tick the appropriate capacity of trusted referee)

- ☐ Commonwealth Representative (as defined in the Oaths and Declarations);
- ☐ Member of the Police;
- ☐ Justice of the Peace;
- ☐ Kaumatua (as verified through a reputable source);
- ☐ Lawyer (as defined in the Lawyers and Conveyancers Act 2006);
- ☐ Notary Public;
- ☐ New Zealand Honorary Consul;
- ☐ Member of Parliament;
- ☐ Chartered Accountant (within the meaning of section 19 of the New Zealand Institute of Chartered Accountants Act 1996);
- ☐ Registered Medical Doctor;
- ☐ Mainland staff member; OR
- ☐ A person who has legal authority to take statutory declarations or the equivalent in New Zealand.

Please note that the certifier must be at least 16 years of age and cannot:

- be a spouse or partner of the Applicant;
- live at the same address as the Applicant;
- be involved in the transaction or business requiring certification;
- have an interest or ownership in the Trust; and
- be related to the Applicant.

Any identity documents must be current, certified, dated and signed by the trusted referee within the last three months.

If you act on behalf of another party you must provide full details of the relationship between you and the other party and documentary evidence of your authority to act (e.g. power of attorney with appropriate certificate of non-revocation).

What type of investor are you?

- | | |
|--|------------------------|
| <input type="checkbox"/> New Zealand resident individual | Go to Section 4 |
| <input type="checkbox"/> New Zealand company | Go to Section 5 |
| <input type="checkbox"/> Trust (trust/company, company with nominee shareholders or shares in bearer form) | Go to Section 6 |
| <input type="checkbox"/> Partnership | Go to Section 7 |

Section 4: New Zealand resident individual customer due diligence information requirements

PLEASE NOTE: IF THE APPLICANT IS A COMPANY OR TRUST THE PERSONS PROVIDING THEIR DETAILS IN RELATION TO THAT COMPANY OR TRUST WILL ALSO HAVE TO PROVIDE THE INFORMATION REQUIRED BY THIS SECTION.

Please refer to the table over the page for the certified* (A) proof of identity and (B) residential address you are required to provide:

A. PROOF OF IDENTITY

Option 1 – Certified* photocopy of one of (which must be current):

- ☐ Appropriate pages of New Zealand or overseas passport, containing your name, date of birth, photograph and signature New Zealand
- ☐ New Zealand firearms licence
- ☐ New Zealand certificate of identity (as issued under the Passports Act 1992)
- ☐ Overseas government-issued national identity card, containing your name, date of birth, photograph and signature

Option 2

Certified* photocopy of (which must be current):

- ☐ New Zealand driver licence

and certified* photocopy of one of (which must be current):

- ☐ ATM (eftpos) card, credit card or debit card issued by a New Zealand
- ☐ registered bank, provided your name and signature are on the card
- ☐ Bank account statement issued by a New Zealand registered bank in the 12 months immediately preceding the date of Application
- ☐ Statement issued by the New Zealand Inland Revenue Department in the 12 months immediately preceding the date of Application
- ☐ SuperGold card Community services card
- ☐ New Zealand Police Identification card
- ☐ New Zealand Defence Forces card
- ☐ New Zealand or overseas full birth certificate New Zealand or overseas citizenship certificate

B. PROOF OF RESIDENTIAL ADDRESS

Photocopy of one of the following documents issued within the last three months, addressed to you at your residential address. (Online statements, PDFs and documents addressed to PO Boxes are not accepted.)

- | | |
|---|--|
| <input type="checkbox"/> Utility bill | <input type="checkbox"/> Car registration document |
| <input type="checkbox"/> Bank account statement | <input type="checkbox"/> Insurance policy document |
| <input type="checkbox"/> Rates bill | <input type="checkbox"/> Statement issued by the IRD |

Please note: without your customer due diligence information, Mainland cannot accept your Application. Please ensure all proof of identity documentation is certified by an approved certifier.

C. CONFIRMATION OF TAX RESIDENCY

- ☐ This offer is only open to New Zealand residents. Tick if you are also a tax resident in any country other than New Zealand. We may require further information from you.

Section 5: Trust

Trust/company, New Zealand company with nominee shareholders or shares in bearer form. Customer due diligence information requirements.

Trusts: Please provide a copy of the trust deed (tick if provided)

Trust Name _____

Trustees' Names _____

_____ add pages if required

Please note that ALL TRUSTEES must provide the information required below (tick if provided)

☐ **Proof of Identity:** please provide the information requested in relation to New Zealand Resident Individuals in Section 4

☐ **Proof of residential address:** please provide the information requested in relation to New Zealand Resident Individuals in Section 4.

*Please note: without your customer due diligence information, Mainland cannot accept your Application.
Please ensure all proof of identity documentation is certified by an approved certifier.*

Source of funds or wealth of the investor (Section 3) (tick if provided)

To identify the source of funds or the wealth of a trust;

- Identify the individuals who are the settlor(s), and the origin of the settlor's wealth (for example, the settlor may have inherited family wealth, accumulated business earnings, or funds from the sale of property); and/or
- Identify the source of any income that the trust is receiving (for example, it may be income from an underlying company or simply a monthly deposit from a family bank)

Please provide all relevant information relating to the source of funds or the wealth of the investor. This may include supporting documents that verify the source of funds or wealth such as bank statements, sale and purchase agreements, payslips and any other documentation that shows the source of funds or wealth of the investor. Mainland needs to have sufficient evidence and understanding of how the funds or wealth was procured.

Is this a Charitable Trust? ☐ Yes ☐ No

(If "yes" please state the objects of the Charitable Trust below)

Is this a Discretionary Trust or a Trust with more than 10 beneficiaries? ☐ Yes ☐ No

(If "yes" please provide description of each class or type of Beneficiary below)

If the Trust is NOT a Discretionary Trust or is a Trust with LESS THAN 10 beneficiaries, please provide name and date of birth of all beneficiaries of the Trust below

Section 5: Trust Continued

BENEFICIARIES OF TRUST THAT IS NOT A DISCRETIONARY TRUST OR TRUST WITH LESS THAN 10 BENEFICIARIES/COMPANY WITH NOMINEE SHAREHOLDERS OR SHARES IN BEARER FORM.

Name	Date of birth	Beneficiary/Shareholder has provided information in Section 4
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No

Please note: without your customer due diligence information, Mainland cannot accept your Application. Please ensure all proof of identity documentation is certified by an approved certifier.

Tax Residency Confirmation (Common Reporting Standard Requirements)

– all trusts to complete

- ☐ **Tax Residency:** Tick if any person providing information as required by Section 4, or any beneficiaries who have received a distribution from the trust, are a tax resident in a country other than New Zealand. We will contact you for further information.

Section 6: Company

Customer due diligence information requirements

Mainland will undertake customer due diligence on each New Zealand company.

However, please arrange for any Shareholder that holds more than 25% of the shares in the company, all directors and any other person who has effective control of the company or any person acting on behalf of the company to complete the table below and to provide the information referred to in Section 4. The Manager may, at its discretion, also require other people involved in the company to provide the information in Section 4.

SHAREHOLDER HOLDING MORE THAN 25% OF THE SHARES IN THE COMPANY OR HAS EFFECTIVE CONTROL OF THE COMPANY OR WHO IS A PERSON ACTING ON BEHALF OF A COMPANY.

Name	Acting on behalf of company	Shareholding %	Shareholder has provided information in Section 4 (tick if provided)
	Y/N		<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

Tax Residency Confirmation (Common Reporting Standard Requirements)

☐ **Tax Residency:** Tick if any person providing information as required by Section 4 is a tax resident in a country other than New Zealand. We will contact you for further information.

Section 7: Partnership

Partnership - Customer due diligence information requirements.

☐ Please provide a copy of the Partnership Deed (tick if provided)

Partnership Name _____

Partners' Names _____

_____ add pages if required

Please note that ALL PARTNERS must provide the information required below (tick if provided)

☐ **Proof of Identity:** please provide the information requested in relation to New Zealand Resident Individuals in Section 4

☐ **Proof of residential address:** please provide the information requested in relation to New Zealand Resident Individuals in Section 4

Tax Residency Confirmation (Common Reporting Standard Requirements)

☐ **Tax Residency:** Tick if any person providing information as required by Section 4 is a tax resident in a country other than New Zealand. We will contact you for further information.

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