

OTHER MATERIAL INFORMATION

OYSTER DIRECT PROPERTY FUND

This Other Material Information Document has been prepared to meet the requirements of section 57(1)(b) of the Financial Markets Conduct Act 2013 and clause 50(e) of Schedule 5 to the Financial Markets Conduct Regulations 2014 (FMCR) in relation to an offer of Units in the Oyster Direct Property Fund, as set out in a product disclosure statement (PDS) dated 1 May 2019.

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

Dated: 1 May 2019

1. Pricing of Units

Unit prices are determined monthly on the last day of the month using the Adjusted Net Asset Value of the Fund.

The Adjusted Net Asset Value of the Fund is calculated using 'Total equity' from the management accounts and making the following adjustments to take into account the Fund's investment activity. The following adjustments are non GAAP adjustments and therefore are not reflected in the Fund's audited financial statements and management accounts.

- ***Establishment costs***

Fund establishment costs such as the Acquisition Fee on the initial offer, the Brokerage Fee, due diligence costs and legal costs. These amounts will be amortised on a 'straight line' basis over five years from the date the Fund was established on 6 July 2016. On the wind up of the Fund, any remaining amount will be reduced to zero.

- ***Premium to Net Asset Value***

Where the Fund purchases an asset (such as a Property Investment) for a cost above the proportionate share of the asset's underlying net asset value (as recorded in the Property Scheme's financial accounts) and it records the value of the asset at the underlying net asset value rather than its acquisition cost, the Adjusted Net Asset Value will be increased by the amount equal to the difference between the acquisition cost and the underlying net asset value. This amount will be amortised on a 'straight line' basis over five years from the time the asset is acquired. On the sale of all or part of the asset, any remaining amount will be reduced to zero; as at 31 January 2019 there is no Unit price adjustment in relation to this.

- ***Disposal cost provision***

Where a Property has been purchased by the Fund a provision against the value of the asset for the anticipated costs of selling the asset. This provision will be recognised over five years from the time the asset is first acquired. The provision for any particular asset will be amended to reflect the actual costs of selling the asset once known and reduced to zero once the asset is sold.

The objective of the difference in treatment between the financial statements/management accounts of the Fund and the pricing of Units is to spread the impact on the Fund's net asset value and the corresponding impact on the price over five years.

If the Fund was to be wound up at any point during the next five years any remaining amount to be amortised will be reduced to zero. The impact of this would mean the Adjusted Net Asset Value of the Fund would equal the total equity of the Fund.

Illustrative example of the difference between the unit value in the financial statements and the Unit Price.

Net Asset Value Calculation as at 31 March 2019	For Pricing of Units (Adjusted Net Asset Value)	In Financial Statements (Net Asset Value)
Total Equity as per Statement of Financial Position	\$67,283,518	\$67,283,518
Establishment costs still to be amortised over five years (27 months remaining)	\$541,873	-
Direct property disposal costs amortised over five years	-\$21,600	-
Net Asset Value	\$67,803,791	\$67,283,518
Number of Units on Issue	56,768,382	56,768,382
Price per Unit	\$1.1944	\$1.1852

*The table above uses figures from the unaudited management accounts for the Fund as at 31 March 2019.
The Adjusted Net Asset Value in the table above is not calculated in accordance with GAAP.*

Refer to "Pricing of Units" on page 35 of the PDS for details

2. Fee Assumptions

The fees paid to Oyster (and its associated persons) and others stated under Section 7 of the PDS:

- for the year to 31 March 2018, are derived from the Fund's and each Property Scheme's audited 31 March 2018 financial statements; and
- for the year to 31 March 2019, are derived from the Fund's and each Property Scheme's unaudited management accounts to 31 March 2019.

As these are historical fees, there are no principal assumptions on which any fees have been estimated under Section 7 of the PDS.