

Augusta Property Fund.

PRODUCT DISCLOSURE STATEMENT FOR AN OFFER OF UNITS IN THE AUGUSTA PROPERTY FUND

Issued by Augusta Funds Management Limited - 14 July 2020

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer at <https://disclose-register.companiesoffice.govt.nz>. Augusta Funds 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.



AUGUSTA
PROPERTY FUND



FMG Stadium Waikato

Seddon Park

Waikato River

Waikato Museum

Hamilton Fire Station

Tristram Street

Thackeray Street

Anglesea Clinic Pharmacy

Cafe Cucina

Anglesea Hospital

Hamilton Radiology

Anglesea A&E

Pathlab Waikato

Ar glesea Gynaecology

St Peter's Cathedral

Anglesea Street

Hamilton High Court

Boundary lines indicative only

1. KEY INFORMATION SUMMARY

1.1 What Is This?

This is an offer of units in the Augusta Property Fund (the Fund). Your money will be pooled with other investors' money and invested. Augusta Funds Management Limited (the Manager) invests the money in assets, such as the Anglesea Medical Centre located in Hamilton, and takes fees. The assets and fees are described in this document. By investing in this scheme, you are relying on the investment decisions of the Manager and returns from the assets that the scheme invests in. There is a risk that you may lose some or all of the money you invest.

1.2 Who Manages This Scheme?

Augusta Funds Management Limited is the manager of the Fund. See "About Augusta Funds Management Limited and others involved in the Augusta Property Fund" in section 10 for further details.

1.3 What Are You Investing In?

Prospective investors should be aware that this is an offer of units in a unit trust. It has been structured as a long-term investment vehicle. The Fund will initially invest in the Anglesea Medical Centre located on the corner of Anglesea, Tristram and Thackeray Streets, Hamilton (the *Anglesea Medical Centre*).

The costs of establishing the Fund and acquiring the Anglesea Medical Centre are:

Purchase price	\$55,000,000
Establishment costs	\$3,547,435
Total	\$58,547,435
Funded by:	
Subscriptions	\$35,500,000
Debt	\$23,047,435
Total	\$58,547,435

The debt will be funded by way of an interest only syndicated loan facility secured over the Fund's Assets provided by ASB and ICBC. To the extent oversubscriptions are accepted, the amount of debt drawn may be lower.

Investment Objectives

The Fund has a long-term investment horizon. The primary objectives of the Fund are to:

- provide Investors with a regular cash distribution;
- diversify and grow the Fund's investment portfolio by acquiring additional properties and property related investments; and
- increase the Net Asset Value of the Fund and, as a consequence, increase the value of Units.

Investment Strategy

The Fund will invest in property, either directly or indirectly, to generate a stable income stream to support the Fund's monthly distribution over time.

1. KEY INFORMATION SUMMARY (CONT.)

1.4 Key Terms of the Offer

Products on Offer	Units in the Fund
Price per Unit	\$1.00 per Unit
Number of Units	35,500,000 Units. Oversubscriptions of up to 3,000,000 Units may be accepted. To ensure it maintains a 10% holding in the Fund, Augusta Capital, the Manager's parent, will subscribe for a minimum of 3,550,000 Units.
Opening Date	22 July 2020
Closing Date	11 September 2020
Subscriptions	Units available in multiples of 1,000 with a 10,000 Unit (\$10,000) minimum investment in regards to this Offer.
Minimum Holding	Transfers and redemptions will not be processed if these result in an Investor holding less than 10,000 Units.
Cash Distributions	Monthly, on the 20th of each month, paid in arrears. See page 34 for more details. The first distribution payment will be paid by 20 November 2020.
No Underwrite	This Offer is not underwritten.
Offer to investors	This Offer is only being made to potential investors in New Zealand and Australia.

1.5 How You Can Get Your Money Out

As at the date of this PDS, the Units are not redeemable.

Under the Trust Deed, from July 2022 or such later date as determined by the Manager, the Fund may offer monthly redemptions of Units. Further information on redemptions is set out in section 4 "Terms of the Offer" on page 32.

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.

1.6 Key Drivers of Returns

The key current and future aspects of the Fund that will or may, have an impact on the Fund's financial performance (and the key strategies and plans for those aspects) are:

- *Interest rates:* Interest expense incurred by the Fund as a result of bank borrowings is a material expense for the Fund. Interest rates consist of a base rate and a margin. On establishment, base rates will be floating and margins will be fixed under the syndicated loan facility until expiry of the initial loan term or when the loan is refinanced. The Manager will manage interest rates throughout the life of the Fund as described on page 18.
- *Rental income and occupancy:* Increases in the Fund's income will be driven by rent review provisions in leases across the Fund's property portfolio (initially just the Anglesea Medical Centre), as well as either retention of tenants on lease expiry or re-leasing current vacant space to new tenants. There are various market rent reviews across the leases, either at fixed periods during a lease or on renewal. There is no guarantee of rental increases.
- *Lengthening the Fund's WALT:* the WALT is 3.88 years as at 14 July 2020. The Manager intends to actively engage with tenants to extend or renew their leases.
- *Capital Growth:* The change in value of a Unit is tied to the change in value of the Fund's assets and the Fund's debt. The value of the Fund's assets (see page 18) will be influenced by multiple factors, including the property market, occupancy, capital expenditure, changes in rental paid by tenants and the remaining term of the leases of the property.

1.7 Augusta Property Fund's Financial Information

Gearing Ratio

On acquisition of the Anglesea Medical Centre and issue of the Units	41.3%	The “gearing ratio” tells you how much the Fund owes (debt) as a portion of what it owns (assets, including cash). The higher the gearing ratio, the greater the Fund’s exposure to risk from movements in interest rates or the requirement to repay debt should it not be able to be renewed or refinanced on expiry.
at 31 March 2021	42.7%	
at 31 March 2022	43.4%	

Interest Cover Ratio

period ending 31 March 2021	3.23 times	The “interest cover ratio” tells you how much the Fund’s net income exceeds interest on its debt (as a multiple).
period ending 31 March 2022	3.30 times	
Forecast Pre-Tax Cash Return	<ul style="list-style-type: none"> • 6 cents per Unit on an annualised basis for the period ending 31 March 2021; and • 6 cents per Unit per annum for the first full year ending 31 March 2022. 	<p>These returns are not guaranteed. The actual distribution rates may vary.</p> <p>Post-tax returns depend on the timing of income recognition and tax deductions. This can change due to the nature of capital works, the type of lease incentives provided, and when expenditure, such as repairs and maintenance, capital expenditure and leasing fees, are incurred.</p>
Forecast Post-Tax Cash Return	<ul style="list-style-type: none"> • 5.84 cents per Unit on an annualised basis for the period ending 31 March 2021; and • 5.72 cents per Unit per annum for the first full year ending 31 March 2022* <p>*Based on the maximum tax rate of 28%.</p>	

Further information about how the gearing ratio and interest cover ratio are calculated and serviced is included on page 44.

Valuation

The Anglesea Medical Centre was independently valued at \$55,200,000 plus GST (if any) as at 30 June 2020 in accordance with current Australian and New Zealand Property Institute Valuation and Property Standards, using both a capitalisation of net income and discounted cash flow approach.

1. KEY INFORMATION SUMMARY (CONT.)

1.8 Key Risks of This Investment

Investments in managed investment schemes are risky. You should consider whether the degree of uncertainty about the Augusta Property Fund'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 are:

- *Changes in interest rates:* The return to Investors is subject to interest rate variations on the Fund's borrowings (refer to page 29 for a summary of its borrowings). Interest rate movements are unable to be accurately predicted. To manage this risk, at establishment, the Manager intends to transact interest rate swap agreements that effectively fix the base rate on 50% of the Fund's long-term drawn debt forecast for a period of up to four years. Margins are fixed until expiry of the initial three year loan term or when the loan is refinanced.
- *Valuation risk:* Property market conditions, the economic environment and fluctuations in supply and demand for commercial properties will affect the value of the Anglesea Medical Centre. The value of the Anglesea Medical Centre directly impacts the value per Unit held in the Fund. The current economic environment, as a result of COVID-19, has been factored into the valuation of the property, however the valuation has been prepared on the basis of 'market volatility and uncertainty associated with novel coronavirus'. Less certainty, and a higher degree of caution, should be applied when relying on the valuation than is normally the case.
- *Rental income risk* - The primary income stream for the Fund is rental income. As a result, the Fund is subject to the risk of tenants failing to pay their rent and/or operating expenses and to tenancies becoming vacant on lease expiry. This risk may be increased as a result of the economic environment arising from COVID-19 and the economic/market impact on businesses. In this instance, the Manager considers this risk is mitigated by the healthcare sector that the Anglesea Medical Centre is focused on and the number of tenants at the property but the risk cannot be discounted. If tenants fail to pay and/or tenancies become vacant this drop in income could result in a breach of banking covenants, dependent on the extent to which income dropped, and there may be a material impact on returns if the default or vacancy is from a larger tenant or several smaller tenants. To mitigate this risk in the current economic environment, the Manager is also providing an underwrite of rental income for the six month period following settlement, capped at \$500,000.

This summary does not cover all of the risks. You should also read section 7 "Risks to returns from the Augusta Property Fund" on page 45.

1.9 What Fees Will You Pay?

The table below summarises the fees and expenses that the Fund will be charged. Further information about fees is set out in section 8 "What are the Fees?"

Establishment Costs	
Manager and associated persons' fees on establishment of the Fund	
Manager's offeror fee	\$1,995,000
Interest on Anglesea Medical Centre deposit	\$76,548
Manager and associated persons' aggregate fees for establishment of the Fund	\$2,071,548
Other fees for establishment of the Fund	
Brokerage fees	\$559,125
Legal fees	\$325,000
Investigating accountant fee	\$90,000
Valuation fees	\$26,250
Chattels valuation fees	\$17,844
Building inspection fees	\$52,506
Supervisor	\$10,000
Marketing	\$259,625
Bank fees and bank legal costs	\$115,537
PDS and scheme registration fee and FMA levy	\$5,000
Registry establishment fees	\$15,000
Other fees for establishment of the Fund	\$1,475,887
Total fees for establishment of the Fund	\$3,547,435

Ongoing fees and expenses (payable for the duration of the Fund)

The Manager and its associated persons' aggregate fees for the accounting periods to:	31 March 2021 will be \$2,366,153 plus GST, which as a percentage of net assets of the Fund is anticipated to be 7.34%*
	31 March 2022 will be \$320,842 plus GST, which as a percentage of net assets of the Fund is anticipated to be 1.01%
Other persons' aggregate fees and expenses (including interest expenses but excluding amortised finance costs) for the accounting periods to:	31 March 2021 will be \$2,586,542 plus GST, which as a percentage of net assets of the Fund is anticipated to be 8.03%*
	31 March 2022 will be \$2,539,291 plus GST, which as a percentage of net assets of the Fund is anticipated to be 7.97%

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

1.10 How Will Your Investment Be Taxed?

It is intended the Fund will register to be a multi-rate portfolio investment entity (PIE). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR go to the Inland Revenue Department's website <https://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate>. See section 9 of the PDS (Tax) on page 62 for more information.

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DEAR INVESTOR

At Augusta our approach is, and will always remain, conservative with a focus on offering investments that aim to provide sustainable returns over the long term. Established in 2001, we are one of New Zealand's leading and largest property fund managers with a strong track record of managing investors' capital with approximately \$1.8 billion of assets under management. We pride ourselves on selecting quality assets with strong long-term fundamentals. We also concentrate on meeting our investors' needs in an open and transparent way.

As you may know, Augusta originally launched the Augusta Property Fund offer in February this year. As the extraordinary circumstances of COVID-19 and subsequent impact of New Zealand's "Alert Level Four" became apparent, the Augusta Funds Management Board decided representations made in the initial Product Disclosure Statement were no longer correct. The initial offer was therefore withdrawn, investors' funds reimbursed and the original fund closed.

After careful consideration Augusta Funds Management has made the decision to re-launch the Augusta Property Fund offer with the Anglesea Medical Centre as the initial fund asset. Located in Hamilton's CBD, in Augusta's opinion, it is one of New Zealand's largest private health care centres (details below and on page 13). The intention of the Augusta Property Fund will be to grow over time to provide investors with exposure to a variety of property investments within the one investment vehicle.

As an overview of the initial asset, Anglesea Medical Centre offers income diversification through 28 tenants with a key feature being the tenants' commitment to the property with the ten largest having been on site for between 10 and 27 years. The 2.4 hectare site contains three main buildings and is located in a prime corner position benefiting from three road frontages.

The property provides value add opportunities through several strategies. These include the Manager's intention to actively engage with tenants to extend or renew leases along with a planned and budgeted capital expenditure programme. With relatively low site cover along with flexible zoning there are also potential refurbishment and reconfiguration opportunities.

The property is home to many of the Waikato's leading private medical and healthcare tenants including the only private facility in the broader Hamilton area with the right to operate a 24-hour accident and emergency (A&E) centre and one of New Zealand's largest pathology

service providers, Pathlab, with their facility being one of the most advanced laboratories in the Southern Hemisphere.

To provide additional assurance to investors, the Manager will provide a rental underwrite for a period of 6 months from settlement up to \$500,000 (as more particularly described on page 21).

Bayleys Research has provided commentary on the healthcare sector on page 27. A summary of the highlights is below.

The prospects for the New Zealand medical and healthcare property sector remain attractive. Given New Zealand's core demographic trends, including population growth, increasing life expectancies and an ageing population, demand for health related services is expected to continue to grow. Healthcare property performance benefits from these long-term demographic drivers, and the fact that health expenditure is often mandatory. The New Zealand government's overall health budget has reached a record \$20.104 billion, including the largest ever increase in funding to District Health Boards, a \$3.92 billion injection to be apportioned over four years. The economy itself is not the key demand driver for the healthcare sector, therefore healthcare property presents desirable non-cyclical and defensive characteristics. By reason of these particular characteristics the sector is considered well placed to outperform other sub-sectors within the property market.

Investment in the Augusta Property Fund offers a forecast **pre-tax return** of 6.0%* on an annualised basis paid to investors monthly. Importantly, as part of the government's stimulus package in response to COVID-19, tax deductions for depreciation of commercial and industrial buildings have been reinstated, a major benefit for investors. With the Augusta Property Fund's PIE (Portfolio Investment Entity) structure the maximum tax rate for your investment will be 28%. Based on this maximum tax rate, the forecast **post-tax return** is 5.84%* on an annualised basis for the first financial period ending 31 March 2021 and 5.72%* per annum for the following financial year.

As noted previously the Augusta Property Fund's intention is to grow over time. Through this strategy the fund aims to diversify its portfolio by acquiring additional properties, therefore further mitigating the risks to both capital and cashflow that can be associated with property ownership, an even more important consideration in the current economic environment. Importantly, all future investments by the Augusta Property Fund, whether directly owned assets or other property related investments will be strategically selected for their ability to contribute to the diversification, yield, capital growth and liquidity.

Augusta Capital will be the cornerstone investor in Augusta Property Fund, holding a minimum of 10% of the units on offer, aligning Augusta's interests with the investors and providing a significant incentive to ensure the strong performance of the Fund.

By way of update on Augusta Capital, you may have read that Centuria Capital Group has made a full takeover offer, via its wholly owned subsidiary Centuria New Zealand Holdings Limited, to purchase all of the fully paid ordinary shares in Augusta Capital.

Centuria Capital originally entered into an agreement with Augusta in January this year which was withdrawn due to events related directly to COVID-19, however took up a 23.3% shareholding in Augusta during the company's equity raise in May which was well received by both institutional and retail investors. On 8 July 2020, Centuria New Zealand declared the offer unconditional and as at 8 July 2020 Centuria New Zealand had acceptances which gave it control of approximately 65.8% of Augusta Capital's shares.

Centuria has a strong track record with 35 years' experience, is ASX-listed, has a market capitalisation of approximately A\$807 million (as at market close on 10 July 2020) and A\$7.2 billion of assets under management. Centuria's Joint Chief Executives are New Zealanders currently living in Australia.

The Independent Directors of Augusta Capital have agreed to unanimously recommend Centuria's acquisition of Augusta. The enlarged group would represent one of Australasia's largest and leading funds management platforms with assets under management increasing to A\$8.9 billion post completion. There is a natural alignment on strategic goals, fund management approach and values between the two organisations. We believe that Centuria Capital Group will bring added capability that our long standing investors would continue to benefit from. We are confident that the takeover offer aligns with the interests of Augusta Capital shareholders and both current and future investors in both Augusta's single asset and fund investments.

Importantly, investors' day-to-day relationship with the Augusta team will not change – it's 'business as usual'. We (Mark Francis and Bryce Barnett) will continue as employees leading the New Zealand business.

Investment in the Augusta Property Fund is available in multiples of \$1,000 (with a minimum investment of \$10,000). We believe this lower entry point increases accessibility for investors whilst also allowing our larger investors flexibility in the quantum of their investment. Our wide range of investors includes those with the minimum (\$10,000) right through to many with several million dollars invested across several offerings.

We remain committed to the establishment of the Augusta Property Fund and its alignment with our investment philosophy. With the initial asset's strong long term fundamentals including a high profile CBD location, large 2.4 hectare site, value add potential and income diversification provided through 28 tenants in an attractive sector of the property market, we expect strong interest in the offer and recommend your earliest attention.

This PDS contains important information about this offer. We encourage you to read the PDS carefully and consider in particular section 7 on "Risks to Returns from the Augusta Property Fund" before making your investment decision.

We look forward to investing with you in the Augusta Property Fund.




Mark Francis
Managing Director




Bryce Barnett
Executive Director

* Based on \$1 Unit price. Details of how the forecast pre-tax and post-tax returns are calculated and the risks associated with this investment can be found on pages 39 and 45 to 53.

2. WHAT THE AUGUSTA PROPERTY FUND INVESTS IN

In this section, you will find information on:

- the key features of the Fund;
- factors that may affect the financial performance of the Fund and Investors' returns;
- how the Fund is managed;
- the acquisition of the Anglesea Medical Centre; and
- the borrowing sources of the Fund.

Key Features of the Scheme (Fund)

The key features of the Fund are set out below.

Statement of Investment Policy and Objectives and Investment Strategy

The Manager has adopted a Statement of Investment Policy and Objectives (*SIPO*) for the Fund which sets out the:

- investment policies, objectives and strategies for the Fund in respect of the Manager's investment in the Anglesea Medical Centre and Current Authorised Investments; and
- policies the Manager will apply in respect of its management and its investment performance monitoring benchmarks.

The Fund has been established to hold a diversified portfolio of property investments. Initially, the Fund will invest in properties either directly or indirectly through holdings in other managed investment schemes/funds. The Fund may also act as an underwriter for managed investment schemes' and managed funds' capital raising.

Investment Strategy

The Fund will invest in property, either directly or indirectly, to generate a stable income stream to support the Fund's monthly distribution over time. Underwriting positions will be taken to enhance returns. The Fund intends to hold a range of property investments providing diversification by property, sector, geographic location and tenancy mix.

Current Authorised Investments

The authorised investments, as at the date of this PDS, are:

- Directly owned real estate;
- Interests in property managed investment schemes;
- Interests in property managed funds;
- Underwriting of property managed investment schemes' and property managed funds' capital raising;
- Cash;
- Derivatives; and
- Other assets arising in connection with the above,

(the *Current Authorised Investments*).

The Manager intends to apply for a Licence Variation to allow the Fund to invest in the following investments:

- Interests in property companies;
- Interests in listed property vehicles;
- Underwriting of other property entity's capital raisings, including property companies and listed property vehicles;
- Debt securities;
- Interests in operating businesses associated with or connected to directly owned real estate acquired by the Fund;
- Loans to entities in which the Fund holds or intends to hold an equity investment in; and
- Other assets arising in connection with the above,

(the *Proposed Authorised Investments*).

Investment Objectives

The Fund has a long-term investment horizon. The primary objectives of the Fund are to:

- provide Investors a regular monthly cash distribution;
- diversify and grow the Fund's investment portfolio by acquiring additional properties and property related investments; and
- increase the Net Asset Value of the Fund and, as a consequence, increase the value of Units.

Investment Policies

The key policies of the Manager in respect of implementing the above investment objectives and strategy are set out in the SIPO, being:

- *Cash flow management:* The Manager will manage the Fund's cash flow and hold liquidity reserves in such a way as to not cause undue risk or expense to the Fund by incurring only costs that are deemed appropriate and reasonable, maintaining and regularly reviewing a cash flow budget to allow early identification of potential problems and maintaining discretion to offer redemptions and issue Units. Particular circumstances set out in the SIPO may result in an increase or decrease in distributions.
- *Interest cover:* Maintained at not less than two times the interest expense (the Fund's income is at least two times the Fund's interest expense).
- *Hedging/interest rate policy:* The main expense of the Fund will be interest on its bank borrowings. The Manager will actively manage the Fund's interest rates by adopting the strategies described on page 18.
- *Gearing:* The Fund has a long-term target gearing range of between 42.5% and 47.5%, with the ability to increase gearing above this level on a short-term basis to facilitate acquisitions, redemptions, capital expenditure and fund underwriting if called. The maximum allowable loan amount is 55% of the aggregate value of the Fund's assets (calculated on a Look-Through basis).

- *Valuation:* The Fund's directly held properties will be valued on 31 March 2021 and at least annually thereafter. Valuations will be managed in line with the Manager's valuation policies.
- *Conflicts of Interest:* The Manager maintains a conflicts of interest policy that governs the way conflicts and related party transactions are managed. Conflicts are dealt with on arm's length commercial terms. Each director and employee has an obligation to act in the best interests of Investors.

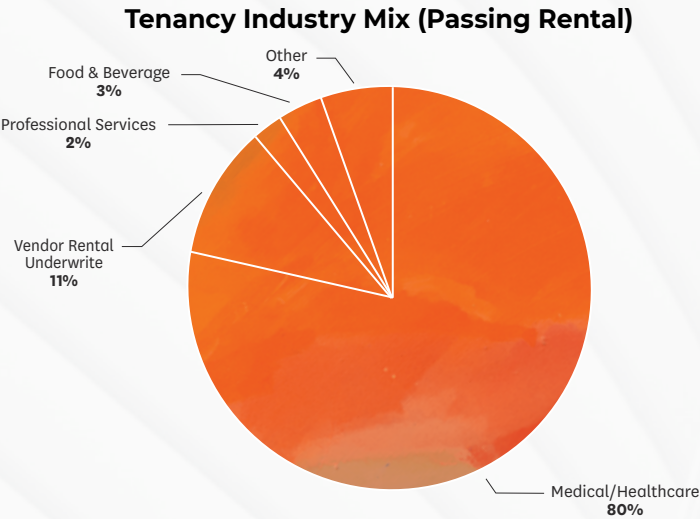
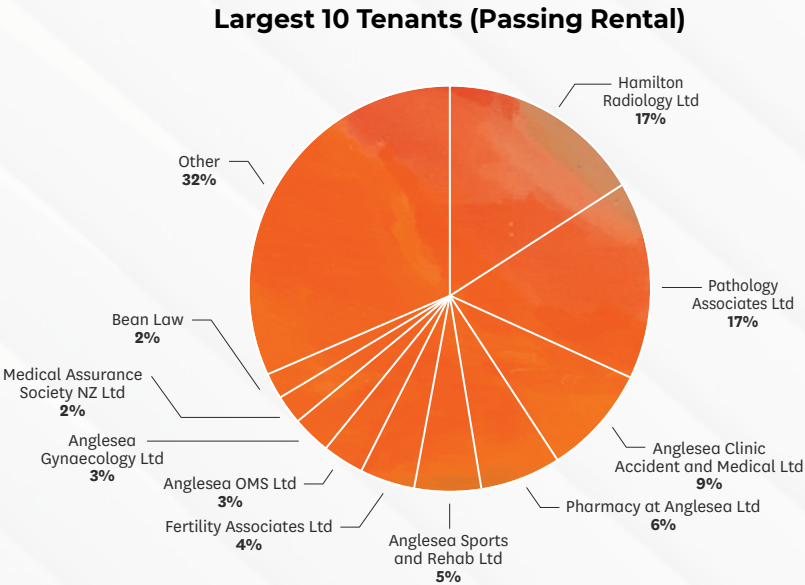
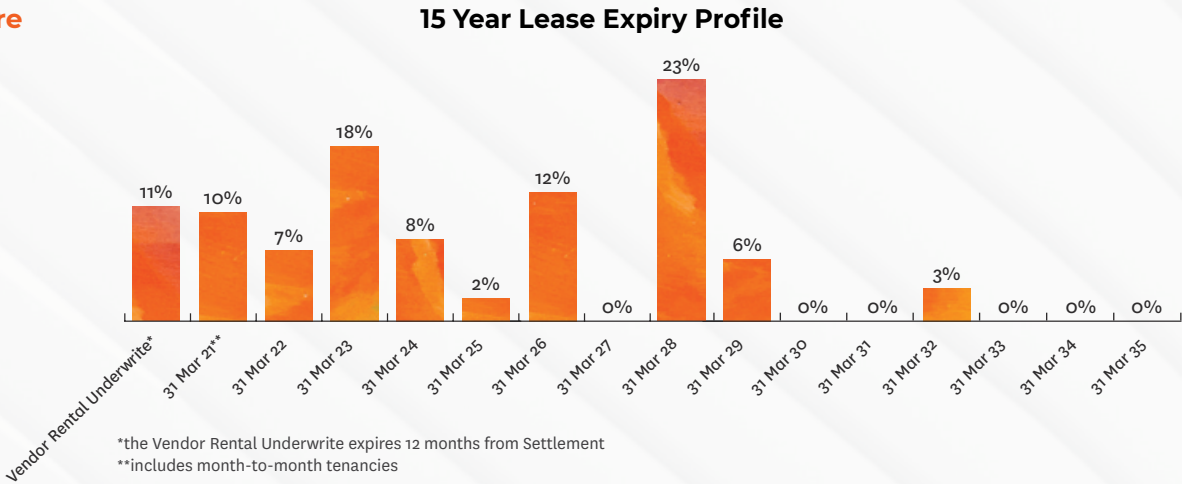
The SIPO may be amended by the Manager following consultation with the supervisor of the Fund, Covenant Trustee Services Limited.

A full copy of the SIPO is available on the Scheme Register at

<https://disclose-register.companiesoffice.govt.nz> by searching "SCH12900" under "search schemes".

2. WHAT THE AUGUSTA PROPERTY FUND INVESTS IN (CONT.)

Anglesea Medical Centre
as at 14 July 2020



Note: For the purposes of this graph the Vendor Rental Underwrite has been included in the Other category. The Vendor Rental Underwrite expires 12 months from Settlement.



Anglesea Medical Centre.

2. WHAT THE AUGUSTA PROPERTY FUND INVESTS IN (CONT.)



Anglesea Medical Centre

Waikato's largest private Medical Complex with 28 established tenants

The largest nine tenants (66% of the annualised rent) have been in occupancy for between 14 and 28 years.

Corner of Anglesea, Tristram and Thackeray Streets, Hamilton



Boundary lines indicative only.

28

TENANTS

3.88

WALT

89%

OCCUPANCY

12.6K

NLA (sqm)

~375

CARPARKS

The Anglesea Medical Centre is the largest private medical complex in Waikato with a net lettable area of 12,573sqm. The majority of the 28 tenants are medical and healthcare service providers, with low reliance on any one tenant providing diversification of the income stream. The large 24,383 sqm freehold site features three main buildings – Anglesea Clinic, Symmans House and John Sullivan House – as well as other smaller buildings, associated land and 375 carparks.

The comprehensive private medical services offered at the property include pathology, radiology and a broad range of specialist services. It is the only private facility in the broader Hamilton region with the right to operate a 24-hour accident and emergency (A&E) clinic.

The Tenants

Of the 28 tenants and the Vendor Rental Underwrite, 80% of the annualised rent is from medical/healthcare service providers. Demand for private medical services in Waikato is expected to remain strong driven by continued population and economic growth, constraints on the public health sector and an ageing population.

A key feature of the property is the tenants' commitment to the site and location with the top nine tenants of the property (excluding the Vendor Rental Underwrite) accounting for 66% of the annualised rent and having tenures of between 14 and 28 years at the Anglesea Medical Centre. The property has a WALT of 3.88 years (as at 14 July 2020).¹

Flagship tenants include;

- a) **Anglesea Clinic Urgent Care** – Hamilton's leading private A&E with an exclusive licence to operate 24/7;
- b) **Pathlab** – One of New Zealand's largest pathology service providers. Pathlab's Anglesea Medical Centre facility is one of the most advanced laboratories in the Southern Hemisphere;
- c) **Hamilton Radiology** – A long-standing private radiology practice which operates in ten locations in Waikato. Anglesea Medical Centre is Hamilton Radiology's main facility;
- d) **Fertility Associates** – The only provider of public and privately funded fertility treatment in the Waikato region;
- e) **Anglesea Pharmacy** – One of Anglesea Medical Centre's founding tenants. Anglesea Pharmacy provides a full dispensary and general medical service.

¹ The vacant units that are earmarked for demolition at the Anglesea Medical Centre under the Anglesea Medical Centre Vendor's proposed redevelopment plan, are excluded from the calculation of property metrics and the Vendor Rental Underwrite described in further detail on page 21.

Location

Anglesea Medical Centre is located in Hamilton's CBD and is surrounded by major transport routes. Of note is the property's close proximity to Waikato's primary public hospital, only 2km away.

The property is surrounded by a range of other commercial operations including a five storey paid car park, three storey office block, "big box" retailers, a new office building development (Union Square) and motor vehicle dealerships. Three street frontages on Thackeray Street, Tristram Street and Anglesea Street provide three main entrance points enhancing public accessibility. Tenant car parking is accessed through a separate entry on Clarence Street.

The location provides flexible local zoning permits with a broad range of potential uses and building heights (restrictions of 16-20m). There is relatively low site cover at the property with ground floor net lettable area representing approximately 30% of total site area. Both of these points bode well for potential refurbishment and reconfiguration opportunities.

Features of Anglesea Medical Centre

Established as a Medical Centre in 1992 the site has been incrementally developed over time. The most recent developments include the new café/retail block in 2017 and the pharmacy extension in 2018.

The Anglesea Medical Centre is made up of three main buildings and features 375 car park spaces.

Purchase Price	\$55,000,000	
Valuation	\$55,200,000 (as at 30 June 2020)	
WALT	3.88 (as at 14 July 2020)	
Occupancy	89% (excluding underwrite). The Vendor has underwritten the vacant space for 12 months. The underwrite amount can also be used for lease incentives. Refer to page 21 for further detail.	
Land area	24,383 sqm (more or less)	
NLA	Anglesea Clinic	3,873.9 sqm
	Symmans House	6,973.1 sqm
	John Sullivan House	1,726.2 sqm
	Total	12,573.2 sqm
Seismic	Symmans House	70-100% NBS
	John Sullivan House	100% NBS
	Anglesea Clinic	40% NBS (see pages 20 and 46 regarding the Vendor's liability to fund seismic upgrading works on part of the Anglesea Clinic buildings and the risks associated with these works)

2. WHAT AUGUSTA PROPERTY FUND INVESTS IN (CONT.)

Management of the Fund

The Fund will be managed by the Manager. Day-to-day facilities and property management services for the Properties will be provided by Bayleys Property Services Limited. The Manager will, as part of its role as manager of the Fund, monitor Bayleys' compliance with its facilities and property management obligations. When the Manager is acting as a manager of the Fund it has a duty to act in the best interests of the investors in the Fund.

For details on how the Manager will deal with conflicts of interest refer to Section 2, "Conflicts of Interest" on page 9.



The key personnel of the Manager who will be responsible for managing the Fund and the Properties are:



Name	Bio	Role
Mark Francis <i>BCom (Fin)</i>	Mark is the Managing Director of Augusta Capital. Mark has a Bachelor of Commerce majoring in finance from the University of Otago and a background in finance and property in roles with Hendry Hay MacIntosh, Force Corporation Limited and Village Roadshow Australia Pty Limited. Mark formed Augusta Group Limited in 2001 and began property syndication through the Manager in 2003. Mark has agreed to sell his shareholding in Augusta Capital to Centuria NZ as part of its takeover offer.	Mark will, in conjunction with Joel Lindsey, oversee all aspects of the Fund and its Assets as part of his role overseeing all Augusta schemes.



Name	Bio	Role
Joel Lindsey <i>BProp (Real Estate) / BA (Geography), M.PINZ</i>	Joel is the Chief Operating Officer of Augusta. Prior to his return to New Zealand in 2014, Joel worked at Aviva Investors (London) where he worked his way from Analyst to Fund Manager and ultimately held the position of Senior Director – Real Estate. In that position, he was responsible for management of the £4 billion Aviva Life and Pensions real estate investment portfolio. On his return to New Zealand, Joel has worked at Panuku Development Auckland and prior to joining the Manager, he was its Head of Business Development and Project Director.	Joel will, in conjunction with Mark Francis, oversee all aspects of the Fund and its Assets as part of his role overseeing all Augusta schemes.
Bernie Smith <i>BBS (Valuation and Property Management)</i>	Bernie became a part of the Augusta team when it acquired KCL Property in 2014. Bernie completed a Bachelor of Business Studies majoring in Valuation and Property Management at Massey University. Prior to joining KCL, Bernie managed a private portfolio in Auckland.	Bernie will be the Fund's fund manager and will be responsible for the asset management of any direct properties held by the Fund, including the Anglesea Medical Centre. Bernie is a Senior Asset Manager at the Manager, responsible for the asset management of a number of properties in the Manager's portfolio, predominantly located in Hamilton, the Lower North Island and Queensland, Australia.





Name	Bio	Role
Simon Woollams <i>BCom (Accounting), Chartered Accountant</i> 	Simon is the Chief Financial Officer of Augusta. Simon joined Augusta in 2007. He is a Chartered Accountant and has a strong financial background, including roles with BDO and ANZ Bank in the property and finance teams, and has experience from the UK.	Simon will provide financial oversight of the Fund.
Mark Madigan <i>BCom (Accounting and Marketing) / BCom (Hons) (Accounting), Chartered Accountant</i> 	Mark joined Augusta in 2018 following Financial Controller roles at Airwork and Property For Industry. Prior to this, Mark was an Associate Director in the institutional banking client coverage team at Commonwealth Bank of Australia.	Mark is a Financial Controller at the Manager and will be responsible for the Fund's bank finance, financial reporting and tax.



Name	Bio	Role
Ben Harding <i>BCom (Finance) and MA (Property Valuation and Law), MRICS</i> 	Ben has a Masters in Property Valuation and Law from London City University and is a qualified member of RICS (Royal Institute of Chartered Surveyors) and a licensed salesperson (Real Estate Authority). Immediately prior to joining Augusta in 2018, Ben worked for Stride Property where he was responsible for the strategic asset management of its office property portfolio.	Ben is Augusta's Head of Asset Management and is responsible for overseeing Augusta's asset team, Bayleys Property Services and achieving corporate objectives in relation to asset management.
Adelle McBeth 	Adelle joined KCL on a part time basis in 2004 while studying at The University of Auckland. In 2007 she joined the team in New Plymouth on a full time basis and is now the senior staff member there.	Adelle is Augusta's Head of Operations and is responsible for overseeing the HR, Marketing, Investor Relations and IT functions at Augusta. She is the first point of contact for a potential investor wanting to know more about investing with Augusta or an existing investor with general queries.

Centuria Capital Group has made a full takeover offer, via its wholly owned subsidiary Centuria New Zealand Holdings Limited, to purchase all of the fully paid ordinary shares in Augusta Capital. The offer is now unconditional and, at 8 July 2020, had received acceptances providing it with control of approximately 65.8% of Augusta Capital's shares. If Centuria acquires all of the shares in Augusta Capital, Centuria Capital Group has noted that it has no New Zealand presence and therefore its current intention would be to retain Augusta's existing employees.

2. WHAT AUGUSTA PROPERTY FUND INVESTS IN (CONT.)

In addition to **Mark Francis** (whose profile is set out above), the directors of the Manager are:

Name	Bio
Paul Duffy <i>Dip Urb Val</i> 	<p>Paul Duffy has over 35 years' experience in the property investment/development industry, including CEO/executive director of DNZ Property Trust (now named Stride Property) for 13 years. During his career, Paul held the position of general manager of Fletcher Property Limited and was joint managing director of US Real Estate Subsidiaries for the Abu Dhabi Investment Authority. In this role he oversaw the formation of a large real estate portfolio in the United States and Europe. Paul is currently a director of Asset Plus Limited, Leighs Construction and a number of other private companies.</p> <p>Paul is the chair of Augusta Capital and the Manager.</p>
Robert Mark Petersen (known as Mark Petersen) <i>Dip Urb Val</i> 	<p>Mark is a professional director and corporate adviser who has worked in the commercial property sector for the past 35 years. Initially working as a registered valuer, Mark's background includes development management, project management and investment management. Mark was Managing Director of NZX listed Shortland Properties Limited from 1989 to 1999. He is currently Chair of Augusta Industrial Fund Limited, and is also an advisory Board member for Te Tumu Kainga, a trust administered by the Māori Trustee for the provision of affordable housing. Mark commenced a role as an advisor to the Tainui Group Holdings' Board in August 2019 and transitioned to being an Independent Director of Tainui Group Holdings in April 2020.</p> <p>Mark is a former director of Wellington Waterfront Limited, CentrePort Limited, as well as Australian property focused private equity funds which were established and managed by Grant Samuel. He is a past Chair of the NZ Hockey Federation.</p>

Name	Bio
Kevin Murphy <i>Chartered Accountant</i> 	<p>Kevin became a director of the Manager on 29 March 2018. He was formerly the Managing Director of TSB New Zealand (until January 2018) where he helped grow a small regional bank into the sixth largest retail bank in New Zealand with assets in excess of \$7 billion. During his time as Managing Director he also served as a director of Fisher Funds, Payments NZ and the New Zealand Banking Ombudsman. Kevin is a Chartered Accountant and was previously the Vice President of Chartered Accountants Australia and New Zealand (CA ANZ).</p> <p>He is currently also a director of SBS Bank and a number of its subsidiaries, including Finance Now Limited as well as a board member of the Public Trust.</p>
Bryce Barnett <i>Chartered Accountant, FCA, F.PINZ, MNZM</i> 	<p>Bryce's career started as a Chartered Accountant for the Inland Revenue before becoming Chief Accountant of the Moller Group of Companies. Bryce has held executive positions including Managing Director within publicly listed and private companies each with a strong emphasis on property. Bryce went on to form his own company, KCL Property Limited in 1994, which was acquired by Augusta Capital in 2014. His property experience over the last 47 years includes commercial, industrial, large format retail and residential development and investment in New Zealand and Brisbane, Australia. In 2017, Bryce was awarded a Chartered Accountants Fellowship and is a Member of the New Zealand Order of Merit for recognition of his contribution to governance and philanthropy.</p>

Prior to completion of the Centuria Capital Group takeover, the current directors of the Manager are expected to remain in place. Following the takeover (assuming Centuria acquire all of the shares of Augusta Capital) there may be changes to the current board, however Centuria has confirmed that it has no intention of making changes to the current board prior to the close of the offer. After that period, in addition to Mark Francis and Bryce Barnett (who will remain as directors), Centuria Capital Group will ensure that the Manager continues to have independent directors on its board of directors.

See "About Augusta Funds Management Limited and others involved in the Augusta Property Fund" in section 10 for further details.

Purpose of offer and allocation of finance

The purpose of the offer is to raise sufficient funds which, together with bank borrowing, will allow the Fund to purchase the Anglesea Medical Centre and pay the establishment costs.

The money raised, together with the bank borrowings, will be allocated as follows:

Purchase price	\$55,000,000
Establishment costs	\$3,547,435
Total	\$58,547,435
Funded by:	
Subscriptions from Investors	\$35,500,000
Debt	\$23,047,435
Total	\$58,547,435

The debt will be funded by way of an interest only syndicated loan facility secured over the Fund's Assets provided by ASB and ICBC. To the extent there are oversubscriptions, the amount of debt drawn may be lower. The above costs relate to the SIPO as further described:

- *Purchase price of the Anglesea Medical Centre:* a key part of the investment strategy is to acquire the Anglesea Medical Centre;
- *Establishment costs (further details of which are set out in section 8 "What are the Fees"):*
 - The offeror's fee secures the Manager's participation in the Fund, which is necessary for the implementation of the SIPO;
 - Interest on Anglesea Medical Centre Deposit relates to interest incurred by the Manager on debt drawn to fund the deposit paid to facilitate the acquisition of the Anglesea Medical Centre.
 - The brokerage, marketing, investigating accountant, legal and supervisor fees, PDS registration fee and FMA levy, bank fees and registry fees ensure the successful completion of the Offer and raising of the funds, without which the investment strategy will not be able to be implemented;

- All other fees, including a portion of legal fees, primarily relate to due diligence on the Anglesea Medical Centre and the investment in order to test whether the investment strategy is feasible.

On settlement of the purchase of the Anglesea Medical Centre, all Investors' capital will be applied to settle the acquisition of the Anglesea Medical Centre and pay the establishment costs. The minimum amount of \$35.5 million must be raised from Investor subscriptions before Units in the Fund are issued. This Offer is not underwritten. The use of subscription money raised from Investors under this Offer will not change depending on the total amount raised.

Factors that may affect the financial performance of the Fund and Investors' returns

The financial performance of the Fund is closely tied to the performance of the Anglesea Medical Centre and Authorised Investments. Investors may receive the following returns in respect of their Units:

- Distributions from the Fund relative to their respective Units; and
- Any gains which result from the net sale proceeds of the Assets exceeding the purchase price to be paid and the establishment costs.

The key factors that will affect the financial performance of the Fund and Investors' returns, and the strategies and plans to address those factors are:

2. WHAT AUGUSTA PROPERTY FUND INVESTS IN (CONT.)

Factor affecting financial performance	Strategy to address
Interest rates	<p>Interest expense incurred by the Fund as a result of bank borrowings is a material expense for the Fund. Interest rates consist of a base rate and a margin. On establishment, base rates will be floating and margins will be fixed under the syndicated loan facility until expiry of the initial loan term or when the loan is refinanced.</p> <p>The Manager will manage the base interest rate applying to the Fund's borrowings with a combination of short-term and long-term interest rate derivatives and/or floating rates. The Manager intends to transact interest rate swap agreements after the Fund is established that fix the base rate on 50% of the Fund's long-term drawn debt forecast for a period of up to four years.</p> <p>The Manager will monitor the margins available in the market during the life of the Fund (and would consider changing lenders if materially better margins were available elsewhere). The Manager will manage interest rates throughout the life of the Fund including the percentage of borrowings that is subject to a fixed base rate.</p>

Factor affecting financial performance	Strategy to address
Rental income and occupancy	<p>The rental income received by the Fund is the key source of the Fund's income. That income is forecast to grow over time due to the rent review provisions in the various leases across the Fund's portfolio, as well as either retention of tenants on lease expiry or re-leasing to new tenants.</p> <p>There are various rent review provisions in the leases, mostly to market (but with two Leases to CPI) occurring either at fixed periods during a lease or on renewal.</p> <p>The Manager will proactively manage the property portfolio and tenancies.</p>
Property value	<p>The change in value of a Unit in the Fund is tied to the change in value of the Fund's property portfolio and other investments. The value of the directly and indirectly-held assets will be influenced by multiple factors including the property market, changes in rental paid by tenants, the remaining term of leases and capital expenditure.</p> <p>In terms of the Anglesea Medical Centre, the Manager intends to add value via several strategies. These include the Manager's intention to actively engage with tenants to extend or renew leases, increase rental over the long term, along with a planned and budgeted capital expenditure programme. With relatively low site cover along with flexible zoning there are also potential refurbishment and reconfiguration opportunities.</p>

Factor affecting financial performance	Strategy to address
Future underwriting	As the Fund's financial position grows, the Fund may act as an underwriter of other managed investment funds and other managed investment schemes, however no underwriting opportunities have yet been identified. Such opportunities will generate additional income for the Fund. If the offers being underwritten are not fully subscribed then the Fund would need to acquire the units it has underwritten up to the level of its underwrite. Those units would then be held as assets of the Fund and earn income for the Fund.
Future acquisitions and diversification	The Fund has a strategy to grow the Fund's portfolio. However this is conditional on the Manager identifying suitable investment opportunities.
Capital expenditure and non-recoverable repairs and maintenance	These costs will have an impact on cashflow if they vary from forecasts. Building inspection reports were obtained as part of due diligence and allowances have been made for the costs that were identified. The Manager will ensure service contracts for regular maintenance are in place and undertake proactive preventative maintenance to extend the life of building services.

Tax will also affect Investors' returns. The Fund intends to register as a multi-rate PIE. Further information is contained in section 9 "Tax".

Acquisition of Key Property

This section of the PDS summarises important information for the Anglesea Medical Centre comprised in the:

- Sale and Purchase Agreement;
- Leases;
- Title for the Anglesea Medical Centre and all interests registered on the title;
- Land Information Memorandum; and
- Revenue Deed (containing the terms of the Manager's rental underwrite in favour of the Fund).

Property Valuation

An independent valuation of the Anglesea Medical Centre has been provided by Bradley Unthank, Jamahl Williams, and Cameron Barber of CBRE Limited at \$55,200,000 plus GST (if any) as at 30 June 2020 in accordance with current Australia and New Zealand Property Institute Valuation and Property Standards. It was prepared using both a capitalisation of net income approach and a discounted cash flow approach. The valuation is prepared on the basis that the seismic retention amount (as described on page 20) is sufficient to cover all seismic strengthening costs, including any rent and outgoings abatements and actual costs payable to affected tenants, and that the Anglesea and Bean Law buildings achieve a seismic strength rating of not less than 67% NBS.

Other assumptions for the valuation were made by the valuers in undertaking the valuation as set out in the Valuation Report. The valuers noted the outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020. Many countries globally have implemented strict travel restrictions and a range of quarantine and "social distancing" measures. Although many countries are now relaxing these controls and reopening markets, the impacts of COVID-19 continues to cause heightened volatility in both local and global market conditions.

2. WHAT AUGUSTA PROPERTY FUND INVESTS IN (CONT.)

As a result, the valuers consider that given the uncertainty and unknown impact that COVID-19 may have on real estate markets in the future, a higher degree of caution should be exercised when relying on the valuation. Values and incomes may change more rapidly and significantly than during standard market conditions. The valuation is therefore reported on the basis of 'market volatility and uncertainty associated with novel coronavirus'.

A copy of the Valuation Report may be found on the Offer Register at <https://disclose-register.companiesoffice.govt.nz> by searching "OFR12901" under "search offers".

Sale and Purchase Agreement

A custodian acting as bare trustee for the Fund will be nominated as purchaser under the unconditional sale and purchase agreement with the Vendor which contains the terms on which the Fund will acquire the Anglesea Medical Centre. The key features of the sale and purchase agreement are set out below.

Purchase Price:

\$55,000,000 plus GST (if any)

Settlement:

30 September 2020

Seismic Works:

A retention of \$1,850,000 from the purchase price is to be held by the Fund's Solicitors in order to reimburse the Fund its costs incurred with the seismic strengthening work required in order for 'Building 2' of the Anglesea Clinic to achieve a NBS rating of no less than 67% (*Seismic Retention*). 'Building 2' as defined in the sale and purchase agreement as comprising two buildings known as the Anglesea Building and the Bean Law Building.

The Fund will be responsible for designing, consenting and completing the necessary seismic upgrading works following settlement.

The Fund will be entitled to claim (on a monthly basis) from the Seismic Retention retained in Chapman Tripp's trust account:

- Its GST exclusive third party costs properly and reasonably incurred in designing, consenting, project managing, and completing the necessary works (as certified by the independent engineer and disclosed to the Vendor on an "open book basis"); and
- Any rent and outgoings, abatements and actual costs (all GST exclusive) for which the Fund (as landlord) is liable to any tenants at the Anglesea Medical Centre affected by the seismic upgrading works.

The balance of the Seismic Retention retained upon settlement must be released to the Vendor after the earlier of:

- Two years and three months after Settlement; and
- The later of:
 - Practical completion of the seismic upgrading works (which must include the independent engineer certifying the NBS rating of 'Building 2' at the Anglesea Clinic meets or exceeds 67% NBS and the receipt of all necessary territorial authority certifications and approvals); and
 - Determination of all amounts due to the Fund from the Seismic Retention;
- In the event the Fund commences demolition of the existing Bean Law Building (being one of the two buildings comprising Building 2) in lieu of carrying out the seismic upgrade works to that building, the later of:
 - Practical completion of the seismic upgrading works in relation to the Anglesea Building (with the Independent Engineer certifying that the NBS rating of the Anglesea Building meets or exceeds 67% and the receipt of all necessary territorial authority certifications and approvals);
 - Determination of all amounts due to the Fund from the Seismic Retention in relation to the Anglesea Building.

If the Fund does not commence either the seismic upgrade work on the Bean Law Building or demolition of the Bean Law Building by the first anniversary of Settlement then an amount will be released to the Vendor from the Seismic Retention equal to \$1,850,000 less (1) an amount equal to the tender price for the seismic upgrade works to the Anglesea Building or (2) if there is no tender price the cost of those seismic upgrade works determined by an independent expert.

Warranty claim retention

A retention of \$575,000 will be withheld from the Purchase Price to secure any claims by the Fund for breach of any warranty given by the Vendor (provided the claim is made within nine months of settlement and the claim is either admitted by the Vendor, settled between the parties, or determined by an independent expert).

Vendor underwrite lease arrangements

The Vendor has agreed to provide the Fund with a 12 month rent and outgoing underwrite in respect of the vacant space at the Anglesea Medical Centre upon settlement. A retention of \$625,000 from the purchase price will be held in Chapman Tripp's trust account upon settlement, which the Fund will be entitled to draw upon on a monthly basis in advance (*Vendor Rental Underwrite*). The Fund will also be entitled to claim from the Vendor Rental Underwrite the amount of any market level rent free incentive offered to any replacement tenant as well as any relief or abatement of rent and outgoing claimed by any tenant (or otherwise agreed to by the landlord) as a result of the COVID-19 outbreak (including relief available to tenants as a result of the clause proposed to be implied into certain Leases as a result of the potential amendment to the Property Law Act).

In consideration of the Vendor Rental Underwrite, the Fund (as landlord) and the Vendor (as tenant) will enter into a separate lease of each of the vacant tenancies upon settlement (Vendor Leases). The terms of the Vendor Leases will not entitle the tenant to claim an abatement of rent and outgoing as a result of the COVID-19 outbreak.

The Vendor is now actively marketing the premises it will lease under its underwrite arrangement and may find a new tenant for any part of those areas before Settlement. The Manager will also be able to employ its specialist asset management team with a focus on leasing the space and also leveraging its networks with real estate agents to source tenants. The Fund intends to fully let the vacant tenancies as soon as practicable after Settlement and the relevant Vendor Lease will be deemed to be surrendered with effect from the commencement date of the replacement lease.

Augusta Funds Management rental underwrite

The Manager has agreed to provide the Fund with a 6 month underwrite of the rent and outgoing payable in respect of the tenancies in place as at Settlement, excluding the tenancy at Level 1, Suite 3.130 of Symmans House, as this tenancy is forecast to be vacant in the PFI due to a proposed lease deal. If this excluded tenancy does not become vacant, the Fund will receive rent and outgoing from the existing tenant that are not forecast in the PFI.

The underwrite will also cover the cost of any market level incentives granted and the leasing costs incurred by the Fund during the 6 month period from Settlement in securing replacement tenants in the event any tenancies in place at Settlement become vacant. It cannot be used to provide incentives to existing tenants or subtenants.

The amount available to be claimed by the Fund for rent, outgoing, incentives and leasing costs pursuant to the Manager's underwrite is capped at \$500,000 plus GST.

If the rent and outgoing are not paid in full by the existing tenants (or any replacements of those existing tenants) during the 6 month period from settlement (for any reason whatsoever, including as a result of a nationwide lockdown analogous to the COVID-19 Alert Levels 4 and 3 lockdown resulting in the tenants being unable to access their premises or pursuant to the clause proposed to be implied into certain Leases as a result of the potential amendment to the Property Law Act), then the Fund will be entitled to submit claims to the Manager (on a monthly basis in arrears) for the shortfall in the amount of rent and outgoing received by the Fund from the existing tenants (or any replacement tenants) (subject to the \$500,000 plus GST cap).

Prior to being entitled to claim any amount from the Manager's underwrite, the Fund must use reasonable endeavours to claim the shortfall from the relevant tenant or any available insurance proceeds.

In addition, in relation to any COVID-19 related arrears, the Fund is required to claim from the Vendor Rental Underwrite in priority to the Manager's underwrite. Where the Fund claims from the Vendor Rental Underwrite for COVID-19 related arrears (resulting in insufficient funds in the Vendor Rental Underwrite to cover rent, outgoing and market-level rent free periods for the vacant space (within the 12 month period from settlement), the Manager will pay any shortfall to the Fund (subject to the \$500,000 plus GST cap).

Payment of all amounts owing to the Fund pursuant to the terms of the Manager's underwrite are guaranteed by Augusta Capital.

A full copy of the Revenue Deed is available on the Offer Register. The Offer Register may be accessed at <https://disclose-register.companiesoffice.govt.nz> and this offer can be found by clicking on "search offers" and by searching "OFR12901".

2. WHAT AUGUSTA PROPERTY FUND INVESTS IN (CONT.)

Tenancy schedule (material leases only)

Tenant	Passing Rental (plus GST)*	Guarantor	Expiry of Current Term	Remaining Rights of Renewal	Final Expiry	Rent Reviews
Pathology Associates Limited (Tenancies 1 & 3)	Premises \$615,858 Carparks \$10,920 Total: \$626,778	Nil	17 February 2028 (Tenant has right to terminate lease on 6 months' notice in the event the tenant's contract with the District Health Board for the supply of pathology services is not renewed. The Manager understands the tenant's contract with the District Health Board is due for renewal in July 2024).	One right of five years	17 February 2033	Market review (subject to a soft ratchet) 16 November 2020 and every second anniversary thereafter.
Hamilton Radiology Limited (Tenancy 2)	Premises: \$355,598 Carparks: \$72,800 Total: \$428,398	Nil	30 April 2035	Two rights of five years each	30 April 2035	Market review (subject to a soft ratchet) 16 November 2020 and every second anniversary thereafter.
Anglesea Clinic Accident and Medical Limited (Tenancy 4)	Premises: \$229,756.80 Carparks: \$31,200 Total: \$260,956.80	Nil	30 September 2022	One right of four years	30 September 2026	Market review (subject to a soft ratchet) 16 November 2021 and every second anniversary thereafter.
Pharmacy at Anglesea Limited (Tenancy 5)	Premises: \$229,840.00 Carparks: \$3,120.00 Total: \$232,960.00	Nil	31 May 2028	Two rights of six years each	31 May 2040	Market review (subject to a soft ratchet) 20 June 2020 and every second anniversary thereafter.

Tenant	Passing Rental (plus GST)*	Guarantor	Expiry of Current Term	Remaining Rights of Renewal	Final Expiry	Rent Reviews
Anglesea Sports and Rehab Limited (Tenancy 6)	Premises: \$167,076.00 Carparks: \$13,650.00 Total: \$180,726.00	Nil	30 August 2027	Three rights of five years each	30 August 2042	Market review (subject to a soft ratchet) on 16 November 2021 and every second anniversary thereafter.
Vendor Underwrite (Tenancy 7)	Premises: \$148,410.00 Carparks: Nil Total: \$148,410.00	Nil	One year from the settlement date	Nil	One year from the settlement date	Nil
Fertility Associates Limited (Tenancy 8)	Premises: \$111,720.00 Carparks: \$27,300.00 Total: \$139,020.00	Nil	30 June 2020 The lease has currently expired and this tenant is holding over on a month-to-month basis while a new lease is finalised.	Nil	30 June 2020	No further reviews
Hamilton Radiology Limited (Tenancy 9)	Premises: \$112,500.00 Carparks: Nil Total: \$112,500.00	Nil	31 March 2023	Two rights of four years each	31 March 2031	19 November 2020 (subject to a soft ratchet) and every second anniversary thereafter.

2. WHAT AUGUSTA PROPERTY FUND INVESTS IN (CONT.)

Tenant	Passing Rental (plus GST)*	Guarantor	Expiry of Current Term	Remaining Rights of Renewal	Final Expiry	Rent Reviews
Anglesea OMS Limited (Tenancy 11)	Premises: \$99,298.15 Carparks: \$10,920.00 Total: \$110,218.15	Nil	21 May 2021	One of five years	21 May 2026	16 November 2020 (subject to a soft ratchet) and every second anniversary thereafter.
Vendor Underwrite (Tenancy 10)	Premises: \$101,000.00 Carparks: Nil Total: \$101,000.00	Nil	One year from the settlement date	Nil	One year from the settlement date	Nil
Anglesea Gynaecology Limited (Tenancy 12)	Premises: \$83,760.00 Carparks: \$12,740.00 Total: \$96,500.00	Nil	31 December 2031	Nil	31 December 2031	16 November 2020 (subject to a soft ratchet) and every second anniversary thereafter.
Vendor Underwrite (Tenancy 14)	Premises: \$76,140.00 Carparks: Nil Total: \$76,140.00	Nil	One year from the settlement date	Nil	One year from the settlement date	Nil

Tenant	Passing Rental (plus GST)*	Guarantor	Expiry of Current Term	Remaining Rights of Renewal	Final Expiry	Rent Reviews
Medical Assurance Society NZ Limited (Tenancy 15)	Premises: \$62,400.00 Carparks: \$9,750.00 Total: \$72,150.00	Nil	30 April 2022	One right of two years	30 April 2024	16 November 2021 (subject to a soft ratchet) and every second anniversary thereafter.

*Annual rent (plus GST) for each tenancy is as at 14 July 2020.

The above table sets out material leases only and does not summarise all leases.

Leases

Each of the leases set out in the tenancy schedule above is available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz> by searching “OFR12901” under “search offers”. The Passing Rental payable for Anglesea Medical Centre at 14 July 2020 and the forecast Vendor Rental Underwrite is \$3,601,481 plus GST per annum. Only 2% of the Passing Rental is subject to ongoing rent relief arrangements (with that relief due to expire in July 2020).

There are seven leases that are due to be renewed in the period ending 31 March 2022 and one that expires on 31 March 2022. There are four month-to-month leases that are not underwritten by the Vendor as described on page 21. The Fund may need to pay lease incentives and leasing fees in relation to tenancies that are currently vacant or due to expire in the usual course of business. The Manager intends to actively engage with tenants to extend or renew their leases.

Manager’s view of tenant financial standing

The Manager has carried out due diligence on the financial standing of the tenants and is satisfied with its findings. Such enquiries included searches of the Insolvency Register, discussions with other medical practitioners and participants in the healthcare sector regarding the medical industry’s perception of the Anglesea Medical Centre, review of financial information provided by some of the tenants and review of publicly available information. However, the Manager cannot comment with any certainty on the financial standing of any tenant and the impact any economic or market pressures may have.

Payment of the rent and outgoings for the vacant tenancies is secured by the Vendor Rental Underwrite (to be held in Chapman Tripp’s trust account). Accordingly, the Manager has no concerns about the Vendor’s financial standing as a tenant.

The Manager is not aware of any of the tenants failing to meet any of their respective material obligations under their respective agreements in relation to the property, other than specific agreements with tenants that the Vendor has put in place for COVID-19 related relief.

Rent abatement due to premises inaccessibility

The majority of the Leases contain a “No Access in Emergency” clause. This provides a mechanism for the tenants under those Leases to cease the payment of rent and outgoings where:

- There is an “*emergency*”; and
- The Tenant is “*unable*” to gain access to the premises to “*fully conduct*” its business from the Premises; and
- The inability to gain access is due to “*reasons of safety of the public or property*” or “*the need to prevent, reduce or overcome any hazard, harm or loss that may be associated with the emergency*”. A specific example provided in the clause is a “*restriction on occupation of the premises by any competent authority*”.

2. WHAT AUGUSTA PROPERTY FUND INVESTS IN (CONT.)

If the above requirements are met a “*fair proportion*” of the rent and outgoings will cease to be payable from the date when the tenant become unable to access the premises to fully conduct its business from the premises. The Manager considers the lockdown imposed as a result of the COVID-19 outbreak triggered the “No Access in Emergency” clause (resulting in the tenants being entitled to a reduction of a “fair proportion” of the rent and outgoings payable under the affected Leases).

The Manager is unable to predict whether the “No Access in Emergency” clause will be triggered in the future. Any event which results in tenants’ premises being inaccessible will be highly fact specific and whether the “No Access in Emergency” clause is triggered will need to be considered in light of the particular circumstances at the time.

Potential amendments to the Property Law Act

On 4 June 2020 the Government announced a proposed amendment to the Property Law Act that would imply a clause into eligible commercial leases that a fair proportion of rent and outgoings will be abated if the business has suffered a material loss of revenue as a result of COVID-19.

The proposed amendment to the Property Law Act has not yet been made public and it is unclear whether the proposal will progress.

The Manager has relied on the cabinet paper released on 4 June 2020 in order to form a view on the potential impact of the proposal – noting it is uncertain whether the proposed Property Law Act amendment (especially in its current form) will become law.

The Manager is unable to form a definitive view on the potential impact of the proposal until further detail is made public. Based on the limited information contained in the cabinet paper, the Manager expects that a number of the tenants could be eligible for rent relief even if the tenant had full access to its premises in a situation where the tenant suffered a material loss of revenue because of any new restrictions put in place in the future to combat COVID-19. Based on the information available, the Manager only expects these changes to impact the property should the COVID-19 Alert Level be raised to Level 3 and/or 4 again in the future.

Title

The property is located at the corner of Anglesea, Tristram and Thackeray Streets, Hamilton and is comprised in record of title SA70D/431 (being Lot 1 and Deposited Plan South Auckland 89392).

The Manager has reviewed the instruments and memorials noted on the property’s title. In the Manager’s opinion, these instruments and memorials are usual for a property of this type.

Land Information Memorandum (LIM)

The Manager has reviewed the LIM for the property as part of its due diligence. No material issues were identified, but the Manager notes the following special land features and other matters disclosed by the LIM:

- The LIM notes that filled and weak soil may be present at the property. A geotechnical report is annexed to the LIM.
- The LIM notes that a stormwater pipeline and wastewater pipeline (and associated manholes) pass through the property (both as shown on the plans attached to the LIM).
- Code Compliance Certificates – the LIM records a number of outstanding code compliance certificates that relate to the property. Some of these relate to works undertaken by tenants, for which the owner of the Anglesea Medical Centre is not responsible. The Manager considers the outstanding code compliance certificates to be immaterial. In the event certain outstanding code compliance certificates (as identified in the agreement for sale and purchase) have not been issued by Settlement, then \$50,000 of the purchase price will be retained in the Vendor’s lawyer’s trust account. The \$50,000 retention (plus net interest) will be released to the Vendor once the relevant outstanding code compliance certificates have been obtained (unless those outstanding code compliance certificates have not been issued by the date being 12 months after the settlement date, in which case the \$50,000 retention (plus net interest) will be released to the Fund).

Building Inspection Reports

The Manager engaged Hampton Jones to provide a technical due diligence report. A copy of this report is available on the Offer Register or on request from the Manager, free of charge.

The Healthcare Sector

Stephen Rendall, National Director of Real Estate Advisory has provided the following commentary from Bayleys Research on the recent performance of the healthcare property market, the outlook for that market and implications that COVID-19 may present for the sector.

Prospects for the New Zealand medical and healthcare property sector remain attractive. Given New Zealand's core demographic trends, including population growth, increasing life expectancies and an ageing population, demand for health related services is expected to continue to grow. New Zealand's ageing population mirrors similar trends observed off-shore in Europe and North America, where rapidly ageing populations are contributing to significant proportions of GDP being spent on public healthcare, and increasing privatisation of the sector.

Healthcare property performance benefits from long-term demographic drivers, and the fact that health expenditure is often mandatory. The economy itself is not the key demand driver for the healthcare sector. This is different from other sectors such as the office, industrial, retail and hotel markets which are relatively more sensitive to factors such as consumer or business sentiment, economic activity, unemployment levels and interest rates. Therefore, healthcare property presents desirable non-cyclical and defensive characteristics.

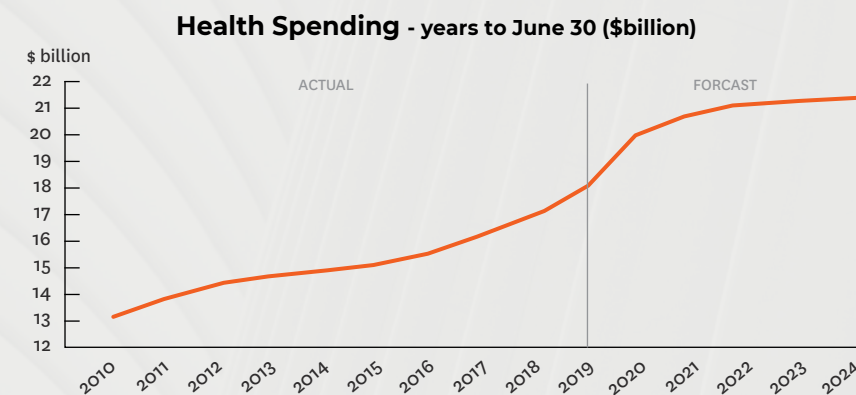
The outbreak of Novel Coronavirus (COVID-19) has had a significant economic impact within New Zealand and globally since February 2020. However, the ongoing effects of COVID-19 on the property market remain uncertain. Although Bayleys Research considers that it is appropriate to recognise elevated uncertainty and risk, it also considers that the healthcare property sector (by reason of its particular characteristics, as referred to above) is well placed to outperform other sub-sectors within the property market.

In recent years, there has been significant growth in private sector medical centres, facilitated and promoted in part by increases in wealth, private medical insurance, concern about the adequacy of services and waiting times at public hospitals, and a growing awareness in the community of health-related issues.

Wellbeing Budget 2020

The New Zealand Government's Wellbeing Budget 2020, branded "Rebuilding Together", demonstrated New Zealand's commitment to a health based response to COVID-19. Delivering the largest ever increase in funding for District Health Boards, Budget 2020 delivered a \$3.92B injection to New Zealand's 20 District Health Boards, to be apportioned over four years. This investment increases the annual budget for New Zealand's District Health Boards to \$15.752B and the overall New Zealand Health budget to a record \$20.104B, representing 17.64% of New Zealand's total expenditure, second only to Social Security & Welfare. Bayleys Research considers that this material increase in expenditure underpins the attractiveness of the healthcare property sector. The recent changes to tax laws to allow depreciation on structural building components from FY2020/2021 onwards, as part of a broader economic response to COVID-19 provides further benefits to commercial property including the healthcare sector.

Treasury data highlights the already strong growth in absolute spending, with Budget 2020 health expenditure forecast to be 53% greater than 2010 actual expenditure. As the population ages, healthcare spending is expected to continue to rise.

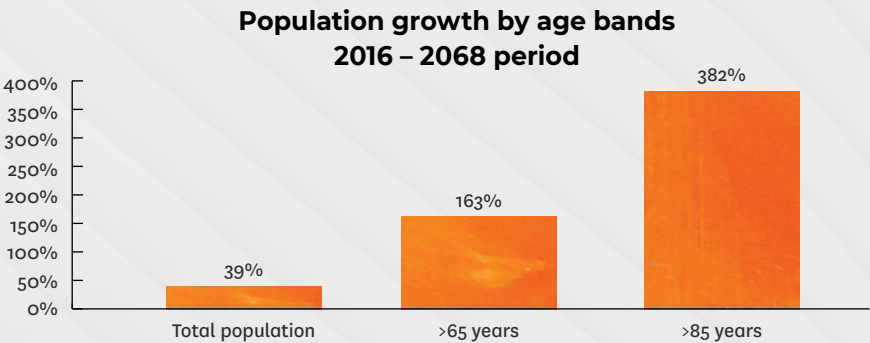


Source: Treasury - Core Crown Expense Tables - Budget Economic and Fiscal Update 2020

2. WHAT AUGUSTA PROPERTY FUND INVESTS IN (CONT.)

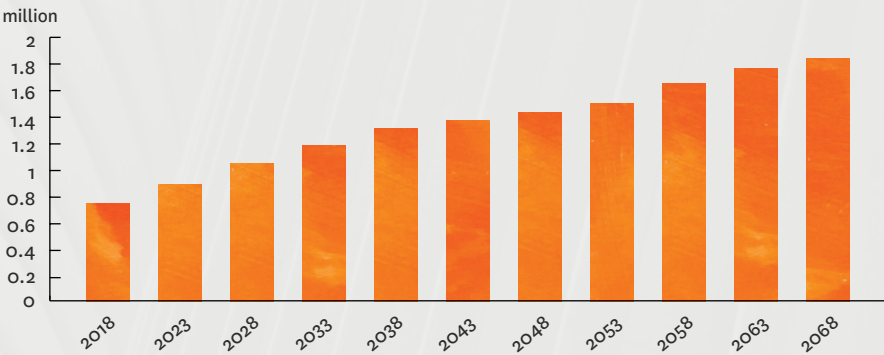
Aging Population

The latest Statistics NZ national population projections out to 2068 highlight just how rapidly New Zealand’s population is projected to age. Growth in over 65 year olds will be more than 4 times the growth of the overall population, 163% compared to 39%. Over 65 year olds currently represent around 15% of the total population but are expected to make up 28% of the population by 2068.



Source: Statistics NZ National Projections (50th percentile - median)

National Population projections for over 65 year olds



Source: Statistics NZ National Projections (50th percentile - median)

The next 15-20 years in particular are projected to see the most rapid aging of New Zealand’s population. Double digit annual growth in both over 65 and over 85 year olds are projected by Statistics NZ over this period. This is expected to generate strong demand for healthcare services for the aged.

Compared to other regions in New Zealand the Waikato has historically had a disproportionately higher number of residents >65 years old when compared to Auckland and the rest of New Zealand.

	% growth in >65 year olds			
	1996–2001	2001–2006	2006–2013	2013–2018
Waikato region	10%	14%	25%	22%
Auckland region	6%	12%	27%	16%
Rest of NZ	7%	11%	20%	17%

Source: Statistics NZ census data

Borrowings

Under the Trust Deed, the Fund may enter into a bank loan facility of up to 55% of the aggregate value of the Assets of the Fund, calculated on a Look-Through basis. Bank borrowings are used to provide the Fund with the ability to purchase larger assets than it could otherwise purchase by using just its cash reserves. Bank borrowing will only be used if it is of benefit to the Fund.

Credit approved offers have been received for a syndicated loan facility provided by ASB and ICBC. The Custodian (as bare trustee for the Fund) will enter into a facility agreement with ASB and ICBC. The principal terms of the syndicated loan facility are:

Facility type	Interest only revolving cash advance.
Facility limit	\$26,125,000 provided equally by ASB and ICBC.
Interest rate	Base rate plus Margin.
Base rate	BKBM Bid (Bank Bill Benchmark Rate) for the selected interest period. The Manager intends to manage the floating nature of the base rate by entering into interest rate swaps after the fund is established to fix the base rate on 50% of the Fund's long-term drawn debt forecast for a period of up to four years. The percentage of the base rate that is fixed will be regularly reviewed by the Manager and may change in the future.
Margin	1.56%
Line fee	0.84% payable on the total facility limit.
Establishment, syndication and bank legal fees	\$115,537
Facility agent and security trustee fees	\$22,500 per annum.
Term	3 years expiring on 30 September 2023.

Security	General security agreement over all assets of the Fund and the Custodian. Mortgages over the titles to all Properties. Specific Security Agreement over the Fund and Custodian bank accounts, lease agreements and rental bonds.
Personal guarantee	No personal guarantee applies. The loan is non-recourse in respect of Investors.
Financial covenants	Interest cover ratio EBIT is to be at least two times interest expense. Loan to value ratio The ratio of all outstanding debt to the value of all Properties approved by the Lenders is to be no more than 55%. Weighted average lease term Weighted average lease term to be at least two years.

As the above borrowings for the Fund will likely be due before the Fund is wound up, the Manager considers that refinancing is likely to be needed.

Bank borrowings and all other liabilities of the Fund (including under the Leases), and the Fund's business as usual activities, will rank ahead of Investors' Units on any winding up of the Fund.

3. KEY DATES AND OFFER PROCESS

Offer opens	22 July 2020
Offer opens in Australia	29 July 2020
Offer closes	11 September 2020
Anticipated settlement of the acquisition of the Anglesea Medical Centre and issue of Units to Investors	30 September 2020
First distribution	20 November 2020

The timetable is indicative only and the dates may change.

The Manager reserves the right to close the Offer at any time prior to that date or extend the Offer by up to 25 business days without prior notice. The Manager also reserves the absolute right in its sole discretion to accept or reject any application in whole or in part without assigning any reason.

Investors' subscription monies will be held in a trust account established by Link Market Services ("LMS o/a Augusta Property Fund") and will accrue interest at on call rates until the date on which Units are issued which will then be paid to Investors following Settlement. The amount will reflect the size of Investor's investment and the amount of time their funds were held in the Link Market Services' Trust Account.





4. TERMS OF THE OFFER

Managed Investment Product	Units in a managed investment scheme which invests in property.
Total Units on Offer	<p>35,500,000 Units. Oversubscriptions of up to 3,000,000 Units may be accepted.</p> <p>To ensure it maintains a 10% holding in the Fund, Augusta Capital, the Manager's parent, will subscribe for a minimum of 3,550,000 Units.</p>
Subscriptions	Minimum subscription for Investors is \$10,000.
Unit Price	\$1.00 per Unit.
Minimum Holding	Transfers and redemptions will not be processed if these result in an Investor holding less than 10,000 Units.
How can investments be made?	<p>You may invest in the Fund with a minimum subscription of \$10,000 (10,000 Units). Subscriptions must be completed on the application form contained in section 13 "How to apply". The offer opens on 22 July 2020 and closes on 11 September 2020.</p> <p>TO ENSURE YOUR APPLICATION IS ACCEPTED, PLEASE READ THE APPLICATION INSTRUCTIONS IN THAT SECTION CAREFULLY.</p> <p>Subscriptions may only be made before the Closing Date of 11 September 2020 unless the Manager extends the Offer. This is not a continuous offer of Units in the Fund.</p>
How can I withdraw my investment from the Fund?	<p>Currently, you may only withdraw from the Fund if:</p> <ul style="list-style-type: none"> • You sell your Unit(s) to a third party directly or utilising the secondary market facility operated by the Manager; or • A resolution is passed to wind up the Fund and sell its Assets. <p>Redemptions</p> <p>Redemptions are permitted under the Trust Deed and, from July 2022, the Fund may offer monthly redemptions of Units, provided there are Available Funds. If the Fund does not make a continuous offer following this first PDS redemptions will likely not be available.</p> <p>If you wish to redeem your Units you will need to contact the Manager and complete a redemption request. All redemption requests received by Augusta Funds Management Limited will be processed monthly. All applications received by 3pm three business days prior to the last calendar day of a month will be processed by the end of that month. Any applications received after that time will be processed the following month, subject to Available Funds. A Redemption Fee (currently \$50 per transaction, regardless of the amount redeemed) is payable for redemptions.</p> <p>Payments for redeemed Units will be paid by the end of the month following redemption.</p> <p>The Redemption Price is the Unit Price at the end of the relevant month less the Redemption Fee and any tax owing by the Investor.</p> <p>If an Investor wants to redeem less than their full holding of Units they will need to hold at least the Minimum Holding after the redemption is processed. The Minimum Holding is currently 10,000 Units.</p> <p>Available Funds</p> <p>This is the amount of cash that the Fund will have available to pay for redemptions. If redemption requests exceed the Available Funds, redemptions will be processed on a pro-rata basis up to the Available Funds limit. Any remaining redemptions will be processed in the following month (subject to Available Funds). In the event that redemption requests are processed on a pro-rata basis as above, the Minimum Holding provisions will apply, and the Investor's redemption request may not be accepted on this basis.</p>

<p>How can I withdraw my investment from the Fund? (Cont.)</p>	<p>Redemptions will be limited to the Available Funds, which are the greater of:</p> <ul style="list-style-type: none"> a) 0.5% of the Fund's Adjusted Net Asset Value before the date of payment of the redemption notices; and b) having regard to the future requirements of the Fund, an amount determined by the Manager from time to time. <p>Secondary Sales</p> <p>Your investment in the Fund can be sold or transferred to a third party 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. The Manager provides a sale facility for the Units. You may sell your Units to any person so long as you have paid all monies owing in relation to the Fund and you are not in breach of the terms of the Trust Deed. You will be responsible for all costs in connection with the transfer.</p> <p>If an Investor wishes to sell their Unit(s), the proposed incoming investor will need to satisfy the Manager's anti-money laundering requirements. Legal documentation will be required to record the transfer. The Manager must approve of the incoming investor and may delay transfer if unpaid amounts (including unpaid tax) are owing by the transferor. The transferor may need to meet the reasonable legal costs incurred by the Manager and/or the Fund.</p> <p>There is no guarantee there will be willing buyers for Units.</p>
<p>Pricing of Units</p>	<p>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 the Net Asset Value and making adjustments to take into account the Fund's policy of spreading establishment costs, capital raising costs and the cost of acquiring assets over time.</p> <p>A worked example of the Adjusted Net Asset Value calculation is set out in the Other Material Information available on the Offer Register. The Offer Register may be accessed at https://disclose-register.companiesoffice.govt.nz and this Offer can be found by clicking on "search offers" and searching "OFR12901".</p> <p>More information on Unit Price can also be found in the Trust Deed.</p>
<p>What is the minimum amount payable to invest in the Fund?</p>	<p>Units available in multiples of 1,000 with a 10,000 Unit (\$10,000) minimum investment in regards to this Offer.</p>

4. TERMS OF THE OFFER (CONT.)

What are the returns?	<p>Forecast pre-tax cash returns of:</p> <ul style="list-style-type: none"> • 6 cents per Unit on an annualised basis for the period ending 31 March 2021; and • 6 cents per Unit per annum for the first full year ending 31 March 2022. <p>Forecast post-tax cash returns* of:</p> <ul style="list-style-type: none"> • 5.84 cents per Unit on an annualised basis for the period ending 31 March 2021; and • 5.72 cents per Unit per annum for the first full year ending 31 March 2022. <p>*Based on the maximum tax rate of 28%. Returns for lower tax rates are shown on page 40.</p> <p>Post-tax returns depend on the timing of income recognition and tax deductions. This can change due to the nature of capital works, the type of lease incentives provided, and when expenditure is incurred including repairs and maintenance, capital expenditure and leasing fees. Accordingly, variances are more likely to occur between actual results and forecasts for post-tax returns than pre-tax returns.</p> <p>These returns are not guaranteed. The actual returns may vary.</p> <p>Distributions are made up of the Fund's Adjusted Operating Profit and may also include any surplus capital of the Fund. Distributions are made at the discretion of the Manager. It is the Fund's policy to distribute up to 100% of the Fund's Adjusted Operating Profit to Investors over the medium-term.</p> <p>The Fund may pay less than 100% of the Adjusted Operating Profit when monies are required to fund redemptions, or cash reserves are required to be built up for a future event, such as acquisitions, planned capital expenditure or lease incentives for directly owned property.</p> <p>Due to fluctuations in the Fund's income and expenses, it is possible that the Fund may pay more than 100% of Adjusted Operating Profit in a particular period using surplus capital or debt, but this will only occur where the Manager considers it is commercially sustainable over the life of the Fund.</p>
When are distributions paid?	<p>Distributions are paid monthly in arrears, with payments being paid on the 20th of each subsequent month, or the next business day.</p> <p>The amount of cash you receive will vary each month depending on the mix of income and capital within the distribution, and the tax deducted at your PIR.</p> <p>Returns will not be paid until Settlement of the purchase of the Anglesea Medical Centre and issue of the Units occurs. Investors' subscription monies will be held in a trust account established by Link Market Services ("LMS o/a Augusta Property Fund") and will accrue interest at on call rates until the date on which Units are issued which will then be paid to Investors following Settlement. The amount will reflect the size of Investor's investment and the amount of time their funds were held in the Link Market Services' Trust Account.</p>
Key dates	Please see section 3 "Key Dates and Offer Process" on page 30.
No underwrite	The Offer is not underwritten.
Minimum amount to be raised	\$35,500,000. Oversubscriptions of up to \$3,000,000 may be accepted.

Offers to investors	<p>The Offer is a regulated offer for the purposes of the FMCA and is only being made to potential investors in New Zealand and Australia.</p> <p>The Offer is being made in Australia in reliance on the Trans-Tasman mutual recognition scheme under Chapter 8 of the Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth).</p> <p>No person may offer, invite, sell or deliver any Units or distribute any documents (including the PDS) to any person outside New Zealand or Australia without the approval of the Manager. The PDS may not be sent into or distributed in the United States.</p> <p>Unless otherwise agreed with the Manager, any person applying for Units under the Offer will be deemed to represent and warrant to the Manager that he, she or it is not in a jurisdiction that does not permit the making of the Offer or an invitation of the kind contained in the PDS and is not acting for the account or benefit of a person within such a jurisdiction. Neither the Manager, the Supervisor, Custodian, nor any of their directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.</p>
Maximum holding	No investor may hold more than 20% of the Units in the Fund (noting that some associated investors may be treated as a single Investor) unless allowed by the Manager and provided this would not impact the Fund's PIE status.
Scaling	Oversubscriptions of up to \$3,000,000 (being 3,000,000 Units) may be accepted. If the Manager receives oversubscriptions then it may scale applications, which means that you may receive fewer units than you subscribed for, or the Manager may not accept some applications. If this happens, you will be refunded the difference within 5 working days of the allotment date.

Following the establishment of the Fund, the Manager intends to make a continuous offer of Units in 2021. The Manager also intends to apply for a Licence Variation to allow the Fund to invest in the Proposed Authorised Investments.

Further terms of the Units are set out in the Trust Deed. The Trust Deed is available on the Scheme Register at <https://disclose-register.companiesoffice.govt.nz> by searching "SCH12900" under "search schemes".

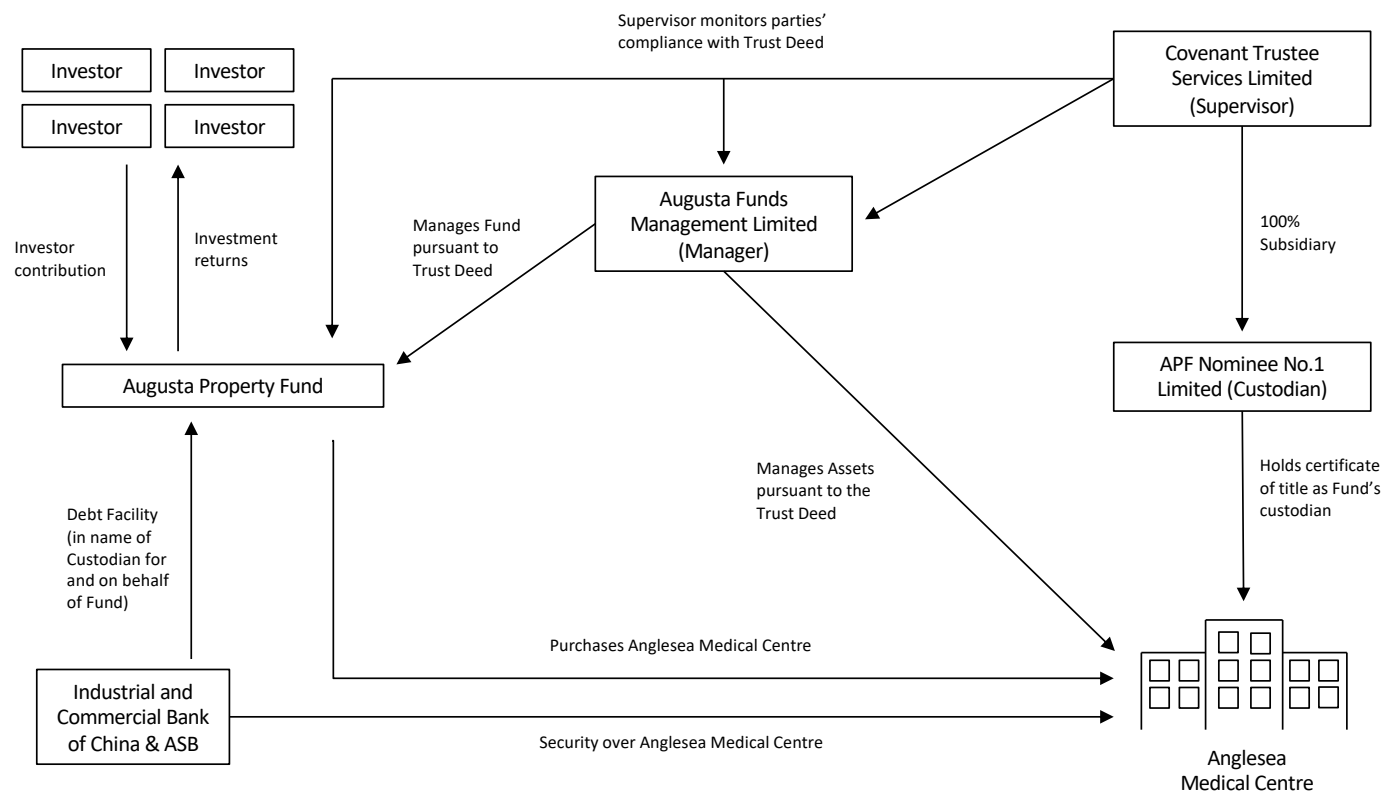
5. HOW AUGUSTA PROPERTY FUND WORKS

In this section, you will find information on:

- how the Fund works;
- significant benefits of investing in the Fund;
- the nature of interests that Investors will acquire; and
- related party benefits.

How the Augusta Property Fund works

A simplified version of the Fund's structure is set out below:



What is a Unit Trust?

Investors are offered the opportunity to invest in the Fund, a unitised trust that will acquire the Anglesea Medical Centre and intends to acquire other property related investments. The Fund is a managed investment scheme for the purposes of the FMCA. Under the unit trust structure, Investors are liable for no more than their initial investment in the Fund. The Custodian will hold title to the Anglesea Medical Centre, the bank loan facilities described in this PDS and the Leases in its name on behalf of the Fund. The Supervisor will appoint the Custodian (or other custodians) to hold title to any other Current Authorised Investments and other loan facilities and leases in the custodian's name on behalf of the Fund.

The Fund will be managed and administered by the Manager pursuant to the Trust Deed. The Manager's responsibilities and duties are set out in the Trust Deed (which is available on the Scheme Register at <https://disclose-register.companiesoffice.govt.nz> by searching "SCH12900" under "search schemes") which also sets out the rights and obligations of the Investors and the Supervisor.

The beneficial interest held by Investors in the Fund is divided and unitised into Units. Each Unit confers equal rights and obligations on each Investor in respect of entitlements to income and capital from the Fund and each Unit will confer one vote upon the holder in respect of matters on which Investors are entitled to vote under the Trust Deed.

For further details on the calculation of the Unit Price refer to Section 4 under the heading "Pricing of Units" on page 33 and on the Offer Register.

Significant benefits of investing in the Fund

The significant benefits of investing in the Fund are:

- The forecast returns as set out in section 6 "Augusta Property Fund's financial information";
- The ability to have an investment in a portfolio of property investments (initially in Anglesea Medical Centre only, but intended to grow across other property related investments) that would not typically be available to Investors who are only able to invest a minimum \$10,000. See Section 7 "Risks to Returns from the Augusta Property Fund" on page 45 for more detail on the potential risks to the Fund's ability to access further property investments and investment in Proposed Authorised Investments;

- The investment in the Fund is passive with active day-to-day management (including due diligence on acquisitions and underwrite positions, arranging maintenance of the Properties, negotiation of leases, liaising with tenants, preparation of accounts, payment of distributions and obtaining bank financing) being handled by the Manager;
- The Fund structure enables the Manager to conduct the business of the Fund, while the Investors' liability is limited to their initial investment in the Fund;
- Cash distributions are paid monthly; and
- A PIE tax structure with a maximum tax rate of 28% and reduced compliance for Investors.

Related Party Benefits

There are no related party benefits to be given to, or received by, a related party under a transaction or proposed transaction other than:

- fees and expenses disclosed in section 8 "What are the fees?"; and
- any underwriting agreement entered into with an investment vehicle established by Augusta Capital or the Manager.

6. AUGUSTA PROPERTY FUND'S FINANCIAL INFORMATION

In this section, you will find:

- selected financial information about the Fund;
- the principal assumptions on which the prospective financial information is based on; and
- financial measures for the Fund's borrowings.

Selected Financial Information

This table provides selected financial information about the Augusta Property Fund. Full financial statements are available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz>. If you do not understand this financial information, you can seek professional advice.

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

The PFI included in the tables below has been extracted from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the Offer Register. The PFI has been subject to a limited assurance engagement by PwC, and a copy of the Independent Limited Assurance Report is also included on the Offer Register.

A summary of the principal assumptions on which the PFI is based is set out under the heading Principal Assumptions. The PFI is for the period 8 months and 19 days ending 31 March 2021 and the 12 months ending 31 March 2022.

Prospective financial information by its nature is inherently uncertain. It is a prediction of future events and conditions which cannot be assured. It involves risks and uncertainties many of which are beyond the Fund's control. The Manager believes that the PFI has been prepared with due care and attention, and considers the assumptions, when taken as a whole, to be reasonable and supportable at the time of preparing this PDS. Actual results may vary from the information presented and variances may be material. Accordingly, the Manager nor any other person can provide any assurance that the PFI will be achieved and investors are cautioned

not to place undue reliance on the PFI. You should read the PFI in this PDS in light of the assumptions, and in conjunction with the other information in this PDS (including in particular, the information in Section 7 "Risks to Returns from the Augusta Property Fund").

Financial position and performance

The table below presents key prospective financial position and performance measures for the Fund.

	8 months and 19 days ending 31 March 2021 (\$)	12 Months ending 31 March 2022 (\$)
Gross property income	2,137,566	4,659,354
Property operating expenses	(644,768)	(1,599,934)
Net property income	1,492,798	3,059,420
Net profit after tax	309,607	1,789,007
Adjusted Operating Profit	1,135,926	2,263,220
Adjusted Operating Profit per Unit	0.0320	0.0638
Distributions to Investors	(1,065,000)	(2,130,000)
Net cash flows from operating activities	668,814	1,898,088
Total assets	56,382,360	56,722,423
Cash and cash equivalents	308,859	437,947
Total liabilities	24,162,752	24,843,808
Total debt	24,048,481	24,620,456
Net tangible assets	32,219,608	31,878,615
Gearing ratio	42.7%	43.4%
Interest cover ratio	3.23	3.30

Forecast Investor Returns

Forecast Pre-Tax Cash Return	<p>Forecast pre-tax cash returns of:</p> <ul style="list-style-type: none"> • 6 cents per Unit on an annualised basis for the period ending 31 March 2021; and • 6 cents per Unit per annum for the first full year ending 31 March 2022.
Forecast Post-Tax Cash Return*	<ul style="list-style-type: none"> • 5.84 cents per Unit on an annualised basis for the period ending 31 March 2021; and • 5.72 cents per Unit per annum for the first full year ending 31 March 2022 <p>*Based on the maximum tax rate of 28%. Returns for lower tax rates are shown on page 40.</p> <p>Post-tax returns depend on the timing of income recognition and tax deductions. This can change due to the nature of capital works, the type of lease incentives provided, and when expenditure is incurred including repairs and maintenance, capital expenditure and leasing fees. Accordingly, variances are more likely to occur between actual results and forecasts for post-tax returns than pre-tax returns.</p>

These returns are not guaranteed. The actual distribution rates may vary.

It is the Fund's policy to distribute up to 100% of the Fund's Adjusted Operating Profit to Investors over the medium-term. In addition, distributions may also include any surplus capital of the Fund. The Fund may pay less than 100% of the Adjusted Operating Profit when monies are required to fund redemptions, or cash reserves are required to be built up for a future event, such as planned capital expenditure for a directly owned property. See Section 7 "Risks to Returns from the Augusta Property Fund" on page 45 for more detail on the potential risks to the Fund's income stream.

The following table reconciles the prospective net profit after tax per the PFI to the Adjusted Operating Profit. This non-GAAP disclosure has not been subject to any audit or review.

Reconciliation of net profit after tax to Adjusted Operating Profit	8 months & 19 days ending 31 March 2021 (\$)	12 Months ending 31 March 2022 (\$)
Prospective net profit after tax	309,607	1,789,007
Adjustments:		
Unrealised movement in the fair value of investment property	536,240	(12,881)
Rental income on vendor leases treated as financial assets	203,500	-
Amortisation of capitalised borrowing costs	42,881	85,763
Amortisation of vendor funded lease incentives	4,252	34,398
Debt funded non-recoverable repairs and maintenance expenses	39,446	366,933
Adjusted Operating Profit available for distribution	1,135,926	2,263,220
Adjusted Operating Profit Payout Ratio	94%	94%

6. AUGUSTA PROPERTY FUND'S FINANCIAL INFORMATION (CONT.)

The Manager believes this non-GAAP disclosure is important as it clearly states the cash surplus available for distribution.

The Fund calculates Adjusted Operating Profit by adjusting net profit after tax (determined in accordance with NZ IFRS) for certain non-cash, one-off, irregular and/or equity raising costs including:

- reversing unrealised fair value gains or losses on investments;
- reversing unrealised fair value gains or losses on derivative financial instruments;
- reversing unrealised foreign exchange gains or losses on investments (excluding foreign cash balances);
- reversing gains or losses on disposal of investments;
- removing accruals for fixed rental growth;
- reversing non-recoverable repairs and maintenance expenditure in relation to Anglesea Medical Centre up to a cumulative cap of \$2.5 million (including capitalised items) since fund establishment as this is intended to be debt funded;
- reversing fair value gains or losses on vendor underwrites and retentions that are treated as financial assets;
- adding rental income on vendor leases that are treated as financial assets and not reflected in net profit;
- reversing the amortisation of lease incentives funded by vendor underwrites;
- reversing the amortisation of borrowing costs incurred at establishment of the Fund or in respect of future equity raising;
- removing depreciation on right-of-use assets and subtracting the repayment of lease liabilities to mirror cash flows; and
- adjusting for other one-off and unpredictable items including acquisition fees, marketing costs in relation to raising capital and performance fees.

Adjusted Operating Profit is a consistent measure that the Manager will use when determining future distribution levels.

Forecast Post-Tax Return

The below sensitivity table outlines forecast annualised post-tax investor returns for the periods ending 31 March 2021 and 31 March 2022. The estimated tax depreciation claim is based on a draft purchase price allocation report for Anglesea Medical Centre.

	8 months & 19 days ending 31 March 2021 (\$)	12 months ending 31 March 2022 (\$)
Forecast taxable income before depreciation (per 10,000 Units)	267	495
Estimated tax depreciation claim (per 10,000 Units)	(239)	(394)
Forecast taxable income (per 10,000 Units)	28	101
Forecast post tax return (% p.a.)	PIR	
	0.0%	6.00%
	10.5%	5.94%
	17.5%	5.90%
	28.0%	5.84%

Post-tax returns depend on the timing of income recognition and tax deductions. This can change due to the nature of capital works, the type of lease incentives provided, and when expenditure is incurred including repairs and maintenance, capital expenditure and leasing fees. Accordingly, variances are more likely to occur between actual results and forecasts for post-tax returns than pre-tax returns.

Principal Assumptions

Below is a summary of the principal assumptions on which the above prospective financial information is based. Further information on these assumptions may be found at <https://disclose-register.companiesoffice.govt.nz> by searching “OFR12901” under “search offers”.

Settlement

Pursuant to the Sale and Purchase Agreement for the Anglesea Medical Centre, settlement is to occur on 30 September 2020. It is assumed that \$35,500,000 of equity is raised in the Offer and \$23,047,435 of debt is drawn to facilitate acquisition of the Anglesea Medical Centre and to pay establishment costs.

	8 months & 19 days ending 31 March 2021 (\$)	12 months ending 31 March 2022 (\$)
Investment, establishment and acquisition costs:*		
Investment property	55,000,000	-
Capitalised acquisition costs	765,148	-
Costs of establishment and raising equity	2,525,000	-
Financing costs	257,287	-
Total investment, establishment and acquisition costs	58,547,435	-
Funded by:		
Debt	23,047,435	-
Equity	35,500,000	-
Total	58,547,435	-

*Costs are assumed to be incurred on date of settlement (30 September 2020).

Establishment Costs

Total establishment costs are expected to be \$3,547,435. This includes offeror, brokerage, legal, accounting, valuation, property due diligence, Supervisor, registration and registry fees as well as financing and marketing costs. The bulk of these costs are deemed to be issue costs, with the exception of \$257,287 financing costs and \$765,148 associated with the acquisition of the Anglesea Medical Centre.

The establishment costs have been based on contractual obligations, quotes received and/or estimates made using experience from similar funds.

Investment Property

On settlement date, 30 September 2020, the value of the Anglesea Medical Centre is assumed to equal the cost, plus any directly related acquisition costs.

Financial assets have been recognised on settlement in relation to the Vendor Rental Underwrite and a retention held for seismic works. The Vendor Rental Underwrite is available to cover rental income and recoveries of operating expenses on vacant spaces, as well as market level rent free periods (incentives) offered to incoming tenants. The total value of this underwrite is \$625,000 and it is assumed that \$510,487 including GST (\$443,901 excluding GST) is drawn during the PFI period.

It is assumed that the financial assets are released by 31 March 2021 on the basis that all underwritten tenancies are leased and that the seismic works are complete by 31 March 2021.

On 31 March 2021 and 31 March 2022 it is assumed that Anglesea Medical Centre will be revalued, with the carrying value of the investment property assumed to represent the independent valuation of \$55,200,000 commissioned as part of the due diligence plus additional capital expenditure incurred post settlement and the impact of current lease negotiations that are expected to be accretive to value (but are not captured in the valuation) by \$400,000.

The independent valuation of Anglesea Medical Centre was completed by CBRE and is dated 30 June 2020.

When calculating the unrealised movement in the fair value of investment property, adjustments have been made for the movement in the value of capitalised lease incentives and leasing fees.

6. AUGUSTA PROPERTY FUND'S FINANCIAL INFORMATION (CONT.)

Capital expenditure has been forecast based on estimated costs included in external consultant's property condition reports that were commissioned as part of due diligence. Timing of when this expenditure is likely to be incurred has been determined by the Manager based on experience with similar assets.

A Detailed Seismic Assessment (DSA) assessed the Anglesea Clinic buildings at 40% of New Building Standard (NBS). Gray Partners (structural engineer) has assessed the structural strengthening works required to achieve a NBS rating greater than 67% and the Fund will carry out the work required to achieve a rating no less than 67% NBS.

The PFI assumes that the costs of seismic strengthening works will be covered by the vendor retention included in the Sale and Purchase Agreement, and that there will be no additional cost of this work to the Fund.

The actual movements in fair value are likely to be different to what is assumed in the PFI as the actual valuations will be based on the lease income, market yields and other contributing factors as at the actual valuation dates.

	As at 31 March 2021 (\$)	As at 31 March 2022 (\$)
Balance at beginning of financial period	-	56,073,501
Contracted purchase price	55,000,000	-
Transaction costs to purchase property	765,148	-
Transfer to vendor underwrite financial asset	(443,901)	-
Transfer to seismic works retention financial asset	(1,455,907)	-
Capital expenditure	473,500	210,975
Seismic works expenditure	1,455,907	-
Movement in capitalised lease incentives and leasing fees	814,994	(12,881)
Unrealised movement in the fair value of investment property	(536,240)	12,881
Balance at end of financial period	56,073,501	56,284,476

Rental Income

Rental income has been forecast based on existing lease agreements with tenants. It is assumed that there is no tenant default and no tenant termination rights are exercised. It is also assumed that there are no delays in receipt of debtors.

Rental income is assumed to commence on 1 October 2020, being the day following settlement, in respect to all existing leases and rental underwrites. The PFI reflects all market and CPI rent reviews occurring during the reporting periods ending 31 March 2021 and 31 March 2022. CPI is assumed to be 0% for the purpose of rent reviews in November 2020, which are the only CPI rent reviews that occur during the PFI period.

The tenants are responsible for most operating expenses including rates, insurance premiums, utilities and certain maintenance obligations when in occupation and in respect to net leases. There are elements of non-recoverable operating expenses (including a portion of property management fees) identified in due diligence. It is assumed that all operating expense payments will be made on time and that there are no creditors associated with these operating expenses at the end of each reporting period. Operating expenses have been assumed based on information received during the due diligence process and from quotes received.

Vendor Rental Underwrite

The Vendor has provided a 12 month rental and outgoings underwrite for tenancies at the Anglesea Medical Centre that are vacant as at Settlement. The PFI therefore assumes that rent and operating expense recoveries are received, in full, for these tenancies until 30 September 2021.

The total anticipated drawdown of this underwrite in respect of rent and operating expense recoveries is \$203,500 (excluding GST). This is treated as a receipt of a financial asset and is not recognised as rental income in the prospective statement of comprehensive income.

These tenancies are assumed to be occupied during the underwrite period, with incentives payable to tenants to be covered by the Vendor Rental Underwrite and/or the Fund as detailed below. Leasing fees have been assumed as detailed below.

The Vendor Rental Underwrite also covers any rent relief or abatement offered to tenants (including operating expense recoveries) as a result of COVID-19, however no such amounts have been specifically allowed for in the PFI.

Augusta Funds Management Limited underwrite

The Manager has agreed to provide the Fund with a 6 month underwrite of the rent and outgoings payable in respect of the tenancies in place as at Settlement, excluding the tenancy at Level 1, Suite 3.130 of Symmans House, as this tenancy is assumed to be vacant in the PFI due to a proposed lease deal. If this excluded tenancy does not become vacant, the Fund will receive rent and outgoings from the existing tenant that are not assumed in the PFI.

The underwrite will also cover the cost of any market level incentives granted and the leasing costs incurred by the Fund during the 6 month period from Settlement in securing replacement tenants in the event any tenancies in place at Settlement become vacant. It cannot be used to provide incentives to existing tenants or subtenants.

The amount available to be claimed by the Fund for rent, outgoings, incentives and leasing costs pursuant to the Manager's underwrite is capped at \$500,000 plus GST. It is assumed that this underwrite is not required to be utilised.

Vacancy

Vacancy assumptions have been made for tenancies that are currently vacant or due to expire during the PFI period. Vacancy periods of zero to six months have been assumed. These assumptions are based on the Manager's experience and discussions with the Vendor and certain tenants

Lease incentives and leasing fees

Lease incentives have been assumed to be paid for certain tenancies where these are considered likely by the Manager and in line with market. Lease incentives of between 3 to 12 months rent have been assumed depending on forecast lease terms. Leasing fees of between 5% to 20% of annual rent have also been assumed in regard to tenancies that are currently vacant or subject to renewal during the PFI period. These assumptions are based on the Manager's experience and understanding of market standards.

Management Fees

The annual fund management fees have been agreed at 0.50% of the average month-end asset value of all Fund assets. Aside from establishment fees paid to the Manager, further fees are charged including development management fees and leasing fees. It is assumed that no performance fees are payable during the PFI period. Fees are based on the Trust Deed and other assumptions regarding capital expenditure and leasing.

Administration Expenses

Valuation, audit fees, supervisor fees, registry fees and bank agency fees are based on quotes received. Legal, tax and other consultancy fees are based on the Manager's estimate from experience managing other property schemes.

Borrowings

Total debt limit for the Fund will be \$26.125 million. The loan agreement will be interest only and will have a 3 year tenor from 30 September 2020.

Interest Expense

Bank loan interest assumes an interest rate for drawn debt of 2.75% per annum during the PFI period. The line fee on undrawn limit is assumed to be 0.84% per annum. These are based on a credit approved loan offer.

The margin will be fixed under the syndicated loan agreement until expiry of the initial loan term or when the loan is refinanced. It is intended that the variability in the base rate will be managed with interest rate swap agreements, however these have not yet been entered into. Such interest rate derivatives have the economic effect of converting the base rate from floating to fixed. The PFI assumes that any interest rate swap agreements entered into are equal to the BKBM base rate assumed in the PFI. It is assumed that the BKBM rate will not change over the PFI period.

Taxation

The Fund will register as a multi-rate Portfolio Investment Entity (PIE). The Fund will attribute income, losses and tax credits to investors based on their unit holding and pay tax based on their prescribed investor rates (PIRs).

Cash Distributions

A regular gross monthly distribution of 6 cents per Unit per annum (before taxation, including any depreciation claimed for taxation purposes) is assumed to be paid to Investors from 1 October 2020.

This represents an Adjusted Operating Profit Payout Ratio of 94% in the period ending 31 March 2021 and 94% in the period ending 31 March 2022.

6. AUGUSTA PROPERTY FUND'S FINANCIAL INFORMATION (CONT.)



Actual Results

Actual results may differ from the prospective financial information. The resulting variance may be material. The Fund, the Manager and the directors of the Manager give no guarantee or assurance that the prospective financial information presented will be achieved.

Financial Measures for Scheme Borrowings

The following table forecasts the gearing and interest cover ratios.

	30 September 2020 (Date of issue/ date on which the Anglesea Medical Centre is acquired)	31 March 2021	31 March 2022
Gearing Ratio	41.3%	42.7%	43.4%
Interest Cover Ratio	Not applicable	3.23	3.30

The "Gearing Ratio" tells you how much the Fund owes (debt) as a portion of what it owns (total assets, including cash). The higher the gearing ratio, the greater the Fund's exposure to risk from movements in interest rates or the requirement to repay debt if loan facilities cannot be renewed or refinanced on expiry.

The "Interest Cover Ratio" tells you how much the Fund's net income exceeds interest on its loans (as a multiple). The higher the ratio, the more comfortably the Fund's income can cover any interest owing (and the lower the risk to the Fund).

Borrowing Repayment Dates

Loan Facility	Repayment Date
ASB & ICBC Syndicated Bank Facility	30 September 2023 The loan is a 3 year facility.

7. RISKS TO RETURNS FROM THE AUGUSTA PROPERTY FUND

Risks to Returns from Augusta Property Fund

This section sets out a description of the circumstances that the Manager is aware of that exist or are likely to arise that significantly increase the risk to returns for Investors. The table in this section sets out particulars of why each circumstance is of particular significance and an assessment of the likelihood of any impact arising, the nature of that impact, and the potential magnitude of that impact.

These circumstances may not encompass all of the circumstances that may present a risk to returns of Investors now or in the future, and there is no guarantee that the importance of each circumstance will not change.

These circumstances, were they to occur and if they were not appropriately managed by the Manager, could have a material adverse effect on the Fund's financial position or future

financial performance through a decrease in revenue or an increase in costs. The Manager has taken, and will, in the future take, reasonable steps to mitigate the effects of these circumstances. However, some risks may not be fully capable of mitigation.

Investors should carefully consider these risks (together with other information in this PDS) before deciding whether to invest in the Fund.

The description of the circumstances in this section does not take into account the personal circumstances, financial position or investment requirements of any person. It is therefore important that, before deciding to invest in the Fund, you consider the suitability of an investment in the Fund in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).

Description of Risk	Manager's assessment of nature and magnitude	Mitigating factors
<i>Lack of Diversification – inability to access further property investments</i>	<p>The principal Asset of the Fund at Settlement will be the Anglesea Medical Centre.</p> <p>In order for the Fund to grow and achieve further diversification, the Fund needs to source further Assets.</p>	<p>In addition to investing in wholly-owned property investments, it is intended that the Fund invest in future offers of the Manager over time. However, this opportunity is not certain.</p> <p>The Manager has a dedicated asset and development team and a track record of acquisitions over the past 10 years. The Augusta Group has capability in office, retail, industrial, value add, residential, tourism and development sectors.</p>
<i>Manager's assessment of likelihood of circumstances arising</i>	Low - Medium	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	<p>As to delivery of strategy – High</p> <p>As to financial impact - Low – while access to further diversified property investments will impact the Manager's ability to meet the Fund's strategy, in the Manager's view, it will not impact forecast distributions to Investors.</p>	

7. RISKS TO RETURNS FROM THE AUGUSTA PROPERTY FUND (CONT.)

Description of Risk	Manager's assessment of nature and magnitude	Mitigating factors
Diversification – inability to invest in Proposed Authorised Investments	In order to invest in the Proposed Authorised Investments, the Manager needs to apply and be granted the Licence Variation. There is no guarantee that the Licence Variation will be received.	Given that the Manager is unable to control the grant of the Licence Variation, there are no mitigating factors.
<i>Manager's assessment of likelihood of circumstances arising</i>	There is no guarantee that the Licence Variation will be received.	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	As to delivery of strategy – High As to financial impact - Low – while access to further diversified property investments will impact the Manager's ability to meet the Fund's strategy, in the Manager's view, it will not impact forecast distributions to Investors.	
Anglesea Medical Centre – seismic repair costs exceeding purchase price retention	A Detailed Seismic Assessment (DSA) assessed the Anglesea Clinic buildings at 40% of New Building Standard (NBS). Gray Partners (structural engineer) has assessed the structural strengthening works required to achieve a NBS rating greater than 67% and the Fund will carry out the work required to achieve a rating no less than 67% NBS. If the cost of the seismic strengthening works and any associated costs exceeds the amount of the seismic strengthening retention amount available to the Fund (refer to page 20 for further detail on the retention amount), then the Fund will need to pay the additional cost above the retention amount. The work is to be carried out within 2 years and 3 months of settlement.	The Manager is reasonably confident that the \$1.85 million retention will meet the cost of the seismic works as a result of quantity surveyor estimates received. The quantity surveyor's assessment of the likely costs of circa \$1.2 million with consultants costs and contingencies adding a further \$250k indicates the seismic works are unlikely to exceed \$1.85 million. The Manager believes this work can be carried out with limited impact to tenants based on its assessment of the scope of the work, including that the work will be predominantly undertaken on the outside of the building and not inside the tenancies.
<i>Manager's assessment of likelihood of circumstances arising</i>	Low - because of the Manager's assessment that the majority of the \$1.85 million seismic strengthening retention will be available to apply to the seismic works and the costs of the seismic works is very unlikely to be in excess of the \$1.85 million retention amount.	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	In the Manager's view, this is unlikely to have a significant impact on Investor's returns but will depend on the extent of the cost overruns.	
The Fund may need to refinance the ASB participation in the syndicated loan facility due to a change in control of the Manager	If the Centuria Capital Group takeover of Augusta Capital occurs then this constitutes an "event of review" for ASB's participation in the loan facility.	ICBC submitted a credit approved offer to solely provide the full loan as part of the syndication process, a good indication of their appetite to provide further funding. In addition, prior to selecting ASB and ICBC as the banking syndicate, the Manager sought expressions of interest from other banks. Based on those expressions of interest, the Manager considers other banks would be prepared to provide debt funding to the Fund.

Description of Risk	Manager's assessment of nature and magnitude	Mitigating factors
<i>Manager's assessment of likelihood of circumstances arising</i>	Low - Medium – based on the Manager's conversations with ASB.	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	Low - because the Manager considers ICBC or other banks would be prepared to provide debt funding to the Fund. The Manager also considers any potential change in pricing or terms from a new bank funder would not materially impact the Fund's returns.	
Increase in interest rates	<p>Interest expense incurred by the Fund as a result of bank borrowings is a material expense for the Fund. If interest rates were to increase, it may affect the Fund's ability to maintain distribution levels. On establishment, base rates will be floating and margins will be fixed under the syndicated loan facility until expiry of the initial loan term or when the loan is refinanced.</p> <p>The magnitude of the impact of any adverse change in interest rates cannot be accurately predicted (as the interest rates themselves cannot be accurately predicted).</p>	<p>The Manager intends to transact interest rate swap agreements after the Fund is established that fix the base rate on 50% of the Fund's long-term drawn debt forecast for a period of up to four years. However, the swap rates cannot be confirmed until these are transacted.</p> <p>Margins are fixed until expiry of the initial three year loan term or when the loan is refinanced. The Manager will monitor the margins available in the market during the life of the Fund (and would consider changing lender if materially better margins were available elsewhere).</p> <p>The Manager will monitor and adjust the interest rate management strategy throughout the life of the Fund including the percentage of borrowings that is subject to a fixed interest rate.</p>
<i>Manager's assessment of likelihood of circumstances arising</i>	Low	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	Low - Medium	
Liquidity	<p>Investors may have the ability to redeem their Units from July 2022. No redemptions will be offered from establishment of the Fund. The ability for the Fund to provide redemptions for Investors depends on the Fund making a continuous offer of Units following this first PDS and raising further capital to allow it to fund redemption requests.</p> <p>The redemptions processed each month will be limited to the Available Funds. The Available Funds is the amount of cash that the Fund will have available to pay for redemptions.</p> <p>If the Fund did not have sufficient funds to process redemptions in the applicable month, then the Fund may suspend redemptions. Investors would be unable to redeem their Units until the suspension was lifted.</p>	<p>If redemption requests exceed the Available Funds redemptions will be processed on a pro-rata basis up to the Available Funds limit. Any remaining redemptions will be processed in the following month (subject to Available Funds).</p> <p>Investors may be able to sell or transfer Units (refer to the Secondary Sales section on page 33).</p>

7. RISKS TO RETURNS FROM THE AUGUSTA PROPERTY FUND (CONT.)

Description of Risk	Manager's assessment of nature and magnitude	Mitigating factors
<i>Manager's assessment of likelihood of circumstances arising</i>	Medium	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	Medium	
Inability to refinance at end of term	<p>The Fund will borrow from ASB and ICBC to fund the purchase of the Anglesea Medical Centre.</p> <p>As set out on page 29, the Fund's borrowings will likely be due before the Fund is wound up and the Manager considers that refinancing is likely to be needed. Alternative funding (if available) may require higher interest payments and/or payment of the loan principal.</p> <p>The Fund's ability to pay distributions and continue to hold the investment property portfolio is dependent upon the ability to refinance borrowings prior to expiry of the initial loan facility or seek alternative sources of capital.</p> <p>Adverse market movements may cause the Fund to breach its banking covenants. If the breach is not remedied, the banks may enforce their security and sell the Properties at a lower than market price in a "forced sale" situation.</p>	The Manager, based on its experience, considers the potential impact of changes to the Fund's funding arrangements will be able to be adequately minimised through active management of the Fund's finances and banking relationships.
<i>Manager's assessment of likelihood of circumstances arising</i>	Low	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	High - because of the potential costs and losses that may be incurred by the Fund	

Description of Risk	Manager's assessment of nature and magnitude	Mitigating factors
Pathology Associates Limited's termination right - Anglesea Medical Centre	<p>Pathology Associates Limited is entitled to terminate its lease if its contract with the Waikato District Health Board for pathology services is not renewed (which the Manager understands is due for renewal in July 2024). In these circumstances, the tenant is required to give six months' written notice of its intention to terminate the lease.</p> <p>In the event that replacement tenants needed to be found, it is likely that the Manager would need to offer rental incentives to any incoming tenant and may not be able to lease the tenancies at the existing passing rent.</p>	The Manager considers that this risk is mitigated by the 6 months' notice required to be provided which the Manager considers is a reasonably sufficient period to re-let the tenancy.
<i>Manager's assessment of likelihood of circumstances arising</i>	Low - however, neither the Manager nor the tenant can predict the Waikato District Health Board's decision to renew Pathology Associates Limited's contract.	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	Medium to High - Pathology Associates accounts for 17% of the Fund's current Passing Rental.	
COVID-19 - Valuation uncertainty	<p>Property market conditions, the economic environment and fluctuations in supply and demand for commercial properties will affect the value of the Anglesea Medical Centre. The value of the Anglesea Medical Centre directly impacts the Unit Price and the gearing ratio of the Fund (amongst other metrics).</p> <p>The Manager has obtained an independent valuation report of the Anglesea Medical Centre dated 30 June 2020. The current economic environment, as a result of COVID-19, has been factored into the valuation as at the date of the valuation report. The valuation report has been prepared on the basis of 'market volatility and uncertainty associated with novel coronavirus'. The valuers have stated that a higher degree of caution should be exercised when relying on their valuation. The valuation report notes that if economic and property market conditions deteriorate in the future, then the market value of this asset is likely to decline.</p>	The Manager considers the Anglesea Medical Centre has strong long term fundamentals including a high profile CBD location, large circa 2.4 hectare site and income diversification provided through 28 tenants in an attractive sector of the property market. Refer also to the commentary prepared by Bayleys Research on page 27.
<i>Manager's assessment of likelihood of circumstances arising</i>	Unable to be accurately predicted. The COVID-19 pandemic may have an impact on property values, however the extent of any impact is currently unknown.	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	As noted in the Valuation Report, if economic and property market conditions deteriorate in the future, then the market value of this asset is likely to decline. The Manager is unable to assess the extent of a potential decline (if any).	

7. RISKS TO RETURNS FROM THE AUGUSTA PROPERTY FUND (CONT.)

Description of Risk	Manager's assessment of nature and magnitude	Mitigating factors
COVID-19 - Impact of any further shutdown on income from the Anglesea Medical Centre	<p>The four major tenants (Hamilton Radiology, Pathology Associates, Pharmacy at Anglesea and Anglesea A&E) remained open during Alert Level 4 and 3 but all other tenants were closed. Under the terms of the leases the list of tenants that had abatement of rent options with a 'no access' clause includes 21 of the 28 tenants. The Vendor offered abatement or rental relief based on rent (excluding outgoings) for April to all tenants. This equated to a total reduction in April rent of 28%. The Vendor offered slightly reduced figures for May rental which equated to a 20% drop in rent across the property.</p> <p>If there was a further COVID-19 outbreak and the tenants closed as result of moving to Alert Level 3 or 4, the income from tenants would likely reduce similar to the reductions experienced in April and May 2020.</p> <p>The Manager also notes that the Government is considering an amendment to the Property Law Act - refer to page 26 for further information.</p>	<p>The Vendor has provided a rental underwrite (as described on page 21).</p> <p>The Manager has also agreed to provide the Fund with a 6 month underwrite of the rent and outgoings payable in respect of the tenancies in place as at the settlement. The amount available to be claimed by the Fund pursuant to the Manager's underwrite is capped at \$500,000 (plus GST). The Manager's rental underwrite is described in further detail on page 21.</p>
<i>Manager's assessment of likelihood of circumstances arising</i>	Low - given the low COVID-19 case rates experienced in the period between entering Alert Level 2 and the date of this PDS, in the Manager's opinion, the likelihood of returning to Alert Level 3 or 4 is low.	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	Low - the Manager considers the Vendor Rental Underwrite and the Manager's rental underwrite (as described on page 21) would be sufficient to cover any rental reduction as a result of a further lockdown.	

Description of Risk	Manager's assessment of nature and magnitude	Mitigating factors
Rental income risk	<p>The primary income stream for the Fund is rental income. As a result, the Fund is subject to the risk of tenants failing to pay their rent and/or operating expenses and to tenancies becoming vacant on lease expiry. This risk may be increased as a result of the economic environment arising from COVID-19 and the economic/market impact on businesses.</p> <p>The Manager has carried out due diligence on the financial standing of the tenants and is satisfied with its findings. Such enquiries included searches of the Insolvency Register, discussions with other medical practitioners and participants in the healthcare sector regarding the medical industry's perception of the Anglesea Medical Centre, review of financial information provided by some of the tenants and review of publicly available information. However, the Manager cannot comment with any certainty on the financial standing of any tenant and the impact any economic or market pressures may have.</p> <p>The likelihood and magnitude of the impacts on rental income will be driven by various factors including the quality of the tenants, the length and terms of the leases and the ability to replace tenants. If tenants fail to pay and/or tenancies become vacant, there may be a material impact on returns if the default or vacancy is from a larger tenant or several smaller tenants.</p>	<p>The Manager considers the risk of adverse economic impacts affecting the tenants is less because of the sector in which the majority of tenants operate – healthcare.</p> <p>As noted in the Bayleys Research material on page 27 – “the economy itself is not the key demand driver for the healthcare sector... therefore healthcare property presents desirable non-cyclical and defensive characteristics.... It also considers that the healthcare property sector (by reason of its particular characteristics, as referred to above) is well placed to outperform other sub-sectors within the property market”.</p> <p>In the short term, the Manager consider any risk of tenant default is mitigated through the rental underwrites provided by the Manager and the Vendor (as described in more detail on page 21).</p>
<i>Manager's assessment of likelihood of circumstances arising</i>	Low – based on the feedback the Manager has received on the trading and status of the tenants and its assessment of any general market slowdown linked to COVID-19 on the healthcare sector.	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	High – if the healthcare sector is affected, then tenants may suffer significant loss which may impact their ability to pay rent to the Fund.	

7. RISKS TO RETURNS FROM THE AUGUSTA PROPERTY FUND (CONT.)

Description of Risk	Manager's assessment of nature and magnitude	Mitigating factors
Vacancy on expiry of Vendor Rental Underwrite	<p>The Vendor has agreed to provide the Fund with a 12 month rent and outgoings underwrite in respect of the vacant space at the Anglesea Medical Centre upon settlement. In consideration for the Vendor Rental Underwrite, the Fund (as landlord) and the Vendor (as tenant) will enter into a separate lease of each of the vacant tenancies upon settlement for one year (Vendor Leases).</p> <p>If the Vendor and the Fund is unable to find replacement tenants prior to expiry of the Vendor Leases, any vacancy or re-letting costs would have a detrimental impact on the ability of the Fund to pay returns to Investors.</p>	<p>The Vendor is now actively marketing the premises it will lease under its underwrite arrangement and may find a new tenant for any part of those areas before Settlement.</p> <p>A retention of \$625,000 from the purchase price will be held in Chapman Tripp's trust account upon settlement. The Fund will be entitled to claim from the Vendor Rental Underwrite the amount of any market level rent free incentive offered to any replacement tenant.</p> <p>The Manager understands that the vacant space in the centre has not been actively marketed. The Manager will be able to employ its specialist asset management team with a focus on leasing the space and also leveraging its networks with real estate agents to source tenants.</p> <p>In addition, the valuer has assumed a 9 month period to lease the space when undertaking its valuation. The Manager is already in discussions with prospective tenants to take up part of the vacant space. There is, however, no guarantee that those discussions will result in new leases.</p>
<i>Manager's assessment of likelihood of circumstances arising</i>	Low - the Manager considers there is a low likelihood that the existing vacant space will remain vacant at the expiry of the Vendor's 12 month lease. However, the Manager cannot discount the possibility that some of the space will remain vacant.	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	Medium - annual rent and outgoings on tenancies currently vacant total \$539,514 excluding GST. If these tenancies remain vacant on expiry of the Vendor Rental Underwrite, distributions may reduce by up to 25% to 4.5 cents per Unit on an annualised basis if none of the vacant area is leased. As each vacant area is leased and associated incentives (if any) are funded, the Fund's distribution will increase reflecting the income generated.	

Description of Risk	Manager's assessment of nature and magnitude	Mitigating factors
Proposed amendments to the Property Law Act	<p>On 4 June 2020 the Government announced a proposed amendment to the Property Law Act that would imply a clause into eligible commercial leases that a fair proportion of rent and outgoings will be abated if the business has suffered a material loss of revenue as a result of COVID-19.</p> <p>The proposed amendment to the Property Law Act has not yet been made public and it is unclear whether the proposal will progress.</p> <p>The Manager has relied on the cabinet paper released on 4 June 2020 in order to form a view on the potential impact of the proposal.</p>	<p>The Fund will be entitled to claim upon either the Vendor Rental Underwrite or the Manager's rental underwrite in order to offset the effects of the implied rent abatement clause.</p> <p>The Manager notes that based on the information released by the Government to date, the implied clause will only be implied into certain Leases for a period of roughly 3 months from Settlement and should only impact the property if the COVID-19 Alert Level is raised to Level 3 and/or 4 again in the future.</p>
<i>Manager's assessment of likelihood of circumstances arising</i>	<i>The Manager notes it is uncertain whether the proposed amendment to the Property Law Act will become law. The exact nature of the proposed amendment is also uncertain.</i>	
<i>Manager's assessment of the impact, were the circumstance to arise</i>	<i>Low - the Manager considers the Vendor Rental Underwrite and the Manager's underwrite is likely to be sufficient to insulate the Fund from any COVID-19 related relief.</i>	

8. WHAT ARE THE FEES?

Establishment fees

In this section, you will find information on:

- fees and expenses charged to the Fund on its establishment;
- ongoing fees and expenses charged to the Fund by the Manager and its associated persons; and
- other ongoing fees and expenses.

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

Manager and associated person's fees	
Manager's offeror fee	\$1,995,000
Interest on Anglesea Medical Centre deposit	\$76,548
Manager and associated persons' aggregate fees for establishment of the Fund	\$2,071,548
Other fees for establishment of the Fund	
Brokerage fees**	\$559,125
Legal fees*	\$325,000
Investigating accountant fee	\$90,000
Valuation fees	\$26,250
Chattels valuation fees*	\$17,844
Building inspection fees*	\$52,506
Supervisor	\$10,000
Marketing	\$259,625
Bank fees and bank legal costs*	\$115,537
PDS and scheme registration fee and FMA levy	\$5,000
Registry establishment fees	\$15,000
Other fees for establishment of the Fund	\$1,475,887
Total fees for establishment of the Fund	\$3,547,435

* These amounts, or a component of these amounts, are the Manager's best estimates, based on its experience and the information known to it at the date of this PDS, but they may be subject to change based on the amounts invoiced to the Fund (and Investors will not be notified of such a change). All other amounts are maximum and cannot be increased.

** The brokerage fee payable assumes no oversubscriptions are accepted. If oversubscriptions of up to 3 million Units are accepted, a brokerage fee will be payable at a rate of 1.75 cents per \$1 Unit.

The fees are plus GST (if any) and disbursements.

The offeror's fee is payable to the Manager for negotiating the acquisition of the Anglesea Medical Centre, completing due diligence, arranging and establishing the Fund, negotiating the bank facility, preparing the prospective financial information, this PDS and the Trust Deed.

Interest on Anglesea Medical Centre Deposit relates to interest incurred by the Manager on debt drawn to fund the deposit paid for the acquisition of the property. This is based on an interest rate of 4.00% per annum for the period from 20 January 2020 (the date the deposit was paid) until 30 September 2020 (the assumed Settlement date).

The brokerage fee is payable to Bayleys as the selling agent for the Offer.

Legal fees are payable to the Fund's Solicitors, Chapman Tripp, for the costs of legal due diligence on the Anglesea Medical Centre and other properties that were considered for acquisition by the Fund, negotiation of the sale and purchase of the Anglesea Medical Centre, settlement of the purchase, cost of advising on this PDS, the Trust Deed and compliance with the FMCA, and in connection with the Fund's financing arrangements. A portion of the legal fees were originally charged to the Manager in conjunction with the establishment of the first Augusta Property Fund offer and are to be paid by the Fund as the Manager considers the Fund is obtaining the benefit of the work produced as a result of those costs. The legal costs recharged will not exceed the actual total costs incurred.

The investigating accountant fee represents PwC's fee as investigating accountant for completing a limited assurance engagement on the prospective financial statements contained on the Offer Register. A portion of the investigating accountant fee was originally charged to the Manager in conjunction with the establishment of the first Augusta Property Fund offer and is to be paid by the Fund as the Manager considers the Fund is obtaining the benefit of the work produced as a result of this cost. The investigating accountant costs recharged will not exceed the actual total costs incurred.

The valuation fee is payable to CBRE for preparing the Valuation Report on the Anglesea Medical Centre. A portion of the valuation fee was originally charged to the Manager in conjunction with its original due diligence on the property and is to be paid by the Fund as the Manager considers the Fund is obtaining the benefit of the work produced as a result of this cost. The valuation costs recharged will not exceed the actual total costs incurred.

The building inspection fees and chattels valuation fees relate to the due diligence reports the Manager commissioned as part of the Manager's due diligence investigations of the Anglesea Medical Centre. A portion of the building inspection fees and chattels valuation fees were originally charged to the Manager in conjunction with its original due diligence on the property and are to be paid by the Fund as the Manager considers the Fund is obtaining the benefit of the work produced as a result of those costs. The building inspection and chattels valuation costs recharged will not exceed the actual total costs incurred.

The supervisor fees are payable to the Supervisor for their costs in relation to establishing its appointment as supervisor and reviewing the Trust Deed. A portion of the supervisor fee was originally charged to the Manager in conjunction with the establishment of the first Augusta Property Fund offer and is to be paid by the Fund as the Manager considers the Fund is obtaining the benefit of the work produced as a result of this cost. The supervisor costs recharged will not exceed the actual total costs.

Marketing costs reflect the costs of both preparing and producing advertisements in relation to the Offer, publishing those advertisements, holding investor presentations on the Offer and the costs for designing and printing this PDS. A portion of the PDS design cost was originally charged to the Manager in conjunction with the establishment of the first Augusta Property Fund offer and is to be paid by the Fund as the Manager considers the Fund is obtaining the benefit of the work produced as a result of this cost. The design costs recharged will not exceed the actual total costs incurred.

The registry establishment fees are payable to Link Market Services as the registrar for the Fund.

The bank fees and legal fees are payable to ASB and ICBC in connection with establishing the Fund's syndicated loan facility and the fees of the banks' legal advisers. A portion of the bank legal fees were originally charged to the Manager in conjunction with the establishment of the first Augusta Property Fund offer and are to be paid by the Fund as the Manager considers the Fund is obtaining the benefit of the work produced as a result of those costs. The bank legal costs recharged will not exceed the actual total costs incurred.

The PDS registration fee and FMA levy are payable in connection with the registration of the Fund on the Offer Register and Scheme Register.

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

Furthermore, the Manager has paid a deposit of \$2,750,000 in partial satisfaction of the consideration payable for the Anglesea Medical Centre. Upon Settlement of the acquisition of the Anglesea Medical Centre and issue of the Units, the Manager is entitled to reimbursement of this amount.

8. WHAT ARE THE FEES? (CONT.)

Ongoing fees and expenses

There is no most recent accounting period for the Fund.

The ongoing fees and expenses charged to the Fund during its duration are:

Manager and associated person's fees

Annual management fee 0.5% of the average month-end value of all the Fund's Assets plus GST. The fee is payable quarterly in arrears.

Performance fee A performance fee equal to 20% of the outperformance above the Benchmark is calculated and paid six monthly in arrears. Over and under performance is calculated in respect of each six month period by calculating the performance of the Fund and the performance of the Benchmark and comparing the two. The Benchmark is fixed at 4% per six-month period.

The performance of the Fund is calculated by taking the Unit Price on the last business day of the six month period (the *Closing Unit Price*) subtracting the Unit Price on the last business day of the preceding six month period (the *Opening Unit Price*) and adding the amount of distributions paid per unit during the period (on an accrual basis). The result is then divided by the Opening Unit Price to determine the performance in percentage terms (positive or negative).

The performance fee is calculated by subtracting the Benchmark from the performance of the Fund, multiplying the result by the average monthly Adjusted Net Asset Value of the Fund during the period and deducting any carried forward underperformance from previous periods. If the result is a negative amount, it represents carried forward underperformance and no performance fee is payable in respect of that period. If the result is a positive amount, that amount is multiplied by 20% and represents the performance fee payable in respect of that period. Accordingly, the performance fee is charged on a high watermark basis such that any underperformance must be recovered prior to a performance fee being paid. There is no reset ability.

The Fund will use its reasonable endeavours to pay the performance fee in cash. If the Fund is unable to pay this fee in cash, the Fund will satisfy payment by issuing Units to the Manager at the then current Unit Price.

Manager and associated person's fees

Performance fee (cont.) The Fund may also invest in Authorised Investments, such as unlisted funds or listed property vehicles, in which a performance fee may be payable to a trustee or manager of the underlying investment. These performance based fees may be incurred irrespective of the Fund's overall performance and will be reflected in the Fund's Unit Price.

A worked example of the performance fee calculation is set out on page 58.

It is assumed that no performance fees are payable during the PFI period.

New leasing or extension of existing lease

Where no real estate agent is used by the Manager:

- Lease term of less than one year: Nil;
- Lease term of one year or longer but less than three years: 10% of annual rental plus GST;
- Lease term of three years or longer but less than five years: 12.5% of annual rental plus GST;
- Lease term of five years or longer: 15% of annual rental plus GST;

Where a real estate agent is involved:

- Lease term of less than one year: Nil;
- Lease term of one year or longer but less than three years: 5% of annual rental plus GST;
- Lease term of three years or longer but less than five years: 6.25% of annual rental plus GST;
- Lease term of five years or longer: 7.5% of annual rental plus GST.

Renewals or extensions

If the Manager negotiates an extension or exercise of any renewal right, the Manager is entitled to a facilitation fee of:

- 5% of annual rent; plus
- (if applicable) 1.5% of annual rent for each year that the negotiated extension or renewal exceeds the date that is five years from the contracted expiry of the lease (including any renewal), capped at 15%, plus GST.

Manager and associated person's fees	
Rent review	If the Manager negotiates an increase in annual rent (excluding CPI and fixed review uplifts), the Manager shall be entitled to a facilitation fee of 10% of the increase in annual gross rent.
Sale of Assets	<p>Upon a sale of any of the Assets or any part of the Assets, the Manager will be entitled to:</p> <ul style="list-style-type: none"> • a fee equal to 2.0% of the gross sale price for the applicable direct property; or • 1% of the gross sale price for a direct property if an external agent is used to sell that property; or • 1% of the gross sale price for Assets (excluding direct properties and interests in listed property vehicles), <p>in each case, plus GST.</p>
Acquisition fee	<p>Upon the acquisition of a direct property, the Manager will be entitled to a fee equal to 2.0% of the purchase price for the property, plus GST.</p> <p>Upon the acquisition of Authorised Investments except for direct property and interests in listed property vehicles the Manager will be entitled to a fee equal to 1% of the purchase price for that investment, plus GST.</p>
Wind up fee	If the Fund is wound up, the Manager is entitled to a fee equal to 1.75% plus GST of the gross asset value of the Fund as at the date of the resolution to wind up the Fund.
Development management fees	3.5% plus GST of total costs of any refurbishment, rebranding, extension or redevelopment or other work of a capital nature where the cost of those works exceeds \$50,000.
Secondary market transfers	<p>If Investors utilise the secondary market facility offered by the Manager, then an administration fee will be payable to the Manager.</p> <p>The current charge is equivalent to 2% of the transaction value for arms-length transfers plus GST. Related party transfers may attract a fee of up to \$500 plus GST.</p>
Underwriting arrangement fee	If the Fund enters into an underwriting arrangement with a third party or any of its related parties, the Manager is entitled to receive a fee equal to 0.5% of the equity that is being underwritten plus GST.

Manager and associated person's fees	
Removal of Manager	If Investors resolve to remove the Manager in accordance with the terms of the Trust Deed, a fee equal to 30% of the aggregate of all fees paid to the Manager by the Fund in the preceding 5 years before termination.
Property management fees	If the Manager provides property management services, the Manager is entitled to receive any reasonable property management fees that may be payable in respect of the Properties.
The Manager and its associated person's aggregate fees for the accounting periods to:	<p>31 March 2021 will be \$2,366,153 plus GST, which as a percentage of net assets of the Fund is anticipated to be 7.34%*</p> <p>31 March 2022 will be \$320,842 plus GST, which as a percentage of net assets of the Fund is anticipated to be 1.01%</p>
<p>Secondary market fees will be charged at the rate applicable at the time (Investors will not be notified of a change in such rates). The other fees may not be amended, except in accordance with the Trust Deed. Details of the fees and expenses incurred by the Fund will be included in the Fund's annual report.</p> <p>* Aggregate fees for the accounting period ending 31 March 2021 include establishment costs.</p>	

All fees and expenses listed above are plus GST (if any).

The annual management fee is payable to the Manager for managing the Fund in accordance with the Trust Deed.

A performance fee is payable to the Manager to reflect the excess performance of Investors' returns (being distributions and changes in the Unit Price) over the benchmark return, of an amount equivalent to 20% (plus GST) of such excess performance amount.

8. WHAT ARE THE FEES? (CONT.)

Performance Fee Example

This example is provided for information purposes only, to illustrate the calculation of the performance fee. Actual results are likely to vary significantly from those set out in this example.

The example calculation includes the following assumptions for a hypothetical six month performance fee calculation.

Benchmark	4%
The Closing Unit Price was	\$1.02
The Opening Unit Price was	\$1.00
Distributions per Unit declared during the six month period (<i>distributions</i>)	\$0.03
The average monthly Adjusted Net Asset Value of the Fund during the period (<i>average monthly adjusted NAV</i>)	\$35,500,000
Carried forward underperformance from previous periods (<i>previous underperformance</i>)	\$150,000

The performance of the Fund for the six-month period is 5.00%, calculated as

Formula:	Example:
$\frac{(\text{Closing Unit Price} - \text{Opening Unit Price} + \text{distributions})}{\text{Opening Unit Price}}$	$\frac{(\$1.02 - \$1.00 + \$0.03)}{\$1.00} = 5.00\%$

The performance fee is \$41,000, calculated as

Formula:	Example:
$((\text{Performance of the Fund} - \text{Benchmark}) \times \text{average monthly adjusted NAV} - \text{previous underperformance}) \times 20\%$	$((5.00\% - 4.0\%) = \$41,000 \times \$35,500,000 - \$150,000) \times 20\%$

New leasing fees apply where the Manager arranges a new lease in respect of the Properties including with a tenant whose lease has expired.

Renewal and extension fees apply where tenants (or new tenants) extend or renew their relevant leases, and are structured to incentivise the Manager to securing longer lease terms. Rent review fees apply where the Manager negotiates an increase in annual rent (excluding CPI and fixed review uplifts).

Sale fees apply where the Manager arranges a sale of any of the Properties and an acquisition fee applies where the Manager arranges the acquisition of any Properties.

The wind up fee is payable to the Manager in the event of the Fund being wound up, for administering that wind up.

Development management fees will apply in the event of any development, project or other work of a capital nature where the cost of those works exceeds \$50,000.

Secondary market transfer fees apply where an Investor seeks to utilise the Manager's secondary market transfer service. The Manager will facilitate secondary transfers but does not act as a broker nor does it provide financial advice to any party.

Underwriting fees apply when the Fund enters into an underwriting arrangement with a third party or any of its related parties.

Removal of the Manager fees apply if Investors' resolve, under the Trust Deed, to remove the Manager.

Other fees and expenses

Supervisor's annual base fee The Supervisor will charge an annual base fee based on the amount of the Fund's Net Asset Value as set out below.

Net Asset Value	Fee
\$0-\$25m	\$12,500
\$25m-\$50m	\$22,500
\$50m - \$100m	\$37,500
\$100m - \$150m	\$52,500
\$150m - \$200m	\$62,500
\$200m - \$250m	\$72,500
\$250m+	\$72,500 plus 2 basis points of Net Asset Value in excess of \$250m

The Supervisor is also entitled to charge a special duties fee, charged at the Supervisor's usual time and attendance rates to cover the Supervisor's ongoing reviews of any amendment to the documentation, the exercise of its power and discretions and any other non-routine duties.

Audit of financial statements Estimated at \$35,000 plus GST initially (but subject to change each year).

Annual valuation fees Estimated at \$17,500 plus GST initially (but subject to change each year).

Legal fees Legal fees arising in relation to attendances on management of the Assets and the Fund, including documenting rent reviews and attendances in relation to any sale of the Properties (charged on the basis of time spent).

Interest charges and bank fees Annual interest charges, loan facility fees and agency fees payable to ASB and ICBC will be met by the Fund estimated at \$437,550 for the period ending 31 March 2021.

Other fees and expenses

Outgoings, property maintenance expenses, fees and costs (to the extent not recoverable from the Tenant) The Manager has the ability to undertake or approve repairs, maintenance or improvements at its sole discretion.

- Expenses on a sale of the Properties**
- Commission on the sale of any of the Properties will be payable to a real estate agent.
 - Legal fees will arise in relation to attendances on the sale of any of the Properties and repayment of the applicable bank loans (charged on the basis of time spent).
 - A termination fee may be payable to the bank in the event that any derivative instrument that is out of the money is terminated prior to its expiry. For example, an interest rate swap would be out of the money if the agreed swap rate was higher than the prevailing wholesale market rate that reflects the remaining term through to maturity.
 - Liquidation and wind up fees.

8. WHAT ARE THE FEES? (CONT.)

Other fees and expenses

Other possible fees and expenses

- Costs incurred in connection with the acquisition, development, registration or disposal of Assets and in connection with the investigation of, or negotiation for the acquisition, sale, transfer, replacement, refurbishment, redevelopment or disposal of Assets.
- Legal fees for any future leasing, renewals of lease, assignments, rent reviews, refinancing, Fund meetings and any other advice relating to management of the Assets will be charged on the basis of time spent.
- Leasing fees (whether for a new lease or a renewed lease) by external agencies involved in any such negotiations will be charged separately at that time.
- Costs and expenses incurred in relation to the preparation, registration and distribution of any PDS issued by the Manager for any offer to issue Units in relation to the Fund.
- Brokerage expenses incurred in relation to any offer and any issue of Units in the Fund.
- Incentive or re-letting costs agreed with any replacement tenant.
- Fees of any quantity surveyor or project manager engaged by the Manager in respect of the Fund.
- Fees associated with any consultant or advisor engaged by the Manager in respect of the Fund.
- Fees and costs associated with regulatory compliance (such as any Financial Markets Authority levies payable by the Fund or the Manager in its role as manager of the Fund).
- Fees and due diligence costs associated with the acquisition of Authorised Investments.
- Fees and expenses associated with any Investment Committee established for the Fund.
- Registry fees for the Fund.
- Property management fees.
- Any other fees and expenses which are necessary or desirable for the Manager to discharge its duties under the Trust Deed and which are consistent with the objects of the Fund.

Other fees and expenses

Other person's aggregate fees and expenses (including interest expenses but excluding amortised finance costs) for the accounting periods to:*

31 March 2021 will be \$2,586,542 plus GST, which as a percentage of net assets of the Fund is anticipated to be 8.03%*

31 March 2022 will be \$2,539,291 plus GST, which as a percentage of net assets of the Fund is anticipated to be 7.97%

The above fees and expenses are the Manager's best estimate, based on its property management experience and the information known to it at the date of this PDS, but are subject to change based on the amounts invoiced to the Fund. Details of the fees and expenses incurred by the Fund will be included in the Fund's annual report, however Investors will not be specifically notified of such a change.

* Aggregate fees for the accounting period ending 31 March 2021 include establishment costs.

All fees and expenses listed above are plus GST (if any).

Supervisor fees are payable to the Supervisor for fulfilling the role of supervisor of the Fund.

Audit fees are payable in connection with the audit of the Fund's financial statements.

Valuation fees are payable in connection with the annual valuation of the Properties.

Legal fees are payable in connection with any legal advice the Manager deems it necessary that the Fund obtain.

Interest charges are payable to ASB and ICBC or any other bank providing funding under the terms of the Fund's banking facility.

Outgoings, property maintenance expenses, fees and costs are payable in respect of the ongoing upkeep and maintenance of the Anglesea Medical Centre and Authorised Investments.

Expenses on a sale will apply if it is proposed that the Properties are sold.

The above fees are payable by the Fund - none are chargeable to Investors directly.

Further information on the Fund's anticipated expenses is set out in the financial information for the Fund available on the Offer Register. The Offer Register may be accessed at <https://disclose-register.companiesoffice.govt.nz> and this Offer can be found by clicking on "search offers" and searching "OFR12901".



AUGUSTA
PROPERTY FUND

Anglesea Clinic

John Sullivan House

Symmans House

Anglesea Medical Centre. Boundary lines indicative only.

9. TAX

The Augusta Property Fund will register to become a multi-rate portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (*PIR*). To determine your PIR, go to <https://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate>. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue.

It is your responsibility to tell the Manager your PIR when you invest or if your PIR changes. If you do not tell the Manager, a default rate may be applied. A recent legislative change has been enacted that introduces an end of year square-up process that will be administered by Inland Revenue and is intended to ensure that the correct PIR is applied to your PIE income. This process will apply for the income tax year ended 31 March 2021 and subsequent years. If the advised PIR is lower than the correct PIR, you will need to pay any tax shortfall, interest and penalties. If the default rate or the advised PIR is higher than the correct PIR, you will receive a refund of any overpaid tax. Inland Revenue will communicate directly with you if you have further tax to pay or a refund owing.

Tax can have significant consequences for investments and can affect your returns from this Investment. If you have queries relating to the tax consequences of the investment, you should seek independent tax advice from a professional advisor.

Prescribed Investor Rate (PIR)

Your PIR is the tax rate that the Manager will use to calculate the tax payable on the taxable income the Fund allocates to you. If you are investing jointly the highest PIR of the joint investors will be used.

There are four PIRs available to New Zealand resident investors, being 28%, 17.5%, 10.5% or 0%. By way of brief summary, the following PIRs are available for different entities:

- Individuals – 28%, 17.5% or 10.5%;
- Companies – 0%;
- Trusts – 28%, 17.5%, 10.5% or 0%;
- Charities and PIES – 0%; and
- Non-New Zealand residents – 28% (subject to certain exceptions).

If you do not provide your PIR, the default rate is 28%.

Distributions

As the Fund will be a PIE, distributions from the Fund will not separately be subject to tax. Further there will be no non-resident withholding tax withheld from distributions made to non-resident investors.

PIE tax is payable on each Investor's share of the Fund's taxable income at their nominated PIR. The Fund intends to deduct each Investor's tax liability from distributions paid and return this to Inland Revenue when the Fund files quarterly PIE tax returns. As the Fund's taxable income changes each month, the tax deducted and net distribution received by Investors will also change.

Alternatively, the Fund can choose to adjust for Investors' PIE tax liabilities by redeeming Units. However, this is not intended to be the mode of adjustment for PIE tax, other than on wind-up of the Fund.

A statement advising Investors of the allocation of taxable income and PIE tax paid on their behalf will be sent to Investors each year by the Manager.

Maintaining PIE Status

To ensure that the Fund maintains its PIE status, the Fund must at all times, among other things:

- have a minimum of 20 Investors (this minimum requirement may be less if an Investor is a PIE or is a certain other investor type), or more where certain Investors are associated;
- ensure that no Investor owns over 20% of the Units in the Fund (unless an Investor is a PIE or is a certain other investor type), noting that certain associated Investors are treated as a single Investor;
- not hold voting interests in a company of more than 20% (unless that company is a PIE or land investment company and subject to certain exceptions);
- ensure that 90% of the income is derived from a lease of land, interest, dividends and / or the proceeds from the disposal of certain property; and
- ensure that 90% of the asset value is held in either land, financial arrangements or a right or option to acquire property.

It is anticipated that PIE status can be achieved on establishment. However, there is a risk that one party may hold more than 20% of the Units. Certain breaches of the PIE eligibility criteria are considered temporary breaches (such as the 20% limit) and have a time frame (up to 12 months) to be remedied before PIE status is lost.

10. ABOUT AUGUSTA FUNDS MANAGEMENT LIMITED AND OTHERS INVOLVED IN AUGUSTA PROPERTY FUND

About Augusta Funds Management Limited

Augusta Funds Management Limited is the manager of the Fund. Augusta Funds Management Limited is licensed under the FMCA as a manager of Other Managed Investment Schemes; which are invested in Property Syndicates/Real Property Proportionate Ownership Schemes, and Managed Investment Schemes - Managed Funds; where the Managed Funds are invested solely in real property (listed and unlisted). The Manager's property schemes (such as the Fund) are structured to provide Investors with a long term investment in commercial real estate, while seeking to minimise the administrative and operational burdens of private property ownership. The Manager is responsible for the Fund management, preparation of annual financial statements and payment of monthly distributions.

The Manager also arranges funding packages allowing Investors to benefit from the terms of the Fund's funding arrangements, including some interest rate hedging. Details of the bank funding applying to the Fund are set out on page 29.

Augusta Funds Management is a wholly-owned subsidiary of Augusta Capital. The Manager has assets under management of approximately NZ\$1.8 billion.

Centuria Capital Group has made a full takeover offer, via its wholly owned subsidiary Centuria NZ, to purchase all of the fully paid ordinary shares in Augusta Capital. On 8 July 2020, Centuria NZ declared the offer unconditional and as at 8 July 2020 Centuria NZ had acceptances which gave it control of approximately 65.8% of Augusta Capital's shares. If Centuria Capital Group's full takeover offer is successful and Centuria NZ acquires all of Augusta Capital's shares, Augusta Capital will cease to be NZX listed and Augusta Capital and the Manager will become subsidiaries of Centuria Capital Group.

If, following conclusion of the takeover, Centuria NZ acquires less than 90% of Augusta Capital's shares, it is likely that Augusta Capital would remain NZX-listed.

Centuria NZ is part of the Centuria Capital Group, an ASX-listed specialist investment management company with A\$7.2 billion of assets under management. With over 35 years' experience in helping investors grow their wealth, Centuria Capital Group provides a range of innovative investment opportunities including listed and unlisted property funds as well as tax effective investment bonds. Centuria Capital Group buys, actively manages and sells commercial and industrial property.

Based on Centuria Capital Group's stated intentions for the Manager, the Manager does not consider that the Centuria Capital Group takeover will impact its "other MIS" licence under the FMCA.

For more on the Augusta Group and Centuria Capital Group see www.augusta.co.nz and www.centuria.com.au

The key senior managers of the Manager collectively have considerable property expertise with experience in property development, facilities and asset management, property investment, business administration, accounting and banking. The Manager manages a wide range of properties including single ownership entities, and syndicates in numerous locations throughout New Zealand and Queensland, Australia. This investment opportunity is based around the market knowledge and experience of these people. Further detail on the expertise and background of these people is set out in "Section 2: What the Augusta Property Fund Invests in" on pages 14 to 16.

Prior to completion of the Centuria Capital Group takeover, the current directors of the Manager are expected to remain in place. Following the takeover (assuming it is successful) there may be changes to the current board, however Centuria has confirmed that it has no intention of making changes to the current board prior to the close of the offer. After that period, in addition to Mark Francis and Bryce Barnett (who will remain as directors), Centuria Capital Group will ensure that the Manager continues to have independent directors on its board of directors.

10. ABOUT AUGUSTA FUNDS MANAGEMENT LIMITED AND OTHERS INVOLVED IN AUGUSTA PROPERTY FUND (CONT.)

Contact details

The Manager may be contacted:

- At its registered office - Level 2, 30 Gaunt Street, Auckland, New Zealand
- By telephone - (09) 300 6161
- By fax - (09) 300 6162 (attention: Mark Francis)

Who Else Is Involved?

Party	Name	Role
Supervisor	Covenant Trustee Services Limited	<p>Covenant Trustee Services Limited has been appointed supervisor for the Fund.</p> <p>The Supervisor will monitor compliance with the Trust Deed and fulfil the role of supervisor under the FMCA and Financial Markets Supervisors Act 2011.</p>
Custodian	APF Nominee No.1 Limited	<p>APF Nominee No.1 Limited has been nominated to act on behalf of the Supervisor as a custodian for the Fund. This Custodian will hold the certificate of title for the Anglesea Medical Centre on bare trust on behalf of the Fund in accordance with the Trust Deed.</p> <p>The Custodian is a subsidiary of the Supervisor. Other custodians may be appointed for other assets.</p>

None of the parties above guarantee any returns to Investors.



Anglesea Medical Centre.

11. HOW TO COMPLAIN

How To Complain

Complaints about the Units or the Fund can be made to the Manager, attention Mark Francis, Managing Director, at the address and business telephone number set out on page 70.

A complaint can also be made to the Supervisor (at the address and business telephone number set out on page 70).

A complaint can also be made to Fairway Resolution Limited (trading as Financial Dispute Resolution Service), being the dispute resolution scheme the Manager has joined for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Financial Dispute Resolution Service may be contacted by:

Mail: Freepost 231075
PO Box 2272
Wellington 6140

Phone: 0508 337 337

Email: enquiries@fdrs.org.nz

Website: www.fdrs.org.nz

Financial Dispute Resolution is only available in New Zealand and is not available in Australia. However, the Manager is a member of the Australian Financial Complaints Authority (AFCA) in Australia which is an externally managed dispute resolution scheme registered with ASIC. If you feel the Manager has not dealt with your complaint satisfactorily, you may refer your complaint to AFCA by:

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Phone: 1800 931 678

Email: info@afca.org.au

Website: www.afc.org.au

Financial Dispute Resolution Service, AFCA and the Fund will not charge a fee to any complainant to investigate or resolve a complaint.

12. WHERE YOU CAN FIND MORE INFORMATION

Where You Can Find More Information

The following further information relating to the Fund and the Units is available on the Offer Register and the Scheme Register:

- the Trust Deed;
- full Prospective Financial Information;
- Valuation Report for the Anglesea Medical Centre;
- Building condition report for the Anglesea Medical Centre;
- Sale and Purchase Agreement for the Anglesea Medical Centre;
- Lease documentation for the material leases described on pages 22 to 25;
- the Revenue Deed described on page 21;
- the Other Material Information.

A copy of information on the Offer Register and Scheme Register is available on request to the Registrar of Financial Service Providers.

The Offer Register may be accessed at <https://disclose-register.companiesoffice.govt.nz> and this Offer can be found by clicking on “search offers” and searching “OFR12901”.

The Scheme Register may be viewed at <https://disclose-register.companiesoffice.govt.nz> and this scheme can be found by clicking “search schemes” and searching “SCH12900”.

No other information relating to the Fund and the Units will be available other than the information contained in this PDS and on the Offer Register and Scheme Register.

All information available on the Offer Register and the Scheme Register is also available on request free of charge from the Manager (at the address and business telephone number set out in on page 70).

13. HOW TO APPLY

How To Apply

In order to apply, prospective Investors must provide the following:

- A completed and signed application form;
- Bank encoded deposit slip, bank statement or confirmation from your bank verifying your bank account name and number;
- For new investors with the Manager or if your details have changed, the identification and other anti-money laundering due diligence information referred to on the form headed “Identity Verification” in this section; and
- Payment of the total application amount. See “Payment” below, for further details.

Hard copy completed and signed application forms, along with the above accompanying documents and subscription amounts, should be couriered to the Manager in the pre-paid courier bag included with the hard copy of this product disclosure statement. Online application forms are available at <https://www.augusta.co.nz/>.

Should you wish to deliver or arrange your own courier, please send to the Manager, **Augusta Funds Management Limited**, Level 2, 30 Gaunt Street, Auckland (Attention: **Augusta Property Fund Offer**). We do not recommend posting due to the longer delivery time. The Offer closes on 11 September 2020.

IMPORTANT – for existing Augusta investors, identification documents may have been provided previously as part of Augusta’s AML (Anti-Money Laundering) requirements. If, at the time of submitting your application, Augusta does not have the correct identification documents on file up to the standard required by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 additional documents may have to be re-submitted before your application can be accepted.

Payment

Payment must be made in New Zealand dollars for immediate value.

Investors must make the relevant election in section 4 of the application form to indicate their method of payment. Payment may be made by:

- Electronic transfer/direct credit;
- Cheque - Cheques must be made out in favour of LMS o/a Augusta Property Fund and crossed “Non-Transferable”; or
- Direct debit – by completing the direct debit section of the application form.

Investors’ subscription monies will be held in a trust account established by Link Market Services (“LMS o/a Augusta Property Fund”) and will accrue interest at on call rates until the date on which Units are issued which will then be paid to Investors following Settlement. The amount will reflect the size of Investor’s investment and the amount of time their funds were held in the Link Market Services’ Trust Account.

WARNING STATEMENT - ISSUED TO AUSTRALIAN INVESTORS

If you are an Australian investor we are required to provide the following warning statement to you under Australian law. This offer to Australian investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 of New Zealand and the Financial Markets Conduct Regulations 2014 of New Zealand.

This offer and the content of the offer document are principally governed by New Zealand, rather than Australian law. In the main, the Financial Markets Conduct Act 2013 of New Zealand and the Financial Markets Conduct Regulations 2014 of New Zealand set out how the offer must be made.

There are differences in how securities and financial products are regulated under New Zealand, as opposed to Australian law. For example, the disclosure of fees for managed investment schemes is different under New Zealand law.

The rights, remedies and compensation arrangements available to Australian investors in New Zealand securities and financial products may differ from the rights, remedies and compensation arrangements for Australian securities and financial products.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Australian Securities and Investments Commission (ASIC). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of New Zealand securities and financial products is not the same as that for Australian securities and products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the security or financial product is in dollars that are not Australian dollars. The value of the security or financial products will go up and down according to changes in the exchange rate between those dollars and Australian dollars. These changes may be significant.

If you receive any payments in relation to the security or financial products that are not in Australian dollars, you may incur significant fees in having the funds credited to a bank account in Australia in Australian dollars.

The Manager has procedures for dealing with complaints from Australian investors. These procedures are outlined in Section 11 on page 65.

GLOSSARY

Term	Definition
\$	New Zealand dollars
Adjusted Operating Profit	Adjusted Operating Profit is a non-GAAP financial measure and is further described on page 40 and in the SIPO
Adjusted Operating Profit Payout Ratio	The proportion of Adjusted Operating Profit distributed to Investors for the period
Adjusted Net Asset Value	Has the meaning given to it in the Trust Deed and is described on page 33 in Section 4 under the heading “Pricing of Units”
Anglesea Medical Centre	The premises located on the corner of Anglesea Street, Tristram Street and Thackeray Street, Hamilton
ASB	ASB Bank Limited
Assets	The Anglesea Medical Centre and any Authorised Investments owned by the Fund
Augusta Capital	Augusta Capital Limited (Company number: 1873288)
Augusta Group	Augusta Capital and its subsidiaries (including Augusta Funds Management)
Authorised Investments	Any Current Authorised Investments and Proposed Authorised Investments (subject to the Manager receiving the Licence Variation), owned by the Fund
Available Funds	The amount available to fund redemptions of Units per annum which is the greater of (i) 0.5% of the Fund’s Net Asset Value before the date of payment of the redemption notices and (ii) having regard to the future requirements of the Fund, an amount determined by the Manager
Bayleys or Bayleys Real Estate	Bayleys Real Estate Limited (Company number: 88609)
Benchmark	4% per six-month period
CCL	Centuria Capital Limited (ACN 095 454 336) of Level 31, Chifley Tower, Chifley Place, Sydney, NSW, Australia
Centuria Capital Group	The ASX stapled listed entity comprised of CCL and the CNI Fund
Centuria NZ	Centuria New Zealand Holdings Limited (Company number: 7868548)
CNI Fund	Centuria Capital Fund (ARSN 613 856 358)
Current Authorised Investments	Authorised investments of the Fund, being directly owned real estate, interests in property managed investment schemes, interests in property managed funds, underwriting of property managed investment scheme and property managed fund capital raising, cash, derivatives and other assets arising in connection with the above
CPI	The Consumer Price Index (all groups) published by Statistics New Zealand
Custodian	APF Nominee No.1 Limited (Company number: 8037659)
FMCA	Financial Markets Conduct Act 2013
Fund	The Augusta Property Fund, being the managed investment scheme and unit trust established under the Trust Deed for the purpose of acquiring the Anglesea Medical Centre and Authorised Investments
Fund’s Solicitors	Chapman Tripp, 23 Albert Street, Auckland 1140
ICBC	Industrial and Commercial Bank of China (New Zealand) Limited
Investors	Persons registered as the holders of Units in the Fund
Leases	The separate lease arrangements under which the tenants of the Anglesea Medical Centre are leasing space in the Anglesea Medical Centre
Licence Variation	The Manager intends to apply to the Financial Markets Authority to vary its “other MIS” licence under the Financial Markets Conduct Act 2013 to allow the Fund to invest in the Proposed Authorised Investments <i>Note: No guarantee is given that the Manager’s licence will be varied.</i>
Look-Through	Gearing is how much the Fund owes (debt) as a portion of what it owns (total assets). Look-through gearing includes a proportionate share of the underlying debt in any indirect investments the Fund holds. Debt held by any listed property vehicle the Fund invests in is excluded in calculating the look-through gearing
Manager	Augusta Funds Management Limited (Company number: 3760278)
Minimum Holding	10,000 Units

Term	Definition
Net Asset Value	Total assets less total liabilities
NLA	Net Lettable Area, being the net floor space under the control of the tenant, in m ² , as defined in the Leases
Offer	The offer of Units under the PDS
Offer Register	The offer register entry for the Fund, that forms part of the Disclose Register, that is available at https://disclose-register.companiesoffice.govt.nz/ by searching “OFR12901” under “search offers”
Other Material Information	The document titled “Other material information relating to the offer of Units in the Augusta Property Fund” that is available at https://disclose-register.companiesoffice.govt.nz/ by searching “OFR12901” under “search offers”
Passing Rental	The amount of rent payable under the terms of the relevant lease, excluding the recovery of outgoings, annualised for a 12-month period as at the relevant date
PDS or Product Disclosure Statement	This product disclosure statement detailing the offer of Units in the Fund
PFI	The prospective financial information included in this PDS and extracted from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements, which are available on the Offer Register
PIE	Portfolio Investment Entity, as defined in the Income Tax Act 2007
PIR	Prescribed Investor Rate, as defined in the Income Tax Act 2007. This is the tax rate an investor in a multi-rate PIE must provide to the Fund
Properties	The Anglesea Medical Centre and any other directly owned real estate owned by the Fund
Proposed Authorised Investments	The investments that the Manager intends to invest in, subject to receiving a Licence Variation, being interests in property companies, interests in listed property vehicles, underwriting of other entities capital raisings, debt securities, directly owned real estate, interests in operating businesses associated with or connected to directly owned real estate acquired by the Fund, loans to entities in which the Fund holds or intends to hold an equity investment in and other assets arising in connection with the above
Redemption Fee	The fee charged for processing a redemption of Units. This is currently \$50 per transaction
Redemption Price	The price an Investor will receive if they redeem a Unit
Revenue Deed	The deed between the Manager and the Fund in respect of the 6 month underwrite of rent and outgoings from the Manager in favour of the Fund (as described on page 21)
Sale and Purchase Agreement	The sale and purchase agreement under which the Anglesea Medical Centre is acquired by the Fund (as varied)
Scheme Register	The scheme register entry for the Fund, that forms part of the Disclose Register, that is available at https://disclose-register.companiesoffice.govt.nz by searching “SCH12900” under “search schemes”
Settlement	The date settlement of the acquisition of the Anglesea Medical Centre occurs, anticipated to be 30 September 2020
SIPO	The Statement of Investment Policy and Objectives for the Fund adopted by the Manager which sets out its investment policies, objectives and strategies for the Fund in respect of its investment in the Assets as well as the policies it will apply in respect of its management and its investment performance monitoring benchmarks
Supervisor	Covenant Trustee Services Limited (Company number: 2194946)
Trust Deed	The Trust Deed dated 13 July 2020 between the Manager and the Supervisor, setting out the arrangements for ownership and management of the Fund and as is available on the Scheme Register at https://disclose-register.companiesoffice.govt.nz by searching “SCH12900” under “search schemes”
Units	The units in the Fund
Unit Price	The price at which an Investor can purchase or redeem Units, calculated in accordance with the Trust Deed
Valuation Report	The independent valuation report which values the Anglesea Medical Centre, which is available on the Offer Register at https://disclose-register.companiesoffice.govt.nz by searching “OFR12901” under “search offers”
Vendor	Anglesea Medical Properties Limited
Vendor Rental Underwrite	The underwrite lease arrangements provided by the Vendor as described in page 21
Vendor Leases	The leases between the Fund (as landlord) and the Vendor (as tenant) entered into for each of the vacant tenancies upon settlement for one year as described on page 21
WALT	Weighted Average Lease Term

DIRECTORY

Registered Office of The Manager

Augusta Funds Management Limited

Level 2, 30 Gaunt Street
Auckland 1010
Attention: Mark Francis
Phone: (09) 300 6161
Facsimile: (09) 300 6162

Directors of The Manager

Bryce Barnett
Mark Francis
Paul Duffy
Kevin Murphy
Mark Petersen

Custodian

APF Nominee No.1 Limited

Level 6
191 Queen Street
Auckland 1010
PO Box 4243, Shortland Street
Auckland
Phone: (09) 302 0638
Facsimile: (09) 302 1037

Solicitors

Chapman Tripp

Level 35, ANZ Centre
23 Albert Street
Auckland 1010
PO Box 2206
Auckland 1140
Telephone: (09) 357 9000
Facsimile: (09) 357 9099

Investigating Accountant

PricewaterhouseCoopers

PwC Tower, Level 22
188 Quay Street
Auckland 1010
Telephone: (09) 355 8000
Facsimile: (09) 355 8001

Selling Agent

Bayleys Real Estate Limited

Level 1, 30 Gaunt Street
Auckland Central
Auckland 1010
PO Box 8923
Auckland 1150
Telephone: (09) 309 6020
Facsimile: (09) 309 9404

Supervisor

Covenant Trustee Services Limited

Level 6
191 Queen Street
Auckland 1010
PO Box 4243, Shortland Street
Auckland 1140
Phone: (09) 302 0638
Facsimile: (09) 302 1037

Registrar

Link Market Services Limited

Level 11
Deloitte Centre
80 Queen Street
Auckland
PO Box 91976
Auckland 1142
Phone: (09) 375 5998
Facsimile: (09) 375 5990

APPLICATION FORM

CLOSING DATE: 11 SEPTEMBER 2020

Before completing this Application Form, applicants should read and consider the Augusta Property Fund Product Disclosure Statement dated 14 July 2020 to which this application relates. If you have any questions or if there is anything you do not understand, please contact our sales representatives on 0800 BAYLEYS (229539).

Augusta Funds Management and Bayleys Real Estate (including the selling agents) do not provide any financial, tax or other professional advice. Before making any financial investment decisions, we recommend that you seek professional financial advice from an Authorised Financial Adviser which takes into account your personal investment objectives, financial situation and individual needs.

PLEASE READ ALL INSTRUCTIONS BELOW TO ENSURE PROMPT PROCESSING OF YOUR APPLICATION. PLEASE COURIER COMPLETED APPLICATION DOCUMENTS TO AUGUSTA FUNDS MANAGEMENT LIMITED, LEVEL 2, 30 GAUNT STREET, AUCKLAND (ATTENTION: AUGUSTA PROPERTY FUND OFFER).

This Application Form is issued with the Product Disclosure Statement dated 14 July 2020 issued by Augusta Funds Management Limited.

INSTRUCTIONS ON HOW TO COMPLETE

- Please read and complete all relevant sections of the Application Form.
- Please provide all necessary identification, address and/or other verification documents with your Application Form.
- Please ensure that you have read and understood the information on the declaration section of this form.

SECTION 1: NAME OF INVESTOR AND APPLICANT CONTACT DETAILS

Please provide the name of the investor and primary contact information.

Name of individual(s) or investing entity:			
Are you investing as:			
<input type="checkbox"/> Individual OR Joint Individuals	<input type="checkbox"/> Partnership	<input type="checkbox"/> Company	<input type="checkbox"/> Trust/Estate <input type="checkbox"/> Other
If other, please specify:			

If you are completing this application form on behalf of a minor, please also complete the form on page 85.

Primary Contact Details

Legal Full Name:	
Postal Address:	
Email:	Home or Mobile Tel:

SECTION 2: BANK ACCOUNT DETAILS FOR DISTRIBUTION PAYMENT

Please insert the Bank Account holder's name and Bank Account Number into which distribution payments are to be made. Distributions must be paid into the Bank Account of the investor/investing entity (Augusta does not pay distributions to third parties on an investor's behalf).

ACCOUNT HOLDERS NAME:
ACCOUNT NUMBER:

Please enclose one of the below documents with your application form:

- ☐ Bank Statement or screenshot of online banking showing account holders name & number
- ☐ Bank encoded deposit slip
- ☐ Confirmation from your bank verifying your bank account name and number

SECTION 3: TAX INFORMATION

Individual Application – Please complete your name as the Primary Applicant and complete your IRD number, RWT rate and PIR rate below.

Joint Individual Application – Where all investors are individuals, the investor with the highest PIR should complete their details as the Primary Applicant and complete their IRD number, RWT rate and PIR rate below. The other investors should complete their name and IRD number. For other Joint Applications where the investors are not all individuals please contact us.

Company, Partnership, Trust or Other Entity Application – Please complete the Entity Name, IRD number, RWT rate and PIR rate below.

	IRD Number							
Primary Applicant or Entity Name:								
Applicant Name:								
Applicant Name:								
Applicant Name:								

Primary Applicant or Entity Resident Withholding Tax (RWT) Rate

Your Resident Withholding Tax (RWT) rate is based on your taxable income, and there are different rates for individuals, trusts, companies and partnerships. You can find the current RWT rates on the Inland Revenue (IRD) website. RWT is deducted from the interest earned on your subscription amount while held in the Link Market Services trust account. To assist you in working out your PIR rate refer to the following page 73. **Please select one of the following:**

☐ 0% ☐ 10.5% ☐ 17.5% ☐ 28% ☐ 30% ☐ 33%

Primary Applicant or Entity Prescribed Investor Rate (PIR)

Your Prescribed Investor Rate (PIR) is the rate at which your PIE tax is calculated on the PIE taxable income or loss from your investment. We need your PIR so that we can pay the correct amount of tax on your investments to IRD. **Please select one of the following:**

☐ 0% ☐ 10.5% ☐ 17.5% ☐ 28%

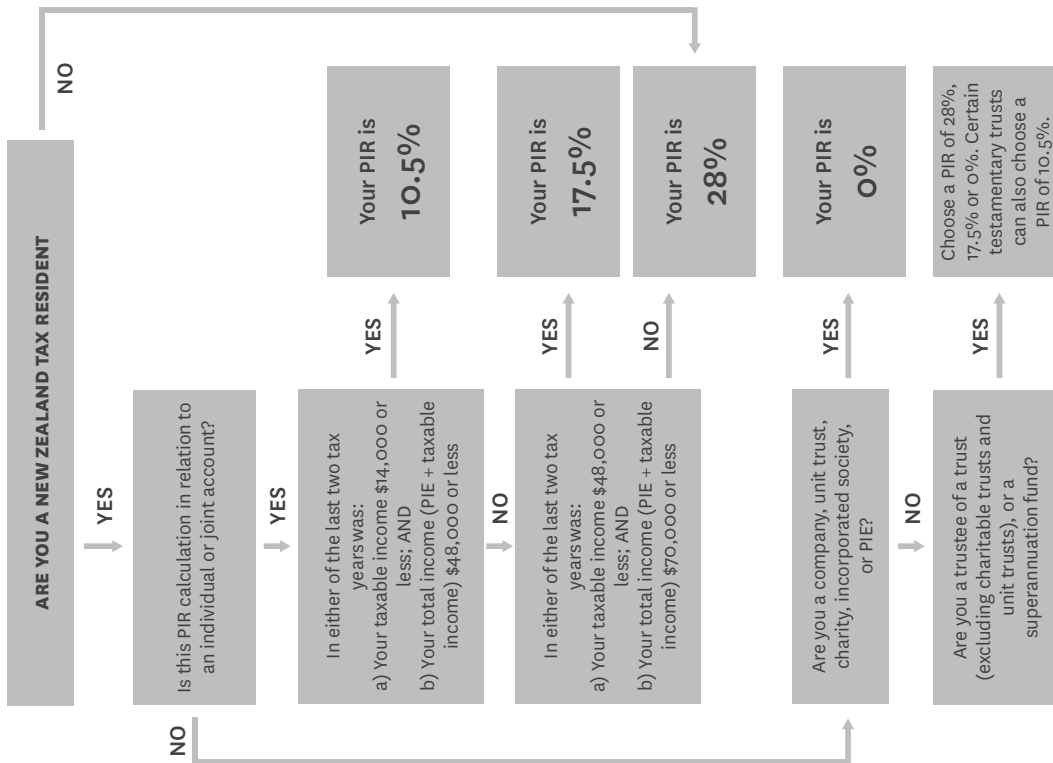
• If a PIR is not selected, 28% will be applied.

- Companies, incorporated societies, charitable trusts, and certain others must select a PIR rate of 0%. Depending on your tax status, you may need to include the PIE taxable income or loss, in your tax return.
- Trusts may select a PIR of 28%, 17.5%, or 0% to best suit the beneficiaries. If the trust is a testamentary trust it may select 10.5%.

If the rate you tell us is higher than your correct PIR this will mean you pay too much tax, and the current tax rules do not allow IRD to refund the excess tax to you. If the rate you tell us is lower than your correct rate you will not have paid enough tax, and the current tax rules require you to include your share of the fund's taxable income or loss in a tax return and pay any top-up tax at your marginal tax rate - **which may be as high as at 33%**. However, under a legislative proposal, this may effectively be allowed in the future.

Working out your prescribed investor rate (PIR)

For more information about taxable income, PIRs and to determine your correct PIR please refer to the IRD website (<https://www.ird.govt.nz/roles/portfolioinvestment-entities/find-my-prescribed-investor-rate>) or contact your professional tax adviser.



Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)

All New Zealand financial institutions are required to collect information about investors' foreign tax residency and pass that and other information onto the Inland Revenue. Inland Revenue may then share this information with the relevant tax authority, if an agreement is held with that country.

PLEASE COMPLETE THE SECTION BELOW THAT IS RELEVANT TO YOU.

Individual or Joint Individuals

Are you or any of the individuals investing foreign tax residents? ☐ Yes ☐ No If No, please go to Section 4.

If **YES**, please provide details for each individual below: (please include all countries/jurisdictions in which the person is a tax resident)

Legal Full Name:	Date of Birth:	Country of foreign tax residence:	Foreign Tax Number:
Residential Address:			Country of birth:

Legal Full Name:	Date of Birth:	Country of foreign tax residence:	Foreign Tax Number:
Residential Address:			Country of birth:

Company, partnerships, trust or other entity

Is the entity registered for tax purposes in any country other than New Zealand? ☐ Yes ☐ No

If **YES**, please provide the details below: (please include all countries/jurisdictions in which the person is a tax resident)

Foreign Tax Number:	Country:
---------------------	----------

Are any controlling parties of the entity foreign tax residents? ☐ Yes ☐ No If No, please go to Section 4.

If **YES**, please provide details for each individual below: (please include all countries/jurisdiction the tax person is a tax resident).

Companies, Partnerships, other entity: All directors, partners and shareholders that hold more than 25% ownership of the company or partnership and any other individual who has effective control.	Trusts: All Trustees, settlors, appointors, Executors and listed beneficiaries and any other individual who has effective control.
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Legal Full Name:	Date of Birth:	Country of foreign tax residence:	Foreign Tax Number:
Residential Address:			Country of birth:

Legal Full Name:	Date of Birth:	Country of foreign tax residence:	Foreign Tax Number:
Residential Address:			Country of birth:

Legal Full Name:	Date of Birth:	Country of foreign tax residence:	Foreign Tax Number:
Residential Address:			Country of birth:

Legal Full Name:	Date of Birth:	Country of foreign tax residence:	Foreign Tax Number:
Residential Address:			Country of birth:

We are unable to provide tax advice, if you are unsure about your tax residency status please contact your local tax authority (Inland Revenue in NZ) or speak with a professional tax advisor. For more information about the international tax compliance regulations you can search 'FATCA' or 'CRS' on the New Zealand Inland Revenue Website.

SECTION 4: APPLICATION AMOUNT AND PAYMENT

Number of Units (\$1 per Unit). Applications can be made in increments of \$1,000, with a \$10,000 minimum	Amount in NZD
Units \$	

PLEASE NOTE: If you invest as a trust, a company with Nominee Shareholders or you are making an investment of \$500,000 or more, Augusta will require information relating to the source of funds or wealth for this investment

Please choose **ONE** of the **PAYMENT** options below. Please tick the box next to your selected option:

☐ **OPTION 1: ELECTRONIC TRANSFER/DIRECT CREDIT**

Augusta will provide bank details for payment by email or phone to you once the application is complete and all customer due diligence documentation has been provided.

☐ **OPTION 2: CHEQUE**

Please include a cheque made out in favour of "LMS o/a Augusta Property Fund" and crossed "Non-Transferable" for the amount to be invested.

Note: Cheques will not be banked until the application is complete and all customer due diligence documentation has been provided.

☐ **OPTION 3: DIRECT CREDIT**

Augusta will send you an email with a link. The link will provide you with a secure payment option by connecting you to your bank. You don't need to register, follow the prompts to make the payment.

☐ **OPTION 4: DIRECT DEBIT**

Direct debits allow Augusta or its agent to deduct money from your nominated bank account as payment for your Application. If you wish to make payment by this method, please complete your account details below. By signing this application form, the signatory agrees that Augusta or its agent is authorised to direct debit the bank account below for the total amount payable in accordance with the terms specified in the Explanation of Entitlement.

Bank/Branch	Account number				Suffix		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

DIRECT DEBIT INSTRUCTIONS

NOTE: The date for deduction from your bank account of your application amount will be the date on which this application is confirmed by Augusta as complete.

If you provide a nominated bank account to make payment by direct debit, you authorise the Registrar to initiate a direct debit for the total amount payable, on the day noted above. The bank account must be with a New Zealand registered bank. You cannot specify a direct debit date and you must ensure that:

- the bank account details supplied are correct;
- the Application Monies in the bank account for the direct debit are available on the day you submit your Application;
- the person(s) giving the direct debit instruction has/have authority to operate the account solely/jointly; and
- the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

Should your direct debit fail, your Application may be rejected if you are unable to pay by alternative means. If requested, a direct debit form will be provided to you by the Registrar.

SECTION 5: NATURE AND PURPOSE OF YOUR INVESTMENT

Nature and Purpose of Your Investment

This information is being requested solely for the purpose of Augusta's regulatory compliance obligations (pursuant to the Anti-Money Laundering and Countering Financing of Terrorism Act 2009) and not for the purpose of allowing Augusta Funds Management to assess the suitability of this investment for your personal financial circumstances, financial needs or goals.

The NATURE of your investment explains how much you plan to invest with Augusta, how regularly you expect to invest and for how long you intend to hold this investment.

How regularly do you intend to invest with Augusta?

- ☐ One off investment
- ☐ 1-3 times a year
- ☐ Each available opportunity
- ☐ When funds are available

How much do you plan to invest in total with Augusta on an annual basis?

- ☐ Less than \$100k
- ☐ \$100k up to \$250k
- ☐ \$250k up to \$500k
- ☐ Over \$500k

How long do you intend to hold your investment with Augusta?

- ☐ Less than 12 months
- ☐ 2-5 years
- ☐ 6-10 years
- ☐ Over 10 years

The PURPOSE of your investment explains your investment objectives and intentions, and what you are trying to achieve by investing with Augusta.

What are you looking to achieve through investing with Augusta?

- ☐ Receive regular income
- ☐ Achieve capital growth
- ☐ Planning for retirement
- ☐ Other

If other, please provide additional information:

.....

.....

.....

.....

SECTION 6: CUSTOMER DUE DILIGENCE (CDD) REQUIREMENTS (PLEASE COMPLETE ONLY ONE OPTION)

As part of our obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, Augusta must undertake due diligence on (a) a customer (b) any beneficial owner of a customer (c) any person acting on behalf of a customer.

☐ OPTION 1: EXISTING INVESTOR

I am an existing investor and I have previously provided complete CDD documentation, the details of which are still correct.

If there has been a change to your personal details (e.g. address), shareholding of your company, change in trustees you need to provide updated CDD documentation. You can do this by completing the relevant section referred to in the table below.

Please note Augusta will review the documents it holds on file and may request further information.

If you are completing this application form on behalf of a minor, please also complete the form on page 85.

If you are unsure if you have provided all the necessary documentation, please phone a member of the Augusta compliance team on 09 300 6161.

Please go to Section 12 and complete the declaration section on Page 84.

☐ OPTION 2: NEW INVESTOR

I am a new investor with Augusta and will meet my Customer Due Diligence (CDD) requirements.

Please complete the Customer Due Diligence section relevant to you followed by the declaration section on Page 84. Please also refer to and complete the identity and address verification guideline on page 78.

If you are completing this application form on behalf of a minor, please also complete the form on page 85.

Individual & Joint Individuals (Page 79), Section 7	Partnerships (Page 80), Section 8
Company (Page 81), Section 9	Trust (Page 82), Section 10
Estates (Page 83), Section 11	

IDENTITY VERIFICATION REQUIRED FOR EVERY APPLICANT INCLUDING ALL TRUSTEES, BENEFICIAL OWNERS AND ANY PERSON ACTING ON BEHALF OF THE INVESTOR

There are three different options you can use as identification. The simplest option is to pick ONE form of ID from **Option 1** or **Option 2** below. **Option 3** requires at least two forms.

OPTION 1

Choose ONE photocopy (not required to be certified) of the following as personal identification (document must be current/unexpired):

- ☐ New Zealand passport (containing your name, date of birth, photograph and signature)
- ☐ New Zealand Drivers Licence

OPTION 2

Choose ONE **certified** photocopy of the following as personal identification (document must be current/unexpired):

- ☐ Overseas passport (containing your name, date of birth, photograph and signature)
- ☐ New Zealand certificate of identity
- ☐ New Zealand firearms licence
- ☐ Overseas government issued national identity card, containing your name, date of birth, photograph and signature

OPTION 3

Provide a **certified** photocopy of the following (document must be current/unexpired):

- ☐ Kiwi Access Card or 18 Plus Card

AND Non-photo identification. Choose ONE **certified** photocopy of the following (document must be current/unexpired):

- ☐ New Zealand or overseas full birth certificate
- ☐ New Zealand or Overseas Citizenship Certificate

A certified copy must be certified by an independent NZ based trusted referee. A trusted referee must be over the age of 16, must not be your spouse or partner, related to you, someone who lives at the same address as you or someone with an interest or ownership in your investment. A trusted referee must be one of the following:

- | | |
|--|--|
| <input type="checkbox"/> Lawyer (as defined in the Lawyers and Conveyancers Act 2006) | <input type="checkbox"/> NZ Chartered Accountant |
| <input type="checkbox"/> Justice of the Peace | <input type="checkbox"/> Registered Teacher |
| <input type="checkbox"/> Registered Medical Doctor | <input type="checkbox"/> Notary Public |
| <input type="checkbox"/> Member of the Police | <input type="checkbox"/> NZ Honorary Consul |
| <input type="checkbox"/> Member of Parliament | <input type="checkbox"/> Commonwealth Representative |
| <input type="checkbox"/> Minister of Religion | <input type="checkbox"/> Kaumatua (as verified through a reputable source) |
| <input type="checkbox"/> A person who has the legal authority to take statutory declarations or the equivalent in NZ | |

The trusted referee must sign the original document and make the following statement on the copy:

- “This document is a true copy and represents the identity of the named individual”;
- Trusted referee’s name, occupation and registration number (or equivalent); and
- Trusted referee’s signature and date.

If you are certifying documents overseas, then the documents must be certified by a person who has the legal authority to take statutory declarations or the equivalent in that country.

Certification must have been carried out in the last 3 months.

Original certifications of photocopied documents must be provided – scans or photocopies of certifications will not be accepted.

ADDRESS VERIFICATION REQUIRED FOR EVERY APPLICANT INCLUDING ALL TRUSTEES, BENEFICIAL OWNERS AND ANY PERSONS ACTING ON BEHALF OF THE INVESTOR

Please provide one of the following (not required to be certified):

- | | |
|--|---|
| <input type="checkbox"/> Utility or rates bill | <input type="checkbox"/> Telephone bill |
| <input type="checkbox"/> Bank account statement (as delivered by mail, not via internet banking) | <input type="checkbox"/> IRD tax notice or statement |
| <input type="checkbox"/> Insurance policy document | <input type="checkbox"/> A document issued by a government agency |

Each form of address needs to be dated in the last 12 months and addressed to you at your residential address.

SECTION 7: CUSTOMER DUE DILIGENCE - INDIVIDUAL & JOINT INDIVIDUALS

Please provide: (i) personal information, (ii) identification and (iii) address verification (see guideline on page 78) for:

- Each investor
- Any individual(s) acting on behalf of the individuals
- Authorised Person(s) that may act on your behalf i.e. Power of attorney

Legal Full Name:			
Residential Address:			
Date of Birth:		Place of Birth:	Occupation:
Email:		Home or Mobile Tel:	

Legal Full Name:			
Residential Address:			
Date of Birth:		Place of Birth:	Occupation:
Email:		Home or Mobile Tel:	

Legal Full Name:			
Residential Address:			
Date of Birth:		Place of Birth:	Occupation:
Email:		Home or Mobile Tel:	

Source of Funds/Wealth Statement and Supporting Documents

If your investment is \$500,000 or more, you **MUST** provide information and documentation regarding your source of funds and/or wealth.

Please provide information on the origin of your wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, employment details, property address etc.

Please provide details of the source of income you are receiving e.g. wages/salary, investment income, rental income.

Below are examples of documentation to support the information provided above:

☐ Bank statements

☐ Address of sold properties

☐ Sale and Purchase Agreements

☐ Gifting Letter

☐ Wage slips

SECTION 8: CUSTOMER DUE DILIGENCE - PARTNERSHIPS

Please provide the following partnership documents

- ☐ Copy of the partnership deed/agreement (applicable to formal partnerships)
- ☐ Copy of any subsequent resolutions evidencing any amendments which must confirm the Partnership name and other persons authorised to act on behalf of the partnership.

Please provide: (i) personal information (below), (ii) identification and (iii) address verification (see guideline on page 78) for:

- All current partners
- Any individual(s) acting on behalf of the partnership
- All persons who own more than 25% of the partnership
- Any other person who has effective control of the partnership
- Authorised Person(s) that may act on your behalf i.e. Power of attorney

Legal First Name(s)	Legal Family Name	Date of birth	Place of birth	Occupation

Source of Funds/Wealth Statement and Supporting Documents

If your investment is \$500,000 or more, you **MUST** provide information and documentation regarding your source of funds and/or wealth.

Please provide information on the origin of the partnership's wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, employment details, property address etc.

Please provide details of the source of income the partnership receiving e.g. wages/salary, investment income, rental income.

Below are examples of documentation to support the information provided above:

- ☐ Bank statements
- ☐ Annual Accounts
- ☐ Sale and Purchase Agreements
- ☐ Address of sold properties
- ☐ Wage slips
- ☐ Investment information
- ☐ Settlement statement
- ☐ Loan Agreement

SECTION 9: CUSTOMER DUE DILIGENCE - COMPANY

Please provide; (i) identification and (ii) address verification (see guideline on page 78) for:

- All current directors
- All persons who own more than 25% of the company
- Any persons acting on behalf of the company
- Any other person who has effective control of the company
- Authorised Person(s) that may act on your behalf i.e. Power of attorney

Source of Funds/Wealth Statement and Supporting Documents

You **MUST** provide source of funds and/or wealth information and documentation if:

- You are investing \$500,000 or more
- The shareholding of the company is held in a trust

Please provide information on the origin of the company's wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, employment details, property address etc.

Please provide details of the source of income the company is receiving e.g. wages/salary, investment income, rental income.

Below are examples of documentation to support the information provided above:

- ☐ Bank statements
- ☐ Address of sold properties
- ☐ Settlement statement
- ☐ Annual Accounts
- ☐ Wage slips
- ☐ Loan Agreement
- ☐ Sale and Purchase Agreements
- ☐ Investment information

Does any entity such as a family trust own more than 25% of the company? ☐ Yes ☐ No

If 'YES' please refer to **SECTION 10: TRUSTS** on page 82 on which documents need to be provided.

SECTION 10: CUSTOMER DUE DILIGENCE - TRUSTS

Please provide the following trust documents

- ☐ Please provide a copy of the trust deed
☐ Please provide a copy of any subsequent trust deed amendments

Please provide: (i) personal information, (ii) identification and (iii) address verification (see guideline on page 78) for:

- All current trustee(s)
- All appointer(s)
- Any individual(s) acting on behalf of the trust
- Authorised Person(s) that may act on your behalf i.e. Power of attorney
- All directors of the Corporate Trust Company (if Applicable)

Legal First Name(s)	Legal Family Name	Date of birth	Place of birth	Occupation

Corporate Trustee Company

Full Name of contact:	
Company Name:	
Email:	Home or Mobile Tel:

We require photo identification and address verification for all directors of the Corporate trustee company, we may also need to follow up with them regarding additional CDD documentation.

Source of Funds/Wealth Statement and Supporting Documents

Please provide information on the origin of the trust's wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, employment details, property address etc.

Please provide details of the source of income the trust is receiving e.g. wages/salary, investment income, rental income.

All trusts **MUST** provide documentation to support the information provided in the source of funds and/or wealth statement above. This may include any of the below:

- | | | |
|---|---|---|
| <input type="checkbox"/> Bank statements | <input type="checkbox"/> Address of sold properties | <input type="checkbox"/> Settlement statement |
| <input type="checkbox"/> Annual Accounts | <input type="checkbox"/> Wage slips | <input type="checkbox"/> Loan Agreement |
| <input type="checkbox"/> Sale and Purchase Agreements | <input type="checkbox"/> Investment information | |

Who are the beneficiaries of the trust?

Is this a discretionary trust or are there 10 or more beneficiaries? ☐ Yes ☐ No

If 'NO' please list names and dates of birth of the named beneficiaries:

.....

Is this a Charitable Trust? ☐ Yes ☐ No

If 'YES' please state the objects of the trust:

.....

SECTION 11: CUSTOMER DUE DILIGENCE - ESTATES

Please provide the following trust documents

☐ Please provide a copy of the probate for the estate

Where probate is not required to be obtained, other documentation that establishes the legal standing of the Estate and confirming the trustee(s)/the executor(s) instructing Augusta on behalf of the Estate. This must include a copy of the death certificate of the deceased.

Please provide; (i) personal information, (ii) identification and (iii) address verification (see guideline on page 78) for:

- All executors(s)
- All trustee(s)
- Any individual(s) acting on behalf of the estate
- Any other person who has effective control of the estate
- Authorised Person(s) that may act on your behalf i.e. Power of attorney

Legal First Name(s)	Legal Family Name	Date of birth	Place of birth	Occupation

Source of Funds/Wealth Statement and Supporting Documents

Please provide information on the origin of the estate's wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, employment details, property address etc.

Please provide details of the source of income the estate is receiving e.g. wages/salary, investment income, rental income.

All Estates **MUST** provide documentation to support the information provided in the Source of Funds and/or Source of Wealth statement above. This may include any of the below:

☐ Bank statements

☐ Address of sold properties

☐ Settlement statement

☐ Annual Accounts

☐ Wage slips

☐ Loan Agreement

☐ Sale and Purchase Agreements

☐ Investment information

SECTION 12: DECLARATION AND SIGNATURE

I/We hereby apply for the Units as set out above subject to the terms and conditions of the Product Disclosure Statement dated 14 July 2020.

I/We have received, read and understood the Product Disclosure Statement. I/We understand the risks to Augusta Property Fund's Business and Plans as set out at Section 7 of the Product Disclosure Statement. I/We acknowledge that the offer of Units in the Product Disclosure Statement was made to me/us in New Zealand, or Australia or any other country in which Augusta Property Fund is able to offer to persons without having to prepare a disclosure document. I/We agree to accept the Units as applied for or any lesser number that may be issued to me/us. I/We hereby consent to Augusta Property Funds Manager disclosing such information as it holds in respect of me/us to regulatory authorities. The information I/We have provided in this Application Form is true and correct to the best of my/our knowledge. I/We understand that Augusta Funds Management have not assessed the suitability of this investment for my/our personal financial circumstances, financial needs or goals nor provided any personalised financial advice.

Privacy Act 1993 & Unsolicited Electronic Messages Act 2007

You have a right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. The personal information you have supplied may be used by us (and other related entities) for the purposes of enabling us to arrange and manage your investment, to contact you in relation to your investment, and to market other products and services to you. You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law; and to meet our legal or regulatory obligations. We will provide you (on request) with the name and address of any entity to which information has been disclosed.

SIGNATURES

If the application form is signed by an Attorney (or an agent). The Attorney must complete the certificate of non-revocation on this page.

DATED:	/	/ 2020
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Applicant Signature:	Applicant Signature:
Applicant Name:	Applicant Name:
Applicant Signature:	Applicant Signature:
Applicant Name:	Applicant Name:

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY	
Complete this section if you are acting on behalf of someone for whom you hold Power of Attorney.	
I, (Name of Attorney)	
of (Address and Occupation of Attorney)	
HEREBY CERTIFY	
1. That as Attorney of under a deed dated	
Given to me by him/her/the Company	DAY MONTH YEAR
2. That I have executed the application for Units on the face hereof as Attorney under the said Power of Attorney and pursuant to the powers hereby conferred on me.	
3. That at the date hereof I have not received any notice of information of the revocation of the said Power of Attorney by death or otherwise.	
Signed at this of 2020	PLACE DAY MONTH
Signature	

**INDEMNITY IN RESPECT OF THE ISSUE OF UNITS TO A MINOR
(SECTION 102 CONTRACT AND COMMERCIAL LAW ACT 2017)**

To: Augusta Funds Management Limited, APF Nominee No.1 Limited, and the Augusta Property Fund (together, the Addressees)

We:

-and
-

(the “legal guardians/parents”) of:

- (the “minor”),

shall keep the Addressees indemnified on demand from and against all actions, proceedings, claims, damages, losses, costs and expenses incurred or suffered by any of the Addressees arising from or in connection with the issue of unit(s) in the Augusta Property Fund to the minor and the entry of the minor into the deed constituted by the application form (Form) contained in this product disclosure statement for the offer of units in the Augusta Property Fund dated 14 July 2020 (PDS) for and on behalf of the minor.

We acknowledge that:

- we have requested, and consent to, the issue of units (at \$1 per unit) in Augusta Property Fund to the minor;
- we have reviewed, and understand the content of, the PDS and the Form; and
- this indemnity may not be revoked unless each of the Addressees agrees in writing.

SIGNED AS A DEED:

Print name:
Date:
In the presence of:
Name:
Occupation:
Address:
.....

Print name:
Date:
In the presence of:
Name:
Occupation:
Address:
.....



John Sullivan House

Symmans House

Anglesea Clinic

Anglesea Medical Centre. Boundary lines indicative only.



NOTES

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AUGUSTA
PROPERTY FUND