

Sir William Pickering Drive Limited Partnership

Other material information

16 February 2018

1 **GENERAL**

This Other Material Information Document (*Document*) has been prepared to meet the requirements of section 57(1)(b) of the Financial Markets Conduct Act 2013 (*FMCA*) and clauses 48 to 50 of Schedule 5 to the Financial Markets Conduct Regulations 2014 (*FMCR*) in relation to an offer of units in Sir William Pickering Drive Limited Partnership as set out in a product disclosure statement (*PDS*) dated on or around the date of this document available on the Offer Register at www.business.govt.nz/disclose by searching "Sir William Pickering Drive" under "search offers".

Terms capitalised but otherwise undefined in this document have the meanings given to them in the PDS. This Document must be read alongside the PDS. Any application for admission by an Investor in the Company must be made on the application form (and be accompanied by the relevant identification documentation) contained in the PDS.

2 TOTAL ESTIMATED COSTS OF OFFER AND ISSUE

Description of cost:	Amount paid, or agreed to be paid, by the Trust in connection with the offer and issue of the Units (including all benefits):	Cost paid to:	Reason for cost and description of services:
Offeror fee	\$600,000	Manager (Augusta Funds Management Limited)	The offeror's fee is payable to the Manager for negotiating the acquisition of the Property, completing due diligence, arranging and establishing the LP and negotiating the bank facility.
Development management fee	\$200,000	Manager (Augusta Funds Management Limited)	The offeror's fee is payable to the Manager for managing the development of the Property which is payable in two equal tranches, on 31 March 2019 and the balance payable on Practical Completion of the Development.
Augusta Capital underwrite fee	\$450,000	Augusta Capital Limited	The Augusta Capital underwrite fees are payable to Augusta Capital for underwriting the Offer.
Brokerage and marketing fees*	\$386,400	Bayleys	<p>The brokerage fee is payable to Bayleys Real Estate as the sole selling agent for the Offer.</p> <p>Marketing costs reflect the costs of both preparing and producing advertisements in relation to the Offer and the costs for preparing and printing the PDS.</p>
Other underwriters fees	\$155,000	Cypress Capital Limited	The underwriting fees are payable to Cypress

Description of cost:	Amount paid, or agreed to be paid, by the Trust in connection with the offer and issue of the Units (including all benefits):	Cost paid to:	Reason for cost and description of services:
			Capital Limited for underwriting the Offer.
Legal fees	\$225,000	Chapman Tripp	Legal fees are payable to the LP's solicitors, Chapman Tripp, for the costs of legal due diligence on the Property, attending to settlement of the purchase of the Property, advising on the debt facility agreements with ASB and advising on the PDS, the Limited Partnership Agreement and Governing Document, and compliance with the Financial Markets Conduct Act 2013 and all applicable laws.
Audit fees	\$18,500	KPMG	Assurance fees represent KPMG's fee for providing a reasonable assurance engagement on the prospective financial statements contained on the Offer Register.
Valuation fee**	\$15,000	CBRE	The valuation fee is payable to CBRE for preparing the Valuation Report on the Property.
Supervisor	\$15,000	Supervisor	The supervisor fee is payable to the Supervisor for their costs in relation to reviewing the PDS, the Governing Document and the Limited Partnership Agreement.

Description of cost:	Amount paid, or agreed to be paid, by the Trust in connection with the offer and issue of the Units (including all benefits):	Cost paid to:	Reason for cost and description of services:
Bank fees and bank legal costs**	\$125,450	ASB Bank Limited (and its legal advisers)	The bank fees are payable to ASB in connection with establishing the LP's loan facility and securing the LP's effective interest rate.
Chattel valuation fee	\$8,000		The chattel valuation fee is payable in connection with the chattel valuation obtained by the Manager for the chattels in the Property, required for calculation of capital allowances and depreciation.
Miscellaneous – Administration Expense and Disbursements	\$8,550		Disbursements are payable for certain costs incurred by the Manager's professional advisers in connection with advising on the establishment of the LP and the preparation of the PDS.
PDS registration fee and FMA levy	\$6,100		The PDS registration fee and FMA levy are payable in connection with the registration of the LP on the Offer Register and Scheme Register.
Total	\$2,203,000		

* To the extent that any Unit is issued to an underwriter under their underwriting obligations, the brokerage fee will reduce by \$1,000 in respect of each such Unit.

** 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 LP (and Investors will not be notified of such a change). All other amounts are maximum and cannot be increased.

NOTE

The above fees are payable by the LP - none are chargeable to Investors directly. In respect of certain fees set out above, the Manager has either already met these costs on behalf of the LP 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 dates of this PDS and settlement. Those fees will be reimbursed to the Manager on settlement.

Alongside the above fees and expenses, the Manager is also establishing a Future CAPEX fund (which will be supplemented over time by certain retentions from operating cashflows and any unexpended development phase contingency). This Future CAPEX Fund is forecast to be \$101,214 at commencement.

3 **VALUER**

An independent valuation of the Property has been provided by Scott Ansley and Marius Ogg of CBRE Limited on a “as if complete basis” at \$41,225,000 plus GST (if any) as at 16 November 2017 in accordance with current Australia and New Zealand Valuation and Property Standards. It was prepared using both a capitalisation of net income approach and a discounted cash flow approach.

Scott Ansley’s qualifications are BPA, ANZIV and SPINA. Marius Ogg’s qualifications are FNZIV, FPINZ. CBRE’s address is Level 14, 23-29 Albert Street, Auckland, 1010

The valuation was made by the valuers as independent valuers. The valuers made the valuation for the purposes of the LP and for use by prospective investors in the LP. The valuers have consented to the distribution of the valuation report to prospective investors in the LP and, as at the date of the PDS, have not withdrawn that consent.

4 **FEE ASSUMPTIONS**

Establishment fees

The amount of the bank fees, marketing and disbursements, or components of those amounts are the Manager's best estimates, based on its experience and the information known to it at the date of the PDS, but may be subject to change. All other establishment fees set out at Section 8 of the PDS are maximum levels and cannot be increased. The fees payable to third parties (being those fees other than those payable to the Manager and its associated persons), in the Manager's view, represent reasonable levels for the services of the relevant third party. The fees payable to the Manager and its associated persons are not estimates, and are provided for at the levels disclosed in the PDS in the Governing Document.

Ongoing fees and expenses

The amounts of ongoing fees and expenses set out at Section 8 of the PDS have been calculated assuming the management fee increases at 3% per year. The fees payable to third parties (being those fees other than those payable to the Manager and its associated persons) have been estimated by the relevant third party, and, in the Manager's view, represent reasonable levels for the services of the relevant third party.