



The Directors  
Augusta Funds Management Limited  
Level 2, Bayleys House  
30 Gaunt Street  
Auckland 1010

14 July 2020

***Independent Investigating Accountant's Limited Assurance Report  
on Augusta Property Fund Prospective Financial Information***

To the Directors of Augusta Funds Management Limited

In accordance with the terms of our engagement letter dated 2 June 2020, we have been engaged by Augusta Funds Management Limited (the Company) to report on certain prospective financial information of Augusta Property Fund (the Fund) for the period ending 31 March 2021 and year ending 31 March 2022 for inclusion in the Product Disclosure Statement (PDS) and the Register Entry dated on or about 14 July 2020 and relating to the issue of units in the Fund.

Expressions and terms defined in the PDS and Register Entry have the same meaning in this report.

***Our Independence and Quality Control***

We have complied with the Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners*, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Professional and Ethical Standard 3 (Amended) *Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance Engagements*, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers does not have any interest in the outcome of the Offer other than the preparation of this Limited Assurance Report and related due diligence procedures, for which normal professional fees will be received. We have no relationship with or interests in the Fund other than in our capacity as auditor. We have also provided real estate advisory services in relation to the disposal and acquisition of property for a separate fund managed by the Company. These services have not impaired our independence.



### **Scope**

You have requested PricewaterhouseCoopers to perform a limited assurance engagement and to prepare this report on the following financial information, including the notes and assumptions thereto, included on pages 2 to 25 of the Register Entry document *Augusta Property Fund Prospective Financial Information, a reconciliation of non-GAAP to GAAP information and supplementary financial information* (collectively the Prospective Financial Information or PFI):

- the Prospective Statements of Financial Performance for the period ending 31 March 2021 and year ending 31 March 2022;
- the Prospective Statements of Cash Flows for the period ending 31 March 2021 and year ending 31 March 2022;
- the Prospective Statements of Movements in Equity for the period ending 31 March 2021 and year ending 31 March 2022; and
- the Prospective Statements of Financial Position as at 31 March 2021 and 31 March 2022

The directors' assumptions underlying the PFI are based on the assumptions as described on pages 7 to 20 of the Register Entry document *Augusta Property Fund Prospective Financial Information, a reconciliation of non-GAAP to GAAP information and supplementary financial information*.

### **Directors' responsibility**

The directors of the Company are responsible for the preparation and presentation of the PFI and for the determination of assumptions that have a reasonable and supportable basis (as required by Financial Reporting Standard No. 42 *Prospective Financial Statements* (FRS-42)).

This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of PFI that are free from material misstatement.

### **Our responsibility**

Our responsibility is to express a limited assurance conclusion based on our engagement. We have conducted our engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE (NZ) 3000 (Revised)) and with reference to additional guidance in the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* issued November 2012 by the Australian Government Auditing and Assurance Standards Board. ASAE 3450 was used as additional authoritative guidance as there is no subject-matter specific standard in New Zealand for assurance engagements over prospective financial information.

A limited assurance engagement consists primarily of making enquiries, primarily of persons responsible for the preparation of the PFI and applying analytical and such other procedures as we considered necessary to enable us to reach our limited assurance conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

***Inherent limitations***

The PFI have been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of the Fund for the period ending 31 March 2021 and year ending 31 March 2022. There is a considerable degree of subjective judgment involved in preparing PFI since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Prospective Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the Prospective Financial Information are based relate to future events or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company or the Fund. Evidence may be available to support the directors' best-estimate assumptions on which the PFI are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Fund, which are detailed in the PDS, and the inherent uncertainty relating to the PFI. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in section 7 of the PDS and section 3 of the Register Entry document *Augusta Property Fund Prospective Financial Information, a reconciliation of non-GAAP to GAAP information and supplementary financial information*. The sensitivity analysis included in the PFI demonstrates the impact on the PFI of changes in key best-estimate assumptions. We express no opinion as to whether the PFI will be achieved.

***Conclusions***

Based on the procedures we have performed and the evidence we have obtained nothing has come to our attention which causes us to believe, in all material respects, that:

- the directors' best-estimate assumptions used in the preparation of the Prospective Financial Information do not provide a supportable and reasonable basis (as defined in FRS-42) for the preparation of the Prospective Financial Information; and
- the Prospective Financial Information:
  - is not properly prepared on the basis of the directors' best-estimate assumptions as described in section 6 of the PDS and pages 7 to 20 of the Register Entry document *Augusta Property Fund Prospective Financial Information, a reconciliation of non-GAAP to GAAP information and supplementary financial information*; and
  - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in New Zealand Equivalents to International Financial Reporting Standards and the entity's adopted accounting policies; and
- the Prospective Financial Information itself is unreasonable.

***Notice to investors outside New Zealand***

Under the terms of our engagement this report has been prepared solely to comply with ISAE (NZ) 3000 (Revised) and with reference to ASAE 3450. ASAE 3450 is referenced and is being used by us as an authoritative standard guidance in addition to the requirements of ISAE (NZ) 3000 (Revised) as there is no applicable subject-matter specific standard relating to prospective financial information in New Zealand.



This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside New Zealand. We are not recommending or making any representation as to suitability of any investment to any person.

***Restriction on Use***

This report is made solely to the directors of the Company. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which this Report relates for any purpose other than the purpose for which it was prepared. This Report should be read in conjunction with the PDS and other information contained on the Register Entry. However, we take no responsibility for, nor do we report on, any part of the PDS or other information contained in the Register Entry not specifically mentioned in this report. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the directors of the Company for the conclusions that we have formed.

The liability of PricewaterhouseCoopers is limited to the inclusion of this report in the Register Entry. PricewaterhouseCoopers makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the PDS or Register Entry.

A stylized, handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants  
14 July 2020

Auckland