

Oxford Victoria Scheme

Other material information

19 October 2016

1. GENERAL

This other material information document has been prepared to meet the requirements of section 57(1)(b) of the Financial Markets Conduct Act 2013 and clauses 48 and 50 of schedule 5 to the Financial Markets Conduct Regulations 2014 in relation to an offer of interests in the Oxford Victoria Scheme, as set out in a product disclosure statement (PDS) dated 19 October 2016.

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.

2. TOTAL ESTIMATED COSTS OF OFFER AND ISSUE

Description of cost:	Amount paid, or agreed to be paid:	Cost paid to:	Reason for cost and description of services:
Silverfin's offeror fee	\$1,015,000	Silverfin	The offeror's fee is payable to Silverfin for arranging and establishing the Scheme
Brokerage fee	\$634,000	Silverfin	The brokerage fee is payable to Silverfin for it to distribute to selling agents being Colliers International New Zealand Limited ('Colliers International') or any others
Accounting fees	\$10,000	Silverfin	Payable to Silverfin for the preparation of the prospective financial statements
Legal fees	\$200,000	Kensington Swan and TBB Legal (Silverfin's solicitors), Simpson Grierson (Westpac's solicitors), and Minter Ellison Rudd Watts (Supervisor's solicitors)	Legal fees are payable for the costs of all of the legal due diligence on the Properties, negotiation of the sale and purchase agreement, preparing the Scheme documentation, advising on legal compliance, settlement of the purchase, and in connection with the Scheme's financing arrangements, and to the Supervisor's solicitors for their costs in relation to reviewing the PDS, the Deed of Participation and all related documentation.
Audit fees	\$25,000	Crowe Horwath	Audit fees represent Crowe Horwath's fee for carrying out a reasonable assurance engagement on the prospective financial statements contained on the offer register
Valuation fees	\$30,000	Ford Baker Valuations Limited	Payable to Ford Baker Valuations Limited for preparing the valuation report on 32 Oxford Terrace and 104 Victoria Street
Supervisor's fees	\$12,000	Trustee Executors Limited	These fees relate to the Supervisor's costs in relation to reviewing the PDS, the Deed of

			Participation and all related documentation
Underwriters' fees	\$900,000	Virgo Group Limited Atlas Partners Limited	Payable to the underwriters for partially underwriting the offer
Marketing	\$275,000	Various	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
Bank fees	\$35,000	Westpac New Zealand Limited	The bank fee is payable to Westpac in connection with its provision of the loan facility to the Scheme
Syndex establishment fee	\$7,500	Syndex Limited	The fee for Syndex is the fee for registering the Scheme and all relevant information on the Syndex Exchange
Other fees, contingency and working capital	\$125,500	Various	The other fees, contingency, and working capital allowance covers issue and production expenses, incidental expenses arising in connection with the offer (including but not limited to postage, regulatory costs, registration fees), and the initial working capital to be held by the Scheme for operational matters

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

FEE ASSUMPTIONS

Establishment fees

Silverfin's fees and the fees payable to Syndex, the Supervisor, the auditor, and the valuer, as well as bank fees are fixed and cannot be increased. The bank, audit, valuation, Supervisor's and Syndex establishment fees have all been negotiated with the relevant third party by Silverfin and, in Silverfin's view, represent reasonable levels for the services provided. They cannot be increased.

The underwriter's fees are calculated as a fixed fee of \$525,000 plus an allowance for underwritten interests at a rate of 4% and 3% of the value of interests subscribed for respectively over the two underwriters. Any cost over \$900,000 will be met by Silverfin while any lesser amount will be to the benefit of the Scheme.

The amount of the other establishment fees are Silverfin's best estimates, based on experience and the information known at the date of the PDS, but may be subject to change. The actual amount charged to the Scheme will reflect the amount ultimately invoiced by the relevant third party.

Ongoing fees and expenses

The amounts of ongoing fees and expenses are set out at section 8 of the PDS.

The annual management fees payable to Silverfin has been set at 0.15% per annum for the part-year to 31 March 2017 then 0.275% per annum of the Properties' gross asset value, based on their most recent valuations. A proportion of Silverfin's annual management fee is recoverable from the tenants via outgoings charged under the leases (management expenses). There is no specified limit on the management expenses recoverable from Tenants as outgoings under the leases, save that all contain a proviso that the management fees must be reasonable. Any amounts recovered from tenants will reduce the net management fee paid out of the Scheme.

The accounting fees are set at \$10,000 per annum.

No fees other than those described in the PDS are payable to Silverfin or its associated persons.

The bank loan funding is an interest only facility from Westpac New Zealand Limited secured by way of first registered mortgage over the Properties for an initial term of 36 months' subject to annual review before extension. The expected interest rate for the Scheme is 3.80% per annum.

The fees payable to third parties have been estimated by the relevant third party, and, in Silverfin's view, represent reasonable levels for the service of the relevant third party.

All fees are subject to GST where applicable.

3. VALUER

Independent valuations of the Properties have been provided by David William Harris and Matthew James Binnie of Ford Baker Valuations Limited at a combined market value of \$58,010,000 plus GST (if any) as at 24 August 2016. 32 Oxford Terrace has been valued at \$39,120,000 and 104 Victoria Street has been valued at \$18,890,000 in accordance with the International Valuation Standards and API/PINZ Valuation Standards. The valuations were prepared using both a capitalisation approach and a discounted cash flow analysis.

David William Harris' qualifications are FNZIV, FPINZ and Matthew James Binnie's qualifications are B Com (VPM). Ford Baker Valuations Limited's address is Level 3, 48 Fitzgerald Ave, Christchurch.

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