

Augusta Kedron Partnership

Other material information

15 February 2019

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 and 50 of Schedule 5 to the Financial Markets Conduct Regulations 2014 (*FMCR*) in relation to an offer of units in the Augusta Kedron Partnership, an Australian limited liability partnership (*LLP*), as set out in a product disclosure statement (*PDS*) dated on or around the date of this document available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/> by searching "Augusta Kedron Partnership" 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 LLP 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 LLP in connection with the offer and issue of the Units (including all benefits):	Cost paid to:	Reason for cost and description of services:
Manager's offeror fee	A\$700,000* (inclusive of NZ GST)	Manager (Augusta Funds Management Limited)	The offeror's fee is payable to the Manager for arranging and establishing the LLP, negotiating the acquisition of the Property, completing due diligence, negotiating the bank facility, preparing the prospective financial information, the PDS, the LLP Deed and the Governing Document.
Stamp duty and title registration fees	A\$1,292,837		Stamp duty and title registration fees are required for tax payable under Australian tax law to enable the purchase of the Property.
Brokerage fee	A\$297,850*	Bayleys Real Estate Limited	The brokerage fee is payable to Bayleys Real Estate Limited as the sole selling agent for the Offer.
Legal fees – New Zealand	A\$98,326*	Chapman Tripp	New Zealand legal fees are payable to Chapman Tripp (the LLP's New Zealand solicitors) for the cost of advising on this PDS, the LLP Deed and Governing Document, and compliance with the Financial Markets Conduct Act.

Description of cost:	Amount paid, or agreed to be paid, by the LLP in connection with the offer and issue of the Units (including all benefits):	Cost paid to:	Reason for cost and description of services:
Legal fees - Australia	A\$60,000	David K Lawyers	Legal fees are payable to David K Lawyers (the LLP's Australian solicitors) for the costs of legal due diligence on the Property, negotiation of the documentation giving effect to the purchase of the Property, settlement of the purchase, preparing the LLP Deed and registering the LLP, and in connection with the LLP's financing arrangements.
Legal disbursements* **	A\$21,600	The LLP's New Zealand and Australian solicitors	Legal disbursements are payable to David K Lawyers and Chapman Tripp.
Assurance fees*	A\$13,602	Staples Rodway Audit Limited	Assurance fees are payable to Staples Rodway's for providing a limited assurance engagement on the prospective financial statements contained on the offer register.
Accounting / tax fees* **	A\$10,479	The LLP's Australian and New Zealand accounting and tax advisers	The accounting/tax fees are payable to the LLP's Australian and New Zealand accounting and tax advisers in connection with the structure of the LLP and attending to relevant registrations. Those advisers are Vincents Chartered Accountants in Australia and Staples Rodway in New Zealand.

Description of cost:	Amount paid, or agreed to be paid, by the LLP in connection with the offer and issue of the Units (including all benefits):	Cost paid to:	Reason for cost and description of services:
Property valuation fee	A\$9,136	m3Property	The property valuation fees are payable to m3Property for preparing the valuation report on the Property
Chattel valuation fee	A\$11,000		The chattel valuation fee is payable in connection with the chattel valuation obtained by the Manager for the chattels on the Property, required for calculation of capital allowances and depreciation.
Building due diligence reports	A\$15,000	CBRE	The building due diligence report fees are payable to CBRE for preparing the building condition report on the Property.
Supervisor	A\$5,463*	Covenant Trustee Services Limited	The supervisor fees are payable to the Supervisor for their costs in relation to reviewing this PDS, the Governing Document and the LLP Deed.
Marketing* **	A\$98,325		Marketing costs reflect the costs of both preparing and producing advertisements in relation to the Offer and the costs for preparing and printing this PDS.

Description of cost:	Amount paid, or agreed to be paid, by the LLP 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 (including legal fees)**	A\$35,000	CBA	The bank fee is payable to CBA in connection with its provision of the loan facility to the LLP and the fees of its solicitors in advising it on the loan facility to the LLP.
PDS and scheme registration fee and FMA levy	A\$5,406*	Financial Markets Authority	The PDS registration fee and FMA levy are payable to the Financial Markets Authority in connection with the registration of this PDS and the Offer.
Total fees for establishment of the LLP	A\$2,674,024		

* These amounts will be invoiced to the LLP in New Zealand dollars. They have been converted to Australian dollars at an NZD/AUD exchange rate of 1.00/0.95 so that the above amounts can be presented in one currency. They also include goods and services tax (GST) chargeable in New Zealand. It is not possible to claim the GST input tax on the New Zealand GST invoices in respect of these amounts as the General Partner is not registered for GST purposes in New Zealand. It is also not possible to zero-rate the invoices for GST purposes as even though the services are provided to a non-resident entity (the Australian General Partner) the services are effectively being received in New Zealand by the New Zealand resident Investors.

** 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. All other amounts are maximum and cannot be increased (unless as a result of the applicable exchange rate differing from 0.95). Details of the fees and expenses incurred by the LLP will be included in the LLP's annual report, however Investors will not be specifically notified of such a change.

NOTE:

The above fees are payable by the LLP - 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 LLP or will pay those costs prior to Settlement and, accordingly, is entitled to reimbursement on Settlement. The Manager has also paid the \$1 million deposit due under the put and call option deed and is similarly entitled to reimbursement of that deposit 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.

3 VALUER

An independent valuation of the Property has been provided by Michael Coverdale from m3property strategists at A\$21,500,000 plus GST (if any) as at 21 November 2018. It was prepared using a "capitalisation" and "discounted cash flow" approach and reconciled with the "direct comparison" approach on a rate per square metre of gross lettable area basis.

Michael Coverdale's qualification is a Certified Practicing Valuer in Queensland. m3property strategists' address is Level 2, 15 James Street, Fortitude Valley Queensland, Australia.

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

4 FEE ASSUMPTIONS

Establishment fees

The fees or expenses, or a component of the fees or expenses noted with a ** in the table contained in section 2 of this Document 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 amounts are maximum and cannot be increased (unless as a result of the applicable exchange rate differing from 0.95). The amounts that are not estimates that are 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 is payable at the levels set out in the PDS, and no other fees are payable to the Manager or its associated persons (as at the date of the PDS the Manager does not anticipate it, nor any of its associated persons, will accrue any fees other than the management fee). 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.