PRODUCT DISCLOSURE STATEMENT

FOR AN OFFER OF ORDINARY SHARES IN

Pacific Property Fund Limited

ISSUED BY PACIFIC PROPERTY FUND LIMITED
DATED: 17 MARCH 2021

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 on www.business.govt.nz/disclose, offer number OFR13069. Pacific Property Fund Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

1 KEY INFORMATION SUMMARY

1.1 WHAT IS THIS?

This is an offer (the **Offer**) of ordinary shares (**Shares**) in Pacific Property Fund Limited (the **Company**). Shares give you a stake in the ownership of the Company. You may receive a return if dividends are paid, or if the Company increases in value and you are able to sell your Shares at a higher price than you paid for them.

If the Company runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

1.2 ABOUT THE COMPANY

The Company is a property investment company primarily investing in a diversified portfolio of commercial property in New Zealand. The Company is not a "Managed Investment Scheme" for the purposes of the Financial Markets Conduct Act 2013 and does not require a manager licensed by the Financial Markets Authority (**FMA**) or an independent supervisor licensed by the FMA to govern its investment activities. Investor rights are set out in the constitution of the Company, which has been set up in accordance with the Companies Act 1993.

On 28 February 2021, the Company held an existing portfolio of 14 properties (the **Existing Properties**). The Company expects to acquire six further properties (the **Acquisition Properties**) by 30 June 2021. The combination of the Existing Properties and the Acquisition Properties is defined as the **Property Portfolio**, and further detail on these properties can be found at Section 2.4 *The Property Portfolio*.

The Property Portfolio is managed by PMG Property Funds Management Limited (the **Manager**), in accordance with a management agreement dated 30 September 2020 and any subsequent variations thereof (**Management Agreement**). Further details about the Company and the Manager are set out at Section 2 *The Company and What it Does*.

1.3 PURPOSE OF THIS OFFER

The purpose of the Offer is to raise capital to enable the Company to purchase the following four properties (together, the **Settlement Properties**):

- 105 and 123 Victoria Street, Christchurch
- 70 Gloucester Street, Christchurch
- 3 Distribution Lane, Sockburn, Christchurch
- 410 Eastern Hutt Road, Silverstream, Upper Hutt, Wellington

The remaining funds required to complete the acquisition of the Settlement Properties will be obtained from bank borrowings. The total funds raised will also be used to pay the issue and property acquisition costs associated with the Offer.

Key Offer Costs:	
Purchase price of the Settlement Properties[1]	$108,100,000
Issue and Property Acquisition Costs[2]	$4,515,900
Total	**$112,615,900**

Funded by:	
Share Subscription	$68,320,000
Debt[3]	$44,295,900
Total	**$112,615,900**

The remaining two Acquisition Properties are being purchased by the Company separately from, and irrespective of the outcome of, the Offer.

1.4 KEY TERMS OF THE OFFER[4]

Equity Securities Being Offered	Ordinary shares in the Company.
Offer Opening Date	25 March 2021.
Offer Closing Date	29 April 2021 (with the ability to extend to 3 May 2021).
Offer Price	NZ$1.22 per Share.
Minimum Equity Raise	$61,000,000 (50,000,000 Shares), being 25.8% of the total shares on issue immediately after the Offer (assuming the minimum number of Shares are issued). The Company must meet this minimum subscription amount for the Offer to proceed.
Maximum Equity Raise	$68,320,000 (56,000,000 Shares), being 28.0% of the total shares on issue immediately after the Offer (assuming the maximum number of Shares are issued). The Company will not take subscriptions over this maximum amount.
Minimum Subscriptions	The minimum initial share subscription per investor is 20,000 Shares ($24,400) and parcels of 10,000 Shares ($12,200) thereafter. For existing investors, additional investment must be in multiples of 10,000 Shares.
Scaling	If the Company receives valid applications for more than $68,320,000 (56,000,000 Shares) - the Maximum Equity Raise - scaling will apply. The Company's discretion on scaling is absolute. No oversubscriptions will be accepted.
Minimum Holding	Transfer of Shares to other parties will not be processed if these result in an investor holding less than 20,000 Shares unless the investor is transferring their entire holding.
Maximum Holding	The Company is a multi-rate Portfolio Investment Entity (**PIE**). No shareholder (individually and combined with shareholdings held by 'associated persons', for tax purposes) can own or control more than 20% of the share capital issued in the Company (presuming the Maximum Equity Raise, this amounts to 39,964,000 Shares).

[1] Further information on the Settlement Properties can be found at Section 2.4 *The Property Portfolio*.
[2] Issue and Property Acquisition Costs are described further at Section 3 *Purpose of the Offer*.
[3] Assumes the Maximum Equity Raise. Details of the borrowings associated with the Offer, and existing loan facilities including facility headroom, can be found at Section 2.5 *Bank Funding*. Information on the relationship between the number of shares to be issued and the amount of debt funding can be found at Section 3 *Purpose of the Offer*.
[4] Further detail on the terms of the Offer can be found at Section 5 *Terms of the Offer*.

Dividend Returns	Quarterly, paid on the 25th day following the quarter end (or the next working day). See Section 6.2 *Dividend Policy* for further information.
Management Agreement and Manager Fees	The Manager is responsible for the day-to-day management of the properties owned by the Company. The Management Agreement may be terminated: • by the Company without cause, provided six months' notice is given to the Manager, the termination is approved by a special resolution of the Company's shareholders, and the Manager is paid a termination fee, being the equivalent of the property management fee for the last full financial year preceding the termination • by the Manager without cause, provided twelve months' notice is given to the Company; • automatically on the occurence of certain events, for example if the Manager becomes insolvent. Various fees are payable to the Manager by the Company under the Management Agreement, including: • an annual asset management fee (0.5% of the total carrying value of the Property Portfolio) • a property management fee (1.5% of Gross Rental Income collected from the properties under management) • a project management fee (5.0% of project costs in respect of capital expenditure on the Property Portfolio); and • any out of pocket costs reasonably incurred by the Manager in connection with its duties. Further details on the Management Agreement and fees can be found at Section 2.13 *Material Interests*.
Underwrite	The issue of 35,000,000 Shares is underwritten by the Manager. The Manager will receive a fee of $1,281,000 from the Company for this commitment. Further details on the underwriting arrangement can be found at Section 2.13 *Material Interests*[5].

1.5 HOW YOU CAN GET YOUR MONEY OUT

The Company does not intend to quote its shares on a market licensed in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Shares[6]. There is no ability to redeem the equity securities.

1.6 KEY DRIVERS OF RETURNS

The financial performance of the Company's business relies on the properties owned by the Company. The aspects of the Company that have, or may have, the most impact on its financial performance will be:

Income from the Property Portfolio – The Company's primary source of income is the rental income from each of the properties in the Company's Property Portfolio.

Capital Value of the Property Portfolio – The value of shares in the Company will be influenced by the value of the Property Portfolio. The value of the Property Portfolio will, in turn, be primarily influenced by the state of the property market, the level of rental income from each property, and the remaining terms of property leases.

Interest Rates – A primary cost of the Company is interest expense, driven by both the level of borrowings and interest rates. Given the total borrowings held by the Company, interest rates are a key factor in determining overall return of the Company. A summary of the Company's borrowing arrangements is set out at Section 2.5 *Bank Funding*.

The Manager's key strategies and plans in relation to these aspects of the Company are set out at Section 2.6 *Key Strategies*.

1.7 KEY RISKS AFFECTING THIS INVESTMENT

Investments in shares are risky. You should consider if the degree of uncertainty about the Company's future performance and returns is suitable for you. The price of the Shares should reflect the potential returns and the particular risks of the Shares. The Company considers that the most significant risk factors that could affect the Company's financial position, performance and stated plans are:

Rental Income and Tenant Default Risk – The Company is reliant on rental income from the Property Portfolio. Rental income from any property could stop or decrease for several reasons, including if: a tenant defaults, a lease is terminated or expires without being renewed, the rent under a lease decreases following a rent review, there is difficulty obtaining a replacement tenant, or new tenant rental rates are lower than those previously received. A loss or reduction in rental income may have a detrimental impact on the Company's ability to pay dividends to investors, or on the value of its shares. A significant drop in rental income, or increase in tenant defaults, could also result in a breach of banking covenants.

Due to economic conditions surrounding COVID-19, the Company provided rental abatement to some tenants during the financial year ending 31 March 2021 (approximately 3.1% of net rental income per annum at the time the relief was given). While the Company expects no further rental abatement will be required for tenants from Settlement Date, and further expects no material related vacancy will emerge after the date of this PDS, rental income may yet be impacted further as a result of COVID-19 (further outbreaks, lockdowns and alert level changes that are as yet unknown) or general economic uncertainty.

Valuation Risk – Property market conditions, the economic environment, and fluctuations in supply and demand for commercial properties in the sectors invested in by the Company will affect the value of the Property Portfolio. The value of the Property Portfolio directly impacts the value of shares held in the Company and the gearing of the Company, among other metrics.

Interest Rate Risk – The Company is reliant on interest-bearing bank borrowings that generate a material expense to the Company. Interest rates on the Company's borrowings are not fixed. Movements in interest rates will affect returns to investors and changes in interest rates are unable to be predicted with certainty. The Company utilises interest rate swap arrangements to mitigate against unexpected changes in interest rates.

This summary does not cover all of the risks of investing in the Shares. You should also read Section 8 *Risks to the Company's Business and Plan*.

1.8 WHERE YOU CAN FIND THE COMPANY'S FINANCIAL INFORMATION

The financial position and performance of the Company are essential to an assessment of this offer. You should also read Section 7 *The Company's Financial Information*.

[5] The Manager is expected, but not required, to arrange sub-underwriting commitments for some or all of the underwritten amount. The cost of sub-underwriting is at no additional cost to the Company or its investors. It does not impact the total underwriting fees charged to the Company. See Section 2.13 *Material Interests* for further information.

[6] The Manager provides a sale facilitation service. If investors use the sale facilitation service to transfer or dispose of their investment, investors may pay a fee to the Manager for the use of the service. See Section 6.4 *Sale Facilitation Service* for further information.

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LETTER FROM THE DIRECTORS

Dear Investor,

We are excited to invite you to participate in the latest capital raising offer by Pacific Property Fund Limited (the **Company**). The Company is one of New Zealand's largest and most diversified, directly-held portfolios of industrial, office and retail properties. The Property Portfolio is managed by PMG Property Funds Management Limited (the **Manager**).

Since the Company was formed, the board of directors of the Company has pursued a strategy of continuing to increase the scale of the portfolio to enhance its robustness and income resilience. This has been done by acquiring properties that meet strict requirements for quality, location, type and tenant covenants. Following seven successful capital raise offers since the Company's inception in 2014, on 28 February 2021 the Company owned 14 properties throughout New Zealand, with a portfolio value of $265m and 47 tenants from a variety of sectors.

Between March 2021 and June 2021 the Company expects to acquire a further six properties. The properties to be acquired with funds from this offer are two high-quality industrial properties (one in Christchurch and one in Wellington), and two of Christchurch CBD's A-Grade[7] and recently built office properties (Anderson Lloyd House and Nexia House). Two additional industrial properties will be purchased separately, independently of the settlement of the Offer – one in Auckland and the other in Hamilton.

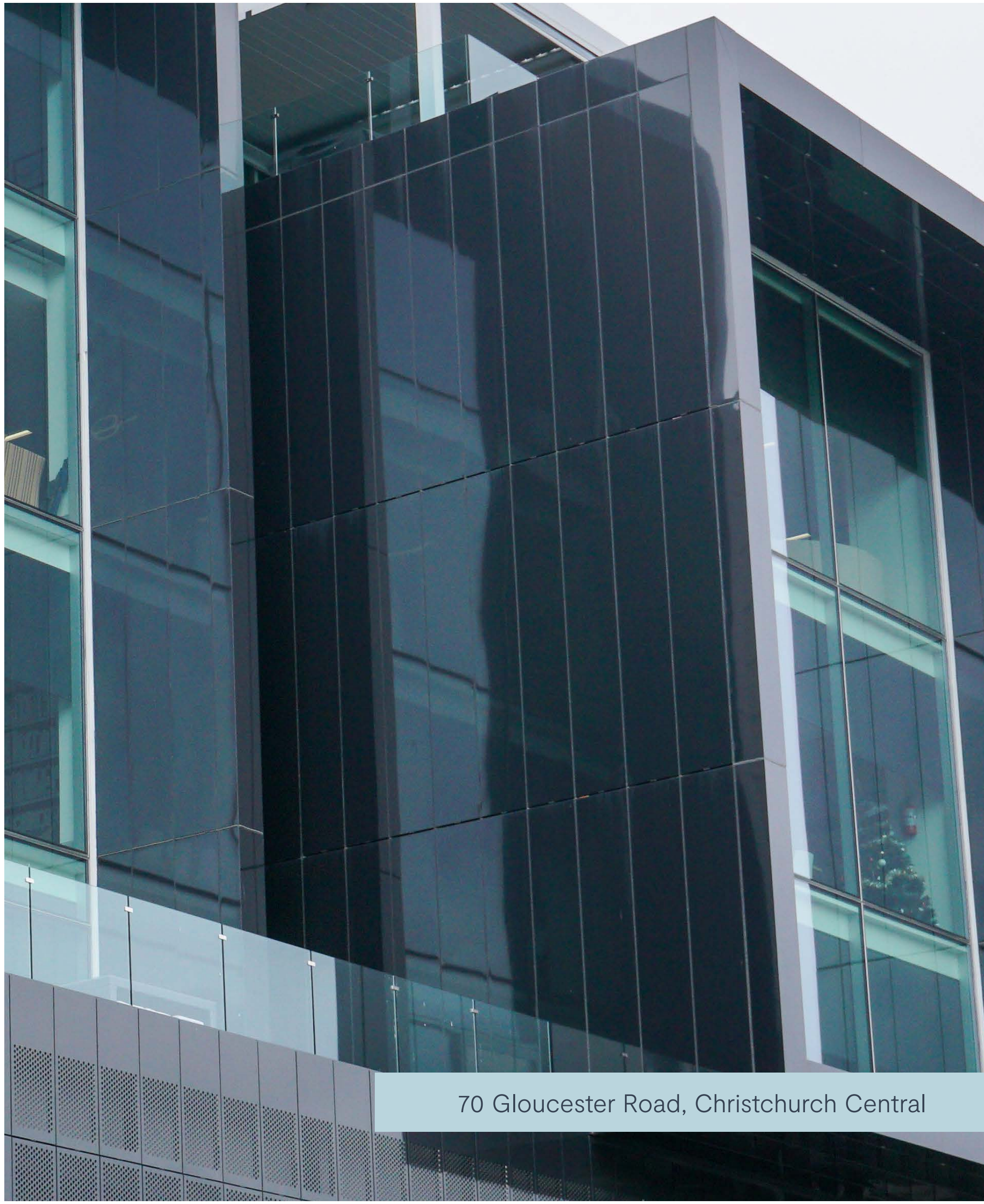
Following completion of this eighth capital raising offer and the acquisition of the six properties mentioned above, the Company expects to have a property portfolio valued at $393m across 20 properties, with 62 tenants and a forecast weighted average lease term (**WALT**) of 5.7 years as at 30 June 2021. The Company is forecast to provide a gross cash yield of 6.02%[8] per annum for the full financial year to 31 March 2022.

We believe the proposed acquisitions meet the threshold of quality we require for the Company. We invite you to join us as we continue to execute our strategy and goal of building a robust, resilient, and diversified portfolio to provide sustainable returns and growth in value over time to investors.

This Product Disclosure Statement (**PDS**) contains important information about the Company and this capital raising offer. We encourage you to read this PDS carefully and consider in particular Section 8 *Risks to the Company's Business and Plan*, before making your investment decision.

Yours faithfully,

Denis McMahon	Philip Tushingham	Craig Garrett	Scott McKenzie
Chairperson	Director	Director	Director



70 Gloucester Road, Christchurch Central

[7] In 2015, Anderson Lloyd House won a merit award at the Property Council of New Zealand Awards. Anderson Lloyd House and Nexia House have independently assessed seismic ratings of at least 100% New Building Standard (**NBS**).

[8] The forecast gross cash yield is stated before tax, based on forecast gross dividends per annum of 7.35 cents per share, as a percentage of an expected share issue price of $1.22 per Share. The share issue price is based on the forecast net tangible assets of the Company at 29 April 2021 of $1.18, plus 35% of the total expected costs of the Offer spread across the maximum number of Shares to be issued from the Offer.

2 THE COMPANY AND WHAT IT DOES

2.1 GENERAL OVERVIEW OF THE COMPANY

The Company is a property investment company that had its inaugural capital raise in April 2014, with the purpose of building a diversified portfolio of industrial, office and retail properties.

COMPANY STRATEGY

To target sound, well-located, generic industrial, office and retail properties across major metropolitan cities of New Zealand that offer sustainable returns.

COMPANY GOAL

To develop a resilient, diversified portfolio of quality industrial, office, and retail properties across New Zealand with robustness of scale that can deliver sustainable cash dividend returns and growth in value over time.

The Company now has the opportunity to add the Acquisition Properties to the Existing Properties in pursuit of this goal. Descriptions of the Acquisition Properties and the Existing Properties are set out at Section 2.4 *The Property Portfolio.*

The directors of the Company are Denis McMahon, Philip Tushingham, Scott McKenzie and Craig Garrett, who together have over 50 years' experience of investing in and managing commercial properties. Brief biographical details of each of the directors are set out at Section 2.7 *The Company's Board of Directors.*

Previously, the Company was the parent company of a group with one subsidiary. The subsidiary, Pacific Property Fund No.2 Limited, operated in the same manner and with the same purpose as the Company. It was incorporated on 5 October 2016 and formed part of the Group until 10 December 2020. As part of a Company debt restructure in December 2020, the subsidiary was amalgamated with the Company on this date and the Company continued to trade on the same basis as prior to the amalgamation, albeit through one limited company rather than two. More information on the debt restructure can be found at Section 2.5 *Bank Funding.*

	Fund at 28 February 2021[9]	Fund at 30 June 2021[10]
Target Gross Dividend Per Share[11]	7.35 cents per share	7.35 cents per share
Gearing	39%	39%
Properties Owned	14	20
WALT	5.5years	5.7years
Portfolio Valuation[12]	$265million	$393million
Net Lettable Area	139,022sqm	159,968sqm
Occupancy[13]	96%	96%
Number of Tenants	47	62

[9] All items in this column are stated before acquisition of the Acquisition Properties, inclusive of the Existing Properties only.
[10] All items in this column are stated after successful completion of the Offer at the Maximum Equity Raise, inclusive of the Existing Properties and after acquisition of all six Acquisition Properties.
[11] For further information, see Section 6.2 *Dividend Policy*.
[12] The Property Portfolio valuation is stated as per the value of the most recent independent valuation report held by the Company per property as at the date of this PDS (with the exception of the Arthur Porter Drive Property, included at expected purchase price of $7,200,000 per a conditional sale and purchase agreement). The Property Portfolio valuation excludes forecast capital expenditure and capitalised property acquisition costs after the date of this PDS.
[13] Occupancy is based on the forecast leased area in sqm (inclusive of all space subject to vendor underwrites, leasebacks and top-ups), expressed as a percentage of total net lettable area in sqm.

PROPERTY PORTFOLIO OVERVIEW

All items in this table are forecast as at 30 June 2021 unless otherwise stated, after acquisition of the Acquisition Properties, and after successful completion of the Offer.

Property	NLA (sqm)	Valuation[14]	WALT[15]	Occupancy[16]	# of Tenants[17]	Key Tenant
Settlement Properties (4 properties)						
Victoria Street Property, Christchurch	7,489	$59,200,000	6.9 years	100%	8	Nexia New Zealand
Gloucester Street Property, Christchurch	3,097	$26,900,000	3.5 years	100%	5	Mediterranean Shipping Company Limited
Eastern Hutt Road Property, Upper Hutt	2,262	$14,525,000	9.3 years	100%	1	Northpower Limited
Distribution Lane Property, Christchurch	2,756	$7,500,000	9.8 years	100%	1	Glaziers Choice Limited
Other properties to be acquired (2 properties)						
Arthur Porter Drive Property, Hamilton	2,635	$7,200,000	6.0 years	100%	1	To be confirmed
Langley Road Property, Auckland	2,706	$12,000,000	9.3 years	100%	1	Pilehire Limited
Acquisition Properties sub-total	**20,946**	**$127,325,000**	**6.7 years**	**100%**	**17**	
Existing Properties (14 properties)						
Link Drive Property, Christchurch	22,786	$32,350,000	4.0 years	100%	4	Coda Group Limited Partnership
El Prado Drive Property, Palmerston North	24,655	$41,150,000	4.7 years	100%	1	EziBuy Limited
Seaview Property, Lower Hutt[18]	20,505	$40,400,000	3.8 years	83%	7	TIL Freighting Limited
Hutt Park Road Property, Lower Hutt	9,566	$24,400,000	3.0 years	100%	3	880 Productions NZ Limited Partnership
Vickery Street Property, Hamilton	14,062	$20,000,000	5.7 years	100%	1	Alto Packaging Limited
Dominion Road Property, Auckland	3,605	$19,900,000	3.7 years	100%	6	Finance Now Limited
Truman Lane Property, Tauranga	11,851	$16,750,000	12.8 years	100%	1	Evergreen Garden Care NZ Limited
Robert Street Property, Whangārei	5,151	$14,200,000	11.3 years	100%	1	Farmers Trading Company Limited
Spring Street Property, Tauranga	3,227	$12,250,000	2.2 years	82%	10	Tauranga City Council
Alderman Drive Property, Auckland	3,146	$11,850,000	5.1 years[19]	100%	5	Grinding Gear Games Limited
Druces Road Property, Auckland	4,832	$10,450,000	8.3 years	61%	2	Amrita Nutrition Limited
Paerangi Place Property, Tauranga	5,085	$10,305,000[20]	7.3 years	100%	1	Hemp New Zealand Limited
Braeburn Drive Property, Christchurch	6,750	$7,150,000	3.5 years	100%	1	Summerland Express Freight Limited
Sandwich Road Property, Hamilton[21]	3,801	$4,200,000	2.9 years	94%	2	Alfa Laval NZ Limited
Property Portfolio (20 properties)	**159,968**	**$392,680,000**	**5.7 years**	**96%**	**62**	

[14] The Property Portfolio valuation is stated as per the value of the most recent independent valuation report held by the Company per property as at the date of this PDS (with the exception of the Arthur Porter Drive Property, included at expected purchase price of $7,200,000 per a conditional sale and purchase agreement). The Property Portfolio valuation therefore excludes forecast capital expenditure and capitalised property acquisition costs after the date of this PDS.

[15] Weighted average lease term of lease arrangements (inclusive of vendor underwrites, leasebacks and top-ups).

[16] Occupancy is based on the forecast leased area in sqm (inclusive of all space subject to vendor underwrites, leasebacks and top-ups), expressed as a percentage of total net lettable area in sqm.

[17] Lower than the ultimate number of leases as some tenants are party to more than one lease.

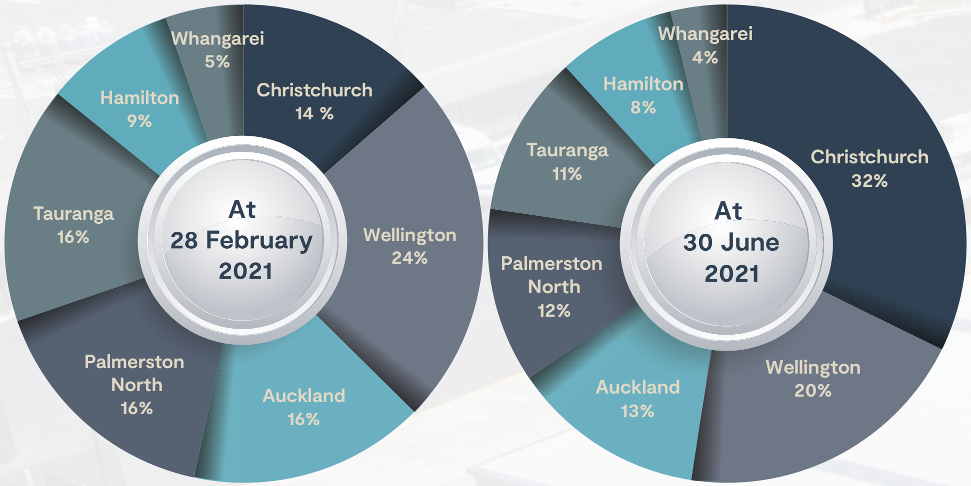
[18] The Seaview Property has 5,250 sqm of space that was previously subject to a lease that has been terminated by the Company as the tenant entered liquidation. A vendor rental top-up arrangement for part of the annual rental is still in effect for a period of 1.6 years from Settlement Date. The vendor rental top-up amount currently reflects approximately 32% of the expected net rental income from the tenant (excluding fit-out rental), and has been included in the WALT for the property. It has been assumed that 32% of the relevant lettable area is occupied. The space is expected to be fully leased by December 2021.

[19] The Alderman Drive Property has a signed lease related to 1,929 sqm of the property. The commencement of that lease occurs in August 2021, expiring July 2027. Inclusion of this lease above increases the WALT of the property and maintains 100% occupancy.

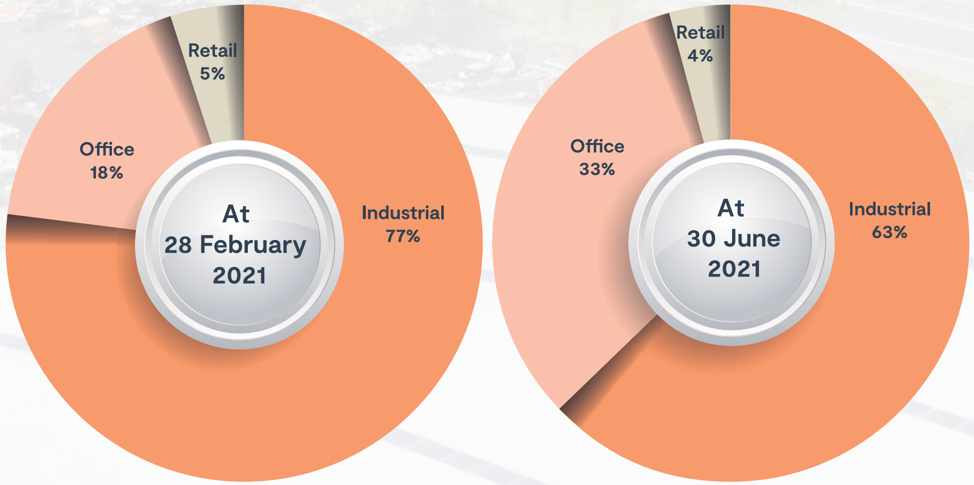
[20] Excludes the value of finance lease assets totalling $395,000, which are included in the valuation report amount but accounted for separately.

[21] The Sandwich Road Property is considered part of the Property Portfolio. It is currently classified as held for sale by the Company, with the intent to dispose of this property by 30 November 2021. The property is included in metrics throughout the PDS until this forecast date of disposal.

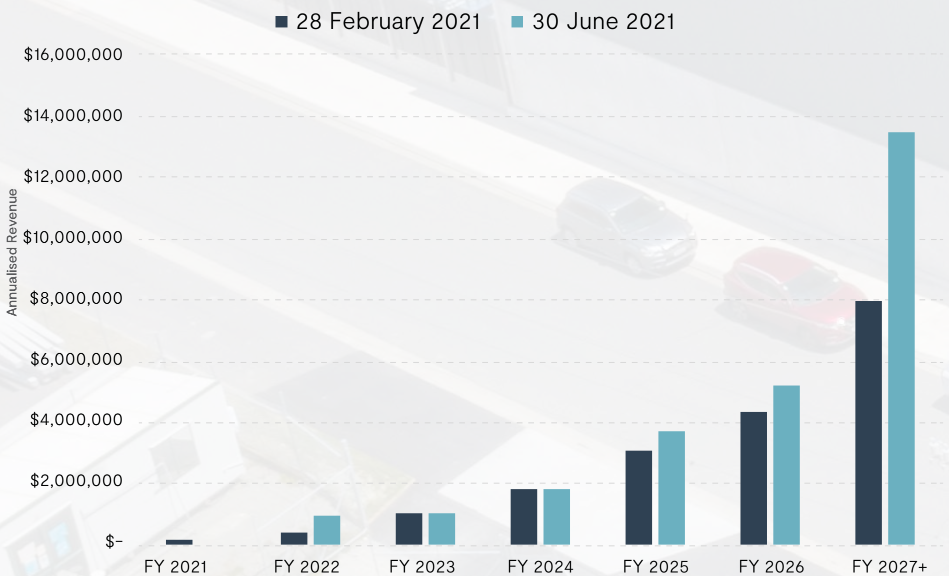
Total Property Revenue by Region



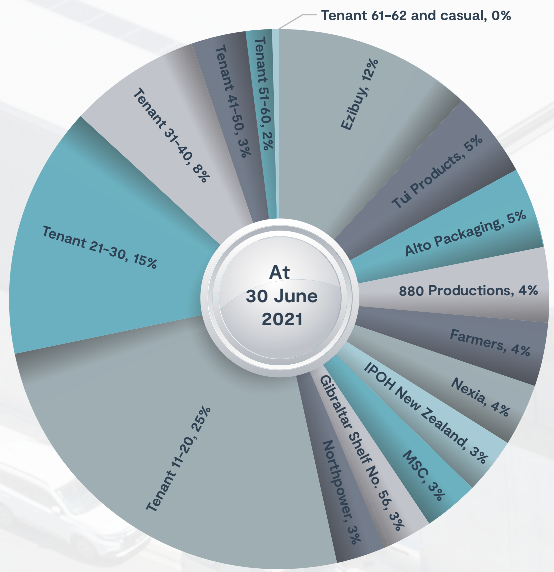
Total Property Revenue by Sector



Total Property Revenue Lease Expiry Profile



Total Property Revenue Contribution by Lessee



The top ten lessees are specifically noted. Beyond that, all smaller lessees are grouped by Gross Rental Income in descending groups of ten.

2.2 OVERVIEW OF OPERATIONS

The Company contracts out its responsibilities for the management of the Property Portfolio to the Manager. The Company does not have any employees. The Manager carries out all administrative functions on behalf of the Company. Over the past 28 years, the Manager has launched over 40 unlisted investment property offerings across New Zealand. The Manager will be responsible for managing a property portfolio in excess of $650 million following the successful completion of the Offer.

The directors of the Company include directors and shareholders of the Manager. Refer to Section 2.13 *Material Interests* for further information.

The Company is party to a management agreement with the Manager dated 30 September 2020 (**Management Agreement**). Under the terms of the Management Agreement, the Manager is responsible for the day-to-day management of the properties owned by the Company. This role includes finding tenants, dealing with tenancy issues, and ensuring that the properties are properly maintained and meet all legal requirements. The Manager is also responsible for the identification of new property opportunities. The Manager will manage the Acquisition Properties once they are acquired by the Company.

The fees payable to the Manager under the terms of the Management Agreement are set out at Section 2.13 *Material Interests*.

2.3 KEY DRIVERS OF THE COMPANY'S FUTURE FINANCIAL PERFORMANCE

The current and future aspects of the Company that have or may have the most impact on the financial performance of the Company are:

- Rental income and ability of tenants to meet their obligations to pay the contracted rental amount – rental income will be impacted by tenancy occupancy rates, the terms of lease agreements, and the ability of tenants to fulfil their lease obligations.
- Renewal of leases, leasing of vacant space and unexpected vacancy – existing tenants may vacate premises early, or when their leases expire or are not renewed, which may create vacant space. Leasing of space may take time, create a void period, and impact rental income.
- Market value of investment property – value is primarily impacted by the state of the property market, recent sales evidence, rental income, and remaining lease terms on properties amongst other assumptions. Gains and losses on the Property Portfolio will impact overall financial performance.
- Change in interest rates – the Company is exposed to floating interest rates and changes in floating interest rates will impact overall financial performance.
- Future capital and operating expenditure requirements – expenses for repairs and maintenance, and operating expenditure not recoverable from tenants, will impact performance. Unexpected expenditure in this category will impact overall financial performance.
- Current economic conditions linked to COVID-19 could change and have an impact on one or more of the other stated key drivers of financial performance.

The Manager's key strategies and plans in relation to these aspects of the Company are set out at Section 2.6 *Key Strategies*.

3 Distribution Lane, Sockburn, Christchurch

2.4 THE PROPERTY PORTFOLIO

PROPERTIES TO BE ACQUIRED

This section includes further detail related to the Acquisition Properties (six properties), including two industrial properties that are due to be purchased separately from, and irrespective of the outcome of, the Offer.

The section is split in two, to group the Acquisition Properties by sector (four properties being industrial in nature, and two properties being office in nature).

NATIONAL INDUSTRIAL MARKET OVERVIEW

New Zealand's industrial market remained strong throughout 2020, and 2021 has continued in the same vein. The key factors driving the strength of the industrial market include high levels of buyer and tenant demand and low vacancy rates, putting upward pressure on rents and compressing yields.

Land values have been increasing, however developers are being impacted by the lack of affordable, well-located industrial land, coupled with rising construction costs. We are still seeing a net absorption of leased area, fuelled by greenfield development opportunities and improving infrastructure across New Zealand.

Industrial property performance has been supported by a strong manufacturing and logistics sector, as well as population growth, with the employment market remaining relatively robust despite the ongoing impacts of COVID-19. Accordingly, economic indicators signal a continued expansionary outlook for the industrial sector.

The Company has acted on market indicators by recently acquiring or committing to acquire three industrial assets (the Arthur Porter Drive Property, the Langley Road Property, and the Link Drive Property) using its existing funding sources, and further committing to purchase two additional high-quality and recently built industrial assets as part of the Settlement Properties for the Offer.

DISTRIBUTION LANE PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**2,756 sqm**	**$7,500,000**	**100%**	**9.8 years**

THE PROPERTY

The property is situated on a 4,488 sqm lot alongside other recently developed properties in the popular south western industrial business suburb of Sockburn (approximately eight kilometres away from the Christchurch CBD). The property has been built to a high-quality specification over three stages, comprising a workshop with two-storey office and amenity block (completed in 2016), a workshop extension (completed in 2017), and a recently completed warehouse, which is ready for the installation of a new glass cutting line.

The workshop and warehouse space of clear span design is high stud, accessed by three roller doors that are weather protected by a canopy. Construction allows for two gantry cranes (tenant owned) to operate across the entire internal warehouse and workshop space. The property includes a concrete yard for access and egress, 22 car parks, and attractive landscaping.

Address	3 Distribution Lane, Sockburn, Christchurch.
Title	Freehold.
Key Tenants	Glaziers Choice Limited (trading as Stake Glass).
Net Rental Income	$370,000 per annum plus GST and outgoings from acquisition date.
Seismic Rating	80% – 100% NBS based on an ISA by a qualified, independent engineer.
Building Report	A building report has been obtained, and material items (if any) disclosed in this PDS.
Other Key Information	Tenant bank guarantee of nine months' rent and outgoings, plus GST, to expire no earlier than three months after the expiry of the initial term of the lease.

3 Distribution Lane, Sockburn, Christchurch

SALE AND PURCHASE AGREEMENT

The sale and purchase agreement is conditional. A summary of the key terms of the agreement are provided below.

Purchaser	Pacific Property Fund Limited (nominated from PMG Funds Limited).
Vendor	Avenger Lane Holdings Limited (third party).
Date of Agreement	15 October 2020.
Acquisition Date	Expected 30 April 2021 (see special conditions below).
Purchase Price	$7,500,000 plus GST (if any).
Special Conditions	• 10% deposit paid by the Company on property due diligence completion (held in trust until settlement). • 15% default interest rate for late settlement. • Settlement date to be the later of 30 April 2021 and ten working days after Code Compliance Certificate for stage three works is provided to the Company. • A sunset date of 30 June 2021 applies to the agreement. Should settlement not occur by this date (related to the Code Compliance Certificate condition), the Company may extend the agreement or cancel it at no cost to the Company. • The auxiliary shed adjoining the main building is not consented.

KEY TENANTS

The property has a sole tenant – Glaziers Choice Limited (trading as Stake Glass) – an independent, 100% locally owned and operated glass supplier based in Christchurch. Stake Glass provides clients with innovative glass solutions for commercial and residential applications. They supply glass nationwide, with the Distribution Lane Property handling the importation of raw product and processing (including polishing, double glazing and toughening). The tenant also has its national sales and support office in the property.

Stake Glass has invested over $10 million in this one-of-a-kind glass processing plant in the South Island, including an innovative high-tech furnace and planned new glass storage technology to assist production and improve health and safety.

LEASE SUMMARY

Stake Glass has a 10-year lease term with initial rental of $370,000 per annum, plus GST and outgoings. There is a fixed rental increase of 1.5% per annum, and market review every five years with a hard ratchet (preventing rent reduction). The lease includes one right of renewal for a term of ten years.

VALUATION REPORT

Jones Lang LaSalle has prepared an independent valuation report for the property dated 28 November 2020 on an as-if complete basis, a copy of which is available on the Offer Register.

EASTERN HUTT ROAD PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**2,262 sqm**	**$14,525,000**	**100%**	**9.3 years**

THE PROPERTY

The property is situated on 9,648 sqm of land across two lots in the Silverstream Business Park, Upper Hutt - located two kilometres away from Silverstream. The business park has attracted quality national and international tenants, and provides good connectivity to major arterial roading. The property comprises a modern warehouse and office building, plus large area of yard currently accommodating 131 car park spaces. The property is currently used by the tenant largely for storage and distribution of electrical and fibre cabling equipment.

The building is situated centrally on the overall site, with the ability to accommodate any future expansion requirements that the tenant may have. The offices are largely open plan with extensive glazing to some elevations, with well-appointed and spacious amenities. The warehouse is of clear span design with a high stud, three wide electric roller doors, and a high-quality finish concrete floor.

A right of way in respect of a parcel of railway land, and a right to have a watermain pipe on a parcel of railway land, is to be transferred to the Company (from the vendor) by the grantor, Kiwirail Limited.

Address	410 Eastern Hutt Road, Silverstream, Upper Hutt, Wellington.
Title	Freehold.
Key Tenants	Northpower Limited.
Net Rental Income	$673,122 per annum plus GST and outgoings from acquisition date.
Seismic Rating	100% NBS based on an ISA by a qualified, independent engineer.
Building Report	A building report has been obtained, and material items (if any) disclosed in this PDS.
Other Key Information	See sub-section *Sale and Purchase Agreement* on this page for more information in respect of the Net Rental Income.

SALE AND PURCHASE AGREEMENT

The sale and purchase agreement is unconditional. A summary of the key terms of the agreement are provided below.

Purchaser	Pacific Property Fund Limited (nominated from PMG Funds Limited).
Vendor	Nautilus Properties Limited (third party).
Date of Agreement	16 November 2020.
Acquisition Date	Expected 30 June 2021 (see special conditions).
Purchase Price	$14,500,000 plus GST (if any).

Special Conditions	• $1,000,000 deposit paid by the Company on property due diligence completion (held in trust until a search copy of the records of title to the property have been issued).
	• 12% default interest rate for late settlement.
	• Settlement will occur on the later of:
	    • 30 April 2021;
	    • five working days following the Company being notified search copies of records of title to the property have been issued; and
	    • the date that all works to be carried out by the vendor (including sealing works) have been carried out in accordance with the lease agreement and Code Compliance Certificates have been issued related to such work.
	• A sunset date of 31 August 2021 applies to the agreement. Should settlement not occur by this date (due to either the records of title or vendor works conditions), the Company may extend the agreement or cancel it at no cost to the Company.

Vendor Underwrite	The vendor agrees to underwrite rental income for up to two years from the lease commencement date to $673,122 excluding GST and outgoings (effectively to pay for an incentive agreed between the vendor and the tenant).
Vendor Leaseback	The vendor shall enter into a leaseback arrangement with the Company in relation to billboard signage on the property at approximately $25,000 per annum.

KEY TENANTS

Northpower owns, operates and maintains the electricity distribution and fibre networks in the Whangārei and Kaipara regions, with more than 60,000 connected customers, and 25,000 kilometres of lines and cables servicing over 500,000 North Island electricity connections.

LEASE SUMMARY

Northpower Limited has a 10-year lease term with fixed rental amounts over the first three years, followed by a fixed 2% rental increase each year for the balance of the initial term. There are two rights of renewal of five years each, with a market rent review on renewal with a hard ratchet clause preventing rent reduction. The tenant is responsible for 100% of operating expenditure (only up to a defined cap of $70,000 per annum for the first five years).

VALUATION REPORT

Bayleys Valuations Limited has prepared an independent valuation report for the property dated 26 November 2020, a copy of which is available on the Offer Register.

410 Eastern Hutt Road, Silverstream, Upper Hutt, Wellington

ARTHUR PORTER DRIVE PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**2,635 sqm**	**$7,200,000**	**100%**	**6.0 years**

THE PROPERTY

The property is situated on a 5,012 sqm site in the developing Northgate Business Park close to Te Rapa, five kilometres away from the Hamilton CBD, and has favourable links to key arterial routes. Completed in 2019, the property provides a large warehouse and canopy (being 86% of the lettable area) plus ground and first floor offices. The site also includes a total yard area of approximately 1,662 sqm (not included in the net lettable area summarised above).

Address	400 Arthur Porter Drive, Te Rapa, Hamilton.
Title	Freehold.
Key Tenants	To be confirmed.
Net Rental Income	$351,184 per annum plus GST and outgoings from acquisition date.
Seismic Rating	100% NBS based on an ISA by a qualified, independent engineer.
Building Report	A building report has been obtained, and material items (if any) disclosed in this PDS.
Other Key Information	The vendor of the property is expected to acquire the property with vacant possession on 31 March 2021 from a third party, and is seeking to lease the entire property. The acquisition of the property by the Company remains conditional on the lease of the entire property by the vendor on minimum terms specified in the sale and purchase agreement. This PDS presumes the property is acquired on 30 June 2021 after being leased on these minimum terms. If the property is not leased, and the property is not acquired by the Company, the impact on the Company and the Company's investors is not expected to be material.

SALE AND PURCHASE AGREEMENT

The sale and purchase agreement is currently conditional. A summary of the key terms of the agreement are provided below.

Purchaser	Pacific Property Fund Limited.
Vendor	PMG Capital Fund Limited (related party).
Date of Agreement	17 March 2021.
Acquisition Date	Expected on or before 30 June 2021.
Purchase Price	$7,200,000 plus GST (if any).
Special Conditions	• The sale and purchase agreement is conditional until such time as a lease agreement is entered in respect of the property for a minimum of six years at a rental not less than $351,184 per annum plus GST and outgoings, with a lease incentive to be provided to the tenant by the Company (currently presumed to be equivalent to 50% of six months' net rental income). • If a lease is arranged by the vendor on alternative terms, the board of directors of both the vendor and the Company would be required to approve the varied terms of the sale and purchase agreement within five working days of the lease arrangement being signed,

KEY TENANTS

The tenant is currently unconfirmed. The vendor is currently seeking a sole tenant and the Company expects any lease negotiations to be concluded by 30 June 2021.

LEASE SUMMARY

Currently subject to confirmation, a minimum six-year lease term commencing on or before 1 July 2021 is expected, with presumed fixed rental increases of 2% per annum on the first three anniversaries of lease commencement date, followed by a market rent review on the fourth anniversary of lease commencement date. The lease is expected to have one right of renewal for a period of two years, but is subject to change. An initial lease incentive for the tenant is expected to be required from the Company, forecast in the prospective financial information to be equivalent to 50% of six months' rental income.

VALUATION REPORT

Aim Valuation Limited has prepared an independent valuation report for the property dated 15 February 2021, a copy of which is available on the Offer Register. This valuation report asseses value at $6,900,000 after presuming, amongst other factors, that the property is acquired on a vacant possession basis, all costs of leasing are borne by the acquirer, and leasing of the property takes six months. However, as the Company expects to acquire the property tenanted, with no leasing costs or holding costs other than a lease incentive, the purchase price negotiated between the parties of $7,200,000 has been presumed to be the best approximation of fair value on acquisition by the Company.

400 Arthur Porter Drive, Te Rapa, Hamilton

LANGLEY ROAD PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**2,706 sqm**	**$12,000,000**	**100%**	**9.3 years**

THE PROPERTY

Due to be acquired on the date of this PDS, the property is a medium-scale manufacturing warehouse located in Auckland's in-demand industrial suburb of Wiri, constructed on an 8,530 sqm site. Completed in the early 2000s, the property consists of medium stud warehousing and single-level office. The balance of the land is utilised for parking, circulation, and storage.

Address	102 Langley Road, Wiri, Auckland.
Title	Freehold.
Key Tenants	Pilehire Limited.
Net Rental Income	$538,000 per annum plus GST and outgoings from acquisition date.
Seismic Rating	At least 95% NBS based on an IEP by a qualified, independent engineer.
Building Report	A building report has been obtained, and material items (if any) disclosed in this PDS.
Other Key Information	Tenant bank guarantee of 6 months' occupancy costs (initially $269,000 plus GST), presumed for the duration of the lease, and guaranteed by a named guarantor.

SALE AND PURCHASE AGREEMENT

The sale and purchase agreement is unconditional, with the property due to settle on the date of this PDS. A summary of the key terms of the agreement are provided below.

Purchaser	Pacific Property Fund Limited.
Vendor	PMG Capital Fund Limited and Langley Road Limited (as partners in the Langley Road Partnership).
Date of Agreement	30 July 2020
Acquisition Date	12 March 2021.
Purchase Price	$10,346,150 plus GST (if any).
Special Conditions	• $1,034,615 deposit paid by the Company on signing the agreement. • 12% default interest rate for late settlement.

KEY TENANTS

Pilehire specialises in hiring piling, excavation and engineering equipment, and also offers piling and machine engineering services, site welding, and supply Hiab and Palfinger truck mount cranes.

LEASE SUMMARY

Pilehire are subject to a 10-year lease term with market rent reviews on the fourth, eighth, twelfth and sixteenth anniversaries of lease commencement. The lease includes fixed rent reviews of 1.5% per annum in all other years. There are two rights of renewal, of five years each.

VALUATION REPORT

Bayleys Valuations Limited has prepared an independent valuation report for the property as at 31 March 2021, a copy of which is available on the Offer Register.

102 Langley Road, Wiri, Auckland

CHRISTCHURCH OFFICE MARKET OVERVIEW

Over the past 12 months, we have seen a flight to quality across the office sector, as well as tenant covenants being more closely scrutinised together with the nature of tenant use (essential service providers being of importance). Prime assets are more keenly sought with a sharpening of capitalisation rates, and the gap widening between prime and secondary capitalisation rates. A contributing factor is the current low interest rates, and the risk associated with alternative forms of investment.

Location remains paramount – a factor heightened during 2020 – with the importance of accessibility, practicality and a compelling and safe user experience being integral to tenants. We do not see this changing in 2021. 'Essential Services' has been a watchword during 2020, and has been particularly important when assessing commercial office tenants. Office assets that help to provide essential services or support core societal needs are undoubtedly outperforming more wants-based real estate opportunities in the present climate.

The extent to which flexible working is adopted by occupiers will have a longer-term influence on vacancy rates. Flexibility will be a key driver of the market throughout 2021, which is needed by staff, tenants and owners. Sublease options have also increased the availability of high-grade stock, which has been in short supply. This has seen a number of companies taking the opportunity to upgrade their office space. Therefore, future increases in vacancy will predominantly be within the secondary market, with prime property continuing to enjoy stronger demand.

The commitment of the Company to two recently built, high-quality, prime CBD office assets in Christchurch is underpinned by the expected continued demand for properties of this nature. The Victoria Street Property, which will be the largest single asset in the Property Portfolio, epitomises the Company's drive towards assets of increasing quality, with a long WALT and high occupancy.

70 Gloucester Road, Christchurch Central

105 & 123 Victoria Street, Christchurch Central

105 & 123 Victoria Street, Christchurch Central

70 Gloucester Road, Christchurch Central

3 Distribution Lane, Sockburn, Christchurch

VICTORIA STREET PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Office	**7,489 sqm**	**$59,200,000**	**100%**	**6.9 years**

THE PROPERTY

The property is a high-specification, five-level office building located across two titles on a site area of 5,081 sqm in the Victoria Street Precinct in Christchurch CBD. Completed in 2017, the ground floor accommodates small-format retail operators, with office tenancies throughout the remaining four floors. A significant amount of investment by tenants has been made in the property, with a superior quality fit-out, particularly with respect to the Nexia New Zealand and The New Zealand Merino Company tenancies.

The property has in total 125 car parks, with 99 dedicated car parks to the south of the building, a further 18 car parks within the building design, and an additional eight adjoining car parks. The car parking is largely positioned on a significant land holding with the potential for future development that could be value accretive to the Company.

Address	105 and 123 Victoria Street, Christchurch Central, Christchurch.
Title	Freehold.
Key Tenants	Nexia New Zealand, Alliance Group, NZ Merino, Pacific Radiology.
Net Rental Income	$3,025,526 per annum plus GST and outgoings from acquisition date.
Seismic Rating	100% NBS based on an ISA by a qualified, independent engineer.
Building Report	A building report has been obtained, and material items (if any) disclosed in this PDS.
Other Key Information	The balance of land on the site (Car Park Land) is used as car parking for tenants, pursuant to a temporary resource consent expiring in March 2025. Leases to multiple tenants provide for access to the Car Park Land beyond the term of the resource consent. To mitigate any risk associated with this, the Company expects to: • apply for a resource consent for a controlled permitted activity (car parking) to continue to meet its lease obligations to tenants beyond the term of the existing consent; and • consider whether development of a car parking structure on the Car Park Land is feasible. A 220 sqm strip of privately-owned land bisects the Car Park Land, and the Company expects to submit a claim of Adverse Possession over this land to enhance any future development opportunity.

SALE AND PURCHASE AGREEMENT

The sale and purchase agreement is unconditional. A summary of the key terms of the agreement are provided below.

Purchaser	Pacific Property Fund Limited (nominated from PMG Funds Limited).
Vendor	Vic 105 Limited and Victoria 123 Limited (third parties).
Date of Agreement	2 December 2020.
Acquisition Date	30 April 2021.
Purchase Price	$59,200,000 plus GST (if any).
Special Conditions	• 5% deposit paid by the Company on agreement becoming unconditional. • 12% default interest rate for late settlement.
Vendor Leaseback	Net rental income of $212,568 per annum plus GST is subject to a secured leaseback with the vendor from 1 May 2021 until 30 April 2026 (in relation to 519 sqm of untenanted space, treated as occupied by the vendor). The leaseback will increase by 2% per annum, with a market review in May 2023 capable of increasing this further.

KEY TENANTS

Nexia New Zealand provide expertise across business advisory, audit, taxation, insolvency/business recovery and corporate advisory. With offices in Auckland and Christchurch, Nexia New Zealand is an affiliate member of Nexia International – a worldwide network of independent accounting (and other service) providers, that support the needs of organisations and individuals with an international outlook.

Alliance Group is a business with an international outlook, procuring, processing, and marketing red meat products. They are a food company with both processing and livestock capabilities, and their products are exported to more than 65 countries across the globe. As New Zealand's only 100% farmer-owned red meat co-operative, they aim to put farmers at the heart of everything they do, maximise their returns, and support them to operate profitable and sustainable farms.

The New Zealand Merino Company Limited is an integrated sales, marketing, and innovation company formed in 2001 and focussed on transforming the country's Merino sheep industry. They aim to drive value by creating consumer demand for merino brands at retail level. A sample of brand partners include Allbirds, Mons Royale, Icebreaker, Helly Hansen, and Arc'teryx.

Pacific Radiology has a nationwide team of over 850 radiologists, which is believed to be approximately one-quarter of the radiologists in New Zealand. This makes Pacific Radiology New Zealand's largest non-Government medical organisation. They have close to 50 branches (including three in Australia), plus administration and support offices. 123 Victoria Street is the major hub for support services including management, call centre, IT and administration. They support the clinics but do not offer in-house medical services on this site.

LEASE SUMMARY

Rent reviews across tenancies are predominantly consumer price index (**CPI**) or fixed rental increases for retail tenancies, and a mixture of market rent reviews and CPI rent reviews for the office tenancies, with rent ratchets from commencement. The tenants are to cover 100% of typical property outgoings.

VALUATION REPORT

Jones Lang LaSalle has prepared an independent valuation report for the property dated 14 January 2021, a copy of which is available on the Offer Register.

105 & 123 Victoria Street, Christchurch Central

GLOUCESTER STREET PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Office	**3,097 sqm**	**$26,900,000**	**100%**	**3.5 years**

THE PROPERTY

Completed in 2014, the property is a six-level office building on a site area of 948 sqm, situated on the western side of the Avon River within the core office area of Christchurch CBD. The property has good transport links (with the bus exchange and car parking buildings in close proximity) and is close to other A-grade office buildings, superior retail offerings and Hagley Park.

Upper floors consist solely of office tenancies, with the ground floor including a lobby and car parks, and the first floor has additional car parking and accessible bathroom facilities. In total the property has 29 car park spaces, plus bicycle spaces. The property is named Anderson Lloyd House, for which Anderson Lloyd pays for naming rights.

Address	70 Gloucester Street, Christchurch Central, Christchurch.
Title	Freehold.
Key Tenants	Mediterranean Shipping Company, Anderson Lloyd, Lewis Bradford Consulting Engineers.
Net Rental Income	$1,467,512 per annum plus GST and outgoings from acquisition date.
Seismic Rating	At least 100% NBS based on an assessment by a qualified, independent engineer (the property designer, construction monitor, and a tenant of the property).
Building Report	A building report has been obtained, and material items (if any) disclosed in this PDS.
Other Key Information	None to note.

Sale and Purchase Agreement

The sale and purchase agreement is unconditional. A summary of the key terms of the agreement are provided below.

Purchaser	Pacific Property Fund Limited (nominated from PMG Funds Limited).
Vendor	SSF Three Limited (third party).
Date of Agreement	6 November 2020.
Acquisition Date	30 April 2021.
Purchase Price	$26,900,000 plus GST (if any)
Special Conditions	• $2,000,000 deposit payable (paid by PMG Capital Fund Limited on behalf of the Company, for which a 5% fee is payable by the Company). • 12% default interest rate for late settlement.

KEY TENANTS

Mediterranean Shipping Company (**MSC**) is a global, privately-held container shipping company. MSC has evolved from a one-vessel operation in 1970, into a globally respected business with a fleet of 560 vessels and more than 70,000 staff. MSC calls at 500 ports on 200 trade routes, carrying some 21 million twenty-foot equivalent units annually, via a modern fleet equipped with the latest green technologies. Over the years, MSC has diversified its activities to include overland transportation, logistics and a growing portfolio of port terminal investments.

Anderson Lloyd is a commercial law firm founded in Dunedin in 1862, which currently has four offices across New Zealand with over 150 staff. Anderson Lloyd has an extensive insurance practice and has acted for insurers in cases involving a range of issues including business interruption, marine risk, material damage and public and statutory liability.

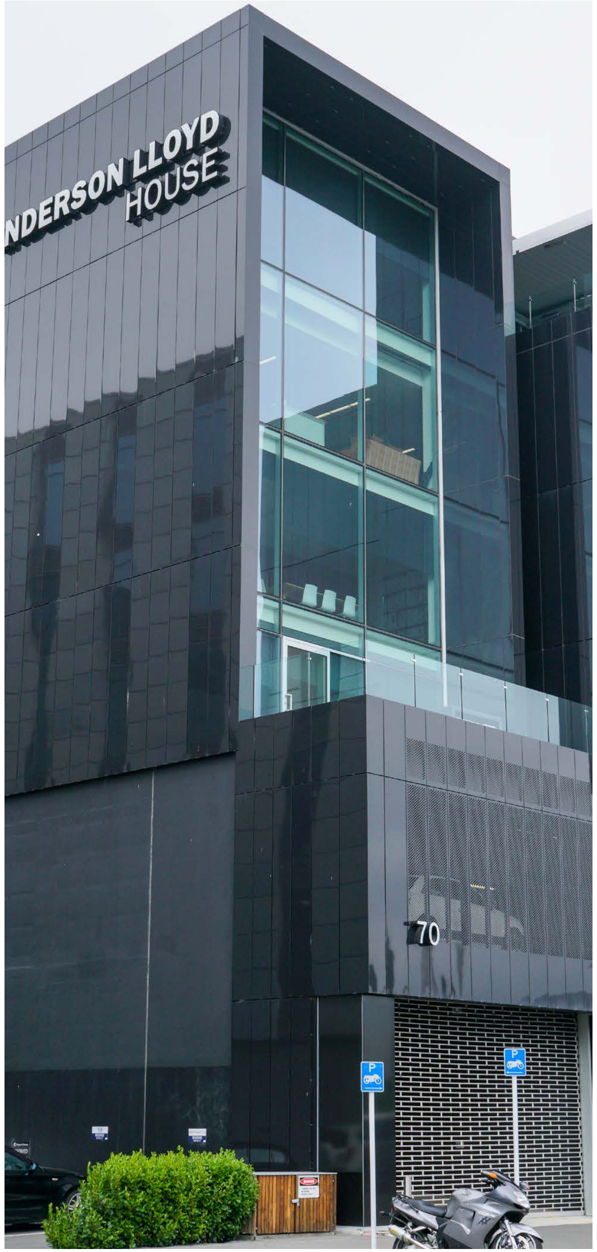
Lewis Bradford Consulting Engineers is a specialist structural engineering firm providing professional services to their clients for projects throughout New Zealand. With their extensive experience in the design of all types of buildings - from residential dwellings to multistorey hotels - and their experience in the seismic strengthening of heritage buildings, they were well placed to make a significant contribution to the recovery of Christchurch following the Canterbury Earthquake Sequence.

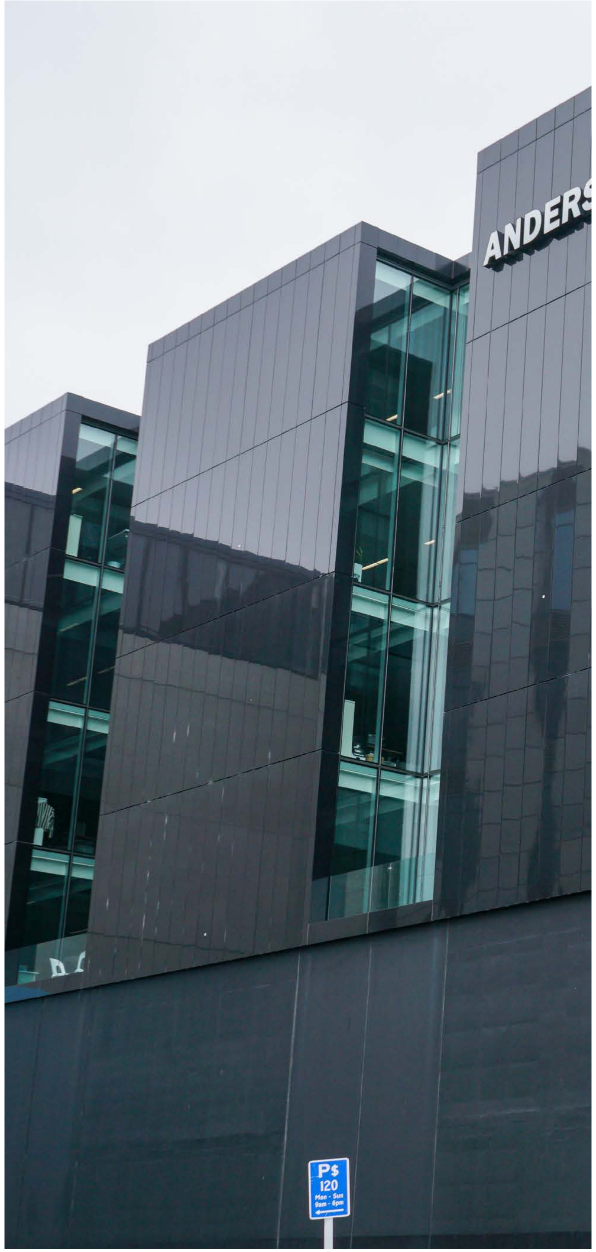
LEASE SUMMARY

Rent reviews are by a mix of annual CPI adjustments, three- to four-yearly market reviews, and a combination of both CPI and market reviews with ratchet clauses. All but one minor lease is structured on a net basis with tenants paying all outgoings, including an apportionment for common areas. Some space is sub-let by tenants.

VALUATION REPORT

Jones Lang LaSalle has prepared an independent valuation report for the property dated 7 December 2020, a copy of which is available on the Offer Register.





70 Gloucester Road, Christchurch Central

EXISTING PROPERTIES

This section includes a summary of all the Existing Properties. One recently acquired property (purchased in the period since the last financial year end) is presented first in this summary, and includes additional information related to the sale and purchase agreement for acquisition.

LINK DRIVE PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**22,786 sqm**	**$32,350,000**	**100%**	**4.0 years**

Acquired in the twelve months since the last financial year end, the property consists of five industrial buildings constructed between 2014 and 2020 across four titles, with a total site area of 38,859 sqm. The property is located in the Izone Business Hub, 24 kilometres southwest of central Christchurch. The property is currently subject to three leases with the Company, plus a vendor leaseback arrangement. All arrangements expire between April and May 2026, with the exception of the Coda Group lease due to initially expire in July 2023.

Address	25, 27, and 29 Link Drive, 13 and 19 Hannover Place, Rolleston, Christchurch.
Title	Freehold.
Valuer and Date Valuation as-at	Jones Lang LaSalle (as at 15 January 2021).
Key Tenants	Coda Group, Hilton Haulage, PGG Wrightson, property vendor.
Net Rental Income	$1,948,833 per annum plus GST and outgoings from Settlement Date.
Seismic Rating	All buildings at least 100% NBS based on an assessment by a qualified, independent engineer.
Building Report	A building report has been obtained, and material items (if any) disclosed in this PDS.
Other Key Information	The sale and purchase agreement for the property includes vendor leaseback and top-up arrangements with a maximum initial vendor exposure per annum of $1,371,308 plus GST and outgoings, expiring April 2026. The quantum of actual leaseback and top-up amounts due from the vendor are dependent on the terms of space actually leased to third parties during the period of the leaseback and top-up arrangements. The amount payable is also subject to market reviews and partially secured by a retention fund at settlement. Currently $793,450 plus GST of the Gross Rental Income is due from the vendor by way of leaseback and top-up arrangements. The Company understands that the vendor has sub-leased the entirety of this space. See sale and purchase agreement section below.

Sale and Purchase Agreement

The Company settled the sale and purchase of the Link Drive Property under a Sale and Purchase Agreement dated 20 February 2020, as amended 3 April 2020. A summary of the key terms of the Sale and Purchase Agreement is provided below.

Purchaser	Pacific Property Fund No.2 Limited (nominated from PMG Funds Limited). This entity has now been amalgamated with the Company.
Vendor	Gibraltar Shelf No.56 Limited (third party).
Date of Agreement	20 February 2020 (amended 3 April 2020).
Acquisition Date	30 April 2020.
Purchase Price	$30,000,000 plus GST (if any).
Vendor Leaseback and Top-ups	See Other Key Information above.

EL PRADO DRIVE PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**24,655 sqm**	**$41,150,000**	**100%**	**4.7 years**

The property is situated on a 5.9 hectare site located within the industrial precinct directly beside the Palmerston North Airport. The building consists of warehouse and offices purpose-built for the tenant in 2007, and remains their New Zealand distribution headquarters. The site provides full drive-around access to the building – adding future flexibility should the building need to be multi-let at or before the end of the current tenant's lease term. There is a large, covered drive-through canopy with four roller-doors providing access to the main warehouse for loading and unloading stock. The warehouse is high stud and allows for further internal expansion. There are 268 secure, uncovered car parks surrounding the building and the property has an office taking up less than 5% of the warehouse area, accommodating approximately 60 staff.

The property has a single tenant, EziBuy Limited, who is one of New Zealand's largest online and catalogue retailers of fashion and homeware. The lease to this tenant is considered material information and a summary of the lease is therefore included on the Offer Register, in the document titled *Other Material Information*.

Address	31 El Prado Drive, Milson, Palmerston North.
Title	Freehold.
Valuer and Date Valuation as-at	Bayleys Valuations Limited as at 15 January 2021.
Key Tenants	EziBuy Limited.
Net Rental Income	$2,702,419 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	Estimated as 100% NBS by the Company, based on PS4 construction certificates issued following warehouse and office upgrade in 2013.
Other Key Information	• The tenant had the option to break their lease early on 28 February 2021, however, this option was not exercised. The Company intends to continue to meet the ongoing requirements of the tenant where possible and financially viable for the Company. • Reconfiguration of the net lettable area of the property may occur in future, if value accretive and commercially viable for the Company, and also if acceptable to the tenant. Such a reconfiguration is uncertain and has not been presumed in this PDS.

SEAVIEW ROAD PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**20,505 sqm**	**$40,400,000**	**83%**	**3.8 years**

The property consists of two buildings on one title. The first is 43 Seaview Road, a substantial building originally built to accommodate the Ford Motor Company in 1937. Ford vacated the building in 1988 and it has been converted and upgraded to house multiple mixed-use tenancies. Major strengthening and refurbishment work including re-roofing and significant re-glazing has been completed. The existing façade has been retained (Heritage - Category 2) as has the original concrete foundations and floor. The second building, 118 Hutt Park Road, is a modern new-build warehouse and office facility of 1,200 sqm, constructed in 2015.

Address	43 Seaview Road and 118 Hutt Park Road, Lower Hutt, Wellington.
Title	Freehold.
Valuer and Date Valuation as-at	Bayleys Valuations Limited as at 15 January 2021.
Key Tenants	TIL Freight, Allied Pickfords, Champion Construction, United Steel, property vendor.
Net Rental Income	$2,378,271 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	43 Seaview Road - 75% NBS (based on a DSA by a qualified, independent engineer). 118 Hutt Park Road - 100% NBS (in the Company's opinion, based on construction in 2015 to the building code, with Code of Compliance Certificate issued).
Other Key Information	Currently $889,649 per annum plus GST of the Gross Rental Income is forecast from the property vendor, by way of vendor leaseback and top-up arrangements. This is expected to reduce over time as the relevant net lettable area is leased to third parties. See Other Material Information on the Offer Register for further information. $228,544 of the vendor leaseback and top-up arrangement income relates to a previous key tenant that entered liquidation. The related bank bond has been exhausted and the lease terminated by the Company. The previous vendor continues to pay this income as at Settlement Date. As a result, the related net lettable area of 5,250 sqm is considered to be 35% occupied. Bespoke tenant equipment and fit-out requires removal following the termination of the liquidated tenant's lease. The total cost, liable party, and timeframe to complete this work is currently being determined. The Company has forecast to re-lease the space by December 2021, and has provided for the estimated cost of this re-leasing requirement - a total of $1,000,000 plus GST. Should the space not be leased before 1 October 2021, the top-up arrangement will reduce to $108,561 per annum plus GST for 12 months, after which the top-up arrangement will expire.

HUTT PARK ROAD PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**9,566 sqm**	**$24,400,000**	**100%**	**3.0 years**

The property was constructed in 2001 and comprises a main built area of 6,449 sqm (more or less) plus a 2,000 sqm warehouse extension. The site is 2.12 ha, provides full drive-around access and a hard-sealed yard surrounds the building. There is room for unmarked car parking around the building. The main building consists of a large warehouse with interconnecting offices and a cafeteria. The warehouse is leased to a film company, as well as a food packaging company – with total office area comprising 465 sqm (more or less) with the balance being warehousing.

Address	120 Hutt Park Road, Lower Hutt, Wellington.
Title	Freehold.
Valuer and Date Valuation as-at	Bayleys Valuations Limited as at 15 January 2021.
Key Tenants	880 Productions Limited Partnership.
Net Rental Income	$1,427,716 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	80% NBS based on an assessment by a qualified, independent engineer.
Other Key Information	Currently $98,755 per annum plus GST of the Gross Rental Income is forecast from the property vendor by way of an underwriting arrangement that remains in place.

VICKERY STREET PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**14,062 sqm**	**$20,000,000**	**100%**	**5.7 years**

The property has a single tenant – one of New Zealand's leading rigid plastic packaging companies. They have been operating for over 64 years and specialise in extrusion and thermoforming, blow moulding and injection moulding. They have invested, over time, in a significant amount of plant and equipment within the property and continue to invest capital in the site. The lease to this tenant is considered material information and a summary of the lease is included on the Offer Register, in the document titled *Other Material Information.*

The property includes five attached warehouse and workshop buildings dating from original development in 1968 through to 2008. Each has an area of office and amenities associated with it. The site around the property is fully developed with a sealed surface for access, storage, and parking.

Address	33 Vickery Street, Te Rapa, Hamilton.
Title	Freehold.
Valuer and Date Valuation as-at	TelferYoung (Waikato) Limited as at 11 December 2020.
Key Tenants	Alto Packaging Limited.
Net Rental Income	$1,273,281 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	Range of 39% to 131% NBS based on an IEP by a qualified, independent engineer.
Other Key Information	Two of the older warehouses received a lower seismic rating of 39%. Seismic upgrade design work was completed in 2013 and costed by a quantity surveyor to bring both buildings up to >67% NBS. Total cost at the time was estimated at $850,000. Any upgrade works are not practicable to be carried out while the tenant is in situ. No capital expenditure is currently budgeted for such works. The current structure complies with the Building Act 2004 and the tenant is aware of all seismic ratings.

DOMINION ROAD PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**3,605 sqm**	**$19,900,000**	**100%**	**3.7 years**

The Dominion Road property accommodates ground floor retail and office accommodation with two levels of office accommodation above, in addition to a basement level. The property has six tenants, plus casual parking leases.

Address	114 Dominion Road, Mount Eden, Auckland.
Title	Freehold.
Valuer and Date Valuation as-at	AIM Valuation Limited as at 15 January 2021.
Key Tenants	Connect NZ Group, Finance Now.
Net Rental Income	$1,233,889 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	102% NBS based on an IEP by a qualified, independent engineer.
Other Key Information	None to note.

TRUMAN LANE PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**11,851 sqm**	**$16,750,000**	**100%**	**12.8 years**

The property is a large, purpose-built industrial facility constructed in 2014, comprising a two-level modern office block, high-stud warehouse, bulk store, as well as a detached warehouse constructed in 2017. The property is situated on 3.54 hectares of leasehold land.

The property has a single tenant, one of New Zealand's leading garden products companies specialising in manufacturing, supply, and distribution of garden and seed-based pet food products to outlets throughout New Zealand. The lease to this tenant is considered material information and a summary of the lease is therefore included on the Offer Register, in the document titled *Other Material Information*.

Address	697L Truman Lane, Te Maunga, Mount Maunganui, Tauranga.
Title	Leasehold.
Valuer and Date Valuation as-at	TelferYoung (Tauranga) Limited as at 15 January 2021.
Key Tenants	Tui Garden Products.
Net Rental Income	$1,238,589 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	100% NBS in the Company's opinion as constructed in 2014 (and later) to the building code, with required Code of Compliance certificates issued.
Other Key Information	• The value of the property is for the Company's interest only. The ground lease from the proprietors at Mangatawa-Papamoa currently costs the Company $109,285 plus GST per annum. • A stormwater issue at the property is currently under investigation, and is of unknown size and liability.

ROBERT STREET PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Retail	**5,151 sqm**	**$14,200,000**	**100%**	**11.3 years**

The property was constructed in the 1980s on a site of 2,787 sqm and is located within the CBD of Whangārei. The property was comprehensively modernised as part of a landlord-funded upgrade in 2017. It has a single tenant, a well-established retailer, subject to a 15-year lease term.

Address	8 Robert Street, Whangārei.
Title	Freehold.
Valuer and Date Valuation as-at	AIM Valuation Limited as at 15 January 2021.
Key Tenants	Farmers Trading Company Limited.
Net Rental Income	$954,924 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	Greater than 100% NBS based on an ISA by a qualified, independent engineer.
Other Key Information	None to note.

SPRING STREET PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Office	**3,227 sqm**	**$12,250,000**	**82%**	**2.2 years**

The property consists of ground-floor retail tenancies, and office tenancies on the first and second floors. It is located within the heart of the central business district of Tauranga. The property is expected to have ten office and retail tenants at Settlement Date.

Address	46 Spring Street, Tauranga.
Title	Freehold.
Valuer and Date Valuation as-at	TelferYoung (Tauranga) Limited as at 15 January 2021.
Key Tenants	Tauranga City Council, Bank of New Zealand.
Net Rental Income	$683,050 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	70% NBS based on an IEP by a qualified, independent engineer.
Other Key Information	None to note.

ALDERMAN DRIVE PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Office	**3,146 sqm**	**$11,850,000**	**100%**	**5.1 years**

The property comprises a three-level office building, which sits in the Henderson commercial and retail core in Waitākere City. The property has multiple tenants.

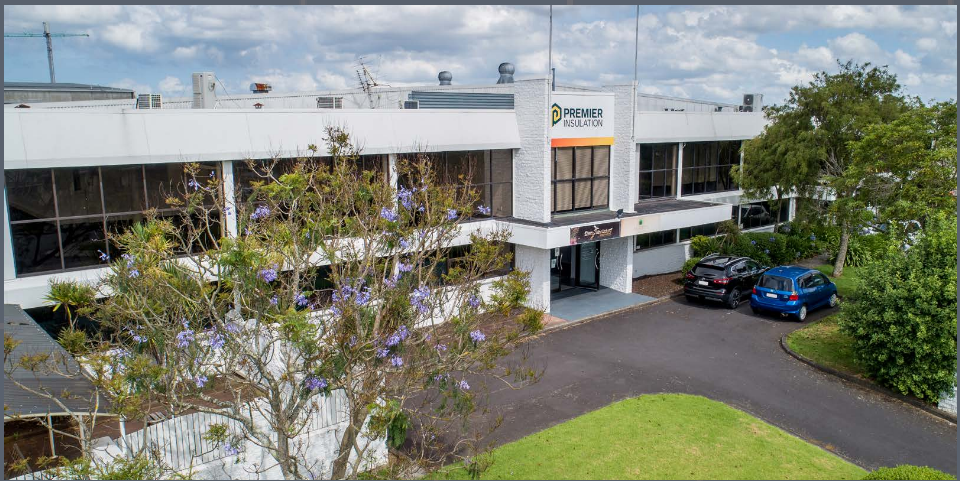
Address	6 Alderman Drive, Henderson, Auckland.
Title	Freehold.
Valuer and Date Valuation as-at	AIM Valuation Limited as at 15 January 2021.
Key Tenants	Grinding Gear Games, Ministry of Justice.
Net Rental Income	$765,766 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	147% NBS based on an IEP by a qualified, independent engineer.
Other Key Information	None to note.

DRUCES ROAD PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**4,490 sqm**	**$10,450,000**	**61%**	**8.3 years**

The property comprises a medium-to-high-stud warehouse with a two-level office building attached, located in the industrial suburb of Wiri. The property currently has three tenants, with one expected to leave the property in June 2021.

Address	59 Druces Road, Wiri, Auckland.
Title	Freehold.
Valuer and Date Valuation as-at	Aim Valuation Limited as at 15 January 2021.
Key Tenants	Amrita Nutrition, Highway 1, Geneva Elevator.
Net Rental Income	$553,749 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	71% NBS based on an IEP by a qualified, independent engineer.
Other Key Information	Geneva Elevator has exercised its lease break clause, with the lease now due to expire June 2021.



PAERANGI PLACE PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**5,085 sqm**	**$10,305,000~**	**100%**	**7.3 years**

The property is a large industrial property in the Tauriko Industrial Estate, consisting of a warehouse, factory, two-level office and amenities block, cold store and a canopy, with generous onsite carparking and manoeuvrability areas. The property has a single tenant.

Address	8 Paerangi Place, Tauriko, Tauranga.
Title	Freehold.
Valuer and Date Valuation as-at	TelferYoung (Tauranga) Limited as at 15 January 2021 (~amount above excludes finance lease assets accounted for by the Company separately).
Key Tenants	Hemp New Zealand Limited.
Net Rental Income	$629,945 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	Estimated as 100% NBS by the Company, based on PS4 construction certificates and CCC issued following each stage of construction in 2016 and 2017.
Other Key Information	None to note.

BRAEBURN DRIVE PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**6,750 sqm**	**$7,150,000**	**100%**	**3.5 years**

The property is a single-level industrial property completed in 1995, with a clear span warehouse space, a large, enclosed canopy with office space, amenity area and 12 onsite car parks. The property has a single tenant.

Address	40 Braeburn Drive, Hornby, Christchurch.
Title	Freehold.
Valuer and Date Valuation as-at	TelferYoung (Canterbury) Limited as at 4 December 2020.
Key Tenants	Summerland Express Freight Limited.
Net Rental Income	$450,000 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	67% NBS based on an assessment by a qualified, independent engineer.
Other Key Information	None to note.

SANDWICH ROAD PROPERTY

PROPERTY TYPE	NET LETTABLE AREA	VALUATION	OCCUPANCY (as at 30 June 2021)	WALT (as at 30 June 2021)
Industrial	**3,801 sqm**	**$4,200,000**	**94%**	**2.9 years**

The property is being actively marketed for sale and is considered a held for sale property. It consists of a large two-level office and amenities building, behind which is a high-stud industrial workshop.

Address	307 Sandwich Road, St Andrews, Hamilton.
Title	Freehold.
Valuer and Date Valuation as-at	TelferYoung (Waikato) Limited as at 10 December 2020.
Key Tenants	DeLaval, Alfa Laval New Zealand.
Net Rental Income	$371,555 per annum plus GST and outgoings at Settlement Date.
Seismic Rating	39% NBS for the workshop and office building and 80% NBS for the newer office extension building based on an IEP by a qualified, independent engineer.
Other Key Information	The property is currently held for sale by the Company as a strategic divestment opportunity.

2.5 BANK FUNDING

The Company has established syndicated funding arrangements with a number of lenders, arranged by ASB Bank Limited (**ASB**) – who is also the facility agent and security trustee. The current syndicated lenders are ASB, Industrial and Commercial Bank of China Limited (**ICBC**), Bank of China Limited Auckland Branch (**BOC**), Kiwibank Limited (**Kiwibank**) and Aware Super (**Aware**) (together, the banks form the **Banking Syndicate**). Existing funding facilities totalling $110,000,000 were initially made available by some of the lenders within the Banking Syndicate.

The Company has obtained an offer of additional funding totalling $58,000,000 from some lenders in the Banking Syndicate, to assist with funding the purchase of the Acquisition Properties. The combined funding facilities with the Banking Syndicate are referred to as the **Facilities**. The expected borrowing from the Facilities at Settlement Date is $134,000,000, increasing to $155,000,000 once all Acquisition Properties have been purchased (30 June 2021). The level of borrowing is expected to subsequently increase over time as capital expenditure is incurred, following which a commensurate increase in asset carrying value is expected. A weighted average interest rate of 3.35% has been forecast for the prospective financial period from 1 January 2021 in relation to the Facilities, based on the current facilities, lending margins and interest rate swap arrangements at the date of this PDS. Interest rates are subject to change for reasons outside of the Company's control.

Facility Name	Facility Type	Facility Expiry	Facility Limit	Expected Borrowing 30 June 2021
Revolving	Revolving Credit	December 2024	$10,000,000	$Nil
Tranche A	Term Loan	December 2024	$48,000,000	$48,000,000
Tranche B	Term Loan	December 2025	$55,000,000	$55,000,000
Tranche C	Term Loan	April 2026	$55,000,000	$52,000,000
Total			**$168,000,000**	**$155,000,000**

Security:	ASB, as the security trustee, holds First Ranking Mortgages over all properties in the Property Portfolio, a First Ranking General Security Deed over the Company's assets, first ranking Specific Security Deed regarding leases, bank accounts and rental bonds.
Interest Rate:	The interest rates for the Facilities are structured on a Base Rate plus Margin basis. The Base Rate is the bid settlement rate quoted on the Reuters Monitor System Page BKBM (or any replacement page) on the first day of an interest period. The margin per lender is commercially sensitive. The indicative effective weighted average interest rate across the Facilities during the prospective periods ending 31 March 2022 is expected to be 3.35%, after accounting for interest rate swap arrangements in place at the date of this PDS. Interest rates are however inherently subject to change. The Default Interest Rate is 2% above the Interest Rate.
Interest Payments:	Interest is payable on the last day of each interest period. Where an interest period is longer than 90 days, interest is payable after 90 days. In practice, interest is expected to be payable monthly.
Other Costs:	Establishment fees for each new facility are payable to each lender as a percentage of the facility granted, and the amounts are commercially sensitive. Other costs (other than interest noted above) are expected to be: - Line fee – the Revolving Credit Facility attracts a margin, but also incurs a 1.02% line fee chargeable on the facility limit, payable quarterly in arrears. - Annual facility agent and security trustee fees.
Principal Repayments:	Interest only facilities – full repayment required on the expiry date unless renewed.
Renewal:	The Facilities are extendible. Prior to each facility anniversary, each facility within the Facilities can be extended by a further 12 months (to effectively reset the original lending term) subject to request by the Company and acceptance by the lender.
Other Facility Terms:	The revolving credit facility is provided by ASB only and may be used for general commercial purposes (including the acquisition of properties). Where the revolving credit facility, or any new facilities, are being used to fund the acquisition of property, additional conditions may be imposed on these facilities by the relevant lending counterparty.
Conditions After Advance:	The following conditions apply: **Reporting** – The Company's annual financial statements must be provided to the ASB within 180 days of the Company's balance date. The Company's tenancy schedule must be provided to the ASB within 45 days of the end of each financial half-year, in addition to any new material lease. **Valuations** – The Company must provide valuations for the secured properties every two years from 31 March 2022, dated within 30 days of delivery and completed by an independent registered valuer. Valuations must also be provided as requested by the lenders if an event of default subsists. **Covenants** – Tested twice yearly: - Loan to value ratio must not be greater than 50% of the value of secured properties at any given time. - Gross Rental Income must be greater than 2.25 times interest expense at all times. - WALT must be greater than four years. **Insurance** – The Company must maintain adequate insurance at all times, including cover for all secured assets at full replacement value for all risks that should be prudently insured against, and cover for loss of rental income for a period of not less than 24 months. The insurance should be placed with a reputable insurer having a Standard and Poor's rating of at least A.

2.6 KEY STRATEGIES

GENERAL STRATEGY

Following the acquisition of the Acquisition Properties, the Manager may identify new property acquisition and disposal opportunities with a view to the Company increasing the diversity and robustness of the Property Portfolio over time with quality commercial properties in various sectors located primarily in major metropolitan areas across New Zealand. The Company intends, through the Manager, to actively manage the Property Portfolio to maximise its value and rental returns to the Company. This could mean purchasing properties where the Company believes this will improve the quality of the Property Portfolio, or selling properties where the opportunity for increasing value is limited.

Any future acquisitions are likely to focus on properties valued $10,000,000 and above. The Company believes it will have better opportunities to purchase these properties on attractive terms due to more limited competition from individual investors and larger listed property funds in this part of the market. In the event new properties are to be acquired, the Company intends to target sound, well-located generic buildings that offer sustainable yields and have good lease structures and tenant covenants.

The Company's primary strategy focusses on diversification of property assets at scale. By continuing to grow the total value of the Property Portfolio in a diversified manner (through multiple properties, regions, tenants, and tenant sectors) the growth of income from the Property Portfolio is expected to be sustainable. This approach is designed to reduce income concentration risk, with a greater spread of exposure by region, property type, industry, lease, and individual counterparty. The Manager proactively manages the lease term expiry profile across the Property Portfolio through proactive management and tenant retention to extend the committed income time horizon and property WALT, benefitting not only long-term rental income but also the capital value of the Property Portfolio.

The Company intends to continue entering favourable financing arrangements to fulfil its debt-funding requirements. The Company intends to ensure that it maintains sufficient capital to fund, within lending facility limits, known and likely capital expenditure. A significant step in executing this strategy was the establishment of the Banking Syndicate in December 2020.

400 Arthur Porter Drive, Te Rapa, Hamilton

SPECIFIC PROPERTY STRATEGIES

Distribution Lane Property	To retain the existing tenant through renewing and extending lease terms whilst growing rental income over time.
Eastern Hutt Road Property	To retain the existing tenant through renewing and extending lease terms whilst growing rental income over time.
Arthur Porter Drive Property	To acquire the property only if the conditions of the sale and purchase agreement related to the property being tenanted are satisfied, and to subsequently retain the tenant through renewing and extending lease terms whilst growing rental income over time.
Langley Road Property	To retain the existing tenant through renewing and extending lease terms whilst growing rental income over time.
Victoria Street Property	To retain the existing tenants through renewing and extending lease terms whilst growing rental income over time. The Company will obtain a permanent resource consent for the existing car parking facilities, and further consider the feasibility of a development opportunity at the site for a car parking building.
Gloucester Street Property	To retain the existing tenants through renewing and extending lease terms whilst growing rental income over time.
Link Drive Property	To retain the existing tenants through renewing and extending lease terms whilst growing rental income over time. To this end, recently Hilton Haulage has extended its lease term to May 2026. The Company will further focus on ensuring all net lettable area subject to vendor leaseback or top-up arrangements is capable of being leased in the future before such arrangements expire.
El Prado Drive Property	To focus on retaining EziBuy as one of the Property Portfolio's key tenants, through negotiating a new lease ahead of the lease expiry date in February 2026. A tenant inducement or leased area reconfiguration may be required to incentivise the tenant to sign a new lease. No specific allowance has been provisioned within the Company's prospective financial information as at the date of this PDS in this regard. If ultimately required, the Company considers it has sufficient capacity to fund a tenant inducement, or carry out a building reconfiguration, from its balance sheet.
Seaview Road Property	To focus on fully leasing area that is currently subject to vendor leaseback or top-up arrangements that expire in future years, whilst also retaining existing tenants and extending their leases when the opportunity arises. The Company will proactively carry out rental reviews in accordance with each tenant's lease terms, with a view to achieving rental growth over time. The relatively low building to site area coverage represents the opportunity to either extend the existing building or construct a new building(s) for existing or new tenants.

Hutt Park Road Property	To retain the existing tenants and to extend their leases when the opportunity arises. To proactively carry out rental reviews in accordance with each tenant's lease terms, with a view to achieving rental growth over time. The total area subject to vendor leaseback or top-up arrangements will also be targeted for full leasing. The relatively low building to site area coverage represents the opportunity to either extend the existing building or construct a new building(s) for existing tenant expansion or new tenants.
Vickery Street Property	The property has been well maintained by the vendor and tenant as a high specification manufacturing facility. Having successfully retained the existing sole tenant, the Company will aim to extend the term of the lease in due course. The Company considers capital works may be required to incentivise the tenant to further extend their lease term at expiry. No specific allowance has been provisioned within the Company's prospective financial information as at the date of this PDS given the length of the renewed lease term.
Dominion Road Property	To retain the existing tenants through renewing and extending lease terms whilst growing rental income over time.
Truman Lane Property	To retain the existing tenant on a long-term lease through rights of renewal. The Company completed a 1,500 sqm warehouse extension at the property in June 2017. No further extensions at the property are planned at this stage given the remaining length of the current lease term.
Robert Street Property	To retain the existing tenant on a long-term lease. Major refurbishment works were completed in 2017. No further major capital works are expected given the remaining length of the current lease term.
Spring Street Property	The property will have an occupancy rate of 82% at Settlement Date after two leases are vacated on 31 March 2021. The Company will focus on leasing up this space, whilst retaining existing tenants through proactively renewing and extending lease terms.
Alderman Drive Property	The Company's strategy is to retain the existing tenants through renewing and extending lease terms whilst growing rental income over time. Recent tenancy fit-outs, lease expansion and lease extension with a key tenant, Grinding Gear Games, has increased the property WALT significantly whilst maintaining 100% occupancy. The planned zoning changes under the Proposed Auckland Unitary Plan may allow development up to 72 metres high. This presents an opportunity to investigate the construction of an additional floor or floors onsite. A car parking facility development onsite is also being considered to improve the appeal of the property to current and future tenants.
Druces Road Property	The property will have an occupancy rate of 71% at Settlement Date, with existing Geneva Elevator due to vacate the property on 30 June 2021 reducing occupancy to 61% at 30 June 2021. The Company will focus on leasing up this space and existing vacant space, whilst retaining existing tenants through proactively renewing and extending lease terms. The Company is currently actively marketing the vacant space for lease, and is in active discussions with multiple prospective tenants for the entire vacant space – including the opportunity to split the warehouse for multiple tenants. The Company is confident new tenants will be secured for the space within the 2022 financial year, at which point the building will be 100% occupied.
Paerangi Place Property	The existing tenant has a long-term lease, and the strategy is to retain the existing tenant. As part of this continuing strategy, the Company is likely to incur additional capital expenditure to improve the building to be fit for purpose for the tenant in the long term.
Braeburn Drive Property	To retain the existing tenant and negotiate an extension of their lease term when required. As the tenant has purchased rights to an adjacent rail siding, under license from KiwiRail, the tenant is more likely to desire an extension at the end of their lease. A wash-bay and seismic strengthening work has been completed at the property to add further value to the property.
Sandwich Road Property	The property has recently been classified as held for sale. The property is being actively marketed for sale, expected to be disposed of at market value by 30 November 2021.

3 Distribution Lane, Sockburn, Christchurch

2.7 THE COMPANY'S BOARD OF DIRECTORS

The Company's Board currently comprises Denis McMahon, Philip Tushingham, Craig Garrett and Scott McKenzie. From the Company's Board, Denis McMahon and Scott McKenzie are also directors of the Manager.

DENIS MCMAHON

Chairperson

Denis began his career in the public sector and held several property management positions with Auckland and then Bay of Plenty territorial authorities. In 1992, he joined a leading commercial realty company in Tauranga and, at the same time, formed PMG. Denis wanted to offer a specialised, professional service in the area of managing industrial, office and retail property. Denis successfully built PMG up over the following 28 years to a company now expecting to manage a portfolio of properties with a value in excess of $650 million after this offer. In 1994, Denis syndicated his first property in Tauranga and has overseen more than 40 investment offerings over the last 27 years. Denis is a member of the Property Institute and was the Chairperson of the Property Council (Bay of Plenty Branch) from 1996–2000.

PHILIP TUSHINGHAM

Director

Philip was born and raised in the United Kingdom and moved to New Zealand in 2003. Philip has over 35 years' experience in the commercial property business. He has been a member of the Royal Institution of Chartered Surveyors since 1984. He set up his own commercial real estate agency, Tushingham Moore, in 1988 in Manchester, England. The business grew into a major independent agency practice in the United Kingdom, leasing and selling commercial property. Philip also specialised in setting up commercial property syndications in the United Kingdom for a number of private clients.

CRAIG GARRETT

Director

Craig and his wife Philipa have built a large dairy farming business in the Bay of Plenty, which includes a number of dairy farming units and grazing support land. In 2007, looking for diversification from the dairy industry, Craig invested in commercial property via an unlisted property fund, which was based in Auckland. Craig maintained an active relationship with the directors of the fund and became involved in strategy and certain acquisitions. In 2015, Craig became a shareholder in Pacific Property Fund Limited. In 2016, Craig subsequently invested in PMG Capital Fund Limited and joined its Board. Craig is active in the community, acting as Treasurer on the Pongakawa School Board for the past six years, coaching schoolboy rugby, and sitting on the committees of a number of local sports clubs.

SCOTT MCKENZIE

Director

Scott has significant business and leadership experience in the finance and property sectors in both New Zealand and the United Kingdom, having worked for ASB Bank, the Bank of New Zealand and the Royal Bank of Scotland in London. As Director and CEO of PMG, Scott is responsible for leading and overseeing operations across the management and investment arms of the business. Scott's leadership experience plays a key role in the determination and implementation of an innovative strategy for PMG. Scott holds a Bachelor of Commerce in valuation and agribusiness management and a Post Graduate Diploma in management. He is also on the committees for Property Council of New Zealand, Bay of Plenty Economic Development Board and Priority One.

2.8 THE MANAGER

Recently the Manager entered an equity partnership with a listed Australian real-estate fund, 360 Capital Active REIT (ASX: TOT). Among other things, this has increased the number of directors on the Manager's board to eight, with the number of independent directors increasing from one to two.

The Manager's board of directors now comprises independent directors Dr Wayne Beilby and Jonathan Cameron, non-executive directors Denis McMahon, Tony Pitt, James Storey, and Glenn Butterworth, and executive directors Scott McKenzie and Nigel Lowe.

For further information about the directors of the Manager, its senior officers and recent news related to the Manager, please refer to www.pmgfunds.co.nz.

2.9 SUBSTANTIAL SHAREHOLDINGS

No person is expected to have a relevant interest in 5% or more of the shares in the Company before or after the Offer, including any indirect interest by way of underwritten Shares. This disclosure is made on the basis of information of which the Company is aware, having made reasonable endeavours to obtain all relevant information for the purposes of preparing this disclosure. This information assumes that the Manager is not called upon to take up any excess Shares pursuant to the Underwriting Agreement (described at Section 2.13 *Material Interests*. The Company understands that the Manager has entered into sub-underwriting agreements in respect of the Manager's underwriting commitment.

2.10 SHAREHOLDINGS OF COMPANY DIRECTORS

The table below sets out, in relation to each director of the Company, the percentage and number of Shares in respect of which the director:

- has a relevant interest as at the date no earlier than 20 Business Days before the date of this PDS; and
- is likely to have a relevant interest immediately after the Offer.

The Manager may hold Shares immediately after the Offer if the Manager's underwriting commitment under the Underwriting Agreement is called upon and not fully offset by sub-underwriting arrangements made by the Manager. Denis McMahon and Scott McKenzie would have indirect relevant interest in any Shares held by the Manager by virtue of their respective holdings of shares in PMG Holdings Limited (either directly or indirectly), which is the parent company of the Manager. Denis McMahon and Craig Garrett would have indirect relevant interests in any Shares held by PMG Capital Fund Limited by virtue of their respective holdings of shares in PMG Capital Fund Limited (either directly or indirectly).

The table below assumes that all underwriting commitments are called upon. None of the persons named above guarantees or undertakes any liability in respect of the Shares.

		As at 17 March 2021		As at 30 April 2021	
Name	Type of interest	Number of Shares held	% of Shares on issue	Number of Shares likely to be held	% of Shares likely to be on issue[22]
Denis McMahon	Legal ownership (Joint)[23]	540,000	0.38%	540,000	0.27%
	Indirect (PMG Capital Fund Limited)[24]	–	–	95,430	0.05%
	Indirect (PMG Holdings Limited)[24]	–	–	72,558	0.04%
Philip Tushingham	Legal ownership (Joint)[23]	500,000	0.35%	500,000	0.25%
Craig Garrett	Legal ownership (Joint)[25]	1,450,000	1.01%	1,450,000	0.73%
	Underwritten Shares (Joint)[25]	–	–	2,049,180	1.03%
	Indirect (PMG Capital Fund Limited)[24]	–	–	681,640	0.34%
Scott McKenzie	Legal ownership (Joint)[23]	–	–	200,000	0.10%
	Indirect (PMG Holdings Limited)[24]	–	–	254,798	0.13%

[22] Presuming the Maximum Equity Raise is achieved.
[23] Through a jointly controlled trust.
[24] Holdings relate to underwriting commitments, assuming all of the Manager and sub-underwriter commitments are required in full.
[25] Through a jointly controlled limited company.

2.11 DIRECTOR REMUNERATION AND BENEFITS

The Company directors receive $35,000 per annum for their services as directors of the Company. The Chairperson of the Company, Denis McMahon, receives an additional $10,000 for his role as Chairperson.

2.12 EMPLOYEE REMUNERATION AND BENEFITS

The Company has no employees and instead has contracted the Manager to manage all of its affairs. Details of the fees paid to the Manager by the Company are contained at Section 2.13 *Material Interests*.

2.13 MATERIAL INTERESTS

The particulars of any direct or indirect material interests in the Company, or in any agreement entered into on behalf of or in respect of the Company, that any director, proposed director, senior manager or proposed senior manager of the Company or any person associated with them has, or has had at any time during the relevant periods, and that are material to either the person who has the interest and/or the Company, are as follows:

SHAREHOLDINGS OF DIRECTORS OF THE COMPANY IN THE MANAGER

As at the date of this PDS, the following directors of the Company have an interest in the shares of the Manager (via associated entities) through ownership of shares in the Manager's 100% owner, PMG Holdings Limited:

- Scott McKenzie (15.16%)
- Denis McMahon (4.32%)

It is worth noting that under the Companies Act, when exercising powers or performing duties in their capacity as a director of the Company, all directors have a duty to act in good faith and what they believe is in the best interests of the Company. Similarly, when exercising powers or performing duties in their capacity as a director of the Manager, the directors of the Manager have a duty to act in good faith and in the best interests of the Manager (except to the extent permitted to act in the interests of the Manager's holding company under the Manager's constitution). Denis McMahon and Scott McKenzie both hold interests in the Manager in a personal capacity and/or in their capacity as a trustee of a trust. Denis and Scott each receive fees in their capacity as directors of the Company. Scott separately receives a remuneration package in respect of his role as Chief Executive Officer of the Manager.

AGREEMENTS BETWEEN THE COMPANY AND THE MANAGER

Management Agreement

Fees

The Manager has a management agreement with the Company, dated 30 September 2020. The fees payable to the Manager by the Company under the Management Agreement are as follows:

(a) an annual asset management fee of 0.50% of the total carrying value of the properties under management

(b) a fee of 1.5% of gross annual rental collected from the properties under management. Gross annual rental refers to all moneys payable under a lease

(c) an acquisition fee of 1.0% of the purchase price of any new property acquired (with a minimum fee of $150,000 per property)

(d) a disposal fee of 1.0% of the sale price of each property which is sold by the Company

(e) a project management fee of 5.0% of total development/project costs incurred for maintenance projects, which are budgeted to exceed $100,000 or any project involving construction or refurbishment of a property; and

(f) any disbursements (such as legal and valuation costs) and other out of pocket costs reasonably incurred by the Manager in connection with the performance of its obligations and duties.

In addition to this, a fee of 1.5% plus GST is payable from the facilitation of a secondary transfer of Shares from one investor to another. This is however paid directly by the selling investor to the Manager. The Manager does not handle investor funds in relation to secondary transfers.

The charges outlined above are exclusive of GST. They are fixed unless otherwise stated and neither the Company nor the Manager has the right to alter those charges other than with the consent of the other. Where charges are variable, they are variable to the extent indicated in the descriptions set out above.

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Termination

The Management Agreement may be terminated in a number of cases including:

- without cause by the Company on six months' notice to the Manager, if such termination has been approved by a special resolution of shareholders (a resolution approved by a majority of 75% of the votes of those shareholders entitled to vote and voting on the resolution). If the Management Agreement is terminated in this way, the Manager will be entitled to a termination payment of 12 months of its management fees set out in (a) to (f) above for the last full year preceding termination.
- without cause by the Manager on 12 months' notice to the Company; and
- automatically on the occurrence of certain events, for example if the Manager becomes insolvent.

A copy of the Management Agreement between the Manager and the Company is available on the Offer Register.

Underwriting Agreement between the Company and the Manager

The Manager has entered into an underwriting agreement with the Company in respect of the Offer (the **Underwriting Agreement**). A summary of the key terms of the Underwriting Agreement is set out below:

Date of Agreement: 11 February 2021

Parties: The Company and the Manager

Explanation of key terms:

- The Manager agrees to subscribe or procure subscriptions for up to 35,000,000 of the Shares being offered under the Offer on the terms outlined in this PDS (the **Underwriting Commitment**). This means that provided investors subscribe for at least 15,000,000 Shares, the Manager must take up the remaining Shares required to ensure the success of the Offer (**Shortfall Shares**).
- Alternatively, if investors subscribe for less than 15,000,000 Shares under the Offer, the Company will be entitled to terminate the Underwriting Commitment and the Offer will fail.
- Whatever Shortfall Shares are taken up by the Manager, the Company has agreed to provide the Manager with reasonable assistance in connection with the sell down of Shares that the Manager takes up under the Underwriting Commitment.
- In consideration for the Underwriting Commitment, the Manager will receive an underwriting fee of $1,281,000 from the Company on the Settlement Date.

Sub-underwriting agreements between the Manager and related parties

The Manager has entered sub-underwriting agreements with various parties on normal, arm's length commercial terms related to the Underwriting Agreement. At the date of this PDS, the Manager has entered sub-underwriting agreements with twelve separate parties. Of those parties, the following are considered related parties:

- Bendor Farms Limited (director and shareholder in common with the Company)
- PMG Capital Fund Limited (multiple directors in common with the Company and the Manager)
- 360 Capital FM Limited, as responsible entity of 360 Capital Active REIT (multiple directors in common with the Manager).

The Manager also enters sub-underwriting agreements with related parties in relation to other offers from time to time. The Manager entered a sub-underwriting agreement with the Company in relation to an offer of units in PMG Direct Office Fund on 21 May 2020, for up to $12,000,000. Any obligation in relation to this agreement is expected to be satisifed by 31 March 2021.

Contribution fee

On Settlement Date, the Company will pay a fee of $1,366,400 (plus GST) to the Manager, if the maximum number of Shares is issued under the Offer. This fee is a contribution to the Manager to help cover some of its costs of raising capital. The Manager is expected to pay this income away to licenced third-party referrers, brokers, and as part of the remuneration to PMG's Investor Relationships Team.

AGREEMENTS BETWEEN THE COMPANY AND RELATED PARTIES

The Company has multiple directors in common with PMG Capital Fund Limited, and two of these directors have shareholdings in both the Company and PMG Capital Fund Limited. The Company has a conditional sale and purchase agreement with PMG Capital Fund Limited for the acquisition of the Arthur Porter Drive Property. Further information can be found in the Section 2.4 *The Property Portfolio*. The Langley Road Property is to be purchased by the Company from the Langley Road Partnership, of which PMG Capital Fund Limited is a 50% partner, in March 2021. Further information can be found in the Section 2.4 *The Property Portfolio*. PMG Capital Fund Limited has funded the deposit for the Gloucester Street Property. A fee of $100,000 (being 5% of the deposit amount) will be paid on acquisition of this property to PMG Capital Fund Limited, by the Company. Further information on related party transactions can be found in the document titled *Prospective Financial Information* on the Offer Register.

The Manager has one director (Wayne Beilby) in common with Hemp New Zealand Limited. A further director of the Manager, and also director of the Company, Denis McMahon is considering a potential directorship with Hemp New Zealand Limited that may materialise between the date of this PDS and the Offer Closing Date. The Company leases the Paerangi Place Property to Hemp New Zealand Limited on normal commercial terms, the sole tenant of that property.

2.14 GOVERNANCE DISCLOSURES

DIRECTORS

The Constitution provides that the Board may, from time-to-time, specify a minimum or maximum number of directors. Unless otherwise determined by the Board, the maximum number of directors is four. Directors of the Company are appointed and removed by shareholders of the Company, by ordinary resolution or notice in writing in accordance with the Companies Act 1993. The Manager and the shareholders of the Company may separately appoint two directors to the Board. Shareholders may remove directors from the Board. The Board may fill casual vacancies up to the maximum number of directors, provided that any director appointed in this manner retires at the next annual meeting (but is eligible for re-election by shareholders). The Constitution contains a process for rotation by retirement of the directors that are appointed by shareholders.

SHARES

The Constitution allows the Board of the Company to issue shares, securities that are convertible into or exchangeable for shares, or options to acquire shares to any person and in any number it thinks fit.

3 PURPOSE OF THE OFFER

The purpose of the Offer is to raise capital to enable the Company to fund the purchase of the Settlement Properties. Acquiring these properties is part of the Company's strategy to develop a resilient, diversified portfolio of quality industrial, office, and retail properties across New Zealand with robustness of scale that can deliver sustainable cash returns and growth in value over time.

3.1 MINIMUM AMOUNT

The amount of share capital that must be raised in order for the Offer to proceed is $61,000,000 before issue costs. If the minimum amount is raised, there will be no change to the purpose of the Offer.

3.2 UNDERWRITE

The Offer is underwritten by the Manager. See Section 2.13 *Material Interests* sub-title *Agreements between the Company and the Manager* for further information.

3.3 FUNDING

The limit of the Company's funding facilities is being increased $58,000,000 as a result of the Offer. Should the total number of Shares issued under the Offer exceed 50,000,000 Shares, but fall short of 56,000,000 Shares, any equity funding shortfall will be financed from the debt facility headroom available within the Company's existing banking facilities, plus the facilities available as a result of the Offer. Assuming the Maximum Equity Raise is achieved, the total funding facility headroom available to the Company at Settlement Date is forecast to be $34,000,000, expected to reduce to $13,000,000 at 30 June 2021 following the finalised acquisition of all the Acquisition Properties. A sensitivity analysis related to funding is included on the Offer Register in the document titled *Prospective Financial Information*.

3.4 INTENDED USE OF FUNDS

Presuming the maximum number of Shares are issued under the Offer, the funds raised by the Offer, along with bank financing, will be allocated as follows:

Key Offer Costs:		
Purchase price of the Settlement Properties[26]		$108,100,000
Issue and Property Acquisition Costs[27]		
- Contribution fee	$1,366,400	
- Underwriting fee	$1,281,000	
- Acquisition fees	$1,081,000	
- Marketing expenses	$275,000	
- Legal fees		
o Offer Due Diligence	$100,000	
o Property Due Diligence	$79,500	
- Other Offer Due Diligence expenses[28]	$115,000	
- Other Property Due Diligence expenses[29]	$118,000	
- Property Deposit fee	$100,000	
		$4,515,900
Total		**$112,615,900**

Funded by:	
Share Subscription	$68,320,000
Debt[30]	$44,295,900
Total	**$112,615,900**

[26] Further information on the Settlement Properties can be found at Section 2.4 *The Property Portfolio*.
[27] Issue and Property Acquisition Costs are estimated and will only be charged to the Company to the extent they have been incurred.
[28] Fees associated with the preparation of the Offer Documents, including accounting, assurance, and a contingency allowance across all third-party providers.
[29] Fees associated with the acquisition of the Settlement Properties, including valuations and technical due diligence reports.
[30] Details of the borrowings associated with the Offer, and existing loan facilities including facility headroom, can be found at Section 2.5 *Bank Funding*.

4 KEY DATES AND OFFER PROCESS

PDS Registration	**17 March 2021**
Opening Date	**25 March 2021**
Closing Date	**29 April 2021**
Allotment Date	**30 April 2021**
Settlement Date	**30 April 2021**

This timetable is indicative only and the dates are subject to change. The Company reserves the right to vary or extend these dates. The Company may also withdraw the Offer at any time before the allotment of the Shares associated with the Offer, or accept late applications (either generally or in individual cases) at the Company's sole discretion.

5 TERMS OF THE OFFER

The Company's Constitution sets out the terms of the Shares. You can find a copy of the Company's Constitution on the Offer Register. The table below sets out the key terms of the Offer.

What is the Offer?	This is an offer of ordinary shares in the Company. The Shares will rank equally in all respects with any other shares previously issued by the Company. Each Share confers an equal right to share in dividends and other distributions authorised by the Board, and to cast a vote at meetings of Shareholders in accordance with the Constitution. No person guarantees the Shares offered under the Offer, nor warrants or guarantees the future performance of the Company, the Shares, or any return on investment pursuant to the Offer.
Key Dates	See Section 4 *Key Dates and Offer Process* for information about the key dates of the Offer.
Price	The price of each Share for the purpose of the Offer is $1.22 with a minimum share subscription amount of 20,000 Shares ($24,400) and multiples of 10,000 Shares ($12,200) thereafter. The price of each Share was determined by forecasting what the Board expects the fair value of the Shares to be at Allotment Date, including a 35% share of the expected total Issue and Property Acquisition Costs summarised at Section 3.4 *Intended Use of Funds*. The fair value of the Shares is based on forecast net tangible assets (being total assets, less total liabilities) of the Company at Closing Date, divided by the number of shares on issue at that time, plus the 35% share of expected total Issue and Property Acquisition Costs. • Total assets and total liabilities are estimated using the accounting principles outlined in the latest audited financial statements of the Company, superceded by those in the prospective financial information where applicable. • The carrying value of the main asset grouping, the Property Portfolio, is determined by recent independent valuation for each property, plus subsequent capital expenditure if applicable. • Other assets and liabilities have been estimated based on the Company's interim financial statements for the half year ended 30 September 2020, management accounting information for the quarter ending 31 December 2020, and forecast financial information from 1 January 2021 to Settlement Date (which forms part of the Prospective Financial Information referred to at Section 7 *The Company's Financial Information*.
Taxation	The Company is a multi-rate PIE. To ensure compliance with the Company's PIE status, no shareholder (individually and combined with shareholdings held by 'associated persons', for tax purposes) can own or control more than 20% of the share capital issued in the Company. Presuming the Maximum Equity Raise is achieved, shareholders cannot own or control 39,964,000 Shares or more.
Minimum Equity Raise	The Company is seeking to raise a minimum of $61,000,000. This translates to a minimum of 50,000,000 Shares subscribed for under the Offer. The Offer will not go ahead unless valid applications for at least the minimum number of Shares are received.
Maximum Equity Raise	The Company is seeking to raise a maximum of $68,320,000. This translates to a maximum of 56,000,000 Shares subscribed for under the Offer. The Company will not take subscriptions over this maximum amount. Unless otherwise stated, throughout the PDS it is presumed that the Maximum Equity Raise is achieved where applicable.
Scaling	If the Company receives valid applications for more than the Maximum Equity Raise then applications may be scaled, which means that investors may receive fewer Shares than applied for. Scaling may be pro-rata, but is ultimately at the discretion of the Company. If scaling occurs, you will be refunded the difference (without interest) within five Business Days of the Allotment Date.
Allotment	Shares will be allotted on the Allotment Date, being 30 April 2021. On allotment, all Shares will be fully paid ordinary shares which rank equally with each other and all existing Shares. The Offer is made on the terms, and is subject to the conditions, set out in this PDS and in other documents on the Offer Register.
Management Agreement	Under the Management Agreement, the Manager is responsible for the day-to-day management of the Company's Property Portfolio and various fees are payable to the Manager by the Company[31].

[31] Further details of the Management Agreement are set out at Section 2.13 *Material Interests*.

6 KEY FEATURES OF ORDINARY SHARES IN THE COMPANY

6.1 KEY FEATURES OF THE EQUITY SECURITIES

The key features of ordinary shares in the Company do not differ from those that apply to ordinary shares in a company generally. You may cash in your investment by selling your Shares (see Section 6.4 *Sale Facilitation Service* for more information). Any sale must be in accordance with the requirements of the Constitution.

The Board may refuse to register or delay registration of any transfer of Shares to any person:

- if required to do so by law; or
- where the registration of the transfer would result in the transferor or the transferee holding less than a minimum holding determined by the Board from time to time (currently 20,000 Shares); or
- where the transfer is for less than the minimum trade size as determined by the Board from time to time (currently 10,000 Shares); or
- where the transfer will lead to a breach of the Company's requirements as a PIE.

You may be required to pay legal costs and a selling commission to a broker or other third party in connection with any sale of your Shares. If utilising the Manager's sale facilitation service, a fee may be charged by the Manager in connection with any sale of your Shares. See Section 6.4 *Sale Facilitation Service* for further information.

Your rights as a shareholder in the Company are set out in the Company's Constitution. You can find a copy of the Company's Constitution on the Offer Register.

6.2 DIVIDEND POLICY

Dividends and other distributions with respect to the Shares are made at the discretion of the Board. These are dependent on a number of factors which must meet the requirements of the Companies Act and the Constitution and will only be declared after meeting appropriate solvency requirements. Dividends are therefore not guaranteed.

Historically, dividends have been paid quarterly (or more frequently if a capital raising occurs part way through a quarter). The Board intends to continue the historic practice of paying dividends quarterly. When quarterly dividends are paid, only those shareholders holding Shares on the last day of the quarter are entitled to receive the dividend payment.

It is the Board's current practice and future intention to declare gross dividends per annum of around 100% of the Company's adjusted net profit before tax (as detailed below), after additional consideration of any required re-investment in capital expenditure programmes, debt repayment, and working capital requirements of the Company.

Adjusted net profit before tax is calculated as net profit before tax, after subsequently reversing the following non-cash items (if applicable to the relevant period and forming part of profit before tax):

- fair value adjustments for:
  - unrealised changes in the value of the Property Portfolio;
  - unrealised changes in the value of right of use assets; and
  - unrealised changes in the value of derivative financial instruments.

Decisions relating to required re-investment, debt repayment and working capital requirements are solely at the discretion of the Board. As a result of the above, the actual gross dividend yield for a period may vary from the prospective information set out at Section 7 *The Company's Financial Information* and may be above or below 100% of the Company's adjusted net profit before tax. Adjusted net profit before tax is a non-GAAP financial measure. Please refer to the document titled *Other Material Information* on the Offer Register for more information about the adjustments and reconciliation to GAAP.

400 Arthur Porter Drive, Te Rapa, Hamilton

6.3 DECLARED DIVIDENDS

Quarter Ended	Date Declared	Gross Dividend	Gross Dividend Return (cents per share)	Date Paid
30-Jun-17	30-June-17	788,760	1.80	25 Jul 17
30-Sept-17	30-Sept-17	788,760	1.80	25 Oct 17
13-Dec-17	13-Dec-17	632,742	1.44	25 Jan 18
31-Dec-17[32]	31-Dec-17	241,469	0.36	25 Jan 18
31-Mar-18	31-Mar-18	1,220,760	1.80	26 Apr 18
30-Jun-18	30-Jun-18	1,220,760	1.80	25 Jul 18
30-Sept-18	30-Sept-18	1,220,760	1.80	25 Oct 18
13-Dec-18[33]	13-Dec-18	981,916	1.45	25 Jan 19
31-Dec-18	31-Dec-18	365,627	0.35	25 Jan 19
31-Mar-19	31-Mar-19	1,868,760	1.80	26 Apr 19
30-Jun-19	30-Jun-19	1,881,738	1.80	25 Jul 19
30-Sep-19	30-Sep-19	1,881,738	1.80	25 Oct 19
31-Dec-19	31-Dec-19	2,642,693	1.8375	27 Jan 20
31-Mar-20	31-Mar-20	2,642,693	1.8375	24 Apr 20
30-Jun-20	30-Jun-20	2,642,693	1.8375	24 Jul 20
30-Sep-20	30-Sep-20	2,642,693	1.8375	23 Oct 20
31-Dec-20	31-Dec-20	2,642,693	1.8375	25 Jan 21

A dividend will be declared on 31 March 2021 and paid on 25 April 2021 to investors holding Shares on 31 March 2021. Two dividends will be declared in the quarter to 30 June 2021, one for the month to 30 April 2021 (to investors holding Shares as at 29 April 2021), and another for the two months to June 2021 (to investors holding Shares as at 30 June 2021). The dividends are expected to be paid on 26 July 2021.

A dividend was declared in April 2017 related to the financial year ending 31 March 2017, under an old dividend policy no longer relevant. This has not been included in the table above for consistency and comparability with other information presented in this PDS.

[32] Interim dividend declared 13 December 2017. A dividend for the remaining days in the quarter for all qualifying shareholders was declared on the last day of the quarter and paid on the 25th of the month following the end of the quarter.
[33] Interim dividend declared 13 December 2018. A dividend for the remaining days in the quarter for all qualifying shareholders was declared on the last day of the quarter and paid on the 25th of the month following the end of the quarter.

6.4 SALE FACILITATION SERVICE

Shares in the Company are intended to be a long-term investment. Should an investor wish to sell some or all of their investment, the Manager has a large database of investors and, from time to time, the Manager will assist in facilitating secondary transfers of Shares. A fee of 1.50% plus GST is payable when using this service. This excludes any associated costs such as legal and professional advisor fees.

There is no guarantee that this service will be available or that there will be any buyers for Shares in the future.

Neither the Company, nor the Manager, represent that there will be sufficient demand or liquidity to enable a Shareholder to sell Shares at any given time. The Company and the Manager are not a financial advice provider, do not provide any recommendations in relation to buying or selling shares, and do not handle investor funds in relation to secondary transfers.

For more information, please contact the Manager using the details at Section 12 *Contact Information.*

3 Distribution Lane, Sockburn, Christchurch

7 THE COMPANY'S FINANCIAL INFORMATION

7.1 KEY FINANCIAL INFORMATION

These tables provide key financial information about the Company. Full financial statements are available on the Offer Register at www.business.govt.nz/disclose. If you do not understand this financial information, you can seek advice from a financial advice provider or an accountant.

The prospective financial information included in the tables has been prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42).

Included in this Section is:

- Historical audited financial information for the Company for the years ending 31 March 2018, 2019, and 2020.
- Historical financial information for the Company for the six months ending 30 September 2020 (and comparative information for the six months ending 30 September 2019, where available in the interim financial statements of the Company to 30 September 2020).
- Prospective financial information for the Company for the year ending 31 March 2021 and 31 March 2022. The information for the year ending 31 March 2021 has been prepared using actual data from 1 April 2020 to 31 December 2020 and forecast financial information for the period 1 January 2021 to 31 March 2021.

No selected historical financial information is presented in respect of any individual property as they are either considered immaterial, or considered asset acquisitions rather than business acquisitions.

The principal assumptions on which the prospective financial information is based are set out at Section 7.3 *Principal Assumptions*. A full description of accounting policies, assumptions, and sensitivity analysis relating to the prospective financial information can be obtained on the Offer Register.

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7.2 SELECTED FINANCIAL INFORMATION

The table below presents selected financial information for the Company. It should be noted that:

- various assets were purchased and disposed at various points in the historical financial years, and prospective information includes the further purchase and disposal of additional properties; and
- the accounting policies of the Company may have changed over time.

	Actual			Prospective		Actual	
Statement of Comprehensive Income	Year to 31 March 2018	Year to 31 March 2019	Year to 31 March 2020	Year to 31 March 2021	Year to 31 March 2022	Six months to 30 September 2019	Six months to 30 September 2020
Total revenue	**7,651,695**	**13,516,730**	**18,491,374**	**19,268,135**	**26,972,329**	**7,845,538**	**9,978,712**
Total expenses	(2,381,633)	(4,211,614)	(5,530,460)	(5,401,309)	(7,429,666)	(2,398,661)	(2,700,157)
Fair value movement on investment property	3,526,944	1,452,075	6,920,227	16,241,534	(1,528,500)	(145,292)	-
Fair value movement on derivatives	(284,151)	(647,038)	(1,322,140)	123,853	-	(974,835)	(159,973)
EBITDA	**8,515,962**	**10,112,035**	**20,636,535**	**30,949,532**	**18,014,162**	**4,327,500**	**7,270,791**
Net finance costs	(1,697,872)	(2,887,798)	(4,181,976)	(3,703,604)	(5,170,268)	(1,905,398)	(1,876,552)
Net profit after tax	**6,818,090**	**7,224,237**	**16,454,559**	**27,245,928**	**12,843,895**	**2,422,102**	**5,394,239**
Statement of Changes in Equity							
Opening equity	**44,885,888**	**70,322,109**	**107,559,734**	**154,810,475**	**171,485,633**	**107,559,734**	**154,810,475**
Shares issued net of costs	23,080,552	35,671,209	39,839,940	-	65,182,600	39,839,940	-
Net profit after tax	6,818,090	7,224,237	16,454,559	27,245,928	12,843,895	2,422,102	5,394,239
Dividends declared	(4,462,421)	(5,657,821)	(9,043,758)	(10,570,770)	(14,343,770)	(3,758,412)	(5,285,385)
Closing equity	**70,322,109**	**107,559,734**	**154,810,475**	**171,485,633**	**235,168,358**	**146,078,885**	**154,919,329**
Statement of Financial Position							
Total assets	129,151,625	188,047,958	225,950,789	286,072,820	399,682,208	N/A	267,115,673
Total liabilities	58,829,516	80,488,224	71,140,314	114,587,187	164,513,851	N/A	112,196,344
Net assets	**70,322,109**	**107,559,734**	**154,810,475**	**171,485,633**	**235,168,358**	**146,078,885**	**154,919,329**
Total debt[34]	56,568,111	75,797,611	62,627,111	107,808,403	156,756,056	N/A	103,065,159
Total equity	**70,322,109**	**107,559,734**	**154,810,475**	**171,485,633**	**235,168,358**	**146,078,885**	**154,919,329**
Statement of Cash Flows							
Cash and cash equivalents at beginning of period	**257,609**	**1,294,730**	**718,698**	**5,102,065**	**689,627**	**718,698**	**5,102,065**
Net cash inflow from operating activities	3,393,503	5,732,482	8,229,364	9,268,500	13,327,862	3,506,696	4,956,330
Net cash inflow/(outflow) from investing activities	(50,224,282)	(56,199,402)	(22,245,612)	(48,291,459)	(111,580,889)	(10,060,172)	(42,220,848)
Net cash inflow/(outflow) from financing activities	47,867,900	49,890,888	18,399,615	34,610,521	99,436,983	5,875,824	35,215,397
Cash and cash equivalents at end of period	**1,294,730**	**718,698**	**5,102,065**	**689,627**	**1,873,582**	**41,046**	**3,052,944**

The basis of the Manager's fees are summarised at Section 2.13 *Material Interests* and the projected Manager's fees are set out at Section 7.3 *Principal Assumptions*.

[34] Total debt may differ from the cash amount owed to banking counterparties immaterially due to the accounting policy for bank borrowings (bank fees paid are factored in to the measurement of total debt under NZ GAAP).

7.3 PRINCIPAL ASSUMPTIONS

The principal assumptions on which the prospective financial statements have been prepared are set out below. These assumptions should be read in conjunction with the risks set out further at Section 8 *Risks to the Company's Business and Plan*. A prospective financial information statement (together with the accounting policies and assumptions underlying those statements) is available on the Offer Register.

(a) **Preparation period:** The prospective financial statements of the Company have been prepared for the years ending 31 March 2021 and 31 March 2022. Actual, unaudited management information has been included for the nine months to 31 December 2020, which includes any historic rent relief negotiations with existing tenants.

(b) **Offer Settlement, Settlement Properties and other Acquisition Properties:** The Offer is expected to settle on 30 April 2021. On the same day, the Company intends to settle the acquisition of the Victoria Street Property, the Gloucester Street Property, and the Distribution Lane Property. The Company subsequently assumes it will settle the Eastern Hutt Road Property on 30 June 2021. The Langley Road Property acquisition is expected to settle in March 2021, and the Arthur Porter Drive Property acquisition is expected to settle in June 2021. The prospective financial statements only include information for the Acquisition Properties from their estimated acquisition date.

(c) **Subsidiary:** The Company had a wholly owned subsidiary up to 10 December 2020, following which it was amalgamated with the Company. The historic financial information and prospective financial information is directly comparable in this regard, as historic financial information was prepared on a consolidated basis, which presents information on the same basis as the Company after amalgamation.

(d) **Offer proceeds and costs:** The Company has assumed a total of $68,320,000 is raised by the Offer from the issuance of 56,000,000 Shares (the Maximum Equity Raise) at $1.22 per Share. Total estimated issuance costs for the Offer are $4,515,900. For a summary of the estimated issuance costs, see Section 3.4 *Intended Use of Funds* and for further detail see the document titled *Other Material Information* on the Offer Register. A sensitivity analysis has been performed should the total offer proceeds be limited to 51,000,000 Shares (the Minimum Equity Raise) at $1.22 per Share. This is included in the document titled *Prospective Financial Information* on the Offer Register.

(e) **Revenue, occupancy rates and lease renewals:** Rental income and operating expenditure recovered drive Company revenue. Income is forecast to be received in accordance with signed lease agreements, any applicable vendor underwrite in place for each property, and prospective assumptions with respect to occupancy rates, lease renewals and rent reviews. Rental income, operating expenditure recovered and vacancy is expected to be as follows over time:

	For the year ending 31 March 2021	For the year ending 31 March 2022
Rental income	16,391,927	22,866,404
Operating expenditure recovered	2,876,208	4,105,925

	At 1 April 2020	At 31 March 2021	At 30 June 2021	At 30 March 2022
Occupancy	97%	96%	96%	99%

Further detail on these assumptions can be found in the document titled *Prospective Financial Information* on the Offer Register.

(f) **Gross dividend:** The annualised gross dividends before tax per share for the prospective financial periods is forecast as 7.35 cents per share per annum, paid quarterly (pro-rata where applicable). For new shareholders participating in the Offer, this equates to a projected annualised gross cash dividend return on share issue price of 6.02% per annum from 1 May 2021.

(g) **Bank borrowings:** The total funding facilities from the Banking Syndicate initially had a combined facility limit of $110,000,000. The expected facility limit following the acquisition of the Acquisition Properties is $168,000,000. Incremental draw downs are typically only possible once a property or properties have been acquired. The level of bank borrowings at Settlement Date is forecast to be $134,000,000, and on completing the acquisition of all the Acquisition Properties this is forecast to increase to $155,000,000. Any unused bank facilities will be progressively drawn down to fund capital expenditure projects to the extent free cash flows are not available from operations, or from the disposal of the held for sale property. Borrowings at 31 March 2022 are expected to be $157,000,000.

It is expected that there will be headroom in the banking facilities to provide sufficient funding for the Company to complete the acquisition of the Acquisition Properties should only the Minimum Equity Raise be achieved. Funding headroom would still be available to assist in the funding of the projected capital expenditure across the Property Portfolio during the prospective periods.

It is projected for the purposes of this prospective financial information that the weighted average interest rates charged on all bank borrowings, including the effect of interest rate swaps but excluding the revolving credit facility, will be:

- From 1 April 2020 to 31 December 2020: 3.62% per annum.
- From 1 January 2021 to 31 March 2022: 3.35% per annum.

This is based on existing facilities, lending margins, and interest rate swap arrangements at the date of this PDS, amongst other factors. Interest rates are inherently subject to change and are not fixed. The interest expense and interest paid cash flow is also dependent on the balance of the funding facilities. The following has been assumed in respect of the funding facilities:

- no principal repayments are required during the term of the current funding facilities;
- existing funding facilities with the BNZ prior to the Banking Syndicate being established were repaid in full and new facilities were subsequently drawn from the Banking Syndicate;
- no recourse to investors; and
- capital expenditure will be funded by the funding facility to the extent that free cash flows are not available to fund such expenditure.

The bank borrowings will be secured by first registered mortgages over the Property Portfolio and a general security agreement over all present and future assets of the Company. The provision of incremental funding facilities is subject to variation at the time of the facilities being drawn upon, and assumes the conditions in the facility agreements are fulfilled.

(h) **Manager's fees:** The management fees payable to the Manager for property and asset management are estimated to be $1,541,884 for the year ending 31 March 2021 and $2,349,206 for the year ending 31 March 2022. The property transaction fees payable to the Manager (excluding those included in offer costs) are estimated to be $589,982 for the year ending 31 March 2021 and $445,136 for the year ending 31 March 2022. Further detail on these fees can be found in the document titled *Prospective Financial Information* on the Offer Register.

(i) **Tax:** The Company entered the PIE regime on 1 April 2016, and it is assumed that the Company will remain in the PIE regime for the prospective periods ending 31 March 2021 and 2022 as a multi-rate PIE. Provided the Company maintains its eligibility to be a PIE, in substance, the Company will pay tax based on the notified PIRs of investors and it will not be required to calculate deferred tax.

7.3 PRINCIPAL ASSUMPTIONS (CONTINUED)

(j) **Investment property:** It has been assumed there will be no revaluation gains or losses in the fair value of the Existing Properties beyond 31 March 2021, as future gains or losses cannot be reliably predicted. It is assumed that the fair value of the Existing Properties is equal to the latest independent valuation at 31 March 2021, and at 31 March 2022 valuation is equivalent to that valuation plus capital expenditure forecast from 1 April 2021 to 31 March 2022 for each property. It has been assumed that the Acquisition Properties are valued on their respective acquisition dates at their independent valuation (dated within four months of the date of the PDS) and valued at 31 March 2022 based on that valuation plus capital expenditure forecast from their acquisition date to 31 March 2022.

(k) **Prospective capital expenditure:** Capital expenditure (before property transaction fees payable to the Manager) of $2,853,913 has been forecast during the prospective year ending 31 March 2021 and a further $5,045,370 has been forecast for the year ending 31 March 2022. The largest projects by forecast expenditure are in the year ending 31 March 2022, being:

- Seaview Road Property – $1,000,000 for new tenancy fit-outs related to vacant space.
- Spring Street Property - $584,083 for upgrades to air conditioning systems and new tenancy fit-outs to lease expected physically vacant space.

The budgeted prospective capital expenditure is based on the Company's historical experience in carrying out works of a similar nature. It is expected that the budgeted capital expenditure projects will be completed within the prospective financial periods. The Company has included a level of contingency in the budgeted expenditure based on what the Company considers to be reasonable for projects of a similar nature. A general capital expenditure allowance has also been made by property for other projects not currently budgeted, but for which an expense is likely in the normal course of business based on the Company's experience with the current properties, and properties of a similar nature.

(l) **Prospective sale:** As at the date of this PDS, the directors of the Company are actively marketing the Sandwich Road Property for sale. It is presumed the property is disposed of on 30 November 2021, and no gain or loss is made on its disposal. The property is separately classified as an investment property held for resale, and financial information related to the property is included in the prospective financial information only to the date at which it is forecast to be disposed. The directors of the Company are not looking to sell any further properties from the property portfolio. As a result, with the exception of the held for sale property, the prospective financial information has been prepared on the basis that all other properties are retained.

(m) **Adoption of new accounting policies:** The Company adopted NZ IFRS 16 – Leases in the year ending 31 March 2020. This did not have a material impact on the financial statements of the Company. The latest accounting policies of the Company can be found disclosed in the most recent audited annual financial statements to 31 March 2020, and in the prospective financial information on the Offer Register.

7.4 MEASURES OF COMPANY AND SHAREHOLDER RETURNS

	Actual			Prospective	
	Year to 31 Mar 2018	Year to 31 March 2019	Year to 31 March 2020	Year to 31 March 2021	Year to 31 March 2022
Net profit after tax	6,818,090	7,224,237	16,454,559	27,245,928	12,843,895
Adjusted net profit before tax (non-GAAP)	3,575,297	6,419,200	10,856,472	10,880,541	14,372,395
Gross dividends related to the period	3,673,655	5,657,821	9,043,758	10,570,770	14,343,770
Gross dividend return cents per share	7.20	7.20	7.30	7.35	7.35

During the 2017 financial year, the directors changed the dividend declaration date from mid-month following the end of the quarter to the last day of the quarter. In the 2018 financial year, this resulted in five dividend declarations, one of which related to income earnt by the Company in the financial year ending 31 March 2017 (excluded from the amount noted above for comparability).

The calculation of Adjusted Net Profit Before Tax is a non-GAAP measure, and included in the document titled *Other Material Information* on the Offer Register. It is derived from net profit before tax from relevant financial statements, adjusted to remove the impact of non-cash fair value adjustments.

Individiual investor returns after tax will ultimately depend on the proportion of income that is believed to be taxable by the Company (which changes over time), in addition to the particular circumstances of the individual investor (including the PIR they have notified to the Company).

DIVIDEND PAYMENT STRATEGY

The Company's dividend policy is outlined at Section 6.2 *Dividend Policy*, including the expected dividend payments for the quarter ending 30 June 2021.

The Board intends to declare a dividend at the end of each quarter to shareholders at 1.8375 cents per share (7.35 cents per share annualised) for the prospective financial periods ending 31 March 2022. The dividends will be paid on the twenty-fifth day of the month following the quarter end (or the next working day).

7.5 FINANCIAL MEASURES OF THE COMPANY'S BORROWING

	Actual				Prospective		
	Year to 31 March 2018	Year to 31 March 2019	Year to 31 March 2020	Six months to 30 September 2020	Year to 31 March 2021	As at 30 April 2021	Year to 31 March 2022
Total Debt	56,568,111	75,797,611	62,627,111	103,065,159	107,808,403	133,694,537	156,756,056
Gearing Ratio	43.8%	40.3%	27.7%	38.6%	37.7%	35.3%	39.2%
Interest Cover Ratio	3.1	3.2	3.6	3.9	4.1	N/A	3.9

The Gearing Ratio equals the Company's total interest-bearing liabilities as a proportion of the Company's total assets. A higher gearing ratio represents a greater risk to the Company as, if the investment properties were to decrease in value, a greater proportion of the assets would be required to repay bank debt.

The Interest Cover Ratio is a multiple of the Company's EBITDA (less unrealised gains, plus unrealised losses) compared to the Company's interest expense. The projected ratio is based on assumptions, which are set out at Section 7.3 *Principal Assumptions*. The higher the ratio, the greater the ability of the Company to pay interest on bank loans.

The Gearing Ratio assumes the change in the value of investment property is in accordance with Section 7.3 *Principal Assumptions*, assumption *(j)*. No other change in the value of the properties (increase or decrease) had been forecast as it is not possible with a degree of certainty.

The Gearing Ratio and Interest Cover Ratio are not GAAP information. Please refer to the document titled *Other Material Information* on the Offer Register for further information and a reconciliation of GAAP information.

THE COMPANY'S BORROWING MATURITY PROFILE

The banking facilities available to the Company, their maturity dates, and ability to be renewed, are summarised at Section 2.5 *Bank Funding*.

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8 RISKS TO THE COMPANY'S BUSINESS AND PLAN

This Section sets out a description of the circumstances that the Company is aware of that exist or are likely to arise that significantly increase the risk to the Company's financial position, performance, and plans. The description below includes an assessment of the likelihood of the circumstances arising (from low to high) and the impact if they arose (from low to severe). The nature of the risk and its potential impact on the Company, together with the strategies the Company has adopted or will adopt to mitigate against the circumstances arising, are also included.

The risks have been identified by the Company on the basis of information known to it as at the date of the PDS and on an assessment of the probability of a risk occurring and the anticipated impact of the risk if it did occur. These risks may not be all of the risks that the Company currently faces, or may face in the future, and there is no guarantee that the importance of each risk will not change.

These risks, were they to occur and if they were not appropriately mitigated by the Company, could have a material adverse effect on the Company's financial position or future financial performance, through any combination of a decrease in revenue, an increase in costs, and a reduction in the net asset value of the Company.

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

The description of risks 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 Shares, you consider the suitability of an investment in the Shares in light of your individual risk profile for investments, investment objectives, and personal circumstances (including financial and taxation issues).

If you do not understand the information in this Section, you should consult a financial or legal adviser.

8.1 RENTAL INCOME RISK

Company's assessment of nature and magnitude	Mitigating factors
The Company is reliant on rental income and exposed to rental income fluctuations. Rental income from any property may stop or decrease for several reasons, such as if a lease is terminated, expires without being renewed, the rent under a lease decreases following a rent review, access to a property is restricted, or a tenant defaults. If a lease is terminated or expires without being renewed, there may be difficulty obtaining a replacement tenant and rental rates may be at a lower level than previously received. All these factors may reduce rental income, the value of the Property Portfolio, and the value of the Shares. The lease expiry profile and annual rental income by lessee across the Property Portfolio are summarised at Section 2.1 *General Overview of the Company*. EziBuy Limited, Alto Packaging Limited, and Tui Products Limited are the Property Portfolio's largest tenants by rental income, making up 22% of the Gross Rental Income at 30 June 2021. The first lease expiry related to these three tenants, EziBuy Limited, is February 2026. This tenant is the largest by annual rental income exposure ($3,107,954 per annum including operating expenditure recovered at the date of this PDS) - 12% of Gross Rental Income at 30 June 2021[35]. The WALT of the Property Portfolio summarises the expected contractual term of existing lease arrangements. WALT is generally seen as a measure of relative certainty or vulnerability with respect to ongoing rental income. The expected WALT of the Acquisition Properties at 30 June 2021 is 6.7 years, and the Property Portfolio overall is 5.7 years. There are 10 lease agreements (excluding casual leases) due to expire in the prospective period from Settlement Date to 31 March 2022, representing annual income of approximately $1,001,000, or under 4% of the total revenue of the Company for the year to 31 March 2022. Approximately $257,000 of this income is in respect of leases already expected to not renew, and estimated vacancy allowances have been made in the prospective financial information where applicable. In the ordinary course of business of the Company, such occurrences are not expected to have a material impact on rental income over time as vacancy periods are typically short term. The most likely cause of an increase in tenant defaults would be a specific financial issue with an individual tenant, or general deterioration in the overall macroeconomic environment. Should a material tenant default for a period of time, or an overall material default rate exist across the Property Portfolio, net profit before tax available for distribution to Shareholders could reduce significantly. It may also reduce the value of the Property Portfolio, which would reduce the value of the Shares. Whilst tenants may not have defaulted, due to economic conditions surrounding COVID-19, the Company provided net rental abatement to 21 tenants estimated at $431,000 during the current financial period (ending 31 March 2021).	The Company continues to execute on its strategy to continue developing a portfolio diversified by commercial property sector (expected to be 20 properties from industrial, office and retail sectors), region of New Zealand (expected to be 7 regions), and tenant (expected to be 62 on acquisition of all planned properties) – reducing reliance on any single commercial property, property characteristic or tenant. The three largest tenants are considered individually to be large and well-established businesses. Their ability to meet ongoing rental commitments is considered strong based on information available to the Company. They have relatively long tenure remaining on their leases, with rights of renewal potentially extending two of these leases to February 2039 (Alto Packaging) and April 2054 (Tui Products). The Company is focussed on retaining the three largest tenants, and identifying opportunities for rental income growth. The specific leasing strategies for these largest tenants are set out at Section 2.6 *Key Strategies*, alongside strategies for other properties. Several of the Company's leases also include fixed or CPI rental increases during the prospective financial period. Provided access to property is not restricted, and tenants continue to meet their lease obligations, this assists in mitigating the risk of any downwards pressure on the Company's rental income, property valuation, share value, and in turn, investor returns. The Company and the Manager undertake due diligence on prospective tenants and acquisition properties, and (where possible) obtains personal guarantees or bank guarantees from tenants, or warranties and guarantees from vendors to mitigate rental income risk. Notable arrangements are summarised at Section 2.4 *The Property Portfolio*. Whilst the Company does not have access to all financial information related to tenants, the Company does carry out due diligence on key individuals associated with each key tenant and is satisfied with its findings. Such enquiries may include searches of the Insolvency Register and available public information. The Company anticipates no material rental abatement will be required for tenants during the prospective financial information periods (in addition to any known rental abatement at the date of this PDS), and anticipates no material vacancy will emerge after the date of this PDS. Despite this, rental income may yet be impacted further as a result of COVID-19 or general economic uncertainty. A sensitivity analysis of the Company's returns to rental income abatement, based on historic experience, can be found in the prospective financial information document on the Offer Register.

Company's assessment of likelihood of circumstance arising	- Low to moderate likelihood of a tenancy expiring without either a renewal, an alternative tenant being sourced and contracted within a short time period, or the tenant terminating a lease early. - Low likelihood of a material tenancy (or multiple immaterial tenancies considered material in aggregate) expiring without renewal or being terminated by the Company, and an alternative tenant not being contracted within a relatively short time period (0-6 months). - Low to moderate likelihood of one or more tenants defaulting, low likelihood of a default for an extended period where not backed by a guarantee, bond, vendor underwrite or vendor leaseback arrangement.
Company's assessment of the impact, were the circumstance to arise	- If a single immaterial tenancy, or several larger tenants backed by a guarantee, bond, vendor underwrite or vendor top-up arrangement yield reduced rental income, the impact on investor returns and the value of the Shares would be low. - If a material tenant (such as those at the El Prado Drive Property, the Vickery Street Property, or the Truman Lane Property) or multiple immaterial tenants (considered material in aggregate) have their leases terminated early or do not renew their leases, and no alternative tenants are able to be contracted within a reasonable period time, or if tenants default or are unable to access the relevant property for a reasonable period of time, the impact on both investor returns and the value of the Shares could be significant.

[35] Gross Rental Income represents the expected annualised income from all tenants, including operating expenditure recovered and any vendor underwrites, leasebacks and top-ups, as at 30 June 2021, based on contractual arrangements in place at the date of this PDS. The amount excludes lease incentives and any lease adjustments for the purpose of financial reportingNew Zealand equivalents to International Financial Reporting Standards.

8.2 VALUATION RISK

Company's assessment of nature and magnitude	Mitigating factors
The market value of each property within the Property Portfolio is influenced by numerous inputs. This may include, but is not limited to, recent property market sales data, contractual lease terms, assumptions on prospective rental income and vacancy, and other expert opinions and assumptions. Various factors, including but not limited to the overall property market and general economic environment drive these inputs. The market value of the Property Portfolio directly impacts the total assets, net asset value, and the gearing of the company, amongst other metrics. It may also impact compliance with banking covenants. See Section 8.4 *Funding Risk* for more information in this respect. The Company's audited financial statements for the year ending 31 March 2020, (and reviewed financial statements for the six months ending 30 September 2020), which can be found on the Offer Register, emphasised a material valuation uncertainty in relation to property valuation and property valuation reports at the time, as a result of COVID-19. Since this time, further valuation reports have been prepared by independent experts after consideration of the current factors and circumstances associated with the general economic environment. These do not highlight the same material valuation uncertainty. The valuations consider a range of inputs and market evidence in forming an opinion on value. Notwithstanding this, there may be a greater range around the assumption of market value than would normally be the case. A material change in the valuation of the Property Portfolio may have a material impact on all of the abovementioned metrics. A 5% reduction in property valuation from those held at the date of this PDS for all 20 current and proposed properties in the Property Portfolio ($19.6 million) would reduce the total assets and net assets of the Company by a similar amount - approximately 10 cents per share.	The Company has obtained independent valuation reports on the entire Property Portfolio dated within four months of this PDS. The current economic environment has been factored into the valuations as at the date of the valuation reports. Since the date of the valuation reports, no material adverse changes have been observed by the Company that would cast doubt on these valuations. As a result, the value of the Property Portfolio (before and on Settlement Date), and offer price per share, is considered by the Company to represent expected fair value as at Settlement Date, based on the facts and circumstances known to the Company at the date of this PDS. Beyond Settlement Date, given the types of inputs that derive property and share valuations, mitigating factors to valuation risk include some of those noted at Section 8.1 *Rental Income Risk* in addition to the general strategies of the Company summarised at Section 2.6 *Key Strategies*.

Company's assessment of likelihood of circumstance arising	– High likelihood of an individual property valuation, the valuation of the Property Portfolio, and overall valuation of the Shares varying over time. – Low likelihood of a long-term, sustained reduction in valuation of the Property Portfolio and the Shares.
Company's assessment of the impact, were the circumstance to arise	– Property valuation fluctuations may be material over the course of property ownership, based on the property market and economic environment through ownership. – Typically, the larger the rental income from a property, and the shorter the lease term associated with a property, the larger the potential risk for fluctuation in the value of both the property and the Shares. – A material reduction in Property Portfolio valuation would materially reduce the Company's total assets, net asset value, and share valuation.

8.3 INTEREST AND DERIVATIVE RISK

Company's assessment of nature and magnitude	Mitigating factors
Interest incurred as an expense as a result of borrowings is a material expense of the Company. At Settlement Date, 35.3% of the Company's total assets are expected to be funded by interest-bearing borrowings at a floating interest rate, increasing to 39.2% by 31 March 2022. Total debt and the interest rate on borrowings are expected to change over time (further details on borrowings can be found at Section 2.5 *Bank Funding*). Under the Company's current strategy, the Manager is permitted to invest the Company's assets in interest rate swaps (the target asset allocation is between 0 to 10% of the Company's assets). An interest rate swap is a class of financial derivative, in which two parties agree to exchange interest rate cash flows based on a specified notional amount, from a fixed rate to a floating rate (or vice versa), or from one floating rate to another. Interest rate swaps are used by the Company to hedge interest rate risks for the Company. The Company intends to enter a combination of short-term and long-term swap agreements, combined with floating rate borrowings. If any swap agreements are exited before the date existing swaps expire, penalties may be payable. Such a penalty was borne by the Company during the year in relation to the breaking of some swaps on transition to the Banking Syndicate. Furthermore, fair value losses on swap agreements will be recorded if they are '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).	The Company maintains a hedging policy that aims to at least partially mitigate the actual effect of an increase in interest rates in the short to medium (0-5 year) term. The Manager actively manages, on behalf of the Company, the risk of interest rate movements by entering interest rate swap agreements with the Banking Syndicate. The current policy is to have between 60% and 100% of the Company's debt hedged, with an average hedge expiry of 18 months or more. At Settlement Date, the Company expects to have 71% of its interest rate risk hedged with interest rate swaps with expiry dates within the range of 20 months to four years. This is expected to change to 61% on completion of the acquisition of all six Acquisition Properties at 30 June 2021. Further swap arrangements will be entered when considered necessary by the Company as part of mitigating unexpected interest rate changes associated with existing or new borrowing in future. Should material adverse changes in interest rates occur, the Company could dispose of one or more assets from the Property Portfolio to reduce borrowings and thus interest payable. In the current economic environment, a material increase in interest rates (after allowing for existing interest rate swaps) is not expected. Continued reductions in interest rates would conversely present upside risk for the Company, to the extent not offset by interest rate swap arrangements.

Company's assessment of likelihood of circumstance arising	– The likelihood of a material adverse movement in interest rates, combined with the fair value of interest rates swaps, in the prospective financial periods presented in this PDS, is low.
Company's assessment of the impact, were the circumstance to arise	– The impact of a material adverse movement in interest rates would be significant on investor returns and may moderately impact the value of the Shares.

8.4 FUNDING RISK

Company's assessment of nature and magnitude

The Company intends to borrow further funds from the Banking Syndicate to assist with the purchase of the Acquisition Properties and will make further borrowings to help fund future capital expenditure. Total borrowings at Settlement Date are expected to be $134,000,000 should the Company achieve the Maximum Equity Raise. If the Company only achieves the Minimum Equity Raise, it is expected that the Company will have sufficient funding facilities to allow additional borrowing to acquire the Settlement Properties and meet future capital expenditure requirements in the prospective periods to 31 March 2022.

Adverse market movements may cause a breach of banking covenants – in particular, the requirements to maintain a loan-to-value ratio below the maximum allowed per bank covenants, and for interest cover levels against operating profits to be above the minimum allowed per bank covenants. Adverse operating circumstances, including those related to tenants, may also cause a breach of banking covenants, particularly with respect to minimum WALT levels. If a breach of these, or any other banking covenants, is not remedied, the Banking Syndicate may enforce its security and sell some or all of the Property Portfolio.

If the Facilities cannot be extended beyond their current expiry dates (which range from December 2024 to April 2026), there would be a risk that the Company would be forced to find alternative funding arrangements. There is no certainty that alternative arrangements will be secured, or that the alternative arrangements would be as favourable as the Company's current financing arrangements.

If the Company were required to sell one or more of its properties in a forced sale process to repay borrowings as a result of the above risks, a lower value is likely to be obtained, which would impact investor returns and the value of the Shares.

Mitigating factors

The Company has established the Banking Syndicate to enable greater flexibility of funding arrangements and access to a larger pool of potential debt.

The extendible nature of the Facilities may assist to mitigate any renewal risk, whereby the loans may be extended (subject to mutual agreement) after the first 12 months, by a further 12 months, thereby resetting the facility term to the original length. Should agreement not be reached, the Company should have multiple years to arrange alternative loan arrangements. Where required, the Company may source funding from related parties to assist with temporary shortfalls in cashflow to fund capital expenditure.

	LVR	ICR for the year	WALT
31 March 2021	38.9%	4.1 times	5.5 years
Settlement Date	36.1%	N/A	5.9 years
31 March 2022	40.4%	3.9 times	5.0 years
Limit per Bank	<50.0%	>2.25 times	>4.0 years

The Company expects notable headroom above key banking covenants for the foreseeable future. Minor to moderate impacts of adverse market movements or operating circumstances should not lead to a breach of the key measurable banking covenants during the prospective periods presented. Forecast WALT above, beyond Settlement Date, conservatively presumes any expiring lease during the period, with no confirmed renewal at the date of this PDS, is not renewed.

The difference between the above forecast ratios, and the amounts permitted by the Banking Syndicate, give the Company confidence that the Company will continue to comply with its key banking covenants.

Company's assessment of likelihood of circumstance arising	– Low likelihood of a circumstance arising with a material impact on the Company.
Company's assessment of the impact, were the circumstance to arise	– Potentially significant impact on investor returns and the value of the Shares,

8.5 TAXATION RISK

Company's assessment of nature and magnitude	**Mitigating factors**
The Company is a multi-rate PIE and expects to be a multi-rate PIE for the remainder of its lifespan. Generally, where an entity is a multi-rate PIE, tax is payable on each investor's share of an entity's income at a tax rate broadly approximating their marginal tax rate (with this rate capped at 28%). Further, as dividends from a multi-rate PIE are not taxable, this allows capital gains of the entity to be distributed tax-free prior to wind-up. Several criteria must be met for the Company to be a multi-rate PIE. If these criteria are not met, the Company may lose its PIE status. If the Company is not a PIE, investors may face a higher tax cost due to the loss of the 28% PIE tax rate cap and dividends of the Company become taxable.	The Company and the Manager have processes in place to ensure investor and investment limits are not breached. The Company has external advisors that have advised the Company on its establishment, and provide ongoing advice as required to ensure active monitoring of the taxation landscape in respect of the Company. Further, given the Company's large size, number of investors, and intent to continue distributing all of its taxable income to investors, the risk of breaching many of the PIE eligibility requirements have been significantly reduced.
Company's assessment of likelihood of circumstance arising	– Low.
Company's assessment of the impact, were the circumstance to arise	– Potentially significant impact on investor returns.

9 TAX

Tax can have significant consequences for investments and can affect your return from the Shares. If you have queries relating to the tax consequences of investing in the Shares, you should obtain professional advice on those consequences.

The Company has been a multi-rate Portfolio Investment Entity (**PIE**) since 1 April 2016 for income tax purposes. This means that all tax will be calculated and paid at the Company level under the PIE rules. Under these tax rules, the amount of tax paid by the Company in relation to any income that is attributed to you (based on your shareholding in the Company at the time the income is attributed) will depend on your Prescribed Investor Rate (**PIR**) as advised to the Company.

To determine your PIR, go to http://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. The current PIRs are listed in the table below. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department (**IRD**).

It is your responsibility to tell the Company your correct PIR (and provide your IRD number) when you invest or if your PIR changes. If you do not provide your IRD number within six weeks of investing, the Company may be required to close your account and pay the balance of your investment. If you do not tell the Company your PIR, a default rate of 28% may be applied.

As the Company is a multi-rate PIE, where you elect a PIR of more than 0% the Company will pay tax on your share of the Company's income based on your PIR. If you have a PIR of 0%, you must include the Company's income that is attributed to you as a Shareholder in your income tax return.

Other points to note include:

- Where the Commissioner of the IRD believes the wrong PIE tax is applied, the Commissioner has the ability to instruct the Company directly to change the rate of tax applied. However, this in turn can be overridden by any subsequent PIR that the investor informs the Company of.
- An end of year square-up calculation will be required for all individual investors in the Company. The tax paid by the multi-rate PIE based on the investor's notified PIR will be compared to the tax that should have been paid based on the correct PIR (and not the investor's personal marginal tax rate). If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as a part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year, and any remaining amount will be refunded to you.

Dividends received by shareholders from the Company do not need to be returned as a taxable dividend. However, where a shareholder has elected a PIR of more than 0%, an adjustment may be made to their gross dividends amount for PIE tax remitted to IRD on behalf of the Shareholder.

If the Company ceases to be a PIE any dividends paid will be taxable to shareholders. Further, if the Company ceases to be a PIE, overall tax payable on the Company's income is likely to be higher than it would be if the Company retains its status as a PIE. Additional tax rules will apply if a shareholder is not a New Zealand tax resident.

A Shareholder may be taxed on sale of the Shares if they acquired them with the dominant purpose or intention of resale or as part of a share trading business (or profit-making undertaking or scheme). If you are unsure whether you would be taxed on the sale of your Shares, we recommend you seek professional advice.

Shareholder type	PIR
NZ tax resident individuals	**see below**
a. Taxable income in one of the two previous tax years is $14,000 or less; and Taxable and PIE income (less PIE losses) is $48,000 or less	10.5%
b. Taxable income in one of the two previous tax years is $48,000 or less; and Taxable and PIE income (less PIE losses) is $70,000 or less	17.5%
c. If a. or b. do not apply	28%
NZ tax resident entities	**see below**
Companies (including unit trusts and PIEs)	0%
Charitable organisations	0%
Testamentary trusts (excluding charitable trusts)	10.5%
Superannuation funds	0, 17.5, 28%
Other trusts (excluding charitable trusts)	0, 17.5, 28%
Non-resident	**28%**

The New Zealand Government has reinstated tax depreciation on commercial buildings. This should reduce income tax payable by the Company. For investors with a PIR of more than 0%, this is expected to increase their net income after tax as compared to the case prior to the new legislation being introduced.

10 WHERE YOU CAN FIND MORE INFORMATION

Further information relating to the Company or the Shares (for example, the Company's Constitution and financial statements) is available on the Offer Register. A copy of the information in the Offer Register is available on request to the Registrar (email registrar@fspr.govt.nz). The website for the Offer Register is www.business.govt.nz/disclose. Further information relating to the Company is available from this website.

Further information relating to the Company and the Manager is also available on the public register at the Companies Office of the Ministry of Business, Innovation and Employment. This information can be accessed on the Companies Office website at www.business.govt.nz/companies.

Further information about the Company and the Manager is also available free of charge on its website, www.pmgfunds.co.nz.

You may receive annual reports and annual audited financial statements for the Company, and other communications as and when required to update you on progress. You may also receive a notice stating the availability of such communications and how to obtain copies.

This information will be made available to you, free of charge, upon a written request to the Company at PO Box 2034, Tauranga 3144.

11 HOW TO APPLY

If you want to apply for Shares under the Offer you must fill in the Application Form associated with this PDS. Applications from new investors to the Company must be for at least 20,000 Shares and in multiples of 10,000 Shares thereafter. Applications from existing investors in the Companymust be for at least 10,000 Shares and in multiples of 10,000 Shares thereafter.

Completed and signed Application Forms must be forwarded to:

Pacific Property Fund Limited
c/- PMG Property Funds Management Limited
Level 1, 143 Durham Street
Tauranga 3110

PO Box 2034
Tauranga 3144

An alternative digital application form may be available for investors. Please contact the Manager if you would like support completing a digital application form.

Completed application forms are to be received no later than 5:00pm on 29 April 2021 (or such later date if the Offer is extended) and must be accompanied by payment of the full subscription amount and any required supporting documentation.

Further information on how to apply for Shares and pay for them is set out in the Application Form associated with this PDS.

The Company reserves the right, in its sole discretion, to accept or reject any application in whole or in part without giving any reason.

You should read this PDS carefully before completing the Application Form.

12 CONTACT INFORMATION

THE COMPANY AND THE MANAGER

Pacific Property Fund Limited / PMG Property Funds Management Limited
Level 1, 143 Durham Street
Tauranga 3110

P.O. Box 2034
Tauranga 3144

Phone: 07 578 3494

LEGAL ADVISER

Simpson Grierson
Level 27, 88 Shortland Street
Auckland 1010

Private Bag 92518
Auckland 1141

Phone: 09 358 2222

TAX ADVISER

KPMG Tauranga
Level 2, 247 Cameron Road
Tauranga 3110

Phone: 07 578 5179

AUDITOR

Baker Tilly Staples Rodway Audit Limited
Level 1, 247 Cameron Road
Tauranga 3110

Phone: 07 578 2989





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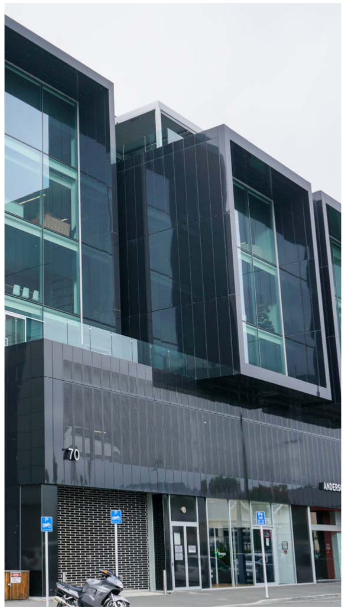

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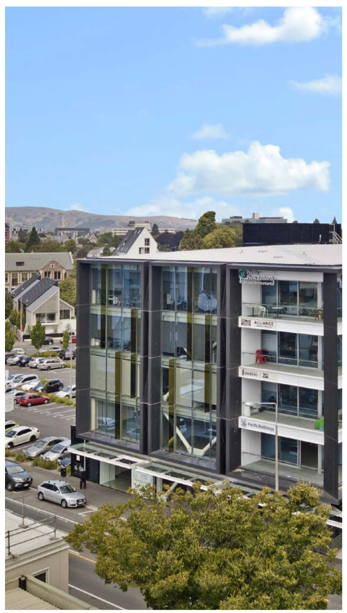


13 GLOSSARY

$	New Zealand Dollars.
Acquisition Properties	The Settlement Properties, plus the Arthur Porter Drive Property and the Langley Road Property.
Alderman Drive Property	6 Alderman Drive, Henderson, Auckland.
Allotment Date	30 April 2021 (or such later date as determined by the Company).
Applicant	An investor whose Application Form has been received by the Company prior to the Closing Date.
Application	An application to subscribe for Shares under the Offer.
Application Form	The Application Form associated with this PDS that must be completed to subscribe for Shares under the Offer (either physical or digital).
Arthur Porter Drive Property	400 Arthur Porter Drive, Te Rapa, Hamilton.
ASB	ASB Bank Limited.
Banking Syndicate	The overall arrangement for the Company to borrow funds from multiple lenders, established in December 2020. The current syndicated lenders are ASB, Industrial and Commercial Bank of China Limited (**ICBC**), Bank of China Limited Auckland Branch (**BOC**), Kiwibank Limited (**Kiwibank**) and Aware Super (**Aware**).
BKBM	Bank Bill Market.
Board	The board of directors of the Company.
Braeburn Drive Property	40 Braeburn Drive, Hornby, Christchurch.
Business Day	A day on which the NZX Main Board is open for trading.
CEO	The Chief Executive Officer of the Manager.
Closing Date	29 April 2021 (or such later date as determined by the Company).
Companies Act	Companies Act 1993.
Companies Office	The New Zealand government agency responsible for the administration of corporate body registers.
Constitution	The constitution of the Company registered with the Companies Office (as amended from time to time).
CPI	Consumer Price Index.
Distribution Lane Property	3 Distribution Lane, Sockburn, Christchurch.
Dominion Road Property	114 Dominion Road, Mount Eden, Auckland.
Druces Road Property	59 Druces Road, Wiri, Auckland.
DSA	Detailed Seismic Assessment.
Eastern Hutt Road Property	410 Eastern Hutt Road, Silverstream, Upper Hutt, Wellington.
El Prado Drive Property	31 El Prado Drive, Milson, Palmerston North.
Existing Properties	Aggregation of Link Drive Property, El Prado Drive Property, Seaview Road Property, Hutt Park Road Property, Vickery Street Property, Dominion Road Property, Truman Lane Property, Robert Street Property, Spring Street Property, Alderman Drive Property, Druces Road Property, Paerangi Place Property, Braeburn Drive Property and Sandwich Road Property.
FMCA	Financial Markets Conduct Act 2013.
Gloucester Street Property	70 Gloucester Street, Christchurch Central, Christchurch.
Gross Rental Income	The aggregate of Net Rental Income and operating expenditure recovered from tenants.
GST	Goods and Services Tax.
Hutt Park Road Property	120 Hutt Park Road, Lower Hutt, Wellington
IEP	Initial Evaluation Procedure.
ISA	Initial Seismic Assessment.
Langley Road Property	102 Langley Road, Wiri, Auckland.
Link Drive Property	25, 27 and 29 Link Drive, 13 and 19 Hannover Place, Rolleston, Christchurch.
LVR	Loan to value ratio.
Management Agreement	The management agreement between the Company and the Manager dated 30 September 2020, and any subsequent variations thereof.

Manager	PMG Property Funds Management Limited.
NBS	New Building Standard.
Net Rental Income	Rental income from property, including vendor underwrites, leasebacks and top-ups, but stated before lease incentives and any lease adjustments for the purposes of New Zealand equivalents to International Financial Reporting Standards. This measures excludes property operating expenditure recovered.
NLA	Net Lettable Area (exclusive of yard where applicable).
Occupancy	Leased area (inclusive of vendor underwrites, leasebacks and top-ups), expressed as a percentage of total net lettable area (excluding yards).
Offer	The offer of Shares under this PDS.
Offer Price	$1.22 per Share.
Offer Register	Means the register containing information on the Offer available at www.business.govt.nz/disclose, offer number OFR13069. All documents referred to in this PDS as being available on the Offer Register may also be inspected free of charge during normal business hours at the office of the Company as set out in the Directory.
Opening Date	25 March 2021, or such other date that the Company may determine.
Paerangi Place Property	8 Paerangi Place, Tauriko, Tauranga.
PDS	This Product Disclosure Statement for the Offer dated 17 March 2021.
PIE	Portfolio Investment Entity.
PIR	Prescribed Investor Rate.
PMG	Property Managers Group, the ultimate holding company of which is PMG Holdings Limited.
Registrar	The Registrar of Financial Service Providers appointed under Section 35 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008.
Robert Street Property	8 Robert Street, Whangārei.
Sandwich Road Property	307 Sandwich Road, Te Rapa, Hamilton.
Seaview Road Property	43 Seaview Road and 118 Hutt Park Road, Lower Hutt, Wellington.
Settlement Date	30 April 2021.
Settlement Properties	The Victoria Street Property, the Gloucester Street Property, the Distribution Lane Property and the Eastern Hutt Road Property.
Share(s)	Fully paid ordinary shares in the Company.
Shareholder(s)	The shareholders of the Company.
Spring Street Property	46 Spring Street, Tauranga.
The Company	Pacific Property Fund Limited.
Truman Lane Property	697L Truman Lane, Te Maunga, Mount Maunganui.
Underwriting Agreement	The Manager and the Company have entered into an agreement where the Manager has agreed to subscribe for up to 35,000,000 of the Shares being offered under the Offer, dated 11 February 2021.
Vickery Street Property	33 Vickery Street, Te Rapa, Hamilton.
Victoria Street Property	105 and 123 Victoria Street, Christchurch Central, Christchurch.
WALT	Weighted average lease term of lease arrangements (inclusive of vendor underwrites, leasebacks and top-ups).

Pacific Property Fund Limited
c/o PMG Property Funds Management Limited
Level 1, 143 Durham Street
Tauranga, 3110
PO Box 2034, Tauranga 3144
P: (07) 578 3494
E: invest@pmgfunds.co.nz
pmgfunds.co.nz

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