

PROSPECTIVE FINANCIAL INFORMATION RELATING TO AN OFFER OF UNITS IN PMG DIRECT CHILDCARE FUND

Issuer: PMG Property Funds Management Limited
Scheme: PMG Direct Childcare Fund
Scheme Reference: SCH12951
Related to Offer: OFR14004

Basis of preparation

The prospective financial information included below is for the reporting entity PMG Property Funds Management Limited (the **Manager**) in respect of PMG Direct Childcare Fund (the **Fund**). The Fund is established under the Financial Markets Conduct Act 2013 (**FMCA**) and registered and domiciled in New Zealand. The Fund is a Managed Investment Scheme and is principally involved in the ownership and management of investment property in New Zealand. The Fund was originally established on 4 July 2017 and commenced trading on 31 August 2017 as a Wholesale Investment Scheme. On 18 September 2020, the Fund became a Retail Managed Investment Scheme.

The Fund was established to develop and own Early Childhood Education (**ECE**) centres in a geographically diverse portfolio. The Fund previously developed several new childcare centres. The Fund is currently focussed on purchasing existing childcare centres or new childcare centres on a turn-key basis. The Fund currently holds thirteen existing properties (the **Existing Properties**). Further information about the Manager's investment strategy is set out in the Statement of Investment Policies and Objectives for the Fund. The supervisor of the Fund is Covenant Trustee Services Limited (the **Supervisor**).

The Manager is offering investors between 5,150,000 units (the **Minimum Equity Raise**) and 25,770,000 units (the **Maximum Equity Raise**) in the Fund at \$0.97 per unit (the **Offer**) and will not accept over subscriptions above the Maximum Equity Raise. The Prospective Financial Statements have been prepared on the assumption that 15,460,000 units at \$0.97 per unit are issued from the Offer on 28 November 2025. This represents the mid-point between the Minimum Equity Raise and the Maximum Equity Raise. It is assumed that investors hold one or more parcels of 42,300,000 units from 1 April 2025 to 28 November 2025, and one or more parcels of 57,760,000 units from 29 November 2025 to 31 March 2027.

The Manager is making the Offer primarily to raise capital for the Fund to acquire an additional property (the **Acquisition Property**) and pay the costs associated with the issue of units and the acquisition of the Acquisition Property (**Offer Costs**). Any surplus capital raised will be applied to initially reduce the Fund's bank borrowings. The Fund intends to redraw such borrowings to invest in suitable property investments in future, should such opportunities be available to the Fund.

The Product Disclosure Statement (**PDS**) for the Offer dated on or around 24 October 2025 can be found at <http://www.business.govt.nz/disclose> by clicking "search for an offer" and searching for "PMG Direct Childcare Fund".

The Prospective Financial Statements have been prepared for the purpose of the Offer as required by the Financial Markets Conduct Regulations 2014 (**Regulations**) and may not be suitable for any other purpose. The Prospective Financial Statements for the Fund were prepared and authorised by the Directors of the Manager on 24 October 2025 for use in the PDS and not for any other purpose. The Manager is responsible for the Prospective Financial Statements including the assumptions underlying the Prospective Financial Statements and all other required disclosures.

The Prospective Financial Statements, which include a Prospective Statement of Comprehensive Income, Prospective Statement of Changes in Equity, Prospective Statement of Financial Position and Prospective Statement of Cash Flows, are prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (**FRS 42**). Also included in the prospective information are the statement of accounting policies, key assumptions on which the Prospective Financial Statements are based, and a sensitivity analysis regarding some of the key assumptions.

PMG Direct Childcare Fund
Supplementary Information for PDS dated on or around 24 October 2025
Prospective Financial Information for SCH12591 and OFR14004

Basis of preparation (continued)

The Prospective Financial Statements, including the assumptions on which they are based, are the responsibility of, and have been prepared by, the Directors of the Manager and are based on events and conditions existing as at the date of the PDS. The Directors of the Manager have given due care and attention to the preparation of the Prospective Financial Statements, including the underlying assumptions. These assumptions should be read in conjunction with the sensitivity analysis on page 24-26 of the Prospective Financial Statements, the risks set out in the PDS at Section 7 *Risks to Returns from PMG Direct Childcare Fund*, and the Fund's accounting policies, which can be found in the section entitled *Statement of Accounting Policies* below.

Prospective Financial Statements, by their nature, are inherently uncertain. The Prospective Financial Statements are a prediction of future events that cannot be assured. They involve risks and uncertainties, many of which are beyond the control of the Fund and the Manager. These risks and uncertainties include, but are not limited to, the non-occurrence of anticipated events or alternatively events occurring that were not anticipated. Further risks are set out in the PDS at Section 7 *Risks to Returns from PMG Direct Childcare Fund*. Various risk factors and the management of those risk factors may influence the success of the Fund's business. Accordingly, actual results are likely to vary from the Prospective Financial Statements, and these variations may be significantly more or less favourable to the Fund. Therefore, the Directors of the Manager cannot and do not guarantee the achievement of the prospective financial information included within the Prospective Financial Statements.

The Prospective Financial Statements are based on one or more hypothetical but realistic assumptions. The actual results may differ from the Prospective Financial Statements if there are fluctuations in the various factors contributing to the Fund's performance, position, and cash flows. The resulting variance may be material. Neither the Fund, the Directors of the Manager, nor any other person give a guarantee or assurance that the Prospective Financial Statements presented will be achieved.

Gross cash distribution returns are calculated based on distributions planned. Such distributions may be above or below the amounts forecast. Distributions may be above or below adjusted funds from operations (**AFFO**), and distributions divided by AFFO (**Payout Ratio**) may be above or below 100%, as disclosed further in the PDS.

There is no present intention to update the Prospective Financial Statements or to publish Prospective Financial Statements in the future for the Fund, other than as required by the Financial Reporting Act 2013, the Regulations, and New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**). The Manager will present a comparison of the Prospective Financial Statements with actual financial results when reported in accordance with New Zealand Generally Accepted Accounting Practice (**NZ GAAP**) and clause 59, Schedule 5 of the FMC Regulations.

The accounting policies assumed in the Prospective Financial Statements reflect the policies currently adopted by the Manager in the annual financial statements of the Fund for the year to 31 March 2025, which are also expected to be adopted by the Manager in future reporting periods.

The Fund has already entered the PIE regime and is not liable for income tax.

PMG Direct Childcare Fund
Supplementary Information for PDS dated on or around 24 October 2025
Prospective Financial Information for SCH12591 and OFR14004

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDING 31 MARCH

	Note	2026	2027
		\$	\$
Revenue			
Rental income from investment properties	2(c)	4,526,000	4,908,000
Property operating expenses recovered		816,000	868,000
Total revenue		5,342,000	5,776,000
Less expenses			
Property operating expenses		(926,000)	(888,000)
Property & Fund management fees	2(h)	(307,000)	(341,000)
Audit fees		(32,000)	(33,000)
Supervisor fees		(23,000)	(28,000)
Other overhead expenses		(129,000)	(152,000)
Total expenses		(1,417,000)	(1,442,000)
Operating Profit		3,925,000	4,334,000
Finance costs			
Interest received		1,000	-
Interest expense		(1,046,000)	(868,000)
Net change in fair value of derivatives		(24,000)	-
Net financing costs		(1,069,000)	(868,000)
Unrealised gain/(loss) on value of investment property	2(j)	(215,000)	-
Profit before income tax		2,641,000	3,466,000
Income tax expense		-	-
Net profit for the year		2,641,000	3,466,000
Other comprehensive income net of tax		-	-
Total comprehensive income for the year		2,641,000	3,466,000

PMG Direct Childcare Fund
Supplementary Information for PDS dated on or around 24 October 2025
Prospective Financial Information for SCH12591 and OFR14004

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDING 31 MARCH

	Issued Units \$	Retained Earnings \$	Total Equity \$
Balance as at 1 April 2025	42,007,000	(1,029,000)	40,978,000
Net profit for the year and total comprehensive income	-	2,641,000	2,641,000
<i>Transactions with investors in their capacity as investors:</i>			
Issuance of units	14,996,000	-	14,996,000
Unit issue transaction costs	(810,000)	-	(810,000)
Distributions to investors	-	(2,764,000)	(2,764,000)
Balance at 31 March 2026	56,193,000	(1,152,000)	55,041,000
Balance as at 1 April 2026	56,193,000	(1,152,000)	55,041,000
Net profit for the year and total comprehensive income	-	3,466,000	3,466,000
<i>Transactions with investors in their capacity as investors:</i>			
Distributions to investors	-	(3,379,000)	(3,379,000)
Balance at 31 March 2027	56,193,000	(1,065,000)	55,128,000

PMG Direct Childcare Fund
Supplementary Information for PDS dated on or around 24 October 2025
Prospective Financial Information for SCH12591 and OFR14004

**PROSPECTIVE STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH**

	Note	2026 \$	2027 \$
ASSETS			
Current assets			
Cash and cash equivalents		298,000	333,000
Trade and other receivables		78,000	83,000
Prepayments		38,000	38,000
		414,000	454,000
Non-current assets			
Investment property	2(j)	69,878,000	70,125,000
Lease Adjustments		1,388,000	1,492,000
		71,266,000	71,617,000
Total Assets		71,680,000	72,071,000
LIABILITIES			
Current liabilities			
Trade and other payables		164,000	164,000
Distribution payable		282,000	282,000
Derivative liability		68,000	68,000
Other current liabilities		48,000	49,000
		562,000	563,000
Non-current liabilities			
Secured bank borrowings	2(f)	16,077,000	16,380,000
		16,077,000	16,380,000
Total Liabilities		16,639,000	16,943,000
Total Equity		55,041,000	55,128,000

PMG Direct Childcare Fund
Supplementary Information for PDS dated on or around 24 October 2025
Prospective Financial Information for SCH12591 and OFR14004

PROSPECTIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 MARCH

	2026	2027
	\$	\$
Cash Flows from operating activities		
<i>Cash was provided from:</i>		
Receipts from tenants	5,068,000	5,659,000
Net GST recovered	16,000	2,000
<i>Cash was applied to:</i>		
Payments to suppliers	(1,761,000)	(1,435,000)
Interest paid	(1,046,000)	(868,000)
Net cash inflow from operating activities	2,277,000	3,358,000
Cash Flows from investing activities		
<i>Cash was provided from:</i>		
Interest received	1,000	-
<i>Cash was applied to:</i>		
Purchase of investment property and capital expenditure	(14,762,000)	(247,000)
Net cash inflow/(outflow) from investing activities	(14,761,000)	(247,000)
Cash Flows from financing activities		
<i>Cash was provided from:</i>		
Proceeds from issue of units	14,996,000	-
Proceeds from borrowing	8,450,000	303,000
<i>Cash was applied to:</i>		
Repayment of borrowings	(7,600,000)	-
Unit issue transaction costs	(810,000)	-
Distributions to investors	(2,676,000)	(3,379,000)
Net cash inflow/(outflow) from financing activities	12,360,000	(3,076,000)
Net increase/(decrease) in cash and cash equivalents	(124,000)	35,000
Cash and cash equivalents at the start of the financial year	422,000	298,000
Cash and cash equivalents at the end of the financial year	298,000	333,000

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

1. Statement of accounting policies

- A. Statement of compliance:** The Prospective Financial Statements have been prepared in accordance with the requirements of Financial Reporting Standard 42 *Prospective Financial Statements* (FRS-42) issued by the New Zealand Accounting Standards Board.
- B. Nature of prospective information:** The Prospective Financial Statements comprise forecasts prepared based on assumptions that management considers to be the most likely outcome for the Fund's operations during the periods presented. They have been prepared for inclusion in the Product Disclosure Statement to assist prospective investors in assessing the future financial performance of the Fund.
- C. Relevant preparation periods:** The Prospective Financial Statements of the Fund have been prepared for the forecast years ending 31 March 2026 and 31 March 2027. Actual (unaudited) management reporting results have been included for the five months to 31 August 2025 and prospective information for the subsequent forecast period to 31 March 2026, and the year to 31 March 2027.
- D. Basis of measurement:** The Prospective Financial Statements have been prepared on a going concern basis. Except as noted below, they are prepared under the historical cost convention. Investment properties are measured at fair value in accordance with NZ IAS 40 *Investment Property*, and derivative financial instruments are measured at fair value in accordance with NZ IFRS 9 *Financial Instruments*.
- E. Functional and presentation currency:** The Prospective Financial Statements are presented in New Zealand dollars (\$), which is the Fund's functional currency, and are rounded to the nearest thousand dollars unless otherwise stated.
- F. Consistency with accounting policies:** The accounting policies applied in preparing the Prospective Financial Statements are consistent with those applied in the Fund's most recent audited financial statements. No changes in accounting policies are included in this Prospective Financial Information, nor are anticipated in prospective reporting periods, compared to those in the most recent financial statements of the Fund. Where relevant, additional disclosures have been provided to give prospective investors a clearer understanding of matters material to the Fund's forecast performance and position.
- G. Reliance on assumptions:** The Prospective Financial Statements are based on a number of assumptions regarding future events and actions of the Fund that management reasonably expects to occur at the date the information was prepared. The actual results are likely to vary from the Prospective Financial Statements, and these variations may be material. The assumptions underlying the Prospective Financial Statements are set out in Section 2: Assumptions.
- H. Cash and Cash Equivalents:** Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Cash and cash equivalents are classified as loans and receivables.
- I. Trade and Other Receivables:** Trade receivables, which include lease receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any loss allowance. Trade Receivables are generally due for settlement within 30 days.

The Fund has elected to apply the simplified approach thereby recognising lifetime expected credit losses on trade and lease receivables. A provision matrix is used to determine the lifetime expected credit loss. The default rate is based upon historical observed default rates over the expected life and is adjusted for forward looking estimates. The default rate is reviewed annually.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

1. Statement of accounting policies (continued)

- J. Trade and Other Payables:** These amounts represent unsecured liabilities for goods and services provided to the Fund prior to the end of the financial period which are usually paid within 30 days of recognition. The carrying amounts of Trade and other payables are assumed to be the same as their fair values, due to their short-term nature. Trade and other payables are classified as financial liabilities measured at amortised cost.
- K. Revenue:** Revenue is recognised when a performance obligation is satisfied. Revenue is measured at the fair value of the consideration received or receivable.

Rental income from the investment properties held by the Fund is recognised in income on a straight-line basis over the lease term. Lease incentives provided in relation to letting the investment property are amortised on a straight-line basis over the noncancellable portion of the lease to which they relate, as a reduction of rental income. The net amount of the lease incentives not fully amortised are included in the statement of financial position under 'Lease Incentives not yet amortised'.

Rent revenue from tenants constitutes being part of a lease and is dealt with under the scope of NZ IFRS 16 – *Leases* and so are outside the scope of IFRS 15 – *Revenue from Contracts with Customers*.

Operating Expenses recoveries – The tenants also pay the Fund their share of Property Operating Costs. These are recoveries of expenses incurred by the Fund in relation to its properties. The tenants are charged a monthly amount towards these operating costs based on an annual budget for the property and have an annual wash up reconciliation to settle any under or overcharges of actual costs incurred versus costs recharged. Property Operating Cost recoveries are recognised when invoiced monthly which is in line with when the Fund meets the performance obligations of the services provided. The operating expenditure recovered are based on the terms of the tenants' leases and the costs of the outgoings. There are no discounts provided or finance components in any of those costs, so the transaction price is straight forward and easily allocated on a straight-line basis.

The operating expenses recovered have been identified as being under the scope of NZ IFRS 15 – *Revenue from Contracts with Customers*. They are an additional service over and above the lease of rental space and so should be looked at as separate to the lease income. They are recognised over time as the services are provided.

- L. Net Finance Costs:** Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Finance expenses comprise interest expense on borrowings and bank fees incurred and fair value movements of derivatives.

- M. Derivatives:** An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Fund manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the profit or loss when incurred. After initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

1. Statement of accounting policies (continued)

N. Income tax expense: The Fund elected to be a Portfolio Investment Entity ('PIE') under the Income Tax Act 2007. As a result, the Fund itself is not liable for income tax. The Fund's taxable income is instead apportioned amongst its Investor's based on the number of units they hold and their Prescribed Investor Rates ("PIR"). The Fund calculates and deducts tax based on each investor's PIR and pays the tax to the Inland Revenue Department on behalf of the investor. The PIE tax liabilities, at the end of the year, are included within distributions payable in the Statement of Financial Position.

O. Goods and Services Tax (GST): All amounts are shown exclusive of Goods and Service Tax (GST), except for receivables and payables that are stated inclusive of GST. Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

P. Leases: The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

The Fund is the Lessor of investment property. The Fund only enters into leases in which it retains substantially all the risks and benefits of ownership of the leased asset. These leases are classified as operating leases. Assets leased to third parties under operating leases are included in investment property in the Statement of Financial Position.

Q. Issued Units: Issued units are classified as equity. Incremental costs directly attributable to the issue of new units are shown in equity as a deduction, net of tax, from the proceeds from the issue of those units. Each unit confers an equal interest in the Fund and ranks equally in all respects with any other units issued in the Fund. Each unit confers an equal right to distributions authorised by the Manager, and to cast votes at meetings of Unitholders, in accordance with the Master Trust Deed and the Amended and Restated Establishment Deed governing the Fund.

R. Investment property: Investment properties are initially recorded at cost and will then be revalued annually and stated in the accounts at their fair value based on the latest valuation in compliance with NZ IFRS 13 - *Fair Value Measurement*. Fair Value is based on independent valuation.

Any gain or loss determined by these revaluations is included in the Statement of Comprehensive Income. When an item of investment property is disposed of, any gain or loss is recognised in the Statement of Comprehensive Income and is calculated as the difference between the Fair Value and the carrying value of the item. Depreciation is not charged on investment properties.

If an entity determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete, it shall measure that investment property under construction at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier).

Valuation amounts are adjusted for lease inducements in order to ensure these are not double counted.

Given the inherent uncertainty of revaluation movements beyond those valuations held at the date of this Prospective Financial Information, revaluations are only recorded up to the date of the latest valuations (or, for the Acquisition Property, the date the property is forecast to be acquired). See assumptions, paragraph (j) for further details.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

1. Statement of accounting policies (continued)

R. Investment property (continued):

The following details the Fund's assets, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- i. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- ii. Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- iii. Level 3: Unobservable inputs for the asset or liability.

Investment properties and Derivative assets are carried at fair value, and they are included within level 3 of the fair value hierarchy.

S. Borrowings: Loans and borrowings are recognised initially at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

T. Related Parties: The assets of the Fund are managed in accordance with the terms of the Amended & Restated Establishment Deed between the Supervisor and the Manager. The Manager is a related party under IAS 24 due to their ability to exercise significant influence over the Fund.

The Fund's related parties include the Manager, the parent company of the Manager (PMG Holdings Limited), the ultimate parent company of the Manager (PMG Group Limited), PMG Funds Limited (PMG Funds – a subsidiary of PMG Holdings Limited), PMG Capital Fund Limited (PMG Capital – a fund managed by the Manager), Pacific Property Fund Limited (a fund managed by the Manager), PMG Generation Fund (a fund managed by the Manager), Forsite Limited (common directors with the Manager), and various other funds or entities managed or controlled by the Manager or its directors, and members of key management personnel of the Manager.

The Manager and related parties of the Manager may invest in the Fund on the same basis, terms, and conditions as any other investor, from which they will be entitled to distributions.

The Manager endeavours to ensure all transactions are on normal commercial terms, under normal conditions, at market rates and on an arm's-length basis. Related party certificates are provided to the Supervisor where appropriate.

Management fees are an arm's length transaction. The Manager charges the Fund for several types of fees:

(a) Property and Fund Management fees

- i. A **Fund Management Fee** of 0.40% of the carrying value of the Investment Properties calculated monthly; and
- ii. A **Property Management Fee** of 1.00% of the gross annual rental collected from the properties, calculated monthly.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

1. Statement of accounting policies (continued)

T. Related Parties (continued):

(b) **Performance Fee:** An annual Performance Fee equivalent to 20% of the excess performance above the Fund's performance benchmark. The current performance benchmark is the average 10-year government bond yield for the relevant performance period, plus 6%. Performance is measured by the annual capital and income returns to unitholders at the end of each financial year against the performance benchmark. If this performance measurement is negative, no performance fee is payable in respect of that year. The Manager currently applies a 'high-water mark' to the Performance Fee. The term high-water mark means the highest value that the Fund has achieved on previous performance fee calculation dates. A high-water mark ensures that if the Fund loses value over a period, the Manager must achieve investment returns above the high-water mark before receiving a further performance-based fee. The fee is included within the Statement of Comprehensive Income in March of each financial year, when incurred by the Fund. The excess performance chargeable to the Performance Fee each year is capped at 5% of Closing Adjusted NAV (as defined in the Amended and Restated Establishment Deed). Any excess performance above this cap is carried forward and applied to the next calculation of performance fees (and may be carried forwards for up to two years). Any deficit performance (performance below the benchmark) is to be carried forwards in a similar manner.

(c) Property Transaction Fees:

- i. On acquisition of a new property investment by the Fund, a fee of 1.25% of the acquisition price of the property investment, or \$50,000 (whichever is the greater) (**Acquisition Fee**);
- ii. On disposal of a property held by the Fund, a fee of 1.00% of the sale price for the property (**Disposal Fee**);
- iii. If the Fund acquires a property where a development is being undertaken (whether under contract with the Manager or by a third party), the Manager will be entitled to charge the Fund, and retain for its own use, a fee of \$50,000. The fee will become payable on completion of the development (**Development Fee**);
- iv. On undertaking an investigation into a potential transaction, a fee on a time and attendance basis, as agreed between the Manager and Supervisor may be charged (up to \$100,000 unless otherwise approved by Unitholders) (**Investigation Fee**). If the Manager is paid an Investigation Fee and the relevant transaction subsequently proceeds, an amount equal to the Investigation Fee will be deducted from the Acquisition Fee or Development Fee respectively; and
- v. If refurbishment is undertaken on an existing property held by the Fund, a fee equal to 5.00% of the costs may be charged, provided that those costs exceed \$50,000; (**Project Fee**).

The Acquisition Fee, Development Fee and Project Fee are included within the carrying value of investment property in the Statement of Financial Position. The Disposal Fee and Investigation Fee are included within the Statement of Comprehensive Income when incurred by the Fund.

(d) **Other Property-related Fees:** If the Manager, with the approval of the Supervisor, undertakes any works related to any of the properties in the Fund that do not fit within any of the obligations contemplated under schedule 2 of the Amended and Restated Establishment Deed related to fees, the Manager is entitled to be paid out of the Fund such fees for those works calculated on a "time in attendance" market rate, as approved by Unitholders.

(a) **Termination fee:** If the Manager is removed as Manager of the Fund, the Manager is entitled to a sum equivalent to the Property and Fund Management Fees for the last full Financial Year preceding the removal.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

1. Statement of accounting policies (continued)

U. Supervisor's fees: The Supervisor is entitled to:

- (a) An annual base fee based on the Net Asset Value (**NAV**) of the Fund. The fee is subject to a minimum annual fee of \$20,000 and a maximum annual fee of 0.05% of the NAV of the Fund; and
- (b) Special fees, in amounts agreed with the Manager on a time and attendance basis, for any services provided by the Supervisor of an unusual or onerous nature outside of the Supervisor's regular services. Special fees may also be charged for the acquisition of additional assets by the Fund.

V. Recovery of other expenses: The Manager and Supervisor are entitled to be reimbursed by the Fund for certain fees and expenses. These include:

- (a) costs incurred in connection with the offer of units, the acquisition of properties, and the investigation and negotiation of additional properties for the Fund;
- (b) the fees and expenses of the Fund's auditor;
- (c) any fees or expenses incurred for any engagement by the Supervisor or as required by law, and any taxes, duties, imposts or levies charged to the Manager or Supervisor in connection with the Fund; and
- (d) any other expenses properly and reasonably incurred by the Manager or Supervisor in connection with carrying out their duties under the Master Trust Deed.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. 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 in the PDS at Section 7 *Risks to Returns from PMG Direct Childcare Fund* and the sensitivity analysis shown further below in this section.

- (a) **Offer settlement and Acquisition Property:** The Offer is expected to settle on 28 November 2025. On the same day, the Fund intends to settle the acquisition of the Acquisition Property. The Prospective Financial Statements only include information related to the Acquisition Property from the estimated acquisition date, plus the impact of any deposit paid for the property prior to the acquisition date. The acquisition date and purchase price for the Acquisition Property are derived from the sale and purchase agreement for the Acquisition Property.
- (b) **Offer Costs (including Acquisition Property acquisition costs):** It is assumed that 15,460,000 units at \$0.97 each will be issued on 28 November 2025. The Fund is assumed to incur \$940,000 of costs associated with the Offer. This includes \$810,000 of issue costs to be accounted for within equity, with the remainder of acquisition costs accounted for within Investment Property. Offer Costs include a property acquisition fee, underwriting commitment fee, contribution fee, legal and other due diligence fees, accounting fees, marketing costs and compliance costs – amongst other expenses.
- (c) **Rental Income:** The Prospective Financial Statements assume annual rental income will be received in accordance with current signed lease agreements for each currently leased space. Several further assumptions are made in connection with rent reviews during the forecast period based on the expectations of the Manager. In forecasting CPI-based rent reviews, the Manager has assumed an annual CPI growth rate of 2.3% and 2.1% for the years ending 31 March 2026 and 31 March 2027 respectively.

Property operating expenses are generally recoverable to the extent a property is tenanted, with some exceptions that may be specified in individual leases. In the years ending 31 March 2026 and 31 March 2027, approximately 89% and 99% (respectively) of total property operating expenses recorded in the Statement of Comprehensive Income, plus any building management fees charged to tenants, are expected to be recoverable from tenants respectively.

The occupancy forecast for the Fund overall, is as follows:

As at date	Total Occupancy Rate
1 April 2025	100%
28 November 2025 (Settlement Date)	100%
31 March 2026	100%
31 March 2027	100%

During the prospective periods presented there are no existing lease agreements expiring. Whilst the Manager aims to lease up space before it falls vacant, it is possible that space may become vacant over time.

Net rental income by property in the prospective periods has been summarised in the following table, exclusive of recoverable operating expenses, incentives, and fixed rental growth adjustments. The impact of incentives and fixed rental growth adjustments on rental income are separately disclosed below the table. Net rental income is only summarised from the date of acquisition where appropriate by property.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

(c) Rental Income (continued):

	2026	2027
Westgate Property	\$130,000	\$393,000
Flat Bush Property	\$500,000	\$510,000
Glen Innes Property	\$417,000	\$425,000
Dinsdale Property	\$473,000	\$472,000
Rolleston Property	\$417,000	\$430,000
Takanini Property	\$346,000	\$349,000
Red Beach Property	\$347,000	\$347,000
Trentham Property	\$296,000	\$298,000
Gulf Harbour Property	\$323,000	\$330,000
Beachlands Property	\$130,000	\$265,000
Wellsford Property	\$229,000	\$271,000
Blenheim Property	\$265,000	\$274,000
Pukekohe Property	\$232,000	\$242,000
Invercargill Property	\$211,000	\$211,000
Net Rental Income	\$4,316,000	\$4,817,000
Net impact of incentives and fixed rental growth adjustments	\$210,000	\$91,000
Rental income per Statement of Comprehensive Income	\$4,526,000	\$4,908,000

Below is a summary of the key tenancies by building and the key assumptions that will impact revenue for the Acquisition Property and Existing Properties (together, the **Property Portfolio**) during the prospective financial periods ending 31 March 2027.

- i. **Westgate Property - Acquisition Property** – Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 8.2% of net rental income from the Property Portfolio. The sole tenant, Eduplay Westgate Limited, is considered material and expected to generate net rental income of \$130,000 from Settlement Date to 31 March 2026 and \$393,000 in the year to 31 March 2027, with an initial lease expiry of 30 November 2037. The lease is a net lease, meaning operating expenditure is generally recoverable.
- ii. **Flat Bush Property** - Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 10.6% of Net Rental Income from the Property Portfolio. Two tenants account for the rental income from lease of the property, an ECE operator and an office tenant. The ECE operator tenant, PEG 1 Limited, is considered material. This tenant is expected to generate \$409,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 30 September 2034. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- iii. **Glen Innes Property** - Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 8.8% of Net Rental Income from the Property Portfolio. The sole tenant, GMG Trust, is considered material. This tenant is expected to generate \$425,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 26 October 2041. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- iv. **Dinsdale Property** - Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 9.8% of Net Rental Income from the Property Portfolio. Two tenants account for the rental income from lease of the property, an ECE operator and a gym tenant. The ECE operator tenant, PEG 3 Limited (assigned from former tenant Little Learners Dinsdale Limited in the year ending 31 March 2026), is considered material. This tenant is expected to generate \$287,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 28 February 2032. Their lease is a net lease, meaning operating expenditure is generally recoverable.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

(c) Rental Income (continued):

- v. **Rolleston Property** – Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 8.9% of Net Rental Income from the Property Portfolio. The sole tenant, Education Hub Limited, is considered material. This tenant is expected to generate \$430,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 7 December 2033. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- vi. **Takanini Property** – Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 7.2% of Net Rental Income from the Property Portfolio. The sole tenant, Best Start Educare Limited, is considered material. This tenant is expected to generate \$349,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 5 June 2039. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- vii. **Red Beach Property** - Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 7.2% of Net Rental Income from the Property Portfolio. The sole tenant, Nurture Early Learning Limited Partnership, is considered material. This tenant is expected to generate \$347,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 27 February 2034. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- viii. **Trentham Property** – Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 6.2% of Net Rental Income from the Property Portfolio. The sole tenant Conscious Education Limited, is considered material. This tenant is expected to generate \$298,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 31 January 2038. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- ix. **Gulf Harbour Property** - Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 6.8% of Net Rental Income from the Property Portfolio. The sole tenant, Gulf Harbour Childcare Limited, is considered material. This tenant is expected to generate \$330,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 8 October 2038. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- x. **Beachlands Property** – Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 5.5% of Net Rental Income from the Property Portfolio. The sole tenant, Pugmarks Limited, is considered material. This tenant is expected to generate \$265,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 27 May 2035. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- xi. **Wellsford Property** – Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 5.6% of Net Rental Income from the Property Portfolio. The sole tenant, Simon & Sonia Page, is considered material. This tenant is expected to generate \$271,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 25 November 2039. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- xii. **Blenheim Property** - Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 5.7% of Net Rental Income from the Property Portfolio. The sole tenant, Omaka ELC Limited, is considered material. This tenant is expected to generate \$274,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 28 April 2034. Their lease is a net lease, meaning operating expenditure is generally recoverable.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

(c) Rental Income (continued):

- xiii. **Pukekohe Property** - Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 5.0% of Net Rental Income from the Property Portfolio. The sole tenant, Wonderseed Learning Centres Limited, is considered material. This tenant is expected to generate \$242,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 6 August 2041. Their lease is a net lease, meaning operating expenditure is generally recoverable.
- xiv. **Invercargill Property** - Net Rental Income from this property for the year ending 31 March 2027 is forecast to be 4.4% of Net Rental Income from the Property Portfolio. The sole tenant, Blue Duck Childcare Limited, is considered material. This tenant is expected to generate \$211,000 of Net Rental Income in the year ending 31 March 2027, with an initial lease expiry of 31 January 2039. Their lease is a net lease, meaning operating expenditure is generally recoverable.

(d) Distributions: For the prospective period to 31 March 2027, distributions of 5.85 cents per unit annualised are forecast (with new unitholders allotted units on 28 November 2025 eligible for distributions for the period from 1 December 2025). All gross distributions are calculated as cents per unit. The Fund's policy is to declare the distribution on the last day of the month, with payment on or around the 25th of the month following.

(e) Receipts from tenants and payments to suppliers: It has been assumed that virtually all tenants pay their monthly rent and operating expenses in the month of invoicing. The Fund has been assumed to pay most expenses in the month following invoicing.

(f) Cash and Borrowings: It is assumed that any of the Fund's cash on hand does not earn interest income. Total bank borrowings drawn over time will depend on the total equity the Fund raises through the Offer, how much debt is repaid because of the Offer, and what subsequent drawdowns the Fund may make on bank borrowings to fund capital expenditure, working capital and any subsequent opportunities to purchase further property investments that may arise (amongst other factors). The Fund currently has funding facilities with ASB Bank totalling \$23,780,000, as at the date of this PDS.

Assuming 15,460,000 Units are issued through the Offer, and \$7,600,000 of the Offer proceeds are used to repay bank borrowings, the total borrowings drawn at Settlement Date will be \$15,877,000 (22.3% of the latest independent valuation reports held in relation to each property in the Property Portfolio). Bank borrowings are forecast to increase from Settlement Date in the years ending 31 March 2026 and 31 March 2027 to \$16,077,000 and \$16,380,000 respectively (being 22.6% and 23.1% of the latest independent valuation reports held in relation to each property in the Property Portfolio, respectively).

Additional equity may be accepted above or below the forecast equity raise amount, which could lead to the Fund's borrowings changing further. The Fund may also seek to increase its bank borrowings in the future to support future property investments or capital expenditure requirements. The expected funding facilities over time are summarised below:

Facility	Facility Type	Facility Expiry	Prospective borrowing			
			1 Apr 2025	30 Nov 2025	31 Mar 2026	31 Mar 2027
CM01	Term Loan	May 2028	\$1,730,000	\$1,730,000	\$1,730,000	\$1,730,000
CM02	Term Loan	May 2028	\$8,497,000	\$8,497,000	\$8,697,000	\$8,800,000
CM03	Term Loan	Oct 2027	\$5,000,000	\$1,400,000	\$1,400,000	\$1,400,000
CM04	Term Loan	May 2028	N/A	-	-	-
CM05	Term Loan	Sep 2028	N/A	\$4,250,000	\$4,250,000	\$4,250,000
CMNEW	TBC	TBC	N/A	-	-	\$200,000
Total			\$15,227,000	\$15,877,000	\$16,077,000	\$16,380,000

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

(f) Cash and Borrowings (continued):

It is assumed that at Settlement Date, following achievement of the Target Equity Raise, the Fund will repay \$7,600,000 across facilities CM03 and CM04. Based on funding requirements over time, an additional facility (CMNEW) may require establishment by October 2026, with a facility limit growing to \$200,000 by 31 March 2027.

No further facilities are being sought in relation to the Offer.

All term loan facilities are extendible facilities, with the ability to extend the term by one year, every year, subject to annual lender review and confirmation. There is an expectation that all facilities will be extended regularly and remain as non-current borrowings for the foreseeable future.

The following has been assumed in relation to the funding facilities:

- i. No principal repayments are required during the term of the funding facilities.
- ii. No recourse to investors; and
- iii. Capital expenditure will be funded by the funding facilities to the extent that free cash flows, or cash flows from capital raising activities, are not available to fund such expenditure.

The funding facilities are secured by first registered mortgages over the Property Portfolio and a general security agreement over all present and future acquired assets of the Fund.

(g) Bank interest and other bank fees: The interest rates associated with the Fund's borrowing facilities are primarily structured on a floating base rate plus bank margin basis for the duration of the facility. The prospective financial information assumes the floating base rate reduces from 3.75% per annum at 31 March 2025 to 2.66% per annum by 31 March 2026, then subsequently increases to 2.96% by 31 March 2027.

To hedge the risk on the floating nature of the interest rate, the Fund enters into interest rate swap agreements. As at the date of the PDS, the Fund has entered swaps with a notional value of \$10,000,000. The swap agreements mature between February 2026 and May 2028.

The Fund currently intends to enter into further swap agreements to fix the interest rate for approximately 60% of the Fund's borrowings over time (with the current expectation that this may vary between 40% and 80% of the Fund's borrowings at a point in time). Coverage of bank borrowings by swap agreements at Settlement Date after debt repayments is expected to be 63% of total borrowings drawn, changing over time as swaps expire and swaps are placed, to 61% by 31 March 2027.

It is projected that the weighted average interest rate charged on all bank borrowings, including the effect of interest rate swap arrangements and bank margin, will be 5.76% per annum for the year ending 31 March 2026, and 5.36% per annum for the year ending 31 March 2027. Interest rates are inherently subject to regular fluctuation, and at a point in time may vary.

Other costs may be incurred in relation to bank borrowings, such as one-off fees associated with the establishment of new funding facilities. No such costs have been assumed in the Prospective Financial Statements, beyond minor administrative bank charges.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

(h) **Manager’s Fees:** The Manager expects to charge fees, including but not limited to property and fund management fees, and property transaction fees. The Manager’s property and fund management fees expected in the prospective financial periods are as follows:

	2026	2027
Property Management Fees	\$50,000	\$57,000
Fund Management Fees	\$257,000	\$284,000
Total Property and Fund Management Fees	\$307,000	\$341,000

The Manager’s property transaction fees expected in the prospective financial periods are as follows:

	2026	2027
Acquisition Fees	\$182,000	-
Total Property Transaction Fees	\$182,000	-

No property disposal fees, property investigation fees, or property project fees are forecast for the prospective periods.

Any fees charged by the Manager related directly to capital raising (and not a property transaction) are included in the Statement of Changes in Equity within Unit Issue Transaction Costs.

In the prospective periods, the Manager has not projected the charging of a performance fee as the forecast performance does not exceed the Fund’s performance benchmark.

(i) **Supervisor’s fees:** The prospective financial periods include the following fees that the Supervisor is entitled to:

- i. an annual base fee based on the NAV of the Fund. The fee is presumed to be the maximum amount chargeable per the Fund’s Amended and Restated Establishment Deed, being 5 basis points (0.05%) of the NAV of the Fund per annum.
- ii. Special fees, in amounts agreed with the Manager on a time and attendance basis, for any services provided by the Supervisor of an unusual or onerous nature outside of the Supervisor’s regular services.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

(j) Investment Property

Valuation - The valuation of investment property includes the following information derived from independent valuation reports:

Property	Valuation Date	Valuation
Westgate Property	31 August 2025	\$6,400,000
Flat Bush Property	31 August 2025	\$7,650,000
Glen Innes Property	31 August 2025	\$6,350,000
Dinsdale Property	31 August 2025	\$6,200,000
Rolleston Property	20 August 2025	\$6,100,000
Takanini Property	19 August 2025	\$5,050,000
Red Beach Property	31 August 2025	\$4,800,000
Trentham Property	31 August 2025	\$4,775,000
Gulf Harbour Property	31 August 2025	\$4,575,000
Beachlands Property	13 August 2025	\$4,200,000
Wellsford Property	19 August 2025	\$4,150,000
Blenheim Property	21 August 2025	\$3,900,000
Pukekohe Property	18 August 2025	\$3,700,000
Invercargill Property	31 August 2025	\$3,200,000
Total		\$71,050,000

The valuation reports for all properties consider a range of inputs and market evidence in forming an opinion on value, and factor in the current economic environment. Caution should be used when relying on past valuations at a later date.

For existing properties, it is assumed that their fair value at 30 September 2025 is equal to that of the latest independent valuation received noted above. Future values during the prospective financial periods presented are deemed to be this value, plus capital expenditure forecast for each property in the remaining period to 31 March 2027 (including any capitalised Property Project Fees).

For the Acquisition Property, it is assumed that its fair value at acquisition date is equal to that of the latest independent valuation received noted above. Future value during the prospective financial periods presented is deemed to be this value, plus any capital expenditure forecast for the property in the remaining period to 31 March 2027.

It has been assumed there will be no revaluation gains or losses in the fair value of the existing properties, and no revaluation gains or losses in the fair value of Acquisition Property beyond those generated by the valuations and policy described above. Future gains or losses beyond this date cannot be reliably predicted.

Transactions - The following transactions are included in the Prospective Financial Information.

- i. Acquisition Property** – the Acquisition Property is assumed to be acquired on Settlement Date for \$6,381,433 plus costs.
- ii. Wellsford Property** - the Wellsford Property was acquired on 15 May 2025 for \$4,000,000 plus costs.
- iii. Beachlands Property** – the Beachlands Property was acquired on 30 September 2025 for \$4,150,016 plus costs.

No property disposals have been presumed in the prospective financial information.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

(j) Investment Property (continued):

Capital expenditure - Budgeted capital expenditure in the Property Portfolio is forecast as \$168,000 and \$247,000 for the years ending 31 March 2026 and 31 March 2027 respectively (excluding any property transaction fees charged by the Manager and any costs associated with the acquisition of the Acquisition Property, Beachlands Property, and Wellsford Property). Including property transaction fees per assumption 2(h) and any other costs associated with these acquisitions (excluding the purchase prices), total expenditure is \$462,000 and \$247,000 respectively.

There are no individual capital expenditure projects planned that are considered material in isolation. The Fund's budgeted capital expenditure in the prospective financial periods is based on:

- i. estimates prepared by the Manager based on the Manager's historical experience in carrying out works of a similar nature; and
- ii. a level of contingency or general allowance based on what the Manager considers to be reasonable for projects or properties of a similar nature.

PMG Direct Childcare Fund
Supplementary Information for PDS dated on or around 24 October 2025
Prospective Financial Information for SCH12591 and OFR14004

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

(j) **Investment Property (continued):** A summary of the movement in the carrying value of investment property is summarised below.

	Fair Value	Lease Adjustments	Valuation	Purchase price	Additions (Offer Costs)	Additions (Capital expenditure, including Property Transaction Fees)	Fair value movement	Lease Adjustments movement	Valuation	Lease Adjustments	Fair Value
	31 March 2025			Movement during year					31 March 2026		
Blenheim Property	3,821,000	79,000	3,900,000	-	-	3,000	-	-	3,903,000	(79,000)	3,824,000
Red Beach Property	4,754,000	96,000	4,850,000	-	-	2,000	(47,000)	(3,000)	4,802,000	(93,000)	4,709,000
Invercargill Property	3,009,000	91,000	3,100,000	-	-	25,000	54,000	39,000	3,218,000	(130,000)	3,088,000
Pukekohe Property	3,566,000	134,000	3,700,000	-	-	1,000	(22,000)	22,000	3,701,000	(156,000)	3,545,000
Rolleston Property	5,849,000	151,000	6,000,000	-	-	12,000	102,000	(2,000)	6,112,000	(149,000)	5,963,000
Gulf Harbour Property	4,630,000	145,000	4,775,000	-	-	33,000	(232,000)	14,000	4,590,000	(159,000)	4,431,000
Flat Bush Property	7,581,000	119,000	7,700,000	-	-	44,000	(75,000)	4,000	7,673,000	(123,000)	7,550,000
Glen Innes Property	5,946,000	204,000	6,150,000	-	-	3,000	170,000	29,000	6,352,000	(233,000)	6,119,000
Dinsdale Property	6,228,000	47,000	6,275,000	-	-	26,000	(80,000)	-	6,221,000	(47,000)	6,174,000
Trentham Property	4,717,000	58,000	4,775,000	-	-	2,000	2,000	(2,000)	4,777,000	(56,000)	4,721,000
Takanini Property	4,961,000	39,000	5,000,000	-	-	11,000	34,000	10,000	5,055,000	(49,000)	5,006,000
Wellsford Property	238,000	-	238,000	3,800,000	-	64,000	42,000	7,000	4,151,000	(7,000)	4,144,000
Beachlands Property	-	-	-	4,150,000	-	105,000	(52,000)	-	4,203,000	-	4,203,000
Westgate Property	-	-	-	6,381,000	130,000	1,000	(111,000)	-	6,401,000	-	6,401,000
Total	55,300,000	1,163,000	56,463,000	14,331,000	130,000	332,000	(215,000)	118,000	71,159,000	(1,281,000)	69,878,000

PMG Direct Childcare Fund
Supplementary Information for PDS dated on or around 24 October 2025
Prospective Financial Information for SCH12591 and OFR14004

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

(j) Investment Property (continued):

	Fair Value	Lease Adjustments	Valuation	Purchase price	Additions (Offer Costs)	Additions (Capital expenditure, including Property Transaction Fees)	Fair value movement	Lease Adjustments movement	Valuation	Lease Adjustments	Fair Value
	31 March 2026			Movement during year					31 March 2027		
Blenheim Property	3,824,000	79,000	3,903,000	-	-	16,000	-	-	3,919,000	(79,000)	3,840,000
Red Beach Property	4,709,000	93,000	4,802,000	-	-	15,000	-	-	4,817,000	(93,000)	4,724,000
Invercargill Property	3,088,000	130,000	3,218,000	-	-	9,000	-	-	3,227,000	(130,000)	3,097,000
Pukekohe Property	3,545,000	156,000	3,701,000	-	-	10,000	-	-	3,711,000	(156,000)	3,555,000
Rolleston Property	5,963,000	149,000	6,112,000	-	-	14,000	-	-	6,126,000	(149,000)	5,977,000
Gulf Harbour Property	4,431,000	159,000	4,590,000	-	-	10,000	-	-	4,600,000	(159,000)	4,441,000
Flat Bush Property	7,550,000	123,000	7,673,000	-	-	71,000	-	-	7,744,000	(123,000)	7,621,000
Glen Innes Property	6,119,000	233,000	6,352,000	-	-	22,000	-	-	6,374,000	(233,000)	6,141,000
Dinsdale Property	6,174,000	47,000	6,221,000	-	-	34,000	-	-	6,255,000	(47,000)	6,208,000
Trentham Property	4,721,000	56,000	4,777,000	-	-	20,000	-	-	4,797,000	(56,000)	4,741,000
Takanini Property	5,006,000	49,000	5,055,000	-	-	17,000	-	-	5,072,000	(49,000)	5,023,000
Wellsford Property	4,144,000	7,000	4,151,000	-	-	2,000	-	-	4,153,000	(7,000)	4,146,000
Beachlands Property	4,203,000	-	4,203,000	-	-	3,000	-	-	4,206,000	-	4,206,000
Westgate Property	6,401,000	-	6,401,000	-	-	4,000	-	-	6,405,000	-	6,405,000
Total	69,878,000	1,281,000	71,159,000	-	-	247,000	-	-	71,406,000	(1,281,000)	70,125,000

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

2. Assumptions (continued)

- (k) **Derivatives:** Derivative financial instruments have been assumed to be fair valued on 31 August 2025 based on actual information known at that date. Future values during the prospective financial periods presented are deemed to be this value. It has been assumed there will be no net revaluation gains or losses in the fair value of the derivative financial instruments beyond 31 August 2025 as future gains or losses beyond this date cannot be reliably predicted.

As derivative financial instruments move closer to maturity, it has been assumed any potential future movement in their value driven solely by the passage of time has been offset by the impact of further swaps being placed.

- (l) **Regulatory Environment:** The Prospective Financial Statements have been prepared on the assumptions that there will be no material changes in the economic, legal or regulatory environment, including with respect to taxation.
- (m) **Contribution Fee and Underwriting Fee:** The Fund is assumed to be charged a contribution fee equating to 2.00% of the total equity raised by the Fund. The Manager may pay away some or all this amount to the Manager's sales team and third-party referring agents.

The Fund is also assumed to be charged an underwriting fee equating to 3.00% of the value of units underwritten in the Offer by the Manager. Parties related to the Fund may enter sub-underwriting arrangements with the Manager in relation to offers in the Fund. Related to the Offer, The Manager has entered a sub-underwriting arrangement with PMG Debt Fund Limited, a related party within the PMG Group, for the value of the underwritten Units. The sub-underwriting arrangement comes at minimal cost (within Offer Costs) to the Fund and investors.

For the Offer, it has been presumed the Manager charges the Fund a contribution fee of \$299,924 plus GST and an underwriting fee of \$149,865 plus GST on or around 28 November 2025 (based on 15,460,000 units being issued under the Offer, of which 5,150,000 are underwritten by the Manager).

- (n) **Other related party transactions:** The in-house General Counsel for PMG, employed through PMG Funds, provides general legal services to the Fund from time to time, on the instruction of the Manager. These services include, but are not limited to, legal due diligence on property investments, negotiation of the sale and purchase agreement for property investments, legal support with leasing and asset management of the Property portfolio, and review and execution of financing arrangements. There is a reasonable market rate "time in attendance" fee incurred for any such legal services provided by the General Counsel, believed to be below to cost of receiving comparable services from external providers. The Supervisor has approved this arrangement. The cost for the prospective periods is forecast to be \$30,800 plus GST (of which \$27,500 plus GST is related to the acquisitions of the Acquisition Property, Beachlands Property and Wellsford Property) and \$1,000 plus GST for the years ending 31 March 2026 and 31 March 2027, respectively.

Forsite Limited provides software services to the Fund. The cost for the prospective periods is forecast to be \$1,800 plus GST and \$1,900 plus GST for the years ending 31 March 2026 and 31 March 2027, respectively.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

3. Sensitivity analysis

Prospective Financial Statements are inherently subject to business, economic and competitive uncertainty, and accordingly actual results are likely to vary from Prospective Financial Statements, and this variation could be material. A summary of the likely effects of variations in key assumptions on the Prospective Statement of Comprehensive Income is detailed overleaf. Any cents per unit assessment is based on the weighted average number of units on issue during the relevant period, in the relevant scenario.

The sensitivities for each assumption are not intended to be indicative or predictive of the possible range of outcomes. Care should be taken in interpreting this information. The approach taken in respect of the sensitivities has been to determine those variables most likely to significantly affect results in years ending 31 March 2026 and 2027, using the Manager's judgement. Each movement in an assumption is calculated and presented in isolation from movements in other assumptions (except where borrowings would be required to provide the Fund with a positive cash balance), which is not likely to be the case. It is more likely that more than one assumption may move at any point in time, giving rise to compounding or offsetting effects. Furthermore, the sensitivity analysis does not consider any potential mitigating actions that the Manager of the Fund may take from time to time.

Rental income risk: Rental income risk is in the normal course of the Fund's business. The sensitivity result overleaf are based on an increase of 5%, or decrease of 20% in monthly Net Rental Income from 1 September 2025. This could occur due to variation in vacancy and vacancy periods, tenant defaults, or lease terms from that forecast. A reduction in rental income could also occur due to inability to access property. Should such events occur, the amount, duration, and timing of any rental variation is likely to differ from the hypothetical sensitivity estimate and may impact rental income by an amount above or below a 20% change in monthly Net Rental Income.

Interest rate risk: Exposure to interest rate risk is in the normal course of the Fund's business. The sensitivity results are based on a 100-basis point shift (bps) (1.0% rate movement) in the Floating Base Rate and rate of new interest rate swaps above or below the rate assumed from 1 September 2025. No change in the fair value of interest rate swaps has been accounted for in the sensitivity.

Capital expenditure risk: Total capital expenditure is subject to variation in both timing and value and is a material cost to the Fund with an inherent risk of being incurred above or below the amounts projected. The sensitivity results overleaf are based on an increase of \$500,000 in required capital expenditure over the period from 1 September 2025 to 31 March 2027, that are not recoverable from other parties. A sensitivity is also shown whereby the Fund incurs no capital expenditure over the period from 1 September 2025 to 31 March 2027, corresponding to a decrease of \$365,000 over this period.

Valuation risk: Investment Property is valued at fair value. Fluctuations in value will directly impact the Fund's performance. The value of investment property is sensitive to changes in various assumptions over a period, including future tenancy risk, the discount rate applied, and projected operational and capital expenditure. The value of investment property will also impact the fund management fee charge, which is predominantly based on the value of investment property managed, and the performance fee payable. The sensitivity adjustments are based on increasing / (decreasing) fair value by 10% of the assumed fair value as of 31 March 2026 (with no further changes).

Offer funding risk: Units issued and funding available is influenced by the success of the Offer. Should the total number of units issued under the Offer differ from 15,460,000 units, a different level of cash on hand or level of borrowings would be generated causing a change in the weighted average interest rate of the Fund. The sensitivity result to offer funding overleaf presumes either the Minimum Equity Raise, or the Maximum Equity Raise, is achieved. The scenarios presume no further new Property Investments are acquired, however it does include the impact on borrowings.

PMG Direct Childcare Fund
Supplementary Information for PDS dated on or around 24 October 2025
Prospective Financial Information for SCH12591 and OFR14004

Sensitivity item	Positive / (Negative) Change	Measure impacted	Positive Outcome		Negative Outcome	
			FY2026	FY2027	FY2026	FY2027
Rental Income	5% / (20%) across 19 months	Rental Income from Investment Properties	133,000	241,000	(531,000)	(963,000)
		Supervisor fees	-	-	-	(1,000)
		Property and Fund Management Fees	2,000	3,000	(5,000)	(10,000)
		Interest Expense	-	-	7,000	53,000
		Net Profit	131,000	238,000	(533,000)	(1,005,000)
		Cash and Cash Equivalents	135,000	372,000	(13,000)	(13,000)
		Borrowings	-	-	533,000	1,538,000
		Trade and Other Payables	-	-	(1,000)	(1,000)
		Other Current Liabilities	4,000	3,000	(12,000)	(12,000)
		Change in Net Profit per unit on issue at year end	0.23 cpu	0.41 cpu	(0.92 cpu)	(1.74 cpu)
Interest Rate	Floating Base Rate and new swap rates (100bps) / 100bps across 19 months	Interest Expense	(55,000)	(122,000)	55,000	122,000
		Net Profit	55,000	122,000	(55,000)	(122,000)
		Cash and Cash Equivalents	55,000	177,000	(55,000)	(177,000)
		Change in Net Profit per unit on issue at year end	0.09 cpu	0.21 cpu	(0.09 cpu)	(0.21 cpu)
Capital Expenditure	(\$365,000) / \$500,000 across 19 months.	Interest Expense	(1,000)	(12,000)	1,000	17,000
		Net Profit	1,000	12,000	(1,000)	(17,000)
		Cash and Cash Equivalents	(20,000)	(5,000)	25,000	9,000
		Borrowings	(118,000)	(365,000)	184,000	500,000
		Investment Property	(118,000)	(365,000)	184,000	500,000
		Trade and Other Payables	(23,000)	(20,000)	30,000	30,000
		Other Current Liabilities	2,000	3,000	(4,000)	(4,000)
		Change in Net Profit per unit on issue at year end	0.00 cpu	0.02 cpu	(0.00 cpu)	(0.03 cpu)
Property Valuation	10% / (10%) at 31 March 2026	Property and Fund Management Fees	-	28,000	-	(28,000)
		Supervisor Fees	-	4,000	-	(4,000)
		Other Expenses	-	4,000	-	(4,000)
		Unrealised gain/(loss) in value of investment property	6,889,000	-	(7,321,000)	-
		Net Profit	6,889,000	(36,000)	7,321,000	36,000
		Cash and Cash Equivalents	-	-	-	-
		Investment Property	6,889,000	6,889,000	(7,321,000)	(7,321,000)
		Trade and Other Payables	-	3,000	-	(3,000)
		Change in Net Profit per unit on issue at year end	11.93 cpu	(0.06 cpu)	(12.67 cpu)	0.06 cpu

PMG Direct Childcare Fund
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 Prospective Financial Information for SCH12591 and OFR14004

Sensitivity item	Positive / (Negative) Change	Measure impacted	Positive Outcome		Negative Outcome	
			FY2026	FY2027	FY2026	FY2027
Offer Funding	Maximum Equity Raise / (Minimum Equity Raise) at Settlement Date	Supervisor Fees	1,000	5,000	(2,000)	(5,000)
		Other Expenses	2,000	6,000	(2,000)	(6,000)
		Interest Expense	(160,000)	(489,000)	164,000	488,000
		Net Profit	157,000	478,000	(160,000)	(477,000)
		Cash and Cash Equivalents	8,000	(117,000)	(11,000)	115,000
		Borrowings	(9,800,000)	(9,800,000)	9,800,000	9,800,000
		Trade and Other Payables	1,000	1,000	(1,000)	(1,000)
		Distribution Payable	50,000	50,000	(50,000)	(50,000)
		Share capital net of issuance costs (cumulative)	9,801,000	9,801,000	(9,801,000)	(9,801,000)
		Distributions Declared (cumulative)	201,000	804,000	(201,000)	(804,000)
		Change in Net Profit per unit on issue at year end	0.23 cpu	0.70 cpu	(0.34 cpu)	(1.00 cpu)