

Centuria

PRIVATE PARTNERS



Boundary lines
indicative only

Investment Memorandum for an offer of units in Centuria NZ Value-Add Fund No. 2 LP

OFFER AVAILABLE TO WHOLESAL INVESTORS ONLY.

The following warning applies to any Investor who is a wholesale investor in relation to the Offer under the *Financial Markets Conduct Act 2013* (the **FMCA**) by virtue of clause 3(3)(b)(i) of schedule 1 of the FMCA (that is because the minimum amount payable by that person on acceptance of the Offer is at least \$750,000). Warning statements for other wholesale investors are contained in the relevant certificates attached to this Investment Memorandum.

WARNING

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is \$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

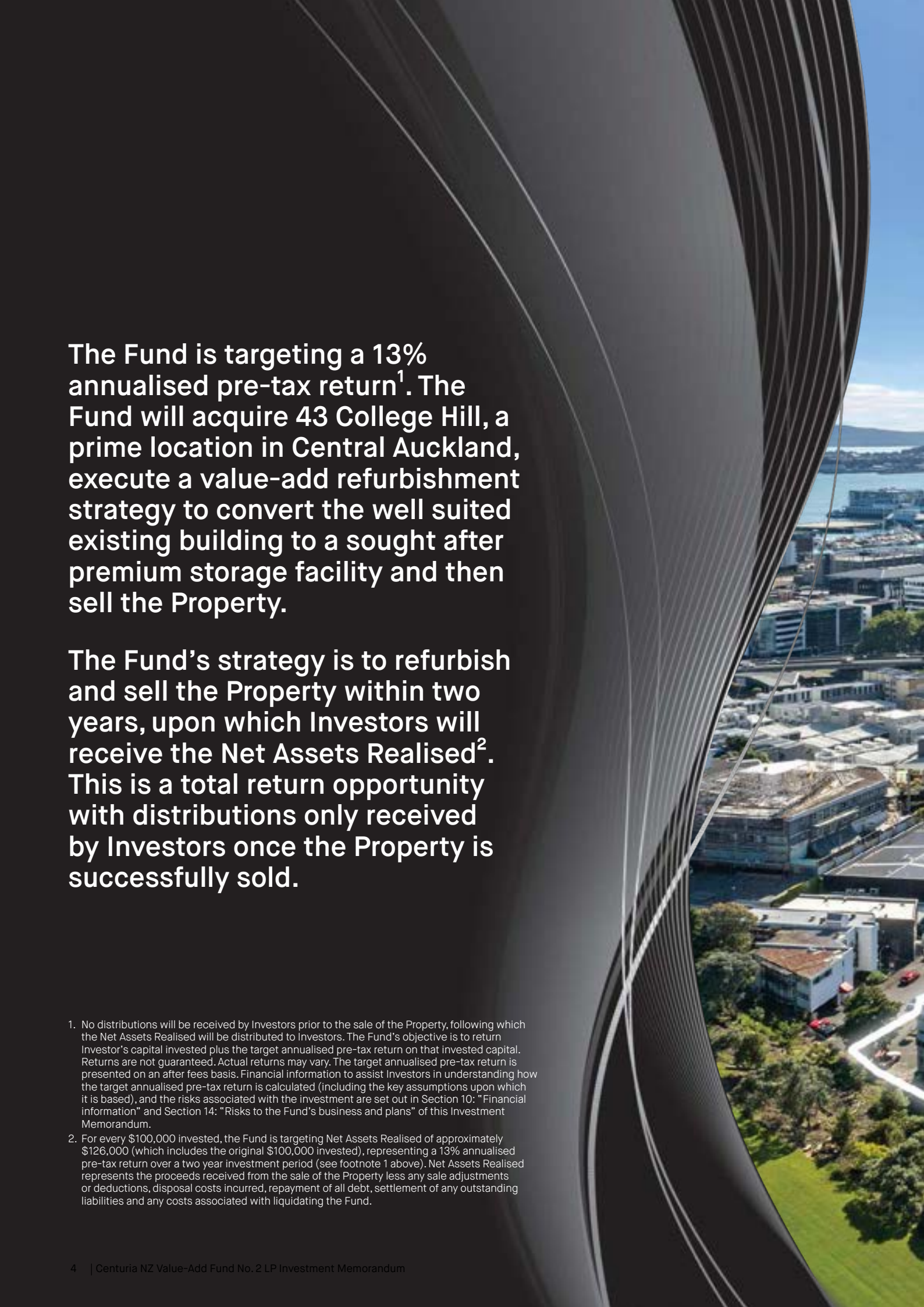
IMPORTANT NOTICE

This Investment Memorandum is not, and does not constitute, a product disclosure statement, offering document or other form of disclosure document under New Zealand law (or any other law) and may not contain all the information which would be required to be disclosed in a product disclosure statement, offering document or other form of disclosure document under New Zealand law (or any other law). The Offer is only being made to persons who are "wholesale investors" within the meaning of clause 3 of schedule 1 of the FMCA. Accordingly, the Offer is not a regulated offer and is not an offer of financial products that requires disclosure under Part 3 of the FMCA. No product disclosure statement, register entry or other disclosure document required by the FMCA will be prepared in respect of the Offer. This Investment Memorandum has not been registered, filed with or approved by any New Zealand regulatory authority under the FMCA or any other enactment. The Units are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who is a wholesale investor within the meaning of clause 3 of Schedule 1 of the FMCA. Further details about the different categories of wholesale investors to whom the Offer is being made, and the associated criteria and certification requirements, are set out in the Application Form and accompanying instructions. If, in the future, any person in New Zealand to whom Units are issued or sold elects to sell any Units, they must not do so in any manner which will, or is likely to, result in the Offer, or such sale, being viewed as an offer to which Part 3 of the FMCA is applicable.

This Investment Memorandum does not contain all of the information that a prospective investor may require to evaluate a decision to invest in the Units and the risks associated with that investment. It does not take into account your individual investment objectives, taxation position, financial situation or needs and must not be relied on to make an investment decision. Any reliance you place on this Investment Memorandum, and any use of this Investment Memorandum, is solely at your risk. You should undertake your own independent review, investigation and analysis of the Offer and obtain any taxation, legal, financial or other professional advice in relation to this Investment Memorandum as appropriate in your circumstances.



ARTIST IMPRESSION



The Fund is targeting a 13% annualised pre-tax return¹. The Fund will acquire 43 College Hill, a prime location in Central Auckland, execute a value-add refurbishment strategy to convert the well suited existing building to a sought after premium storage facility and then sell the Property.

The Fund's strategy is to refurbish and sell the Property within two years, upon which Investors will receive the Net Assets Realised². This is a total return opportunity with distributions only received by Investors once the Property is successfully sold.

1. No distributions will be received by Investors prior to the sale of the Property, following which the Net Assets Realised will be distributed to Investors. The Fund's objective is to return Investor's capital invested plus the target annualised pre-tax return on that invested capital. Returns are not guaranteed. Actual returns may vary. The target annualised pre-tax return is presented on an after fees basis. Financial information to assist Investors in understanding how the target annualised pre-tax return is calculated (including the key assumptions upon which it is based), and the risks associated with the investment are set out in Section 10: "Financial information" and Section 14: "Risks to the Fund's business and plans" of this Investment Memorandum.
2. For every \$100,000 invested, the Fund is targeting Net Assets Realised of approximately \$126,000 (which includes the original \$100,000 invested), representing a 13% annualised pre-tax return over a two year investment period (see footnote 1 above). Net Assets Realised represents the proceeds received from the sale of the Property less any sale adjustments or deductions, disposal costs incurred, repayment of all debt, settlement of any outstanding liabilities and any costs associated with liquidating the Fund.



Boundary lines
indicative only

A letter from Centuria NZ

Dear Investor,

Centuria NZ is an active participant in the New Zealand commercial property market. Through our extensive market connections, we have access to a range of desirable commercial property opportunities.

Primarily we have been buyers of typical investment-grade assets with long leases and low risk profiles that provide passive and dependable cash returns. That said, we are frequently presented with, or find in the market, opportunities to acquire assets that may initially lack those characteristics but have solid fundamentals including location and future potential. 43 College Hill, Auckland (the Property) is exactly that, a unique value-add opportunity providing a rare combination of a prime central Auckland location and a building structure that suits conversion to a premium storage facility, which is expected to be sought after in this affluent area.

We have a strong track record in adding value to assets, with our Value-Add Fund No.1, which launched in 2016, realising the potential from five Auckland assets and delivering investors an IRR of 11.73% over the three-year life of that fund¹. We believe that 43 College Hill, Auckland is the perfect property with which to present a new value-add opportunity to Investors through the Value-Add Fund No. 2 (the **Fund**).

43 College Hill, Auckland – prime location with value-add potential

43 College Hill, Auckland (the **Property**) will be acquired by the Fund as its sole asset. The Property provides a significant opportunity for us to add value and reposition the asset through our management and development expertise.

The Property is in a premium location in central Auckland, benefitting from access off both College Hill and Hargreaves Street. The area borders the sought-after and wealthy suburbs of Ponsonby, Wynyard Quarter, Saint Marys Bay, Freemans Bay and Herne Bay. The intention is to implement a value-add refurbishment strategy to convert the existing four-level concrete frame office and warehouse building into:

- a self-storage operation, including temperature and humidity-controlled wine storage, expected to be operated on behalf of the Fund by an experienced nationwide storage provider;
- a pre-leased high security vault tenancy featuring safety deposit boxes;
- a retail tenancy (currently targeted to be an upscale wine shop), situated on the high profile College Hill road frontage; and
- a digital advertising billboard (4m x 8m), visible to traffic on College Hill, subject to receiving resource consent.

Centuria NZ has conducted extensive due diligence on the Property after entering into a conditional sale and purchase agreement in May 2023. This includes a detailed seismic assessment, extensive engagement with consultants and contractors and thorough feasibility analysis. The proposed scope of work is relatively straight forward, focusing on refurbishment, with a minor seismic upgrade. The existing four level building is a structurally sound concrete frame building that is well suited to the change of use. Internal works will update the existing partial office and warehouse storage space into a premium self-storage and wine storage facility with separate tenancy areas. Externally the building will also be aesthetically modernised. We have negotiated early access to the Property ahead of settlement and have already commenced preliminary works. This, together with buying some materials in advance, gives us a head start on the project.

Growing demand for self-storage sector underpins the opportunity

At Centuria NZ, we are particularly excited about the potential the storage sector offers our Investors. We have been closely observing the growth of self-storage in New Zealand, driven by factors like increasing population density, household downsizing and more frequent extreme weather events. Location ranks right alongside price as the key factor storage customers consider when choosing a storage provider. 43 College Hill taps directly into this factor with its convenient location on a main thoroughfare between the CBD and some of Auckland's wealthiest suburbs, allowing the storage operation to benefit from the above-average local demographic profile.

The growth in the underlying demand for storage underpins the demand for storage-based real estate opportunities. We have seen storage become a desirable and strong performing alternative asset class in the real estate market, particularly in countries like the United States and Australia where storage-specific real estate investment vehicles are becoming increasingly common. We see this as a natural development for the New Zealand market which plays into the long-term desirability of storage-based real estate.

1. Past performance of other funds managed by the Manager is not indicative of the performance of the Fund.

Two year expected investment term

The Fund has a two year term¹ and a target annualised pre-tax return of 13%². The refurbishment of the Property is currently expected to take up to 12 months, leaving at least 12 months or more of trading before the anticipated sale date and distribution of the Net Assets Realised to Investors. Centuria NZ also intends to seek a pre-committed sale of the Property during the refurbishment phase but, if market conditions dictate, there is the flexibility to wait until after trading commences.

**Investment is
available from
\$100,000.**

Experienced Manager with in-house development expertise

Centuria NZ manages approximately \$2.6 billion of assets with a strong track record. It is a part of the ASX200 listed Centuria Capital Group (one of Australasia's largest property fund managers) which has over \$20 billion of assets under management across Australia and New Zealand³. We have extensive value-add and development experience in New Zealand, having completed approximately \$170m of development projects in the past two years through our highly skilled in-house development management team. When you combine these factors with our asset management skills, you can see we have our finger on the pulse of the construction and property markets, providing Investors with confidence that the refurbishment, management and sale of the Property will be expertly handled.

We expect strong interest in the Offer, particularly from our Value-Add Fund No.1 investors and we recommend your earliest attention to this opportunity.

This Investment Memorandum contains important information about the Fund. We encourage you to read it carefully and consider in particular Section 14: "Risks to the Fund's business and plans" before making your investment decision.



Mark Francis
Centuria NZ CEO

1. The General Partner may call a meeting of Investors to vote on extending the term of the Fund. The term of the Fund may be extended if approved by an Ordinary Resolution.
2. No distributions will be received by Investors prior to the sale of the Property, following which the Net Assets Realised will be distributed to Investors. The Fund's objective is to return Investor's capital invested plus the target annualised pre-tax return on that invested capital. Returns are not guaranteed. Actual returns may vary. The target annualised pre-tax return is presented on an after fees basis. Financial information to assist Investors in understanding how the target annualised pre-tax return is calculated (including the key assumptions upon which it is based), and the risks associated with the investment are set out in Section 10: "Financial information" and Section 14: "Risks to the Fund's business and plans" of this Investment Memorandum.
3. Assets under management as at 30 June 2023. Includes assets contracted to be settled, cash and other assets.



SELF STORAGE
COLLEGE HILL



ARTIST IMPRESSION

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1. Investment highlights



Target 13% annualised pre-tax return¹

Providing an attractive target return in the current market.



Two year investment period

The two year Fund term² provides Investors with a defined investment horizon.



A rare opportunity combining a prime central Auckland location, with a building well suited for conversion to storage

The building and location suit conversion to a premium storage facility given the proximity to the surrounding affluent Ponsonby, Wynyard Quarter, Saint Marys Bay, Freemans Bay and Herne Bay areas. The storage facility will include self-storage, wine storage and a high security vault.



Provides exposure to the strong performing and growing storage sector

Growth in storage demand is being driven by factors like increasing population density, household downsizing and extreme weather events. There is a shortage of self-storage supply in central Auckland locations and few competitors nearby, with limited offerings for accessible and quality wine storage near some of Auckland's wealthiest suburbs. Storage is also becoming a desirable and strong performing alternative asset class in the real estate market.



Manager with strong track record in value-add and development projects

Value-Add Fund No.1 offered by Augusta (now known as Centuria NZ) in 2016 performed well with investors receiving an IRR of 11.73% over the fund's three year term³. Centuria NZ has extensive value-add and development experience, having completed approximately \$170m of development projects in the past two years through our in-house development management team.

1. No distributions will be received by Investors prior to the sale of the Property, following which the Net Assets Realised will be distributed to Investors. The Fund's objective is to return Investor's capital invested plus the target annualised pre-tax return on that invested capital. Returns are not guaranteed. Actual returns may vary. The target annualised pre-tax return is presented on an after fees basis. Financial information to assist Investors in understanding how the target annualised pre-tax return is calculated (including the key assumptions upon which it is based), and the risks associated with the investment are set out in Section 10: "Financial information" and Section 14: "Risks to the Fund's business and plans" of this Investment Memorandum.

2. The term of the Fund may be extended if approved by an Ordinary Resolution.

3. Past performance of other funds managed by the Manager is not indicative of the performance of the Fund.



Well established and experienced Manager with significant property market expertise

Centuria NZ manages approximately \$2.6 billion of assets with a strong track record. It is a part of the ASX200 listed Centuria Capital Group (one of Australasia's largest property fund managers) which has over \$20 billion of assets under management across Australia and New Zealand¹. As a frequent buyer and seller of commercial property in New Zealand for over 20 years, Centuria NZ has extensive expertise and connections which will enhance the sale prospects of the Property on exit.



Offer fully underwritten with investment available from \$100,000

Strong interest is expected in the Offer, with investment available from \$100,000 and in multiples of \$10,000 thereafter.



1. Assets under management as at 30 June 2023. Includes assets contracted to be settled, cash and other assets

2. The opportunity

Phase 1: Acquisition – Purchase 43 College Hill, Auckland

The Fund will purchase 43 College Hill, Auckland, an existing four-level concrete frame office and warehouse building situated in a highly sought after location on the fringe of Auckland's CBD, bordering the Ponsonby, Wynyard Quarter, Saint Marys Bay, Freemans Bay and Herne Bay areas.

The Property has been independently valued by Gribble Churton Taylor on an "as is" basis at \$22 million as at 26 September 2023 against a purchase price of \$21.65 million¹.

Phase 2: Refurbishment – Convert existing building to self-storage facility with additional complementary tenancies

The intention is to implement a value-add refurbishment strategy to convert and reconfigure the Property into:

- a premium self-storage operation, including temperature and humidity controlled wine storage, expected to be operated on behalf of the Fund by an experienced nationwide storage operator;
- a pre-leased high security vault tenancy featuring safety deposit boxes;
- a retail tenancy (currently targeted to be an upscale wine shop), situated on the high profile College Hill road frontage; and
- a digital advertising billboard (4m x 8m), visible to traffic on College Hill, subject to receiving resource consent.

The refurbishment works are currently expected to take up to 12 months and will be funded by progressively drawing bank debt under a development loan facility from ASB.

The bulk of the project is fit-out of the storage areas and a refresh of the building's façade, with minimal structural works required.

Phase 3: Trading – Increase storage occupancy and income, supplemented by lease income

Once the refurbishment works are completed the Fund will commence its trading phase.

Approximately 77% of the Property's total gross stabilised revenue is expected to be generated by the self-storage and temperature-controlled wine storage operations. These are intended to be run on behalf of the Fund by a storage operator, pursuant to a storage operator agreement. Individual storage users rent space within the facility on contracts of varying terms, with the Fund receiving the net income from those occupied units after deducting the storage operator's fee and the facility's operating expenses.

The Manager has been in detailed negotiations with two experienced nationwide storage operators who are vying to be appointed to manage the facility. Commercial

terms are largely agreed with each party and the Manager expects to appoint the preferred operator prior to settlement of the Property purchase, well in advance of the expected opening date of the storage operation.

The storage income received by the Fund is directly related to the occupancy level across the storage units and will therefore take time to reach its forecast stabilised level. Self-storage occupancy is expected to reach 90% after 12 months of trading (excluding the smaller 1m³ "Manhattan" units which are expected to take a longer period), which is in line with the industry average occupancy rate. The Fund's forecasts assume the wine storage will reach 50% occupancy in the first 12 months of trading (excluding the smaller "Manhattan" wine units), reflecting the expectation that this more premium offering (which brings premium storage rental rates relative to the size of the units) will take longer to fill.

As the refurbishment of each level of the Property is completed, the storage operations could potentially begin trading on that particular level. This would enable the trading phase to stretch beyond the assumed 12 month period, allowing more time to increase the Fund's storage occupancy levels prior to selling the Property.

The Property is expected to generate the remaining approximately 23% of its total gross stabilised revenue from the pre-committed long-term lease for the Security Vault Lease and the anticipated retail lease and Billboard Lease. These are traditional leases where the tenant pays the Fund a fixed monthly rental amount. This provides a steady base level of income and mitigates potential fluctuations in the storage income.

Phase 4: Exit – Sell the Property and distribute the Net Assets Realised to Investors

The Fund has a two year term² and a target annualised pre-tax return of 13%. The refurbishment of the Property is expected to take up to 12 months, leaving 12 months or more of trading before the anticipated sale date and distribution of Net Assets Realised to Investors. Centuria NZ intends to seek a pre-committed sale during the refurbishment phase but, if market conditions dictate, there is the flexibility to wait until after trading commences.

Distributions will only be received by Investors once the Property is successfully sold. The Net Assets Realised will be distributed to Investors once the Property is sold and the Fund is wound-up.

Gribble Churton Taylor have provided an independent valuation assessment of the Property on an "as if complete" basis at \$55 million as at 26 September 2023. An "as if complete" valuation assessment assumes the refurbishment of the Property described in this Investment Memorandum has been completed as at 26 September 2023.

1. The "as is" valuation assumes completion of the boundary adjustment discussed in Section 5: "The location and the Property".

2. The two year term may be extended if approved by an Ordinary Resolution. See Section 3: "Key terms of investment" for further details.





3. Key terms of investment

Products on offer	Units in a limited partnership, the Centuria NZ Value-Add Fund No. 2 LP.
Single asset vehicle	The Fund will acquire 43 College Hill, Auckland. No further acquisitions will be made in the future and the Fund will be wound up following the sale of the Property.
Issue price	\$1.00 per Unit.
Number of Units to be issued	Up to 25,500,000 Units.
Minimum investment	\$100,000, and increments of \$10,000 thereafter.
Investment term	Two year term from the date on which Units are allotted. The General Partner may call a meeting of Investors to vote on an extension of the term of the Fund. The term of the Fund may be extended if approved by an Ordinary Resolution. If Investors do not approve an extension to the term of the Fund, the Fund will be liquidated at the end of the two year term.
Target Return	Target 13% annualised pre-tax return ¹ . No distributions will be received by Investors during the term of the Fund other than following the sale of the Property.
Purpose of the Offer	Investor funds will be used, together with progressively drawn bank financing, from ASB to purchase, refurbish and reposition 43 College Hill, Auckland.
Offer open date	17 November 2023.
Offer close date / subscription monies due	15 December 2023.
Allotment date for Units	Settlement date for the purchase of the Property, assumed to be 21 December 2023.

1. No distributions will be received by Investors prior to the sale of the Property, following which the Net Assets Realised will be distributed to Investors. The Fund's objective is to return Investor's capital invested plus the target annualised pre-tax return on that invested capital. Returns are not guaranteed. Actual returns may vary. The target annualised pre-tax return is presented on an after fees basis. Financial information to assist Investors in understanding how the target annualised pre-tax return is calculated (including the key assumptions upon which it is based), and the risks associated with the investment are set out in Section 10: "Financial information" and Section 14: "Risks to the Fund's business and plans" of this Investment Memorandum.

Settlement date for purchase of the Property by the Fund	21 December 2023, or (if later) 10 working days after the date on which the Vendor provides to the Fund a search copy of the new title to be issued for the Property following completion of the boundary adjustment. The Fund has the right to cancel the Sale and Purchase Agreement if the new title is not received by 15 March 2024 ¹ .
Underwriting	The Offer is fully underwritten by the Underwriter to ensure the Offer will proceed. The terms of the underwrite are described in Section 13: "Centuria NZ – Manager of the Fund".
Overseas investors	The Offer is only being made to persons in New Zealand and in any other jurisdictions in which the Manager chooses to make the Offer, being satisfied it is able to do so without having to prepare a disclosure document, at its discretion. No person may offer, invite, sell or deliver any Units or distribute any documents (including this Investment Memorandum) to any person outside New Zealand unless such offer or invitation can be made without having to prepare a disclosure document. The Investment Memorandum may not be sent into or distributed in the United States. Unless otherwise agreed with the Fund, any person applying for Units will be deemed to represent and warrant to the Fund that he, she or it is not in a jurisdiction that does not permit the making of the Offer or an invitation of the kind contained in the Investment Memorandum and is not acting for the account or benefit of a person within such a jurisdiction. Neither the Fund, the Manager nor any of their directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

The Manager reserves the right to reduce the total number of Units to be issued (provided a minimum of 23.5 million Units are issued) or amend the minimum investment amounts, the multiples of Units that may be subscribed for and the minimum and maximum number of Units that may be held.

The timetable is indicative only and the dates may change. In particular, the Manager reserves the right to close the Offer at any earlier date or extend the closing date of the Offer to any date on or before 15 March 2024 (the sunset date under the Sale and Purchase Agreement) without prior notice. The Manager also reserves the absolute right in its sole discretion to accept or reject any application in whole or in part without giving any reason.

Investors' subscription monies will be held in a trust account established for the Offer.

1. More information on the Sale and Purchase Agreement for the Property is set out in Section 5: "The location and the Property".



4. Key drivers of returns

The target return represents the Net Assets Realised following the sale of the Property less the initial investment, which is expressed as an annualised pre-tax return over the expected 2 year term of the Fund. The key drivers of returns to Investors are the:

- Sale price achieved for the Property, influenced by factors including the:
 - state of the property market at the time of sale;
 - occupancy level of the storage facility;
 - storage rental rates being charged; and
 - expectations for future trading performance of the storage facility, including any income underwrite negotiated with the purchaser.
- Sale timing, influenced by factors including the:
 - timing of completion of the refurbishment;
 - trading performance to date;
 - state of the property market, including the availability of buyers willing to settle the purchase in the assumed two year time frame; and
 - ability to extend the Fund's term to achieve a satisfactory sale if necessary (subject to Investors passing an Ordinary Resolution), including the ability to extend or refinance the Fund's bank debt.
- Extent to which total refurbishment costs and financing costs incurred differ to the overall forecast cost.
- Timing of completion of the refurbishment works, which is assumed to be within 12 months from settlement, so that trading can commence.
- Leasing of the retail and digital billboard tenancies.

5. The location and the Property

The Fund will purchase 43 College Hill, Auckland, an existing four-level concrete frame office and warehouse building situated in a highly sought after location in central Auckland, bordering the affluent Ponsonby, Wynyard Quarter, Saint Marys Bay, Freemans Bay and Herne Bay suburbs. The local area has seen increased multilevel infill residential development in recent years as more people seek to live closer to the city centre.

In terms of demographics, the catchment area represents an "above average" profile (including higher household incomes, population density and projected population growth) which is conducive to demand for storage. There are also few competing self-storage and wine storage facilities in close vicinity.

The land area of the Property is 2,632m² and the building has a gross floor area of approximately 4,448m². Access to the Property is available from two roads: College Hill and Hargreaves Street. College Hill joins with Victoria Street West to provide one of the main thoroughfares linking the wealthy inner-west suburbs and the Auckland CBD. The College Hill road frontage provides vehicle access to the building and entry to two separate existing carpark areas. Hargreaves Street at the north-eastern end of the Property (the rear) includes a third carpark area, as well as a driveway to the basement level that will become the security vault tenancy. Having multiple access points increases the functionality of the storage operation and allows separate access and parking for the retail and security vault tenancies.

The building was constructed in the early 1970s and was originally designed for a mix of both warehouse storage and office activities, remaining largely unaltered since. The bottom two levels were originally built for warehouse storage with concrete floor structures designed to carry

heavier storage loads. The top two floor levels, also of concrete construction, were originally designed for office use. This solid construction makes it ideally suited for self-storage and means there are minimal structural upgrades required.

The Vendor is currently undertaking a boundary realignment of the eastern boundary of the Property (as indicated on the below map). The survey plan is currently with Land Information New Zealand for approval. Once Land Information New Zealand has approved the survey plan, the Vendor's solicitor will then lodge the subdivision at Land Information New Zealand to create the new titles.

Zoning

The Property and surrounding area are zoned Business - Mixed Use, enabling a mix of high-intensity residential and/or commercial activities and the development of buildings of up to five storeys or 18 metres high.

Recently the government's National Policy Statement on Urban Development (NPS-UD) has come into force which effectively directs Auckland Council to enable more building height and housing density within and around Auckland's city centre and metropolitan centres.

This focus on high-density residential development driven by central government, coupled with the changes to the planning controls, further supports the demand for self-storage facilities within the Auckland Central area.

Potential purchasers of the Property may see value in the ability to add a residential development on top of the Property's existing building.



Sale and Purchase Agreement

Centuria Capital (NZ) No. 2 Limited has entered into a sale and purchase agreement with College Hill Investments Limited (the **Vendor**) for the purchase of the Property (the **Sale and Purchase Agreement**). Centuria Capital (NZ) No. 2 Limited has nominated the Fund as the purchaser of the Property.

The key terms of the Sale and Purchase Agreement are:

Purchase price	\$21,650,000 plus GST (if any)
Settlement date	<p>The later of 21 December 2023 and the date 10 working days after the date on which the Vendor provides to the Fund a search copy of the new title to be issued for the Property.</p> <p>If that new title has not been issued by 15 March 2024, the Fund is entitled to cancel the Sale and Purchase Agreement. If the Sale and Purchase Agreement was cancelled, all Investor subscription monies would be returned.</p> <p>The Fund also has rights regarding approval of any further or revised conditions from Auckland Council for the survey plan required to effect the boundary adjustment, in addition to those that Auckland Council have already imposed.</p>
Subdivision (boundary adjustment)	The Vendor is obliged to use its best endeavours and do all things necessary to complete the boundary adjustment and obtain a separate record of title for the Property.
Early access	The Vendor has agreed to provide the Fund with access to the Property by 1 November 2023 to carry out structural works, demolition works and preliminary development works. The Manager has commenced preliminary works at the Property.
No objection covenant	A no-objection covenant is to be registered on the Property's new title under which the owner of the Property agrees not to object to any application for approval under the Resource Management Act 1991 regarding the subdivision, use or development of the adjoining land that the Vendor will continue to hold (as indicated on the below overhead map) nor bring any claims in respect of or do or permit anything that may restrict or inhibit any such activities. Similarly, the same covenant will also be registered on the Vendor's adjoining titles under which the Vendor may also not object to, bring a claim in respect of, restrict or inhibit the same matters in respect of the Property.

Due diligence investigations

The Manager has conducted extensive due diligence on the Property. This includes a detailed seismic assessment, extensive engagement with consultants and contractors and thorough feasibility analysis. Other due diligence investigations covered planning requirements, stormwater, contamination, geotechnical, fire, asbestos and legal matters. These investigations informed the nature and scope of the Fund's strategy and the proposed works, with multiple other options explored and discounted as adding too much risk, too much complexity or not likely to produce the target return.

Key findings from the due diligence were:

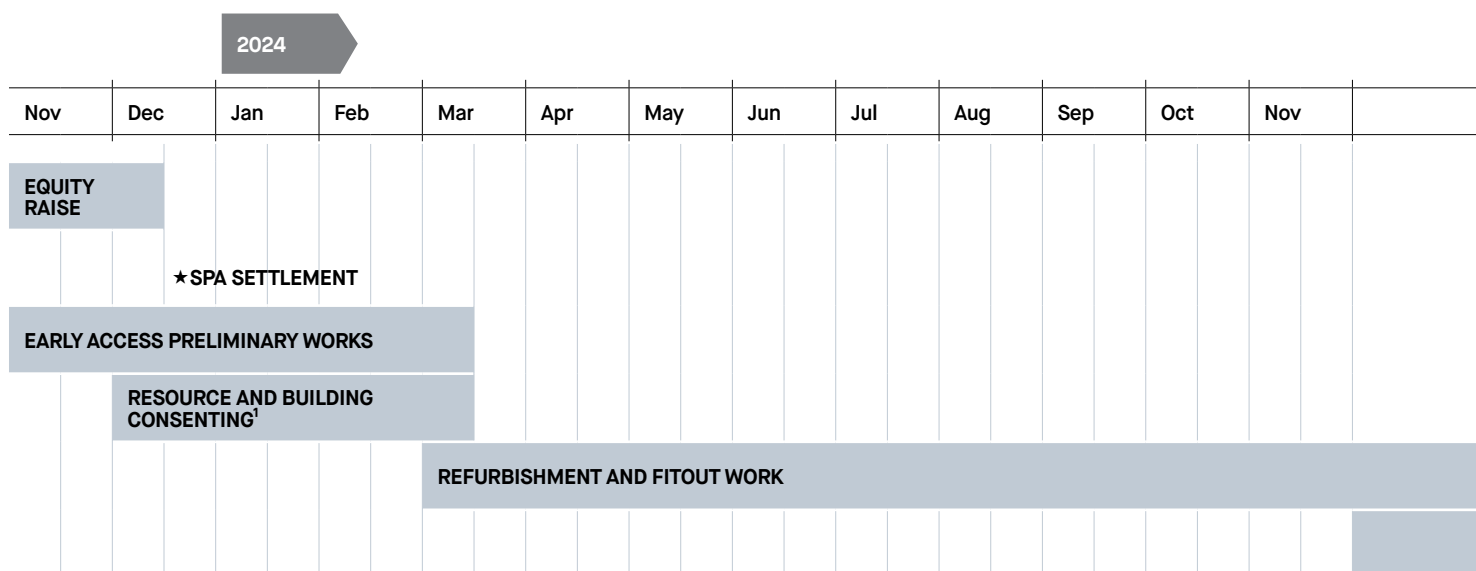
- Resource consents will be required for:
 - the proposed change to the façade and the change of use from office to storage; and
 - the inclusion of a large-scale digital advertising billboard.

The planning advice received during due diligence has indicated that both resource consents, which are restricted discretionary applications, should be achievable with the key risk being that the resource consent for the billboard requires the approval of Auckland Transport. A resource consent application for the change to the façade has already been lodged with Council and the application for the billboard consent will follow separately.

- The Property is located across a stormwater overland flow path. As was the case with many buildings, the Auckland Anniversary extreme weather event resulted in flooding to the basement, which was primarily due to slash and debris from landscaping works on the neighbouring embankment blocking the existing drainage. The Manager engaged with stormwater and structural engineers to develop a plan for future-proofing the basement from similar events. This work has been budgeted for in the construction costs and will be completed as part of the refurbishment works to be undertaken by the Manager.
- Structural engineers completed a full detailed seismic assessment (**DSA**) of the existing concrete frame. They concluded that the existing structural frame and façade currently have a seismic new building standard (**NBS**) rating of 70%, and that a 100% NBS rating for the proposed storage use could be achieved with minor works only. The DSA and the engineer's proposed upgrades have also been peer reviewed. The loading capacity of the existing floor and frame has also been confirmed in the DSA as having more than sufficient capacity for the storage use.

6. Refurbishment plan

Expected refurbishment timeframe



This section sets out a summary of the proposed works to refurbish the Property, the expected timeline for the refurbishment as well as a summary of the refurbishment costs.

Scope of Refurbishment Works

The scope of refurbishment works includes:

- the internal strip out of the existing office levels;
- refitting those levels with self-storage units;
- installation of two goods lifts;
- construction of a wine storage facility in the basement;
- fit-out of the retail tenancy;
- an external façade upgrade to the road front elevations of the building as well as a paint refresh to the balance of the exterior; and
- minor structural works to lift the building’s NBS rating to 100% on completion.

With no significant changes to the frame or envelope of the building, the Manager believes that the complexity of the works and the chance of unforeseen costs or delays are significantly minimised. A key milestone to achieving the refurbishment timeline will be receiving the required consents within the expected timeline.

The billboard is expected to be installed and paid for by the Billboard Tenant. The fit-out of the Security Vault will be completed by the Security Vault Tenant, with the Fund providing a fit-out contribution (as described further in Section 9: “Tenants / leases”).

Procurement - Fixed Price Lump Sum Contract

The Manager intends to enter into a fixed price lump sum contract with Haydn & Rollett Property Services Limited (**Haydn & Rollett**) who are specialists in smaller scale refurbishment and seismic upgrade projects, similar in scale to the proposed refurbishment works.

Following completion of the due diligence process, and progression of the preliminary design phase, Consult QS and Haydn & Rollett prepared detailed project estimations. The Fund added contingency provisions and this established the project budget. The refurbishment scope of works (to be included in the construction contract) was further developed within the parameters of the project budget.

As at the date of this Investment Memorandum, Haydn & Rollett has been engaged under a letter of award to carry out site clearance works, interior painting and other minor works that are exempt from requiring a building consent (such as fit-out works for storage spaces).

Works subject to a price that was fixed upfront

Large parts of the initial works referred to above will be carried out for a lump sum amount. This letter of award has enabled:

- Haydn & Rollett to mobilise its subcontractors to take advantage of the 1 November 2023 early access date under the Sale and Purchase Agreement;
- the design and consenting process to continue in parallel with ‘early contractor engagement’; and
- key electrical and mechanical modifications to be completed in advance of the self storage fit-out works.

1. Excludes billboard resource consent which is expected to be lodged after initial engagement with Council on the change of use and facade resource consent.

2025

ANTICIPATED SALE DATE★

TRADING PERIOD

The letter of award attaches an agreed form of construction contract that will shortly be entered into between the parties. The construction contract requires Haydn & Rollett to provide an on demand performance bond for 5% of the budgeted contract value promptly following the contract being executed.

Works subject to a price that is fixed following completion of design

When the parties enter into the construction contract, the remaining scope of works will initially be payable on an 'open book' cost reimbursable basis until such time as design development and the completion of subtrade procurement will enable a full fixed price lump sum for the whole of the works. It will also provide the Fund with direct visibility of all costs. All subtrade pricing information received and all progress payment claims issued under the contract will be reviewed and certified by the Fund's quantity surveyor – Consult QS.

It is anticipated that a fixed price lump sum for the whole of the works will be agreed by early December.

Fixed price supply and installation contract

Two of the main fit-out elements are expected to have separate fixed price supply and installation contracts:

- The storage unit fit-out on all floors will be purchased from internal storage fit-out business Storco (with flexibility to allow the configuration of storage units to be optimised); and
- Two integrated/self-contained goods lifts will be purchased.

The Manager has engaged with both Storco and potential lift providers throughout the due diligence process.

The Manager believes that the contracting approach described above will enable works to commence at the earliest opportunity and in turn business operations to commence much earlier than would otherwise be achievable under a traditional procurement process.

Expected refurbishment costs

The expected costs of the refurbishment are:

Refurbishment costs	7,788,063
Fitout costs ¹	5,900,000
Contingency	1,368,806
Professional fees	904,671
Development management and project management fees	638,462
Sub-total	16,600,002
Financing ²	1,392,919
Total	17,992,921

1. Costs relating to fitout of storage facility, Security Vault and retail tenancy.

2. Excludes upfront borrowing costs.



ARTIST IMPRESSION

7. Storage operation

Self-storage facilities in New Zealand are generally either run by an owner-occupier or by an operator who enters into a management agreement to manage the facility on behalf of the property owner. Operators do not typically take a traditional lease of storage facilities.

The Fund intends to enter into a storage operator agreement with a storage operator. The Manager has been in detailed negotiations with two experienced nationwide storage operators who are vying to be appointed to manage the self-storage and temperature-controlled wine storage operations. Commercial terms are largely agreed with each party and the Manager expects to appoint the preferred operator prior to settlement of the Property purchase, well in advance of the expected opening date of the storage operation. To maintain competitive tension and ensure the best outcome for the Fund, the appointment will not be made until final terms are agreed with each potential operator so the overall package offered by each party can be compared. Key terms, such as each operator's fees, have been agreed with each of the parties and the forecasts and assumptions in this Investment Memorandum have adopted the most conservative position of the two where the proposals vary.

The Manager has been in regular dialogue with potential storage operators during the due diligence and design phase, receiving input into the sizes and mix of the individual storage units and assistance with forecasting demand and costs. The Manager has also worked closely with Storco, a trans-Tasman storage fit-out specialist, who will be manufacturing and installing the storage units.

Individual storage users rent space within the facility on contracts of varying terms, with the Fund receiving the net income from those occupied units after deducting the operator's fee and the facility's operating expenses. The total storage income received by the Fund is directly related to the occupancy level across the storage units.

Occupancy expectations

Stabilised Occupancy (and income) is when the facility has reached a level of occupancy (and income) which is considered to be stable and subject to small fluctuations as users finishing their rental contracts are replaced by new users.

The Manager expects it will take up to 12 months before the self-storage units reach their Stabilised Occupancy level of 90% (excluding the smaller 1m³ "Manhattan" units which are expected to take a longer period). Wine storage is expected to take up to three years to reach its Stabilised Occupancy level of 90% (excluding the wine Manhattan which are also expected to take a longer period). Occupancy expectations are set out in the table below:

Unit type	Forecast occupancy (at end of first year of trading / assumed sale date)	Stabilised Occupancy	Time to reach Stabilised Occupancy (from commencement of trading)
Self storage (excl Manhattan units)	90%	90%	12 months
Self storage - Manhattan units	25%	90%	Up to 3 years
Wine (excl Manhattan units)	50%	90%	Up to 3 years
Wine - Manhattan units	25%	90%	Up to 4 years

Self-storage units

Over the four levels of the facility, units are expected to range from 1m³ to approximately 32m³ providing different storage options suitable for storing a set of golf clubs through to a house load of furniture. All units will have a ceiling height of 2.5 metres. With the significant available height between the building floors, a smaller 1m³ "Manhattan" overhead unit option will also be provided for customers with only the smallest of storage requirements. These will be accessed via a mobile ladder platform.



Small storage unit

For those who require space for several boxes or a one-bedroom unit.



Medium storage unit

Suits the contents of a two or three bedroom house or a business with excess stock that requires a space to store products securely.



Large storage unit

Capacity to securely store the contents of a four bedroom (or more) house.

Wine storage

Wine storage is in demand and there are limited offerings for accessible wine storage in a central location comparable to the Property's central Auckland location. Available occupancy within existing central Auckland wine storage facilities is currently extremely limited. Wine storage will be located on the lower ground floor below the proposed upscale wine shop. There will be up to 400 storage units of varying sizes, designed to cater to a diverse array of storage needs. Similar to self-storage the facility will offer 1m³ "Manhattan" overhead units best suited as a long-term storage option. The key to wine storage is temperature and humidity control which is achieved through specific cooling systems for the wine storage area as well as the following back up facilities to ensure continuous temperature and humidity control:

- standby chillers to allow cooling to be maintained during servicing, faults or repairs;
- holding spare fans, to allow rapid replacement of the fans in the event of fan failure;
- onsite backup power generator for air conditioning systems to maintain operation in the event of a power outage; and
- uninterruptible power supply through battery provisions for control systems.



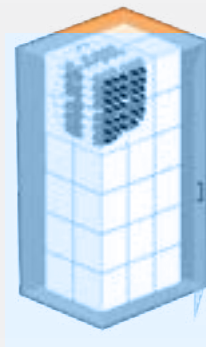
What will fit:

12 cases of wine

How to visualise:

Small cupboard similar to under kitchen bench.

*Sizes are approximate. Heights will vary



What will fit:

24 cases of wine

How to visualise:

Full height pantry.

*Sizes are approximate. Heights will vary

Summary of potential storage operator agreement terms

Based on current negotiations with two potential storage operators, the key terms of the Fund's agreements with the storage operator are expected to be:

Term and renewal	The agreements are expected to commence on completion of the development with a three to five year initial term from the date the facility initially opens. There is expected to be an ability for the Fund to extend the agreements on expiry of the initial term, subject to agreement by the operator.
Summary of management services	<ul style="list-style-type: none">• Managing the storage business.• Promoting and marketing the storage facility (at the cost of the Fund).• Employing and training staff for the facility (at the cost of the Fund).• Receiving and banking storage rental proceeds.• Paying trade creditors (at the cost of the Fund) and managing the operating account.• Preparing monthly management accounts.• Maintaining the facility (at the cost of the Fund).• Preparing operating budgets in consultation with the Fund.
Fees	6-7% of turnover plus GST. Turnover is all amounts received by the Fund during a month from persons who have leased, hired or otherwise licenced storage units at the Property. If net profit in any year exceeds the net profit set in the budget agreed between operator and the Fund, a further profit incentive fee of up to 20% may be payable to the operator on the difference between budgeted net profit and actual net profit.
Termination rights	Both the Fund and operator can terminate the agreement if the other party fails, refuses or neglects to perform their obligations under the agreement or an insolvency event occurs.
Sale of Property	On a sale of the Property, the operator is expected to have a first right of refusal to purchase the Property and would need to give their consent to the transfer of their operator agreement and/or the Property to a third party.

8. Storage market

Self-storage is used for a wide range of reasons including selling or moving house, a lack of space at home, travelling, renovating, creating space to work from home, downsizing, de-cluttering a home or apartment, for business purposes, and following natural disasters or extreme weather events.

The Manager engaged CBRE to provide a self-storage market study for the Property's catchment area. The study focused on the following key matters:

- demographic analysis of the catchment area;
- population density mapping of the catchment;
- competition analysis within the catchment; and
- a self-storage market overview.

Key findings from the market study are set out below.

Demographic results

The analysis reflects the following characteristics of the catchment area compared to the Auckland Region and New Zealand:

- the weighted median age is aligned with Auckland at 35 years;
- a higher proportion of dwellings are rented;
- 40% higher projected population growth per annum until 2048 in a 5 minute drive catchment and 10% higher in a 10 minute drive catchment when compared to wider Auckland;
- higher full-time and part-time employment rate;
- greater percentage of people occupied as managers and professionals; and

- personal and household incomes are 54% and 50% higher respectively within 5 minutes drive relative to wider Auckland and 22% and 21% higher respectively in a 10 minute drive catchment.

The above results are considered to represent an above average demographic profile which is conducive to the demand for self-storage.

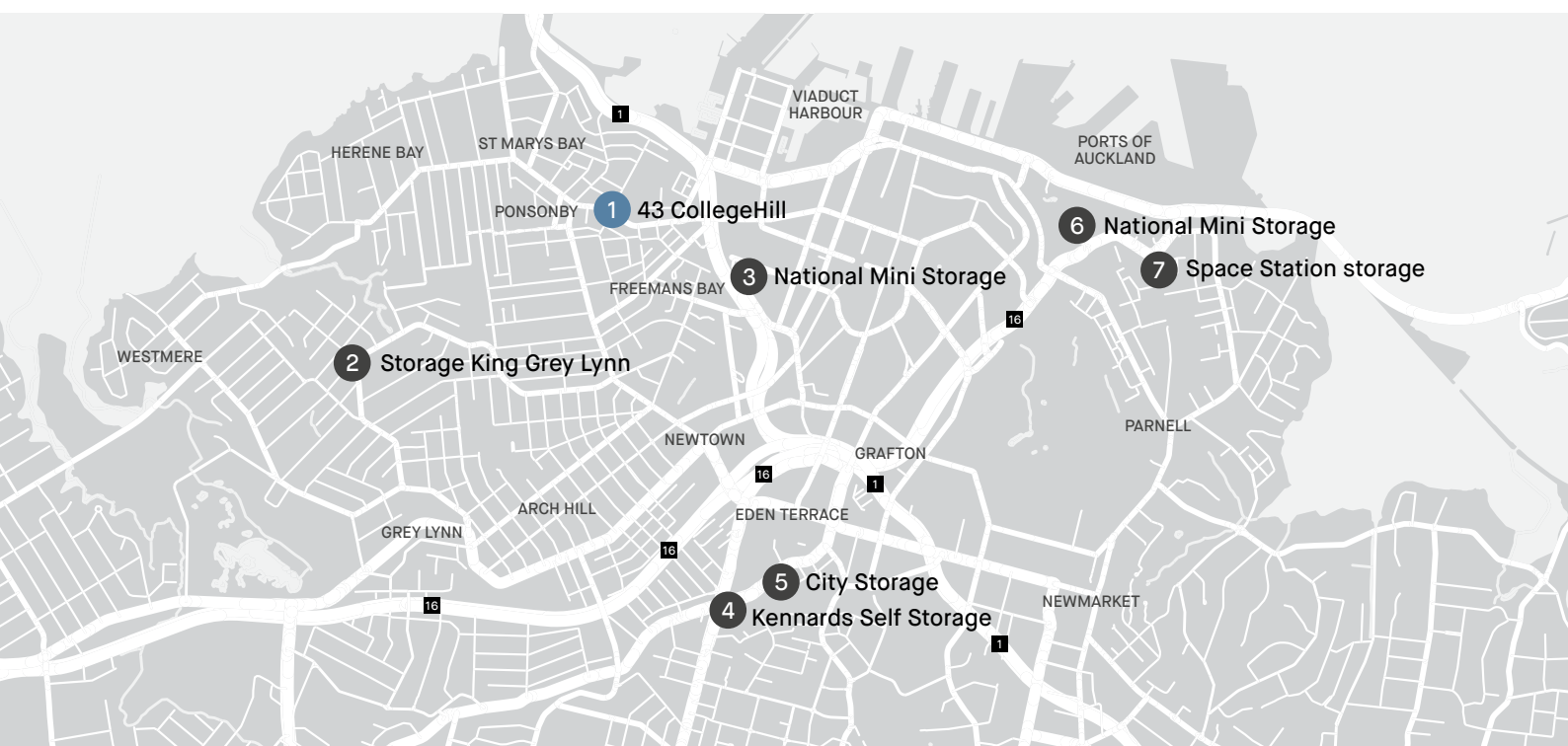
Population density

Population density is a key driver of the self-storage sector. The area within the 5 minute drive time has an overall population density of 5,803 people per square kilometre with a number of areas in excess of this, including parts of the CBD with population densities of 15,000 to 63,000 people per square kilometre. The 10 minute drive time has a lower overall population density of 4,211 people per square kilometre however includes eastern parts of the CBD where the population density is very high.

Overall, the catchment area has a high population density of approximately 4,490 people per square kilometre which is considered above average for self-storage use. For reference, Urban Auckland has a population density of approximately 2,600 people per square kilometre.

Self-storage competition

There is limited competition within a 5 minute and 10 minute drive of the Property, with just Storage King Grey Lynn and National Mini Storage Cook St within the 5 minute drive catchment. The primary and secondary competitors to the subject facility are shown on the following map.



Industry overview

The self-storage market in New Zealand originates from the mid 1980s and has progressively matured since, to now comprise approximately 520 facilities nationwide, totalling over 1,250,000m² of net storage space, with a large proportion of these facilities being smaller operations.

Important drivers for self-storage facilities include:

- population metrics (growth, movement, aging);
- new storage supply;
- household income, disposable income and discretionary spending;
- disruption (weather events, divorce rates);
- residential sale turnover volume; and
- density (new apartments completions).

Current market overview

In general and in order to provide background, we outline key statistics and trends sourced from the Self-Storage Association of Australasia, State of the Self-Storage Industry 2022 Report as follows:

- Occupancy rates (by area) in Auckland approximated 92.10% representing a 4.89% increase from 2020. Auckland has the second highest market wide occupancy rate of all Australasian cities surveyed behind Brisbane recording 93.39% occupancy.
- Average Storage Fee rates were up 7.27% from 2020.
- The majority of new development is likely to continue to take the form of multi-level centres in inner and middle-ring metro locations where large parcels of land are scarce as well as expensive. This has encouraged developers to build upwards during recent years and this trend is expected to continue.

Key industry trends

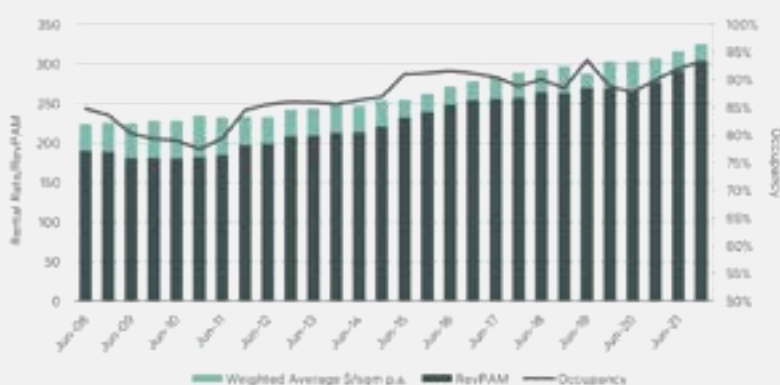
- Anticipation that with an increasing retirement rate, a higher proportion of the population is more likely to start downsizing, which should give rise to self-storage demand.
- Extreme weather events are on the rise, positively impacting storage demand.
- Increasing death and divorce rates will contribute to future self-storage demand.
- Discretionary spending has been high but downwards pressures are fast emerging.
- High latent demand.
- Self-storage usage has increased over the past two years despite structural constraints.
- The rate of supply continues to rise, albeit this is difficult in locations where land supply is constrained.
- Increasing sustainability measures.
- New technology such as keyless entry, superior and contactless service.
- The growth in online retail and last-mile logistics represents a significant opportunity for industry growth.

Location is a major trading determinant, with large sites close to major roads and population centres in high demand. Operators need to secure enough land to offer different sized storage options to justify customer demand.

Occupancy and rental rate trends

The following data is sourced from the Urbis Storage Index which is based on surveys of Auckland storage operators.

Auckland self storage KPIs¹



As seen here, the Auckland storage industry has experienced consistent growth in rental rates since 2008 with a Cumulative Average Annual Growth Rate (CAGR) of 3.8% achieved across the last 10 years with a stronger rate of 4.0% achieved over the past 5 years.

Occupancy rates improved from around 80% in 2011 to around 90% in 2015 and has remained relatively stable around 90% since then.

As a result, Revenue Per Available Metre (RevPAM), which combines fee rates and occupancy to provide an overall measure of income, has improved at a CAGR of 4.9% over the past 10 years and 4.6% in the past 5 years.

1. Source: Urbis Self Storage Index



9. Tenants / leases

In addition to the storage operations outlined above, the Fund expects to have the following leases of the Property in place prior to completion of the refurbishment works:

Security Vault Lease – agreed terms

Security Vault Tenant	Herne Bay Safety Deposit Limited (a related entity of the Vendor).
Tenancy area	465m ² of vault area located in the basement of the building, as well as exclusive use of the driveway from Hargreaves Street.
Rental	\$500,000 (plus GST) per annum.
Initial term	10 years.
Rights of renewal	2 rights of 10 years and 1 right of five years (final expiry date of 35 years from commencement).
Commencement date	The later of 1 September 2024, the date the Fund acquires the Property from the Vendor under the Sale and Purchase Agreement and the date the Fund has completed certain handover works that are required to enable the Security Vault Tenant to commence its fit-out works. If the commencement date has not been achieved by 1 August 2025 then the Security Vault Tenant (but not the Fund) may terminate the Security Vault Lease at any time prior to the commencement date being achieved.
Early access	Following practical completion of the handover works that the Fund is required to complete (and before the commencement date), the Security Vault Tenant may request early access to the premises in order to carry out fitout works.
Alterations	The Security Vault Tenant may make any non-structural alterations or additions to the interior of the premises without the Fund's consent (but must first notify the Fund).
Rent reviews	Fixed 3.5% increases on each anniversary of the commencement of the lease.
Outgoings	Rates, utilities, rubbish collection, fire systems, insurance and BWOF expenses are recoverable from the Security Vault Tenant, with all other outgoings non-recoverable.
Incentive	4 months' rent free fit-out period (subject to extension if the Fund's external refurbishment works on the rest of the Property remain incomplete and/or until the Fund obtains a code compliance certificate for the handover works that the Fund is required to complete), followed by 6 months' rent-free period.
Security	At the Security Vault Tenant's election, 12 months' gross rent + GST personal guarantee from managing director of the Security Vault Tenant or bank guarantee. The security will be released after 10 years if no claims have been made.
Fit-out contribution	\$3 million + GST contribution from the Fund to assist with the creation and specialised fit-out of the security vault. The Fund will own the fit-out. Future buyers will be able to depreciate this fit-out but the Security Vault Tenant is responsible for maintaining it.

Approximately 4,000 safety deposit boxes are planned to be initially installed. The Security Vault is expected to be constructed of a proprietary internationally recognised modular vault system. This modular vault can grow in size as demand increases and is designed to international best-practice capabilities in theft deterrence and physical robustness. The Property is less than 100 metres away from the Auckland Central Police Station which must be driven past to access the vault.

An entity related to the Security Vault Tenant undertook the redevelopment of the Customhouse in Auckland in 1998 which included the development and management of a safety deposit box storage business. It was managed successfully for two and a half years before being sold for a profit and remains in operation today.

Digital advertising billboard – commercially agreed terms, subject to documentation

Lessee	Go Outdoor Advertising Limited (subsidiary of Go Media Limited).
Tenancy area	8m x 4m of the building façade.
Rental	\$100,000 (plus GST) per annum.
Initial term	10 years.
Rights of renewal	2 rights of 10 years (final expiry date of 30 years from commencement).
Commencement date	To be agreed.
Rent reviews	Remains under negotiation.
Outgoings	Billboard to be maintained by the Billboard Tenant and electricity to be separately metered and paid for, along with a fair proportion of insurance costs, with all other outgoings not being recoverable.

The prominent College Hill road frontage provides an ideal opportunity to integrate a digital advertising billboard into the façade upgrade. This will assist to increase the profile of the retail tenancy, storage operations and Security Vault also situated at the Property.

Except as noted above, the Manager has agreed commercial terms for the Billboard Lease with Go Media, a nationwide outdoor media solutions company, and is currently negotiating the lease documentation.

Resource consent will be required for the digital billboard which is a restricted discretionary approval process and will be supported by Go Media. Go Media will supply and install the billboard onsite, effectively leasing the wall space. All installation supply costs of the billboard are covered by Go Media as well as all ongoing power and maintenance costs.

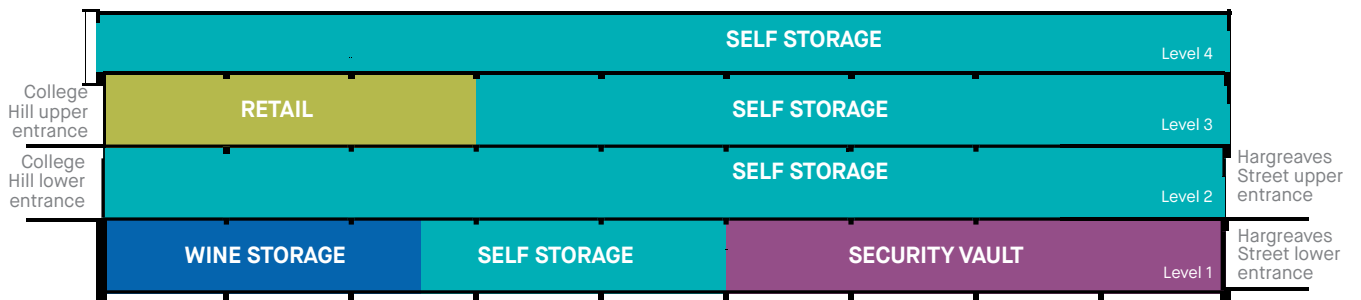


Retail tenancy

The refurbishment will also provide for an approximately 170m² retail tenancy situated on the high-profile College Hill road frontage at ground level. The Manager is currently targeting this space to be an upscale wine shop providing synergies with the wine storage facility. Customer parking will be available directly out front in an existing onsite park providing spaces accessed from College Hill.

The premises is well suited to a wide range of retail occupiers due to its prominent location, significant road frontage, ease of access and on-site parking. The Manager is in active discussions with potential tenants and intends to pre-lease this space during the refurbishment phase.

43 College Hill stack plan



Due to the slope of the surrounding terrain, the Property benefits from two entrances off College Hill and two off Hargreaves Street.



10. Financial information

The tables in this section provide key financial information about the Fund. If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

The purpose of the below financial information is to assist Investors in understanding how the target annualised pre-tax return of 13% is calculated. This Investment Memorandum, including this financial information, may not be appropriate for any other purpose.

This financial information has been prepared based on the Manager's assessment of known events and conditions existing at the date of this Investment Memorandum and the key assumptions described below.

Financial information of the type set out below by its nature is inherently uncertain. It is a prediction of future events and conditions which cannot be assured. It involves risks and uncertainties many of which are beyond the Manager's or the Fund's control. The Manager believes that the financial information has been prepared with due care and attention, and considers the assumptions, when taken as a whole, to be reasonable and supportable at the time of preparing this Investment Memorandum. Actual results may vary from the information presented and variances may be material. Accordingly, none of the Manager, its Board, the Fund or any other person can provide any assurance that the target annualised pre-tax return will be achieved and Investors are cautioned not to place undue reliance on this information. You should read this financial information in conjunction with the other information in this Investment Memorandum (including, in particular, the information in Section 14: "Risks to the Fund's business and plans").

Key terms such as each operator's fees have been agreed with each of the parties and the forecasts and assumptions in this Investment Memorandum have adopted the most conservative position of the two where the proposals vary. See Section 7: "Storage operation" for further details.

As part of the due diligence process for this Offer, Baker Tilly Staples Rodway Taranaki Limited (**BTSR**) performed an agreed upon procedures engagement in relation to an examination of the financial model for the Fund, including testing the mechanical and mathematical accuracy of the financial model and the financial information in this Investment Memorandum and confirming assumptions against supporting documentation (where available), without confirming the validity of assumptions. The directors of the Manager and General Partner were satisfied with the findings of BTSR's examinations.

Intended use of funds

		Assumption
Purchase price of the Property	21,650,000	1
Offer and acquisition costs	3,547,772	2
Refurbishment and fit-out costs	17,992,921	3
Net operating losses	962,332	4
Term Deposit	2,000,000	5
Working capital allowance	2,346,975	6
Total	48,500,000	
Funded by:		
Equity	25,500,000	
Debt	23,000,000	7
Total	48,500,000	

Key assumptions

1. The purchase price of the Property of \$21,650,000 is set out in the Sale and Purchase Agreement. The acquisition is assumed to settle on 21 December 2023.
2. A breakdown of the Offer and acquisition costs is set out in the table below.
3. A breakdown of the total refurbishment and fit-out costs is set out in Section 6: "Refurbishment plan".
4. Net operating losses, which will be debt funded, are assumed during the Fund term as the self-storage and wine storage facilities are forecast to not reach full Stabilised Occupancy during the Fund term. Forecast net operating losses includes Fund administrative, management and operating expenses during the term of the Fund and interest expense paid post completion of the refurbishment, partly offset by net income received during the 12-month trading period post completion of the refurbishment.
5. A description of the finance proposal from ASB including the use of the term deposit is set out in Section 11 "Bank funding".
6. A working capital allowance over the life of the Fund which provides further refurbishment cost and operating loss contingency.
7. \$23,000,000 represents the total loan facility limit that can be drawn down over the Fund's term as required. An allowance for working capital has been made which may not be drawn in full.

Offer and acquisition costs

Centuria NZ's due diligence acquisition and capital raise fee	\$1,100,000
Brokerage fees	\$446,250
Underwriting fee	\$765,000
Deposit fee	\$122,716
Legal fees*	\$245,000
Property due diligence*	\$172,876
Accounting review*	\$18,000
Valuation fee*	\$17,930
Marketing & printing*	\$300,000
Bank fees	\$325,000
Registry*	\$25,000
Tax advice	\$10,000
Total	\$3,547,772

*These amounts, or a component of these amounts, are the Fund's best estimates, based on experience and information known at the date of this document, but they may be subject to change based on actual amounts invoiced to the Fund. All other amounts are based on fixed or maximum amounts to be charged. The brokerage fee and underwriting fee are based on the maximum of 25,500,000 Units that may be issued under the Offer and these amounts will be reduced if the total number of Units offered is reduced prior to the closing date.

In the table below showing the calculation of target Investor returns and Net Assets Realised, the total Offer and acquisition costs of \$3,547,772 have been treated as follows:

- \$1,203,522 for acquisition transaction costs;
- \$1,904,250 for Offer costs; and
- \$440,000 for borrowing costs, which have been included in bank financing.

Calculation of target Investor returns

		Assumption
Gross sale proceeds	\$55,000,000	1
Disposal fees	(\$717,500)	2
Income underwrite	(\$3,000,000)	3
Net sale proceeds	\$51,282,500	
Acquisition	(\$21,650,000)	4
Acquisition costs	(\$1,203,522)	4
Refurbishment costs including fit-out	(\$16,600,002)	5
Bank financing (development stage)	(\$1,392,919)	6
Total costs	(\$40,846,443)	
Refurbishment profit	\$10,436,057	
Borrowing costs	(\$440,000)	7
Other Offer costs	(\$1,904,250)	7
Operating losses	(\$962,332)	8
Performance fee	(\$405,895)	9
Total target Investor return	\$6,723,580	

Assumption

Calculation of Net Assets Realised

Original investment	\$25,500,000
Total target Investor return	\$6,723,580
Net Assets Realised	\$32,223,580
Net Assets Realised per \$100,000 investment	\$126,367
Target annualised pre-tax return	13%

Key assumptions

1. It is assumed that the Property will be sold for \$55,000,000, which is in line with the as-if-complete valuation undertaken during due diligence. The disposal is assumed to settle in December 2025.
2. On sale of the Property, it is assumed that a 1.00% fee is paid to a third party real estate agent and a 0.25% fee is paid to the Manager, per the Management Agreement.
3. As at the date of disposal, it is assumed that the storage operation will still be 'trading up' and Stabilised Occupancy will not have been reached. It is therefore assumed that an income underwrite will be paid to the purchaser (as a deduction from the gross sale price) upon sale of the Property. The underwrite is assumed to be equal to the shortfall between the assumed income of the Property at the time of sale (based on forecast occupancy) and the income at a Stabilised Occupancy level for the balance of the forecast trade up period (beyond the sale date). Based on current trade up and Stabilised Occupancy assumptions, an income underwrite of \$3.0m is assumed to be paid.
4. Purchase price of \$21,650,000 per the sale and purchase agreement and transaction costs incurred in relation to the acquisition, including the cost of due diligence undertaken.
5. A breakdown of the forecast refurbishment and fit-out costs is included in Section 6: "Refurbishment plan".
6. The Fund intends to establish a loan facility with ASB, based on a credit approved offer received. Financing costs of the refurbishment have been forecast based on the margin and line fee provided by ASB per the credit approved offer and the base rate has been assumed based on market forecasts.
7. A breakdown of the Offer and acquisition costs is provided in the earlier table above.
8. Net operating losses are explained earlier under the 'Intended use of funds' table.
9. A \$405,895 performance fee is assumed to be paid which represents 20% of the return over a 10% annualised pre-tax return hurdle.

Forecast annualised net income from Property

The Manager expects that the price at which the Property is sold will be driven by a purchaser's assessment of the stabilised net income from the Property. Stabilised net income will be determined by a range of factors including the anticipated Stabilised Occupancy of the storage operations, the rental rates achieved for the storage operations and the other tenancies and the trading performance of the storage operations at the time of sale.

The Manager has assessed Stabilised Occupancy of the storage operations to be 90% for self-storage and wine storage. It is expected that at the time of sale of the Property (which is targeted for December 2025) the self-storage operations (other than the Manhattan units) will have reached 90% occupancy and the wine storage operations will have reached 50% occupancy (other than the wine Manhattan units). On this basis, it is expected that an income underwrite will be negotiated with the purchaser, however, the quantum of any such underwrite will be influenced by actual occupancy and income at the time of sale and the trading performance to date as well as the purchaser's view on future trading performance. The Manager has forecast that expected rental rates at the time of sale together with expected occupancy levels at the time of the sale would result in annualised net income from the Property of \$2,054,184 at that time. Should Stabilised Occupancy for the storage operations have been reached at the time of sale, net income from the Property is forecast to be \$3,024,006 as set out in the table below:

	Forecast occupancy (at time of sale)	Forecast net income of the Fund (at time of sale)	Stabilised Occupancy	Forecast net income from the Property were Stabilised Occupancy to be reached at time of sale	Note
Self-storage	90%	\$949,631	90%	\$1,332,245	1, 2
Wine storage	50%	\$329,553	90%	\$916,761	1, 2
Security Vault	100%	\$517,500	100%	\$517,500	3
Retail tenancy	100%	\$154,500	100%	\$154,500	4
Billboard	100%	\$103,000	100%	\$103,000	5
Total forecast net income		\$2,054,184		\$3,024,006	

Notes

- Forecast occupancy at time of sale excludes the self-storage and wine storage Manhattan units, which are assumed to be 25% occupied. Refer to the occupancy expectations and breakdown of Stabilised Occupancy in Section 7: "Storage operation". Forecast net income of the Fund at the time of sale includes income from the Manhattan units.
- Forecast net income at the time of sale (at all occupancy levels) is based on the Fund's assessed market self-storage and wine storage rates at the date of this Investment Memorandum, plus 5% p.a. growth. These rates are supported by the valuers assessment of market rates in the "as if complete" valuation assessment.
- Rent from the Security Vault is based on contracted rent in the Security Vault Lease.
- Rent for the retail tenancy is assumed to be \$150,000 per annum at commencement of the Fund's trading phase, with 3% increases per annum.
- Rent for the billboard is based on the terms the Manager has commercially agreed with the Billboard Tenant.

Sensitivities

A summary of the likely effects of variations in key assumptions are detailed below. 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 the information set out below.

Each movement in an assumption is calculated and presented in isolation from possible movements in other assumptions, which may not be the case. It is possible that more than one assumption may be different than that forecast, giving rise to compounding or offsetting effects.

The tables below illustrate the impact of a change in key assumptions on the target annualised pre-tax return of 13% and on the Net Assets Realised which are expected to be distributed to Investors following a sale of the Property. The below sensitivities do not take account of any risk management initiatives that the Manager may take should a change in these assumptions arise.

The base case reflects the assumptions adopted above in the financial information.

Refurbishment cost sensitivity

The below reflects the impact of an increase or decrease in total refurbishment costs, including the resulting impact on interest costs.

	Annualised pre-tax return	Variance to base case (percentage points)	Net Assets Realised per \$100,000 invested (including original investment)
Increase in refurbishment cost (+\$1m)	11.3%	-1.9%	\$122,653
Base case	13.2%		\$126,367
Decrease in refurbishment cost (-\$1m)	15.0%	1.9%	\$130,081

Interest rate sensitivity

The below reflects the impact of an increase or decrease in interest rates.

	Annualised pre-tax return	Variance to base case (percentage points)	Net Assets Realised per \$100,000 invested (including original investment)
Increase in interest rates (+1.00%)	12.6%	-0.6%	\$125,200
Base case	13.2%		\$126,367
Decrease in interest rates (-1.00%)	13.8%	0.6%	\$127,514

Net income sensitivity

The below reflects the impact of an increase or decrease in forecast annual stabilised net income. The sensitivity assumes that a change in annual net income has a direct impact on the sale price obtained for the Property (assuming the sale price is determined by applying a cap rate to the annual net income as at the date of disposal).

	Annualised pre-tax return	Variance to base case (percentage points)	Net Assets Realised per \$100,000 invested (including original investment)
Decrease in annual net income (-\$100,000)	10.4%	-2.8%	\$120,732
Base case	13.2%		\$126,367
Increase in annual net income (+\$100,000)	16.0%	2.8%	\$132,002

Property sale settlement date sensitivity

The below reflects the impact of a change to the date that the Property sale settles. The sensitivity assumes that any change to the settlement date only impacts the date at which Investor equity is returned to Investors. The sensitivity assumes that the sale price and all other assumptions are not affected.

	Annualised pre-tax return	Variance to base case (percentage points)	Net Assets Realised per \$100,000 invested (including original investment)
Settlement date delayed 6 months	10.5%	-2.6%	\$126,367
Settlement date delayed 3 months	11.7%	-1.5%	\$126,367
Base case	13.2%		\$126,367
Settlement date 3 months earlier	15.1%	1.9%	\$126,367
Settlement date 6 months earlier	17.6%	4.4%	\$126,367

Property sale price sensitivity

The below reflects the impact of an increase or decrease in the sale price achieved for the Property.

	Annualised pre-tax return	Variance to base case (percentage points)	Net Assets Realised per \$100,000 invested (including original investment)
Decrease in Property sale price (-5.0%)	8.9%	-4.3%	\$117,847
Base case	13.2%		\$126,367
Increase in Property sale price (+5.0%)	17.4%	4.3%	\$134,886



11. Bank funding

The Fund will part fund the acquisition of the Property and the refurbishment works through bank loan facilities that it will establish with ASB, based on a credit approved offer received. The key terms of the Bank Loan Facilities are:

Facility type	Committed Cash Advance Facility which is interest only.
Facility limit	\$23 million (initial limit of \$4.535 million, increasing to \$8 million and then \$23 million following the satisfaction of certain conditions precedent).
Interest rate	<p>The interest rate is calculated as a floating base rate plus a fixed margin.</p> <p>An interest rate swap is expected to be entered into to fix the base rate portion on the initial drawn amount of up to approximately \$4.5 million for two years. The portion of borrowings that is fixed will be regularly reviewed by the Manager.</p> <p>The average all in interest rate for the 24 month term is expected to be approximately 9% on a fully drawn basis and based on the fixed margin, line fee, the interest rate swap and market forecasts for the base rate.</p>
Term	24 months.
Security	<p>First ranking mortgages over the Property.</p> <p>First ranking general security deed over all assets of the Fund.</p> <p>First ranking specific security deed over key project documentation including the construction contracts and any contractor's bond.</p> <p>An assignment over key leases and the storage operator agreement.</p> <p>\$2 million is required to be deposited with the Bank for the duration of the loan term which the Bank will have first ranking security over. The Fund is unable to withdraw this amount from the deposit account unless agreed by the Bank.</p>



Ranking	Bank borrowings rank in priority to the Units.
Personal guarantee	Non-recourse loan so no personal guarantees are required from Investors.
Conditions precedent to drawing	<p>The initial facility limit is \$4,535,000 and is available to be drawn from settlement once certain conditions precedent are satisfied, with \$550,000 of that amount to be applied towards the Bank's initial fees and as provision for ongoing fees. Once further conditions precedent are satisfied, the facility limit will be increased to \$8,000,000 and then to \$23,000,000.</p> <p>Key conditions precedent that must be satisfied prior to drawing the initial facility (limit of \$4,535,000) are:</p> <ul style="list-style-type: none"> • Submission of all necessary resource and building consent applications (other than resource consent for the digital billboard). • Executed storage operator agreement is to be provided to the Bank. • An "as is" valuation of not less than \$22 million and an "as if complete" valuation of not less than \$55 million. <p>Key conditions precedent that must be satisfied prior to increasing the facility limit to \$8 million are:</p> <ul style="list-style-type: none"> • Executed leases for the security vault tenancy and digital billboard are to be provided to the Bank. • A signed heads of agreement with respect to the retail tenancy is to be provided to the Bank. • A report from the Bank's quantity surveyor in relation to the refurbishment works including confirmation to the Bank that all contractual arrangements are appropriate, the budget and funding is adequate and that the works can be completed in accordance with the programme. <p>Key conditions precedent that must be satisfied prior to increasing the facility limit to \$23 million are:</p> <ul style="list-style-type: none"> • A performance bond for at least 5% of all Haydn & Rollett's construction contract value. • Confirmation all resource and building consents have been granted (other than the resource consent for the digital billboard). • The works must still be able to be completed in accordance with the original programme and budget. <p>Certain other general conditions of a customary nature apply to each drawing. All drawings are to be certified by the Bank's quantity surveyor as not resulting in the cost to complete being exceeded.</p>
Ongoing terms and conditions	<p>The Bank may request an updated valuation of the Property in an event of review and a valuation must be provided if a contracted sale of the Property is not in place 18 months from settlement.</p> <p>If resource consent for the digital billboard is not held by 30 June 2024 the Bank may reduce the facility limit to account for the reduced level of income resulting from the inability to lease the billboard.</p>
Key covenants	<p>Loan to value ratio</p> <p>The ratio of all outstanding debt under the Bank loan facilities to the value of the Property is to be no more than 45%. The LVR covenant will not be tested prior to Practical Completion.</p>
Events of default and review	<p>Events of review:</p> <ul style="list-style-type: none"> • If the works fall further than four weeks behind programme. • If the facility limit is not increased to \$8 million within six months of settlement. <p>Otherwise standard for a facility of this nature (including a breach of the above covenants).</p>

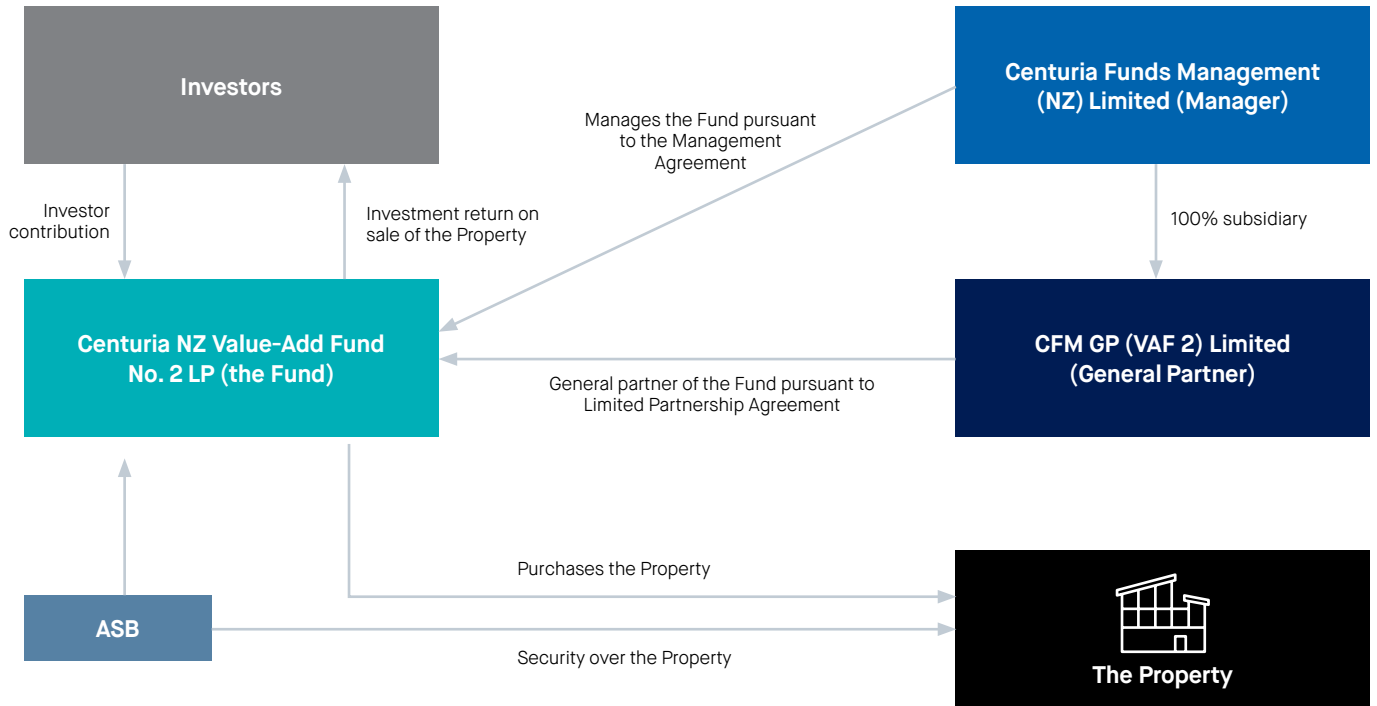


STOCK IMAGERY

12. Investment structure

How Centuria NZ Value-Add No. 2 Fund LP works

A simplified version of the Fund's structure is set out below:



What is a limited partnership?

Investors are offered the opportunity to invest in the Fund (a New Zealand limited partnership) that will acquire the Property. Investors will become limited partners in the Fund. Under the limited partnership structure, Investors are (so long as they do not take part in the management of the Fund) liable for no more than their initial investment in the Fund. The Fund is a separate legal person from its Investors and the General Partner which is formed under the Limited Partnerships Act. The Fund has been structured to avoid Investors taking part in management, preserving their limited liability.

The Fund will hold the title to the Property in its name. A summary of the Limited Partnership Agreement, which sets out the interrelationship between Investors (as limited partners), the Fund and the General Partner, can be found below.

Each Unit in the Fund confers equal rights and obligations on each Investor in respect of entitlements to the return achieved by the Fund and each Unit will confer one vote upon the holder in respect of matters on which Investors are entitled to vote under the Limited Partnership Agreement.

The General Partner (which is a subsidiary of the Manager – CFM GP (VAF 2) Limited) has been incorporated to act as the general partner of the Fund in accordance with the Limited Partnership Agreement. The General Partner's liability is not limited. The directors of the General Partner are set out in Section 13: "Centuria NZ – Manager of the Fund".

Limited Partnership Agreement

The key terms of the Limited Partnership Agreement (to be entered into the allotment date) are:

General Partner	CFM GP (VAF 2) Limited
Limited Partners	The Investors
Duration	The term of the Limited Partnership Agreement runs until the Fund is removed from the Limited Partnership register by the Registrar, at which point there will cease to be a legal relationship between any or all of the Partners in respect of the Fund's business.
Termination	<p>The Limited Partnership Agreement will terminate on the occurrence of any of the following:</p> <ul style="list-style-type: none">• On the date that is two years from the date of the Fund's acquisition of the Property (unless extended by an Ordinary Resolution at a meeting of Investors called by the General Partner);• If the Sale and Purchase Agreement is cancelled prior to the acquisition of the Property by the Fund;• By Special Resolution following the disposal of the Property;• Any event otherwise specified as a terminating event in the Limited Partnerships Act, other than section 86(1)(b) of the Limited Partnerships Act, which is excluded; or• By Special Resolution to that effect. <p>On a termination, the General Partner can take such actions as are necessary to wind up the Fund.</p>
Units	<p>There will be up to 25,500,000 Units of \$1.00 each in the Fund, which will be issued on the allotment date.</p> <p>Subject to compliance with all applicable laws, the Fund may issue further Units that would rank equally with or after Units already issued, provided that the General Partner certifies, amongst other things, that in the directors' opinion, the consideration for and the terms of the issue are fair and reasonable to the Fund and all existing Investors. Existing Investors have pre-emptive rights to acquire any further Units issued.</p>
Management and authority of the Investors	The Investors must not take part in the management or control of the business and affairs of the Fund and have no right or authority to act for the Fund or to take any part in or in any way to interfere in the conduct or management of the Fund or to vote on matters relating to the Fund except as permitted by the Limited Partnerships Act.

Restriction on withdrawal	An Investor is not entitled to withdraw the capital contributed in respect of its Units from the Fund until the termination of the Fund.
Restriction on transfer	<p>An Investor may transfer all or any of the Units held by the Investor provided that:</p> <p>The Units have first been offered to all existing Investors in the Fund (unless the Units are being transferred to a related party of the Investor, by an executor or administrator to a beneficiary of the estate of a deceased Investor or were issued to the Underwriter pursuant to its underwrite);</p> <ul style="list-style-type: none"> • The proposed transferee is not a direct competitor of the storage facility operator (without the consent of the storage facility operator) and the Fund has otherwise approved the proposed transferee, such approval not to be unreasonably withheld; • The instrument of transfer is in the form approved by the Manager from time to time and is signed by the transferor and transferee; • Any mortgagee of the Property has consented to the transfer (if required); • The transfer of Units will not result in the proposed transferee or transferor holding less than 100,000 Units; • The transfer of Units is for at least 10,000 Units unless approved by the General Partner; • The transferee must agree to be bound by the terms of the agreement in its capacity as an Investor in the form approved by the Manager from time to time; and • The transferor will pay or reimburse any reasonable legal costs incurred by the Manager or the Fund in connection with the transfer. <p>The Fund may in its absolute discretion refuse or delay the registration of any transfer if there are unpaid amounts owing from the transferor to the Manager or the Fund or the transferor is in breach of the Limited Partnership Agreement or the requirements set out above are not satisfied.</p>
Liability of Partners	<p>The General Partner is responsible for all the debts, liabilities and obligations of the Fund to the extent set out in the Limited Partnerships Act.</p> <p>The Investors have no personal obligation for the debts, liabilities or obligations of the Fund, except to the extent provided in the Limited Partnerships Act, the Limited Partnership Agreement or in other applicable laws, if any.</p>
Default	<p>In the event that any Investor either:</p> <ul style="list-style-type: none"> • becomes bankrupt, goes into receivership or liquidation, has a statutory manager appointed or enters into a compromise with his/her/its creditors; or • breaches any of the terms of the agreement and fails to remedy the breach within a period of 21 days after being given written notice from one or more of the parties specifying the breach, • then the General Partner may require the Investor to sell all of the Investor's Units at fair market value.
Meetings of the Limited Partnership	The General Partner must call a meeting of the partners on either the General Partner requiring a meeting or on the written request of one or more Limited Partners who together hold 15% or more of the total Units.

The Limited Partnership Agreement will be made available on request from the Manager.

13. Centuria NZ – Manager of the Fund





Centuria NZ is a wholly-owned subsidiary of Centuria Capital Group, an ASX200 listed specialist investment management company with over \$20 billion of assets under management (including the Manager's assets under management)¹. Centuria NZ manages properties across the commercial, industrial, retail, healthcare and agriculture sectors. Centuria NZ has assets under management of approximately NZ\$2.62 billion.

With over 20 years' experience in helping Investors grow their wealth, Centuria Capital Group provides a range of innovative investment opportunities including listed and unlisted property funds as well as tax effective investment bonds. Centuria Capital Group buys, actively manages and sells commercial and industrial property.

The Manager has an experienced New Zealand based management team who provide a wide range of management services including asset management, development and project management, treasury and financial management, and legal and compliance services.

Key personnel of the Manager

The key personnel of the Manager who will be responsible for the management of the Fund are:

Name and role	Bio
 <p>Mark Francis BCom (Fin)</p> <p>Mark is the CEO of Centuria NZ overseeing all aspects of its operation and the performance of its managed funds.</p>	<p>Mark has a Bachelor of Commerce in Finance from the University of Otago and has a background in finance and property in roles with Hendry Hay MacIntosh, Force Corporation Limited and Village Roadshow Australia Pty Limited. Mark formed Augusta Group Limited in 2001 and began property syndication through Centuria NZ (previously named Augusta Funds Management Limited) in 2003.</p>
 <p>Simon Palmer Dip Arch Tech</p> <p>Simon is Senior Manager Development Projects (NZ), responsible for delivery of Centuria NZ's development projects. He will be responsible for managing and overseeing the refurbishment works to be undertaken by the Fund at the Property.</p>	<p>Simon has an extensive background in project delivery and construction management. Prior to joining Centuria NZ in 2021 to recommence and complete the LyLo Hotel Development, Simon has managed from concept to completion many new commercial build and refurbishment projects for property development entities including Goodman, Winton and Haydn & Rollett.</p>
 <p>Stephen Brown-Thomas BBS (Valuation & Property Management)</p> <p>Stephen is a Senior Development Manager and will be responsible for overall fund management of the Fund.</p>	<p>Stephen is a Development and Fund Manager at Centuria NZ, having worked with the company and its predecessors in various development, asset and fund management roles over the last 15 years. Prior to working at Centuria NZ, he worked for DTZ International.</p>
 <p>Alex Teplyakov Bachelor of Finance and Property</p> <p>Alex is a Development Finance Analyst and is responsible for the feasibility analysis and financial modelling of development projects across the New Zealand portfolio.</p>	<p>In his previous role, he oversaw analysis on the property portfolio and development projects for a large New Zealand supermarket company. Prior to moving to New Zealand in 2017, Alex spent five years working at both PwC and KPMG in corporate finance within the property valuation teams as well as working in a development company.</p>

1. Assets under management as at 30 June 2023. Includes assets contracted to be settled, cash and other assets

ARTIST IMPRESSION



Name and role**Bio**

**Mark Madigan**

Bcom (Accounting and Marketing) /
Bcom (Hons) (Accounting), Chartered
Accountant

Mark is Head of Finance at Centuria NZ.
Mark is responsible for financial reporting,
tax and treasury management.

Mark joined Centuria NZ in 2018 following Financial
Controller roles at Airwork and Property For Industry.
Prior to this, Mark was an Associate Director in
the institutional banking client coverage team at
Commonwealth Bank of Australia.

**Joel Lindsey**

Bprop (Real Estate) / BA (Geography)

Joel is Head of Funds Management
and provides strategic oversight of the
Centuria NZ portfolio, institutional client
relationships and transactional activity,
including acquisitions, developments and
divestments.

Prior to his return to New Zealand in 2014, Joel worked
at Aviva Investors in the UK where he worked his way
from Analyst to Fund Manager and ultimately held the
position of Senior Director – Real Estate. In that position,
he was responsible for management of the £4 billion
Aviva Life & Pensions real estate investment portfolio.
On his return to New Zealand, Joel has worked at Panuku
Development Auckland and was the Head of Business
Development and Project Director. Joel joined Centuria
NZ in 2018.

**Simon Woollams**

Bcom (Accounting), Chartered Accountant

Simon is Chief Operating Officer and
oversees all operations of the Manager.
For the Fund, this includes oversight of the
financial position and capital management.

Simon joined Centuria NZ in 2007 and was most recently
the Chief Financial Officer until 2021. He is a Chartered
Accountant and has a strong financial background,
including roles with BDO and ANZ Bank in the property
and finance teams, and has experience from the UK.



Board of the Manager

In addition to Mark Francis, the directors of the Manager are:



Mike Steur – Chair

DipVal, FPINZ (Life), FRICS, FAPI, MAICD

Mike is a Sydney-based professional director who has more than 35 years' experience in property, spanning valuation, asset management and advisory within New Zealand, Australia, the Pacific Islands and across Asia.

He has previously held senior executive roles at CBRE and was previously Chair of the Royal Institution of Chartered Surveyors Global Valuation Professional Group. Mike is an experienced non-executive director, currently serving on the boards of BWP Management Limited, Dexus Wholesale Property Fund and Dexus Healthcare Property Fund. He was also previously a director of Kiwi Property Group Limited, retiring in June 2020.



Mark Petersen

Dip Urb Val

Mark is a professional director and corporate adviser who has worked in the commercial property sector for the past 35 years. Mark was Managing Director of NZX listed Shortland Properties Limited from 1989 to 1999. He is currently an advisory Board member for Te Tumu Kainga, a trust administered by the Maori Trustee for the provision of affordable housing. Mark is also an Independent Director of Tainui Group Holdings Limited and Waikato-Tainui Fisheries Limited, as well as Chair of two Whanganui Port entities.



Jason Huljich

Bcom (Commercial Law)

Jason became the Centuria Capital Group Joint CEO in June 2019 after previously leading Centuria Capital Group's Real Estate and Funds Management business. Jason was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Over Fifty Group in July 2006. He is an Executive Director of Centuria Capital Group. In his role he is responsible for providing strategic leadership and ensuring the effective operation of Centuria Capital Group's real estate portfolio and funds management operations.

Jason has extensive experience in the commercial property sector, with specialist skills in property investment and funds management. He is also past President of the Property Funds Association (PFA), which represents the A\$125 billion direct property investment body in Australia and continues to serve on their national executive.



John McBain (alternate director for Jason Huljich)

Dip Urb Val

John joined the Centuria Capital Group Board (formerly Over Fifty Group) on 10 July 2006. He was appointed as Chief Executive Officer of the Over Fifty Group in April 2008 and serves as Joint CEO with Jason Huljich. John was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Over Fifty Group in July 2006. John is also a director of Asset Plus Limited in New Zealand.

Prior to forming Centuria Capital Group, John held senior positions in a number of property development and property investment companies in Australia, New Zealand and the United Kingdom.

The directors of the Manager will also serve as directors of the General Partner.

Development credentials of Centuria NZ

In the past two years Centuria NZ has completed approximately \$170 million of developments:



6-8 Munroe Lane, Albany, Auckland

- Premium office space with extensive floor plates and central atrium
- 15,900 sqm over 6 levels with basement carparking
- Completed July 2023
- 5-star Green Star design & build rating, 5-star NABERS rating
- \$126 million development spend



860 Great South Road, Penrose, Auckland

- New build industrial premium grade warehouse, showroom and office
- 2,500 sqm
- Completed July 2023
- \$13.7 million development spend



54 Cook Street, Auckland Central

- Major renovation of an office building into short-stay accommodation with café/bar component
- 5,000 sqm
- Completed December 2022
- \$24.8 million development spend



510 Mount Wellington Highway, Auckland

- Industrial existing warehouse extension
- Additional 1,500 sqm
- Completed October 2022
- \$4.5 million development spend

Summary of the Management Agreement

The key terms of the Management Agreement are:

Manager	Centuria Funds Management (NZ) Limited
Term	The term of the Management Agreement runs until the Fund is wound up in accordance with the Limited Partnership Agreement and the Limited Partnerships Act, unless terminated earlier as set out below.
Termination	<p>The Management Agreement will be able to be terminated in the following situations:</p> <ul style="list-style-type: none">• The Fund may terminate the agreement without cause or reason provided that six months' notice is given to the Manager and the termination is approved by a Special Resolution (which the Manager and its related parties cannot vote on).• The Fund may terminate the Management Agreement if the Manager is in material breach of the agreement and the Manager fails to cure that breach within 30 business days of notification of the breach, provided that the termination is approved by an Ordinary Resolution of the Investors (which the Manager and its related parties cannot vote on).• The Manager may terminate the Management Agreement if it gives the Fund not less than six months' notice that it wishes to terminate the agreement.• Either party may immediately terminate the Management Agreement on the occurrence of certain events, for example if the Manager or the Fund becomes insolvent. <p>If the Management Agreement is terminated by the Fund without cause and by a Special Resolution, the Fund must pay the Manager a sum equal to 30% of the aggregate of all fees paid to the Manager by the Fund from the date of the Management Agreement to the date that the Management Agreement is terminated (plus GST). No termination fee is payable where the Management Agreement is terminated in any other scenario.</p>
Management duties	<p>The Manager has agreed to perform customary investment management, asset management, administrative management and project management duties.</p> <p>Bayleys Property Services Limited will be appointed by the Fund to provide day to day property and facilities management services.</p>
Sub-contracting/assignment	<p>The Manager's obligations may be sub-contracted but the Manager remains liable for those obligations. The Manager will be responsible for ensuring that any subcontractors comply with the terms of the Management Agreement.</p> <p>Assignment of the parties' rights and obligations is permitted with the prior written consent of the other party, which is not to be unreasonably withheld.</p>
Limitation of liability	To the fullest extent permitted by law, the Manager will not be liable for any loss in value of the Fund or reduction in the value of an Investor's Units, unless such loss is a direct result of the Manager materially breaching its obligations under the Management Agreement.
Due diligence, acquisition and capital raising fee	The Manager will receive a due diligence acquisition and capital raising fee of \$1,100,000 (plus GST) (once the acquisition of the Property settles). This is in consideration for completing due diligence on the Property and arranging the capital raising proposed to fund the acquisition of the Property.

Management fee	<p>The Manager shall be entitled to charge an annual management fee equal to 0.50% per annum (plus GST) of the initial subscribed equity in the Fund following the issue of Units (which is anticipated to be up to \$25,500,000).</p> <p>The management fee will be calculated and paid monthly in arrears.</p> <p>The annual management fee is estimated to be \$127,000 (plus GST).</p>												
Performance fee	<p>A performance fee is paid to the Manager as an incentive to maximise total investor returns.</p> <p>Upon the sale of the Property, the Manager shall be entitled to a performance fee of 20% (plus GST) of the portion of Annualised pre-tax return by the Fund above a benchmark of 10% per annum, taking into account the total capital contributed to the Fund by Investors.</p> <p>The calculation is after management fees and expenses but before performance fees.</p> <p>If the Fund underperforms the benchmark, no performance fee will be payable.</p> <p>An example illustrating the calculation of the performance fee is set out on page 50.</p>												
Transaction fees	<p>The Manager is entitled to be paid the following transaction fees:</p> <table border="0"> <tr> <td data-bbox="443 1014 528 1043">Sale fee</td> <td data-bbox="668 1014 1417 1077">1.0% of the gross sale price, where no real estate agent is used, and, where a real estate agent is used, 0.25% of the gross sale price.</td> </tr> <tr> <td data-bbox="443 1111 571 1140">Leasing fee</td> <td data-bbox="668 1111 1449 1256">One-off fee of between 5% and 15% of annual gross rental for each new lease arranged (with the exception of the Billboard Lease, Security Vault Lease and the initial lease of the retail tenancy) or right of renewal exercised depending on the term of the lease and whether a third party or real estate agent is involved in the negotiation.</td> </tr> <tr> <td data-bbox="443 1290 576 1352">Renewals or extensions</td> <td data-bbox="668 1290 1417 1413">If the Manager negotiates an extension or exercise of any renewal right, 5% of annual rent plus 1.5% of annual rent for each year that the extension or renewal exceeds the date that is five years from the contracted expiry of lease (including any renewal), capped at 15%.</td> </tr> <tr> <td data-bbox="443 1447 616 1476">Rent review fee</td> <td data-bbox="668 1447 1430 1509">10% of an increase in annual gross rent for any negotiated increase in annual rent (excluding CPI and fixed review uplifts).</td> </tr> <tr> <td data-bbox="443 1543 592 1572">Financing fee</td> <td data-bbox="668 1543 1449 1666">If debt financing is arranged, 0.1% of the total loan facility amount financed, refinanced or extended. This fee is not payable if the facility is extended or refinanced with existing lenders on existing terms, save for amendments to interest rate margins, fees and the expiry date.</td> </tr> <tr> <td data-bbox="443 1700 632 1762">Development management fee</td> <td data-bbox="668 1700 1401 1787">4% of the total costs of any development, project or other work of a capital nature (excluding GST).</td> </tr> </table> <p>All transaction fees are plus GST (if any).</p>	Sale fee	1.0% of the gross sale price, where no real estate agent is used, and, where a real estate agent is used, 0.25% of the gross sale price.	Leasing fee	One-off fee of between 5% and 15% of annual gross rental for each new lease arranged (with the exception of the Billboard Lease, Security Vault Lease and the initial lease of the retail tenancy) or right of renewal exercised depending on the term of the lease and whether a third party or real estate agent is involved in the negotiation.	Renewals or extensions	If the Manager negotiates an extension or exercise of any renewal right, 5% of annual rent plus 1.5% of annual rent for each year that the extension or renewal exceeds the date that is five years from the contracted expiry of lease (including any renewal), capped at 15%.	Rent review fee	10% of an increase in annual gross rent for any negotiated increase in annual rent (excluding CPI and fixed review uplifts).	Financing fee	If debt financing is arranged, 0.1% of the total loan facility amount financed, refinanced or extended. This fee is not payable if the facility is extended or refinanced with existing lenders on existing terms, save for amendments to interest rate margins, fees and the expiry date.	Development management fee	4% of the total costs of any development, project or other work of a capital nature (excluding GST).
Sale fee	1.0% of the gross sale price, where no real estate agent is used, and, where a real estate agent is used, 0.25% of the gross sale price.												
Leasing fee	One-off fee of between 5% and 15% of annual gross rental for each new lease arranged (with the exception of the Billboard Lease, Security Vault Lease and the initial lease of the retail tenancy) or right of renewal exercised depending on the term of the lease and whether a third party or real estate agent is involved in the negotiation.												
Renewals or extensions	If the Manager negotiates an extension or exercise of any renewal right, 5% of annual rent plus 1.5% of annual rent for each year that the extension or renewal exceeds the date that is five years from the contracted expiry of lease (including any renewal), capped at 15%.												
Rent review fee	10% of an increase in annual gross rent for any negotiated increase in annual rent (excluding CPI and fixed review uplifts).												
Financing fee	If debt financing is arranged, 0.1% of the total loan facility amount financed, refinanced or extended. This fee is not payable if the facility is extended or refinanced with existing lenders on existing terms, save for amendments to interest rate margins, fees and the expiry date.												
Development management fee	4% of the total costs of any development, project or other work of a capital nature (excluding GST).												

Example of calculation of performance fee

This example is provided for information purposes only to illustrate the calculation of the performance fee based on the information presented in Section 10: "Financial Information" under the heading "Calculation of target Investor returns". Actual results may vary significantly from those in this example. Note that some of these items have been rounded in Section 10: "Financial Information" reflecting that the below calculation is for information purposes only.

Total target Investor return pre-Performance Fee	\$7,129,475
Initial Subscribed Equity	\$25,500,000
Assumed date of sale	2 years after settlement of the purchase of the Property
Total Investor return at 10% hurdle rate	\$5,100,000
Outperformance	\$2,029,475
Performance fee (20% of outperformance)	\$405,895
Annualised return pre-Performance Fee	13.98%
Annualised return post-Performance Fee	13.18%

The Management Agreement will be made available on request from the Manager.

Other arrangements and fees between the Manager and the Fund include:

- The Manager will be entitled to a fee of \$122,716 plus GST (if any) for having funded the deposit for the Property on behalf of the Fund under the Sale and Purchase Agreement and funding early works and certain costs associated with the refurbishment of the Property. This fee will be payable once the acquisition of the Property settles, and the Manager will also be repaid the deposit and any amount paid by the Manager to fund early works in addition to the fee.
- The Manager may receive a portion of the brokerage fees described in Section 10: "Financial information".

Summary of Underwriting Agreement

The key terms of the Underwriting Agreement are:

Underwriter	Centuria Platform Investments Pty Limited
Underwritten amount	Up to \$25,500,000
Underwritten commitment	The Underwriter will subscribe for the number of Units that is equal to the difference between the Units offered by the Fund under the Offer, and the number of Units validly applied for by investors on or before the offer close date at the issue price, up to a maximum of 25,500,000 Units.
Underwriting fee	<p>The Underwriter will be paid an underwriting fee of an amount equal to 3% of the underwritten amount of \$25,500,000. If the total number of Units offered by the Fund under the Offer is reduced prior to the closing date of the Offer, the underwriting fee will reduce to 3% of the total number of Units offered.</p> <p>The underwriting fee will be payable by the Fund within five Business Days after the date on which the Units are issued to the Underwriter, or, if no Units are issued to the Underwriter, the allotment date.</p>
Sale price of shortfall Units	In recognition of the intention that the Fund will not pay cash distributions to Investors until the Property is sold, meaning the Underwriter would not receive any return on Units it is allotted that are on-sold prior to the sale of the Property, the Fund and the Manager will use reasonable endeavours to facilitate the sale of Units held by the Underwriter to prospective purchasers at a price reflecting a return for the Underwriter of at least 8% p.a. from the date it is allotted Units to the date those Units are sold to an incoming Investor.
Termination	<p>The Fund is entitled to terminate the Underwriting Agreement at any time by notice in writing to the Underwriter.</p> <p>The Underwriter's obligations under the Underwriting Agreement will cease on the earlier of:</p> <ul style="list-style-type: none"> • The Offer not proceeding or being withdrawn by the Fund; or • The Underwriter satisfying its obligations to pay the aggregate subscription price for any shortfall Units under the Offer.
Subscription commitments	The Underwriter may obtain commitments from one or more persons to take up a significant amount of its subscription obligation and may pay fees to any such person at its discretion. The Underwriter shall not be discharged from its subscription obligations in the event that such person fails to meet their commitment.

14. Risks to the Fund's business and plans

This section sets out a description of the circumstances that the Fund is aware of that exist or are likely to arise that significantly increase the risk to the Fund's financial position, financial performance and plans. Investors should note that there is a risk that they will not receive all or some of the target annualised pre-tax return of 13% and their original investment back.

The circumstances have been identified by the Fund on the basis of information known to it as at the date of this Investment Memorandum and on an assessment of the probability of a circumstance occurring and the anticipated impact of that circumstance if it did occur. These circumstances may not encompass all of the circumstances that may present a risk to returns of Investors now or in the future, and there is no guarantee that the importance of each circumstance will not change.

These circumstances, were they to occur and if they were not appropriately managed by the Fund, could have a material adverse effect on the Net Assets Realised and annualised pre-tax return delivered to Investors. The Manager has taken, and will, in the future, take, steps to mitigate the effects of these circumstances. However, some circumstances may not be fully capable of mitigation.

Potential Investors should carefully consider these risks (together with other information in this Investment Memorandum) before deciding whether to invest in the Fund.

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

When considering the risks below, you should refer to "Sensitivities" in Section 10: "Financial information" to understand their potential impact on returns.

Sale price achieved for the Property

Description of risk

The target return assumes the Property is sold at the end of the Fund's two year term for a price of \$55 million. A number of factors will influence the sale price, such as:

- the state of the property market, including prevailing capitalisation rates and interest rates;
- the occupancy level of the self-storage and wine storage operations, and the expectations around future trading potential (see "Storage occupancy at the time of sale and future trading expectations" risk below);
- the performance of the Tenants;
- the total net income being received from the storage operations and the leased tenancies at the time of sale; and
- the timing of the sale (see "Failure or delay in selling the Property" risk below).

If one or more of these factors is worse than the assumptions that underpin the assumed sale price, this may negatively impact the Net Assets Realised. Investors may not receive the target annualised pre-tax return of 13% if the sale price is less than the assumed sale price and, in the event that the Fund is required to sell the Property for less than the cost to the Fund of purchasing and developing the Property and establishing the Fund, Investors may not receive back some or all of their original investment.

Mitigation strategies

The "as if complete" valuation is \$55 million, providing support for the assumed sale price.

All indications are that storage in this location would be highly sought after by the nearby population (see the "Mitigation" sections under the "Storage occupancy at the time of sale and future trading expectations" risk below).

The owner of the Vault Tenant has successfully managed a similar operation before. The Billboard Tenant is expected to be Go Media, a nationwide outdoor media advertising company. The retail tenancy is well suited to a wide range of retail occupiers due to its prominent location, significant road frontage, ease of access and on-site parking.

Given the "as if complete" valuation and the Manager's experience with the New Zealand commercial property market, the Manager considers it to be unlikely that it would be in a position where the Fund is not able to achieve a positive return on the Property, other than due to unforeseeable and unlikely events such as complete destruction of the Property (discussed further under the "Destruction of or damage to Property" risk below) or a severe downturn in the commercial property market.

Failure or delay in selling the Property

Description of risk

The Fund has a term of two years (which may be extended by one year, subject to Investors passing an Ordinary Resolution) and the Property is expected to be sold during this period. The ability to sell the Property during the term of the Fund will be influenced by factors such as:

- timing of completion of the refurbishment;
- the state of the property market, including the availability of buyers willing to settle the purchase in the assumed time frame;
- the ability to extend the Fund's term to achieve a satisfactory sale if necessary (subject to Investors passing an Ordinary Resolution), including the ability to extend or refinance the Fund's Bank debt.

If the Fund approaches the two year term and has not sold the Property, or the Fund is liquidated where Investors do not approve an extension before the end of the two year term of the Fund, the Property may be sold for a lesser price. Delays in the sale of the Property may also materially impact Net Assets Realised and the annualised pre-tax return.

Mitigation strategies

The Manager will be actively seeking a committed sale during the refurbishment phase to ensure the Property is sold prior to the expiry of the two year term. The Manager considers that the location of the Property and the factors driving storage demand will support demand for the Property.

The Manager has highly experienced development management personnel who will actively manage the project timetable and costs. The risk of refurbishment delays is mitigated by the relatively straightforward nature of the refurbishment works and the early access granted for preliminary works. (see the "Mitigation" section under the "Refurbishment delays or cost overruns" risk below).

As a frequent buyer and seller of commercial property in New Zealand for over 20 years, the Manager believes it has extensive expertise and connections which will enhance the sale prospects of the Property on exit.

If the term of the Fund needs to be extended to achieve a sale, another bank or a non-bank lender may be able to refinance the initial bank debt if the Bank was unwilling to extend the debt facilities. Subordinated debt could also be introduced to help with refinancing or extending the loan. The Manager and its ultimate parent company, Centuria Capital Group, have long standing relationships with a number of lenders across Australasia and manage a large number of loan facilities.

Storage occupancy at time of sale and future trading expectations

Description of risk

The success of the self-storage and wine storage operations, including the timely appointment of a storage operator, occupancy level at the time of sale and the expectations around future trading, is likely to have a significant influence on the net sale price of the Property. While self-storage is expected to be the largest source of revenue, wine storage is a significant driver of the target return due to the higher storage rental rates expected to be achieved for those units relative to their size. Wine storage demand is harder to forecast than self-storage demand as it is a relatively niche product offering with less market data available.

The target return assumes both the self-storage and wine storage operations will be trading below the Stabilised Occupancy at the time of sale and that the Fund will provide the purchaser of the Property an income underwrite of that vacancy for a period, which is essentially a deduction from the proceeds of sale received by the Fund. If the income underwrite is greater than forecast, or the future trading potential of the storage operation is weaker than expected, this may negatively impact the Net Assets Realised.

Mitigation strategies

All indications are that storage in this location would be highly sought after by the nearby population. The catchment area represents an above average demographic profile (including higher household incomes, population

density and projected population growth) which is conducive to demand for storage.

The Manager believes there is limited capacity at competing wine storage facilities. The target return assumes only 50% occupancy for the wine storage at the point of sale.

The Manager has been in detailed negotiations with two experienced nationwide storage operators who are vying to be appointed to manage the facility. Commercial terms are largely agreed with each party and the Manager expects to appoint the preferred operator prior to settlement of the Property purchase, well in advance of the expected opening date of the storage operation.

The Manager will be seeking a pre-committed sale of the Property, which may be to an owner-occupier. Selling to an owner-occupier could mitigate occupancy risk if they agreed to purchase the Property on completion of the refurbishment (i.e. before the storage operation commences trading).

The Fund could extend its term (subject to Investors passing an Ordinary Resolution), if market conditions are unfavourable for a sale or to extend the trading period. In this event, extended debt funding would need to be secured. Extending the Fund life may negatively impact the target annualised pre-tax return as this takes into account the time value of money, however the aim of the extension would be to improve the occupancy and increase the sale price to such an extent that it positively influences the Net Assets Realised and the target annualised pre-tax return.

Refurbishment delays or cost overruns

Description of risk

Despite the refurbishment budget including additional amounts for contingency, the final cost to complete the refurbishment may be higher than anticipated as the forecasts are based on a combination of estimates from a quantity surveyor and fixed price contracts. The project also remains subject to consenting and unforeseen site issues. Cost overruns (above the contingency) would negatively impact the Net Assets Realised and may need to be funded by additional equity or debt finance (see "Debt availability and interest costs" risk above).

If there are delays in construction due to unforeseen events or the default of contractors, this may affect the occupancy level of the storage operations at the time of sale or delay the timing of sale (see "Failure or delay in selling the Property" risk below).

Mitigation strategies

Extensive due diligence, together with quantity surveyor estimates and early contractor involvement, has validated the forecast refurbishment cost profile and the anticipated construction timetable. The Manager has highly experienced development management personnel who will actively manage the project timetable and costs.

The bulk of the project is fit-out of the storage areas, with minimal structural works required. This reduces complexity and the chance of unforeseen costs or delays. The limited

scope and relatively straightforward nature of the works allows multiple work areas to be accessed simultaneously (e.g. contractors can be working on the fit-out of different floors simultaneously), mitigating some of the timetable risks that typically arise from sequencing and mobilising contractors.

The Manager also negotiated an early access provision in the Sale and Purchase Agreement ahead of settlement and has already commenced preliminary works at the Property. This, together with buying some materials in advance, allows for a head start on the assumed refurbishment timetable and mitigates the risk of delays.

Debt availability and interest costs

Description of risk

If there are refurbishment cost overruns (above the contingency) or the storage operation doesn't meet the assumed trading levels, further funding may be required to complete the refurbishment or cover additional trading losses prior to the sale of the Property if the Fund's working capital is insufficient. If the Bank was unwilling to provide further debt, the Fund may need to raise equity or borrow from a non-bank lender on terms which may negatively impact the Net Assets Realised.

The Bank debt has an initial facility limit of \$4.535 million which can only increase to \$8 million and then the full \$23 million once certain conditions are satisfied, as described in Section 11: "Bank funding". If these conditions and the general conditions for each drawing cannot be satisfied in a timely manner, this may delay the overall refurbishment timeline, and if they are unable to be satisfied the Fund would need alternative funding to complete the refurbishment works.

If the Fund breaches its banking covenants, including if the loan to value ratio exceeds 45% (following practical completion of the refurbishment), if the refurbishment works fall further than four weeks behind programme or if the facility limit is not increased to \$8 million within six months of settlement, and such a breach is not remedied, the Bank may enforce its security and sell the Property in a "forced sale" at a lower than market price (including prior to the refurbishment works being completed).

If the Fund's term is extended beyond two years, the term of the debt facility with the Bank will also need to be extended. In this scenario, if income from the Property was not sufficient to service the interest costs, it is likely that the Fund may need to raise equity or borrow from a non-bank lender on terms which may negatively impact the Net Assets Realised. Interest expense incurred by the Fund is a material expense. If interest costs increase over the life of the Fund by more than the forecast amount, this may negatively impact the Net Assets Realised.

Mitigation strategies

The cost assumptions have been robustly tested during due diligence and the Manager believes there is sufficient contingency, debt capacity and working capital to complete the refurbishment and cover the initial trading losses. The Manager also considers the potential impact

can be adequately minimised through active management of the Fund's finances and banking relationship.

The Manager and its ultimate parent company, Centuria Capital Group, have long standing relationships with a number of lenders across Australasia and manage a large number of loan facilities. If additional funding is required which the Bank was unwilling to provide, a new bank or non-bank lender may be able to refinance the initial bank debt, or subordinated debt could be introduced.

If a pre-committed sale is secured this would significantly improve the likelihood of obtaining any increased debt funding that may be required or an extension of the term of the debt facility with the Bank on terms favourable to the Fund.

The Manager has highly experienced development management personnel who are comfortable with the conditions to drawdown and will actively drive the satisfaction of those conditions.

Debt is drawn down gradually throughout the refurbishment phase which mitigates the impact of interest rates increasing above the assumed levels. The Manager also currently intends to fix the base rate on the initial debt drawn at settlement (up to approximately \$4.5 million) via an interest rate swap. The Manager will monitor the interest rate markets and regularly review the proportion of the borrowings that are subject to a fixed interest rate.

Resource consent

Description of risk

Resource consent will be required for the change to the façade, the change of use and the inclusion of a large-scale digital advertising billboard at the Property. Both are restricted discretionary applications. If resource consent is delayed or declined, this may delay the project and impact the Net Assets Realised and annualised pre-tax return.

If resource consent for the billboard is not held by 30 June 2024, the Bank may reduce the facility limit to account for the reduced level of income resulting from the inability to lease the billboard.

Mitigation strategies

Planning advice is that resource consents for both elements should not pose any significant risks. Resource consent for the façade change poses no significant approval risks and the application has already been lodged with Council. Resource consent for the billboard will be subject to review by Auckland Transport which slightly increases the risk of rejection but it is still expected to be achieved.

The billboard resource consent has been separated from the lower risk façade resource consent, allowing the façade consent to proceed separately so any consent conditions for the billboard are less likely to delay the broader project.

Contractor insolvency

Description of risk

If any of the contractors engaged by the Fund become insolvent before completion of the refurbishment works at the Property, this could affect the Net Assets Realised and target annualised pre-tax return as it may lead to delays in completing the works and cost overruns.

Mitigation strategies

The budget for the refurbishment works includes a contingency of \$1.368 million which will be available to support any cost overruns to the extent it has not already been utilised.

Given the early access to the Property provided under the Sale and Purchase Agreement to allow preliminary works to commence, the Manager currently considers it can complete the refurbishment works by 3 to 6 months earlier than the 12-month period it has currently assumed. This provides a buffer should there be delays caused by contractor insolvency.

Destruction of or damage to Property

Description of risk

While the Property and the works to be undertaken will be insured, if there is an event that causes destruction of or damage to the Property, this may impact the target annualised pre-tax return as it will likely lead to delays in the refurbishment being completed.

There is also a risk that Net Assets Realised may be affected if construction costs have increased since the commencement of the insurance policies the Fund will take out.

Mitigation strategies

The replacement value for which the Property is being insured is \$25,915,000 and contract works insurance to a value of \$8,998,900 is also being obtained by the Fund. Those values include contingency amounts.

If a damage or destruction event occurs, the Manager will analyse whether it will be more beneficial for Investors to settle the insurance claim through a cash settlement, sell the Property and return Net Assets Realised to Investors than to rebuild the Property. In this instance, a cash settlement may allow some funds to be returned to Investors at an earlier date than if the Property was rebuilt.



15. Tax

Tax can have significant consequences for investments. The effect of taxation will vary according to your personal circumstances. If you have queries relating to the tax consequences of an investment in the Fund, you should obtain professional advice on those consequences.

The target annualised return of 13% is before tax.

The Fund is a limited partnership (not a portfolio investment entity), which means each Investor is assessed individually on their proportionate share of the taxable income of the fund. Investors will be individually responsible for the payment of their tax obligation and will indemnify the General Partner of the Fund against any tax liability (including withholding taxes) in respect of their allocation of income or capital gains of the Fund. No tax will be deducted from distributions paid by the Fund unless the Fund or the General Partner of the Fund is required by law to pay taxes on behalf of an Investor (which may be the case if an Investor is treated as an "absentee" for New Zealand tax purposes), in which case neither the Fund nor the General Partner will be required to make any additional payment to that Investor in respect of any such tax deducted.

Any profits, including any gain on sale, will be taxable as the Property will be purchased with the intention of resale and will therefore be held on revenue account. No depreciation can be claimed over the life of the Fund as the Property is held on revenue account.

The Manager will provide annual tax information to Investors including the taxable income to be disclosed in tax returns. As interest costs are able to be claimed as a tax deduction throughout the development period, the Manager expects that there will likely be tax losses in the first and second tax periods ending 31 March 2024 and 2025 respectively.

ARTIST IMPRESSION

16. Contact information

Centuria NZ Value Add Fund No. 2 LP

Level 2, 30 Gaunt Street
Auckland Central
Auckland 1010
PO Box 37953, Parnell
Auckland 1151

Phone: +64 9 300 6161
Email: enquiries@centuria.co.nz

Manager

Centuria Funds Management (NZ) Limited
Level 2, 30 Gaunt Street
Auckland Central
Auckland 1010
PO Box 37953, Parnell
Auckland 1151

Phone: +64 9 300 6161
Email: enquiries@centuria.co.nz

General Partner of the Fund

CFM GP (VAF 2) Limited
Level 2, 30 Gaunt Street
Auckland Central
Auckland 1010
PO Box 37953, Parnell
Auckland 1151

Phone: +64 9 300 6161
Email: enquiries@centuria.co.nz

Solicitors

Chapman Tripp
Level 34, PwC Tower
15 Customs Street West
Auckland 1010
PO Box 2206
Auckland 1140

Phone: +64 9 357 9000

Share Registrar

Boardroom Pty Limited
Grosvenor Place
Level 8, 210 George Street
Sydney, New South Wales 2000
GPO Box 3993
Australia

Phone: +61 2 9290 9600

Selling Agent

Bayleys Real Estate Limited
Level 1, 30 Gaunt Street
Auckland Central
Auckland 1010
PO Box 8923, Symonds Street
Auckland 1150

Phone: +64 9 309 6020



17. How to apply

To apply for Units in the Offer, you must provide the following:

- A completed and signed application form, including or accompanied by the relevant wholesale investor certification or acknowledgement;
- For new investors with the Manager, a bank encoded deposit slip, bank statement or confirmation from your bank verifying your bank account name and number;
- For new investors with the Manager, or if your details have changed, the identification and other Anti-Money Laundering due diligence information requested by our partners at First AML, who will be in touch with you following receipt of your application form; and
- Payment of the total application amount. See "Payment" below, for further details.

We strongly recommend you use the online application form available at www.centuria.co.nz/vaf

If completing a hard copy application form, please courier this along with the above accompanying documents (including wholesale investor certificates or acknowledgements), to the Manager in the pre-paid courier bag included with the hard copy of this Investment Memorandum. Should you wish to deliver or arrange your own courier please send to the Manager, **Centuria Funds Management (NZ) Limited, Level 2, 30 Gaunt Street, Auckland (Attention: Value-Add Offer)**.

You can also scan and email a completed hard copy application form, along with the above accompanying documents, to enquiries@centuria.co.nz

IMPORTANT – for existing Centuria NZ investors, identification documents may have been provided previously as part of Centuria NZ's AML (Anti-Money Laundering) requirements. If, at the time of submitting your application, Centuria NZ does not have the correct identification documents on file up to the standard required by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 or needs to update the documents it holds, additional documents may have to be re-submitted before your application can be accepted. Our partners at First AML will contact you if this is the case.

Payment must be made in New Zealand dollars for immediate value. Payment must be made by electronic transfer or direct debit.

Investor's subscription monies will be held in a trust account established for the Offer.

PAYMENT OF YOUR APPLICATION AMOUNT IS DUE BY 15 DECEMBER 2023.

Glossary

Term	Definition
\$	New Zealand dollars, unless stated otherwise.
Annualised pre-tax return	Annualised pre-tax return is a percentage that is calculated by dividing the total profit (as a percentage) by the number of years of the investment. For example, investing \$100,000 for two years and receiving a total profit of \$20,000 (20%) means the annualised total return is 10% per annum.
ASB or Bank	ASB Bank Limited.
Billboard Lease	The lease expected to be entered into between the Fund and Go Outdoor Advertising Limited allowing the Billboard Tenant to install an electronic billboard on part of the Property, as described in Section 9: "Tenants / leases".
Billboard Tenant	Go Outdoor Advertising Limited.
Centuria Capital	The Centuria Capital Group which comprises Centuria Capital Limited and Centuria Capital Fund. The units in Centuria Capital Limited and the units in Centuria Capital Fund are stapled and trade together as a single stapled security on the ASX as "Centuria Capital Group", under the ticker code "CNI".
Centuria NZ or the Manager	Centuria Funds Management (NZ) Limited (Company number: 3760278).
CPIPL or the Underwriter	Centuria Platform Investments Pty Limited.
Fund	Centuria NZ Value-Add Fund No. 2 LP.
General Partner	CFM GP (VAF 2) Limited.
Investment Memorandum	This investment memorandum dated 17 November 2023 detailing the offer of Units in the Fund.
Investor	A holder of Units in the Fund.
Internal Rate of Return or IRR	The discount rate that, when applied to the cash flows from an investment, produces a net present value of zero.
Limited Partnership Agreement	The limited partnership agreement to be entered into by the General Partner, and, through their attorney the General Partner, each Investor, on settlement of the acquisition of the Property by the Fund.
Limited Partnerships Act	Limited Partnerships Act 2008.
Loan Facility	The loan facility described in Section 11: "Bank funding".
Manager or Centuria NZ	Centuria Funds Management (NZ) Limited (Company number: 3760278).

Term	Definition
Management Agreement	The agreement between the Fund and Centuria NZ under which Centuria NZ is exclusively appointed to manage the Fund.
NBS	New Building Standards.
Net Assets Realised	Net Assets Realised represents the proceeds received from the sale of the Property less any income underwrite provided to the purchaser of the Property or any other sale adjustment, disposal costs incurred, the repayment of all debt, settlement of any outstanding liabilities (such as trade creditors) as well as any costs associated with liquidating the Fund. It can also be calculated by taking the initial investor equity committed and adding the realised investor return.
Ordinary Resolution	A resolution approved by a simple majority of the votes cast by Investors entitled to vote and voting on the resolution.
Offer	The offer of Units under this Investment Memorandum.
Offer Period	17 November 2023 to 15 December 2023.
Property	The property at 43 College Hill, Freemans Bay, Auckland.
Sale and Purchase Agreement	The sale and purchase agreement entered into by the Vendor and Centuria Capital (NZ) No. 2 Limited, under which the Property will be acquired by the Fund pursuant to a nomination from the purchaser, dated 19 May 2023.
Security Vault	The security vault of 4,000 safety deposit boxes to be installed by the Security Vault Tenant.
Security Vault Lease	The agreement to lease pursuant to which the Security Vault Tenant agrees to lease the security vault tenancy from the Fund.
Security Vault Tenant	Herne Bay Safety Deposit Limited.
Special Resolution	A resolution approved by 75% of the votes cast by Investors entitled to vote and voting on the resolution.
Stabilised Occupancy	A level of occupancy for the storage operations which is considered to be stable and subject to small fluctuations as users finishing their rental contracts are replaced by new users.
Units	The units in the Fund.
Tenants	Each of the Security Vault Tenant, the Billboard Tenant and any eventual retail tenant.
Underwriter or CPIPL	Centuria Platform Investments Pty Limited.
Underwriting Agreement	The underwriting agreement pursuant to which CPIPL agrees to underwrite the Offer.
Vendor	College Hill Investments Limited.

Application form

Centuria NZ Value-Add Fund No. 2

This application form is issued with the Centuria NZ Value-Add Fund No. 2 LP (the Fund) Investment Memorandum dated 17 November 2023 (the IM). The Offer is only being made to persons who are "wholesale investors" within the meaning of clause 3 of schedule 1 of the Financial Markets Conduct Act 2013. Before completing this Application Form, applicants should read and consider the IM. If you have any questions or if there is anything you do not understand, please contact our sales representatives on 0800 BAYLEYS (229539).

The Fund, Bayleys Real Estate (including the selling agents) and Centuria Funds Management (NZ) Limited (Centuria NZ) do not provide any financial, tax or other professional advice. Before making any financial investment decisions, we recommend that you seek professional financial advice from a Financial Adviser which takes into account your personal investment objectives, financial situation and individual needs.

We strongly recommend you use the online application form available at www.centuria.co.nz/vaf.

If you wish to complete a paper application form, please courier completed application documents to Centuria Funds Management (NZ) Limited, Level 2, 30 Gaunt Street, Auckland 1010 (attention: Value-Add Offer).

You can also scan and email a completed paper application form to enquiries@centuria.co.nz.

INSTRUCTIONS ON HOW TO COMPLETE

- Please read and complete all relevant sections of the Application Form.
- Please ensure that you have read and understood the information on the declaration section of this form and all parties have signed.
- You need to return your signed Wholesale Investor Certificate to complete your application. Please email a scanned copy or photo of your certificate to enquiries@centuria.co.nz or courier a paper copy to the address noted above.
- Customer Due Diligence information is required for all applicants. Should Centuria NZ not hold the required information, our partners at First AML will be in touch with you following Centuria NZ's receipt of your application form (see page 68).

SECTION 1: NAME OF INVESTOR AND APPLICANT CONTACT DETAILS

Please provide the name of the investor and primary contact information.

Name of individual(s) or investing entity

Are you investing as

Individual OR Joint Individuals

Partnership

Company

Trust/Estate

Other

If other, please specify

Has the Individual(s) or Investing entity invested in a Centuria NZ product previously?

Yes, Investor number:

No

Primary contact details

Legal full name

Postal address

Email

Home or mobile telephone number

SECTION 2: BANK ACCOUNT DETAILS FOR DISTRIBUTION PAYMENT

Please insert the Bank Account holder's name and Bank Account Number into which distribution payments are to be made. Distributions must be paid into the Bank Account of the investor/investing entity (the Fund does not pay distributions to third parties on an investor's behalf).

Account holder's name

Account number

Please enclose one of the below bank account verification documents with your application form

Bank Statement or screenshot of online banking showing account holders name and number

Bank encoded deposit slip

Confirmation from your bank verifying your bank account name and number

Application form

Centuria NZ Value-Add Fund No. 2

SECTION 3: TAX INFORMATION

Individual Application – Please complete your name as the Primary Applicant and complete your IRD number and RWT rate below along with selecting your New Zealand tax resident status.

Joint Individual Application – Where all investors are individuals, the investor with the highest tax rate should complete their details as the Primary Applicant and complete their IRD number and RWT rate below along with selecting their New Zealand tax resident status. The other investors should complete their name, IRD number and New Zealand tax resident status. For other Joint Applications where the investors are not all individuals please contact us.

Company, Partnership, Trust or Other Entity Application – Please complete the Entity Name, IRD number and RWT rate below along with selecting the entity's New Zealand tax resident status.

Primary Applicant or Entity name	IRD number	New Zealand Tax resident?	
		Yes	No
Applicant name	IRD number	Yes	No
Applicant name	IRD number	Yes	No
Applicant name	IRD number	Yes	No
Applicant name	IRD number	Yes	No

Primary Applicant or Entity Resident Withholding Tax (RWT) rate

Your Resident Withholding Tax (RWT) rate is based on your taxable income, and there are different rates for individuals, trusts, companies and partnerships. You can find the current RWT rates on the Inland Revenue (IRD) website. Please select one of the following:

0% 10.5% 17.5% 28% 30% 33% 39%

Application form

Centuria NZ Value-Add Fund No. 2

Company, partnerships, trust or other entity

WHEN COMPLETING THIS SECTION PLEASE ANSWER BOTH QUESTIONS 1 AND 2

1. Is the entity registered for tax purposes in any country other than New Zealand? Yes No

If **YES**, please provide the details below:

(please include all countries/jurisdictions in which the entity is a tax resident)

Country of foreign tax residence

Foreign Tax Number

2. Are any controlling parties registered for tax purposes in any country other than New Zealand? Yes No If **NO**, please go to Section 4.

If **YES**, please provide details for each individual below:

Companies, Partnerships, other entity:

All directors, partners and shareholders that hold more than 25% ownership of the company or partnership and any other individual who has effective control.

Trusts:

All Trustees, settlors, appointors, Executors and listed beneficiaries and any other individual who has effective control.

Legal full name

Legal full name

Legal full name

Legal full name

We are unable to provide tax advice, if you are unsure about your tax residency status please contact your local tax authority (Inland Revenue in NZ) or speak with a professional tax advisor. For more information about the international tax compliance regulations you can search 'FATCA' or 'CRS' on the New Zealand Inland Revenue website.

SECTION 4: APPLICATION AMOUNT AND PAYMENT

Amount in NZD (\$1 per Unit). Applications can be made in increments of \$10,000 with a \$100,000 minimum.

NZD\$

PLEASE NOTE: If you invest as a trust, a company with Nominee Shareholders or you are making an investment of \$500,000 or more, Centuria NZ will require information relating to the source of funds or wealth for this investment. Our partners at First AML will be in touch with you following the receipt of your application form to commence this process.

Please choose ONE of the PAYMENT OPTIONS below by ticking the box next to your selected option.

OPTION 1: ELECTRONIC TRANSFER/DIRECT CREDIT

Centuria NZ or its agent will provide bank details for payment by email or phone to you once the application is complete and all customer due diligence has been provided.

OPTION 2: DIRECT DEBIT

Direct debits allow the Fund, via its registry provider Boardroom Pty Limited, to deduct money from your nominated bank account as payment for your Application. If you wish to make payment by this method, please complete your account details below. By signing this application form, the signatory agrees that Boardroom Pty Limited on behalf of the Fund is authorised to direct debit the bank account below for the total Application Amount on the date that we confirm your application is complete and all customer due diligence has been provided.

Application form

Centuria NZ Value-Add Fund No. 2

Direct debit instructions

Please complete the Direct Debit Authority below.

The bank account must be with a New Zealand registered bank. You cannot specify a direct debit date and you must ensure that:

- a. the bank account details supplied are correct;
- b. the Application Monies in the bank account for the direct debit are available on the day you submit your Application;
- c. the person(s) giving the direct debit instruction has/have authority to operate the account solely/jointly; and
- d. the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

Should your direct debit fail, your Application may be rejected if you are unable to pay by alternative means.

Direct debit authority

Name of my account to be debited (acceptor)

Initiator's authorisation code

1 2 2 9 0 0 7

Name of my bank

Bank/Branch

Account number

Suffix

From the acceptor to

(my bank):

(insert name of acceptor's bank)

By signing this Application Form I authorise you to debit my account with the amounts of direct debits from Boardroom Pty Ltd ITF CNZ VAF 2 Apps A/C with the authorisation code specified on this authority in accordance with this authority until further notice.

I agree that this authority is subject to:

- the bank's terms and conditions that relate to my account; and
- the specific terms and conditions listed below

Please include the following information on my bank statement:

SPECIFIC CONDITIONS RELATING TO NOTICES AND DISPUTES

I may ask my bank to reverse a direct debit up to 120 calendar days after the debit if:

- I don't receive a written notice of the amount and date of each direct debit from the initiator, or
- I receive a written notice but the amount or the date of debiting is different from the amount or the date specified on the notice.

The initiator is required to give you a written notice of the amount and date of each direct debit on or before the date of the debit.

If the bank dishonours a direct debit but the initiator sends the direct debit a second time within 5 business days of the original direct debit, the initiator is not required to notify you a second time of the amount and date of the direct debit.

FOR BANK USE ONLY

Approved bank stamp

Date received

Recorded by

Checked by

SECTION 5: NATURE AND PURPOSE OF YOUR INVESTMENT

This information is being requested solely for the purpose of Centuria NZ's regulatory compliance obligations (pursuant to the Anti-Money Laundering and Countering Financing of Terrorism Act 2009) and not for the purpose of allowing Centuria NZ to assess the suitability of this investment for your personal financial circumstances, financial needs or goals.

The NATURE of your investment explains how much you plan to invest with Centuria NZ, how regularly you expect to invest and for how long you intend to hold this investment.

How regularly do you intend to invest with Centuria NZ?

One off investment 1-3 times a year Each available opportunity When funds are available

How much do you plan to invest in total with Centuria NZ on an annual basis?

Less than \$100k \$100k up to \$250k \$250k up to \$500k Over \$500k

How long do you intend to hold your investment with Centuria NZ?

Less than 12 months 2-5 years 6-10 years Over 10 years

The PURPOSE of your investment explains your investment objectives and intentions, and what you are trying to achieve by investing with Centuria NZ.

What are you looking to achieve through investing with Centuria NZ?

Receive regular income Achieve capital growth Planning for retirement Other

If other, please provide additional information

Application form

Centuria NZ Value-Add Fund No. 2

SECTION 6: CUSTOMER DUE DILIGENCE (CDD) REQUIREMENTS

As part of its obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, Centuria NZ must undertake Customer Due Diligence (CDD) on (a) a customer (b) any beneficial owner of a customer (c) any person acting on behalf of a customer.

Every new investor and existing investor (including all trustees, beneficial owners and any person acting on behalf of the investor) is subject to CDD requirements. This ranges from verifying an investor's identity and address to obtaining the Trust Deed if a trust will hold the investment.

Centuria NZ have engaged First AML to conduct Customer Due Diligence (CDD) on our behalf. First AML will contact you directly to collect identity information and complete the CDD process. The good news is, if you have previously provided this for other Service Providers, with your consent, we may be able to use this information to save you from repeating the process.

Your information will be used for the sole purpose of conducting CDD and identity verification. Your information will remain confidential and will not be shared outside of First AML, Centuria or Boardroom Pty Limited as Centuria NZ's registry provider, other than in accordance with Centuria NZ's privacy policy.

Please select the investor option that refers to you.

OPTION 1: EXISTING INVESTOR

I am an existing investor and I have previously provided complete Customer Due Diligence documentation, the details of which are still correct.

Please note Centuria NZ will review the documents it holds on file and may request further information.

Please go to Section 12 and complete the declaration section on Page 75.

OPTION 2: EXISTING INVESTOR - I NEED TO UPDATE MY INVESTOR INFORMATION

If there has been a change to your personal details (e.g. address), shareholding of your company, change in trustees you need to provide updated Customer Due Diligence documentation.

Our partners at First AML will be in touch with you following the receipt of your application form to request all relevant Customer Due Diligence documentation.

Please go to Section 12 and complete the declaration section on Page 75.

OPTION 3: NEW INVESTOR

I am a new investor with Centuria NZ and will meet my Customer Due Diligence (CDD) requirements.

Please complete the Customer Due Diligence section relevant to your investor type (see table below), then go to Section 12 and complete the declaration section on Page 75.

Individual & Joint Individuals (Page 69), Section 7	Partnerships (Page 70), Section 8
Company (Page 71), Section 9	Trust (Page 72), Section 10
Estates (Page 74), Section 11	

Our partners at First AML will be in touch with you following the receipt of your application form to request all relevant Customer Due Diligence documentation.

SECTION 7: CUSTOMER DUE DILIGENCE - INDIVIDUAL & JOINT INDIVIDUALS

Please provide personal information for the following:

- Each investor
- Any individual(s) acting on behalf of the individuals e.g. Authorised Person(s), Power of attorney

Legal full name

Residential address

Date of birth

Place of birth

Occupation

Email

Home or mobile telephone number

Legal full name

Residential address

Date of birth

Place of birth

Occupation

Email

Home or mobile telephone number

Legal full name

Residential address

Date of birth

Place of birth

Occupation

Email

Home or mobile telephone number

Application form

Centuria NZ Value-Add Fund No. 2

SECTION 8: CUSTOMER DUE DILIGENCE - PARTNERSHIPS

As part of its obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, Centuria NZ must undertake Please provide personal information for each of the following:

- All current partners
- Any individual(s) acting on behalf of the partnership e.g. Authorised Person(s), Power of attorney
- All persons who own more than 25% of the partnership
- Any other person who has effective control of the partnership

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

SECTION 9: CUSTOMER DUE DILIGENCE - COMPANY

Please provide personal information for each of the following:

- All current directors
- All persons who own more than 25% of the company
- Any persons acting on behalf of the company e.g. Authorised Person(s), Power of attorney
- Any other person who has effective control of the company

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Application form

Centuria NZ Value-Add Fund No. 2

SECTION 10: CUSTOMER DUE DILIGENCE - TRUSTS

Please provide personal information for each of the following:

- All current trustee(s)
- All appointer(s)
- Any individual(s) acting on behalf of the trust e.g. Authorised Person(s), Power of attorney
- All directors of the Corporate Trust Company (if applicable)

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

SECTION 10: CUSTOMER DUE DILIGENCE - TRUSTS (CONTINUED)

Corporate Trustee Company

Full name of contact

Company name

Email

Home or mobile telephone number

We require photo identification and address verification for all directors of the Corporate Trustee Company. Our partner First AML may also need to follow up with them regarding additional CDD documentation.

Application form

Centuria NZ Value-Add Fund No. 2

SECTION 11: CUSTOMER DUE DILIGENCE - ESTATES

Please provide personal information for each of the following:

- All executor(s)
- All trustee(s)
- Any individual(s) acting on behalf of the estate
- Any other person who has effective control of the estate e.g. Authorised Person(s), Power of attorney

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

Legal full name

Date of birth

Place of birth

Occupation

SECTION 12: DECLARATION AND SIGNATURE

I/We hereby apply for the Units as set out above subject to the terms and conditions of the IM.

I/We have received, read and understood the IM. I/We understand the risks to the Fund's Business and Plans as set out at Section 14 of the IM. I/We acknowledge that the offer of Units in the IM was made to me/us in New Zealand or any other country in which the Fund is able to offer to persons without having to prepare a disclosure document. I/ We agree to accept the Units as applied for or any lesser number that may be transferred to me/us. I/We hereby consent to Centuria NZ and the Fund disclosing such information as it holds in respect of me/us to regulatory authorities. The information I/We have provided in this Application Form is true and correct to the best of my/our knowledge. I/We understand that the Fund and Centuria NZ have not assessed the suitability of this investment for my/our personal financial circumstances, financial needs or goals nor provided any personalised financial advice. I/We hereby irrevocably appoint CFM GP (VAF 2) Limited as my/our attorney for the purposes of signing the Limited Partnership Agreement and any other documents on my/our behalf in order to register or otherwise facilitate operation of the Centuria NZ Value-Add No. 2 LP.

Privacy Act 2020 & Unsolicited Electronic Messages Act 2007

You have a right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. The personal information you have supplied may be used by Agri Fund and Centuria NZ (and other related entities) for the purposes of enabling us to arrange and manage your investment, to contact you in relation to your investment, and to market other products and services to you. You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law; and to meet our legal or regulatory obligations. We will provide you (on request) with the name and address of any entity to which information has been disclosed.

Signatures

If the application form is signed by an Attorney (or an agent), the Attorney must complete the certificate of non-revocation on the next page.

Please note: All individual(s) must sign, all trustee(s) (including a director from the corporate trustee) must sign, a director of a company must sign. Failure to do so will delay your application.

Date

Applicant signature

Full name

Applicant signature

Full name

Applicant signature

Full name

Applicant signature

Full name

Applicant signature

Full name

Applicant signature

Full name

Application form

Centuria NZ Value-Add Fund No. 2

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

Complete this section if you are acting on behalf of someone for whom you hold Power of Attorney.

I, _____ (Name of Attorney)

of _____ (Address and Occupation of Attorney)

HEREBY CERTIFY

1. That by deed dated

Name of Donor or Power of Attorney

of _____ (address and country of Donor)

appointed me his/her/its attorney.

2. That I have not received notice of any event revoking the power of attorney.

Date _____ Signed at (place) _____

Signature

Full name

Wholesale investor criteria

To qualify as a Wholesale Investor you are required to give a certificate or acknowledgement in the form prescribed for the relevant category of Wholesale Investor that applies to you. This must be returned in order to complete your application.

The prescribed forms of Wholesale Investor certificates and acknowledgements are available below and via the online application form at www.centuria.co.nz/vaf

For those Wholesale Investors who are within the eligible investor category, we note that the certificate must be confirmed by a lawyer, financial adviser or statutory accountant.

Should you have questions on how to complete these certificates, please contact the Centuria Investor Relations team on 09 300 6161 or enquiries@centuria.co.nz.

Wholesale Investor categories

The Offer is open to persons who are Wholesale Investors within at least one of the following categories:

1. A person who is an **eligible investor**;
2. A person who **invests at least NZ\$750,000 in the Fund**;
3. A person who meets the **investment activity criteria**;
4. A person who is **large**; or
5. A person who is an **investment business**.

Further information about each of the above categories is set out below, along with the relevant certificate or acknowledgment.

1. Who is an eligible investor?

Eligible investors are investors who self-certify that:

- they have previous experience in acquiring or disposing of financial products that allows the investor to assess:
 - the merits of an offer of Units in the Fund (including assessing the value and the risks of Units in the Fund)
 - their own information needs in relation to an offer of Units in the Fund; and
 - the adequacy of the information provided by any person involved in an offer of Units in the Fund; and
- they understand the consequences of certifying themselves to be an eligible investor.

Each eligible investor's certificate must set out the grounds for the above certification.

Investors are free to state all grounds that they consider are relevant to the above self-certification. However, eligible investors should ensure any relevant grounds include particulars of the financial products which they have experience acquiring or disposing (it is not sufficient to merely state "investment experience"). For example, if you have previously invested in other Centuria or Augusta financial products which are relevant to the above certification, you should clearly identify those financial products.

In addition, a financial adviser, qualified statutory accountant or lawyer must sign a written confirmation of the above certification. That person must not sign the certificate, unless having considered the investor's grounds for their certificate:

- they are satisfied that the investor has been sufficiently advised of the consequences of the certification; and
- they have no reason to believe that the certification is incorrect or that further information or investigation is required as to whether or not the certification is correct.

Any person investing on the above basis will need to provide the certificate entitled "Wholesale Investor application: eligible investor certificate" including the accompanying "confirmation of eligible investor certification" to Centuria NZ.

2. Minimum \$750,000 investment

All Investors who subscribe for 750,000 Units or more will qualify as Wholesale Investors, provided they return the acknowledgement for this category of Wholesale Investor.

Any person investing on the above basis will need to provide the acknowledgement entitled "Wholesale Investor application: minimum \$750,000 investment acknowledgement" to Centuria NZ.

3. What is the investment activity criteria?

The criteria is that the Investor meets at least one of the following:

- they (together with any entities they control) own (or at any time during the 2 year period prior to the date of their certification of the same have owned) a portfolio of financial products of a total value of at least \$1 million;
- they (together with any entities they control) have (or during the 2 year period prior to the date of their certification of the same have) carried out one or more transactions to acquire financial products where the total amount payable was at least \$1 million and the other parties to the transactions are not associated with the Investor; or
- they are an individual and, within the 10 years prior to the date of their certification of the same, have been employed or engaged in an investment business and have, for at least 2 years during that 10 year period, participated to a material extent in the investment decisions made by the investment business.

In counting financial products towards the \$1 million thresholds above, bank deposits, bonus bonds, building society investments (and other similar investments) as well as interests in a retirement scheme (e.g. KiwiSaver or other superannuation scheme) cannot be counted.

Any person investing on the above basis will need to provide the certificate entitled "Wholesale Investor application: investment activity certificate" to Centuria NZ.

4. Who is large?

A person is large if at least one of the following applies:

- as at the last day of the 2 most recently completed financial years of the Investor before the date of their certification, they and their controlled entities had net assets which in total exceeded \$5 million in aggregate; or
- in each of the 2 most recently completed financial years of the Investor, they and their controlled entities had consolidated turnover which in total exceeded \$5 million in aggregate.

Any person investing on the above basis will need to provide the certificate entitled "Wholesale Investor application: large investor certificate" to Centuria NZ.

5. Who is an investment business?

In addition to financial advisers, this category encompasses entities whose principal business consists of one or more of the following:

- Investing in financial products;
- Acting as an underwriter;
- Providing a financial advice, client money or property service; or
- Trading in financial products on behalf of other persons.

This category does not apply to individuals, other than financial advisers.

Any person investing on the above basis will need to provide the certificate entitled "Wholesale Investor application: investment business certificate" to Centuria NZ.





Wholesale Investor certificates

1.

Wholesale investor application: eligible investor certificate

WARNING

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you give this certificate, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Make sure you understand these consequences.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Offence

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

Name(s) of Applicant

Please insert the name of your investing person or entity here. For example, individual names, joint individual names or company name. If it is a trust, please insert the name of the trust and all trustee names (e.g. Joe Bloggs and Amy Bloggs as trustees of the Bloggs Family Trust).

Certification

The following certification is given in respect of any offer of units (Units) in Centuria NZ Value-Add Fund No.2 LP (the Fund).

The Applicant certifies that:

- 1. the Applicant is a person or body corporate with previous experience in acquiring or disposing of financial products that allows the Applicant to assess:**
 - (a) the merits of an offer of Units in the Fund (including assessing the value and risks of Units in the Fund); and**
 - (b) the Applicant's own information needs in relation to an offer Units in the Fund; and**
 - (c) the adequacy of information provided by any person involved in an offer Units in the Fund; and**
- 2. the Applicant understands the consequences of certifying himself, herself or itself to be an eligible investor:**

Grounds for certification

The applicant gives the certification above on the following grounds:

Please include all relevant grounds for the above certification. Please include particulars of the financial products you have experience acquiring or disposing (it is not sufficient to merely state "investment experience"). For example, if you have previously invested in other Centuria or Augusta financial products which are relevant to the above certification, you should clearly identify those financial products.

Wholesale investor application: eligible investor certificate

IMPORTANT:

This certificate is not complete unless accompanied by the following signed confirmation from a financial adviser, qualified statutory accountant or lawyer. The signed confirmation must be provided by someone who is independent of the Applicant (e.g. a lawyer who is also a director of the trustee company for a trust Applicant may not sign the confirmation).

Signed by the Applicant

Name

Date

Signature

D D M M Y Y

Signed by the Applicant

Name

Date

Signature

D D M M Y Y

Signed by the Applicant

Name

Date

Signature

D D M M Y Y

Confirmation of eligible Investor certification

Name(s) of Applicant

Date of applicant eligible investor certification

Name of Financial Adviser/Qualified Statutory Accountant/Lawyer:

Firm

Address

I confirm that:

1. I am:

- (a) a financial adviser as defined in section 6 of the Financial Markets Conduct Act 2013; or
- (b) a qualified statutory accountant as defined in section 5(1) of the Financial Reporting Act 2013; or
- (c) a lawyer as defined in section 6 of the Lawyers and Conveyancers Act 2006;

2. I am not an "associated person" (as defined in the *Financial Markets Conduct Act 2013*) of Centuria Funds Management (NZ) Limited, Centuria NZ Value-Add Fund No.2 LP, or any related body corporate of the foregoing, at the date of this certificate (Relevant Persons);

3. If I am a financial adviser or qualified statutory accountant, I have not, within the two years immediately before the date of this confirmation, provided professional services to any of the Relevant Persons;

4. Having considered the grounds for certification given by the Applicant in the attached certificate:

- (a) I am satisfied that the Applicant has been sufficiently advised of the consequences of providing that certification;
and
- (b) I have no reason to believe that the certification is incorrect or that further information or investigation is required as to whether or not the certification is correct.

Signed by Financial Adviser/Qualified Statutory Accountant/Lawyer:

Signature

Signature

Name

Date

2.

Wholesale investor application: minimum \$750,000 investment acknowledgment

WARNING

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is \$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Name(s) of Applicant

Please insert the name of your investing person or entity here. For example, individual names, joint individual names or company name. If it is a trust, please insert the name of the trust and all trustee names (e.g. Joe Bloggs and Amy Bloggs as trustees of the Bloggs Family Trust).

Acknowledgement

I confirm that I understand that:

- **The usual legal rules that require information to be given to investors for offers of financial products do not apply if the amount invested upfront by me (plus any other investments I have already made in those financial products) is \$750,000 or more; and**
- **I may not receive a complete and balanced set of information about this investment; and**
- **I have fewer legal protections for this investment; and**
- **This investment is not suitable for retail investors; and**
- **I have been advised to ask questions, read all documents carefully, and seek independent financial advice.**

Signed by the Applicant

Signature

Full name

Date

D D M M Y Y

Signed by the Applicant

Signature

Full name

Date

D D M M Y Y

Signed by the Applicant

Signature

Full name

Date

D D M M Y Y

3.

Wholesale investor application: investment activity certificate

WARNING

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you are a wholesale investor, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Offence

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

Name(s) of Applicant

Please insert the name of your investing person or entity here. For example, individual names, joint individual names or company name. If it is a trust, please insert the name of the trust and all trustee names (e.g. Joe Bloggs and Amy Bloggs as trustees of the Bloggs Family Trust).

Certification

The Applicant hereby certifies that the Applicant is a wholesale investor within the meaning of clause 3(2) of Schedule 1 to the Financial Markets Conduct Act 2013 (FMCA) and the Applicant understands the consequences of certifying himself, herself, or itself to be a Wholesale Investor.

The Applicant confirms that paragraph 3(2)(b) of Schedule 1 of the FMCA applies to the Applicant, on the basis that the Applicant meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMCA, on the grounds that at least one of the following applies to the Applicant:

Please indicate the grounds that apply by marking relevant check boxes.

the Applicant owns (together with any entities the Applicant controls), or at any time during the 2-year period before the date of this certificate has owned, a portfolio of specified financial products of a total value of at least \$1 million (in aggregate);

the Applicant has (together with any entities the Applicant controls), during the 2-year period before the date of this certificate, carried out 1 or more transactions to acquire specified financial products where the amount payable under those transactions (in aggregate) is at least \$1 million and the other parties to the transactions are not "associated persons" (as defined in the FMCA) of the Applicant; or

the Applicant is an individual who has, within the last 10 years before the date of this certificate, been employed or engaged in an investment business and has, for at least 2 years during that 10-year period, participated to a material extent in the investment decisions made by the investment business.

Signed by the Applicant

Signature

Name and position of signatory

Date

D	D	M	M	Y	Y
---	---	---	---	---	---

Signed by the Applicant

Signature

Name and position of signatory

Date

D	D	M	M	Y	Y
---	---	---	---	---	---

Signed by the Applicant

Signature

Name and position of signatory

Date

D	D	M	M	Y	Y
---	---	---	---	---	---

4.

Wholesale investor application: large investor certificate

WARNING

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you are a wholesale investor, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Offence

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

Name(s) of Applicant

Please insert the name of your investing person or entity here. For example, individual names, joint individual names or company name. If it is a trust, please insert the name of the trust and all trustee names (e.g. Joe Bloggs and Amy Bloggs as trustees of the Bloggs Family Trust).

Certification

The Applicant hereby certifies that the Applicant is a wholesale investor within the meaning of clause 3(2) of Schedule 1 to the Financial Markets Conduct Act 2013 (FMCA) and the Applicant understands the consequences of certifying himself, herself, or itself to be a wholesale investor.

The Applicant confirms that paragraph 3(2)(c) of Schedule 1 of the FMCA applies to the Applicant, on the basis that the Applicant is large for the purposes of clause 39 of Schedule 1 to the FMCA, on the grounds that at least one of the following applies to the Applicant:

Please indicate the grounds that apply by marking relevant check boxes.

As at the last day of the 2 most recently completed financial years of the Applicant before the date of this certificate, the Applicant and his/her/their controlled entities had net assets which exceeded \$5 million in aggregate; or

In each of the 2 most recently completed financial years of the Applicant before the date of this certificate, the Applicant and his/her/their controlled entities had consolidated turnover which exceeded \$5 million in aggregate.

Signed by the Applicant

Signature

Name

Date

D	D	M	M	Y	Y
---	---	---	---	---	---

Signed by the Applicant

Signature

Name

Date

D	D	M	M	Y	Y
---	---	---	---	---	---

Signed by the Applicant

Signature

Name

Date

D	D	M	M	Y	Y
---	---	---	---	---	---

5.

Wholesale investor application: investment business certificate

WARNING

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you are a wholesale investor, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Offence

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

Name(s) of Applicant

Please insert the name of your investing person or entity here. For example, individual names, joint individual names or company name. If it is a trust, please insert the name of the trust and all trustee names (e.g. Joe Bloggs and Amy Bloggs as trustees of the Bloggs Family Trust).

Certification

The Applicant hereby certifies that the Applicant is a wholesale investor within the meaning of clause 3(2) of Schedule 1 to the Financial Markets Conduct Act 2013 (FMCA) and the Applicant understands the consequences of certifying himself, herself, or itself to be a wholesale investor.

The Applicant confirms that paragraph 3(2)(a) of Schedule 1 of the FMCA applies to the Applicant, on the basis that the applicant is an investment business as specified in clause 37 of Schedule 1 to the FMCA, on the grounds that either (tick the relevant option):

The Applicant is a financial adviser (being an individual who is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 in relation to a financial advice service, but does not include a financial advice provider); or

One or more of the principal activities of the Applicant entity is:

Please indicate the grounds that apply by marking relevant check boxes.

- investing in financial products;
- acting as an underwriter;
- providing a financial advice service (within the meaning of section 431D of the FMCA);
- providing a client money or property service (within the meaning of section 431W(1) of the FMCA); or
- trading in financial products on behalf of other persons.

Signed by the Applicant

Signature

Name and position of signatory

Date

D	D	M	M	Y	Y
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Signed by the Applicant

Signature

Name and position of signatory

Date

D	D	M	M	Y	Y
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Signed by the Applicant

Signature

Name and position of signatory

Date

D	D	M	M	Y	Y
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