



AUGUSTA
FUNDS MANAGEMENT



Product Disclosure Statement

For an Offer of Units in Building B Graham Street Limited Partnership

Issued by Augusta Funds Management Limited

4 October 2016

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. Augusta Funds Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you make an investment decision.

1. Key Information Summary



1.1 What Is This?

This is an offer of units in the Building B Graham Street Limited Partnership. Your money will be pooled with other investors' money and invested. Augusta Funds Management Limited invests the money in the property at Building B and Building C and takes fees. The assets and fees are described in this document. By investing in this limited partnership (LP), you are relying on the investment decisions of Augusta Funds Management Limited and returns from the assets that the LP invests in. There is a risk that you may lose some or all of the money you invest.

The LP is an "other managed investment scheme" for the purposes of the Financial Markets Conduct Act 2013 and, accordingly, in certain places, this PDS refers to the LP as a "scheme".

1.2 Who Manages This Scheme (LP)?

Augusta Funds Management Limited (*Manager* and *Offeror*) is the manager of the LP. See "About Augusta Funds Management Limited and others involved in Building B Graham Street Limited Partnership" in section 10 for further details.

1.3 What Are You Investing In?

Prospective investors should be aware that:

- **The investment on offer is units in the LP. It has been structured as a long-term investment in commercial real estate.**
- **The LP will invest in two real property assets, Building B BDO Centre, 2 Graham Street, Auckland and Building C, 5 Hardinge Street, Auckland (together, the *Property*).**
- **The LP has no fixed term. This means that there is no set date on which you will get your investment back. A return of your investment will be dependent on the sale of your Unit(s) or the LP approving a sale of the Property, as well as the price of such sales.**

The LP will use the funds raised to purchase the Property.

The LP will become landlord under the Leases.

This table sets out the costs of establishing the LP and acquiring the Property:

Purchase price	\$88,373,326
Establishment costs	\$5,026,674
Sinking Fund	\$200,000
Total	\$93,600,000

Funded by:

Investor's capital	\$52,500,000
Debt	\$41,100,000
Total	\$93,600,000

The debt will be funded by way of interest only loan facility secured over the Property with a term of 60 months from BNZ.

Investment Objectives

The LP has a long-term investment horizon. The primary objectives of the LP are to:

- Achieve the increase in cash distribution levels forecasted from 7.00% to 7.75% per annum by the year ending 31 March 2021 and after that year to potentially increase cash distribution levels to 8.00% (if possible);
- Preserve and grow the value of the Property; and
- Leverage lease extension options for the Property to increase lease terms and/or rent where possible.

Investment Strategy

The LP's strategy is to hold the Property, continue to lease it to quality tenants and preserve and grow equity by active management of the LP and the Property.

1. Key Information Summary (cont.)

1.4 Key Terms Of The Offer

Products on Offer	Investors will acquire Units in the LP.
Price per Unit	\$50,000
Number of Units offered	1,050
Intended Offer Opening Date	12 October 2016
Intended Offer Closing Date	21 November 2016
Liability to make further payments under the Offer	Investors will only be liable to make further payments to the LP if they take part in the management of the LP. The LP has been structured to avoid Investors taking part in management.
Underwrite	Offer fully underwritten.
No overseas investors	The Offer is only being made to potential investors in New Zealand.

1.5 How You Can Get Your Money Out

An investment in the LP is not redeemable on demand and there is no fixed date on which you may get your money out. The LP may sell the Property and be wound up (with the surplus capital returned to Investors) if approved by 75% of Units entitled to vote and voting on the resolution. There is no guarantee that you will recoup the amount of your original investment.

Your investment in these Units can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

1.6 Key Drivers Of Returns

The Manager considers that the key current and future aspects of the LP that will have, or may have, an impact on the LP's financial performance (and the key strategies and plans for those aspects) are:

- **Interest rates** – as a significant expense for the LP is interest payments, the financial performance will be affected by interest rates. The Manager has fixed the interest rate applying to the LP's debt for four years from 1 April 2017. The Manager currently proposes to have the LP's debt floating in the period from settlement to 1 April 2017 (although during that period the margin component of the interest rate will be fixed). In the period following 1 April 2021, the Manager will actively manage the benchmark and margin components of the interest rate that applies to the LP's debt during the life of the LP. The Manager may enter into forward start swap agreements before 1 April 2021 for some or all of the LP's debt after that date, to the extent possible.
- **Rental Income** – the rental income received by the LP is the key source of the LP's income. That income is forecast to grow over time due to the contracted fixed rental increases in the initial term of each Lease.
- **Capex and Defects Warranty** – Mansons and the Vendor have agreed to provide a broad warranty in favour of the LP under which Mansons and the Vendor agree to be generally responsible for repairing any defects in the Property that become apparent prior to March 2026 and warrant to the LP that (subject to certain exceptions) it will not be required to incur unrecoverable capital expenditure on the Property prior to that date.

1.7 Building B Graham Street Limited Partnership's Financial Information

Gearing Ratio on acquisition of the Property and issue of Units	46.2%	The "gearing ratios" tell you how much the LP owes (debt) as a portion of what it owns (assets).
Gearing ratio at 31 March 2017	45.7%	
Gearing ratio at 31 March 2018	45.3%	
Interest Cover Ratio at 31 March 2017	2.96 times	The "interest cover ratios" tell you how much the LP's net income exceeds interest on its loans (as a multiple).
Interest Cover Ratio at 31 March 2018	3.12 times	

Forecast Cash Return	<p>Forecast pre-tax cash returns of:</p> <ul style="list-style-type: none"> • 7.00% for the 4 months ending 31 March 2017; • 7.00% for the first full year ending 31 March 2018; • 7.25% for the full year ending 31 March 2019; • 7.50% for the full year ending 31 March 2020; • 7.75% for the full year ending 31 March 2021. <p>These returns are not guaranteed. The actual distribution rates may vary. The increase in returns over the forecast period does not guarantee further increases. While it may continue to increase, the return following the forecast period may stay the same or lower. In the event that, following the forecast period, returns were higher than 8.00% per annum, those additional returns may be applied towards debt repayment and not lead to higher cash distribution levels. Should debt repayments be made, the Manager would take into account any tax liability for Investors and potentially make a distribution to account for that tax liability.</p>
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The prospective financial information included in this PDS has been extracted from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the Offer Register. The prospective financial statements have been subject to a reasonable assurance engagement and an unmodified opinion has been issued by KPMG, a copy of which is also included on the Offer Register.

Valuation

The Property was independently valued at \$89,600,000 plus GST (if any) as at 9 September 2016 in accordance with current Australia and New Zealand Valuation and Property Standards, using both a capitalisation of net income approach and a discounted cash flow approach.

1.8 Key Risks Of This Investment

Investments in managed investment schemes are risky. You should consider whether the degree of uncertainty about the LP's future performance and returns is suitable for you. The price of these Units should reflect the potential returns and the particular risks of these Units. The Manager considers that the most significant risk factors that could affect the value of Units are:

- **NZME default** – If NZME and its guarantor were to suffer liquidity or other significant financial problems, any failure to pay rental and outgoings under the NZME Leases would have a material detrimental impact on the ability of the LP to pay returns to Investors. If the NZME Leases were cancelled (and no replacement tenant(s) found, or there was a material delay in re-letting), it would materially impact the capital value of the Property, the consequent ability for Investors to recoup their original investment, and would continue to materially affect the LP's ability to pay returns to Investors.
- **Interest rates after 1 April 2021** - The principal expense of the LP is interest payments. The Manager has fixed the interest rate applying to the LP's debt for four years from 1 April 2017. The interest rates applying after that period cannot be predicted. The Manager will actively manage the benchmark and margin component of the interest rate that applies to the LP's debt after 1 April 2021 throughout the life of the LP. The Manager may enter into forward start swap agreements before 1 April 2021 for some or all of the LP's debt after that date, to the extent possible.

This summary does not cover all of the risks. You should also read section 7 "Risks to returns from Building B Graham Street Limited Partnership".

1. Key Information Summary (cont.)

1.9 What Fees Will You Pay?

The table below summarises the fees and expenses that the LP will be charged. Further information about fees is set out in section 8 “What are the Fees?”.

Manager and associated person's fees	
Manager's offeror fee	\$1,750,000
Augusta Capital's underwrite fee	\$375,000
Manager and associated person's aggregate fees for establishment of LP	\$2,125,000
Other fees for establishment of LP	
Brokerage fee*	\$1,050,000
Other underwriters fees	\$1,200,000
Legal fees	\$220,000
Assurance fee	\$20,000
Valuation fee	\$12,000
Health and safety review fees	\$975
Building due diligence reports fees	\$10,000
Chattel valuation fee	\$10,500
Supervisor	\$10,000
Marketing	\$135,000
Disbursements	\$18,439
Bank fees	\$210,000
PDS registration fee and FMA levy	\$4,760
Total fees for establishment of the LP	\$5,026,674

Ongoing fees and expenses (payable for the duration of the LP)	
The Manager and its associated person's aggregate fees for the accounting periods to:**	31 March 2017 will be \$91,667 plus GST, which as a percentage of net assets of the LP is anticipated to be 0.19%
	31 March 2018 will be \$277,750 plus GST, which as a percentage of net assets of the LP is anticipated to be 0.57%
Other person's aggregate fees and expenses (including interest expenses but excluding amortised finance costs) for the accounting periods to:	31 March 2017 will be \$611,515 plus GST, which as a percentage of net assets of the LP is anticipated to be 1.28%
	31 March 2018 will be \$1,781,355 plus GST, which as a percentage of net assets of the LP is anticipated to be 3.67%

*The brokerage fee will reduce by \$1,000 per Unit that is issued to an underwriter under their underwriting obligations. That amount may be subsequently applied to any brokerage payable where an underwriter disposes of its underwritten Units.

**Assuming the management fee increases at 3% a year and no other fees are payable.

Alongside the above fees and expenses, the Manager is also establishing a \$200,000 sinking fund (which will be supplemented by operating cashflows retentions). The sinking fund and retentions have been allowed for to provide for additional working capital at the commencement, and over the life, of the LP.

1.10 How Will Your Investment Be Taxed?

The LP is not a portfolio investment entity (*PIE*). See section 9 “Tax” for more information.

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Dear Investor

Following the success of Augusta's syndicated offer for Building A at 4 Graham Street, Auckland we are very pleased to now bring Building B and Building C as a syndicate product to our investors. Buildings A and B are to be known together as the BDO Centre. BDO will hold naming rights over both buildings and occupy one floor of Building A. BDO will not be a tenant in either Building B or Building C.

We have been greatly encouraged by investor support for the Building A offer, which closed over-subscribed. At the same time, we are aware of other investor enquiry for this quality of product which remains unfulfilled, prompting us to bring the Property to market.

The Property was completed in late 2015. Approximately one third of the space of Building B is occupied by NZME, which operates the NZME brand in New Zealand as well as businesses such as the New Zealand Herald, GrabOne and Newstalk ZB. NZME's Lease obligations are guaranteed by its parent company NZME Limited, which is listed on the NZX Main Board stock exchange. NZME Limited has recently announced an intention to merge its business with the New Zealand operations of Fairfax Media. In our view, the proposed merger may further increase the tenant covenant provided under the NZME Leases. The balance of the Property is occupied by Maersk (who are sea freight and container specialists), Kotahi (a logistics and distribution joint venture between Fonterra and Silver Fern Farms), Meredith Connell (the Auckland Crown Solicitors) and a range of smaller retail tenants in the ground floor area that specialise in food offerings, hairdressing and other services.

Since we offered Building A to the market, the BDO Centre has won the prestigious award as the winner of the 2016 NZ Property Council's NZ Supreme Building Award. This independent award further underlines the quality of the Property, including its 5 Green Star "design" rating focusing on energy efficiency, environmental quality and water usage. The Property has a Weighted Average Lease Term of 11.22 years (by income). After careful review of the Property, the Augusta team are happy to present this Property to you and believe that it is worthy of careful consideration. Investors should bear in mind the forecast increase in annual pre-tax cash return from 7.00% in the initial period to 7.75% in the year ending 31 March 2021 as a result of fixed rental growth, a fixed interest rate strategy and a capital expenditure warranty from the Vendor until March 2026.

Investments of this calibre are hard to find in the New Zealand market. An Offer like this also provides the opportunity for Investors to obtain regular monthly forecast returns.

This PDS contains important information about the LP and the Offer. We encourage you to read this PDS carefully and consider in particular the "Risks to Returns from the Building B Graham Street Limited Partnership" section before making your investment decision.

Kind regards



Mark Francis
Managing Director



Bryce Barnett
Executive Director

The BDO Centre
has won the
prestigious
award as
the winner
of the 2016
NZ Property
Council's NZ
Supreme
Building Award.



Boundary lines indicative only.



2. What Building B Graham Street Limited Partnership Invests In

Key Features of The Scheme (LP)

The key features of the LP are set out below:

Statement of Investment Policy and Objectives and Investment Strategy

The Manager has adopted a Statement of Investment Policy and Objectives (SIPO) for the LP which sets out its investment policies, objectives and strategies for the LP in respect of its investment in the Property as well as the policies it will apply in respect of its management and its investment performance monitoring benchmarks. A copy of the SIPO is available on the Scheme Register at www.business.govt.nz/disclose by searching “Building B Graham Street Limited Partnership” under “search schemes”.

The SIPO sets out that the LP’s only allowable assets are:

- The Property and any leases/licences of the Property;
- Cash deposits with registered New Zealand banks; and/or
- Any other assets arising in connection with holding the Property including prepayments, accounts receivables, interest rate swap agreements and insurance receivables.

The investment strategy of the LP is to acquire the Property, continue to lease the Property to quality tenants and preserve and then grow equity by active management of the LP and the Property.

Given the nature of the LP’s sole asset (substantial commercial property) and its unlisted ownership structure, the LP has a long-term investment horizon. The primary objectives of the LP are to:

- Achieve the increase in cash distribution levels forecasted from 7.00% to 7.75% per annum by the year ending 31 March 2021 and after that year to potentially increase cash distribution levels to 8.00% (if possible);
- Preserve and grow the value of the Property, and attend to necessary ongoing repairs, maintenance and capital expenditure; and
- Leverage lease extension options for the Property to increase lease terms and/or rent where possible.

The key policies of the Manager in respect of implementing the above objectives and strategy are:

- **Cash flow management:** a regular cash flow budget for a minimum of two years is maintained and reviewed and six-monthly reviews with the LP’s bank are undertaken to review the LP’s current financing. Particular circumstances set out in the SIPO may result in an increase or decrease in distributions;
- **Interest cover:** maintained at not less than 2 times the interest payments;
- **Building maintenance and capital expenditure:** the Manager will undertake regular monitoring of the condition of the Property to ensure ongoing routine repairs and maintenance are undertaken to a high standard. Mansons, the contractor that built the Property, and the Vendor (another member of the Mansons group) have agreed to provide a broad warranty in favour of the LP under which both Mansons and the Vendor agree to be generally responsible for repairing any defects in the Property that become apparent prior to March 2026 and warrant to the LP that (subject to certain exceptions) it will not be required to incur unrecoverable capital expenditure on the Property prior to that date;
- **Hedging/interest rate policy:** The Manager has fixed the interest rate applying to the LP’s debt for four years from 1 April 2017. The Manager currently proposes to have the LP’s debt floating in the period from settlement to 1 April 2017 (although during that period the margin component of the interest rate will be fixed). The Manager believes this an appropriate strategy, given the current interest rates, and the short term swap arrangements, available in the market. In the period following 1 April 2021, the Manager will manage the benchmark component of the interest rate with a combination of short-term and long-term interest rate swap agreements and/or floating rates, and will actively monitor the margins available in the market during the life of the LP (and would consider changing lender if better margins were available elsewhere). The Manager may enter into forward start swap agreements before 1 April 2021 to apply to some or all of the LP’s debt after that date, to the extent possible. The Manager will monitor the interest rate management strategy throughout the life of the LP;
- **Leverage:** The maximum allowable loan amount is 50% of the greater of the original purchase price and the most recent independent valuation. If a return of 8% per annum is achieved, any further returns in excess of that may be applied towards debt repayment. Should debt repayments be made, the Manager would take into account any tax liability for Investors and potentially make a distribution if possible to account for that tax liability.

The SIPO may be amended by the Manager following consultation with Covenant Trustee Services Limited, the supervisor for the LP (*Supervisor*).

2. What Building B Graham Street Limited Partnership Invests In (cont.)

The Property

Building B

Building B is a newly built, substantial office building forming part of the BDO Centre – an integrated commercial and retail complex developed by the Vendor at 2-4 Graham Street, Auckland. The site has been extensively excavated to provide basement car parking, storage and ancillary areas over 2 levels, with both Building A and B sitting above this basement level.

Building B comprises six levels of office accommodation with a rentable area of approximately 7,147.48 square metres, along with 7 ground floor retail premises comprising approximately 792.43 square metres of lettable area. In addition there is 34.28 square metres of basement storage space, 68 secure basement car parks and naming and signage rights have been granted to BDO.

Building B is separated from Building A by an enclosed atrium connected by air bridges. At the ground level of the development there is a landscape outdoor amenity area, giving Building B easy access and linkage to Building C and Spark City, another substantial office development one block to the west.

Building C

Building C is also a newly built structure located on Hardinge Street which comprises approximately 239.54 square metres rentable area and is a separate retail block on the edge of the basement area of the BDO Centre with Hardinge Street frontage.

Legal Description

Building B is located at 2 Graham Street, Auckland and is comprised in computer freehold register 708754, which contains two distinct parcels of land:

- Lot 4 Deposited Plan 490577, which is the parcel of land on which the building is constructed; and
- A 32/500 share in Lot 1 DP 490577, which contains the common areas of the development (the remainder of the shares in Lot 1 are held by the owners of Buildings A and C).

Building C is located at 5 Hardinge Street, Auckland and is comprised in computer freehold register 708752, which contains two distinct parcels of land:

- Lot 2 Deposited Plan 490577, which is the parcel of land on which the building is constructed; and
- A 32/500 share in Lot 1 DP 490577, which contains the common areas of the development (the remainder of the shares in Lot 1 are held by the owners of Buildings A and B).

Use of Lot 1 DP 490577 is governed by the overarching Building Management Agreement between the owners of the various parts of the development. While the common areas of the development are generally available for use by all owners and their respective tenants, under the Building Management Agreement each owner is granted specific exclusive rights in respect of certain parts of Lot 1. For example, the owner of Building B is granted the exclusive right to lease or licence to any third party 68 basement car parking spaces, basement storage areas, outdoor seating areas, and a coffee kiosk and the exclusive right to receive any rent generated from these interests. An encumbrance registered against each certificate of title for the development secures ongoing compliance by the owners with the terms of that agreement, and each owner must prior to granting any mortgage or other security over its building and share in Lot 1 DP 490577 obtain a deed of covenant from the mortgagee or secured party under which that party covenants in favour of all other owners to exercise any power of sale subject to the terms of the Building Management Agreement.

Features of Building B

Construction of Building B comprises reinforced concrete slabs and columns with concrete beam frame, aluminium and structural glazing façade to exterior walls, with painted plaster board walls to interior lined areas. The roof is profile steel sheets along with a reinforced concrete slab supporting a range of plant and equipment above the lifts and stairs while internal ceilings are suspended tiles in a grid system along with recessed florescent and LED lighting.

The 20 metre high ground floor entrance atrium provides access to both Building A and Building B, as well as a walk through from Graham Street to the outdoor courtyard (through to Building C). The ground floor flooring is tiled in the lobby and carpeted in the office accommodation. Glass partitioning spreads natural light throughout this area. There is also a separate access from Graham Street into Building B and its own lobby area, including foyer and lift lobby.

The office space areas within Building B have carpet floor coverings, a mixture of plasterboard lined walls or glass partitioning and a 3.1 metre stud height. There are male and female toilet facilities on each floor. Natural light is provided from exterior walls as well as from the central atrium which has full height wall and roof glazing.

Internal services include a chilled water fan coil system for air conditioning as well as an automatic sprinkler system for fire protection. Electrical systems throughout Building B include a standby generator with 24 hour run time capability which will provide 100% of power, lighting ventilation and ancillary power systems as well as 50% of the power required for the chilled water fan coil system for air conditioning. In addition there is a further backup generator specifically for NZME requirements. A bank of 3 passenger lifts services Building B while communications and data includes CAT 6 cable trunking throughout. A base building security system using card access along with CCTV monitoring for entry and exit points is in place (including in the car park areas).

The basement car parking area has access from Hardinge Street where goods loading is also provided in addition to a secure bike park room along with shower and toilet facilities.

Property Council Award

The BDO Centre was awarded the “Best of the Best” Award on the 17th of June 2016 in the Property Council New Zealand Rider Levett Bucknall Property Industry Awards 2016. BDO Centre won both the Commercial Office Property Award (Best Commercial Property in NZ) as well as the Supreme Award (Overall property in NZ). The Manager sees this award as a prestigious acknowledgement of the Property, its quality and functionality.

Green Star Rating

Building B has a 5 Green Star ‘Design’ rating, and the Vendor is in the process of obtaining a 5 Green Star ‘Built’ rating based upon its performance in relation to indoor environmental quality, energy usage, transport (car park minimisation and cyclists / mass commuting transport facilities), water usage, use of materials, emissions and land use / ecology. The Vendor has advised that they do not expect any issues in obtaining the 5 Green Star ‘Built’ rating.

Contamination

During development and excavation of the basement level of the Property, contaminated land areas were removed from the site and remediated prior to construction. The Vendor has confirmed that there is no asbestos present in the Property.

Seismic, Building Act and Health and Safety

The Manager engaged Harrison Grierson to peer review the seismic strength of the Property. It has confirmed both Building B and Building C hold a seismic rating of at least 100% of ‘New Building Standard’ and meets all current seismic code requirements. The Property has current Building Warrants of Fitness. The Manager has also undertaken due diligence on the health and safety risks within Building B and Building C.



¹‘New Building Standard’ refers to the standard that applies to a new building under the Building Code. A percentage of New Building Standard is used to assess whether a building is earthquake prone.

2. What Building B Graham Street Limited Partnership Invests In (cont.)

Location

Completed in late 2015, the Property is positioned within an area known as Victoria Quarter in the western fringe of the Auckland central business district. Victoria Quarter is exhibiting a growing commercial presence with low to mid-rise campus style office buildings being constructed in recent years. Victoria Street West extends along the side of this block providing good access to the motorway network in both north and south directions while the Auckland central business district and main retail precinct is within 1 kilometre to the east.

The western fringe has seen a substantial amount of office development in recent times, with most of the development being focused on Fanshawe Street and Victoria Street West. This development activity has attracted a large number of corporates requiring substantial floor plates in low to mid-rise buildings, including Air New Zealand, Vodafone, KPMG, Microsoft, NZI, Bayleys, Oracle and Kiwibank.

Jones Lang LaSalle's Valuation Report notes that:

- there is a clear preference for quality space in the Auckland market;
- prime stock (defined as premium and grade A properties – which includes Building B) vacancy levels have increased slightly but remain at structural levels, with tenants unable to secure adequate space; and
- tenants have been demanding newer, greener and more efficient premises, which is the driving force behind the historically low vacancy rate for prime stock of 2.1%.

The Tenants

The Property's anchor tenant is NZME Holdings Limited (*NZME*), a member of the NZME group. NZME's obligations are guaranteed by NZME Limited. NZME Limited is listed on the NZX Main Board stock exchange, and has a market capitalisation, as at 30 September 2016, of approximately \$155 million. The other office space tenants are Maersk, Kotahi and Meredith Connell.

There are also 9 retail sites and 2 storage areas being acquired by the LP as part of the Property. The Vendor has secured retail tenants for six of the retail sites. Kotahi has, under the Kotahi Lease, leased one of the storage areas. The Vendor has underwritten the vacant retail and storage areas by agreeing to lease those areas from settlement. The Vendor's performance will be secured by a bank bond from ASB Bank for an amount equal to the total

amount of rent payable during the entire initial terms of the underwritten leases (plus GST), (with the bank bond sum reducing as and when rental payments are made). Further details on the retail tenants is contained in the tenancy schedule set out on pages 30 to 32.

The Vendor is actively marketing the retail and storage areas it will lease under its underwrite arrangement and may find a new tenant for any part of those areas before settlement. Any such replacement lease must be generally on the same terms as the Vendor's underwriting arrangement, and the Vendor is required to satisfy the LP as to the respectability, responsibility and solvency of any such replacement tenant. The Vendor may split the retail sites it will lease, to meet an incoming retail tenant's needs. The Manager is aware of a current proposal to split one of the retail sites leased to the Vendor in this way.

However, the LP cannot insist upon guarantees of any proposed replacement tenant's obligations if the replacement tenant (or its parent company) is listed on any stock exchange or, more relevantly, an entity whose financial position and standing is such that a reasonable landlord of premises of the same quality would not insist upon guarantees. In particular, the LP could not require a bank bond be provided equivalent to that given by the Vendor under the underwriting arrangement. However, the Manager will carefully review the information provided in respect of a tenant's financial position and standing and will require bank and/or personal guarantees where necessary. The relevant lease with the Vendor would be surrendered in respect of the area to be leased by the replacement tenant, the bank bond returned to the Vendor and thereafter the replacement lease alone would apply to such premises.

The Property will have a weighted average lease term as set out in the Valuation Report of 11.22 years (by income) as at 9 September 2016 (the date of the Valuation Report).

NZME

NZME, the anchor tenant, is a unified radio, digital, E-commerce and print operation. It is connected with 3.3 million New Zealanders, with its news function reaching 2.3 million people, sport function reaching 1.1 million people and entertainment function reaching 2.6 million people. NZME operates businesses such as The New Zealand Herald, GrabOne and Newstalk ZB. The New Zealand Herald has been operating for over 150 years and is New Zealand's number one daily newspaper, connecting with almost half a million New Zealanders daily. Newstalk ZB has the number one breakfast show, and has 503,600 total listeners.

NZME also occupies the same 3 levels of office space in adjoining Building A under separate lease arrangements.

NZME have approximately 1,650 employees across New Zealand, of which approximately 1,100 are based in Graham Street in Building A and Building B.

NZME's obligations are guaranteed by NZME Limited. NZME Limited is listed on the NZX Main Board stock exchange, and has a market capitalisation, as at 30 September 2016, of approximately \$155 million. NZME Limited and NZME previously formed part of the Australian APN media group. On 27 June 2016, NZME Limited demerged from its Australian parent and became a listed NZX company.

NZME Limited announced on 7 September 2016 the signing of a merger implementation agreement to effect the merger of NZME Limited and Fairfax New Zealand Limited. The merger is subject to Commerce Commission approval.

The guarantee of the NZME Leases provided by NZME Limited would survive the potential merger, and NZME Limited would remain as the listed holding vehicle of both businesses. The Manager considers that the proposed merger would potentially improve the strength of the tenant covenant provided, and in no way would adversely impact the ability of NZME and/or NZME Limited to meet their obligations under the NZME Leases.

No member of the NZME group, other than NZME Limited, guarantees NZME's performance under the NZME Leases.

Maersk Line A/S

Maersk group started as a shipping company in Denmark in the early 1900's and is now an international business. The group operates in a variety of business sectors, primarily within the transportation and energy areas. It has been the largest container ship operator and supply vessel operator in the world since 1996. The Maersk Line is the largest operating unit in the Maersk group with around 25,000 employees in 2012. In 2013 the company described itself as the world's largest overseas cargo carrier and operated over 600 vessels with 3.8 million 20 foot equivalent unit containers capacity and as at September 2015 it held 15.1% of the global container capacity.

Maersk Line A/S is a Danish company, and is registered as an overseas company with the New Zealand Companies Office. No member of the Maersk group other than Maersk Line A/S is liable, or guarantees Maersk Line A/S's obligations, under the Maersk Lease.

Kotahi

Kotahi is the freight management partnership between Fonterra and Silver Fern Farms. Launched in 2011 Kotahi operates as an export – import cargo management company. The company's vision is stated as being to establish an efficient and secure supply chain service to enable New Zealand companies to operate on a global scale.

Meredith Connell

Meredith Connell is a significant national law firm, with offices in Auckland (in the BDO Centre at Building B and Building A) and Wellington. Meredith Connell holds the Crown Warrant for Crown criminal work in Auckland (a separate Crown Warrant, not held by Meredith Connell, applies for Crown criminal work in Manukau).

Meredith Connell also occupies the same level of office space in adjoining Building A under separate lease arrangements (although the liability cap applying in respect of the Meredith Connell Lease applies across their Building A lease also).

Management of the LP

The LP will be managed by Augusta Funds Management Limited. Day to day facilities and property management services for the BDO Centre and Building C are (until otherwise agreed between the owners of Building A, Building B and Building C) provided by CBRE Limited, the property manager currently appointed by the owners of Building A, Building B and Building C (in accordance with the Building Management Agreement). The cost of building management is fully recoverable. The Manager will, as part of its role as manager of the LP, monitor CBRE Limited's compliance with its facilities and property management obligations.

Innovation in the heart of Auckland

1. Fonterra
2. Microsoft HP
3. Vodafone
4. KMPG
5. Bayleys / Augusta
6. Auckland Council Service Centre

7. IBM
8. Spark
9. Kiwibank
10. Ricoh
11. Les Mills
12. Oracle
13. City Depot
14. SkyCity

Building B Graham St



2. What Building B Graham Street Limited Partnership Invests In (cont.)

The key personnel of the Manager who will be responsible for managing the LP and the Property are:

Name	Bio	Role
Mark Francis	Mark is the Managing Director of Augusta. Mark formed Augusta in 2001, and is the largest shareholder in Augusta Capital.	Mark will, in conjunction with Bryce and Phil, oversee all aspects of the LP and the Property as part of his role overseeing all Augusta syndications, investments and funds.
Bryce Barnett	Bryce is the Head of Funds Management at Augusta. Bryce established and ran KCL Property, which was acquired by Augusta in 2014. Bryce was previously the General Manager of MacDow Properties, a subsidiary of McConnell Dowell.	Bryce will, in conjunction with Mark and Phil, oversee all aspects of the LP and the Property as part of his role overseeing all Augusta syndications, investments and funds.
Phillip (Phil) Hinton	Phil is General Manager at Augusta. Phil has over 35 years property experience in New Zealand, previously as a registered valuer and partner of TelferYoung (Taranaki) Limited, specialising in commercial property valuations for twenty years.	Phil will, in conjunction with Mark and Bryce, oversee all aspects of the LP and the Property as part of his role overseeing all Augusta syndications, investments and funds.
Simon Woollams	Simon is the Chief Financial Officer of Augusta. He is a chartered accountant and has a strong financial background, including UK experience and roles with BDO and ANZ Bank in its property and finance teams. Simon joined Augusta in 2007.	Simon will provide financial oversight of the LP and will, in particular, be responsible for the LP's bank finance.
Hayden Bryant	Hayden is the National Portfolio Manager at Augusta. Before joining Augusta, Hayden had over 14 years' experience in senior roles with major firms such as Jones Lang LaSalle and CBRE.	Hayden will oversee the asset management, including any re-leasing or sale of the Property.
Lohsing Cheng	Lohsing is a Senior Asset Manager at Augusta. Lohsing has a background in property and asset management, working for Equinox Capital for over 10 years and KCL Property since late 2012.	Lohsing will provide day-to-day asset management of the Property, including any re-leasing or sale. He will also be responsible for overseeing the property and facilities management services provided.
Jackie Moore	Jackie is a Syndicate Accountant at Augusta. Jackie joined Augusta in 2015 upon her return from working in London for the fund manager RIT Capital Partners.	Jackie will provide the day-to-day financial management of the LP and the LP's bank finance.

Purpose of offer and allocation of finance

The purpose of the offer is to raise sufficient funds which, together with bank financing, will allow the LP to purchase the Property.

The money raised, together with the bank financing, will be allocated as follows:

Purchase price	\$88,373,326
Establishment costs	\$5,026,674
Sinking fund	\$200,000
Total	\$93,600,000

Funded by:

Investor's capital	\$52,500,000
Debt	\$41,100,000
Total	\$93,600,000

The above costs relate to the SIPO as further described:

- *Purchase price of the property:* a key part of the investment strategy is to acquire the Property;
- *Establishment costs:*
 - The offeror's fee secures the Manager's participation in the LP, which is necessary for the implementation of the SIPO;
 - The brokerage, marketing, underwriting, assurance, legal and supervisor fees, PDS registration fee and FMA levy, disbursements and bank fees ensure the successful completion of the offer and raising of the funds, without which the investment strategy will not be able to be implemented;
 - All other fees primarily relate to due diligence on the Property and the investment in order to test whether the investment strategy is feasible.

The establishment costs are:

Manager's offeror fee	\$1,750,000
Augusta Capital's underwrite fee	\$375,000
Brokerage fee*	\$1,050,000
Other underwriters fees	\$1,200,000
Legal fees	\$220,000
Assurance fee	\$20,000
Valuation fee	\$12,000
Health and safety review fees	\$975
Building due diligence reports fees	\$10,000
Chattel valuation fee	\$10,500
Supervisor	\$10,000
Marketing	\$135,000
Disbursements	\$18,439
Bank fees	\$210,000
PDS registration fee and FMA levy	\$4,760
Total fees for establishment of the LP	\$5,026,674

*To the extent that any Unit is issued to an underwriter under their underwriting obligations, the brokerage fee will reduce by \$1,000 in respect of each such Unit. That amount may be subsequently applied to any brokerage payable where an underwriter disposes of its underwritten Units.

Alongside the above fees and expenses, the Manager is also establishing a \$200,000 sinking fund (which will be supplemented over time by certain retentions from operating cashflows). The sinking fund and retentions have been allowed for to provide for additional working capital at the commencement, and over the life, of the LP.

On settlement of the purchase of the Property, all Investors' capital will be applied to settle the acquisition of the Property and pay the establishment costs.

The minimum amount to be raised for Investor subscriptions is \$52,500,000. This amount is fully underwritten. Accordingly, the total amount raised cannot change and, as such, the use of subscription money cannot change dependent on the total amount raised.

2. What Building B Graham Street Limited Partnership Invests In (cont.)

Factors that may affect the financial performance of the LP and strategies and plans to address those factors

The key factors that will affect the financial performance of the LP and the strategies and plans to address those factors are:

Factor affecting Financial Performance	Strategy to address
Interest rates	As a significant expense for the LP will be interest payments, the financial performance will be affected by interest rates. The Manager has fixed the interest rate applying to the LP's debt for four years from 1 April 2017. The Manager currently proposes to have the LP's debt floating in the period from settlement to 1 April 2017 (although during that period the margin component of the interest rate will be fixed). The Manager believes this is an appropriate strategy, given the current interest rates, and the short term swap arrangements, available in the market. In the period following 1 April 2021, the Manager will manage the benchmark component of the interest rate with a combination of short-term and long-term interest rate swap agreements and/or floating rates, and will actively monitor the margins available in the market during the life of the LP (and would consider changing lender if better margins were available elsewhere). The Manager may enter into forward start swap agreements before 1 April 2021 to apply to some or all of the LP's debt after that date, to the extent possible.
Rental income	The rental income received by the LP is the key source of the LP's income. That income is forecast to grow over time due to the contracted fixed rental increases in the initial term of each Lease.

Capex and Defects Warranty	Mansons, the contractor that built the Property, and the Vendor (another member of the Mansons group) have agreed to provide a broad warranty in favour of the LP under which both Mansons and the Vendor agree to be generally responsible for repairing any defects in the Property that become apparent prior to March 2026 and warrant to the LP that (subject to certain exceptions) it will not be required to incur unrecoverable capital expenditure on the Property prior to that date.
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Nature of returns and key factors that determine returns

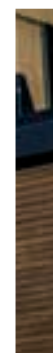
Investors may receive the following returns in respect of their Units:

- Distributions of operating cashflows of the LP relative to their respective Units; and
- Any gains which result from the net sale proceeds of the Property exceeding the purchase price to be paid for the acquisition of the Property by the LP and the establishment costs.

The key factors that will affect the returns are:

- *Interest Rates* – the purchase of the Property will be funded in part by bank financing from BNZ of \$41,100,000. A significant expense for the LP will be interest payments. The Manager has fixed the benchmark interest rate applying to the LP's debt for four years from 1 April 2017, which together with the fixed bank margin fixes the interest rate at 4.22% from 1 April 2017.
- *Rental Income* – the rental income derived from the Leases will be the key source of the LP's income. This income is forecast to grow over time due to the contracted fixed rental increases in the initial term of each Lease. Further information on the contracted rental increases is contained in the tenancy schedule contained at pages 26 to 32.
- *Capex and Defects Warranty* – the Manager has arranged for certainty of unrecoverable expenses, as Mansons, the contractor that built the Property, and the Vendor have agreed to provide a broad warranty in favour of the LP under which both Mansons and the Vendor agree to be generally responsible for repairing any defects in the Property that become apparent prior to March 2026 and warrant to the LP that (subject to certain exceptions) it will not be required to incur unrecoverable capital expenditure on the Property prior to that date.





Acquisition of Key Property

Property Valuation

An independent valuation of the Property has been provided by Dave Wigmore and Nick Thacker of Jones Lang LaSalle on a market value at \$89,600,000 plus GST (if any) as at 9 September 2016 in accordance with current Australia and New Zealand Valuation and Property Standards. It was prepared using both a capitalisation of net income approach and a discounted cash flow approach.

The critical assumptions for the valuation are set out in the table below. The Manager encourages prospective Investors to consider these assumptions, as they are the basis on which the valuation is given. The Manager does not consider any of the critical assumptions to be unreasonable or unusual market practice, based on its significant experience obtaining and considering such valuation advice. In the below table, the Manager provides further comments on each of the critical assumptions and their appropriateness.

	Critical assumption	Manager's view
1	The valuation is current as at the date of valuation only, being 9 September 2016. The value may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the Property).	This is a usual assumption for valuers reflecting the potential for changes in market conditions after the date of this valuation, as indicated in the assumption. The Manager does not expect (but cannot guarantee) that there are upcoming general market movements or factors specific to the Property which will impact the valuation.
2	Jones Lang LaSalle does not accept liability for losses arising from such subsequent changes in value. Without limitation, Jones Lang LaSalle does not accept any liability where the valuation is relied upon more than three months after the date of valuation, or earlier if the person relying on it becomes aware of any factors that may have any effect on the valuation.	Consistent with the comments with regard to critical assumption 1, this is a standard assumption for valuers.
3	The Valuation Report is relevant at the date of preparation and to the circumstances prevailing at that time. However, within a changing economic environment experiencing fluctuations in interest rates, inflation levels, rents and global economic circumstances, acceptable returns on investment may, as a consequence, be susceptible to future variation. Jones Lang LaSalle therefore recommends that it is consulted before any action is taken involving an acquisition, disposal or other transaction more than three months after the date of the Valuation Report.	Consistent with the comments with regard to critical assumptions 1 and 2, this is a standard assumption for valuers.
4	The valuation has been completed for the specific purpose stated in the Valuation Report. No responsibility is accepted in the event that the report is used for any other purpose.	The purpose of the valuation includes providing it to prospective investors in the LP.
5	The valuation assumes the information provided by the Manager or its agents is correct and Jones Lang LaSalle reserves the right to amend its calculations, if deemed necessary, if that information is incorrect.	To the best of the Manager's knowledge, all information provided is correct and the Manager has done everything that it considers prudently necessary to ensure such information is correct.
6	The valuation assumes all other professional/consultancy advice provided and relied upon is true and correct.	This is a standard assumption and the Manager also relies on professional/consultancy advice that has been provided as being true and correct.

2. What Building B Graham Street Limited Partnership Invests In (cont.)

	Critical assumption	Manager's view
7	Jones Lang LaSalle has relied on building areas, income figures and expense figures as provided by the Manager or its agents and made specified adjustments where necessary. Where possible these have been verified through lease documentation and physical measurements.	As noted above, the Manager has done everything that it considers prudently necessary to ensure such information is correct.
8	Unless otherwise stated in the valuation, all property measurements in the valuation are in conformity with the Guide for the Measurement of Rentable Areas issued by the Property Council of New Zealand. Where certified areas have not been provided Jones Lang LaSalle has normally undertaken measurement in accordance with Property Council of New Zealand Standards.	This is a standard assumption and, as far as the Manager is aware, all measurements have been in conformity with the Guide for the Measurement of Rentable Areas issued by the Property Council of New Zealand.
9	Jones Lang LaSalle has relied on the land dimensions and areas as provided in the Certificate of Title as searched. In certain cases physical checking of land dimensions and areas is difficult or not practical due to proximity of adjoining buildings, steep terrain or inaccessible title boundaries. Jones Lang LaSalle accepts no responsibility if any of the land dimensions or the area shown on title is found to be incorrect.	This is a standard assumption and the Manager has no reason to believe that the land dimensions and areas in the Certificates of Title for the Property are incorrect.
10	Jones Lang LaSalle's valuation is made on the basis that the Property is free of further caveats, mortgages, charges and other financial liens and that there are no memorials, encumbrances, restrictions or other impediments of an onerous nature which will affect the value other than those stated in the Valuation Report or registered on the Certificate of Title.	The Manager is not aware of any further caveats, mortgages, charges and other financial liens and nor that there are any memorials, encumbrances, restrictions or other impediments other than those currently registered on the Certificates of Title for the Property.
11	Enquiries as to the financial standing of actual or prospective tenants are not normally made by Jones Lang LaSalle unless specifically requested. It is therefore assumed that the Tenants are capable of meeting their obligations under the Leases and that there are no arrears of rent or undisclosed breaches of covenant.	The Manager has investigated the financial standing of the Tenants to the extent possible and its comments are set out in the tenancy schedule on pages 26 to 32.
12	In the case of buildings where works are in hand or have recently been completed Jones Lang LaSalle does not normally make allowance for any liability already incurred but not yet discharged in respect of completed works or obligations in favour of contractors, sub-contractors or any members of the professional or design team.	This is a standard assumption and the Manager has received professional advice on the adequacy of the guarantees and warranties obtained on the standard of construction of the Property.
13	No enquiries in respect of any property, or of any improvements erected thereon, has been made for any sign of timber infestation, asbestos or other defect, whether latent, patent, or structural.	The Manager has made enquiries with the Vendor regarding the use of asbestos in the construction of the Property. The Vendor has confirmed that there is no asbestos present in the Property.

	Critical assumption	Manager's view
14	Substances such as asbestos or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed by Jones Lang LaSalle for any such conditions and Jones Lang LaSalle is not qualified to detect such substances or estimate the remedial cost.	As noted above, the Manager has made enquiries with the Vendor regarding the use of asbestos in the construction of the Property. The Vendor has confirmed that there is no asbestos present in the Property. The Manager is not aware of any other hazardous materials within the Property.
15	While due care has been taken to note any contamination liability, Jones Lang LaSalle's investigations have been undertaken for valuation purposes only, and the Valuation Report does not constitute an environmental audit. No account has been taken of the effect on value due to contamination or pollution.	During development and excavation of the basement level, contaminated land areas were removed from the site and remediated prior to construction.
16	Jones Lang LaSalle has undertaken a visual inspection in respect of the Property, but has not commissioned structural surveys or tested any of the services and is therefore unable to confirm that these are free from defect. Jones Lang LaSalle has not inspected unexposed or inaccessible portions of the Property and is therefore unable to certify that these are free from defect.	The Manager has engaged Harrison Grierson to undertake a peer review of the Property's seismic rating. That review has confirmed that Building B and Building C exceed 100% of 'New Building Standard'. Furthermore, Mansons and the Vendor have agreed to provide a broad warranty in favour of the LP under which both Mansons and the Vendor agree to be generally responsible for repairing any defects in the Property that become apparent prior to March 2026 and warrant to the LP that (subject to certain exceptions) it will not be required to incur unrecoverable capital expenditure on the Property prior to that date.
17	Jones Lang LaSalle are not experts in relation to assessing the condition of the building structure and cladding, or in assessing the impact or otherwise of water/ weather penetration issues. Should the Property prove to have structural or weather penetration issues Jones Lang LaSalle reserves the right to amend the valuation and any recommendations contained within its Valuation Report.	This is a standard assumption and the Manager has received professional advice on the adequacy of the guarantees and warranties obtained on the standard of construction of the Property.
18	Any elements of deterioration apparent during Jones Lang LaSalle's consideration of the general state of repair of the Property have been noted or reflected in the valuation. Jones Lang LaSalle is unable to give any warranty as to structural soundness of the Property and has assumed in arriving at its valuation that there are no structural defects or the inclusion of unsatisfactory materials.	This is a standard assumption and the Manager has received professional advice on the adequacy of the guarantees and warranties obtained on the standard of construction of the Property. Furthermore, Mansons and the Vendor have agreed to be generally responsible for repairing any defects in the Property that become apparent prior to March 2026 and warrant to the LP that (subject to certain exceptions) it will not be required to incur unrecoverable capital expenditure on the Property prior to that date.
19	In preparing the valuation it has been assumed that items such as lifts, hot and cold water systems, electrical systems, ventilating systems and other devices, fittings, installations or conveniences as are in the Property are in proper working order and functioning for the purposes for which they were designed, and conform to the current building, fire and government regulations and codes.	The Manager has conducted due diligence on the building systems as part of its due diligence investigations on the Property, and is comfortable that they are adequate to perform the purpose for which they were designed.

²New Building Standard' refers to the standard that applies to a new building under the Building Code. A percentage of New Building Standard is used to assess whether a building is earthquake prone.

2. What Building B Graham Street Limited Partnership Invests In (cont.)

	Critical assumption	Manager's view
20	Information on town planning and resource management is often obtained verbally from the local planning authority and if assurance is required Jones Lang LaSalle recommends that verification is sought from the relevant authority that confirms the position is correctly stated within its report, that the Property is not subject to other decisions or conditions prescribed by public authorities and that there are no outstanding statutory notices.	The Manager is not aware of any other decisions or conditions prescribed by public authorities or statutory notices that may affect the Property.
21	Jones Lang LaSalle's valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations including the Building Act 2004 and the requirements of territorial authorities. Where Jones Lang LaSalle has obtained a Land Information Memorandum, they comment on this within its report. Where they have not obtained a Land Information Memorandum their valuation is therefore undertaken with the assumption that there are no outstanding requisitions.	<p>This is a standard assumption and the Manager has received professional advice on the adequacy of the guarantees and warranties obtained on the standard of construction of the Property.</p> <p>As part of its due diligence investigations on the Property, the Manager has reviewed the Land Information Memorandum, and identified no material issues. Further information on the Land Information Memorandum is contained on pages 33 to 34.</p>
22	Non-residential valuations are (unless otherwise stated) carried out on the basis that the valuation is plus GST (if any). Residential property valuations are (unless otherwise stated) carried out on the basis that the valuation includes GST (if any).	This is a standard assumption for valuers. The Property is non-residential, and the purchase price is plus GST (if any).

A copy of the Valuation Report may be found on the Offer Register at www.business.govt.nz/disclose by searching "Building B Graham Street Limited Partnership" under "search offers".



Real property

This section of the PDS summarises important information comprised in:

- The Leases;
- The title for the Property and all interests registered on the Title; and
- The Land Information Memorandum issued by Auckland Council.

Tenancy schedule – Office tenants

Tenant	Area*	Guarantor	Current Term Expiry	Rights of Renewal	Final Expiry	Rent Review	Manager's view of tenant/guarantor financial standing
NZME	436.74m ² (Ground floor)	NZME Limited	31-Oct-2030	Two of 6 years each	31-Oct-2042	<p>Fixed 3% increase on each anniversary of the commencement date excluding 1 November 2016 and excluding any date that is also a renewal date.</p> <p>Market review on each renewal date (with ratchet preventing reviewed rent from being lower than the rent payable as at the commencement date of the preceding lease term).</p>	<p>The Manager considers that NZME and NZME Limited's financial standing is sufficient to meet their combined obligations under the NZME Leases.</p> <p>NZME Limited's most recent publically available audited consolidated financial statements show:</p> <ul style="list-style-type: none"> • Profit of \$42.90 million for the year ended 31 December 2015; • Net assets of \$631.82 million as at 31 December 2015; • Revenue from operating activities of \$666.04 million for the year ended 31 December 2015; and • Net cash from operating activities of \$120.92 million for the year ended 31 December 2015.

2. What Building B Graham Street Limited Partnership Invests In (cont.)

Tenant	Area*	Guarantor	Current Term Expiry	Rights of Renewal	Final Expiry	Rent Review	Manager's view of tenant/ guarantor financial standing
NZME	1,337.47m ² (Level 1)	NZME Limited	31-Oct-2030	Two of 6 years each	31-Oct-2042	<p>Fixed 3% increase on each anniversary of the commencement date excluding 1 November 2016 and excluding any date that is also a renewal date.</p> <p>Market review on each renewal date (with ratchet preventing reviewed rent from being lower than the rent payable as at the commencement date of the preceding lease term).</p>	<p>The more recently available (half-year) unaudited consolidated financial statements show:</p> <ul style="list-style-type: none"> • Profit of \$60.80 million for the six months ended 30 June 2016; • Net assets of \$278.53 million as at 30 June 2016; • Revenue from operating activities of \$196.63 million for the six months ended 30 June 2016; and • Net cash from operating activities of \$42.23 million for the six months to 30 June 2016. <p>Please note these two sets of financial information, while useful in establishing NZME's financial standing, are in respect of different reporting periods (being full year and half year accounts) and sit either side of the demerger of NZME Limited from the APN group earlier this year (as described on page 14). As such, they are not directly comparable, particularly as certain business units (relating to the Australian APN business) have not remained within the NZME group following the demerger.</p>
NZME	1,337.47m ² (Level 2)	NZME Limited	31-Oct-2030	Two of 6 years each	31-Oct-2042	<p>Fixed 3% increase on each anniversary of the commencement date excluding 1 November 2016 and excluding any date that is also a renewal date.</p> <p>Market review on each renewal date (with ratchet preventing reviewed rent from being lower than the rent payable as at the commencement date of the preceding lease term).</p>	

Tenant	Area*	Guarantor	Current Term Expiry	Rights of Renewal	Final Expiry	Rent Review	Manager's view of tenant/ guarantor financial standing
Maersk Line A/S	1,344.63m ² (Level 3)	Nil	28-Feb-2025 Maersk has the option to terminate the Maersk Lease on 28 February 2022. This is subject to Maersk giving notice before 1 March 2021 and a termination payment of 18 months' rent and operating expenses.	Nil	28-Feb-2025	Fixed 3% increase on each anniversary of the commencement date.	<p>The Manager considers that Maersk Line A/S financial standing is sufficient to meet its obligation under the Maersk Lease.</p> <p>Maersk Line A/S's most recent publically available financial statements show:</p> <ul style="list-style-type: none"> • Profit of USD\$1.3bn for the year ended 31 March 2016; and • Positive free cash flow of USD\$1.1bn in 2015.
Kotahi Logistics LP	1,344.07m ² (Level 4) plus an additional 17.38m ² (for Storage SB1-B)	Nil	30-Sep-2025 Kotahi has the option to terminate the Kotahi Lease on 30 September 2022. This is subject to Kotahi giving notice before 1 October 2021 and a termination payment of 20 months' rent and operating expenses.	One of 6 years	30-Sep-2031	<p>Fixed 3% increase on each anniversary of the commencement date excluding the renewal date (1 October 2025).</p> <p>Market review on the renewal date (1 October 2025) with ratchet preventing reviewed rent from being lower than the rent payable as at 1 October 2016.</p>	<p>Kotahi does not publish public financial statements. However, as part of its due diligence of Kotahi and the Property, the Manager has been provided information that, in the Manager's view, evidences that Kotahi is of sufficient financial standing to meet its obligations under the Kotahi Lease.</p>
The equity partners of Meredith Connell (trading as "Meredith Connell")	1,347.10m ² (level 5)	Nil	29-Feb-2028	One of 6 years	28-Feb-2034	<p>Fixed 3% increase on each anniversary of the commencement date excluding the renewal date (1 March 2028).</p> <p>Market review on the renewal date (1 March 2028) with ratchet preventing reviewed rent from being lower than the rent payable as at 1 March 2016.</p>	<p>As Meredith Connell is a private organisation, the Manager does not have access to its financial information. Accordingly, the Manager cannot comment with any certainty on Meredith Connell's financial standing.</p> <p>All equity partners of Meredith Connell are liable severally for the obligations under the MC Lease (now and in the future), subject to a liability cap. If a partner retires, they are released from liability provided there is still at least 10 partners.</p>

2. What Building B Graham Street Limited Partnership Invests In (cont.)



Tenancy schedule – Retail Tenants

Tenant	Area*	Guarantor	Current Term Expiry	Rights of Renewal	Final Expiry	Rent Review	Manager's view of tenant/ guarantor financial standing
Toshi Sushi Limited	78.09m ² (Retail B2)	Bong Wook Yang, Ok Jin Choi and Sushi Nori Limited, in addition to an \$80,000 bank guarantee.	10-Nov-2025	Nil	10-Nov-2025	Fixed 3.5% increase on each anniversary of the commencement date.	<p>The Retail Tenants (and their guarantors) have varying levels of financial standing, which is consistent with the Manager's expectation for a portfolio of retail tenants.</p> <p>The Retail Leases are supported by a combination of bank guarantees, cash bonds and personal guarantees. In addition, the Manager has provided for the establishment of a \$200,000 sinking fund on the establishment of the LP. This sinking fund will be supplemented by retentions of operating cashflows totalling approximately \$520,000 in the periods to 31 March 2021. In the event of Retail Tenant default, the sinking fund and retentions could be used to fund any costs the LP incurs when reletting any vacant retail area.</p> <p>Further discussion of the likelihood, nature and potential magnitude of the impact of any Retail Tenant default can be found on pages 62 to 63.</p>
New Businessland Company Limited (trading as Pita Pit)	73.17m ² (Retail B4)	Betina Castan and Cristina Traczinski, in addition to a \$24,069.50 cash bond (inclusive of GST)	14-Nov-2025	One of 5 years	14-Nov-2030	Fixed 3% increase on each anniversary of the commencement date.	
Glenn De Vries (trading as Head Office)	34.08m ² (plus 12m ² outdoor seating area) (Retail B6)	Bank guarantee of \$28,093.35 (inclusive of GST)	10-Nov-2025	Nil	10-Nov-2025	Fixed 3% increase on each anniversary of the commencement date.	
Wine Loft Limited (trading as Vikki Lane Bar and Kitchen)	288.82m ² (plus 32m ² outdoor seating area) (Retail B7)	Graham Paul Fairest and David Hepworth Robinson	10-Nov-2025	One of 5 years	10-Nov-2030	Fixed 3.5% increase on each anniversary of the commencement date excluding the renewal date (11 November 2025). <p>Market review on the renewal date (11 November 2025) with ratchet preventing reviewed rent from being lower than the rent payable as at 11 November 2015.</p>	

2. What Building B Graham Street Limited Partnership Invests In (cont.)

Tenant	Area*	Guarantor	Current Term Expiry	Rights of Renewal	Final Expiry	Rent Review	Manager's view of tenant/ guarantor financial standing
Toto Pizza Limited	118.62m ² (Hardinge A Retail)	Bank guarantee of \$95,659.62 (inclusive of GST)	30-Sept-2026	One of 6 years	30-Sep-2032	<p>Fixed 3% increase on each anniversary of the commencement date excluding the renewal date (1 October 2026).</p> <p>Market review on renewal (1 October 2026) with ratchet preventing reviewed rent from being lower than the rent payable as at 1 October 2016.</p>	
Hello Mister Limited	120.92m ² (Hardinge B Retail)	Jason Kit and Michael David Lee, in addition to a bank guarantee of \$97,480.37 (inclusive of GST)	25-Apr-2028	Nil	25-Apr-2028	<p>Fixed 3.5% increase on each anniversary of the commencement date.</p>	
Mansons Properties (151 Victoria) Limited	152.31m ² (plus kiosk, which has an estimated rentable area of 16m ²) (Retail B1)	**	31-Jul-2025	One of 6 years	31-Jul-2031	<p>Fixed 2% increase on 1 August 2017, and thereafter a 3.5% increase on each anniversary of the commencement date excluding 1 August 2025.</p> <p>Market review on renewal (1 August 2025) with ratchet preventing reviewed rent from being lower than the rent payable as at 1 August 2016.</p>	<p>The Vendor's performance under each of these leases is to be secured by a bank bond from ASB Bank for an amount equal to the total amount of rent payable during the entire initial term (plus GST), (with the bank bond sum reducing as and when rental payments are made).</p> <p>Given this bank bond, the Manager is comfortable that the Vendor will meet its obligations under these leases.</p> <p>However, the Vendor is actively marketing these areas and may find a new tenant for any part of those areas before settlement.</p>

Tenant	Area*	Guarantor	Current Term Expiry	Rights of Renewal	Final Expiry	Rent Review	Manager's view of tenant/ guarantor financial standing
Mansons Properties (151 Victoria) Limited	82.37m ² (Retail B3)	**	31-Jul-2025	One of 6 years	31-Jul-2031	<p>Fixed 3% increase on each anniversary of the commencement date excluding 1 August 2025.</p> <p>Market review on renewal (1 August 2025) with ratchet preventing reviewed rent from being lower than the rent payable as at 1 August 2016.</p>	<p>The LP cannot insist upon guarantees of any proposed replacement tenant's obligations if the replacement tenant is listed on any stock exchange or, more relevantly, an entity whose financial position and standing is such that a reasonable landlord of premises of the same quality would not insist upon guarantees.</p> <p>The relevant lease with the Vendor would be surrendered in respect of the area to be leased by the replacement tenant, and thereafter the replacement lease alone would apply to such premises.</p>
Mansons Properties (151 Victoria) Limited	67.59m ² (plus 21.90m ² outdoor seating area) (Retail B5)	**	31-Jul-2025	One of 6 years	31-Jul-2031	<p>Fixed 3% increase on each anniversary of the commencement date excluding 1 August 2025.</p> <p>Market review on renewal (1 August 2025) with ratchet preventing reviewed rent from being lower than the rent payable as at 1 August 2016.</p>	
Mansons Properties (151 Victoria) Limited	16.90m ² (Storage SB1-A)	**	31-Jul-2025	One of 6 years	31-Jul-2031	<p>Fixed 3% increase on each anniversary of the commencement date excluding 1 August 2025.</p> <p>Market review on renewal (1 August 2025) with ratchet preventing reviewed rent from being lower than the rent payable as at 1 August 2016.</p>	

*Stated area for each tenancy is for office/retail premises only and excludes all carparks and ancillary areas.

**Bank guarantee to be provided for an amount equal to the net rent payable for the initial lease term.

2. What Building B Graham Street Limited Partnership Invests In (cont.)

Rental

The current total annual rental for the Property is \$5,673,567.60 per annum. NZME, as anchor tenant, leases each of the three floors it occupies in Building B under 3 separate leases. The total annual rental currently payable by NZME in respect of Building B is \$1,969,396 per annum.

In addition to the above:

- A naming and signage rights licence in respect of Building B has been granted to BDO Auckland Limited. The initial fee payable under this licence is \$62,500.00 per annum. The initial term of the license expires on 31 August 2025. The licence fees increase by 3% per annum during the initial term with a market review on renewal (where the licence fee cannot be less than the initial fee payable).
- The LP, as owner of the Property, is entitled to a proportionate share of the net income derived under a licence in place between the owners of Building A, Building B and Building C and The Embedded Network Company Limited in relation to the use of electricity lines in the buildings. Projected initial net income payable under the licence is \$23,314.50 per annum, and the Vendor and Mansons have agreed to reimburse the LP (in each of the five years following the LP's acquisition of the Property) the amounts (if any) by which the actual net income received by the LP under the licence is less than \$23,314.50 per annum.

The Manager is not aware of any of the Tenants failing to meet any of their respective material obligations under the Leases.

Each of the NZME Leases is available on the Offer Register at www.business.govt.nz/disclose by searching "Building B Graham Street Limited Partnership" under "search offers". Under the NZME Leases, each of NZME and NZME Limited's previous corporate names are used – 'APN Holdings NZ Limited' in respect of NZME and 'Wilson & Horton Limited' in respect of NZME Limited. In no way does their change of name impact their obligations under the NZME Leases or the tenant covenant provided.

Title

The Property is comprised in computer freehold registers 708754 and 708752, each of which contains two distinct parcels of land:

- Computer freehold register 708754 contains Lot 4, which is the parcel of land upon which Building B is constructed along with a 287/500 share in Lot 1 (which contains the common areas of the development); and
- Computer freehold register 708752 contains Lot 2 which is the parcel of land upon which Building C is constructed along with a 32/500 share in Lot 1 (which contains the common areas of the development).

The remainder of the shares in Lot 1 are held by the owner of Building A (181/500).

Use of Lot 1 is governed by the Building Management Agreement. A separate encumbrance registered against each certificate of title for the land comprised in the development secures ongoing compliance by the owners with the terms of the Building Management Agreement.

The Manager has reviewed the instruments and memorials noted on the Property title. One of those instruments is a parking easement in favour of the neighbouring property occupied by New Zealand Post. Under that easement the owner of that neighbouring property has a perpetual right to use 60 specific parking spaces in the basement carpark of the development free of charge (except that owner must pay a fair and reasonable proportion of the costs of cleaning and maintaining the relevant parking spaces). This easement restricts the scope for future redevelopment of the Property and the wider development.

Land Information Memorandum (LIM)

The Manager has reviewed the LIM for the Property as part of its due diligence. No material issues were identified, but the Manager notes the following special land features and other matters disclosed by the LIM:

- *Code Compliance Certificates* – The LIM records that there are various outstanding code compliance certificates (some of which relate to Tenant fitout works). The Vendor is contractually obliged to obtain such outstanding code compliance certificates (other than those relating to Tenant fitout works, which are the Tenants' responsibility) prior to settlement.

- *Soils* – the LIM notes that there are soil issues recorded and that the land may not be suitable for particular development or land use purposes. A soils report must be submitted with any building or resource consent application. This is not an unusual notation, and even in the absence of such a notation local authorities often require soils reports to be submitted as part of a redevelopment proposal.
- *Flood Risk* – the LIM notes that the Property is potentially at risk of flooding during heavy rainfall events. The Manager has discussed the potential flood risk with the Vendor, and understands that the Property has been designed and built to deal with all rainfall on the Property, by directing it to the on-site stormwater system which in turn terminates into the public storm water system. The Vendor is also discussing this matter and the LIM with the Council. Based on its discussions with the Vendor, the Manager is comfortable that, notwithstanding the content of the LIM, the risk of flood at the Property is low.
- *Contamination* – the special land features plan annexed to the report indicates that the Property is a contaminated site (as are many of the surrounding properties). During development and excavation of the basement level, contaminated land areas were removed from the site and remediated prior to construction.

The Manager has not procured a Building Inspection Report for the Property as the Property is newly built, and, from settlement, the Vendor and Mansons will have provided warranties as to the standard of the Property. Further information on those warranties, and the LP's liability for any capital expenditure or defects is contained in section 7 "Risks to returns from Building B Graham Street Limited Partnership".

The Manager has however engaged Harrison Grierson to peer review the seismic strength of the Property. It has confirmed that the Property is at least 100% of 'New Building Standard'³ and meets all current seismic code requirements. The Vendor has confirmed to the Manager that all reinforcing steel used in the Property was micro alloy and conforms with AS/NZS 4671:2001.

³New Building Standard' refers to the standard that applies to a new building under the Building Code. A percentage of New Building Standard is used to assess whether a building is earthquake prone.

BORROWINGS

BNZ has provided a credit approved offer of debt funding with the key terms being:

- Facility limit: \$42,000,000; of which the Manager expects to draw \$41,100,000 at settlement. The limit may be reduced at any time by the Manager so that a line fee is not payable on the undrawn amount.
- Security:
 - First registered mortgage over the unique identifiers/certificates of title for the Property.
 - Composite General Security Deed and Cross Guarantee over all present and after acquired personal property of the LP, General Partner and Custodian.
- Loan Term: 60 months.
- Personal guarantee: No personal guarantees. The loan is non-recourse in respect of the Investors.
- Interest rate: The interest rate is effectively floating and is based on the current 30 day BKBM Bid Rate plus a margin of 1.58%. To hedge the risk on the floating nature of the interest rate the Manager has entered into a swap agreement fixing the interest rate for four years from 1 April 2017 for \$41,100,000. Therefore, the all up effective interest rate is 4.22% from 1 April 2017 on the drawn amount of \$41,100,000.
- LVR: The loan to value ratio is to be less than 50%.
- Interest cover: Not less than 2.0 times the interest cost.
- Principal payments: The loan facility is interest only and no principal repayments are required during the loan term.

As the above borrowings for the LP will likely be due before the LP is wound up, the Manager considers that refinancing is likely to be needed.

The bank debt owing to BNZ, and all other liabilities of the LP (including under the Leases), and the LP's business as usual activities, will rank ahead of Investors' Units on the winding up of the LP.

Freehold title, single asset, on corner site in the growth central Auckland location of Victoria Quarter (with Spark, Oracle and Kiwibank as neighbours)

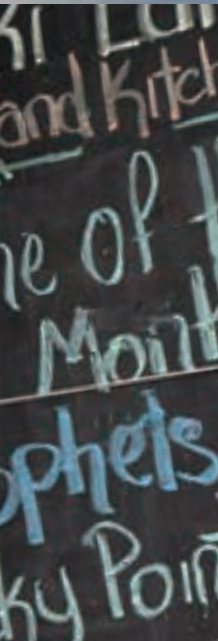
New, premium grade, office building with a seismic rating of at least 100% of New Building Standard

Weighted Average Lease Term of 11.22 years

Building

Over 7,000m² of office space plus 68 basement carparks

5 Green Star Design Rating, underlining its energy efficiency and environmental quality



Impressive portfolio of tenants including NZME, Maersk Line, Kotahi and Meredith Connell



AUGUSTA
FUNDS MANAGEMENT



3. Key Dates and Offer Process

Product Disclosure Statement registration	4 October 2016
Offer opens	12 October 2016
Offer closes	21 November 2016
Units are issued to Investors	30 November 2016
Settlement of the acquisition of the Property	30 November 2016

The timetable is indicative only and the dates may change. In particular, the Manager reserves the right to close the offer at any time prior to that date or extend the offer by up to 25 working days 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 assigning any reason.

Applications will not be accepted during the Financial Markets Authority's waiting period in respect of the PDS.





4. Terms of The Offer

How can investments be made?	<p>You may invest in the LP with a minimum subscription of \$50,000 (1 Unit). Subscriptions must be completed on the application form contained in section 13 “How to apply”. TO ENSURE YOUR APPLICATION IS ACCEPTED, PLEASE READ THE APPLICATION INSTRUCTIONS IN THAT SECTION CAREFULLY.</p> <p>Subscriptions may only be made before the closing date and there is no continuous offer of Units in the LP.</p>
How can I withdraw my investment from the LP?	<p>An investment in the LP is not redeemable on demand and has no fixed term.</p> <p>You may only withdraw from the LP if:</p> <ul style="list-style-type: none"> • You sell your Unit(s) to a third party utilising the secondary market facility operated by the Manager; or • A resolution is passed to wind up the LP and sell the Property. <p>If an Investor wished to sell their unit(s), the proposed incoming investor would need to satisfy the Manager’s anti-money laundering requirements and become a party to the Limited Partnership Agreement. Legal documentation will be required to record the transfer. The LP must approve of the incoming Investor and may delay transfer if unpaid amounts are owing by the transferor. The transferor may need to meet the reasonable legal costs incurred by the Manager and/or LP.</p> <p>There is no guarantee there will be willing buyers for Units.</p>
What is the minimum amount payable to invest in the LP?	\$50,000 and in multiples of \$50,000 thereafter.
What are the returns?	<p>Forecast pre-tax cash returns of:</p> <ul style="list-style-type: none"> • 7.00% for the 4 months ending 31 March 2017; • 7.00% for the first full year ending 31 March 2018; • 7.25% for the first full year ending 31 March 2019; • 7.50% for the full year ending 31 March 2020; • 7.75% for the full year ending 31 March 2021. <p>These returns are not guaranteed. The actual distribution rates may vary. The increase in returns over the forecast period does not guarantee further increases. While it may continue to increase, the return following the forecast period may stay the same or lower. In the event that, following the forecast period, returns were higher than 8.00% per annum, those additional returns may be applied towards debt repayment and not lead to higher cash distribution levels. Should debt repayments be made, the Manager would take into account any tax liability for Investors and potentially make a distribution if possible to account for that tax liability.</p> <p>Distributions are funded from operating cashflows.</p>
When are distributions paid?	Distributions are paid monthly in arrears, with payments being made on the 7 th day of each subsequent month, or the next working day.

4. Terms of the Offer (cont.)

Key dates	Please see “Section 2: Key Dates and Offer Process” on pages 37 to 38.
Underwrite	The Offer is fully underwritten. Augusta Capital, the Manager’s parent, has underwritten \$12,500,000 of the Offer. Information on the identity of the other underwriters is contained in section 10 “About Augusta Funds Management Limited and others involved in Building B Graham Street Limited Partnership”.
Minimum amount to be raised	\$52,500,000.
No overseas investors	<p>The Offer is a regulated offer for the purposes of the Financial Markets Conduct Act 2013 and is only being made to potential investors in New Zealand. No person may offer, invite, sell or deliver any Units or distribute any documents (including the PDS) to any person outside New Zealand without the approval of the Manager. The PDS may not be sent into or distributed in the United States.</p> <p>Unless otherwise agreed with the Manager, any person applying for Units under the Offer will be deemed to represent and warrant to the Manager 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 PDS and is not acting for the account or benefit of a person within such a jurisdiction. Neither the Manager, the Supervisor, 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.</p>

Further terms of the Units are set out in the Governing Document and the Limited Partnership Agreement. These documents are available on the Scheme Register (where the form of the Limited Partnership Agreement is included as a schedule to the Governing Document) at www.business.govt.nz/disclose by searching “Building B Graham Street Limited Partnership” under “search schemes”.

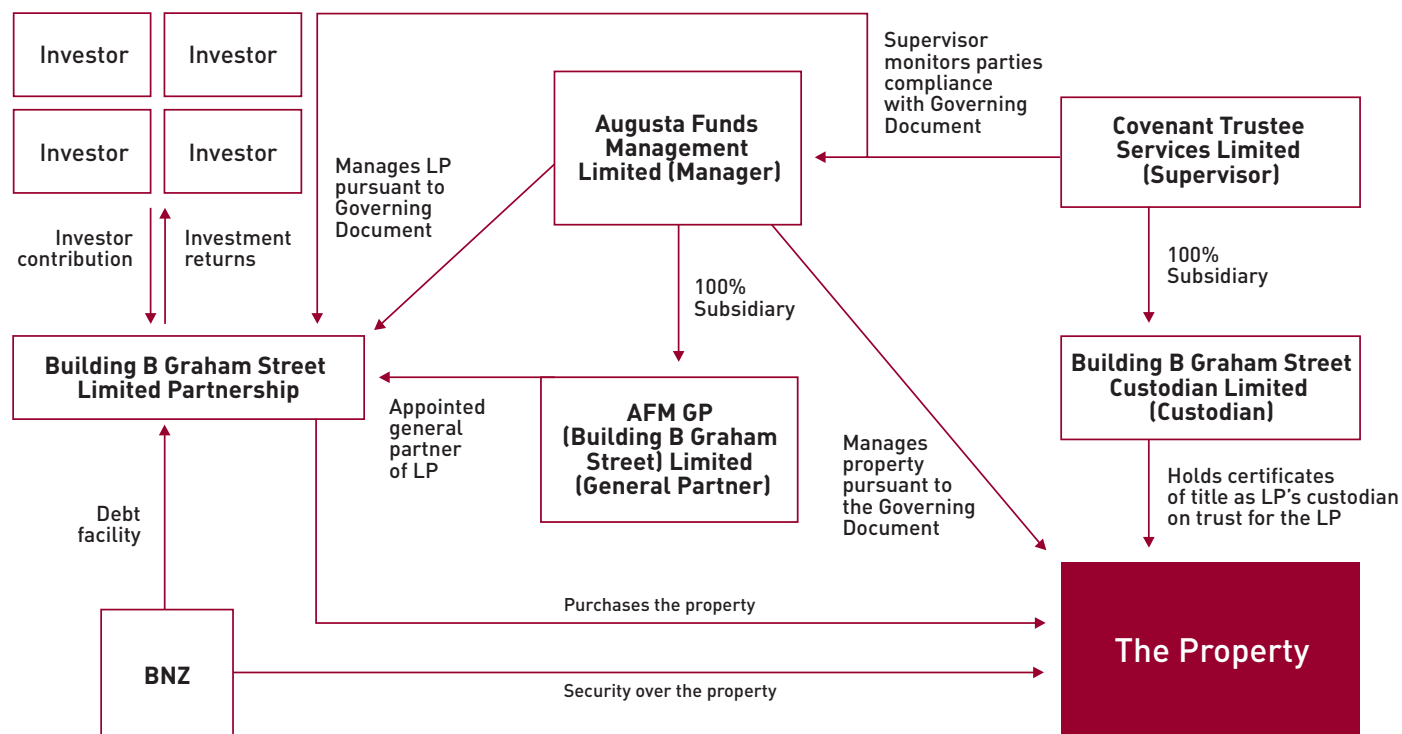




5. How Building B Graham Street Limited Partnership Works

How Building B Graham Street Limited Partnership Works

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



5. How Building B Graham Street Limited Partnership Works (cont.)

What is a Limited Partnership?

Investors are offered the opportunity to invest in the LP (a New Zealand limited partnership) that will acquire the Property and become a limited partner in the LP. Under the limited partnership structure, Investors are (so long as they do not take part in the management of the LP, which is described further below) liable for no more than their initial investment in the LP. An LP is a separate legal person from its limited partners and general partner which is formed under the Limited Partnerships Act 2008.

The Custodian will hold the title to the Property and the Leases in its name for the LP. The interrelationship between the Investors (as limited partners), the LP and the General Partner is set out in the Limited Partnership Agreement.

The LP will be managed and administered by the Manager pursuant to the Governing Document. The Manager's responsibilities and duties are set out in the Governing Document (which is available on the Scheme Register at www.business.govt.nz/disclose by searching "Building B Graham Street Limited Partnership" under "search schemes") which also sets out the rights and obligations of the Investors, Manager, LP, Custodian and Supervisor.

In accordance with the Building Management Agreement, CBRE Limited currently provides day-to-day facilities and property management services for the Property. The Manager will, as part of its role as manager of the LP, monitor CBRE Limited's compliance with its facilities and property management obligations (and any other replacement property manager).

Each Unit confers equal rights and obligations on each Investor in respect of entitlements to income and capital from the LP 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 and Governing Document.

The General Partner (which is a company – AFM GP (Building B Graham Street) Limited) has been incorporated to act as the general partner of the LP in accordance with the Limited Partnership Agreement. The General Partner's liability is not limited. The directors of the General Partner are Mark Francis and Bryce Barnett. The shareholder of the General Partner is the Manager.

An LP enables the General Partner to conduct the business of the LP, while the limited partners are liable for no more than their respective capital investment in the LP. Limited partners must not take part in the management of the LP. The LP has been structured to avoid Investors taking part in management. For the purposes of the LP, the Manager will, pursuant to the Governing Document, direct the General Partner as to the management of the LP, provided that the General Partner cannot be obliged to take any action that would breach the Limited Partnership Agreement.

Significant benefits of investing in the Limited Partnership

The significant benefits of investing in the Limited Partnership are:

- The forecasted pre-tax cash returns as set out in section 6 "Building B Graham Street Limited's financial information";
- The ability to have an investment in a property that would not typically be available to Investors who are only able to invest a minimum of \$50,000;
- The investment in the LP is passive with active day-to-day management (including preparation of accounts, negotiation of leases, payment of distributions and obtaining bank financing) being handled by the Manager;
- The LP structure enables the General Partner to conduct the business of the LP, while the Investors' liability, as limited partners, is limited to their initial investment in the LP, as long as they do not take part in the management of the LP. The LP has been structured to avoid Investors taking part in management.

Related Party Benefits

There are no related party benefits to be given to, or received by, a related party in the future other than fees and expenses disclosed in section 8 "What are the fees?".



6. Building B Graham Street Limited Partnership's Financial Information



Selected Financial Information

This table provides selected financial information about the LP. Prospective Financial Information is available on the Offer Register at www.business.govt.nz/disclose by searching “Building B Graham Street Limited Partnership” under “search offers”. If you do not understand this financial information, you can seek professional advice.

Forecast Pre-Tax Cash Return	<p>Forecast pre-tax cash returns of:</p> <ul style="list-style-type: none"> • 7.00% for the 4 months ending 31 March 2017; • 7.00% for the first full year ending 31 March 2018; • 7.25% for the full year ending 31 March 2019; • 7.50% for the full year ending 31 March 2020; • 7.75% for the full year ending 31 March 2021. <p>These returns are not guaranteed. The actual distribution rates may vary. The increase in returns over the forecast period does not guarantee further increases. While it may continue to increase, the return following the forecast period may stay the same or lower. In the event that, following the forecast period, returns were higher than 8.00% per annum, those additional returns may be applied towards debt repayment and not lead to higher cash distribution levels. Should debt repayments be made, the Manager would take into account any tax liability for Investors and potentially make a distribution if possible to account for that tax liability.</p>
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The purpose of the prospective financial statements is to assist Investors in assessing the viability of and return on funds invested. This PDS and the prospective financial information may not be appropriate for any other purpose.

The prospective financial information included in the tables below has been extracted from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the Offer Register. The

prospective financial statements have been subject to a reasonable assurance engagement and an unmodified opinion issued by KPMG, a copy of which is also included on the Offer Register.

The principal assumptions on which the prospective financial information is based are set out under the heading Principal Assumptions.

Forecast Investor Returns

The LP’s operations, after payments of all expenses including the fee payable to the Manager, are expected to return cash distributions to Investors as follows:

- 7.00% per annum before tax on the Investor’s original subscription amount for the period from 1 December 2016 to 31 March 2017 (assuming settlement takes place on the expected settlement date of 30 November 2016);
- 7.00% per annum before tax on the Investor’s original subscription amount for the 12 months ending 31 March 2018;
- 7.25% per annum before tax on the Investor’s original subscription amount for the 12 months ending 31 March 2019;
- 7.50% per annum before tax on the Investor’s original subscription amount for the 12 months ending 31 March 2020;
- 7.75% per annum before tax on the Investor’s original subscription amount for the 12 months ending 31 March 2021.

These returns are not guaranteed. The actual distribution rates may vary. The increase in returns over the forecast period does not guarantee further increases. While it may continue to increase, the return following the forecast period may stay the same or lower. In the event that, following the forecast period, returns were higher than 8.00% per annum, those additional returns may be applied towards debt repayment and not lead to higher cash distribution levels. Should debt repayments be made, the Manager would take into account any tax liability for Investors and potentially make a distribution if possible to account for that tax liability.

6. Building B Graham Street Limited Partnership's Financial Information (cont.)

The table below presents the method for calculating the forecast return.

	4 Months ending 31 March 2017 \$	12 Months ending 31 March 2018 \$	12 Months ending 31 March 2019 \$	12 Months ending 31 March 2020 \$	12 Months ending 31 March 2021 \$
Prospective Net Profit before Tax	536,495	4,797,529	4,788,361	4,778,921	4,769,196
Amount Invested per Unit	50,000	50,000	50,000	50,000	50,000
Total Number of Units	1,050	1,050	1,050	1,050	1,050
Prospective Net Profit per Unit	511	4,569	4,560	4,551	4,542
Total Investor Cash Return per Unit	1,167	3,500	3,625	3,750	3,875
Forecast Cash Return Per Annum	7.00%	7.00%	7.25%	7.50%	7.75%
Reconciliation of Net Profit to Distributable Profit					
Prospective Net Profit per Unit	511	4,569	4,560	4,551	4,542
Adjust for non cash items:					
Initial finance costs amortised including swap fair value movements	943	(159)	(159)	(159)	(159)
Accrual for fixed rental growth	(315)	(850)	(683)	(511)	(333)
Operating Cash Surplus available for Distribution*	1,139	3,560	3,718	3,881	4,050
Amount of projected net cash flow from operating activities per proportionate share exceeding / (less than) projected distributions to Investors	(28)	60	93	131	175

*Investors will be taxed on the taxable income of the LP, not the cash distribution received.

A reconciliation of the net profit to the distributable profit is set out in the previous table as the cash distribution payments to Investors will be dependent on the operating cash profit generated. Items included are:

- The initial finance costs are fully paid on establishment of the LP but for accounting reasons are capitalised and amortised over the period to 31 March 2021 of the loan facility.
- The Manager believes this non-GAAP disclosure is important as it clearly states the operating cash surplus available for distribution and this is a consistent measure that the Manager will use when identifying future distribution levels.
- Such a calculation will also adjust for other non-cash items such as the revaluation of both the investment property and the interest rate swap, but neither of these items are reported within these prospective financial statements. These are not one off transactions but are items that do not impact the cash flows generated which are available for distribution.
- The fixed rental accrual has been adjusted for as this is a non-cash item.

Forecast Pre-Tax Cash Return Paid Monthly

\$50,000 Minimum Investment



*The period from settlement (expected to be 30 November 2016) until 31 March 2017.

The graph is not to scale. The returns are not guaranteed. The actual distribution rates may vary. The increase in returns over the forecast period does not guarantee further increases. While it may continue to increase, the return following the forecast period may stay the same or lower.

6. Building B Graham Street Limited Partnership's Financial Information (cont.)

Prospective Income, Expenses and Returns

The table below presents summary prospective financial information.

Prospective Statement of Comprehensive Income	4 Months ending 31 March 2017* \$	12 Months ending 31 March 2018 \$	12 Months ending 31 March 2019 \$	12 Months ending 31 March 2020 \$	12 Months ending 31 March 2021 \$
Rental Income	1,900,284	5,801,227	5,976,654	6,158,025	6,344,933
Accrued Rental Income (non-cash)	331,104	892,937	717,510	536,139	349,231
Net Operating costs	(1,333)	(4,000)	(4,000)	(4,000)	(4,000)
Net Rental Income	2,230,055	6,690,164	6,690,164	6,690,164	6,690,164
Administration Costs	(1,115,420)	(158,215)	(167,383)	(176,823)	(186,548)
EBITDA	1,114,635	6,531,949	6,522,781	6,513,341	6,503,616
Finance Costs	(578,140)	(1,734,420)	(1,734,420)	(1,734,420)	(1,734,420)
Net Profit Before Tax	536,495	4,797,529	4,788,361	4,778,921	4,769,196

*The LP was registered with the Companies Office on 23 September 2016. For the prospective financial statements the LP is assumed to have traded from settlement date of 30 November 2016.



Prospective Statement of Changes in Equity	Capital \$	Retained Earnings \$	Total \$
Balance at 30 November 2016	-	-	-
Profit for the Year	-	536,495	536,495
Issued Capital	52,500,000	-	52,500,000
Issue Costs	(4,140,199)	-	(4,140,199)
Distributions to Investors	-	(1,225,000)	(1,225,000)
Balance as at 31 March 2017	48,359,801	(688,505)	47,671,296
Balance as at 1 April 2017	48,359,801	(688,505)	47,671,296
Profit for the Year	-	4,797,529	4,797,529
Distributions to Investors	-	(3,675,000)	(3,675,000)
Balance as at 31 March 2018	48,359,801	434,024	48,793,825
Balance as at 1 April 2018	48,359,801	434,024	48,793,825
Profit for the Year	-	4,788,361	4,788,361
Distributions to Investors	-	(3,806,251)	(3,806,251)
Balance as at 31 March 2019	48,359,801	1,416,134	49,775,935
Balance as at 1 April 2019	48,359,801	1,416,134	49,775,935
Profit for the Year	-	4,778,921	4,778,921
Distributions to Investors	-	(3,937,501)	(3,937,501)
Balance as at 31 March 2020	48,359,801	2,257,554	50,617,355
Balance as at 1 April 2020	48,359,801	2,257,554	50,617,355
Profit for the Year	-	4,769,196	4,769,196
Distributions to Investors	-	(4,068,750)	(4,068,750)
Balance as at 31 March 2021	48,359,801	2,958,000	51,317,801



6. Building B Graham Street Limited Partnership's Financial Information (cont.)

Prospective Statement of Financial Position	As at 31 March 2017 \$	As at 31 March 2018 \$	As at 31 March 2019 \$	As at 31 March 2020 \$	As at 31 March 2021 \$
Current Assets	783,956	847,922	961,954	1,116,816	1,318,758
Non-Current Assets	89,266,406	90,159,344	90,876,852	91,412,994	91,762,228
Total Assets	90,050,362	91,007,266	91,838,806	92,529,810	93,080,986
Current Liabilities	613,188	614,033	629,933	645,986	663,185
Non-Current Liabilities	41,765,878	41,599,408	41,432,938	41,266,469	41,100,000
Total Liabilities	42,379,066	42,213,441	42,062,871	41,912,455	41,763,185
Equity	47,671,296	48,793,825	49,775,935	50,617,355	51,317,801

Prospective Statement of Cash Flow	4 Months ending 31 March 2017 \$	12 Months ending 31 March 2018 \$	12 Months ending 31 March 2019 \$	12 Months ending 31 March 2020 \$	12 Months ending 31 March 2021 \$
Cash at the beginning of the year	-	783,956	847,922	961,954	1,116,816
Cash flow from operating activities	1,502,706	3,738,966	3,909,345	4,081,425	4,259,755
Cash flow from investing activities	(88,935,301)	-	-	-	-
Cash flow from financing activities	88,216,551	(3,675,000)	(3,795,313)	(3,926,563)	(4,057,813)
Cash at the end of the year	783,956	847,922	961,954	1,116,816	1,318,758

Principal Assumptions

Below is a summary of the principal assumptions on which the above prospective financial information is based. Further information on these assumptions may be found at www.business.govt.nz/disclose by searching “Building B Graham Street Limited Partnership” under “search offers”.

The LP

The LP is to be established and domiciled in New Zealand.

The LP will be a commercial property investor that owns the Property. The registered office of the Manager is situated at Level 2, 4 Viaduct Harbour Avenue, Auckland.

Settlement

Pursuant to the sale and purchase agreement for the Property, settlement is to occur on 30 November 2016. Therefore for the purpose of the financial statements, rental income has been recognised from 1 December 2016.

The Property is assumed to be purchased by the LP on 30 November 2016 at a purchase price of \$88,373,326.

Establishment Costs

Total establishment costs are expected to be \$5,026,674. This includes offeror, underwriting, guarantee, brokerage, legal, accounting and valuation fees as well as financing and marketing costs. The bulk of these costs are deemed to be issue costs, with the exception of \$324,500 financing costs and \$561,975 associated with the acquisition of the Property.

The establishment costs have been based on quotes received.

Investment Property

The future fair value gain or loss on the Property cannot be reliably predicted, and accordingly the fair value of the Property is assumed to equal the cost, plus any directly related acquisition costs and any further capital costs incurred during the prospective period.

The LP is responsible for all works of a structural or capital nature however the Vendor and Mansons have provided a broad capital expenditure and defects warranty in favour of the LP for a term expiring in March 2026.

Rental Income

The rent on all leases is increased by between 2.0%-3.5% on an annual basis in respect to all the leases on the anniversary of each lease commencement (excluding the first anniversary date under the NZME Leases, on which date no fixed increase applies). Lease receipts under an operating lease have been recognised as revenue on a straight-line basis over the lease terms hence the recognition of a fixed rental accrual (asset).

The table below sets out both the invoiced rental income and the fixed rental accrual.

	2017	2018	2019	2020	2021
Invoiced rental income	1,900,284	5,801,227	5,976,654	6,158,025	6,344,933
Fixed rental accrual	331,104	892,937	717,510	536,139	349,231
Total income recorded	2,231,388	6,694,164	6,694,164	6,694,164	6,694,164
Carrying value of fixed rental accrual	331,104	1,224,041	1,941,551	2,477,690	2,826,921

For the forecast periods it is assumed that there is no vacancy and no tenant default. It is also assumed that there are no delays in receipt of debtors.

The Tenants are responsible for all operating costs including rates, insurance premiums, utilities and certain maintenance obligations. It is assumed that all operating cost payments will be made on time and that there are no creditors associated with these operating costs.

Where there is a break clause in a lease agreement it is assumed that the lease term will continue to expiry. It is assumed to be reasonably certain that the tenant will not exercise the break clause due to the significant penalty fee that the lessor will be liable for.

Management Fees

The annual LP management fees have been agreed at \$275,000 in the first year and will increase at the greater of 3% or CPI thereafter per year.

Borrowings

The loan agreement will be interest only and expires on 30 November 2021. It will have an initial loan term of 5 years from date of drawdown.

It is assumed that on 30 November 2021 that the loan is extended by one year at the same margin. Therefore the repayment date is assumed to be 30 November 2022.

Interest Expense

The interest expense is calculated at 4.22%, and is based on no principal repayments during the assumed initial 5 year term of the loan. A \$41.1 million swap agreement has been entered into for 4 years from 1 April 2017. The floating rate may differ from 4.22% for the period from settlement to 31 March 2017.

The fair value of the interest rate swap is recorded on settlement and then amortised over the 4 year life of the swap.

Administration Expenses

Audit fees and valuation fees are based on quotes received.

Sinking fund / retentions

The Manager has provided for a sinking fund of \$200,000 on the establishment of the LP.

This sinking fund will be supplemented by retention of operating cashflows totalling approximately \$520,000 in the period to 31 March 2021, made up of:

- approximately \$60,000 for the year ending 31 March 2018;
- approximately \$110,000 for the year ending 31 March 2019;
- approximately \$150,000 for the year ending 31 March 2020;
- approximately \$200,000 for the year ending 31 March 2021.

The sinking fund and retentions have been allowed for to provide additional working capital at the commencement, and over the life, of the LP. In particular, the sinking fund (and retentions) will be used to fund any costs the LP may incur when reletting or renewing lease arrangements for parts of the Property. Such costs may include lost income (if there is a tenant default), minor capital works, releasing fees, renewal costs and/or any rental incentives that need to be paid.

6. Building B Graham Street Limited Partnership's Financial Information (cont.)

Financial Measures For Scheme Borrowings

The following table forecasts the gearing and interest cover ratios.

	30 November 2016 (Date of issue/ date on which Property is acquired)	31 March 2017	31 March 2018	31 March 2019	31 March 2020	31 March 2021
Gearing Ratio	46.2%	45.7%	45.2%	44.8%	44.5%	44.2%
Interest Cover Ratio	Not applicable	2.96	3.12	3.21	3.31	3.41

The “Gearing ratio” tells you how much the LP owes (debt) as a portion of what it owns (total assets). The higher the gearing ratio, the higher the risk to the LP as it indicates that a higher portion of the LP's assets will need to be applied to repay its debt. The valuation of the investment property is not forecast to increase in the above calculation.

The “Interest Cover Ratio” tells you how much the LP's net income exceeds interest on its loans (as a multiple). The higher the ratio, the more comfortably the LP's income can cover any interest owing (and the lower the risk to the LP).

The above ratios assume no increase (or decrease) in the value of the Property during the forecast period.

The LP's swap was arranged in May 2016, at the time the Manager secured the Property and the BNZ funding for the LP. Since that point, changes in interest rates have resulted in the swap being “out of the money”. The swap is “out of the money” as the agreed swap rate was higher than the prevailing wholesale market rate that reflects the remaining term through to maturity.

The fair value of the swap as at 31 August 2016 is recorded on settlement and amortised over the four year life of the swap in the LP's prospective financial information.

Borrowing Repayment Dates

Loan Facility	Repayment Date
BNZ Facility	30 November 2021 The loan has a 60 month facility term and is interest only.





7. Risks To Returns From Building B Graham Street Limited Partnership

Risks To Returns From Building B Graham Street Limited Partnership

This section sets out a description of the circumstances that the Manager is aware of that exist or are likely to arise that significantly increase the risk to returns for Investors. The table in this section sets out particulars of why each circumstance is of particular significance and an assessment of the likelihood of any impact arising, the nature of that impact, and the potential magnitude of that impact.

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 Manager, could have a material adverse effect on the LP's financial position or future financial performance through a decrease in revenue or an increase in costs. The Manager has taken, and will, in the future take, steps to mitigate the effects of these circumstances. However, some risks may not be fully capable of mitigation.

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

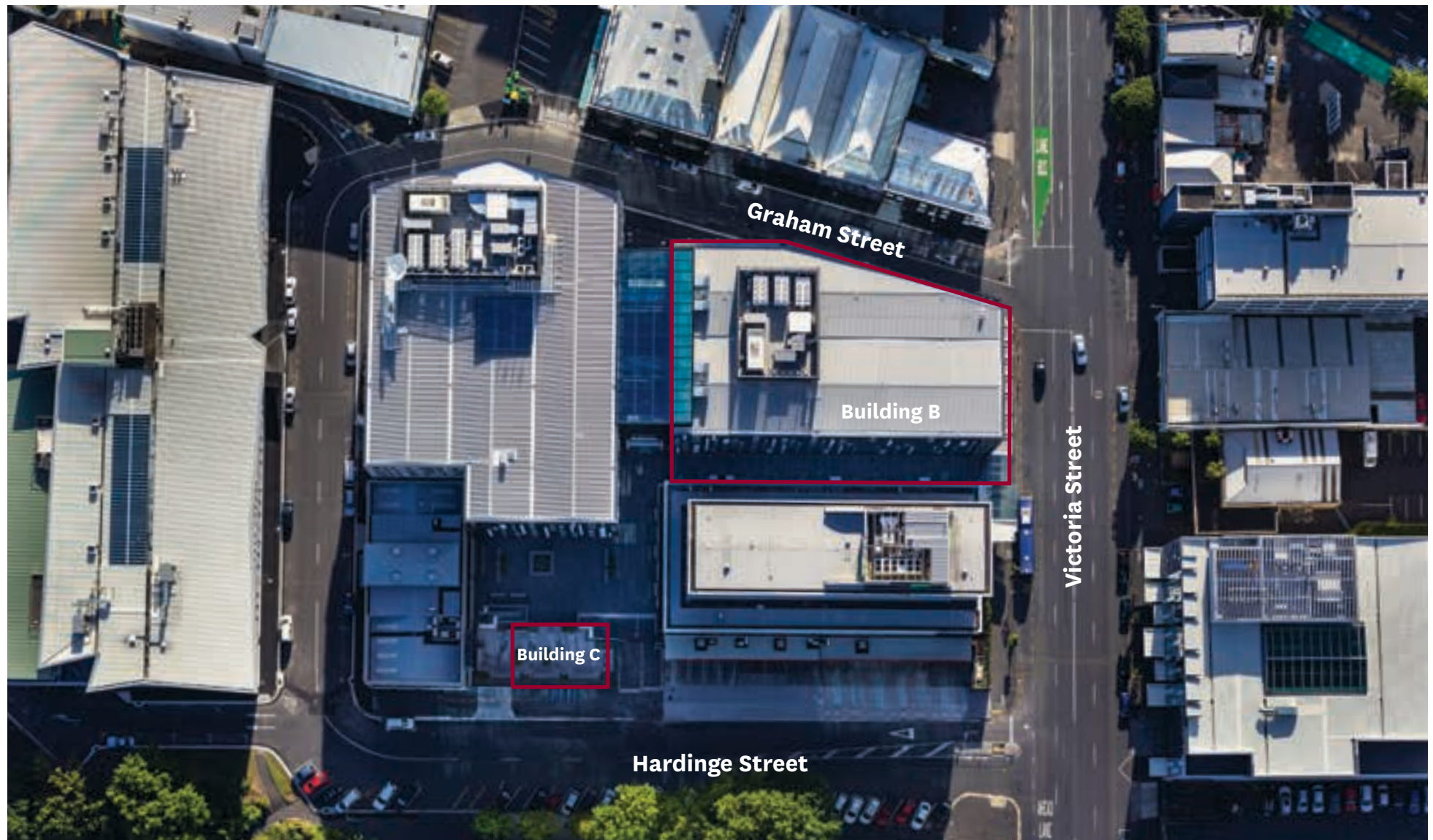
The description of the circumstances in this section does not take into account the personal circumstances, financial position or investment requirements of any person. It is therefore important that, before deciding to invest in the LP, you consider the suitability of an investment in the LP in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).

7. Risks To Returns From Building B Graham Street Limited Partnership (cont.)

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>NZME Default</i>	<p>If NZME, the Property's anchor tenant, and its guarantor NZME Limited, were to suffer significant financial problems, any failure to pay rental and outgoings or vacancy / reletting costs would have a material detrimental impact on the ability:</p> <ul style="list-style-type: none"> • of the LP to pay returns to Investors; and / or • for Investors to recoup their original investment. 	<p>NZME is the Property's anchor tenant. NZME's rental is a significant source of the LP's income (approximately 35% of the total rental for the Property). If NZME defaulted under the NZME Leases, it would likely, in the Manager's view, also default under its separate lease arrangements for Levels 1, 2 and 3 of Building A. That would represent a significant amount of unleased space entering the market, which may increase the length of any period of rental downtime.</p>	<p><i>Assessment of likelihood:</i> As set out in the tenancy schedule on pages 25 to 27 of this PDS, in the Manager's view NZME and its guarantor are of sufficient financial standing to meet their obligations under the NZME Leases. Accordingly, the Manager assesses the likelihood of default under the NZME Leases to be low.</p> <p><i>Nature:</i> If NZME and its guarantor were to default under the NZME Leases, there would be significant impacts for the LP. Such a loss of income would severely limit the LP's ability to pay distributions. Any such default or cancellation of the NZME Leases would also have a significant adverse impact on the value of the Property and the consequent ability for Investors to recoup their original investment.</p> <p><i>Magnitude:</i> In the event of default under the NZME Leases, the LP would suffer a significant loss of income. During any period of rental downtime the LP is unlikely to be unable to both maintain forecasted distribution levels and pay required interest payments. That period could, in the Manager's view, last for six months or longer. The Manager estimates that, in such a period of rental downtime, the cash return to Investors would fall to approximately 2.7% (or lower) per annum.</p>

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Interest Rates following 1 April 2021</i>	The Manager has fixed the interest rate applying to the LP's debt for four years from 1 April 2017. The interest rate that will apply after that period cannot be predicted.	The main expense of the LP is interest payments. As such, the financial performance of the LP will be affected if the interest rate applying to its debt changes.	<p><i>Assessment of likelihood:</i> The interest rates that will apply following 1 April 2021 are unable to be accurately predicted. In the period following 1 April 2021, the Manager will manage the benchmark component of the interest rate with a combination of short-term and long-term interest rate swap agreements and/or floating rates, and will actively monitor the margins available in the market during the life of the LP (and would consider changing lender if better margins were available elsewhere). The Manager may enter into forward start swap agreements before 1 April 2021 to apply to some or all of the LP's debt after that date, to the extent possible.</p> <p>Further information on the interest rate strategy (and other financial policies) can be found in section 2 "What Building B Graham Street Limited Partnership invests in".</p> <p><i>Nature:</i> If interest rates applicable to the LP's banking arrangements were to increase, it may affect the LP's ability to maintain distribution levels.</p> <p><i>Magnitude:</i> The magnitude of the impact of interest rate changes cannot be accurately predicted (as the rates themselves cannot be accurately predicted). However, the Manager considers that the magnitude of the impact of any change in interest rates can be adequately mitigated through its interest rate strategy.</p>

7. Risks To Returns From Building B Graham Street Limited Partnership (cont.)



Boundary lines indicative only.

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Retail Tenancy Risk</i>	<p>If one or more Retail Tenants were to suffer significant financial problems, any failure to pay rental and outgoings and any vacancy / re-letting costs would have a detrimental impact on:</p> <ul style="list-style-type: none"> • the level of return the LP is able to pay to Investors; and / or • the ability for Investors to recoup their original investment. 	<p>A number of the Retail Tenants are, in the Manager's view, paying above market rentals for their premises. In the event that replacement tenants needed to be found, it is likely that the Manager would need to offer rental incentives to any incoming retail tenant and/or to agree to a lower (market) rate with the incoming tenant.</p>	<p><i>Assessment of likelihood:</i> While the Manager considers that some level of Retail Tenant default may occur, the natural hedge of having multiple separate Retail Tenants, and other mitigating factors such as the Manager's financial provisioning and the bank bonds provided in respect of certain Retail Tenancies, means, in the Manager's view, the likelihood of significant Retail Tenant default having a significant negative impact on returns to Investors is low (other than as a result of material market downturn affecting all retailers).</p> <p><i>Nature:</i> If a Retail Tenant was to default under their Retail Leases, the Manager considers it would likely need to offer rental incentives to any incoming retail tenant and/or to agree to a lower (market) rate with the incoming tenant. Any such incentive cost/loss of income would affect the level of distributions the LP is able to pay.</p> <p>Any default or cancellation of a Retail Lease(s) may (depending on the annual rental payable under that Lease(s)) also have an impact on the value of the Property and the consequent ability for Investors to recoup their original investment.</p> <p><i>Magnitude:</i> The magnitude of the impact of these circumstances on returns to Investors is dependent upon:</p> <ul style="list-style-type: none"> • when the default/vacancy occurs during the lease term; • the level/magnitude of Retail Tenant default(s); • the length of time taken to secure the replacement tenant(s); and • the quantum of any incentive, and/or rental reduction, agreed with the replacement tenant(s).

7. Risks To Returns From Building B Graham Street Limited Partnership (cont.)

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
Retail Tenancy Risk (cont.)			<p><i>Magnitude (cont.):</i> The Manager has provided for a sinking fund of \$200,000 on the establishment of the LP. This sinking fund will be supplemented by retentions of operating cashflows totalling approximately \$520,000 in the periods to 31 March 2021. The sinking fund has been allowed for to provide for additional working capital at the commencement, and over the life, of the LP. In the event of Retail Tenant default, the sinking fund and retentions could be used to fund any costs the LP incurs when reletting the vacant retail area. Such costs may include lost income, minor capital works, releasing fees, renewal costs and/or any rental incentives that need to be paid.</p> <p>The Manager has conducted financial sensitivity analysis showing, that:</p> <ul style="list-style-type: none"> • If the LP experienced a \$200,000 per annum reduction in the rental payable under the Retail Leases in the full year period ended 31 March 2018 (approximately 20% of the current retail tenancy roll), the Investor return is forecast to lower to 6.49% for that period. • If the LP experienced total Retail Tenant default (which the Manager believes is not likely) in the full year period ended 31 March 2018 (meaning no retail rental was payable during that time), the Investor return is forecast to lower to 5% for that period. <p>The above sensitivity analysis does not take account of the bonds / other financial support that may be recoverable under the Retail Leases (which are described in the tenancy schedule contained at pages 30 to 32) which may, in part, mitigate the magnitude of the loss of income.</p>

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Other Office Tenant Default</i>	<p>If any of Meredith Connell, Maersk or Kotahi, were to suffer significant financial problems, any failure to pay rental and outgoings or vacancy / reletting costs would have an impact on the ability:</p> <ul style="list-style-type: none"> • of the LP to pay returns to Investors; and / or • for Investors to recoup their original investment. 	<p>Were one of these Tenants to default on their obligations under their Lease, it would adversely impact the LP's cashflows, and is likely to adversely impact distribution levels.</p>	<p><i>Assessment of likelihood:</i> As set out in the tenancy schedule on page 28 of this PDS, in the Manager's view Maersk and Kotahi are of sufficient financial standing to meet their obligations under their respective Leases. The Manager does not have access to Meredith Connell's financial information, but all equity partners of Meredith Connell are liable severally for the obligations under the MC Lease (now and in the future), subject to a liability cap.</p> <p>Accordingly, the Manager assesses the likelihood of default under these Leases to be low.</p> <p><i>Nature:</i> If Meredith Connell, Maersk or Kotahi were to default under their Lease, there would be significant impacts for the LP. Such a loss of income would affect the LP's ability to pay distributions.</p> <p>Any default or cancellation of such a Lease would also have an impact on the value of the Property and the consequent ability for Investors to recoup their original investment.</p> <p><i>Magnitude:</i> In the event of default under the Meredith Connell Lease, Maersk Lease or Kotahi Lease, the LP would suffer a loss of income. During any period of rental downtime the LP is unlikely to be able to both maintain forecasted distribution levels and pay required interest payments. That period could, in the Manager's view, last for six months or longer. The Manager estimates that, in such a period of rental downtime, the cash returns to Investors may fall to approximately 5% (or lower) per annum.</p>

7. Risks To Returns From Building B Graham Street Limited Partnership (cont.)

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>A lack of liquidity</i>	There is no guarantee that there will always be willing buyers for this type of investment. The sale of Units in the LP by Investors presumes a market for the Units.	The market for Units may be illiquid and a sale of a Unit may not be easily achieved. This may impact an Investor's ability to recoup their original investment in full.	<p><i>Assessment of likelihood:</i> The LP is structured to provide Investors with a long term investment in commercial real estate. Given:</p> <ul style="list-style-type: none"> • the entry price for investing in the LP is relatively high (being a minimum of \$50,000); and • the fact that Units will not be listed on any licensed market or exchange, <p>an investment in the LP may not be as liquid as other investments.</p> <p>If an Investor wishes to exit their investment in the LP, a lack of liquidity may significantly impact the ability of an Investor to recoup their original investment in full.</p> <p><i>Nature:</i> A lack of liquidity for Units will likely adversely impact the value of the Units.</p> <p><i>Magnitude:</i> In the Manager's view, if Investors' investment horizons match those of the LP, the impact of a lack of liquidity for Units is unlikely to be significant. However, if an Investor was to wish to sell their Units in a period of illiquidity, it may lead to a loss in value for that Investor.</p>

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Inability to re-finance</i>	<p>The LP will borrow from BNZ to fund the purchase of the Property. Adverse market movements may cause the banking covenants to be breached. If the breach (or any other breach of the banking covenants) is not remedied, BNZ may enforce its security and sell the Property at a lower than market price due to a forced mortgagee sale.</p> <p>In addition, there is also a risk that the bank loan will not be renewed and alternative funding (if available) may require higher interest payments and/or payment of the principal amount of the loan. As set out on page 34, as the LP's borrowings will likely be due before the LP is wound up, the Manager considers that refinancing is likely to be needed.</p>	A failure to maintain or renew funding may lead to a forced sale of the Property.	<p><i>Assessment of likelihood:</i> Based on the Manager's experience managing the funding arrangements associated with industrial and commercial property, such as the Property, the Manager considers that the likelihood of a breach of banking covenants or the Manager being unable to secure appropriate funding at the expiry of the initial facility arrangements to be low.</p> <p><i>Nature:</i> A failure to maintain funding may threaten the ongoing viability of the LP. Repayment of principal will affect Investors' cash returns, as Investors will remain liable for New Zealand tax on their proportionate share of the New Zealand taxable income earned by the LP – which any principal repayments will not reduce.</p> <p><i>Magnitude:</i> The Manager, based on its experience, considers the potential magnitude of the impact of changes to the LP's funding arrangements will be able to be adequately minimised through active management of the LP's finances and banking arrangements.</p>



8. What Are The Fees?

Establishment fees

The fees and expenses charged to the LP on its establishment are:

Manager and associated person's fees	
Manager's offeror fee	\$1,750,000
Augusta Capital's underwrite fee	\$375,000
Manager and associated person's aggregate fees for establishment of LP	\$2,125,000
Other fees for establishment of LP	
Brokerage fee*	\$1,050,000
Other underwriters fees	\$1,200,000
Legal fees	\$220,000
Assurance fee	\$20,000
Valuation fee	\$12,000
Health and safety review fees	\$975
Building due diligence reports fees	\$10,000
Chattel valuation fee	\$10,500
Supervisor	\$10,000
Marketing**	\$135,000
Disbursements**	\$18,439
Bank fees**	\$210,000
PDS registration fee and FMA levy	\$4,760
Total fees for establishment of the LP	\$5,026,674

*To the extent that any Unit is issued to an underwriter under their underwriting obligations, the brokerage fee will reduce by \$1,000 in respect of each such Unit. That amount may be subsequently applied to any brokerage payable where an underwriter disposes of its underwritten Units.

**These amounts, or a component of these amounts, are the Manager's best estimates, based on its experience and the information known to it at the date of this PDS, but they may be subject to change based on the amounts invoiced to the LP (and Investors will not be notified of such a change). All other amounts are maximum and cannot be increased.

The above fees are exclusive of GST and disbursements.

The offeror's fee is payable to the Manager for negotiating the acquisition of the Property, completing due diligence, arranging and establishing the LP and negotiating the bank facility.

The underwriting fees are payable to Augusta Capital and the other underwriters for underwriting the Offer.

The brokerage fee is payable to Bayleys as the sole selling agent for the Offer.

Legal fees are payable to the LP's Solicitors, Chapman Tripp, for the costs of legal due diligence on the Property, negotiation of the sale and purchase of the Property, settlement of the purchase, cost of advising on this PDS, the Limited Partnership Agreement and Governing Document, compliance with the Financial Markets Conduct Act, and in connection with the LP's financing arrangements.

Assurance fees represent KPMG's fee for providing a reasonable assurance engagement on the prospective financial statements contained on the Offer Register.

The valuation fee is payable to Jones Lang LaSalle for preparing the Valuation Report on the Property.

The health and safety review fee is payable in connection with the health and safety review undertaken on the Property as part of the Manager's due diligence investigations of the Property.

The building due diligence reports fees relate to the due diligence reports the Manager commissioned as part of the Manager's due diligence investigations of the Property, including the peer review of the seismic rating of the Property by Harrison Grierson and a report on the guarantees and warranties provided by Mansons and the Vendor.

The chattel valuation fee is payable in connection with the chattel valuation obtained by the Manager for the chattels in the Property, required for calculation of capital allowances and depreciation.

The supervisor fees are payable to the Supervisor for their costs in relation to reviewing this PDS, the Governing Document and the Limited Partnership Agreement.

Marketing costs reflect the costs of both preparing and producing advertisements in relation to the Offer and the costs for preparing and printing this PDS.

8. What Are The Fees? (cont.)

Disbursements are payable for certain costs incurred by the Manager and the Manager's professional advisers in connection with the establishment of the LP and preparation of the PDS.

The bank fees are payable to BNZ in connection with establishing the LP's loan facility and securing the LP's effective interest rate. \$85,000 is in respect of the facility establishment, \$105,000 relates to a liquidity fee payable and \$20,000 relates to BNZ's legal fees. The liquidity fee secured the bank margin as was required due to the long stretch to settlement from when the Manager initially contracted the Property.

The PDS registration fee and FMA levy are payable in connection with the registration of the LP on the Offer Register and Scheme Register.

The above fees are payable by the LP - none are chargeable to Investors directly. In respect of the supervisor fee, the health and safety review fees, the building due diligence reports fees and half of the underwriting fees, the Manager has already met these costs on behalf of the LP and, accordingly, is entitled to reimbursement. Other fees may be paid by the Manager between the dates of this PDS and settlement. Those fees will be reimbursed to the Manager on settlement.

Alongside the above fees and expenses, the Manager is also establishing a \$200,000 sinking fund (which will be supplemented over time by certain retentions from operating cashflows). The sinking fund and retentions have been allowed for to provide for additional working capital at the commencement, and over the life, of the LP.

Furthermore, the Manager has paid a deposit of \$6,627,999 in partial satisfaction of the purchase price. In the period between payment of that deposit and settlement, that deposit earns interest. Upon settlement of the acquisition of the Property and issue of the Units, the Manager is entitled to reimbursement of that amount and the associated interest.

Ongoing fees and expenses

There is no most recent accounting period for the LP.

The ongoing fees and expenses charged to the LP during its duration are set out in the following table:

Manager and associated person's fees	
Annual Management Fee	\$275,000 plus GST per annum and increasing each year at the greater of 3% or any CPI increase for that year.
New Leasing	<ul style="list-style-type: none"> Where no real estate agent is used by the Manager: <ul style="list-style-type: none"> Lease term of less than one year: Nil; Lease term of one year or longer but less than three years: 10% of annual rental plus GST; Lease term of three years or longer but less than five years: 12.5% of annual rental plus GST; Lease term of five years or longer: 15% of annual rental plus GST; Where a real estate agent is involved: <ul style="list-style-type: none"> Lease term of less than one year: Nil; Lease term of one year or longer but less than three years: 5% of annual rental plus GST; Lease term of three years or longer but less than five years: 6.25% of annual rental plus GST; Lease term of five years or longer: 7.5% of annual rental plus GST.
Renewals or extensions	<ul style="list-style-type: none"> If the Manager negotiates an extension or renewal beyond that contracted for in the relevant lease, the Manager shall be entitled to a facilitation fee of: <ul style="list-style-type: none"> 5% of annual rent; plus (if applicable) 1.5% of annual rent for each year that the negotiated extension or renewal exceeds the date that is six years from the contracted expiry of the lease (including any renewal), capped at 15%, plus GST. \$2,000 plus GST in respect of any completed contracted rights of renewal (increasing by the greater of 3% and CPI each year).

Sale of the Property	<p>Upon a sale of the Property:</p> <ul style="list-style-type: none"> • if the sale price exceeds \$93,600,000 (being the combined total of the purchase price, LP establishment costs and the sinking fund), the Manager will be entitled to a fee equal to 0.5% of the sale price for the Property; • if Investors have received, or, upon final distribution following sale, will receive, actual pre-tax returns on their investment in the LP of an amount equal to an internal rate of return of 8% or more, the Manager shall be entitled to a fee equal to 10% of the amount that the funds available for return to Investors following the sale exceeds the equity contributed by Investors, <p>in each case, plus GST.</p>
Wind up fee	If the LP is wound up, the Manager is entitled to a fee of \$10,000 plus GST (increasing by the greater of 3% and CPI each year).
Project Management Fees	<p>In the event of any future refurbishment, rebranding, extension or redevelopment of the Property, the Manager will be entitled to a project management fee, calculated on the following incremental basis of the costs of such works:</p> <ul style="list-style-type: none"> • in respect of the first \$50,000 of cost, 15% plus GST of such cost; • in respect of cost between \$50,000 and \$99,999.99, 10% plus GST of such cost; • in respect of cost between \$100,000 and \$199,999.99, 7.5% plus GST of such cost; and • in respect any further cost, 5% plus GST of such cost.
Assignment fees	If a Tenant (or subsequent tenant) assigns their lease, the Manager is entitled to a fee of \$2,000 plus GST (increasing by the greater of 3% and CPI each year).

Refinancing fees	If the Manager re-finances the LP's banking arrangements, and the margin rate applying to the re-financed arrangements is equal to or lower than the margin rate applying to the LP's banking arrangements prior to the re-financing, then the Manager shall be entitled to a fee of \$10,000 plus GST (increasing by the greater of 3% and CPI each year).
Secondary market transfers	<p>If Investors utilise the secondary market facility offered by Augusta Funds Management, then an administration fee will be payable to Augusta Funds Management.</p> <p>The current charge is equivalent to 2% of the transaction value for arms-length transfers plus GST. Related party transfers may attract a fee of up to \$500 plus GST.</p>
Capital raising fee	If the LP raises further capital in accordance with the Governing Document, the Manager is entitled to a fee equal to 3% of any future capital raised.
Removal of Manager	If Investors resolve to remove the Manager in accordance with the terms of the Governing Document, a fee equal to one year's annual management fee will be payable to the Manager in connection with that removal.
The Manager and its associated person's aggregate fees for the accounting periods to:⁴	<p>31 March 2017 will be \$91,667 plus GST, which as a percentage of net assets of the LP is anticipated to be 0.19%</p> <p>31 March 2018 will be \$277,750 plus GST, which as a percentage of net assets of the LP is anticipated to be 0.57%</p>
Secondary market fees will be charged at the rate applicable at the time (Investors will not be notified of a change in such rates). The other fees may not be amended, except in accordance with the Governing Document. Details of the fees and expenses incurred by the LP will be included in the LP's annual report.	

⁴Assuming the management fee increases at 3% a year and no other fees are payable (as at the date of this PDS the Manager does not anticipate it, nor any of its associated persons, will accrue any fees other than the management fee described).

8. What Are The Fees? (cont.)

The annual management fee is payable to the Manager for LP, asset and property management services.

New leasing fees apply where the Manager arranges a new lease in respect of the Property.

Renewal and extension fees apply where Tenants (or other tenants) extend or renew their relevant leases, and are structured to incentivise the Manager to securing longer lease terms (and, in particular, beyond the terms contracted in the leases).

Sale of the Property fees apply where the Manager arranges a sale of the Property, and are structured to incentivise the Manager to:

- obtain a sale price above the combined total of the initial purchase price and the costs of establishing the LP; and
- provide Investors with an actual pre-tax return on their investment in the LP equal to the internal rate of return of 8% or more.

Project Management fees will apply in the event of any future rebranding, extension or redevelopment of all or part of the Property.

Assignment fees apply if a Tenant (or subsequent tenant) assigns their lease.

Refinancing fees apply if the Manager re-finances the LP's banking arrangements, and the margin rate applying to the re-financed arrangements is equal to or lower than the margin rate applying to the LP's banking arrangements prior to the re-financing.

Secondary market transfer fees apply where an Investor seeks to utilise the Manager's secondary market transfer service. Augusta Funds Management will facilitate secondary transfers but does not act as a broker nor does it provide financial advice to any party.

The wind up fee is payable to the Manager in the event of the LP being wound up, for administering that wind up.

Removal of the Manager fees apply if Investors resolve, under the Governing Document, to remove the Manager.

Other fees and expenses	
Supervisor's fees	<p>\$19,125 plus GST</p> <p>The Supervisor is also entitled to charge a special duties fee, charged at the Supervisor's usual time and attendance rates to cover the Supervisor's ongoing reviews of any amendment to the documentation, the exercise of its power and discretions, the Supervisor's attendance at any special meetings and any other non-routine duties.</p>
Audit of financial statements	Estimated at \$15,000 plus GST (increasing by 3% each year).
Annual valuation fees	Estimated at \$9,000 plus GST (increasing by 3% each year).
Legal Fees	Legal fees arising in relation to attendances on management of the Property and the LP, including documenting rent reviews and attendances in relation to any sale of the Property (charged on the basis of time spent).
Interest charges and bank fees	Annual interest charges payable to BNZ (as set out in the Prospective Financial Information on pages 47 to 55) estimated at \$1,734,420 per year (until 1 April 2021) based on an effective interest rate of 4.22% per annum, and any applicable bank fees.
Outgoings, property maintenance expenses, fees and costs (to the extent not recoverable from the Tenants)	<p>The Manager has the ability to undertake or approve repairs, maintenance or improvements at its sole discretion if the aggregate expense does not exceed \$700,000 per financial year exclusive of GST. Aggregate expenses exceeding \$700,000 per financial year exclusive of GST can only be undertaken with the approval of the Investors who hold not less than 50% of the total Units entitled to vote and voting on the resolution. The Manager however may undertake repairs, maintenance or improvements without the approval of the Investors where necessary to comply with the terms of the Leases or any legal obligations (such as health and safety).</p>
Expenses on a sale of the Property	<ul style="list-style-type: none"> • Commission on the sale of the Property, estimated at 0.5-1.0% of the sale price plus GST, will be payable to a real estate agent. • Legal fees will arise in relation to attendances on the sale of the Property and repayment of the bank loan (charged on the basis of time spent).

Other fees and expenses	
Expenses on a sale of the Property (cont.)	<ul style="list-style-type: none"> • A swap termination fee may be payable to the bank in the event that the Property is sold prior to expiration of the term of the swap and the swap is out of the money. The swap would be out of the money if the agreed swap rate was higher than the prevailing wholesale market rate that reflects the remaining term through to maturity. • Liquidation & wind up fees.
Other possible fees and expenses	<ul style="list-style-type: none"> • Legal fees for any future leasing, renewals of lease, assignments, rent reviews, refinancing, LP meetings and any other advice relating to management of the Property will be charged on the basis of time spent. • Leasing fees (whether for a new lease or a renewed lease) by external agencies involved in any such negotiations will be charged separately at that time. • Incentive or reletting costs agreed with any replacement tenant. • Fees and expenses in relation to the LP's tax review and Investor meetings. • Property management fees and other outgoings not recoverable from the Tenants. • Fees and costs associated with regulatory compliance (such as any Financial Markets Authority levies payable by the LP or the Manager in its role as manager of the LP). • Any other fees and expenses which are necessary or desirable for the Manager to discharge its duties under the Governing Document and which are consistent with the objects of the LP.

Other person's aggregate fees and expenses (including interest expenses but excluding amortised finance costs) for the accounting periods to:⁵	31 March 2017 will be \$611,515 plus GST, which as a percentage of net assets of the LP is anticipated to be 1.28%
	31 March 2018 will be \$1,781,355 plus GST, which as a percentage of net assets of the LP is anticipated to be 3.67%
The above fees and expenses are the Manager's best estimate, based on its property management experience and the information known to it at the date of this PDS, but are subject to change based on the amounts invoiced to the LP. Details of the fees and expenses incurred by the LP will be included in the LP's annual report, however Investors will not be specifically notified of such a change.	

Supervisor fees are payable to the Supervisor for fulfilling the role of supervisor of the LP.

Audit fees are payable in connection with the audit of the LP's financial statements.

Valuation fees are payable in connection with the annual valuation of the Property.

Legal fees are payable in connection with any legal advice the Manager deems it necessary that the LP obtain.

Interest charges are payable to BNZ under the terms of the LP's banking facility.

Outgoings, property maintenance expenses, fees and costs are payable in respect of the ongoing upkeep and maintenance of the Property.

Expenses on a sale will apply if it is proposed that the Property is sold.

The above fees are payable by the LP - none are chargeable to Investors directly.

⁵Further information on the LP's anticipated expenses is set out in the financial information for the LP available on the Offer Register at www.business.govt.nz/disclose by searching "Building B Graham Street Limited Partnership" under "search offers".



9. Tax

The LP is not a portfolio investment entity (PIE).

Tax can have significant consequences for investments. If you have queries relating to the tax consequences of an investment in the LP, you should obtain professional advice on those consequences.

Under the LP, each Investor is assessed individually on its proportionate share of the net rent and any other net income from the LP, and not on the cash distribution received. Investors will be individually responsible for the payment of their tax.

Investors are, under current legislation, able to depreciate the fit out and chattels for taxation purposes. It is the intention of the Manager to provide an itemised list of assets to enable maximum depreciation to be claimed. It is also the intention of the Manager to provide (on an ongoing basis) a fixed asset schedule with assets depreciated at maximum allowable tax rates. The Manager has commissioned a chattels valuation report and the indicative depreciation claim per unit is outlined in the table below:

	4 Months ending 31 March 2017 \$	12 Months ending 31 March 2018 \$	12 Months ending 31 March 2019 \$	12 Months ending 31 March 2020 \$	12 Months ending 31 March 2021 \$
Estimated Depreciation Claim (per Unit)	674	1,923	1,646	1,436	1,266

The depreciation allowance entitles Investors to defer taxation on a portion of their cash return until the Property is sold by claiming as a tax deduction each Investor's proportionate share of the depreciation of the fit out and chattels. Depreciation can no longer be claimed on buildings, however under current legislation, depreciation will still be able to be claimed on the building fit out to the extent it is owned by the LP. Under current rules, depreciation claimed on the Property during the term of the LP will be taxable in the year the Property or an Investor's Unit in the LP is sold provided that the sale price exceeds the original cost less all depreciation previously claimed. The net effect is to provide a deferral of tax for Investors during the period of ownership of the Property.



10. About Augusta Funds Management Limited and Others Involved In Building B Graham Street Limited Partnership

About Augusta Funds Management Limited

Augusta Funds Management Limited is the manager of the LP.

Augusta Funds Management Limited is licensed under the Financial Markets Conduct Act 2013 as a manager of Other Managed Investment Schemes; which are invested in Property Syndicates/Real Property Proportionate Ownership Schemes, and Managed Investment Schemes - Managed Funds; where the Managed Funds are invested solely in real property (listed and unlisted).

The Manager's property schemes (such as the LP) are structured to provide Investors with a long term investment in commercial and/or industrial real estate, while seeking to minimise the administrative and operational burdens of private property ownership. The Manager is responsible for the LP and property management, including the facilities and property management, preparation of annual financial statements and payment of monthly distributions.

The Manager also arranges funding packages allowing Investors to benefit from the terms of the LP's funding arrangements, including some interest rate hedging and initial interest-only terms. Details of the bank funding applying to the LP are set out on page 34.

Augusta Funds Management is a wholly-owned subsidiary of Augusta Capital Limited, which is an NZX listed company with a market capitalisation of approximately NZ\$93 million as at 30 September 2016. Augusta Funds Management has assets under management of approximately NZ\$1.51 billion.

For more on Augusta see www.augusta.co.nz

The directors of the Manager and key senior managers of Augusta Funds Management collectively have considerable property expertise with experience in property development, facilities and asset management, property investment, business administration and accounting. Augusta Funds Management manages a wide range of properties including single ownership entities, and syndicates in numerous locations throughout New Zealand and Queensland, Australia. This investment opportunity is based around the market knowledge and experience of these people. Further detail on the expertise and background of these people is set out below and on page 17.

In addition to **Mark Francis**, **Bryce Barnett** and **Philip Hinton** (whose profiles are set out on page 17), the directors of the Manager are:

Paul Duffy

Independent Director and Chairman

Dip Urb Val

Paul Duffy has over 35 years' experience in the property investment/development industry, including CEO/executive director of DNZ Property Fund (now named Stride Property) for 13 years. During his career, Paul held the position of general manager of Fletcher Property Limited and was joint managing director of US Real Estate Subsidiaries for the Abu Dhabi Investment Authority. In this role he oversaw the formation of a large real estate portfolio in the United States and Europe. Paul is currently a director of a number of private companies.

Paul is the chairman of Augusta Capital and Augusta Funds Management.

Martin Goldfinch

Independent Director

BCom, LLB

Martin has extensive commercial experience across a range of industries in both public and private companies. He holds degrees in Law and Commerce from Auckland University. He is currently the Private Equity Manager for Accident Compensation Corporation (ACC) and represents ACC on the boards of Cavalier Wool Holdings Limited and Partstrader Markets Limited. He is also a director of Les Mills Holdings Limited, Youi Holdings Pty Ltd and it's NZ subsidiary Youi NZ Pty Limited and is a Council Member of NZ Venture Capital Association.

John Loughlin

Independent Director

MBA, BCA, FCA, ANZIF (fellow), INFNZ (fellow), FNZIM, AFInstD

John Loughlin is a professional company director. He is chairman of Powerco Limited, Tru-Test Corporation Limited, EastPack Limited and Havelock North Fruit Co. Limited. He is also a director of Port of Napier Limited and Bay Venues Limited.

John was the chairman of finance company Allied Nationwide Finance Limited, now known as NFA Limited (in liquidation) (referred to below as Allied), from 1 May 2007 to 23 August 2010. Allied was placed in receivership on 20 August 2010 as part of the finance company collapses in New Zealand at that time and subsequently went into liquidation on 31 October 2012. He ceased to be the chairman and a director of Allied on 23 August 2010. On 2 September 2013, the Financial Markets Authority (FMA) issued a formal warning letter to John Loughlin and the other directors of Allied stating that, in the FMA's view, the directors

10. About Augusta Funds Management Limited and Others Involved In Building B Graham Street Limited Partnership (cont.)

of Allied likely breached the Securities Act by failing to adequately disclose the ability of Allied's parent, Allied Farmers Limited, to provide financial support and Allied's ability to meet its financial obligations. The FMA advised that, having taken into account the possible availability of defences, FMA's enforcement policy and public interest considerations, the FMA did not intend to take formal enforcement action at that time. The FMA considers that better disclosure should have been made, to ensure that investors were aware of the risks associated with their investment in Allied.

Robert Mark Petersen (known as Mark Petersen) **Independent Director**

Dip Urb Val

Mark is a professional director and corporate adviser who has worked in the commercial property sector for the past 35 years. Initially working as a registered valuer, Mark's background includes development management, project management and investment management. Mark was Managing Director of NZX listed Shortland Properties Limited from 1989 to 1999 and he is currently a director of CentrePort Limited, Wellington's container port company and its subsidiaries and is also an advisory Board member for Te Tumu Kainga, a trust administered by the Maori Trustee for the provision of affordable housing. Mark is a former director of Wellington Waterfront Limited, a former director of Australian property focused private equity funds which were established and managed by Grant Samuel and is a past Chair of the NZ Hockey Federation. Mark is currently an Executive Director of DH Flinders NZ Limited. DH Flinders is a Melbourne headquartered corporate advisory firm providing corporate and funds management advice in Australia, New Zealand and South East Asia.

Contact details

The Manager may be contacted:

- At its registered office - Level 2, 4 Viaduct Harbour Avenue, Auckland.
- By telephone - (09) 300 6161.
- By fax - (09) 300 6162 (attention: Mark Francis/Bryce Barnett).

Who Else Is Involved?

Party	Name	Role
Supervisor	Covenant Trustee Services Limited	Covenant Trustee Services Limited has been appointed supervisor for the LP. The Supervisor will monitor compliance with the Governing Document and fulfil the role of supervisor under the Financial Markets Conduct Act 2013 and Financial Markets Supervisors Act 2011.
Custodian	Building B Graham Street Custodian Limited	Building B Graham Street Custodian Limited is the custodian for the LP. The Custodian will hold the certificate of title for the Property on bare trust on behalf of the LP in accordance with the Governing Document. The Custodian is a subsidiary of the Supervisor.

Party	Name	Role
General Partner	AFM GP (Building B Graham Street) Limited	AFM GP (Building B Graham Street) Limited is the general partner of the LP, and will manage the activities and affairs of the LP in accordance with the Limited Partnership Agreement. The General Partner is a subsidiary of the Manager.
Underwriters	Augusta Capital Limited Cook Property Group Limited Mansons TCLM Limited	The parties listed have agreed to underwrite in various proportions the full \$52,500,000 worth of Units offered under this PDS.

None of the parties above guarantee any returns to Investors.



11. How to Complain

How To Complain

Complaints about the Units or the LP can be made to the Manager, attention Mark Francis, Managing Director, at the address and business telephone number set out on page 93.

A complaint can also be made to the Supervisor (at the address and business telephone number set out on page 93).

A complaint may also be made to The Real Estate Institute of New Zealand. The Institute may be contacted by telephoning 0800 473 469 or at Level 1, Windsor Court, 128 Parnell Road, Parnell, Auckland.

A complaint can also be made to Fairway Resolution Limited (trading as Financial Dispute Resolution), being the dispute resolution scheme Augusta Funds Management Limited has joined for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act. Financial Dispute Resolution may be contacted by telephoning 0508 337 337 or at Freepost 231075, PO Box 2272, Wellington 6140. Financial Dispute Resolution will not charge a fee to any complainant to investigate or resolve a complaint.

12. Where You Can Find More Information

Where You Can Find More Information

Further information relating to the LP and the Units is available on the Offer Register and the Scheme Register (for example, prospective financial information).

A copy of information on the Offer Register and Scheme Register is available on request to the Registrar of Financial Service Providers.

The Offer Register may be viewed at www.business.govt.nz/disclose and search “Building B Graham Street Limited Partnership” under “search offers”.

The Scheme Register may be viewed at www.business.govt.nz/disclose and search “Building B Graham Street Limited Partnership” under “search schemes”.

No other information relating to the LP and the Units will be available other than the information contained in this PDS and on the Offer Register and Scheme Register.

All information available on the Offer Register and the Scheme Register is also available on request free of charge from the Manager (at the address and business telephone number set out in on page 93).



13. How to Apply

How To Apply

In order to apply, prospective Investors must provide the following:

- A completed and signed application form;
- Completed Nature and Purpose statement (contained within the application form);
- Bank encoded deposit slip, bank statement or confirmation from your bank verifying your bank account name and number;
- For new investors with the Manager, the identification and other anti-money laundering due diligence information referred to on the form headed “Identity Verification” in this section;
- Payment of the total application amount. See “Payment” below, for further details.

Completed and signed application forms, along with the above accompanying documents and subscription amounts, must be mailed to the Manager, **Augusta Funds Management Limited** PO Box 37953, Parnell, Auckland 1151 (Attention: Building B Graham Street Offer) or delivered or couriered to Level 2, 4 Viaduct Harbour Avenue, Auckland. The Offer closes on 21 November 2016.

IMPORTANT – for existing Augusta investors, identification documents may have been provided previously as part of Augusta’s AML (Anti-Money Laundering) requirements. If, at the time of submitting your application, Augusta 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 additional documents may have to be re-submitted before your application can be accepted.

Payment

Payment must be made in New Zealand dollars for immediate value.

Investors must make the relevant election in section 2 of the application form to indicate their method of payment. Payment may be made by:

- Electronic transfer; or
- Cheque. Cheques must be made out in favour of “Chapman Tripp Trust Account (A/C Building B Graham Street Offer)” and crossed “Non-Transferable”.

Pending settlement of the acquisition of the purchase of the Property and the issue of Units all monies will be held in the Chapman Tripp Trust Account. Pending settlement, those funds may accrue interest. Upon settlement, that interest shall be paid to the account of the LP. The Manager will make a special distribution to Investors. The amount of the distribution will reflect the size of Investors’ investment and the amount of time their funds were held in the Chapman Tripp Trust Account.

APPLICATION FORM

PLEASE READ ALL INSTRUCTIONS BELOW TO ENSURE PROMPT PROCESSING OF APPLICATIONS

This Application Form is issued with the Product Disclosure Statement dated 4 October 2016, issued by Augusta Funds Management Limited. Please return this application form and all other required additional documents to **Augusta Funds Management Limited (Attention: Building B Graham Street Offer)**.

Prospective investors are recommended to seek professional advice from an Authorised Financial Adviser which takes into account their personal circumstances before making an investment decision.

INSTRUCTIONS ON HOW TO COMPLETE

- Insert your full name(s), addresses, date of birth, place of birth, telephone number(s) and email address(es) (optional).
- Applications must be in the name(s) of natural persons, companies or other legal entities.
- If you are applying as a Trust, all trustee names are required. Please also insert the Trust's name. Where applying in the name of a company, the names of directors and shareholders of the company do not need to be included.
- Please insert the Bank Account name and Bank Account Number into which you want distribution payments to be made.

1. APPLICANT DETAILS, BLOCK LETTERS PLEASE

Please enter name(s) in full (including all first names)

Legal First Name(s)	Legal Family Name	Date of birth	Place of birth (city/town and country)
CORPORATE OR TRUST NAME:			

Residential Address or Address for Service:	Ph - Home ()
	Ph - Work ()
	Mobile:
Postal Address (if different from address given above):	Email:

BANK ACCOUNT DETAILS FOR DISTRIBUTIONS
ACCOUNT NAME
ACCOUNT NUMBER

NOTE: YOU MUST ENCLOSE A BANK ENCODED DEPOSIT SLIP, BANK STATEMENT OR CONFIRMATION FROM YOUR BANK VERIFYING BANK ACCOUNT NAME AND NUMBER.

2. APPLICATION AMOUNT AND PAYMENT - IMPORTANT

Number of Units (minimum \$50,000 per Unit)	Amount
	\$

Please choose ONE of the PAYMENT options below. Please tick the box next to your selected option:

- ☐ OPTION 1: ELECTRONIC TRANSFER
Please provide me with account details to make an electronic transfer.
- ☐ OPTION 2: CHEQUE
Please find attached made out in favour of "Chapman Tripp Trust Account (A/C Building B Graham Street Offer)" and crossed "Non-Transferable" for the amount noted above.

3. APPLICANT(S) IDENTIFICATION REQUIREMENTS (please complete only one option)

- ☐ OPTION 1: EXISTING INVESTOR
Please enter name of one Augusta syndication, fund or other Augusta investment you are an investor in: _____
- ☐ OPTION 2: NEW INVESTOR
NEW INVESTORS MUST PROVIDE THE APPROVED IDENTIFICATION INFORMATION WITH THIS APPLICATION FORM – SEE THE FOLLOWING PAGES.

4. NATURE AND PURPOSE OF YOUR INVESTMENT

Establishing the nature and purpose of your investment is required as two separate explanations i.e. the **nature** of the investment explains how regularly you intend to invest with Augusta and for how long you intend to hold the investment; the **purpose** explains your investment objectives and what you are trying to achieve by investing with the LP.

This information is being requested solely for the purpose of Augusta's regulatory compliance obligations and maintenance of our investor records. We recommend you consider discussing your response with your tax adviser, to make sure that what you confirm to us is consistent with the treatment of your investment in your tax return.

THE NATURE OF MY INVESTMENT IN THE LP IS:

.....

.....

THE PURPOSE OF MY INVESTMENT IN THE LP IS:

.....

.....

5. SIGNED AS A DEED BY THE APPLICANT(S)

I/We hereby apply for the Unit(s) as set out above subject to the terms and conditions of the Product Disclosure Statement dated 4 October 2016. I/We agree to accept the Unit(s) as applied for or any lesser number that may be issued to me/us. I/We hereby irrevocably appoint Building B Graham Street Custodian 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 Building B Graham Street Limited Partnership. I/We hereby consent to the Manager disclosing such information as it holds in respect of me/us to regulatory authorities and to receive any information I am entitled to receive via email, at the address noted above.

Signed as a Deed

Please note, all signatures must be witnessed by an independent person (not a spouse, child or parent).

DATED: / / 2016

Applicant Signature: Applicant Signature:

Applicant Name: Applicant Name:

Witness Signature: Witness Signature:

Witness Name: Witness Name:

Applicant Signature: Applicant Signature:

Applicant Name: Applicant Name:

Witness Signature: Witness Signature:

Witness Name: Witness Name:

Applicant Signature: Applicant Signature:

Applicant Name: Applicant Name:

Witness Signature: Witness Signature:

Witness Name: Witness Name:

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 as Attorney of under a deed dated

Given to me by him/her/the Company DAY MONTH YEAR

2. That I have executed the application for Units on the face hereof as Attorney under the said Power of Attorney and pursuant to the powers hereby conferred on me.

3. That at the date hereof I have not received any notice of revocation of the said Power of Attorney by death or otherwise.

Signed at this of 2016
PLACE DAY MONTH

Signature

IDENTITY VERIFICATION

There are two different options you can use as identification. The simplest option is to pick ONE form of ID from Option 1 below. Option 2 requires at least two forms.

Each copied form of identification must be certified by an independent NZ based trusted referee. A trusted referee must be over the age of 16, must not be your spouse or partner, related to you, someone who lives at the same address as you or someone with an interest or ownership in your investment. A trusted referee must be any one of the following:

- | | |
|--|--|
| <input type="checkbox"/> Lawyer (as defined in the Lawyers and Conveyancers Act 2006) | <input type="checkbox"/> NZ Chartered Accountant |
| <input type="checkbox"/> Justice of the Peace | <input type="checkbox"/> Registered Teacher |
| <input type="checkbox"/> Registered Medical Doctor | <input type="checkbox"/> Notary Public |
| <input type="checkbox"/> Member of the Police | <input type="checkbox"/> NZ Honorary Consul |
| <input type="checkbox"/> Member of Parliament | <input type="checkbox"/> Commonwealth Representative |
| <input type="checkbox"/> Minister of Religion | <input type="checkbox"/> Kaumatua (as verified through a reputable source) |
| <input type="checkbox"/> A person who has the legal authority to take statutory declarations or the equivalent in NZ | |

Certification must have been carried out in the last three months. The trusted referee must sight the original document and make the following statement on the copy:

- “This document is a true copy and represents the identity of the named individual”;
- Trusted referee’s name, occupation and registration number (or equivalent); and
- Trusted referee’s signature and date.

Original certifications of photocopied documents must be provided – scans or photocopies of certifications will not be accepted.

OPTION 1

Choose ONE certified photocopy of the following as personal identification (document must be current/unexpired):

- | |
|---|
| <input type="checkbox"/> New Zealand or overseas passport (containing your name, date of birth, photograph and signature) |
| <input type="checkbox"/> New Zealand certificate of identity |
| <input type="checkbox"/> New Zealand firearms licence |
| <input type="checkbox"/> Overseas government-issued national identity card, containing your name, date of birth, photograph and signature |

OR: OPTION 2

Provide a certified photocopy of the following (document must be current/unexpired):

- | |
|---|
| <input type="checkbox"/> New Zealand driver licence |
|---|

AND Non-photo identification. Choose ONE certified photocopy of the following (document must be current/unexpired):

- | | |
|--|---|
| <input type="checkbox"/> New Zealand or overseas full birth certificate | <input type="checkbox"/> Embossed credit card, debit card or an EFTPOS card, with your name and signature, issued by a registered NZ bank |
| <input type="checkbox"/> Bank account statement issued by a NZ registered bank within 12 months of your application | <input type="checkbox"/> Statement issued by a NZ Government agency within 12 months of your application (like an IRD statement) |
| <input type="checkbox"/> A document issued by a NZ Government agency with your name and signature (i.e. Super Gold card) | <input type="checkbox"/> NZ or overseas citizenship certificate |

ADDRESS VERIFICATION

Please provide an original OR certified photocopy of one of the following:

- | |
|--|
| <input type="checkbox"/> Utility or rates bill |
| <input type="checkbox"/> Telephone bill |
| <input type="checkbox"/> Bank account statement (as delivered by mail, not via internet banking) |
| <input type="checkbox"/> IRD tax notice or statement |
| <input type="checkbox"/> Insurance policy document |
| <input type="checkbox"/> A document issued by a NZ Government agency |

Each form needs to be dated in the last 12 months and addressed to you at your residential address.

If providing a photocopy of a document, the copy needs to be certified by a ‘trusted referee’ as defined above. Certification must have been carried out in the last three months. The trusted referee must sight the original document and make the following statement on the copy:

- “This document is a true copy”;
- Trusted referee’s name, occupation and registration number (or equivalent); and
- Trusted referee’s signature and date.

JOINT HOLDING (INDIVIDUALS)		TICK ✓
First Investor - Investor Name:		
Investor Date of Birth:		
Investor Place of Birth: (town/city)		
Investor Address:		
Second Investor - Investor Name:		
Investor Date of Birth:		
Investor Place of Birth: (town/city)		
Investor Address:		
First Investor	Certified IDENTITY Verification: ATTACHED	<input type="checkbox"/>
	Certified residential ADDRESS Verification: ATTACHED	<input type="checkbox"/>
Second Investor	Certified IDENTITY Verification: ATTACHED	<input type="checkbox"/>
	Certified residential ADDRESS Verification: ATTACHED	<input type="checkbox"/>
<p>Authorised Person(s) (Optional):</p> <p>"Authorised person(s)" include beneficial owners and persons acting on behalf i.e. Power of Attorney. These people must provide certified ID, residential address verification and POA document or other proof of authority (if applicable)</p> <p>Please list any authorised person(s) that may act on your behalf and their relationship to you</p>		
<p>Politically Exposed Person (PEP):</p> <p>Definition</p> <p>Are you or any Authorised Person(s) listed above:</p>		<p>Please circle:</p> <p>Yes / No</p> <p>Yes / No</p>
<p>Politically Exposed Person (PEP):</p> <p>FOR INVESTORS MAKING AN INVESTMENT OF \$500,000 OR MORE</p> <p>Source of Funds and/or Wealth Statement</p> <p>Please note, we may require that these details are verified by an independent Chartered Accountant, Lawyer or Justice of the Peace.</p>		<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
<p>FOR INVESTORS MAKING AN INVESTMENT OF \$500,000 OR MORE</p> <p>Evidence of Source of Funds and/or Wealth: ATTACHED (photocopies must be certified by an independent trusted referee)</p>		<input type="checkbox"/>

PARTNERSHIP		TICK ✓
Partnership Full Legal Name:		
Partnership Trading Name (if different):		
Principal Business Address/ Registered Office Address:		
Registration Number:		
Certified ADDRESS Verification <i>ATTACHED</i>	See the address verification guide for options	<input type="checkbox"/>
Certified Copy of the Partnership Agreement	A certified copy of the Partnership Deed/Agreement and any resolutions, evidencing any amendments which must confirm the Partnerships name, and Partners/Officers names and other persons authorised to act on behalf of the Partnership	<input type="checkbox"/>
Certified IDENTITY Verification (for EACH person/partner) <i>ATTACHED</i>	See the identity verification guide for options	<input type="checkbox"/>
Certified residential ADDRESS Verification (for EACH person/partner) <i>ATTACHED</i>	See the address verification guide for options	<input type="checkbox"/>
List any: -beneficial owners of the Partnership (e.g. general or limited partners) and/or -person(s) authorised to act on behalf of the Partnership (e.g. accountant) and -please identify relationship to the Partnership	NAME: ADDRESS: DATE OF BIRTH PLACE OF BIRTH (TOWN/CITY): RELATIONSHIP TO PARTNERSHIP: NAME: ADDRESS: DATE OF BIRTH PLACE OF BIRTH (TOWN/CITY): RELATIONSHIP TO PARTNERSHIP:	
Certified IDENTITY Verification for each person authorised to act on behalf of the Partnership <i>ATTACHED</i>	See the identity verification guide for options	<input type="checkbox"/>
Certified residential ADDRESS Verification for each person authorised to act on behalf of the Partnership <i>ATTACHED</i>	See the address verification guide for options	<input type="checkbox"/>
Politically Exposed Person (PEP): Definition:	An individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise.	Please circle:
Are you or any "Authorised Person(s)" listed above:	An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country (other than New Zealand); An immediate family member of a person referred to above (including spouse, partner, child, child's spouse/partner or parent).	Yes / No
Politically Exposed Person (PEP) details (if applicable):	If you have circled 'yes' to any of the options above please provide details of the public function held and the country:	Yes / No
FOR PARTNERSHIPS MAKING AN INVESTMENT OF \$500,000 OR MORE	If you are making an investment of \$500,000 or more please write details of the origin of your wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, grantor's name, employment details, property address etc. Also provide details of the source of the income you are receiving e.g. wages/salary, investment income or any other income. Signature: Name: Date:	<input type="checkbox"/>
Source of Funds and/or Wealth Statement	Please note, we may require that these details are verified by an independent Chartered Accountant, Lawyer or Justice of the Peace.	<input type="checkbox"/>
FOR PARTNERSHIPS MAKING AN INVESTMENT OF \$500,000 OR MORE	If you are making an investment of \$500,000 or more please provide backing documents to support the legitimacy of the details provided in the source of funds and/or wealth statement above e.g. certified photocopies of bank account statements confirming income i.e. business, personal and/or rental income, property settlement statement, details of investment income, inheritance i.e. letter from executor of estate, loan statement, gifting letter and/or financial statements (as prepared by a Chartered Accountant).	<input type="checkbox"/>
Evidence of Source of Funds and/or Wealth ATTACHED (photocopies must be certified by an independent trusted referee)		<input type="checkbox"/>

TRUST		TICK ✓
Trust Name:		
Registration Number (if applicable):		
Certified ADDRESS Verification for the Trust: <i>ATTACHED</i> <i>(Principal ADDRESS for service)</i>	See the address verification guide for options	<input type="checkbox"/>
Trust Deed ATTACHED – copy to be certified by an independent trusted referee, this person cannot be a trustee. We cannot accept scans or photocopies of certified documents.	A copy of the Trust Deed and any retirements, and/or any amendments which must confirm the Trusts name, and Trustees/Executors names and other persons authorised to act on behalf of the Trust	<input type="checkbox"/>
Source of Funds and/or Wealth STATEMENT	<p>Please write details of the origin of the settlor's wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, grantor's name, employment details, property address etc.</p> <p>.....</p> <p>Also provide details of the source of income the Trust is receiving e.g. investment earnings, business/rental income or earnings from an underlying company.</p> <p>.....</p> <p>Signature: Settlor or at least one trustee to sign</p> <p>Trustee(s) Name: Date: Please note, we may require that these details are validated by a trusted referee who can reasonably be expected to have knowledge of these details, e.g. an independent Chartered Accountant, Lawyer or Justice of the Peace.</p>	<input type="checkbox"/>
Evidence of Source of Funds and/or Wealth <i>ATTACHED</i> <i>(photocopies must be certified by an independent trusted referee)</i>	Backing documents to support the legitimacy of the details provided in the source of funds and/or wealth statement above e.g. certified photocopies of bank account statements confirming income i.e. business, personal and/or rental income, property settlement statement, details of investment income, inheritance i.e. letter from executor of estate, loan statement, gifting letter and/or financial statements (as prepared by a Chartered Accountant).	<input type="checkbox"/>
List legal names of ALL trustees If a corporate trustee company is a trustee, please list the details of all directors of the company. All trustees including all directors of the corporate trustee company must provide certified ID and residential address verification.	NAME: ADDRESS: DATE OF BIRTH: PLACE OF BIRTH (town/city): NAME: ADDRESS: DATE OF BIRTH: PLACE OF BIRTH (town/city): NAME: ADDRESS: DATE OF BIRTH: PLACE OF BIRTH (town/city): NAME: ADDRESS: DATE OF BIRTH: PLACE OF BIRTH (town/city): Please list any additional details on a separate page	
Certified IDENTITY Verification (for EACH Trustee) <i>ATTACHED</i>	See the identity verification guide for options	<input type="checkbox"/>
Certified residential ADDRESS Verification (for EACH trustee) <i>ATTACHED</i>	See the address verification guide for options	<input type="checkbox"/>
Is this a charitable trust? If 'yes' please state the objects of the Trust:	Please circle: Yes / No	

TRUST (continued)		TICK ✓
<p>Is this a discretionary trust?</p> <p>Who are the beneficiaries of the trust? Note: If the Trust is a discretionary trust, a charitable trust, or there are more than 10 beneficiaries, please provide a description of each class or type of beneficiary (you are not required to provide the name and date of birth for the beneficiaries of these kinds of trusts).</p>	<p>Please circle: Yes / No</p> <p>BENEFICIARY NAME:</p> <p>DATE OF BIRTH:</p> <p>BENEFICIARY NAME:</p> <p>DATE OF BIRTH:</p> <p>BENEFICIARY NAME:</p> <p>DATE OF BIRTH:</p> <p><i>For discretionary trusts, charitable trusts or trusts where there are 10 or more beneficiaries please provide a description of each class or type of beneficiary:</i></p>	
<p>Beneficial Owners / Effective Control</p> <p>List any person who:</p> <p>-has effective control of the Trust (e.g. protector or special trustee (if any));</p> <p>and/or</p> <p>-any person who is authorised to carry out transactions on behalf of the Trust (please provide details of relationship to Trust, authority to carry out transactions, and company or registration number (if applicable)).</p>	<p>NAME:</p> <p>ADDRESS:</p> <p>DATE OF BIRTH:</p> <p>PLACE OF BIRTH (town/city):</p> <p>RELATIONSHIP TO TRUST:</p> <p>NAME:</p> <p>ADDRESS:</p> <p>DATE OF BIRTH:</p> <p>PLACE OF BIRTH (town/city):</p> <p>RELATIONSHIP TO TRUST:</p>	
<p>Certified IDENTITY Verification of EACH Beneficial Owner / Effective Controller</p> <p>ATTACHED</p>	<p>See the identity verification guide for options</p>	<input type="checkbox"/>
<p>Certified ADDRESS Verification of EACH Beneficial Owner / Effective Controller</p> <p>ATTACHED</p>	<p>See the address verification guide for options</p>	<input type="checkbox"/>
<p>Politically Exposed Person (PEP): Definition</p> <p>Are you or any Authorised Person(s) listed above:</p>	<p>An individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise;</p> <p>An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country (other than New Zealand);</p> <p>An immediate family member of a person referred to above (including spouse, partner, child, child's spouse/partner or parent).</p>	<p>Please circle: Yes / No</p> <p>Yes / No</p>
<p>Politically Exposed Person (PEP):</p>	<p>If you have circled 'yes' to any of the options above please provide details of the public function held and the country:</p>	

COMPANY		TICK ✓
Company Legal Name:		
Company Trading Name (if different):		
Company Principal Business Address/Registered Office Address:		
Company Registration Number:		
<p>Does any entity such as a Family Trust have any ownership of the Company? Or is the Company acting as a nominee company?</p> <p><i>Please note, if the answer is yes, we will require further information about the entity.</i></p>		<p>Please circle yes or no below and provide details:</p> <p>Yes / No</p>
<p>Beneficial Ownership / Effective Control</p> <p><i>List any person who:</i></p> <ul style="list-style-type: none"> - owns more than 25% of the company; - has effective control of the company; - on whose behalf a transaction is conducted; - is a director or shareholder of a corporate/trustee company involved with the company; and/or - is authorised to carry out transactions on behalf of the Company e.g. accountant, lawyer or other authorised person (please provide details of relationship to the company, source of authority, and company or registration number (if applicable)). 	<p>NAME: ADDRESS: DATE OF BIRTH: RELATIONSHIP TO COMPANY:</p> <p>NAME: ADDRESS: DATE OF BIRTH: RELATIONSHIP TO COMPANY:</p> <p>NAME: ADDRESS: DATE OF BIRTH: RELATIONSHIP TO COMPANY:</p> <p>NAME: ADDRESS: DATE OF BIRTH: RELATIONSHIP TO COMPANY:</p> <p>Please list any additional details on a separate page</p>	
Certified IDENTITY Verification of EACH Beneficial Owner / Effective Controller ATTACHED	See the identity verification guide for options	
Certified residential ADDRESS Verification of EACH Beneficial Owner / Effective Controller ATTACHED	See the address verification guide for options	
Politically Exposed Person (PEP): <i>Definition</i>	<p>- An individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise;</p> <p>- An individual who holds, or has held at any time in the preceding 12 months, a prominent public function in any country (other than New Zealand);</p> <p>- An immediate family member of a person referred to above (including spouse, partner, child, child's spouse/partner or parent).</p>	<p>Please circle:</p> <p>Yes / No</p> <p>Yes / No</p>
Are you or any Authorised Person(s) listed above:	If you have circled 'yes' to any of the options above please provide details of the public function held and the country.	
Politically Exposed Person (PEP):	<p>If you are making an investment of \$500,000 or more please write details of the origin of your wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, grantor's name, employment details, property address etc.</p> <p>.....</p> <p>Also provide details of the source of the income you are receiving e.g. monthly deposit from a bank account, income from an underlying company.</p> <p>.....</p> <p>Signature:</p> <p>Name:</p> <p>Date:</p>	
<p>FOR COMPANIES MAKING AN INVESTMENT OF \$500,000 OR MORE</p> <p>Source of Funds and/or Wealth Statement</p>	<p>Please note, we may require that these details are verified by an independent Chartered Accountant, Lawyer or Justice of the Peace.</p>	
<p>FOR COMPANIES MAKING AN INVESTMENT OF \$500,000 OR MORE</p> <p>Evidence of Source of Funds and/or Wealth ATTACHED <i>(photocopies must be certified by an independent trusted referee)</i></p>	<p>If you are making an investment of \$500,000 or more please provide backing documents to support the legitimacy of the details provided in the source of funds and/or wealth statement above e.g. certified photocopies of bank account statements confirming income i.e. business, personal and/or rental income, property settlement statement, details of investment income, inheritance i.e. letter from executor of estate, loan statement, gifting letter and/or financial statements (as prepared by a Chartered Accountant).</p>	

Glossary

Term	Definition
\$	New Zealand dollars
Augusta Capital	Augusta Capital Limited (Company number: 1873288)
Bayleys or Bayleys Real Estate	Bayleys Real Estate Limited (Company number: 88609)
BNZ	Bank of New Zealand
Building A	Building A, BDO Centre, 4 Graham Street, Auckland
Building B	Building B, BDO Centre, 2 Graham Street, Auckland
Building C	Building C, 5 Hardinge Street, Auckland
Building Management Agreement	The agreement dated 30 September 2015 between the (then) owners of Building A, Building B and Building C (as amended by deed of variation dated 29 June 2016)
CPI	The Consumer Price Index (all groups) published by Statistics New Zealand
Custodian	Building B Graham Street Custodian Limited (Company number: 6104947)
Governing Document	The Governing Document dated 4 October 2016 between the Manager, the LP the Custodian and the Supervisor, setting out the arrangements for ownership and management of the LP and as is available on the scheme register at www.business.govt.nz/disclose by searching “Building B Graham Street Limited Partnership” under “search schemes”
General Partner	AFM GP (Building B Graham Street) Limited (Company number: 6104749)
Investors	Persons registered as the holders of Units in the LP
Kotahi	Kotahi Logistics LP
Kotahi Lease	The lease between Kotahi and the Vendor under which Kotahi leases level 4 of Building B (along with ancillary parking and storage spaces) and under which, from settlement, the Custodian will be the landlord
Leases	Together, the NZME Leases, the Maersk Lease, the Kotahi Lease, the Meredith Connell Lease and the Retail Leases
Limited Partnership Agreement	The limited partnership agreement to be entered into by the General Partner, AFM LP Limited (Company number: 5839046) and, through their attorney the Custodian, each Investor, on the settlement of the acquisition of the Property by the LP
LP	The limited partnership established for the purpose of acquiring the Property, being the Building B Graham Street Limited Partnership (Registration number: 2651851)
LP’s Solicitors	Chapman Tripp, 23 Albert Street, Auckland 1140
Maersk	Maersk Line A/S
Maersk Lease	The lease between Maersk and the Vendor under which Maersk leases level 3 of Building B (along with ancillary parking spaces) and under which, from settlement, the Custodian will be the landlord
Manager or Augusta Funds Management	Augusta Funds Management Limited (Company number: 3760278)

Term	Definition
Mansons	Mansons TCLM Limited, the contractor that constructed the Property, and a related party of the Vendor
Meredith Connell	The equity partners of Meredith Connell
Meredith Connell Lease or MC Lease	The lease between Meredith Connell and the Vendor under which Meredith Connell leases level 5 of Building B (along with ancillary parking spaces), and under which, from settlement, the Custodian will be landlord
NZME	NZME Holdings Limited (Company number: 41802)
NZME Leases	The three leases between NZME and the Vendor under which NZME leases the ground floor and levels 1 and 2 (along with ancillary parking spaces) respectively of Building B, and under which, from settlement, the Custodian will be landlord
Offer	The offer of Units under the PDS
Offer Register	The offer register entry for the LP, that forms part of the Disclose Register, that is available at www.business.govt.nz/disclose by searching “Building B Graham Street Limited Partnership” under “search offers”
PDS or Product Disclosure Statement	This product disclosure statement detailing the offer of Units in the LP
Property	Building B and Building C
Retail Leases	The separate lease arrangements under which each of the Retail Tenants is leasing certain retail space in the Property from the Vendor and under which, from settlement, the Custodian will be the landlord
Retail Tenants	Toshi Sushi Limited, New Businessland Company Limited, Glenn De Vries, Wine Loft Limited, Hello Mister Limited and Toto Pizza Limited
Scheme Register	The scheme register entry for the LP, that forms part of the Disclose Register, that is available at www.business.govt.nz/disclose by searching “Building B Graham Street Limited Partnership” under “search schemes”
SIPO	The Statement of Investment Policy and Objectives for the LP adopted by the Manager which sets out its investment policies, objectives and strategies for the LP in respect of its investment in the Property as well as the policies it will apply in respect of its management and its investment performance monitoring benchmarks
Supervisor	Covenant Trustee Services Limited (Company number: 2194946)
Tenants	Together, NZME, Meredith Connell, Maersk, Kotahi and the Retail Tenants, as tenants under their respective Leases
Units	The units in the LP
Valuation Report	The independent valuation report prepared by Dave Wigmore and Nick Thacker of Jones Lang LaSalle which values the Property on a market value at \$89,600,000 plus GST (if any) as at 9 September 2016, which is available on the Offer Register at www.business.govt.nz/disclose by searching “Building B Graham Street Limited Partnership” under “search offers”
Vendor	Mansons Properties (151 Victoria) Limited (Company number: 4403798)

Directory

Registered Office Of The Manager

Augusta Funds Management Limited (Company number: 3760278)

Level 2
4 Viaduct Harbour Avenue
Auckland 1010

Attention: Mark Francis
Phone: (09) 300 6161
Facsimile: (09) 300 6162

Directors Of The Manager

Bryce Barnett
Mark Francis
Paul Duffy
Martin Goldfinch
Phillip Hinton
John Loughlin
Mark Petersen

General Partner

AFM GP (Building B Graham Street) Limited (Company number: 6104749)

Level 2
4 Viaduct Harbour Avenue
Auckland 1010

Custodian

Building B Graham Street Custodian Limited (Company number: 6104947)

Level 14
191 Queen Street
Auckland 1010
PO Box 4243, Shortland Street
Auckland 1140

Solicitors

Chapman Tripp

Level 35, ANZ Centre
23 Albert Street
Auckland 1010
PO Box 2206
Auckland 1140

Telephone: (09) 357 9000
Facsimile: (09) 357 9099

Auditor

KPMG

KPMG Centre
18 Viaduct Harbour Ave
PO Box 1584
Auckland 1140

Selling Agent

Bayleys Real Estate Limited (Company number: 88609)

Maritime Square
4 Viaduct Harbour Avenue
Auckland 1010
PO Box 8923
Auckland 1150

Telephone: (09) 309 6020
Facsimile: (09) 309 9404

Supervisor

Covenant Trustee Services Limited (Company number: 2194946)

Level 14
191 Queen Street
Auckland 1010
PO Box 4243, Shortland Street
Auckland 1140



AUGUSTA
FUNDS MANAGEMENT