

PACIFIC PROPERTY DIVERSIFIED COMMERCIAL FUND

PRODUCT DISCLOSURE STATEMENT

For an Offer of Ordinary Shares in Pacific Property Fund Limited



Issued by Pacific Property Fund Limited
14 July 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, offer number (OFR10698). Pacific Property Fund Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.



Pacific
Property

1. KEY INFORMATION SUMMARY

1.1 What is this?

This is an offer of fully paid ordinary shares in Pacific Property Fund Limited (**PPF** or the **Company**). Ordinary shares give you a stake in the ownership of PPF. You may receive a return if dividends are paid or if PPF increases in value and you are able to sell your ordinary shares at a higher price than you paid for them. If PPF runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

1.2 About PPF

PPF is a property investment company that has been formed with the aim of building, over time, a diversified portfolio of industrial, retail and commercial properties which will be managed by Property Managers Group (**PMG**). PMG is the trading name of Property Managers Limited, which is an associated company of PPF. At present, PPF owns properties at:

- (a) Truman Lane, Te Maunga, Mount Maunganui, Tauranga which is leased to Tui Products Limited (**Tui Property**);
- (b) 59 Druces Road, Wiri, Auckland, a large industrial property leased to Amrita Nutrition, the Plunket Society and Premier Insulation (**Druces Road**); and
- (c) 307 Sandwich Road, Te Rapa, Hamilton, another large industrial property leased to Alfa Laval and De Laval (**Sandwich Road**),

(together, the **Existing Properties**).

This gives the company current ownership of three geographically spread industrial properties, leased to six tenants who are well diversified by industry. Further details of the Existing Properties are set out in section 2.3 of this PDS under the heading *Existing Portfolio*.

1.3 Purpose of this Offer

The purpose of the Offer is to raise capital to enable PPF to:

- (a) purchase the property at 114 Dominion Road, Mount Eden, Auckland (**Dominion Road**) from a property syndicate referred to as the Dominion Road Investment Group;
- (b) purchase the property at 6 Alderman Drive, Henderson, Auckland (**Alderman Drive**) from a property syndicate referred to as the Alderman Investment Group; and
- (c) undertake an extension to the existing buildings at the Tui Property (the **Tui Development**).

Some members of the Dominion Road Investment Group and Alderman Investment Group are Shareholders of PPF and some are expected to become Shareholders of PPF as a result of the Offer.

PPF will obtain a loan from BNZ to help fund the purchase of Dominion Road and Alderman Drive (together, the **Acquisition Properties**), undertake the Tui Development and to meet the issuance costs for the Offer.

Dominion Road and Alderman Drive are currently managed by PMG. The acquisitions are part of PPF's overarching purpose to grow a diversified portfolio of industrial, retail and commercial properties. Further details of the Acquisition Properties are set out in section 2.3 of this PDS under the heading *Proposed Acquisitions*.

PPF is not a 'managed investment scheme' for the purposes of the Financial Markets Conduct Act 2013 and does not, nor is it required to, have a FMA-licensed manager or an FMA-licensed supervisor to govern its investment activities. Investor rights are set out in the constitution of the company, which has been set up in accordance with the Companies Act 1993.

1.4 Key Terms of the Offer

Description of the equity securities	Fully paid ordinary shares in PPF (Shares)
Offer Price	<p>NZ\$1.00 per Share with a minimum Share subscription amount of \$20,000 and multiples thereafter of \$10,000.</p> <p>To ensure compliance with PPF's PIE status, no shareholder can own or control more than 5,364,000 Shares in the event the minimum number of Shares are issued or 5,564,000 Shares in the event the maximum number of Shares are issued under the Offer. See section 5, Terms of the Offer for further information.</p>
Offer Opening Date	14 July 2016
Offer Closing Date	<p>24 August 2016 (with an ability to extend to 21 September 2016).</p> <p>PPF reserves the right to close before the Closing Date in the event that acceptances of the Offer are over-subscribed.</p>
What is the minimum and maximum number of Shares being offered?	<p>Minimum: 14,000,000 Shares Maximum: 15,000,000 Shares</p> <p>(being 55% of the total Shares on issue immediately after the Offer).</p> <p>If the minimum number of Shares is not reached by the Offer Closing Date (or if PPF decides to extend the Closing Date, that later date), Applicants will be refunded and will have no right to be issued any Shares.</p>
Management Agreement	<p>PMG is responsible for the day-to-day management of the properties owned by PPF under the terms of a Management Agreement between PPF and PMG.</p> <p>Various fees are payable to PMG by PPF under the Management Agreement including an annual asset management fee of 0.50% of the total carrying value of the properties under management and a fee of 1.5% of gross rental collected from the properties under management. PMG is also entitled to any disbursements and other out of pocket costs reasonably incurred by PMG in connection with its duties. The Management Agreement may be terminated.</p> <p>Further details on the fees payable and the termination rights are set out in section 2.12 under the heading <i>Material Interests</i>.</p>

1.5 How you can get your money out

PPF does not intend to quote these Shares on a market licensed in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Shares. For information about the sale facilitation service operated by PMG from time-to-time, please read section 6.4 of this PDS under the heading *Sale Facilitation Service*.

1.6 Key drivers of returns

PPF's current and future aspects of its business that have the most impact on its financial performance, together with the key strategies and plans for those aspects of the business, are summarised in sections 2.3 and 2.4 of this PDS under the headings *Current and future aspects of PPF's business* and *Key strategies*.

1.7 Key risks affecting this investment

Investments in shares are risky. You should consider if the degree of uncertainty about PPF's future performance and returns is suitable for you. The price of these Shares should reflect the potential returns and the particular risks of these Shares.

PPF considers that the most significant risk factors that could affect the value of the Shares are:

- (a) rental income from any properties owned by PPF stopping or decreasing. In particular, up to four leases within the portfolio (including the Acquisition Properties) expire or have upcoming rights of renewal in the 12 to 18 months from the date of this PDS. There is a risk that a tenant may elect not to renew their lease which would result in a reduction of rental income;
- (b) difficulty in obtaining replacement tenants or filling an existing vacancy for any properties owned by PPF; and
- (c) PPF being required to undertake capital expenditure that cannot be recovered from tenants.

These risks are particular to the Shares in PPF because PPF's future performance and returns are dependent on its portfolio of properties and the management of those properties.

This summary does not cover all of the risks of investing in Shares in PPF. You should also read section 8, *Risks to PPF's business and plans*.

1.8 Where you can find PPF's Financial Information

The financial position and performance of PPF are essential to an assessment of this Offer. You should read section 7 of this PDS, *PPF's Financial Information*.

CONTENTS

CLAUSE	PAGE
1. Key Information Summary	2
2. About Pacific Property	8
3. Purpose of the Offer	22
4. Key Dates and Offer Process	23
5. Terms of the Offer	24
6. Key Features of Ordinary Shares in PPF	26
7. PPF's Financial Information	28
8. Risks to PPF's Business and Plans	38
9. Tax	42
10. Where you can find more information	43
11. How to apply	43
12. Contact Information	44
13. Glossary	45





Philip Tushingham
Director



Denis McMahon
Director

Letter from the Chairs

Dear Investor,

It gives us great pleasure to present you with Pacific Property Fund Limited's third capital raising offer. The offer will assist the Company with acquiring two properties to add its portfolio and to invest in further development of an existing property to position it for future growth.

The Company was formed with the aim of building, over time, a diversified portfolio of industrial, retail and commercial properties which will be managed by Property Managers Group, an associated company of Pacific Property Fund Limited. We hold positions on the board of Property Managers Group and are also shareholders in the company.

To date, the Company has undertaken two successful capital raisings.

The inaugural raising, in April 2014, of \$6,320,000 enabled the Company to acquire an industrial building in Mount Maunganui, Tauranga which was a purpose-built industrial and office building for Tui Products, a New Zealand owned and operated company specialising in manufacturing, supply and distribution of garden products and seed-based pet food products to outlets throughout New Zealand.

In November 2015, the Company raised a further \$6,500,000 to assist with the acquisition of two industrial properties – 307 Sandwich Road, Hamilton and 59 Druces Road, Auckland. These properties have high quality tenants from a range of industries and sectors and have been outstanding contributions to the Company's portfolio.

We are pleased to report that the Company's performance for the financial year ended 31 March 2016 has continued to meet our expectations, and return on equity before tax was 7.67% (before fair value derivative gains/losses and asset revaluations).

Since the company was formed, the board has pursued a strategy of seeking additional properties for the portfolio which meet strict requirements for quality and location. We are now pleased to have under contract two properties – 114 Dominion Road, Mount Eden, Auckland and 6 Alderman Drive, Henderson, Auckland. The Dominion Road and Alderman Drive assets are established commercial properties currently managed by Property Managers Group and are well known to us. The company also intends to invest in the development of an extension for Tui Products at the Mount Maunganui property, to take full advantage of the available land at that site.

With the addition of these properties to the portfolio, we will achieve diversified income with a total of 22 tenancies at six locations across Auckland and the upper North Island. From this strong foundation, the Company is targeting a gross dividend yield to shareholders for the full year ending 31 March 2018 of approximately 7.50%.

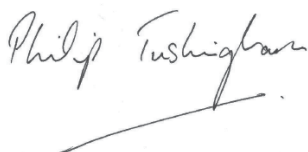
We believe these latest acquisitions meet the threshold of quality we require for the Company. We invite you to join us as we continue to execute our strategy and goal of building a diversified portfolio to provide sustainable returns to investors.

This PDS contains important information about Pacific Property Fund Limited and the capital raising offer. We encourage you to read this PDS carefully and consider in particular section 8 Risks to PPF's business and plans before making your investment decision.

Yours faithfully,



Denis McMahon
Director



Philip Tushingham
Director

2. ABOUT PACIFIC PROPERTY

CURRENT PORTFOLIO

As at 30 June 2016

3 Properties



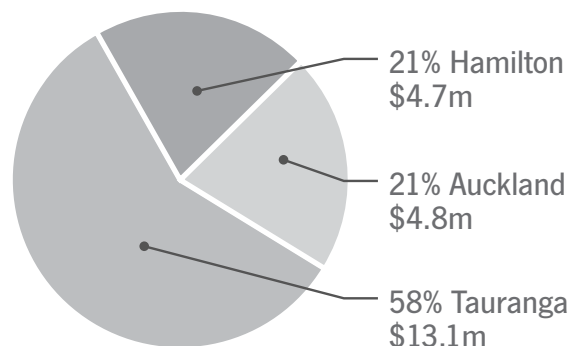
6 Tenants



Portfolio Valuation
31 March 2016

\$22.58M

Investment by Region



PROJECTED PORTFOLIO*

5 Properties



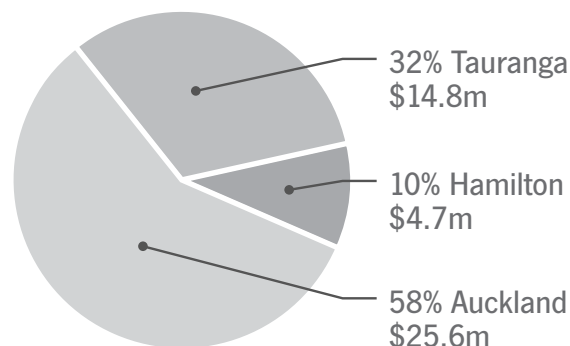
22 Tenants



Property Valuation at
31 March 2017**

\$46.18M

Investment by Region



*Projected Portfolio assumes the successful completion of the offer and acquisition of the proposed properties. Please refer to the PDS for further information.

** Portfolio Valuation at assumes the successful completion of this offer. The Portfolio value is based on the property valuations plus the completion of the Tui extension and other forecasted capital expenditure. Please refer to the PDS for further information.

2.1 General Overview of PPF

PPF is a property investment company that was incorporated on 26 June 2013 with the purpose of building a diversified portfolio of industrial, retail and commercial properties to be managed by Property Managers Limited (**PMG**).

The directors of PPF are Denis McMahon and Philip Tushingham, who together have over 45 years of experience in investing, and managing commercial properties. Brief biographical details of Denis and Philip are set out in section 2.5 under the heading *Board of Directors*.

PPF has undertaken the following capital raisings (by way of offers of ordinary shares) to date:

- (a) In April 2014, PPF raised \$6,320,000 in capital to acquire the Tui Property; and
- (b) In November 2015, PPF raised a further \$6,500,000 in capital to acquire properties at 307 Sandwich Road, Hamilton and 59 Druces Road, Auckland.

PPF now has the opportunity to add additional commercial properties to its portfolio and to undertake further development of the Tui Property for the purposes of growing and diversifying the asset base. A description of the Acquisition Properties is set out in section 2.3 under the heading *Current and future aspects of PPF's business*.

2.2 Overview of Operations

PPF contracts out its responsibilities for the management of PPF. The current property manager is PMG, an associated company of PPF. PMG was formed in 1992, and has established 28 commercial property syndications in the past 24 years in Auckland, Tauranga, Hamilton, Rotorua, Taupo and Christchurch.

The directors of PPF are also directors and shareholders of PMG. Refer to section 2.12 under the heading *Material Interests* for further information.

Under the terms of the Management Agreement between PPF and PMG, PMG is responsible for the day-to-day management of the properties owned by PPF. This role includes finding tenants, dealing with tenancy issues and ensuring that the properties are properly maintained and meet all legal requirements. PMG is also responsible for the identification of new property opportunities. PMG manages the Existing Properties and also manages the Acquisition Properties for the current property owners. If acquired by PPF, PMG will continue to manage the Acquisition Properties.

The fees payable to PMG under the terms of the Management Agreement are set out in section 2.12 under the heading *Material Interests*.

2.3 Current and future aspects of PPF's business

Existing Portfolio

Tui Property

The Tui Property is a purpose built industrial-building for Tui Products. Tui Products is a New Zealand owned and operated company specialising in manufacturing, supply, and distribution of garden and seed based pet food products to outlets throughout New Zealand.

The industrial-zoned site comprises 3.54 hectares. The property is sited adjacent to a relatively small pocket of existing industrial developments, approximately 750 metres south-east of the intersection between State Highways 2 and 29, and approximately 8 kilometres west of the Port of Tauranga and the Tauranga City centre. The Tui Property has an Initial Evaluation Procedure (IEP) seismic assessment of 100% of the New Building Standard (NBS).

The Company intends to build a new 1,500m² warehouse on the Tui Property (as set out below at Proposed Development at Tui Property).



Address:	Truman Lane, Te Maunga, Mount Maungau
Property type:	Industrial
Nett Lettable Area (m ²)	9,000m ² – existing 10,500 m ² – proposed
Purchase Price:	\$12,275,000 (2013)
Current Valuation:	As is: \$13,100,000 After Tui Development: \$14,750,000 (Telfer Young Tauranga Limited, as at 31 March 2016)
Tenant:	Tui Products Limited
Occupancy:	100%
WALT:	17.60 years
Net Operating Income	\$920,743 p.a. (FY2017)*

*Net operating income is the total rent for the property less operating expense

Druces Road

The Druces Road property is 8,111m² and is situated to the western side of Druces Road approximately 700m from the Druces Road intersection with Wiri Station/State Highway 20 in Wiri, Manukau City. The property, which was constructed around 1986, comprises a medium-to-high stud warehouse with a two level office building attached. The balance of the property consists of car parking and landscaping. The property is zoned Business 5 under the Manukau Operative District Plan 2002. The Druces Road property has an IEP seismic assessment of 71% of the NBS



Address:	59 Druces Road, Wiri, Auckland
Property type:	Industrial
Nett Lettable Area (m ²)	4,490 m ² – existing
Purchase Price:	\$4,500,000 (2014)
Current Valuation:	\$4,775,000 (Aim Valuation Limited, as at 15 March 2016)
Tenants:	Premier A Grade Insulation Amrita Nutrition Ltd The Royal New Zealand Plunket Society Inc
Occupancy:	100%
WALT:	1.7 years
Net Operating Income	\$353,964 p.a. (FY2017)

Sandwich Road

The Sandwich Road property is 5,060m² and is situated within the northern industrial area of Te Rapa on its eastern fringe convenient to both State Highway 1 and access to and from Hamilton. The overall complex consists of a large two-storied office and amenities portion fronting Sandwich Road, behind which is a high stud industrial workshop with the balance of land in car parking and landscaping. The original office portion and workshop was erected in 1977 with additions being made in 1981. There were also major additions and renovations to the office-amenities portion in 1994 and further renovations throughout 2014 and 2015. The Sandwich Road property has an IEP seismic assessment of 39% of NBS for the workshop and office building and 80% NBS for the newer office extension building.



Address:	307 Sandwich Road, Hamilton
Property type:	Industrial
Nett Lettable Area (m ²)	3,801 m ²
Purchase Price:	\$4,250,000 (2014)
Current Valuation:	\$4,700,000 (by Colliers, as at 31 March 2016)
Tenant:	DeLaval Ltd Alfa Laval New Zealand Ltd
Occupancy:	95%
WALT:	3.2 years
Net Operating Income	\$311,896 p.a. (FY 2017)

Proposed Acquisitions

PPF has contracted to purchase the Dominion Road and Alderman Drive properties, subject to finance and successful completion of the Offer. The purpose of this Offer is to raise capital to help fund the acquisition of these properties. Copies of the Sale and Purchase Agreements for each of these properties are available on the offer register at www.business.govt.nz/disclose, offer number (OFR10698) (Offer Register) and may be inspected free of charge during normal business hours at the office of PPF as set out in the Directory. Details about each of these properties and additional finance are set out below.

Dominion Road

The Dominion Road property occupies a business mixed-use zoned freehold corner site of 3,700m² within the central Auckland suburb of Mt Eden, Auckland. The building was originally constructed in 1988 and completely retro-fitted in 2009 and has a total net leasable space of 3,600m². The building accommodates ground floor retail and office accommodation with two levels of office accommodation over and above in addition to a basement level. The large floor plates of 1,000m² – 1,110m² allow for flexible use of the space and the offices have floor to ceiling windows on all sides of the building which gives plenty of natural light. Car parking is provided onsite for 99 vehicles, the majority of which are located within a two level parking structure. The Dominion Road property has an IEP seismic assessment of 102% of the NBS. This is known as an A+ grade building.



Address:	114 Dominion Road, Mount Eden, Auckland
Property type:	Commercial
Nett Lettable Area (m ²)	3,605m ²
Purchase Price:	\$14,500,000 (31 August 2016)
Vendor:	Dominion Road Investment Group
Current Valuation:	\$14,500,000 (by Aim Valuation Limited as at 13 May 2016)
Tenant:	Bank of Baroda Connect NZ Ltd Finance Now Ltd Tuihana Café EDEN Orthodontics
Occupancy:	80.5%
WALT:	3.6 years
Net Operating Income	\$480,869 p.a. (FY 2017) ¹

¹The net operating income is based on a period of seven months from 1 September 2016.

Alderman Drive

The Alderman Drive property comprises a three level commercial office building that was originally constructed circa 1986. The site occupies 4,058m² of freehold land zoned Community Periphery under the Waitakere City Council District Plan Operative 2003. The Property is situated on the Northern side of Alderman Drive, a short distance east of its intersection with Great North Road and Henderson Valley Road. As a result, the property sits right in the Henderson commercial/retail core in Waitakere City. The property provides a three level commercial office building with 3,014m² of net leasable space and was originally built in 1986 and refurbished throughout 2014 and 2015. 86 car parks are provided for on site.

The Alderman Drive property has an IEP seismic assessment of 147% of the NBS. This is known as an A+ grade building.



Address:	6 Alderman Drive, Henderson, Auckland
Property type:	Commercial
Nett Lettable Area (m ²)	3,167 m ²
Purchase Price:	\$7,400,000 (31 August 2016)
Vendor:	Alderman Investment Group
Current Valuation:	\$7,400,000 (by Aim Valuation Limited as at 13 May 2016)
Tenant:	Ministry of Justice Public Trust Housing New Zealand Grinding Gear Games Endeavour Glass Packaging NZ Family Planning Jespersen & Associates Waitakere Barristers Chambers
Occupancy:	93%
WALT:	3.3 years
Net Operating Income	\$318,662 p.a. (FY 2017) ² ² The net operating income is based on a period of seven months from 1 September 2016.

Proposed Development at Tui Property

The Tui Property has approximately 4,000m² of additional available land. PPF intends to use approximately \$1,700,000 of the funds raised from the Offer to construct an additional 1,500m² warehouse on this available land to accommodate Tui Product's growth requirements. The extension is required by Tui Products as a facility for dry storage of product. It will result in additional annual rental income totaling 8% of the final cost price of the warehouse construction.

Bank Funding

PPF has received a formal offer of funding from BNZ to help fund the purchases of the Acquisition Properties. The formal offer of funding incorporates PPF's existing loan with BNZ. The main terms of BNZ's offer of funding are set out below:

Facility Limit:	\$22,200,000 (being 47.25% of the registered value of the Existing Properties and the Acquisition Properties, after budgeted capital expenditure (in total \$46,981,155)).
Expected Borrowing	\$19,500,000 (being a loan-to-value ratio of 41.50%)
Security:	First registered mortgage over the Existing Properties and the Acquisition Properties and a general security agreement over all present and future acquired assets of PPF.
Personal guarantees:	None
Establishment Fee and costs:	\$5,000
Interest Rate:	<p>The loan facility consists of two tranches: Tranche 1 (\$10,300,000) and Tranche 2 (\$11,900,000). The interest rates are structured on a floating 30 day Bank Bill Reference Rate (BKBM) plus a bank margin. As at the date of the BNZ loan offer, the bank quoted interest rates of an average rate for Tranche 1 and Tranche 2 of 4.30% (interest rates on the settlement date may vary).</p> <p>A swap arrangement was entered into for \$6,200,000 on 5 February 2016 for five years. No further swap agreements have been entered into.</p>
Principal Repayments:	Interest only facility.
Conditions after Advance:	<p><i>Reporting</i></p> <p>Annual financial accounts for PPF are to be provided to the Bank within 180 days of each balance date.</p> <p>An updated tenancy schedule for the secured properties is to be provided to the Bank on an annual basis within 180 days of the period end.</p> <p>The Bank may, at any time (but not more than annually), request updated registered valuations for the secured properties. The updated registered valuations must be completed by panel valuers approved and instructed by the Bank.</p> <p><i>Financial</i></p> <p>Loan to value ratio: The loan to value ratio must be no greater than 50% of the secured properties at any given time.</p> <p>Interest cover ratio: The net rental income is to be greater than 2.00 times the interest expense at all times. For the year ending 31 March 2017, the net rental income is expected to be 3.43 times the interest expense. For the year ending 31 March 2018, the net rental income is expected to be 3.35 times the interest expense.</p> <p><i>Insurance</i></p> <p>PPF will maintain adequate insurance at all times.</p>

2.4 Key strategies

Property Specific

Tui Property

The new warehouse at the Tui Property is expected to be completed by March 2017. This expansion will result in ongoing increased rental income and additional value. Other than the Tui Development, the company is not planning any further extensions at the Tui Property at this stage.

Druces Road

The Druces Road property has additional land available which could be developed further by extending the existing building structure to cater for the growth requirements of existing tenants within the building. PPF also intends to look for opportunities to reposition the tenancies and increase rental income.

Sandwich Road

The Sandwich Road property currently has an occupancy rate of 95%. PPF intends to focus on leasing up the balance of the vacant space.

Dominion Road

The Dominion Road property currently has an occupancy rate of 80.5%. Existing tenant Connect NZ Group Limited currently occupies 1,100m² on Level 2 and is reducing to 675m². Following refurbishment (which has been budgeted for) PPF intends to lease the residual space. There is currently 262m² of vacant space on the Group Floor in addition to residual vacant basement space. PPF intends to lease this space also.

The Company has budgeted \$735,000 of capital expenditure to carry out tenancy refurbishments and services upgrades on the Dominion Road property in anticipation of leasing the vacant space.

Alderman Drive

The Alderman Drive property has an occupancy rate of 93%. PPF intends to lease the remaining vacant space. The planned zoning changes to under the Proposed Auckland Unitary Plan may allow development of up to 72 metres high. This presents an opportunity to accommodate the growth of existing tenant, Grinding Gear Games Limited, with the construction of an additional floor/s. The Company has budgeted \$100,000 of capital expenditure to carry out tenancy refurbishments and services upgrades in anticipation of leasing the vacant space.

General Strategy

Following the acquisition of the Acquisition Properties, PMG will continue to identify new property acquisition opportunities with a view to PPF continuing to grow its diversified portfolio over time with quality industrial, retail and commercial properties located primarily in Auckland, Waikato and the Bay of Plenty.

PPF intends to focus on properties valued \$5,000,000 and above. PPF believes it will have better opportunities to purchase these properties on attractive terms due to more limited competition from individual investors and larger listed property funds in this part of the market. In particular, PPF intends to target sound, well-located generic buildings which offer sustainable yields, have good lease structures and tenant covenants.

PPF intends, through PMG, to actively manage its property portfolio to maximise the value of its properties. This could mean purchasing properties where the Company believes this will improve the quality and value of the portfolio, or selling properties where the opportunity for increasing value is limited.

PPF became a multi-rate Portfolio Investment Entity on 1 April 2016.

2.5 PPF Board of Directors

PPF's Board currently comprises Denis McMahon and Philip Tushingham:



Denis McMahon

Denis began his career in the public sector and held several property management positions with Auckland and then Bay of Plenty Territorial Authorities. In 1992, he joined a leading commercial realty company in Tauranga and, at the same time, formed PMG. Denis wanted to offer a specialised, professional service in the area of managing industrial, retail and commercial property and successfully built PMG up over the following twenty one years to a company now managing a portfolio with a value in excess of \$190 million.

In 1994, Denis syndicated his first property in Tauranga which is still operating today and has successfully syndicated a further twenty eight properties over the last twenty two years. Denis is a member of the Property Institute and was the Chairperson of the Property Council (Bay of Plenty Branch) from 1996-2000.



Philip Tushingham

Philip was born and raised in the UK, and moved to New Zealand in 2003.

Philip has 35 years' experience in the commercial property business. He has been a member of the Royal Institution of Chartered Surveyors since 1984. He set up his own commercial real estate agency, Tushingham Moore, in 1988 in Manchester, England which grew into a major independent agency practice in the UK, leasing and selling commercial property. Philip also specialised in setting up commercial property syndications in the UK for a number of private clients.

2.6 PMG Board of Directors

PMG's Board currently comprises Denis McMahon, Philip Tushingham, Daniel Lem, and Scott McKenzie.

2.7 PMG Senior Management



Scott McKenzie

Scott McKenzie is a Director and CEO of PMG.

Scott has a wealth of commercial and leadership experience in diverse businesses across New Zealand and the United Kingdom including ASB Bank in New Zealand, the Royal Bank of Scotland in London and the Bank of New Zealand.

In his role Scott is responsible for leading the management, investment, body corporate, and digital arms within the Group.

Scott's leadership experience plays a key role in the determination and implementation of innovative strategy for PMG. Scott is responsible for overseeing all of PMG's operations ranging from managing and leasing a significant commercial property portfolio within New Zealand to developing and providing new opportunities for investors.

Scott holds a Bachelor in Commerce in Valuation & Agribusiness Management, Post Graduate Diploma in Management, holds a number of personal directorships, and recently served on the Board of the Royal Plunket Society of New Zealand's Bay of Plenty region. Scott is a member of the Property Council Bay of Plenty, Enterprise Angels BOP, and Institute of Directors.



Matt McHardy

Matt McHardy is the Sales and Investment Manager for PMG.

Matt joined PMG in April 2015 to take up the role of Sales & Investment Manager for the group. He has extensive experience in client and relationship management following a banking career for Bank of New Zealand.

Matt holds a Bachelor of Commerce and Administration from Victoria University, is licensed under the Real Estate Agents Act 2008 and is an Authorised Financial Adviser under the Financial Advisers Act 2008.

Matt works closely with group investors and is responsible for the marketing of existing investor interests in both the syndicated properties and PPF. He is also responsible for the promotion of any new opportunities to investors.

2.8 Substantial Shareholdings

The following table sets out details of each Shareholder that has, prior to the Offer (as at 13 June 2016), relevant interests in 5% or more of the Shares in PPF:

Name	Legal ownership or other nature of the interest	Number of Shares	% of Shares
Lloyd Baker	Legal ownership	1,030,000	8.03%
Adrian Lloyd Baker, Linda Ngaire Baker & Antony Derek Harris	Legal ownership	770,000	6.00%
Keith Maurice Holdom & John Cameron Middleton	Legal ownership	650,000	5.07%
Total	2,450,000	19.10%	

The following table sets out details of each Shareholder that is likely to have, immediately after the Offer, relevant interests in 5% or more of the Shares in PPF (assuming a maximum allotment is achieved):

Name	Legal ownership or other nature of the interest	Number of Shares (including those already held)	Indicative % of Shares (based on the maximum number of Shares being issued under this Offer)
Lloyd Baker	Legal ownership	1,530,000	5.60%
Adrian Lloyd Baker, Linda Ngaire Baker & Antony Derek Harris	Legal ownership	1,370,000	5.02%

2.9 Shareholdings of PPF Directors and Senior Managers

The following table sets out the number of Shares in PPF that the directors of PPF own prior to, and will own, after the Offer (based on the maximum number of Shares being issued under the Offer and having regard to the Directors' intentions to invest in the Offer):

Prior to the Offer (as at 13 June 2016)			Immediately after the Offer		
Name	Legal ownership or other nature of the interest	Number of Shares held	% of Shares currently held	Number of Shares likely to be held (including those already held)	% of Shares likely to be held (based on the maximum number of shares being issued under the Offer)
Denis McMahon	Legal ownership (jointly)	50,000	0.39%	200,000*	0.75%
Philip Tushingham	Legal ownership (jointly)	370,000	2.89%	480,000**	1.79%

*Denis McMahon intends to purchase 150,000 Shares under the Offer.

**Philip Tushingham intends to purchase 110,000 Shares under the Offer.

None of the persons named above guarantees, or undertakes any liability in respect of, the Shares

2.10 Director Remuneration and Benefits

Neither of the directors of PPF have received remuneration or other benefits in respect of the services provided by the Directors to PPF during the financial year ended 31 March 2016.

Following the settlement of the Acquisition Properties, Denis McMahon and Philip Tushingham will each receive \$30,000 per annum for the respective services provided by those persons as directors of PPF.

2.11 Employee Remuneration

PPF has no employees and instead has contracted to PMG to manage all of its affairs. Details of the fees paid to PMG by PPF are contained in section 2.12 below under the heading *Material Interests*.

2.12 Material Interests

Particulars of any direct or indirect material interest in PPF, or in any agreement entered into on behalf of or in respect of PPF, that any director, proposed director, senior manager or proposed senior manager or any person associated with them has, or has had at any time since 1 April 2014, and that are material to either the person who has the interest, and/or PPF are as follows.

Property Managers Group

The directors of PPF are also directors and shareholders of PMG. Denis McMahon has an interest in 49.64% of the shares in PMG and Philip Tushingham has an interest in 18.21% of the shares in PMG. Denis and Philip do not currently receive directors fees from PMG but will receive them in the future. It is because of these interests that PPF and PMG are associated (as that term is defined in the Financial Markets Conduct Act 2013).

However it is worth noting that under the Companies Act, when exercising powers or performing duties in their capacity as a director of PPF, Denis and Philip have a duty to act in good faith and what they believe is in the best interests of PPF. Similarly when exercising powers or performing duties in their capacity as a director of PMG, Denis and Philip have a duty to act in good faith and in the best interests of PMG.

Scott McKenzie has an interest in 8.29% of the shares in PMG and on 12 November 2015 was appointed a director of PMG. Denis, Philip and Scott all hold interests in a personal capacity and/or in their capacity as a trustee of a trust.

Acquisition Properties

The D & S McMahon Family Trust, of which Denis McMahon is a trustee, owns 0.83% of the shares in the Alderman Investment Group and 0.95% of shares in the Dominion Road Investment Group.

The Philip Tushingham Trust, of which Philip Tushingham is a trustee, owns 1.67% of the shares in the Alderman Investment Group.

Some of the members of the Dominion Road Investment Group and the Alderman Investment Group are shareholders of PPF and some will become Shareholders as a result of the Offer.

Management Agreement between PMG and PPF

The Management Agreement with PMG is material to PPF and PMG. The fees payable to PMG by PPF under the Management Agreement are as follows:

- (a) an annual asset management fee of 0.50% of the total carrying value of the properties under management;
- (b) a fee of 1.5% of gross annual rental collected from the properties under management. Gross annual rental refers to all moneys payable under a lease;
- (c) an acquisition fee of 1.0% of the purchase price of any new property acquired (with a minimum fee of \$150,000 per property) until the carrying value of PPF's portfolio exceeds \$250,000,000. PMG and PPF have agreed an acquisition fee of 1.0% of the purchase price of the Acquisition Properties.
- (d) a disposal fee of 1.0% of the sale price of each property which is sold by PPF;
- (e) a project management fee of 5.0% of total development / project costs incurred for maintenance projects which are budgeted to exceed \$100,000 or any project involving construction or refurbishment of a property; and
- (f) any disbursements (such as legal and valuation costs) and other out of pocket costs reasonably incurred by the Property Manager in connection with the performance of its obligations and duties as property manager of PPF's properties.

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

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

- (a) without cause by PPF on six months' notice to PMG if such termination has been approved by a special resolution of Shareholders (a resolution approved by a majority of 75% of the votes of those shareholders entitled to vote and voting on the question). If the Management Agreement is terminated in this way, PMG is currently entitled to a termination payment of three times its management fees set out in (a) to (f) above for the last full year preceding termination*; and
- (b) without cause by PMG on 12 months' notice to PPF.

A copy of the Management Agreement is available on the Offer Register and may be inspected free of charge during normal business hours of PPF as set out in the Directory.

*PPF and PMG intend to vary this provision of the Management Agreement such that if the agreement is terminated, PMG will be entitled to a termination payment of one times its management fee as set out above for the last full year preceding termination.

2.13 Governance Disclosures

The Constitution provides that the Board may from time to time specify a minimum or maximum number of directors. If a minimum or maximum number of directors has not been fixed by the Board, the maximum is four directors. PMG as the property manager for the time being of PPF is able to appoint up to two directors and may remove or replace those directors. The remaining directors are appointed by the Shareholders by ordinary resolution or notice in writing and such directors may be removed in the same manner. The Board can fill any casual vacancies up to the maximum number of directors. The Constitution contains a process for rotation by retirement of the directors that are appointed by the Shareholders.

Denis McMahon and Philip Tushingham have been appointed as directors of PPF by PMG. The Shareholders have to date not exercised their right to appoint a director.

PMG's director appointment rights do not prevent it from voting on the election of other directors of the Company in respect of any shares PMG holds. At the date of this PDS, PMG holds no shares in PPF.

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

3.

PURPOSE OF THE OFFER

The purpose of the Offer is to raise capital to enable PPF to fund the purchase of tenanted commercial properties at 114 Dominion Road, Mt Eden, Auckland and at 6 Alderman Drive, Henderson, Auckland. The Dominion Road and Alderman Drive properties are currently managed by PMG. Acquiring the properties is part of PPF's strategy to grow a diversified portfolio of industrial, retail and commercial properties.

Funds raised from the Offer will also be used to develop a new extension on the Tui Property for existing tenant, Tui Garden Products Limited. The tenant, Tui Garden Products, had predicted that they would require an additional storage facility on the site but their requirement for this came sooner than they had anticipated. These funds will be used to meet the tenant's requirements for a new warehouse in order to provide further dry storage for their product.

The minimum amount that must be raised in order for the Offer to proceed is \$14,000,000 (being the minimum amount required to provide equity funding for the property acquisitions and to pay issue expenses associated with the acquisitions and the Offer). The Offer is not underwritten.

PPF will also obtain a loan to fund the purchase of the Acquisition Properties and has received a formal offer of funding from BNZ. The formal offer incorporates PPF's existing loan with BNZ. The funding facility limit for PPF under the loan will be dependent on the capital raised via the Offer.

If the maximum amount of \$15,000,000 is raised, PPF will hold a funding facility limit of up to 45.00% (\$21,200,000) of the registered valuations of the Existing Properties and purchase price of the Acquisition Properties (\$46,981,155 plus GST (if any) in total). However, if a minimum amount of \$14,000,000 is raised under the Offer, the Bank will effectively fund 47% (\$22,200,000) of the registered valuations of the Existing Properties and the cost of the Acquisition Properties. The actual loan balance is forecast to be lower than the funding facility limit in both scenarios on settlement.

If the maximum amount is raised, 55% of the purchase prices for each of the Acquisition Properties will be paid with funds raised under the offer. If the minimum amount is raised, 53% of the purchase prices for each of the Acquisition Properties will be paid with funds raised under the offer.

PPF has estimated the total issuance costs of the Offer to be approximately \$679,000. Issuance costs include legal fees, accounting fees, property valuations, brokerage fees, marketing costs and finance costs. These Issuance costs will be deducted from the Offer proceeds.



4.

KEY DATES AND OFFER PROCESS

Key Dates

PDS registered	14 July 2016
Opening Date	14 July 2016
Closing Date	24 August 2016 (with an ability to extend to 21 September 2016). PPF reserves the right to close before the Closing Date in the event that acceptances of the Offer are over-subscribed.
Allotment Date	5 Business Days after Closing Date
Settlement of the Acquisition Properties	1 Business Day after Allotment Date

This timetable is indicative only and the dates may change. PPF reserves the right to vary or extend these dates. PPF may also withdraw the Offer at any time before the allotments of Offer Shares or accept late Applications (either generally or in individual cases) at PPF's sole discretion.



TERMS OF THE OFFER

5.1 The Offer

A summary of the key terms of the Offer can be found in the Key Information Summary under section 1.4 Key terms of the Offer.

PPF's Constitution sets out the terms of the Shares. You can find a copy of PPF's Constitution on the Offer Register.

The table below sets out the terms of the Offer.

What is the Offer?	<p>This is an offer of fully paid ordinary shares in PPF. See section 1.1 for an overview of what the Offer involves.</p> <p>The Shares will rank equally in all respects with any other Shares previously issued by PPF. Each Share confers an equal right to share in dividends and other distributions authorised by the Board, and to cast a vote at meetings of Shareholders, in accordance with the Constitution.</p> <p>No person guarantees the Shares offered under this Offer, nor warrants or guarantees the future performance of PPF, the Shares or any return on investment pursuant to this Offer.</p>
Key Dates	<p>See section 4 Key dates and Offer process for information about the key dates of the Offer.</p>
Price	<p>The price of each Share is NZ\$1.00 with a minimum Share subscription amount of \$20,000 and multiples thereafter of \$10,000. The price of each Share was determined by calculating what the Board considered to be the fair value of the Shares as at 31 March 2016. The valuation was based on tangible carrying asset values less liabilities, divided by the number of Shares.</p> <p>To ensure compliance with PPF's PIE status, no shareholder (individually and combined with shareholdings held by 'associated persons', for tax purposes) can own or control more than 20% of the share capital issued in PPF, being 5,364,000 Shares in the event the minimum number of Shares are issued or 5,564,000 Shares in the event the maximum number of Shares are issued under the Offer.</p>
Minimum raise	<p>PPF is seeking to raise at least \$14,000,000 from the Offer to provide it with the money that it needs to purchase the Acquisition Properties and to undertake the Tui Development. This translates to 14 million Shares subscribed for under the Offer.</p> <p>If PPF does not receive valid applications under the Offer for at least this number of Shares by the Closing Date (or, if PPF decides to extend the Closing Date, that later date), then the Offer will lapse. You will be refunded your money within five Business Days of the Offer lapsing, and you will have no right to be issued any Shares.</p>
Maximum raise	<p>PPF is seeking to raise up to \$15,000,000. This translates to an offer of up to 15 million new Shares.</p> <p>If PPF receives valid applications for more than 15,000,000 Shares then your application may be scaled, which means that you will receive fewer Shares than you subscribed for. Scaling may be pro-rata. If this happens, you will be refunded the difference (without interest) within five Business Days of the Allotment Date.</p>
Allotment	<p>Shares will be allotted on the Allotment Date which is five Business Days following the Offer Closing Date.</p> <p>On allotment, all Shares will be fully-paid ordinary shares which rank equally with each other and all existing Shares. The Offer is made on the terms, and is subject to the conditions, set out in this PDS and on the Offer Register.</p>

6.

KEY FEATURES OF ORDINARY SHARES IN PPF

6.1 Key Features of the Equity Securities

The key features of ordinary shares in PPF do not differ from those that apply to ordinary shares in a company generally.

You may cash in your investment by selling your Shares. Any sale must be in accordance with the requirements of the Constitution. The Board may refuse to register or delay registration of any transfer of shares to any person:

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

You may be required to pay legal costs and a selling commission to a broker, or PMG in connection with any sale of your Shares.

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

6.2 Dividend Policy

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

It is the Board's current practice and future intention to declare gross dividends per annum of around 100% of PPF's adjusted net profit before tax (as detailed below), after consideration of any required re-investment in capital expenditure programmes on existing properties and debt repayment. Decisions relating to required re-investment are also at the discretion of the Board.

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

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

- unrealised changes in the value of investment properties;
- realised gains on the disposal of investment properties; and
- unrealised changes in the value of derivative financial instruments.

As a result of the above, the actual gross dividend yield for a period may vary from the prospective information set out in section 7, PPF's Financial Information and may be above or below 100% of PPF's adjusted net profit before tax.

6.3 Declared Dividends

The dates and amounts of dividends that have been declared by PPF since establishment are as follows:

Quarter Ended	Date Declared	Gross Dividend	Quarterly Gross Dividend Yield	Imputation Credits	Net Dividend	RWT	Net Dividend Paid	Quarterly Net Dividend Yield	Date Paid
30-Jun-14	18-Jul-14	89,691	1.42%	23,552	66,139	6,046	60,093	0.95%	25-Jul-14
30-Sep-14	17-Oct-14	111,509	1.76%	22,670	88,839	5,798	83,041	1.31%	24-Oct-14
31-Dec-14	25-Jan-15	111,509	1.76%	22,670	88,839	7,198	81,641	1.29%	27-Jan-15
31-Mar-15	21-Apr-15	109,085	1.73%	22,178	86,907	7,260	79,647	1.26%	28-Apr-15
30-Jun-15	17-Jul-15	112,180	1.78%	26,142	86,038	10,878	75,161	1.19%	24-Jul-15
30-Sep-15	13-Oct-15	112,180	1.78%	26,138	86,042	10,881	75,161	1.19%	27-Oct-15
21-Dec-15*	21-Dec-15	99,987	1.58%	27,996	71,991	4,999	66,991	1.06%	26-Jan-16
31-Mar-16**	15-Apr-16	274,928	2.14%	-	-	-	-	-	26-April-16

*An interim period dividend was declared 21 Dec 2016 and paid on 25 January 2016 in anticipation of new shares being issued the following day. This represented 82 days in the period.

**The dividend to 31 March 2016 was PPF's first dividend payment under the PIE regime. As such no RWT was required to be paid and no imputation credits issued. This payment represented 100 days in the period.

For accounting purposes in section 7, PPF's *Financial Information*, dividends are recorded at the date of declaration.

6.4 Sale Facilitation Service

PMG has a large database of investors and, from time-to-time, PMG will assist in facilitating secondary transfers of Shares by matching buyers and sellers of Shares. PMG does not currently charge a fee for this service, however PMG reserves the right to charge a reasonable fee for this service in the future. Neither PPF nor PMG represent that there will be sufficient demand or liquidity to enable a Shareholder to sell Shares at any given time. PMG is not an authorised financial adviser and does not provide any recommendations in relation to buying or selling Shares. For more information, please contact PMG at the contact address in section 12.



PPF'S FINANCIAL INFORMATION

7.1

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

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

The prospective information for FY 2017 and FY 2018 has been prepared using the actual financial information of PPF recorded to 30 April 2016, and the forecast financial information for the period from 31 March 2017 to 31 March 2018.

The principal assumptions on which the prospective financial information is based are set out in section 7.3 under the heading Principal assumptions. Full description of accounting policies, assumptions, and sensitivity analysis relating to the prospective financial information can be obtained on the Offer Register.

The historical information relates to actual results for the periods ending 31 March 2014, 2015, 2016 for PPF only. It excludes the financial position, performance, cash flows and other information related to Dominion Road and Alderman Drive for the same periods, which are included separately.

The FY 2014, FY2015 and FY2016 statutory accounts for PPF, the FY 2014 and FY 2015 statutory accounts for the syndicate investment groups that owned Sandwich Road and Druces Road, and the FY 2014, FY 2015 and FY 2016 statutory accounts for the syndicate investment groups that are the current owners of Dominion Road and Alderman Drive, have all been subject to statutory audit. Full financial statements are available on the Offer Register.



7.2 Selected Financial Information

The tables below presents the financial information for PPF.

Financial Position

PPF			Historical		Prospective
NZ\$	Period	Year	Year	Year	Year
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Current assets					
Cash and cash equivalents	4,704,446	61,061	462,538	496,506	648,898
Trade and other receivables	-	10,058	89,151	52,283	72,277
Prepayments	-	-	12,450		
Total current assets	4,704,446	71,119	564,139	548,788	721,175
Non-current assets					
Investment property	-	12,665,000	22,575,000	46,981,155	46,981,155
Total non-current assets	-	12,665,000	22,575,000	46,981,155	46,981,155
Total assets	4,704,446	12,736,119	23,139,139	47,529,943	47,702,330
Liabilities					
Current liabilities					
Funds held prior to allotment	4,680,000	-	-	-	-
Trade and other payables	9,522	52,826	132,155	123,572	150,027
Derivative financial instruments	-	-	206,978	206,978	206,978
Provision for establishment costs	-	400,000	400,000	-	-
Total current liabilities	4,689,522	452,826	739,133	330,550	357,005
Non-current liabilities					
Total debt	-	6,286,790	9,300,000	19,500,000	19,500,000
Deferred tax	-	26,393	-	-	-
Total non-current liabilities	-	6,313,183	9,300,000	19,500,000	19,500,000
Total liabilities	4,689,522	6,766,009	10,039,133	19,830,550	19,857,005
Net Assets	14,924	5,970,110	13,100,006	27,699,394	27,845,325
Total Equity	14,924	5,970,110	13,100,006	27,699,394	27,845,325

Financial Performance

Trading commenced during FY 2014, however the only costs incurred related to company administration. Further cash flow information can be found on the Offer Register.

PPF			Historical*			Prospective
NZ\$	Period	Year	Year	Year	Year	
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
Revenue						
Rental income	-	952,283	1,190,261	2,786,004	3,784,089	
Property operating expenses recovered	-	103,995	269,463	562,920	754,191	
Other income	-	8,438		290	-	
Total revenue	-	1,064,716	1,459,724	3,349,214	4,538,280	
Operating expenses	-	(169,172)	(211,444)	(634,992)	(854,475)	
Administration	(5,076)	(111,892)	(211,381)	(396,019)	(503,033)	
Total expenses	(5,076)	(281,064)	(422,825)	(1,031,011)	(1,357,508)	
Net income from operating activities	(5,076)	783,652	1,036,899	2,318,203	3,180,772	
Increase in fair value of investment property	-	376,500	1,098,798	-	-	
EBITDA	(5,076)	1,160,152	2,135,697	2,318,203	3,180,772	
Net finance expense	-	(357,220)	(638,519)	(674,043)	(948,341)	
Net profit/(loss) before tax	(5,076)	802,932	1,497,178	1,644,160	2,232,431	
Income tax	-	(117,429)	(104,919)	-	-	
Net profit/(loss) after tax	(5,076)	685,503	1,392,259	1,644,160	2,232,431	
Cash Flow						
Net Cash Inflow/(Outflow) from Operating Activities	(76)	368,642	461,834	1,684,896	2,247,254	

*The statutory auditor for the historical financial statements for FY 2014, FY 2015 and FY 2016 was Staples Rodway Auckland.

Measures of Company and Shareholder Returns

PPF			Historical		Prospective
NZ\$	Period	Year	Year	Year	Year
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Share capital prior to issue costs (\$1 per share) ³			12,820,000	27,820,000	27,820,000
Return on investment before tax ⁴		7.00% ⁵	7.47%	7.62%	8.02%
Gross Dividends ⁶			433,432	1,365,773	2,086,500
Gross Dividend Yield ⁷			7.05%	7.53%	7.50%
Total Dividends paid/payable after imputation ⁸			330,978	1,365,773	2,086,500

³The share capital indicated in the prospective financial information assumes that the maximum number of Shares are issued under the Offer.

⁴Return on investment before tax is a measure of the Company's distributable profit before tax, which eliminates any movements in fair value of investment property and derivatives. This is calculated as net profit/(loss) before tax and before movements in fair value of investment property and derivatives, as a percentage of share capital prior to issue costs. This is weighted in line with the assumed date of share allotment on 31 August 2016.

⁵For FY 2015 the return has been annualised to account for the Tui Property being acquired during April 2014.

⁶Gross Dividends represent the gross value of dividends declared during a given period, as noted in Section 6 Key features of ordinary shares in PPF. The timing of dividend declaration to Shareholders may differ from the period in which accounting profit is generated by the Company.

⁷Gross Dividend Yield is measured as Gross Dividends as a percentage of Share capital prior to issue costs.

⁸Total dividends paid/payable for FY 2014, FY 2015 and FY 2016 relate to net dividends paid/payable after imputation during those financial years. For FY 2017 and FY 2018 total dividends paid/payable relate to gross dividends forecast to be paid. These are shown gross as a result of PPF having become a multi-rate Portfolio Investment Entity (PIE) on 1 April 2016. Further information on the PIE regime can be found in Section 9 Tax.

Dividend Payment Strategy

PPF's dividend policy is outlined in section 6.2 under the heading, Dividend policy. Dividends payable are dependent on various factors, including solvency, board discretion and the actual profitability and cash flows of PPF.

The Board intends to continue their historic practice of paying dividends quarterly, with the first gross dividend following the acquisition of the Acquisition Properties to be declared and paid in October 2016.

Dividends paid for the September 2016 quarter will be determined as follows:

	Prospective Gross Dividend Yield (annualised)	Dates for dividend calculation	Eligible shareholders – date of holding shares
FY 2017	7.75%	1 July 2016 – 30 August 2016 *	30 August 2016
	7.20%	31 August 2016 – 30 September 2016	30 September 2016

Financial Information for Sandwich Road and Druces Road

Historical information for the syndicates within which the Sandwich Road and Druces Road previously acquired properties are owned is outlined below for the 12 months ending 31 March 2014, 31 March 2015 and 31 March 2016. The 2016 trading activity for Druces Road and Sandwich Road after the acquisition on 22 December 2015 is included in the financial information for PPF.

NZ\$	Alfa Investment Group (Sandwich Road)			Druces Road Investment Group (Druces Road)		
	Year 2014	Year 2015	Period 2016	Year 2014	Year 2015	Period 2016
Total revenue	430,524	411,283	251,118	416,731	432,832	303,854
EBITDA	356,960	222,865	149,853	281,328	286,887	162,661
Other items	19,306	(74,758)	1,247,862	(45,188)	319,326	546,897
Net profit/(loss)	376,266	148,107	1,397,715	236,140	606,213	709,558
Cash and cash equivalents	295,965	32,163	-	54,959	56,610	-
Total assets	2,218,729	2,701,267	-	3,730,817	4,025,271	-
Total debt	-	401,696	-	-	-	-
Total liabilities	21,060	629,109	-	30,332	24,108	-
Net cash flow from operating activities	355,155	100,981	283,485	285,571	307,585	173,181

Financial Information for the Acquisition Properties

Historical information for the syndicates within which the Acquisition Properties are owned is outlined below for the 12 months ending 31 March 2014, 31 March 2015 and 31 March 2016.

NZ\$	Dominion Road Investment Group (Dominion Road)			Alderman Investment Group (Alderman Drive)		
	Year 2014	Year 2015	Year 2016	Year 2014	Year 2015	Year 2016
Total revenue	1,722,145	1,290,155	1,291,047	627,491	434,022	573,206
EBITDA	1,317,745	936,882	827,147	273,378	169,326	110,682
Other items	(343,423)	(168,221)	(242,484)	(96,335)	(109,540)	(129,318)
Net profit/(loss)	974,322	768,661	584,663	177,043	59,786	(18,636)
Cash and cash equivalents	617,147	348,310	154,986	10,612	19,993	61,412
Total assets	13,129,113	12,734,321	12,763,604	5,953,487	6,056,162	6,321,875
Total debt	-	-	3,279,000	72,600	280,140	765,800
Total liabilities	317,429	261,554	3,540,231	103,497	323,506	843,896
Net cash flow from operating activities	1,651,355	922,142	840,423	249,187	159,758	96,523

7.3 Principal Assumptions

The principal assumptions on which the prospective financial statements have been prepared are set out below. These assumptions should be read in conjunction with the risks set out further below.

Settlement: The Company intends to settle the acquisition of the Acquisition Properties on the estimated settlement date of 31 August 2016. The prospective financial statements of the Company have been prepared for the years ending 31 March 2017 and 31 March 2018. The prospective financial statements include actual results for the period 1 April 2016 to 30 April 2016. They do not include actual results for the period 1 May 2016 to 31 May 2016 as they are assumed to not be materially different from the forecasted values. The prospective financial statements only include information for the Acquisition Properties from the estimated settlement date.

Offer Proceeds: The Company has estimated the total issuance costs of the Offer to be approximately \$679,000. Issuance costs include legal fees, accounting fees, property valuations, brokerage fees, marketing costs and finance costs. It is assumed that the maximum raise will be achieved being 15,000,000 shares at \$1 each.

Revenues: The prospective financial statements assume annual rent receipts will be, according to the signed lease agreements for each property (2017 rental income annualised), as follows:

- Tui Property - \$1,006,000 plus GST per annum plus all property operating expenses for the year ended 31 March 2017 and \$1,126,000 plus GST per annum plus all property operating expenses for the year ended 31 March 2018. The 2018 rental amount assumes additional rental for the new warehouse being built from 1 April 2017.
- Sandwich Road - \$345,060 plus GST per annum for the year ended 31 March 2017 and \$348,794 plus GST for the year ended 31 March 2018, plus reimbursed property operating expenses.
- Druces Road - \$402,592 plus GST per annum for the year ended 31 March 2017 and \$407,191 plus GST per annum for the year ended 31 March 2018, plus reimbursed property operating expenses.
- Dominion Road - \$1,008,122 plus GST per annum for the year ended 31 March 2017 and \$1,184,036 plus GST per annum for the year ended 31 March 2018, plus reimbursed property operating expenses. It has also been assumed a rental rebate will be received from the vendor to cover 4 months' income on the Finance Now tenancy.
- Alderman Drive - \$663,216 plus GST per annum for the year ended 31 March 2017 and \$710,068 plus GST per annum for the year ended 31 March 2018, plus reimbursed property operating expenses where applicable.

It is assumed the only increases in rental receipts during the forecast period shown will be annual CPI adjustments where specified in existing terms of the lease agreements and budgeted market rent adjustments. It has been assumed that vacancies in the Alderman Drive property will be tenanted from 1 October 2016, and Dominion Road vacancies will be fully tenanted from 1 April 2017.

Lease Renewals: It has been assumed that all lease agreements shown below will renew their lease agreements, when they come up for renewal during the 2017 and 2018 years:

Druces Road

Plunket lease in January 2017

Alderman Drive

Ministry of Justice (Part Level 2) lease in August 2016

Jespersen lease in September 2016

Endeavour Glass lease in March 2017

NZ Family Planning lease in October 2017

Tenancy Assumptions: It is further assumed the tenancy occupancy rates as at the date of this offer will continue to 31 March 2018, being 100% of both the Tui Property and the Druces Road property, 94% of the Sandwich Road property, 80% for the Dominion Road property and 93% for the Alderman Drive property. As stated above it is assumed that both Dominion Road and Alderman Drive are fully occupied by 1 April 2017. Property operating expenses are generally recoverable to the extent the property is tenanted, with the exception of Alderman Drive which has some gross lease agreements, where the tenants do not pay operating expenses.

Gross Dividend Yield: The gross dividend yield is expected to be 7.75% (annualised) of share capital prior to issue costs before allotment of shares on 30 August 2016 and 7.20% (annualised) post allotment to 31 March 2017, calculated as prospective gross dividends as a percentage of issued share capital prior to issue costs.

Accounts Receivable: It has been assumed that all tenants will pay their monthly rent and operating expenses in the month of invoicing and property operating expense reimbursements in the month following invoicing.

Bank Borrowings: The funding facility for bank borrowings will depend on the total capital the Company raises through the Offer. Assuming the maximum number of Shares are issued under the Offer, funding from the Bank will be up to 45% (\$21,200,000) of the registered valuation of the existing investment properties and purchase price of Acquisition Properties. The actual loan amount is forecasted to be less than the funding facility limit on settlement.

Interest Expense: The interest rate on bank borrowings has been assumed to commence at 4.55%.

The offer received from BNZ at the time of the registration of this PDS is 4.50% on a floating basis. Taking into account interest rate hedging in accordance with the Company's hedging policy, it is projected for the purposes of this prospective financial information that the average interest rates charged will be:

- 2017: 4.58% (annual average)
- 2018: 4.85%

Under the terms of the BNZ offer, the term of bank borrowings is split into two tranches. Tranche 1 totalling \$10,300,000 has a remaining term of 5.5 years and tranche 2 totalling \$10,900,000 has a term of 3 years. Both tranches have interest payable monthly.

The interest expense and interest paid cash flow is dependent on balance of the funding facility. The following has been assumed in relation to the funding facility:

- no principal repayments are expected during the term of the funding facility;
- no recourse to investors; and
- capital expenditure will be funded by the funding facility to the extent that free cash flows are not available to fund such expenditure

The loan will be secured by a first registered mortgage over the Existing Properties and the Acquisition Properties and a general security agreement over all present and future acquired assets of the Company.

The BNZ offer is subject to variation at the time of the loan being drawn, and assumes the conditions in the offer are fulfilled.

Management Fees: The management fees payable to PMG are estimated to be \$229,944 in 2017 consisting of \$58,333 per annum (based on an annual management fee charge of 1.5% per annum of the gross rental received from the Existing Properties and the Acquisition Properties) and \$171,611 per annum (based on an annual asset management fee of 0.50% of the carrying value of the Existing Properties and the Acquisition Properties). In 2018 the total fees are estimated to be \$293,533.

Capital Expenditure: The prospective financial statements have been prepared on the assumption that capital expenditure of \$2,481,073 will be incurred during the year ending 31 March 2017. The capital expenditure is in relation to fit-out and refurbishment of the Acquisition Properties as well as capital expenditure on the Tui property. The existing contract for expenditure on the Tui property is currently estimated at \$1,700,000 however this amount may increase, along with rental income relating to the extension.

Tax: The Company entered the PIE regime on 1 April 2016. As a result, the Company itself is not liable for income tax from that date and will no longer be required to calculate deferred tax. The Company's taxable income will instead be apportioned amongst its Shareholders based on the number of Shares they hold and their PIRs.

Provision for Establishment Costs: The Company has previously entered into an agreement whereby 50% of the GST exclusive establishment costs of the initial investment property (being the Tui Property) were to be paid to PMG on the earlier of 28 February 2014 or the actual settlement date of the Tui Property (this part of the agreement has been satisfied); and 50% of the GST exclusive establishment costs are to be paid to PML at the earlier of the date on which the carrying value of the properties owned by the Company exceeds \$25,000,000; or the date of termination of the Management Agreement where such termination is other than by PMG or due to default; or the date on which a liquidator, receiver or statutory manager is appointed in respect of the Company or its assets or if the Company is otherwise unable to, or deemed to be unable to, pay its debts as they fall due (all deemed "trigger events").

This expected future cash flow for establishment costs has not been recognised as a provision within liabilities (provision for establishment costs) in the prospective statement of financial position as at 31 March 2017 and 31 March 2018 as it is assumed that the Company will meet the criteria and trigger a repayment of these costs following the purchase of the Acquisition Properties.

Investment Property: It has been assumed there will be no change in the fair value of the Existing Properties and Acquisition Properties. This is on the basis that a valuation has recently been completed for the Acquisition Properties, and fair value is not expected to change significantly from those valuations to 31 March 2018.

Business Environment: The prospective financial statements have been prepared on the assumptions that there will be no material changes in the economic environment, legal requirements or the current tax regulations.

Brokerage: Assuming the maximum number of Shares are issued under the Offer, The Company will pay brokerage of 2% of Shares subscribed for i.e. brokerage may be up to \$300,000 plus GST.

7.4 Key Drivers of PPF's Financial Performance

PPF primarily generates revenue through purchasing commercial and industrial properties and leasing them out to tenants. The key drivers of PPF's financial performance are:

Rental income – PPF's financial performance, cash flows and projected return on investment are highly dependent on the rental income received from the Existing Properties and the Acquisition Properties. Rental income is driven by tenancy occupancy rates, the terms of the lease agreements, the renewal of lease agreements, and the ability of tenants to fulfil their lease obligations.

Market value of investment property – The market value of investment property is subject to change from market influences, including rental yield and recent sales of similar properties.

Management fees – Changes in the value of the Existing Properties and the Acquisition Properties will directly impact PMG's annual asset management fees. Changes in rental income directly impact PMG's gross annual rental fees. A decrease in either of the market value of property, or the gross rental receipts, will reduce the management fees payable to PMG in proportion to those changes.

Interest rates – Financial performance is also driven by movements in interest rates due to the level of total debt.



RISKS TO PPF'S BUSINESS AND PLANS

This section sets out a description of the circumstances that PPF are aware of that exist or are likely to arise that significantly increase the risk to PPF's financial position, performance and plans. The description below includes an assessment of the likely circumstances arising (low, medium or high) and the impact if they arose (low, moderate or severe), the nature and potential magnitude of the impact, together with the strategies PPF has adopted or will adopt to mitigate against the circumstances arising.

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

These risks, were they to occur and if they were not appropriately mitigated by PPF, could have a material adverse effect on PPF's financial position or future financial performance through a decrease in revenue or an increase in costs.

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

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

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

8.1 Rental Income Risk

Nature and magnitude: PPF is reliant on rental income. Rental income from any properties could stop or decrease for a number of reasons if a lease is terminated, or expires without being renewed, or the rent under a lease decreases following a rent review. If a lease is terminated or expires without being renewed, there may be difficulty obtaining a replacement tenant and rental may be at a lower level than previously received.

(a) Dominion Road

Dominion Road has a weighted average lease term (WALT) of 3.6 years. Existing tenant Finance Now Limited (FNL) is a long term tenant of the building. FNL's lease has a final lease expiry of 30 December 2020. However, there is a clause within FNL's lease which provides for a right to break out of the lease on 1 January 2017. If FNL elect not to exercise their right to break, FNL is entitled to an additional 4 months net rental rebate from 1 October 2017 to 31 January 2018. The total equivalent rental amount is \$87,000. This has been allowed for within the acquisition price for Dominion Road. Should FNL elect to exercise the break clause, FNL's lease will terminate on 30 September 2017 which will result in a reduction of rental income.

Mitigation strategies: A meeting has been held by PMG with the decision makers of FNL. Whilst nothing is confirmed in writing, a verbal confirmation noting a willingness to remain in Dominion Road has been received. FNL will also receive the benefit of four months rebated rent should FNL remain, which is considered a compelling reason to stay. To make Dominion Road more leasable, a capital expenditure allowance of \$735,000 associated with refurbishment of vacant tenancies and leasing costs has been allowed for.

Assessment of likelihood of circumstances arising: Low

Assessment of Impact: Moderate

Low	Medium	High
Low	Moderate	High

(b) Alderman Drive

Alderman Drive has a relatively short WALT of 3.3 years in comparison to the Sandwich Road and the Tui Property. Existing tenant Graeme Jespersen has a final lease expiry on 1 October 2016. Failure to enter into a new lease arrangement will result in a reduction of rental income for the building. The Ministry of Justice have two tenancies within the building. The lease relating to the Level 2 space is a 6 month rolling lease and has an expiry of 31 August 2016. Should a new lease term not be entered into, a reduction in rental income to the building is expected.

Mitigation strategies: The Jespersen rental income constitutes less than 5% of the rental income of the building. This business has been a tenant within the building for many years. With recent further investment in mechanical services within the tenancy having recently been made by the vendor, there is no reason to believe a new lease will not be entered into from 1 October 2016.

The Ministry of Justice Level 2 lease is expected to be terminated in the short to medium term as they rationalise their space requirements. This space is well presented space and is considered readily leasable. The rental totals 5.6% of the buildings total rental income.

To assist with leasing up currently and possible vacant space within Alderman Drive, a capital expenditure allowance of \$100,000 has been allowed for to assist with refurbishment and leasing costs.

Assessment of likelihood of circumstances arising: Low

Low

Medium

High

Assessment of Impact: Low

Low

Moderate

High

8.2 Tenant Default Risk

Nature and magnitude: Dependence is placed on the ability of tenants to meet their contractual obligations to continue payment of rental and outgoings. If any tenant was to suffer liquidity or other financial problems of a significant nature and was unable to meet the obligation, any resulting failure to pay rental and outgoings and consequential recovery action or litigation would have a serious detrimental impact on PPF's ability to pay investor returns.

Mitigation strategies: Both Acquisition Properties and all tenants have been managed by PMG for some time. PMG has no reason to believe that contractual obligations will not continue to be met by all tenants as is currently the case.

Assessment of likelihood of circumstances arising: Low

Low

Medium

High

Assessment of Impact: Moderate

Low

Moderate

High

8.3 Capital Expenditure Risk

Nature and magnitude: PPF may be required to outlay capital expenditure on any properties in its portfolio for a number of reasons; for example because structural repairs or other works are required to bring the property up to designated standards, or because capital improvements are needed, or because of changes in current regulations, requirements or designated standards. PPF may not be able to recover all, or any, of this expenditure from tenants, which may have an adverse effect on PPF's performance.

Mitigation strategies: As the Tui Property is a purpose-built facility, no material capital expenditure is currently envisaged for the Tui Property in the immediate future (other than the Tui Development), although capital expenditure in relation to the Tui Property may be required in the longer term. A risk assessment has been undertaken within respect to the areas of Sandwich Road currently assessed below 67% of the NBS and the possible requirement to carry out seismic upgrade works. PMG considers there is a low likelihood for the requirement to complete seismic upgrade work at Sandwich Road in the short to medium term, if at all. PMG has received quotes from its trusted and long standing maintenance and construction partners for the planned capital expenditure for Druces Road, Sandwich Road, Dominion Road and Alderman Drive. These allowances have been included within the Company's prospective financial information. The Company is confident the planned capital expenditure can be carried out within the allocated budget.

Assessment of likelihood of circumstances arising: Low

Low

Medium

High

Assessment of Impact: Moderate

Low

Moderate

High

8.4 Funding Risk

Nature and magnitude: PPF borrowed from BNZ to help fund the purchase of the Existing Properties and will also be borrowing from BNZ to help fund the purchase of the Acquisition Properties, and may make further borrowings to help fund future acquisitions. Adverse market movements may cause a breach of banking covenants; in particular the requirements to maintain a maximum loan to value ratio and for minimum interest cover levels against operating profits. If a breach (or any other breach of the banking covenants) is not remedied, BNZ may enforce its security and sell some or all of the properties in PPF's property portfolio. There is also the risk that a bank loan may not be able to be renewed at the end of its term. If the PPF was required to sell one or more of its properties in a 'forced sale' process, a lower value is likely to be obtained.

Mitigation strategies: PPF's current LVR is 42% and the proposed maximum LVR is 47.25%. In the event the value of properties within the portfolio PPF holds reduces, this may impact on the LVR to a level which may breach the proposed banking covenant of 50%. The Company monitors all properties within its portfolio closely. The Company has a proactive and positive relationship with its bankers. In the event a reduction in property value became likely, the Company would proactively re-negotiate appropriate bank covenants to mitigate the funding risk.

Assessment of likelihood of circumstances arising: Low

Low

Medium

High

Assessment of Impact: Moderate

Low

Moderate

High

8.5 Property Market Risk

Nature and magnitude: Property market conditions and fluctuations in supply and demand for industrial, retail and commercial properties will affect the value of any properties in PPF's property portfolio and will affect PPF's costs and other underlying property fundamentals. The Company is reliant on its property investments to provide it with a return. Deterioration in the New Zealand economy (and the commercial property sector in particular) may result in Shareholders not receiving the forecast return and/or not being able to recoup their original investment. This impact will not be offset by exposure to other classes of assets.

Mitigation strategies: The Company has a strategy of diversification, by location, tenant type and number, and industry class. Consistent with this strategy, the Company's exposure, following the acquisition of the Acquisition Properties, will be 49% industrial and 51% commercial by income. This is an improvement on the Company's previous level of exposure, which was 100% industrial. The Company will continue its strategy to diversify via new property acquisitions.

Assessment of likelihood of circumstances arising: Medium

Low

Medium

High

Assessment of Impact: Moderate

Low

Moderate

High

Other risks that we are aware of that exist which we have assessed having a low impact and low likelihood of arising can be reviewed on the Offer Register in the document entitled 'Other material information relating to the offer of ordinary shares in Pacific Property Fund Limited'.

9. TAX

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

PPF became a multi-rate Portfolio Investment Entity (PIE) from 1 April 2016. Under these tax rules, the amount of tax paid by PPF in relation to any income that is attributed to you (based on your Shareholding in PPF at the time the income is attributed) will depend on your Prescribed Investor Rate (PIR).

To determine your PIR, go to <http://www.ird.govt.nz/toii/pir/workout/> or refer to the summary below:

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

If you are unsure of your PIR, we recommend you seek professional taxation advice or contact the Inland Revenue Department.

It is your responsibility to tell PPF your PIR (and provide your IRD number) when you invest or if your PIR changes. If you do not tell PPF, a default rate of 28% may be applied. If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties on the attributed income. If the default rate or the advised PIR is higher than the correct PIR, you will not receive a refund of any overpaid tax.

Distributions received by shareholders from PPF do not need to be returned as a taxable dividend. The gross distribution amount may have PIE tax deducted from it and remitted to Inland Revenue depending on your elected PIR.

If PPF ceases to be a PIE, any dividends paid will be taxable to Shareholders (and any imputation credits attached to a dividend can be used to reduce or offset the Shareholder's tax liability on the dividend). Special tax rules will apply if a Shareholder is not New Zealand tax resident.

A Shareholder may be taxed on sale of the Shares if they acquired them with the dominant purpose or intention of resale or as part of a share trading business (or profit making undertaking or scheme).

10.

WHERE YOU CAN FIND MORE INFORMATION

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

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

Further information about PPF is also available free of charge on its website, www.pacificproperty.co.nz.

Further information about PMG is also available free of charge on its website, www.propertymgr.co.nz.

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

This information will be made available to you, free of charge, upon a written request to PPF at PO Box 2034, Tauranga 3140.

11.

HOW TO APPLY

If you want to apply for Shares under the Offer you must fill in the Application Form provided with this PDS. Applications must be for at least 20,000 Shares and in multiples of 10,000 thereafter.

Completed and signed Application Forms must be forwarded to:

Pacific Property Fund Limited
P O Box 2034
Tauranga 3140

to arrive no later than 5:00pm on 24 August 2016 (or such later date if the Offer is extended) and must be accompanied by payment of the full subscription amount and any required supporting documentation.

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

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

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

12.

CONTACT INFORMATION

PPF

Pacific Property Fund Limited
46 Spring Street, Tauranga
P.O. Box 2034, Tauranga
New Zealand 3140
Phone: 0800 219 476

PMG

Property Managers Limited
46 Spring Street, Tauranga
P.O. Box 2034, Tauranga
New Zealand 3140
Phone: +64 (7) 578 3494

Legal Adviser

Simpson Grierson
Lumley Centre, 88 Shortland Street
Private Bag 92518, Auckland 1141
New Zealand
Phone: +64 (9) 358 2222

Accounting Adviser

KPMG Tauranga,
Level 2,
247 Cameron Road
Tauranga 3110
Phone: +64 (9) 367 5800

Auditor

Staples Rodway
Tower Centre, 45 Queen Street
P.O. Box 3899, Shortland Street
Auckland 1140
Phone: +64 (9) 309 0463

13.

GLOSSARY

\$	New Zealand dollars.
Acquisition Properties	The Dominion Road and Alderman Drive properties.
Alderman Drive	6 Alderman Drive, Henderson, Auckland.
Allotment Date	5 Business Days after the Closing Date.
Applicant	An investor whose Application Form has been received by PPF prior to the Closing Date.
Application(s)	An application to subscribe for Shares.
Application Form	The Application Form provided with this PDS to subscribe for Shares under the Offer.
BNZ or the Bank	Bank of New Zealand.
Board	The Board of Directors
Business Day	A day on which the NZX Main Board is open for trading.
CEO	The Chief Executive Officer.
Closing Date	24 August 2016 (with an ability to extend to 21 September 2016). PPF reserves the right to close before the Closing Date in the event that acceptances of the Offer are over-subscribed.
Colliers	Colliers International New Zealand Limited
Companies Act	Companies Act 1993.
Companies Office	The New Zealand government agency responsible for the administration of corporate body registers.
Constitution	The constitution of PPF (as amended from time to time).
CPI	Consumer Price Index.
Dominion Road	114 Dominion Road, Mt Eden, Auckland.
Druces Road	59 Druces Road, Wiri, Auckland.
Existing Properties	The Tui Property and Druces Road and Sandwich Road properties.

Management Agreement	The management agreement between PPF and PMG dated 18 September 2013, as updated on 27 November 2014.
NBS	New Building Standard.
Offer	The offer of Shares under this PDS.
Offer Price	\$1.00 per Share.
Offer Register	Means the register containing information on the Offer available at www.business.govt.nz/disclose , offer number (OFR10698).
Opening Date	14 July 2016, or such other date that PPF may determine.
PDS	This Product Disclosure Statement for the Offer dated 14 July 2016.
PIE	Portfolio Investor Entity.
PIR	Prescribed Investor Rate.
PPF or the Company	Pacific Property Fund Limited.
PMG	Property Managers Limited trading as Property Managers Group.
Registrar	The Registrar of Financial Service Providers appointed under section 35 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008.
Sandwich Road	307 Sandwich Road, Te Rapa, Hamilton.
Share(s)	Fully-paid ordinary shares in PPF.
Shareholder(s)	The shareholders of PPF.
Tui Development	The development of a new warehouse on the Tui Property for existing tenants, Tui Garden Products Limited.
Tui Products	Tui Products Limited.
Tui Property	The property at Truman Lane, Te Maunga, Mount Maunganui, Tauranga.
WALT	Weighted average lease term.

APPLICATION FORM

PACIFIC PROPERTY FUND LIMITED

This Application Form is issued with the Product Disclosure Statement (PDS) for an offer of ordinary shares in Pacific Property Fund Limited dated 14 July 2016, issued by Pacific Property Fund Limited (Company).



APPLICATION INSTRUCTIONS

The Application Form (below) must be completed in accordance with the instructions set out below and on the Application Form itself.

Applications for Shares may be lodged from the Opening Date. Applications must be for a minimum amount of 20,000 Shares, and thereafter in multiples of 10,000 Shares.

(a) Investor Details

Insert your full name(s), address and telephone numbers.

Applications must be in the name(s) of natural persons, companies or other legal entities, up to a maximum of three names per Application. Applications by trusts, funds, estates, partnerships or other unincorporated bodies must be made in the individual names of the persons who are the trustees, proprietors, partners or office bearers (as appropriate).

Use the table below to see how to write your name correctly.

Type of Investor	Correct Way to Write Name	Incorrect Way to Write Name
Individual person	JOHN ALFRED SMITH	J A SMITH
More than one person	JOHN ALFRED SMITH MICHELLE JANE SMITH	J A & M J SMITH
Company	ABC LIMITED	ABC
Trust	JOHN ALFRED SMITH (JOHN SMITH FAMILY A/C)	SMITH FAMILY TRUST
Partnership	JOHN ALFRED SMITH MICHAEL FREDERICK SMITH (JOHN SMITH AND SONS A/C)	JOHN SMITH & SONS
Club or Unincorporated Association	JANE ANNABEL SMITH (SMITH INVESTMENT CLUB A/C)	SMITH INVESTMENT CLUB
Superannuation fund	JOHN SMITH LIMITED (SUPERANNUATION FUND A/C)	JOHN SMITH

You will also need to complete a relevant application checklist appended to the Application Form. There are different checklists for each different type of investor.

(b) Application Payment Details

Payment must be made in New Zealand dollars for immediate value by cheque drawn on a New Zealand bank account or by direct credit to the Company's Lawyers Trust account, details of which are provided in the application form.

Complete the number of Shares applied for. Note the minimum number of Shares you can apply for is 20,000 Shares and in multiples of 10,000 shares thereafter. Advise payment method and bank account details for future dividends.

OPTION 1:

If you choose the direct credit option you must **direct credit** the amount applied for on the Application Form to the following bank account:

Account Name:	Cooney Lees Morgan Trust Account
Bank:	Westpac
Branch:	Tauranga
Account Number:	03-0435-0160337-002

If you pay by direct credit the Application Form must be scanned and emailed to info@pacificproperty.co.nz. The original Application Form must then be sent to the Company at the address set out in the Application Form.

OPTION 2:

Cheques must be drawn on a New Zealand registered bank and must be made in New Zealand dollars. Cheques must be made payable to "Cooney Lees Morgan Trust Account", crossed "Not Transferable" **and must not be post-dated as cheques will be banked on day of receipt**. If an applicant's cheque is dishonoured, the Company may cancel that applicant's allotment of Shares and pursue any other remedies available to it at law.

Your cheque and Application Form should be posted to the Company or delivered in person at the address set out in the Application Form no later than three Business Days prior to the Offer Closing Date.

(c) Provide your IRD number, Prescribed Investor Rate and tick the relevant RWT box

If a prescribed investor rate is not selected, 28% will apply. If your IRD number has not been provided in the Application Form, 28% will apply. If a joint investor, select the highest prescribed investor rate. For details on which prescribed investor rate to choose, please see section 9 of this PDS.

Investors can refer to page 71 the last page in the application form document for a flowchart diagram for information on selecting the correct PIR.

(d) Identity Verification

If you are a current pacific property or property managers group investor, and have already provided certified proof of ID and address which is still current, then you are not required to do this again.

The Application Form provides three different options you can use as identification.

Identity documents must always be current so you may be asked to update your identity documents from time to time.

You will also need to verify your address. You can provide either an original or certified copy of the options provided on the Application Form.

(e) Electronic Correspondence and Reporting

By supplying your email address and consenting to receive correspondence electronically the company will be able to deliver your investor correspondence electronically where possible. This is a much more environmentally-friendly, cost-effective and timely option than paper based investor mail-outs.

(f) Closing Date and Delivery

This Offer will close at 5pm on 24 August 2016 (being the Closing Date). Applicants should remember that the Closing Date may be changed at the sole discretion of The Company. The Company reserves the right to refuse to accept applications received after the Closing Date. Your Application Form should be delivered in accordance with the instructions contained in the Application Form.

(g) Power of Attorney

If you are not an attorney, please ignore this section.

If an attorney signs the Application Form on behalf of an Applicant, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney on the Application Form.

(h) Agent

If you are not an agent, please ignore this section.

If an agent signs the Application Form on behalf of an Applicant, the agent must complete the certificate of non-revocation of agent on the Application Form.

(i) Signing and Dating

Read the PDS and the Application Form carefully and sign and date the Application Form.

The Application Form must be signed by the Applicant(s) personally, or by two directors of a company (or one director if there is only one director, whose signature must be witnessed), or in either case by a duly authorised attorney or agent. Joint Applicants must each sign the Application Form.

If the Application Form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney included with the Application Form.

If the Application Form is signed by an agent, the agent must complete the certificate of agent included with the Application Form.

Joint applicants must each sign the Application Form.

(j) Personal Information Rights

Personal information provided by you will be held by the Company at its address shown in section 11 of this PDS, *Contact information*, or at such other place as is notified upon request. This information will be used for the purpose of managing your investment. For this reason we may be required to share your information with Property Managers Limited. You have a right to access and correct any personal information about you under the Privacy Act 1993.

A

B

Suffix

SECTION

C

IRD number of prescribed
investor rate (PIR)

IRD number (in respect of a joint application provide only the IRD number of the applicant who is in the highest tax band):

PIR (in respect of a joint application, provide the PIR of the applicant who is in the highest tax band. For details on which PIR to choose, please see section 9, Tax in the PDS.

☐ 0% ☐ 10% ☐ 17.5% ☐ 28%

If a PIR is not selected, 28% will apply.

If your IRD number is not provided in the application form, 28% will apply.

If a joint investor, select the highest PIR

Country of residence for taxation purposes:

If not New Zealand tax resident, are you engaged in business in New Zealand through a fixed establishment in New Zealand? **Yes/No** (delete one)

Investors can refer to page 71 for a flowchart diagram for information on selecting the correct PIR.

SECTION

D

Anti Money Laundering
and Countering Financing
of Terrorism Act 2009 –
Customer Due Diligence

If you currently hold shares in the company or in Property Managers Group and have already provided certified proof of your identity and of your current address then you are not required to provide any documents under this section.

Tick the following box if this applies to you.

What is your source of funds?

☐ Savings

☐ Capital

☐ Loan

☐ Recent inheritance (detail)

☐ Recent Gift (detail)

☐ Recent sale of investment (detail)

☐ Other (detail)

What is your reason for Investment?

☐ To receive ongoing income from the investment

☐ Other (detail)

What type of customer are you? (choose one)

☐ New Zealand resident individual or joint (Refer to pages 58-61 for further info)

☐ New Zealand Company (Refer to pages 64-66 for further info)

☐ New Zealand Partnership (Refer to pages 62-63 for further info)

☐ New Zealand Trust (Refer to pages 67-68 for further info)

☐ New Zealand Estate (Refer to pages 69-70 for further info)

If you don't have what you need from the previous list you can choose to comply with either of the options set out below. Each option requires TWO forms of identification below (one photo and one non-photo).

☐ I am an existing Pacific Property and/or Property Managers Group Investor and have previously provided certified copies of my ID and address which is still current.

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

Each copied form of identification must be certified by an independent trusted person. A trusted person 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 person must be any one of the following:

Police Officer

Justice of the Peace

Registered Medical Doctor

Registered Teacher

Minister of Religion

Lawyer

Notary Public

NZ Honorary Consul

Member of Parliament

Chartered Accountant

Kaumātua

Commonwealth Representative

SECTION

E

Identity Verification

The trusted person must sign the document and provide a written statement to the effect that the copy provided is a true and correct copy and represents your identity. Certification must include the name, occupation and signature of the trusted person, the date of confirmation and must have been carried out in the last three months.

OPTION 1

Choose ONE of the following as personal identification:

- ☐ New Zealand passport
- ☐ New Zealand certificate of identity
- ☐ New Zealand firearms licence
- ☐ Emergency travel document
- ☐ Overseas passport
- ☐ Foreign-issued national identity document
- ☐ New Zealand refugee travel document

If you don't have what you need from the previous list you can choose to comply with either of the options set out below. Each option requires TWO forms of identification below (one photo and one non-photo).

OPTION 2

Photo identification:

- ☐ New Zealand driver licence
- ☐ A valid and current international driving permit
- ☐ 18+ card (Hospitality Association)

Non-photo identification:

- ☐ New Zealand full birth certificate
- ☐ Certificate of New Zealand citizenship
- ☐ Citizenship certificate offered by a foreign government
- ☐ Full birth certificate issued by a foreign government

OPTION 3

Photo identification:

- ☐ New Zealand driver licence

Non-photo identification:

- ☐ An embossed credit card, debit card or an EFTPOS card issued by a registered NZ bank
- ☐ An original bank statement issued by a registered NZ bank within 12 months of your application
- ☐ An original document issued by a NZ Government agency with your name and signature (Super Gold card)
- ☐ A statement issued by a NZ Government agency within 12 months of your application (like an IRD statement)

SECTION

F

Address Verification

As well as providing a form of identification from page 1, we are also required to verify your address.

In order to verify your address, please provide an original **OR** certified copy of one of the following:

- ☐ Utility or rates bill
- ☐ Telephone bill
- ☐ Bank statement (as delivered by mail, not via internet banking)
- ☐ IRD tax notice or statement

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

SECTION

G

Closing Date and Delivery

The completed Application Form must be returned to, and payment received by, Pacific Property Fund Limited no later than 5.00pm 24 August 2016 (or such later date if the offer is extended).

If paying by direct credit the Application Form must be scanned and emailed to info@propertymgr.co.nz. The original Application Form must then be sent to the Company at the address below.

If paying by cheque, all cheques must be drawn on a New Zealand registered bank and must be made in New Zealand dollars. Cheques must be made payable to "Pacific Property Fund Limited Holdings Account", crossed "Not Transferable" and must not be post-dated as cheques will be banked on day of receipt. If an applicant's cheque is dishonoured, the Company may cancel that applicant's allotment of Shares and pursue any other remedies available to it at law. Your cheque should be posted with your Application Form or delivered in person to the address below.

Pacific Property Fund Limited
PO Box 2034, Tauranga 3140

Or deliver to:

46 Spring Street, Tauranga 3110

SECTION

H

Anti Money Laundering And
Countering Financing Of
Terrorism Act 2009 (AML/
CFT) -
Customer Due Diligence

1. You must not knowingly do anything to put the Company in breach of any AML/CFT law.
2. You agree to provide all additional information and assistance requested by us and to comply with all reasonable requests from us to facilitate our compliance with AML/CFT laws.
3. You represent and warrant that you are not aware and have no reason to suspect that:
 - (a) the money used to fund any investment by you is derived from or related to any criminal or other illegal activities, money laundering, terrorism financing or similar activities (**Illegal Activities**); or
 - (b) the proceeds of any investment will fund any Illegal Activities.
4. You agree that we are not liable for any losses incurred as a result of any action we take which either delays your investment or results in an application being declined, when these actions are necessary for us to comply with our obligations under AML/CFT laws.

What is your source of funds?

☐ Savings

☐ Capital

☐ Loan

☐ Recent inheritance (detail)

☐ Recent Gift (detail)

☐ Recent sale of investment (detail)

☐ Other (detail)

What is your reason for Investment?

☐ To receive ongoing income from the investment

☐ Other (detail)

What type of customer are you? (choose one)

☐ New Zealand resident individual or joint (Refer to pages 58-61 for further info)

☐ New Zealand Company (Refer to pages 64-66 for further info)

☐ New Zealand Partnership (Refer to pages 62-63 for further info)

☐ New Zealand Trust (Refer to pages 67-68 for further info)

☐ New Zealand Estate (Refer to pages 69-70 for further info)

SECTION

I

The Privacy Act

This statement relates to the personal information that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us, Property Managers Limited (and our related entities) for the purposes of enabling us to arrange and manage your investment and to contact you in relation to your investment. You further authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law; to meet our legal or regulatory obligations; and to any party proposing to acquire an interest in us. We will provide you (on request) with the name and address of any entity to which information has been disclosed. You have the right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide personal information on behalf of the applicant and evidence of this authority is provided (in the case of a parent/guardian/ other providing information about the applicant). You agree that your name and address may be used by us to provide you with newsletters and other information about the Company and other products and services.

SECTION

J

Certificate Of Non-Revocation Of Power Of Attorney

(Complete this section if you are acting on behalf of the Applicant on this Application for whom you have power of attorney)

I, (full name)

of (place and country of residence),

..... (occupation),

CERTIFY:

• THAT by Deed dated (date of instrument creating the power of attorney),

..... (full name of person/body corporate which granted the power of attorney)

of (place and country of residence of person/body corporate which granted the power of attorney**)

appointed me attorney;

(his/her/its)

• THAT I have executed the application for Shares printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and

• THAT I have not received notice of any event revoking the power of attorney.

Signed at this day of (month/year)

Signature of attorney

** If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

SECTION

K

Certificate Of Non-Revocation Of Agent

(Complete this section if you are acting as an agent on behalf of the Applicant on this Application)

I, (full name)

of (place and country of residence),

..... (occupation),

CERTIFY:

• THAT by the agency agreement dated

..... (full name of person/body corporate which appointed you as agent)

of (place and country of residence of person/body corporate which appointed you as agent **)

appointed me agent;

(his/her/its)

• THAT I have executed the application for Shares printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and

• THAT I have not received any notice or information of the revocation of my appointment as agent.

Signed at this day of (month/year)

Signature of agent

** If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

SECTION



Signatures of
Applicants

I have read and retained a copy of the PDS provided with this Application Form for the offer of ordinary shares in the Company and agree to be bound by the terms and conditions of the Company Constitution. I agree to the terms outlined above in relation to the Privacy Act, the supply of personal information, email use and AML/CFT law. I understand that the Company is primarily intended as a vehicle for long-term investment and the value of my investment is liable to fluctuations and may rise and fall from time to time.

I understand that investment in the Company is subject to investment risk, including possible delays in repayment and loss of income or principal invested. I understand that neither the Company nor any other person guarantees the performance of the Company or the repayment of capital by the Company or any particular rate of return.

I hereby apply for the amount of Shares set out above and agree to accept such Shares (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the PDS.

All applicants on the Application Form must sign.

Signature:

.....

Date:

.....

Signature:

.....

Date:

.....

Signature:

.....

Date:

.....

(Attach Cheque here - if applicable)

Broker Stamp

Advisor Code

TERMS AND CONDITIONS OF APPLICATION

By signing (or authorising an attorney or agent to sign) this Application Form:

- (a) the applicant acknowledges that this Application Form was distributed with the PDS; and
- (b) the applicant acknowledges that he/she/it has read and understood the statements made in the Application Form relating to the Privacy Act 1993 under the heading Personal Information Rights.

Payment can be made by cheque or by direct credit to the account details set out in the Application Form.

An application received by the Company cannot be withdrawn or revoked by the applicant. The Company reserves the right to decline any application, in whole or in part, without giving any reason and may decide not to accept any applications whatsoever.

Money received in respect of applications that are declined in whole or in part will be refunded in whole or in part (as the case may be). Refunds will be mailed to unsuccessful applicants within five Business Days of the allotment of the Shares.

If the Company receives valid applications for fewer than 5,750,000 Shares under the Offer then the Offer will lapse and you will be refunded your money within 5 Business Days of the Offer lapsing. If the Company receives valid applications for more than 6,500,000 Shares then your application may be scaled, which means that you will receive fewer Shares than you subscribed for. Scaling may not be pro-rata. If this happens, you will be refunded the difference within 5 Business Days of the Allotment Date.

Statements for the Shares will be dispatched to successful applicants as soon as practicable after allotment, but in any event within five Business Days of the Issue Date. Applications must conform with the application instructions set out in this document.

A joint application must be signed by all applicants. Only the address of the first named of the joint applicants will be recorded on the Register and all interest payments, notices, and other correspondence will be sent to that address.

Applications lodged by individuals must be signed personally or by their attorney or agent. If this Application Form is signed by an attorney, the attorney must complete the certificate of non-revocation of power of attorney set out in the Application Form. If this Application Form is signed by an agent, the agent must complete the certificate of agent set out in the Application Form.

Terms defined in the PDS have the same meaning in this Application Form.

This Application Form, the Offer and any contract arising out of its acceptance are each governed by New Zealand law.

INVESTOR AML CHECKLIST: INDIVIDUAL

Investor Name: <i>Please print clearly</i>	
Investor Date of Birth: <i>Please print clearly</i>	
Investor Address: <i>Please print clearly</i>	
Authorised Person(s) (Optional): <i>Please list any authorised person(s) that may act on your behalf</i>	Name: Address: Date of Birth: Name: Address: Date of Birth:
Politically Exposed Person (PEP): <i>Are you or any Authorised Person(s) listed above</i> 'Prominent Public Function' <i>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</i>	EITHER <input type="checkbox"/> 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); OR <input type="checkbox"/> An immediate family member of a person referred to above (including spouse, partner, child, child's legal guardian or parent)
Politically Exposed Person (PEP): <i>If you've ticked any of these options above please provide details of the public function held and the country</i>	

INVESTOR AML CHECKLIST: INDIVIDUAL

<p>Certified IDENTITY Verification ATTACHED</p>	<input type="checkbox"/> See Section D for details
<p>Certified ADDRESS Verification ATTACHED</p>	<input type="checkbox"/> See Section E for details
<p>Certified IDENTITY Verification ATTACHED (Authorised Person Only)</p>	<input type="checkbox"/> See Section D for details
<p>Certified ADDRESS Verification ATTACHED (Authorised Person Only)</p>	<input type="checkbox"/> See Section E for details
<p>FOR INDIVIDUALS LIVING OUTSIDE OF NEW ZEALAND, AUSTRALIA AND THE UK ONLY</p> <p><i>Briefly describe below the source of funds and normal source of trust income.</i></p>	<input type="checkbox"/> A letter with the description of the activity which has generated the overall net worth of the Individual e.g. inheritance, sale of business, earnings

INVESTOR AML CHECKLIST: JOINT HOLDING (INDIVIDUALS)

Investor Name: <i>Please print clearly</i>	
Investor Date of Birth: <i>Please print clearly</i>	
Investor Address: <i>Please print clearly</i>	
Investor Name: <i>Please print clearly</i>	
Investor Date of Birth: <i>Please print clearly</i>	
Investor Address: <i>Please print clearly</i>	
Authorised Person(s) (Optional): <i>Please list any authorised person(s) that may act on your behalf</i>	<div>Name:</div> <div>Address:</div> <div>Date of Birth:</div> <div>Name:</div> <div>Address:</div> <div>Date of Birth:</div>

INVESTOR AML CHECKLIST: JOINT HOLDING (INDIVIDUALS)

<p>Politically Exposed Person (PEP): <i>Are you or any Authorised Person(s) listed above</i></p> <p>'Prominent Public Function' <i>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</i></p>	<p>EITHER</p> <p><input type="checkbox"/> 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>OR</p> <p><input type="checkbox"/> An immediate family member of a person referred to above (including spouse, partner, child, child's guardian or parent)</p>
<p>Politically Exposed Person (PEP): <i>If you've ticked any of these options above please provide details of the public function held and the country</i></p>	
<p>Certified IDENTITY Verification ATTACHED</p>	<p><input type="checkbox"/> See Section D for details</p>
<p>Certified ADDRESS Verification ATTACHED</p>	<p><input type="checkbox"/> See Section E for details</p>
<p>Certified IDENTITY Verification ATTACHED (Authorised Person Only)</p>	<p><input type="checkbox"/> See Section D for details</p>
<p>Certified ADDRESS Verification ATTACHED (Authorised Person Only)</p>	<p><input type="checkbox"/> See Section E for details</p>
<p>Source of Funds/Wealth <i>(signed by an Accountant or Lawyer)</i></p> <p>FOR INDIVIDUALS LIVING OUTSIDE OF NEW ZEALAND, ONLY</p>	<p><input type="checkbox"/> A letter with the description of the activity which has generated the overall net worth of the Individual e.g. inheritance, sale of business, earnings</p>

INVESTOR AML CHECKLIST: PARTNERSHIP

Partnership Full Legal Name: <i>Please print clearly</i>	
Partnership Trading Name (if different): <i>Please print clearly</i>	
Principal Business Address/ Registered Office Address: <i>Please print clearly</i>	
Registration Number: <i>Please print clearly</i>	
Certified ADDRESS Verification ATTACHED (Registered Office)	<input type="checkbox"/> See Section E for details
Copy of Partnership Agreement	<input type="checkbox"/> A 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
Certified IDENTITY Verification (for EACH person) ATTACHED	<input type="checkbox"/> See Section D for details
Certified ADDRESS Verification (for EACH person) ATTACHED	<input type="checkbox"/> See Section E for details
List the person(s) acting on behalf of Partnership and Relationship to the Partnership	

INVESTOR AML CHECKLIST: PARTNERSHIP

<p>Additional Authorised Person(s) (Optional): Please list any authorised person(s) that may act on your behalf</p>	<p>Name:</p> <p>Address:</p> <p>Date of Birth:</p> <p>Name:</p> <p>Address:</p> <p>Date of Birth:</p>
<p>Politically Exposed Person (PEP): Are you or any Authorised Person(s) listed above</p> <p>‘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>EITHER</p> <p><input type="checkbox"/> 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>OR</p> <p><input type="checkbox"/> An immediate family member of a person referred to above (including spouse, partner, child, child’s guardian or parent)</p>
<p>Politically Exposed Person (PEP): If you’ve ticked any of these options above please provide details of the public function held and the country</p>	

INVESTOR AML CHECKLIST: COMPANY

Company Legal Name: <i>Please print clearly</i>	
Company Trading Name (if different): <i>Please print clearly</i>	
Company Principal Business Address/ Registered Office Address: <i>Please print clearly</i>	
Company Registration Number: <i>Please print clearly</i>	
Country of Incorporation or Registration: <i>Please print clearly</i>	
Certified IDENTITY Verification ATTACHED (Certificate of Incorporation)	<input type="checkbox"/> Full legal name and/or trading name and ID/Registration number
Certified ADDRESS Verification ATTACHED (Registered Office)	<input type="checkbox"/> See Section E for details
Company Extract	<input type="checkbox"/> A copy of the Company Extract from the Companies Office that lists all Director(s) Names/ Addresses/Shareholdings and Shareholders of the Company
Source of Funds/Wealth <i>(signed by an Accountant or Lawyer)</i> FOR COMPANIES INCORP OR REGISTERED OR ESTABLISHED OUTSIDE OF NEW ZEALAND ONLY	<input type="checkbox"/> Briefly describe below, the source of funds and normal source of trust income: <hr/> <hr/> <hr/> <hr/>

INVESTOR AML CHECKLIST: COMPANY

<p>List the Authorised person(s) acting on behalf of the Company and the relationship to the Company</p> <p>i.e. – Authorised to carry out transactions on behalf of the Company e.g. accountant or lawyer or authorised person Please list any authorised person(s) that may act on your behalf</p>	<p>Name:</p> <p>Address:</p> <p>Date of Birth:</p>
<p>Certified IDENTITY Verification (For EACH Director/Authorised Person) ATTACHED</p>	<p><input type="checkbox"/> See Section D for details</p>
<p>Certified ADDRESS Verification (For EACH Director/Authorised Person) ATTACHED</p>	<p><input type="checkbox"/> See Section E for details</p>
<p>Beneficial Owner(s) (if any) List any person who:</p> <ul style="list-style-type: none"> - owns more than 25% of the COMPANY OR - has effective control of the COMPANY OR - on whose behalf a transaction is conducted 	<p>Name:</p> <p>Address:</p> <p>Date of Birth:</p> <p>Name:</p> <p>Address:</p> <p>Date of Birth:</p> <p>Name:</p> <p>Address:</p> <p>Date of Birth:</p>
<p>Certified IDENTITY Verification of EACH Beneficial Owner ATTACHED</p>	<p><input type="checkbox"/> See Section D for details</p>
<p>Certified ADDRESS Verification of EACH Beneficial Owner ATTACHED</p>	<p><input type="checkbox"/> See Section E for details</p>

INVESTOR AML CHECKLIST: COMPANY

<p>Politically Exposed Person (PEP): <i>Are you or any Authorised Person(s) listed above</i></p> <p>'Prominent Public Function' <i>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</i></p>	<p>EITHER</p> <p><input type="checkbox"/> 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>OR</p> <p><input type="checkbox"/> An immediate family member of a person referred to above (including spouse, partner, child, child's guardian or parent)</p>
<p>Politically Exposed Person (PEP): <i>If you've ticked any of these options above please provide details of the public function held and the country</i></p>	

INVESTOR AML CHECKLIST: TRUST

Trust Name: <i>Please print clearly</i>	
Certified IDENTITY Verification ATTACHED (If applicable)	<input type="checkbox"/> Full legal name and/or trading name and ID/Registration number
Certified ADDRESS Verification ATTACHED (Principal ADDRESS for service)	<input type="checkbox"/> See Section E for details
Copy of Trust Deed ATTACHED	<input type="checkbox"/> 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
Source of Funds/Wealth ATTACHED <i>(Signed by an Accountant or Lawyer)</i>	<input type="checkbox"/> A letter providing the details of the origin of the settlor's wealth e.g. inheritance, accumulated business earnings, funds from sale of property. Also provide details of the source of any income the Trust is receiving e.g. monthly deposit from family bank account, income from an underlying company
List legal names of ALL Trustees or Executors <i>Please print clearly</i>	Name: Name: Name:
Certified IDENTITY Verification (for EACH Trustee) ATTACHED	<input type="checkbox"/> See Section D for details
Certified ADDRESS Verification (for EACH Trustee) ATTACHED	<input type="checkbox"/> See Section E for details
Is this a Charitable trust? Is this a Discretionary trust or a trust with more than 10 beneficiaries?	If 'yes' please state the objects of the Trust If 'yes' please provide a description of each class or type of Beneficiary:

INVESTOR AML CHECKLIST: TRUST

<p>Beneficial Owner(s) (if any) List any person who:</p> <ul style="list-style-type: none"> - owns more than 25% of the Trust OR - has effective control of the Trust OR - on whose behalf a transaction is conducted 	<p>Name:</p> <p>Address:</p> <p>Date of Birth:</p> <p>Name:</p> <p>Address:</p> <p>Date of Birth:</p> <p>Name:</p> <p>Address:</p> <p>Date of Birth:</p>
<p>Certified IDENTITY Verification of EACH Beneficial Owner ATTACHED</p>	<p><input type="checkbox"/> See Section D for details</p>
<p>Certified ADDRESS Verification of EACH Beneficial Owner ATTACHED</p>	<p><input type="checkbox"/> See Section E for details</p>
<p>Politically Exposed Person (PEP): <i>Are you or any Authorised Person(s) listed above</i></p> <p>'Prominent Public Function' <i>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</i></p>	<p>EITHER</p> <p><input type="checkbox"/> 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>OR</p> <p><input type="checkbox"/> An immediate family member of a person referred to above (including spouse, partner, child, child's guardian or parent)</p>
<p>Politically Exposed Person (PEP): <i>If you've ticked any of these options above please provide details of the public function held and the country</i></p>	

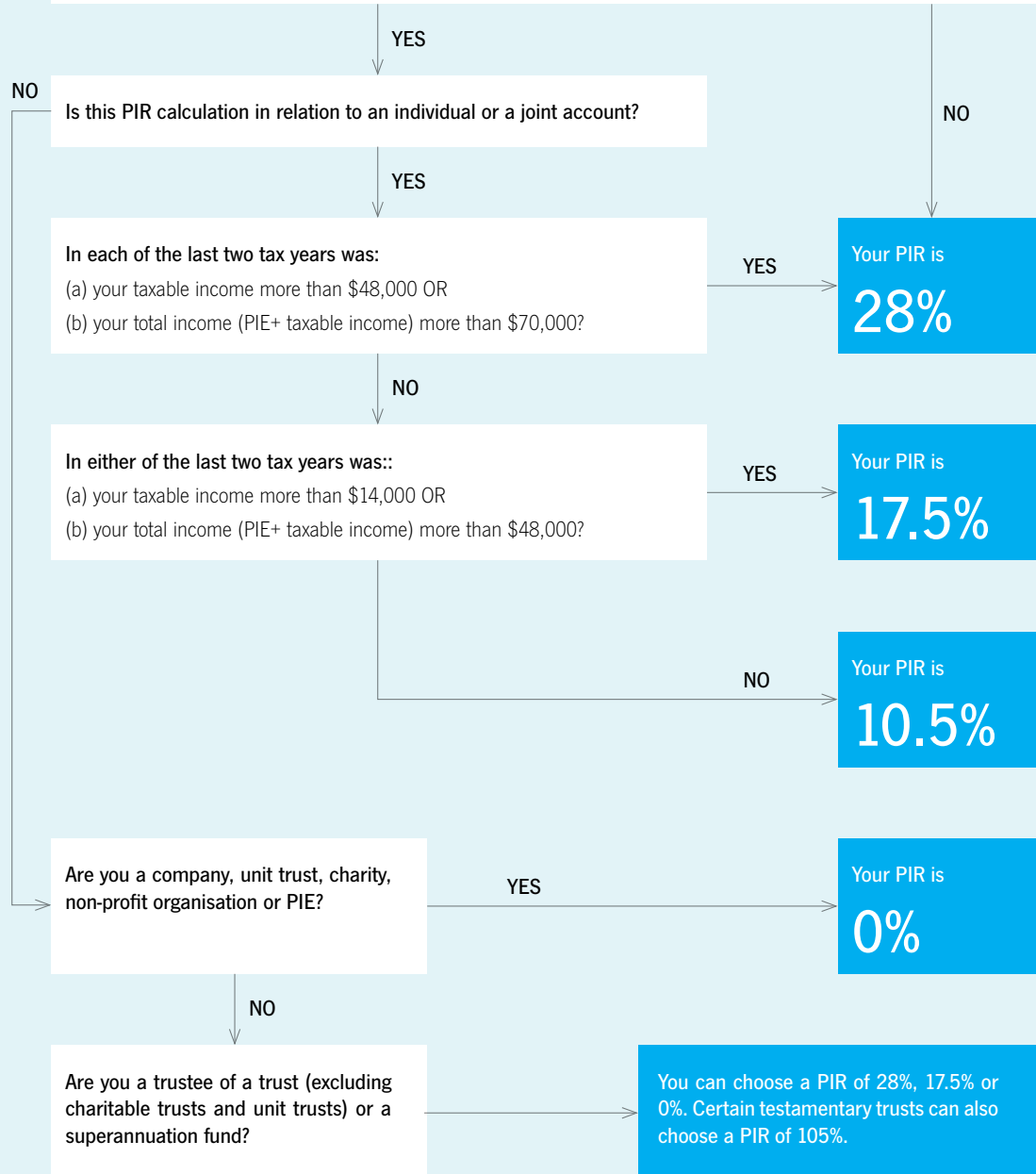
INVESTOR AML CHECKLIST: ESTATES

Estate Name: <i>Please print clearly</i>	
Copy of the Death Certificate ATTACHED	<input type="checkbox"/> For the name of the Deceased
List the person(s) acting on behalf of the Estate and the relationship to the Estate e.g. the Executor <i>Please print clearly</i>	Name: Address: Date of Birth: Relationship:
Certified IDENTITY Verification for Authorised Person ATTACHED	<input type="checkbox"/> See Section D for details
Certified ADDRESS Verification for Authorised Person ATTACHED	<input type="checkbox"/> See Section E for details
Beneficial Owner(s) (if any) List any person who: - owns more than 25% of the Estate OR - has effective control of the Estate OR - on whose behalf a transaction is conducted	Name: Address: Date of Birth: Name: Address: Date of Birth: Name: Address: Date of Birth:
Certified IDENTITY Verification of EACH Beneficial Owner ATTACHED	<input type="checkbox"/> See Section D for details

INVESTOR AML CHECKLIST: ESTATES

<p>Certified ADDRESS Verification of EACH Beneficial Owner ATTACHED</p>	<p><input type="checkbox"/> See Section E for details</p>
<p>Politically Exposed Person (PEP): <i>Are you or any Authorised Person(s) listed above</i></p> <p>'Prominent Public Function' <i>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</i></p>	<p>EITHER</p> <p><input type="checkbox"/> 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>OR</p> <p><input type="checkbox"/> An immediate family member of a person referred to above (including spouse, partner, child, child's guardian or parent)</p>
<p>Politically Exposed Person (PEP): <i>If you've ticked any of these options above please provide details of the public function held and the country</i></p>	

ARE YOU A NEW ZEALAND TAX RESIDENT?





Pacific
Property

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Tauranga, 3110

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Tauranga, 3140

Phone: (07) 578 3494

Email: info@pacificproperty.co.nz