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PRODUCT DISCLOSURE STATEMENT

FOR AN OFFER OF UNITS IN
QUINNS HILL ROAD PARTNERSHIP

Issued by Augusta Funds Management Limited - 21 April 2016

(This is a replacement product disclosure statement that replaces
the product disclosure statement dated 14 April 2016)



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



Boundary lines are indicative only.

1. KEY INFORMATION SUMMARY

1.1 WHAT IS THIS?

This is an offer of units in the Quinns Hill Road Partnership, an Australian limited liability partnership (*LLP*). Your money will be pooled with other investors' money and invested. Augusta Funds Management Limited invests the money in the property at 76 Quinns Hill Road East, Stapylton, Queensland, Australia, and takes fees. The assets and fees are described in this document. By investing in the LLP you are relying on the investment decisions of Augusta Funds Management Limited and returns from the assets that the LLP invests in. There is a risk that you may lose some or all of the money you invest.

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

1.2 WHO MANAGES THIS SCHEME (LLP)?

Augusta Funds Management Limited (*Manager* and *Offeror*) is the manager of the LLP. See "About Augusta Funds Management Limited and others involved in Quinns Hill Road Partnership" in section 10 for further details.

1.3 WHAT ARE YOU INVESTING IN?

Prospective investors should be aware that:

- **The investment on offer is units in the LLP. It has been structured as a long-term investment in industrial real estate.**
- **The LLP will invest in a single asset, 76 Quinns Hill Road East, Stapylton, Queensland, Australia (the *Property*). The Property has only two tenants.**
- **The LLP has no fixed term. This means that there is no set date on which you will get your investment back. A return of your investment will be dependent on the sale of your Unit or the LLP approving a sale of the Property, as well as the price of such sales.**

The LLP will use the funds raised to purchase the land and buildings at the Property.

The LLP will become landlord under the Leases.

The table sets out the costs of establishing the LLP and acquiring the Property:

Purchase price	A\$23,000,000
Stamp duty	A\$1,376,363
Establishment costs (excluding stamp duty)	A\$1,311,454*
Sinking fund	A\$100,000
Total	A\$25,787,817
Funded by:	
Subscriber's capital	A\$14,000,000
Debt	A\$11,787,817
Total	A\$25,787,817

*This amount includes certain expenses that will be charged in New Zealand dollars and which have been converted to Australian dollars so that the amounts can be presented in one currency.

The debt will be funded by way of interest only loan secured over the Property with an initial term of 24 months from National Australia Bank.

1. KEY INFORMATION SUMMARY [CONT]

Investment Objectives

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

- Sustain projected distribution levels (as set out on page 27);
- Preserve and grow the value of the Property; and
- Leverage lease extension options for the Property to increase lease terms and/or rent where possible.

Investment Strategy

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

1.4 KEY TERMS OF THE OFFER

Products on Offer	Investors will acquire Units in the LLP.
Price per Unit	A\$50,000
Number of Units offered	280
Intended Offer Opening Date	22 April 2016
Capital Raising Condition	The Manager must have raised A\$9,000,000 by 31 May 2016. If it has not, the Offer may not proceed.
Intended Offer Closing Date	31 May 2016

Settlement	The intended date of settlement and issue of Units is 1 July 2016. However, if the Development has not been completed, settlement and issue of Units may be delayed.
Liability to make further payments	Investors will only be liable to make further payments to the LLP if they take part in the management of the LLP. The LLP has been structured to avoid Investors taking part in management.
No overseas investors	The Offer is only being made to potential investors in New Zealand.

1.5 HOW YOU CAN GET YOUR MONEY OUT

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

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

1.6 KEY DRIVERS OF RETURNS

The Manager considers that the key current and future aspects of the LLP that will have, or may have, an impact on the LLP's financial performance are:

- **Capital growth and expenditure** – capital growth of, and expenditure on, the Property is a key driver of returns, as the Property is the LLP's sole asset.
- **Financing** – as a significant expense for the LLP will be interest payments, the financial performance will be affected by interest rates. The Manager intends to manage the interest rate risk with interest rate swap agreements, fixed rate agreements and/or floating rates.
- **Rental Income** – rental increases due to the contracted annual rent increases in the Leases (a minimum of 4% under the Nu-Pure Lease and 3.5% under the A&L Lease).
- **Taxation** – income tax will be paid by the LLP. However, New Zealand tax rules will result in variances in the taxable income for New Zealand and Australia. Further information on how the LLP is taxed and the implication for New Zealand Investors is contained in section 9 "Tax".

No person guarantees the returns of the LLP.



1.7 QUINNS HILL ROAD LIMITED LIABILITY PARTNERSHIP'S FINANCIAL INFORMATION

Gearing Ratio on acquisition of Property	51.0%
Gearing ratio at 30 June 2017	49.9%
Gearing ratio at 30 June 2018	49.4%
Interest Cover Ratio at 30 June 2017	3.3 times
Interest Cover Ratio at 30 June 2018	3.4 times
Projected pre-tax operating return for the LLP	7.65% for the financial year ended 30 June 2017.
	8.10% for the financial year ended 30 June 2018.
	These projected pre-tax operating returns are not guaranteed.

Projected sustainable distribution rate (post-Australian tax)	On the basis of the above projected levels of return for the LLP and the expected tax deductions available to the LLP, the Manager expects to make post-Australian tax Australian dollar cash distributions to Investors of 7.0% for the years ending 30 June 2017 and 30 June 2018, to be paid monthly.
Valuation of the Property	A\$23,000,000 valuation for Property assuming Development is complete.

The "Gearing ratio" tells you how much the LLP owes (debt) as a portion of what it owns (assets).

The "Interest Cover Ratio" tells you how much the LLP's income (rent) exceeds interest on its loans (as a multiple).

The prospective financial information included in this PDS has been extracted from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the Offer Register. The prospective financial statements have been subject to a reasonable assurance engagement and an unmodified opinion issued, a copy of which is also included on the Offer Register.

Valuation

An independent valuation of the Property on a market value "as if complete"¹ basis has been provided by Paul McManaway and John Falvey of m3property strategists at A\$23,000,000 plus GST (if any) as at 29 January 2016. The valuation was prepared using the 'capitalisation' and 'discounted cash flow' approaches and reconciled with the 'direct comparison' approach on a rate per square metre of gross lettable area basis.

1.8 KEY RISKS OF THIS INVESTMENT

Investments in managed investment schemes are risky. You should consider whether the degree of uncertainty about the LLP's future performance and returns is suitable for you. The price of the Units should reflect the potential returns and the particular risks of the Units.

The Manager considers the most significant risk factors that could affect the value of Units are:

- **Tenant default** – The Manager does not have full information on the financial standing of the Tenants (or, in the case of Nu-Pure, its guarantors). If either Tenant was to suffer financial problems it would have a serious detrimental impact on the ability of the LLP to pay returns to Investors and for Investors to recoup their original investment.
- **Liquidity** - There is no guarantee that there will always be willing buyers for this type of investment. The cost of stamp duty applicable to incoming Investors will likely have a negative impact on the price any incoming Investor would be willing to pay for an exiting Investor's Unit(s).

¹"As if complete" refers to as if the Development of the Property is complete.

1. KEY INFORMATION SUMMARY [CONT]

- **Interest rates** - The principal expense of the LLP is interest payments. If some or all of the LLP's debt is floating the financial performance of the LLP will be adversely affected by any significant upward movement in interest rates.
- **Location** - The Property is in an emerging industrial area which is not as developed as other Queensland locations. If property values in the area do not increase over time, it is likely to have an adverse impact on the capital value and ability to relet the Property.
- **Exchange rates** - If Investors measure the performance of their investment in the LLP on a New Zealand dollar basis, a weakening of the Australian dollar (relative to the New Zealand dollar) could significantly impact the LLP's performance.

This summary does not cover all of the risks. You should read section 7 "Risks to returns from Quinns Hill Road Partnership".

1.9 WHAT FEES WILL YOU PAY?

The table below summarises the fees and expenses that the LLP will be charged. Further information about fees is set out on pages 43 to 48.

Establishment fees and expenses (one off fees and expenses charged to the LLP on its establishment)

Manager and associated person's fees	
Manager's offeror fee	A\$600,000 (inclusive of NZ GST)
Manager and associated person's aggregate fees for establishment of LLP	A\$600,000
Other fees and expenses for establishment of LLP	
Stamp duty	A\$1,376,363
Brokerage fee	A\$322,000*
Legal fees – New Zealand	A\$95,220*
Legal fees – Australia	A\$75,000
Legal disbursements	A\$17,000
Assurance and taxation fees	A\$14,230*
Accounting / tax fees	A\$4,000
Property valuation fee	A\$6,000
Chattel valuation fee	A\$4,500
Supervisor	A\$5,290*
Supervisor's legal fees	A\$13,754*
Marketing	A\$126,960*
PDS registration fee and FMA levy	A\$5,500*
Bank fees (including legal fees)	A\$22,000
Other person's aggregate fees and expenses (including stamp duty) for establishment of LLP	A\$2,087,817
Total fees for establishment of the LLP	A\$2,687,817

Ongoing fees and expenses (payable for the duration of the LLP)

The Manager and its associated person's aggregate fees for the accounting periods to:²	30 June 2017 will be A\$75,000 plus GST, which as a percentage of net assets of the LLP is anticipated to be 0.65%. 30 June 2018 will be A\$75,000 plus GST, which as a percentage of net assets of the LLP is anticipated to be 0.64%.
Other person's aggregate fees and expenses (including interest payments) for the accounting periods to:	30 June 2017 will be A\$531,045 plus GST, which as a percentage of net assets of the LLP is anticipated to be 4.59%. 30 June 2018 will be A\$533,852 plus GST, which as a percentage of net assets of the LLP is anticipated to be 4.55%.

*These amounts will be invoiced to the LLP in New Zealand dollars. They have been converted to Australian dollars at an NZD/AUD exchange rate of 0.92 so that the amounts can be presented in one currency. They also include New Zealand GST.

Alongside the above fees and expenses, the Manager is also establishing a A\$100,000 sinking fund for future capital expenditure. Further information on the fees and expenses of the LLP is contained in section 8 "What are the Fees?"

1.10 HOW WILL YOUR INVESTMENT BE TAXED?

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

See section 9 "Tax" for more information.



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DEAR INVESTOR



AUGUSTA
FUNDS MANAGEMENT

Our journey now sees us as one of New Zealand's largest property funds managers and with our recent offerings our portfolio under management has increased to approximately \$1.45 billion across New Zealand and Australia. This level has been achieved, and will grow, from the support and following of our investors, and we are appreciative of that.

Our skilled executive team select and manage quality investment grade assets. We believe our strict criteria for selecting assets ensures only the best opportunities are presented to our investors.

Why invest in Australia? We see investment in Australian property as a good way to diversify your investment portfolio. We expect that Australian property market offerings will continue to be an important part of our investment offerings going forward.

Members of Augusta's management team have over 20 years' experience in managing and syndicating Australian properties, and currently Augusta has 12 properties in Brisbane with a value of approximately A\$85 million under management.

In our opinion the Queensland industrial property sector is experiencing strong levels of leasing and sales activity which has resulted in falling vacancy rates, rising rentals and yield compression. The Queensland properties we currently manage are performing well, with the majority, in our opinion, showing good capital growth in recent years.

Our latest offering at 76 Quinns Hill Road, Stapylton, Queensland has the hallmarks of a quality property investment. The property is comprised of two freestanding high stud warehouses with modern offices constructed in 2011 and a new 1,192 square metre warehouse extension is currently under construction. It is located off the major

freight route between Brisbane and Surfers Paradise in an area that is emerging as a logistical hub.

The property is leased to two long term tenants - firstly Nu-Pure Pty Limited (*Nu-Pure*), one of the largest independent bottled water manufacturing companies in Australia, for a 9 year term from practical completion of the Development. Secondly, A&L Windows (Qld) Pty Limited (*A&L Windows*), who have manufactured and distributed windows and doors along the eastern seaboard of Australia for approximately 20 years, who have a 13.5 year lease term from settlement. Both Leases have rent review provisions with built in annual growth - a minimum of 4% in the case of Nu-Pure and 3.5% in the case of A&L Windows.

Investments of this calibre are difficult to find in the current Queensland market. We believe the attributes of this property are a good investment and along with Augusta's impressive track record with similar offerings and knowledge of the Queensland market creates an opportunity for New Zealand investors to diversify their portfolio and enjoy regular monthly returns from an Australian investment.

This PDS contains important information about the LLP and the Offer. We encourage you to read this PDS carefully and consider in particular the "Risks to Returns from Quinns Hill Road Partnership" before making your investment decision.

Kind Regards

Mark Francis
Managing Director

Bryce Barnett
Executive Director

2. WHAT QUINNS HILL ROAD LIMITED LIABILITY PARTNERSHIP INVESTS IN

KEY FEATURES OF THE SCHEME (LLP)

The key features of the LLP are set out below:

Statement of Investment Policy and Objectives and Investment Strategy

The Manager has adopted a Statement of Investment Policy and Objectives (SIPO) for the LLP which sets out its investment policies, objectives and strategies for the LLP in respect of its investment in the Property as well as the policies it will apply in respect of its management and its investment performance monitoring benchmarks. A copy of the SIPO is available on the Scheme Register at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search offers".

The SIPO sets out that the LLP's only allowable assets are:

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

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

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

- Sustain distribution levels as per the projected cash returns set out in this Product Disclosure Statement;
- Preserve and grow the value of the Property by attending to necessary ongoing repairs, maintenance and capital expenditure (CAPEX) requirements and seek potential future value add opportunities such as improving the functionality or appearance of the Property; and
- Leverage lease extension options for the Property to increase lease terms and/or rent where possible.

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

- **Cash flow management:** a regular cash flow budget for a minimum of two years is maintained and reviewed and six-monthly reviews with the LLP's bank are undertaken to review the LLP's current financing. Particular circumstances set out in the SIPO may result in an increase or decrease in distributions;
- **Interest cover:** maintained at not less than 2 times the interest payments;
- **Capital expenditure:** the Manager undertakes regular monitoring of the condition of the buildings on the Property to ensure ongoing routine repairs and maintenance are undertaken to a high standard. A sinking fund is to be established of A\$100,000 for future unrecovered maintenance and capital expenditure.
- **Hedging/interest rate policy:** The Manager intends to manage the interest rate risk initially by entering into a two year fixed rate arrangement or swap agreement for the entirety of the LLP's debt and

in the future with a combination of short-term and long-term interest rate swap agreements, fixed rate agreements and/or floating rates.

- **Leverage:** The maximum allowable loan amount is 55% of the greater of the original purchase price and the most recent independent valuation.

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

THE PROPERTY

Legal Description

The LLP is acquiring the freehold interest in the Property located at 76 Quinns Hill Road East, Stapylton, Queensland, Australia being Lot 8 on Registered Plan 184832 in the County of Ward, Parish of Albert bearing Title Reference Number 16370150.

Land and planning

The land is an irregular shaped parcel, encompassing 41,170 square metres with frontage of 149 metres to Quinns Hill Road East. The land rises above road level and plateaus to provide two level building platforms for each tenancy, both of which have been cut and retained. The site is clear of any significant vegetation, and has a water course running along the Quinns Hill Road East frontage in the form of an open swale drain. The drain encumbers an area of approximately 1,850 square metres. The Property also has a ten metre wide landscape buffer which runs along the south western boundary of 2,962 square metres.

The Property is identified by the Gold Coast City Council as being within an area classified 'Yatala Enterprise



Area Local Area Plan' within the 'Future Industry' area. The purpose of this Local Area Plan is to promote orderly economic development of the area as a major industrial employment district for both the Gold Coast City and the South East Queensland region.

The 'Future Industry' planning classification is intended to be developed for industry purposes as an extension of the light and general industry precincts of the Yatala Enterprise Area. Such development is not currently likely due to the lack of adequate infrastructure. The only forms of development that are intended to be permitted in the meantime are those that will neither compromise the capacity of these areas to develop intensively for industry in the future nor compromise the development of other parts of the plan area for intended purposes.

Buildings

The Property is improved with two freestanding buildings (alongside ancillary demountable office accommodation, owned by the Tenants) constructed circa 2011.

The Nu-Pure Building, tenanted by Nu-Pure, is improved with a warehouse of concrete tilt panel construction, with an internal clearance height of 9.4 metres and accessed via four container height roller doors at grade.

The Vendor has agreed to construct an extension to the Nu-Pure Building (the *Development*). The Development will consist of both an extension within the warehouse and office totalling 1,192 square metres of new space which will present a completed building of 7,102.85 square metres.

The office space will be extended by 163.85 square metres, providing extra space for executive offices,

boardroom and kitchenette, giving a total office area of 462.11 square metres.

The warehouse extension is taking place at both ends of the existing warehouse to provide additional production and distribution area for Nu-Pure. This area allows Nu-Pure to install a new production line within the existing warehouse. 204 square metres and 825 square metres are the extensions which, once completed, provide an overall warehouse area of 6,639 square metres.

The A&L Building, tenanted by A&L Windows, is improved with a production facility of dado (1.5m high concrete panel with long run steel cladding above) construction, with an internal clearance height of 10.4 metres with access via 14 container height roller doors at grade. The A&L Building provides two side by side, full length warehouses, production bays and is serviced by two gantry cranes. The total building of 6,699sqm sits on a net site area of 24,210sqm which provides A&L Windows a surplus yard area of 9,627 square metres.

The A&L Building also provides single level office accommodation which comprises the following: foyer/reception; three meeting rooms; conference room; open plan and enclosed office accommodation; 10 partitioned offices; first aid room; amenities, including showers; and is fully air-conditioned throughout.

The A&L Building warehouse/factory comprises the following: two bays split by a central row of columns, 14 container height roller doors at grade and two five tonne gantry cranes (which will be owned by the LLP, as landlord, but fully maintained by A&L Windows).

The Location

The Property is situated within the emerging location of Stapylton, which forms part of the Yatala

Enterprise Area. This area includes the suburbs of Yatala, Ormeau and Stapylton and is located 43 kilometres, by road south-east, from Brisbane's central business district and 41 kilometres, by road north-west, from Surfers Paradise.

Yatala Enterprise Area is positioned on a major freight route in South East Queensland which is underpinned by significant roading infrastructure and linkages between Brisbane's central business district, Gold Coast and Ipswich, via the Pacific Highway (2 kilometres to the east) and Logan Highway (9 kilometres to the north).

Due to distribution growth within Queensland and congestion occurring within the inner industrial precincts, Brisbane has seen major companies, including Australia Post, Aldi and Visy take positions within the Yatala Enterprise Area, supporting the region as a logistical hub and future growth corridor.

Yatala Enterprise Area is located close to the residential areas of Coomera and Beenleigh which helps supply the Tenant's work force. The closest shopping area and amenities are located 1.6 kilometres away within Beenleigh.

The Tenants

There are two Tenants on the Property.

Nu-Pure Pty Ltd (*Nu-Pure*) will, on settlement, be the tenant of the Nu-Pure Building. Nu-Pure is a family owned Australian company operating out of two facilities (being the one at the Property and one in Victoria). It is one of the largest independent bottled water manufacturing companies in Australia manufacturing 100% Australian made products.

2. WHAT QUINNS HILL ROAD LIMITED LIABILITY PARTNERSHIP INVESTS IN [CONT]

Nu-Pure has entered into an agreement to lease with the Vendors, under which the Development works are being undertaken. Upon notice being given to Nu-Pure that the Development works have achieved practical completion, Nu-Pure must, under the agreement to lease, take a lease of the Nu-Pure Building, in the form of the Nu-Pure Lease. The Nu-Pure Lease is in agreed form, and is scheduled to the agreement to lease. Nu-Pure's obligations under the Nu-Pure Lease are secured by a bank guarantee equivalent to three months' rent and guarantees of Nu-Pure's obligations are provided by shareholders of Nu-Pure. Further details on the Development the agreement to lease between Nu-Pure and the Vendor and the Nu-Pure Lease are contained on pages 16 to 18.

A&L Windows (Qld) Pty Ltd (*A&L Windows*) will, on settlement, be the tenant under the A&L Lease. A&L Windows is an Australian company operating along the eastern seaboard of Australia for approximately 20 years which specialises in the manufacture and distribution of windows, doors and screens. A&L Windows' obligations under the A&L Lease are secured by a bank guarantee equivalent to six months' rent.

Management of the LLP

The LLP will be managed by Augusta Funds Management Limited who will provide facilities and property management services for the Property. See section 10 of this PDS "About Augusta Funds Management Limited and others involved in Quinns Hill Road Partnership" for further information.

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

Name	Bio	Role
Mark Francis	Mark is the Managing Director of Augusta. Mark formed Augusta in 2001, and is the largest shareholder in Augusta.	Mark will, in conjunction with Bryce and Phil, oversee all aspects of the LLP and the Property as part of his role overseeing all Augusta syndications, investments and funds.
Bryce Barnett	Bryce is the Head of Funds Management at Augusta. Bryce established and ran KCL Property, which was acquired by Augusta in 2013. Bryce was previously the General Manager of MacDow Properties, a subsidiary of McConnell Dowell.	Bryce will, in conjunction with Mark and Phil, oversee all aspects of the LLP and the Property as part of his role overseeing all Augusta syndications, investments and funds. Bryce has particular responsibility for the Australian properties in Augusta's portfolio.
Phillip (Phil) Hinton	Phil is General Manager at Augusta. Phil has over 35 years property experience in New Zealand, previously as a registered valuer and partner of TelferYoung (Taranaki) Limited, specialising in commercial property valuations for twenty years.	Phil will, in conjunction with Mark and Bryce, oversee all aspects of the LLP and the Property as part of his role overseeing all Augusta syndications, investments and funds.
Simon Woollams	Simon is the Chief Financial Officer of Augusta. He is a chartered accountant and has a strong financial background, including roles with BDO, UK experience and ANZ Bank in the property and finance teams. Simon has been at Augusta since 2007.	Simon will provide financial oversight of the LLP and will, in particular, be responsible for the LLP's bank finance.
Bernie Smith	Bernie is one of Augusta's Senior Asset Managers. Bernie completed a Bachelor of Business Studies majoring in Valuation & Property Management at Massey University. Prior to joining Augusta, Bernie managed a private portfolio in Auckland.	Bernie will be responsible for the day-to-day asset management of the Property.
Hayden Bryant	Hayden is the National Portfolio Manager at Augusta. Before joining Augusta, Hayden had over 14 years' experience in senior roles with major firms such as Jones Lang LaSalle and CBRE within New Zealand and Australia.	Hayden will oversee the asset management, including any re-leasing or sale of the Property.



PURPOSE OF OFFER AND ALLOCATION OF FINANCE

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

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

Purchase price	A\$23,000,000
Stamp duty	A\$1,376,363
Establishment costs (excluding stamp duty)	A\$1,311,454
Sinking fund	A\$100,000
Total	A\$25,787,817
Funded by:	
Subscriber's capital	A\$14,000,000
Debt	A\$11,787,817
Total	A\$25,787,817

The above costs relate to the SIPO as further described:

- **Purchase price of Property:** a key part of the investment strategy is to acquire the Property;
- **Stamp duty:** payment of stamp duty is necessary to enable the purchase of the Property; and
- **Establishment costs:**
 - The offeror's fee secures the Manager's participation in the LLP, which is necessary for the implementation of the SIPO;

- The brokerage, marketing and bank fees ensure the successful completion of the offer and raising of the funds, without which the investment strategy will not be able to be implemented;
- All other fees primarily relate to due diligence on the Property and the investment in order to test whether the investment strategy is feasible.

The establishment costs are:

Manager's offeror fee	A\$600,000 (inclusive of NZ GST)
Stamp duty	A\$1,376,363
Brokerage fee	A\$322,000*
Legal fees – New Zealand	A\$95,220*
Legal fees – Australia	A\$75,000
Legal disbursements**	A\$17,000
Assurance and taxation fees**	A\$14,230*
Accounting fees**	A\$4,000
Property valuation fee**	A\$6,000
Chattel valuation fee	A\$4,500
Supervisor	A\$5,290*
Supervisor's legal fees	A\$13,754*
Marketing	A\$126,960*
PDS registration fee and FMA levy	A\$5,500*
Bank fees (including legal fees)**	A\$22,000
Total fees for establishment of the LLP	A\$2,687,817

*These amounts will be invoiced to the LLP in New Zealand dollars. They have been converted to Australian dollars at an NZD/AUD exchange rate of 0.92 so that the above amounts can be presented in one currency. They also include goods and services tax (GST) chargeable in New Zealand. It is not possible to claim the GST input tax on the New Zealand GST invoices in respect of these amounts as the General Partner is not registered for GST purposes in New Zealand. It is also not possible to zero-rate the invoices for GST purposes as even though the services are provided to a non-resident entity (the Australian General Partner) the services are effectively being received in New Zealand by the New Zealand resident Investors.

** These amounts, or a component of these amounts, are the Manager's best estimates, based on its experience and the information known to it at the date of this PDS, but they may be subject to change. All other amounts are maximum and cannot be increased (unless as a result of the applicable exchange rate differing from 0.92). Details of the fees and expenses incurred by the LLP will be included in the LLP's annual report, however Investors will not be specifically notified of such a change.

Alongside the above fees and expenses, the Manager is also establishing a A\$100,000 sinking fund for future capital expenditure. Further information on the fees and expenses of the LLP is contained in section 8 "What are the Fees?"

On settlement of the purchase of the Property, all Investors' capital, along with bank funding, will be applied to settle the Property. The amount of the LLP's debt on settlement is expected to be A\$11,787,817.

The Offer is not underwritten. The minimum amount to be raised from Investor subscriptions is A\$14,000,000. If the minimum amount is not raised, the Offer will not proceed and, accordingly, the use of subscription money cannot change dependent on the total amount raised.

2. WHAT QUINNS HILL ROAD LIMITED LIABILITY PARTNERSHIP INVESTS IN [CONT]

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

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

Factor affecting Financial Performance	Strategy to address
Changes in interest rates	The Manager intends to enter into a two year fixed interest rate arrangement or swap agreement for the entirety of the LLP's debt at settlement and in the future intends to manage the interest rate risk with a combination of short-term and long-term interest rate swap agreements, fixed rate agreements and/or floating rates.
The ability of the tenants to meet their obligations to pay the rental	The Tenants are both private Australian companies and the Manager does not have access to financial information on the Tenants. Accordingly, the Manager does not have full information of the financial standing of the Tenants (or, in the case of Nu-Pure, its guarantors). Both Tenants have passed the third party credit checks run by the Manager, and, based on the Manager's observations, operate throughout the east coast of Australia.
Future capital expenditure requirements	A sinking fund of A\$100,000 is to be established to allow for future unrecovered maintenance and capital expenditure.



Nature of returns and key factors that determine returns

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

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

The key factors that will affect the returns are:

- **Value of the Property** – the value of the Property may increase or decrease over time depending on a number of factors (see Section 7 “Risks to Returns from the Quinns Hill Road Partnership” for further detail). As the Property will be the LLP’s sole asset, increases or decreases in its value will have a material impact on the financial performance.
- **Financing** – the purchase of the Property will be funded in part by bank financing from National Australia Bank of A\$11,787,817. A significant expense for the LLP will be interest payments. The financial performance will therefore be affected by movement in interest rates. The assumed interest rate for the first two years of the term is 4.27%. The Manager intends to enter into a two year fixed interest rate arrangement or swap agreement and in the future intends to manage the interest rate with a combination of short-term and long-term interest rate swap agreements, fixed rate agreements and/or floating rates.

• Rental Income –

• Nu-Pure Lease

The annual rent will be determined by the total area (per square metre) of the Nu-Pure Building multiplied by \$111.14 per annum. The total area, following completion of the Development is anticipated to be approximately 7,102.85 square metres, equating to an annual rent at settlement of approximately A\$789,410.75.

The annual rent will increase on the 1st of March each year by the Consumer Price Index (Brisbane) or 4%, whichever is the greater.

If Nu-Pure exercises its 5 year right of renewal (1 March 2025 to 28 February 2030), the annual rent for the first year of the renewal term (as at the 1st of March 2025) will be the open market rent of the Nu-Pure Building as determined by a valuer or the rent payable during the period 1 March 2024 to 28 February 2025, whichever is the greater. Thereafter, the annual rent will increase on the 1st of March each year by the Consumer Price Index (Brisbane) or 4%, whichever is the greater.

• A&L Windows Lease

The current annual rent for the A&L Building is A\$838,246.50 per annum plus GST.

The annual rent will increase on the 1st of December each year by 3.5%. The next annual rent increase will be on the 1st of December 2016 and the current annual rent will increase to A\$867,585.13 plus GST.

A&L Windows holds two rights of renewal for 5 years each (for the periods 1 December 2024 to 30 November 2029 and 1 December 2029 to 30 November 2034). A&L Windows has already exercised the first right of renewal, extending the current term to 30 November 2029. The annual rent for the first year of a renewal term will be the open market rent of the A&L Building as determined by a valuer or the annual rental payable immediately prior to the commencement of the renewal term and increased by 3.5%. Thereafter, the annual rent will increase on the 1st of December each year by 3.5%.

- **Taxation** - As the LLP is an Australian limited liability partnership consideration must be given to the tax requirements in both Australia and New Zealand. In Australia the LLP is treated as a company for taxation purposes and a 30% tax rate will apply to its taxable income. In New Zealand, the tax treatment will be as a partnership.

Each Investor will be required to include their proportion of the LLP’s taxable income calculated under New Zealand tax rules in their New Zealand tax return. Income tax will be paid in Australia on the LLP’s taxable income at a 30% tax rate prior to any distributions. However, the application of the New Zealand tax rules will result in variances in the taxable income for New Zealand and Australia. Furthermore, the impact and timing of tax deductions able to be claimed by the LLP will affect the return to Investors. Also, certain land specific taxes apply in Australia to sales of land.

Further information on how distributions and the LLP are taxed is contained in section 9 “Tax”.

2. WHAT QUINNS HILL ROAD LIMITED LIABILITY PARTNERSHIP INVESTS IN [CONT]

ACQUISITION OF KEY PROPERTY

Property Valuation

An independent valuation of the Property on a market value “as if complete”³ basis has been provided by Paul McManaway and John Falvey of m3property strategists at A\$23,000,000 plus GST (if any) as at 29 January 2016. The valuation was prepared using the ‘capitalisation’ and ‘discounted cash flow’ approaches and reconciled with the ‘direct comparison’ approach on a rate per square metre of gross lettable area basis.

The valuation has been prepared on the basis of, and is subject to, the following assumptions:

- The encumbrances that are detailed within the valuation report have been considered in the assessment of market value. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted in the report, they may affect that assessment.
 - m3property strategists has physically identified the boundaries of the Property on inspection and there do not appear to be any encroachments. m3property strategists are not qualified surveyors and no warranty can be given without the benefit of an identification survey. If there is any doubt in respect of these issues, a check survey should be undertaken by a qualified surveyor.
 - The flood level information has been relied upon in the assessment of value and no responsibility is accepted for the accuracy of the information provided.
 - No soil tests, environmental studies, or reports
- have been made available to m3property strategists. Accordingly, the valuation is made on the assumption that there are no environmental problems in any way affecting the Property, including surface or below ground conditions, toxic or hazardous wastes, building material hazards or unexploded ordnances. Any such matters may adversely affect the Property or its use and the assessment of value. Should any such matters be known or discovered no reliance should be placed on the assessment of value unless m3property strategists have been advised of these matters and confirmed that its assessment is not affected.
- The planning information set out in the valuation report has been obtained from the Gold Coast City Council. m3property strategists has relied upon this information in assessing the value of the Property. No responsibility is accepted for the accuracy of that information and if it is wrong in any significant respect, the assessment of value may be different.
 - The valuation is subject to the current improvements and uses as inspected being approved, lawful and compliant with all requirements of Council and other regulatory authorities including but not limited to the Queensland Fire and Emergency Services, the Building Code of Australia and the Queensland Development Code.
 - A Department of Transport and Main Roads search was provided by the Manager dated 14 October 2015. The valuation assumes no Government Authority requirements since this date.
- m3property strategists has relied upon the lettable areas indicated on plans provided. Should any subsequent surveys indicate a variation to the areas adopted within, the matter should be referred to m3property strategists for review of the valuation as deemed appropriate.
 - The valuation report does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, m3property strategists have assumed that detailed reports with respect to the structure and service installations of the improvements would not reveal any defects or inadequacies requiring significant capital expenditure.
 - Inspection of the improvements did not indicate the use of asbestos products in the building. m3property strategists are not experts in this area and therefore in the absence of any expert report as to the presence of any asbestos products within the subject, the valuation is made on the assumption that there is no asbestos health risk.
 - m3property strategists note that an executed copy of the lease to A&L Windows has been sighted and referenced to the tenancy schedule, and is registered on title. It is a critical condition of the valuation report that the Nu-Pure Lease is executed in accordance with the terms and conditions noted within the valuation report and that the Nu-Pure Lease will be duly registered on title, so as to protect the interests of all parties to the Nu-Pure Lease. The valuation assumes that the right to any rental guarantee, security deposit, bank guarantee, or any other form of guarantee provided in respect

³ “As if complete” refers to as if the Development of the Property is complete.



to any leases to which the Property is subject, will pass to the purchaser of the Property.

- m3property strategists has relied upon various financial and other information submitted by the marketing agent for the Property. Where possible, within the scope of its retainer and limited to its expertise as valuers, m3property strategists has reviewed this information including by analysis against industry standards. Based upon that review, m3property strategists has no reason to believe that the information is not fair and reasonable or that material facts have been withheld. However, its enquiries are necessarily limited by the nature of its role and it does not warrant that it has identified or verified all of the matters which a full audit, extensive examination or due diligence investigation might disclose. For the purpose of the valuation assessment, m3property strategists has assumed that this information is correct.

The Manager does not consider any of the above described assumptions are unreasonable or unusual market practice, based on its significant experience obtaining and considering such valuation advice.

A copy of the valuation report may be found on the Offer Register at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search offers".

Real property

This section of the PDS summarises important information comprised in:

- the sale and purchase arrangements;
- The Nu-Pure Lease;

- The A&L Lease;
- The Construction Contract; and
- The title for the Property and all interests registered on the Title.

As the Property is located in Australia, a "Land Information Memorandum" cannot be obtained (as would be done for a New Zealand property). However, the Manager's Australian legal adviser has undertaken searches of the relevant public databases and sources in Australia that would constitute good market practice for due diligence on a property of this type. This PDS describes all the matters disclosed by those searches that the Manager considers material.

Sale and purchase arrangements

The Manager has entered into a put and call option deed with the Vendor under which, subject to raising a minimum equity amount under the Offer of A\$9,000,000 by 31 May 2016 (*Capital Raising Condition*), the Manager has until 23 June 2016 to nominate the Custodian as the purchaser of the Property and enter into the contract for sale to purchase the Property (which sets out the purchase price for the Property at A\$23,000,000 – subject to any adjustment as describe below, under the heading 'deferred settlement mechanics'). The form of the contract for sale is contained as a schedule to the put and call option deed.

If the Capital Raising Condition has been satisfied, but the Manager has not exercised the call option to purchase the Property by 23 June 2016, the Vendor may exercise the put option and upon such exercise, the

Manager is deemed to have entered into the contract for sale to purchase the Property and the Manager must purchase the Property.

Upon entering into the contract for sale, settlement will be effected on 1 July 2016 (subject to the limited extension rights of the Vendor as described below).

Nu-Pure Lease and Development

Nu-Pure has entered into an agreement for lease with the current owner of the Property under which the current owner has agreed to complete the Development. The Vendor has contracted for that work to be undertaken under the terms of the Construction Contract. Upon completion of the Development, a new lease will be entered into by Nu-Pure with a new annual rent amount calculated at \$111.14 per square metre multiplied by the total area of the new premises (including the extension) occupied by Nu-Pure. Under the terms of the agreement for lease, the Vendor is to also pay Nu-Pure a Fit-out incentive in the amount of A\$26,463.20 plus GST. This fitout incentive will be paid by the Vendor on or before settlement.

Deferred settlement mechanics

If, after entering into the contract for sale, the Vendor is of the reasonable opinion that the Development will not have achieved practical completion by 1 July 2016, the Vendor may deliver a notice to the Manager extending the settlement date.

However, notwithstanding receipt of such notice, the Manager may, under the contract for sale, require the Vendor to effect settlement earlier (but not earlier than 1 July 2016) by giving 10 business days' notice to the

2. WHAT QUINNS HILL ROAD LIMITED LIABILITY PARTNERSHIP INVESTS IN [CONT]

Vendor. The Manager may call on settlement in this way any time up until 14 September 2016. After 14 September 2016, if practical completion has not occurred, and the Manager has not called for settlement, the acquisition will not complete and Units will not be issued until practical completion has occurred. Alternatively, the Manager could terminate the contract. If the Manager has raised the A\$14,000,000 sought under the Offer, it anticipates that, if practical completion had not occurred, it would call for settlement soon after 1 July 2016, and, in any event, prior to 14 September 2016.

If the Manager does require that settlement be effected earlier, then, because Nu-Pure will not be paying rent calculated on the area of the Development, the Vendor will “top-up” the rent amount by paying to the LLP the rent for the extension to the building (being \$111.14 per annum multiplied by the area of the Development, anticipated to be 1,192 square metres). A quantity surveyor appointed by the Manager will assess the progress of the Development and estimate the time it would take the extension to be completed. The estimated total rent top-up amount will be retained from the balance of the purchase price due to the Vendor and held in the trust account of David K Lawyers (the LLP’s Australian lawyers) and paid to the LLP on the 1st day of each month until such time that the Development is completed and the balance monies held in the trust account of David K Lawyers for the top-up rent (if any) shall be released to the Vendor.

This top-up will continue until the Development is completed and Nu-Pure commences paying rent to the LLP for the extension to the building.

If settlement is effected prior to completion of the

Development in this way, the appointed quantity surveyor will also assess the cost to complete the Development and at settlement, this amount shall be retained from the balance purchase price due to the Vendor (*Retention Amount*). This Retention Amount is to be held in the trust account of David K Lawyers. Notwithstanding this Retention Amount, all costs associated with the Development (including cost overruns) shall continue to be borne by the Vendor, and the Vendor shall act as the LLP’s agent in connection with the completion of the Development. The Retention Amount is only released to the Vendor upon completion of the Development and receipt of evidence that the costs of the Development have been met by the Vendor.

Ongoing lease terms

Upon notice being given to Nu-Pure that the Development works have achieved practical completion, Nu-Pure must, under the agreement to lease, take a lease of the Nu-Pure Building, in the form of the Nu-Pure Lease. The Nu-Pure Lease is in agreed form, and is scheduled to the agreement to lease. Below is a summary of the key terms of the Nu-Pure lease once the Development is completed:

- **Expiry of Current Term** – 28 February 2025.
- **Rights of Renewal** – 1 right of renewal of 5 years (exercisable by Nu-Pure no later than 3 months prior to expiry of the current term).
- **Rent** – \$111.14 per square meter multiplied by the square metre area of the premises plus GST per annum payable from settlement (see comments above).

• Rent Reviews –

- The annual rent will increase on the 1st of March each year by the Consumer Price Index (Brisbane) or 4%, whichever is the greater.
- If Nu-Pure exercises its 5 year right of renewal – (1 March 2025 to 28 February 2030), the annual rent for the first year of the renewal term (as at the 1st of March 2025) will be the open market rent of the Nu-Pure Building as determined by a valuer or the rent payable during the period 1 March 2024 to 28 February 2025, whichever is the greater. Thereafter, the annual rent will increase on the 1st of March each year by the Consumer Price Index (Brisbane) or 4%, whichever is the greater.

• Guarantee – the Nu-Pure Lease is secured by:

- a bank guarantee of 3 months rental; and
- unlimited personal guarantees from five Nu-Pure shareholders.

• Outgoings – The Nu-Pure Lease is a net lease. Nu-Pure is liable to contribute for the majority of the standard outgoings payable. In particular, land tax is expected to be recoverable as an outgoing from Nu-Pure.

• Maintenance – Nu-Pure is responsible for usual tenant maintenance obligations. The LLP is, however, responsible for the maintenance of the exterior of the building and the common areas and to keep the building watertight and to fix any structural defects except where the watertight failure or structural defect is the responsibility of Nu-Pure or caused, or contributed to, by Nu-Pure.



- **Insurance** – Nu-Pure is required to hold (and pay the premiums associated with) comprehensive insurance for its use and rental of the Nu-Pure Building, including public risk insurance, property insurance, worker compensation and business interruption and loss of profits. If Nu-Pure does not meet this obligation, the LLP may take out the relevant insurances and recover from the premiums from Nu-Pure.
- **Make good** - at the end of the Nu-Pure Lease, Nu-Pure must return the premises clean and in the condition required to be maintained under the lease.

Nu-Pure is a privately held company and the Manager does not have access to its, or its guarantors', financial information. Accordingly, the Manager does not have full information of the financial standing on Nu-Pure and its guarantors. But, Nu-Pure has passed the third party credit checks run by the Manager, and, based on the Manager's observations, Nu-Pure operates throughout the east coast of Australia. The Manager is also not aware of Nu-Pure having breached any material provisions under the agreement to lease.

A copy of the agreement to lease is available on the Offer Register at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search offers".

A&L Lease

A&L Windows have entered into a lease with the Vendor and on settlement, the LLP will continue on as the landlord. Below is a summary of the key terms of the A&L Lease:

- **Expiry of Current Term** – 30 November 2029 (including exercised 5 year renewal).
- **Rights of Renewal** – 2 rights of renewal of 5 years each. A&L Windows has already exercised the first renewal (1 December 2024 – 30 November 2029) which is stated within the title. The second renewal (1 December 2029 to 30 November 2034) is exercisable by A&L Windows no earlier than 6 months and not later than 3 months prior to expiry of the current term.
- **Rent** – A\$838,246.50 plus GST per annum payable from settlement.
- **Rent Reviews** –
 - The annual rent will increase on the 1st of December each year by 3.5%. The next annual rent increase will be on the 1st of December 2016 and the current annual rent will increase to A\$867,585.13 plus GST.
 - Upon A&L Windows renewal (including the renewal term already exercised), the annual rent for the first year of the renewal term will be the open market rent of the A&L Building as determined by a valuer or the annual rental payable immediately prior to the commencement of the renewal term and increased by 3.5%. Thereafter, the annual rent will increase on the 1st of December each year by 3.5%.
- **Guarantee** – the A&L Windows Lease is secured by a bank guarantee of 6 months rental.
- **Outgoings** – This Lease is a net lease. A&L Windows is liable to contribute for the majority of the

standard outgoings payable. In particular, land tax is expected to be recoverable as an outgoing from A&L Windows.

- **Maintenance** – A&L Windows is responsible for usual tenant maintenance obligations.
- **Insurance** – A&L Windows is required to hold (and pay the premiums associated with) comprehensive insurance for its use and rental of the A&L Building, including public risk insurance, property insurance, worker compensation and business interruption and loss of profits. If A&L Windows does not meet this obligation, the LLP may take out the relevant insurances and recover the premiums from A&L Windows.
- **Make good** - At the end of the Lease, A&L Windows must return the premises clean and in the condition required to be maintained under the A&L Lease.

A&L Windows is a privately held company and the Manager does not have access to its financial information. Accordingly, the Manager does not have full information of the financial standing of A&L Windows. But, A&L Windows has passed the third party credit checks run by the Manager, and, based on the Manager's observations, operates throughout the east coast of Australia. The Manager is also not aware of A&L Windows having breached any material provisions under the A&L Lease.

A copy of the A&L Lease is available on the Offer Register at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search offers".

2. WHAT QUINNS HILL ROAD LIMITED LIABILITY PARTNERSHIP INVESTS IN [CONT]

Construction Contract

A construction contract dated 30 October 2015 has been entered into between the Vendor and Commercial Building Projects Pty Ltd (*Contractor*) as contractor (*Construction Contract*), under which the Contractor will undertake the Development works.

The Building Contract is in the form of an Australian Standard AS4300-1995 design and construct contract, at a lump sum contract price of A\$1.2 million plus GST (subject to certain variations).

Detailed plans and specifications annexed to the Building Contract set out the specific works being undertaken as part of the Development.

The Construction Contract contains warranties from the Contractor relating to Development works being undertaken by the Contractor that the Manager considers, based on its experience negotiating the terms of, and monitoring contractor compliance with, similar contracts, appropriate for the circumstances and consistent with market practice. The Contractor remains liable for defects for the period of 12 months from the date of practical completion.

Under the contract for sale and purchase, the Custodian will assume the rights and benefits of the Vendor under the Construction Contract, including the Contractor's warranties and liability for defects.

Title

The title to the Property is freehold and in electronic form (there is no physical certificate of title to the Property). The freehold parcel of land comprising the Property is 41,170 square metres (approx.) in area having a 149 metre street frontage onto Quinns Hill Road.

There are two material registered easements on the title to the Property:

- a resumption easement (number 706437623) relating to a drainage easement along the eastern boundary of the Property. The usual rights of access to the easement area and pipes as laid below the surface are held by the Council.
- an access easement (number 714660972) burdening the neighbouring lot 7 in favour of the Property. This easement allows the owner or user of the Property to pass over the easement area. The obligations of repair and maintenance of the easement area is upon the owner of the Property. The Manager does not anticipate significant maintenance being needed to this area in the medium term.

Building Inspection Report

A building inspection report has been obtained in respect of the Property from CBRE and a copy is available on the Offer Register at www.business.govt.nz/disclose by searching

"Quinns Hill Road Partnership" under "search offers". The report suggests capital expenditure of A\$100,000 in the first two years of ownership and the Manager is therefore establishing a sinking fund of A\$100,000.

BORROWINGS

National Australia Bank has provided a paper setting out the proposed funding arrangements for the LLP:

- **Amount:** A\$11,800,000 (the Manager only anticipates drawing down A\$11,787,817).
- **Anticipated security arrangements:**
 - First ranking registered mortgage over the Property, given by the Custodian;
 - General Security Agreement over all the assets and undertakings of the General Partner and Custodian;
 - Guarantee and indemnity given by the Custodian in respect of all indebtedness and obligations of the General Partner.
- **Loan Term:** A 24 month facility.
- **Personal guarantee:** No personal guarantees. The loan is non-recourse.
- **Establishment fee:** A\$11,800.
- **LVR:** The loan to value ratio is to be no greater than 55%.

- **Interest Rate:** The interest rate is based on the current Bank Bill Swap Rate (which is currently 2.37%) plus a margin of 1.90%. The Manager intends to manage the interest rate risk initially by entering into a two year fixed rate arrangement or swap agreement for the entirety of the LLP's debt and in the future with a combination of short-term and long-term interest rate swap agreements, fixed rate agreements and/or floating rates.

- **Interest cover:** Not less than 2 times the interest cost.
- **Principal payments:** The loan facility is interest only and no principal repayments are required during the loan term.

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

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





3. KEY DATES AND OFFER PROCESS

Offer opens	22 April 2016
Capital Raising Condition date	31 May 2016
Offer closes	31 May 2016
Intended date on which Units are issued to Investors	1 July 2016
Intended date on which settlement of the acquisition of the Property occurs	1 July 2016
Last date on which the Manager may call for settlement without practical completion having occurred	14 September 2016

The timetable is indicative only and the dates may change. In particular, the date on which Units are issued to Investors and settlement of the Property occurs may be delayed if the Development has not achieved practical completion. If practical completion has not occurred, the Manager may call on settlement at any time up until 14 September 2016. After 14 September 2016, if practical completion has not occurred, and the Manager has not called for settlement, the acquisition will not complete and Units will not be issued until practical completion has occurred.

If the Manager has raised the A\$14,000,000 sought under the Offer, it anticipates that, if practical completion had not occurred, it would call for settlement soon after 1 July 2016, and, in any event, prior to 14 September 2016 (and the rental top up would apply).

Further information on the circumstances in which the issue of the Units and the settlement of the acquisition of the Property may be delayed is set out on pages 16 to 17 under the heading "deferred settlement mechanics".

Furthermore, the Manager reserves the right to close the offer at any time prior to that date or extend the offer by up to 60 working days without prior notice. The Manager also reserves the absolute right in its sole discretion to accept or reject any application in whole or in part without assigning any reason.

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

4. TERMS OF THE OFFER

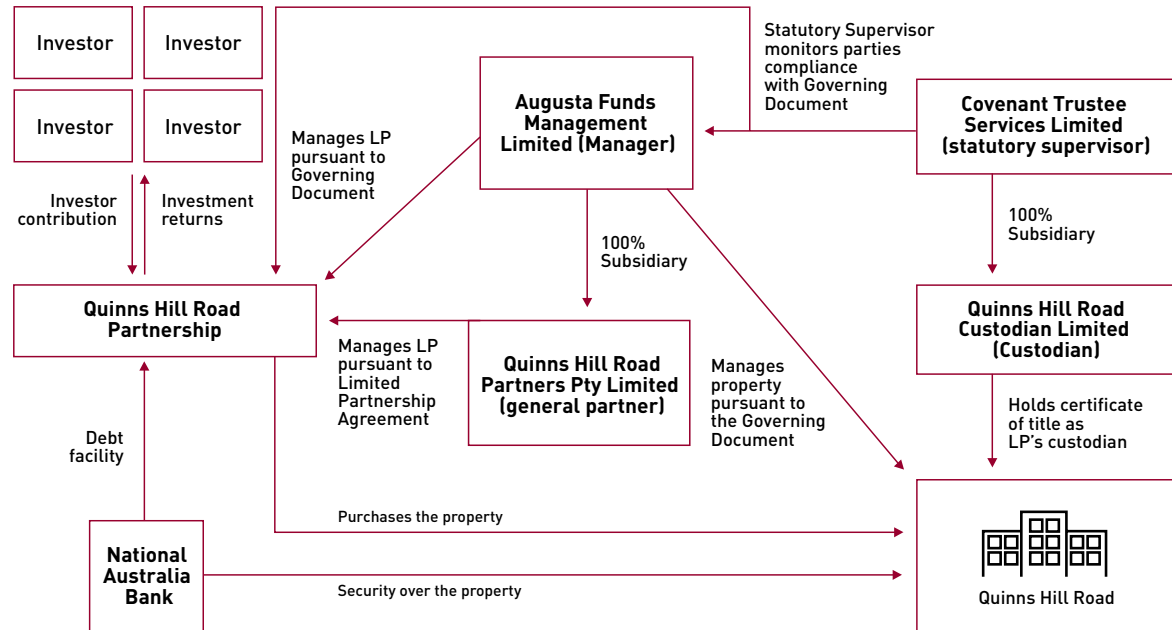
<p>How can investments be made?</p>	<p>Investors may join the LLP with a minimum subscription of A\$50,000. Subscriptions must be completed on the application form contained in section 13. TO ENSURE YOUR APPLICATION IS ACCEPTED, PLEASE READ THE APPLICATION INSTRUCTIONS ON THOSE PAGES CAREFULLY.</p> <p>Subscriptions may only be made before the closing date and there is no continuous offer of Units in the LLP.</p>
<p>How can I withdraw my investment from the LLP?</p>	<p>An investment in the LLP is not redeemable on demand and has no fixed term.</p> <p>You may only withdraw from the LLP if:</p> <ul style="list-style-type: none"> • You sell your Unit to a third party (utilising the secondary market facility offered by the Manager); or • A resolution is passed to wind up the LLP and sell the Property. <p>The limitations on:</p> <ul style="list-style-type: none"> • when (and how) an investor may sell their Unit; and • when (and how) a resolution is passed to wind up the LLP and sell the Property, <p>are set out in the LLP Deed and the Governing Document. The General Partner must, under the LLP Deed, approve of any proposed incoming investor (such approval not to be unreasonably withheld). The proposed incoming investor will need to satisfy the Manager’s anti-money laundering requirements, and execute the necessary documentation to become a limited partner of the LLP.</p> <p>Investors will become a party to the LLP Deed prior to settlement of the Property.</p> <p>However, there is no guarantee there will always be willing buyers. Costs (in particular stamp duty) applying to incoming Investors will likely have a negative impact on the price any incoming Investor would be willing to pay for an exiting Investor’s Unit(s).</p> <p>In addition, the Manager estimates legal and registration fees (which are not payable to the Manager) to be approximately A\$2,000, in addition to the Manager’s fee of 2% of the sale price.</p>
<p>What is the minimum amount payable to invest in the LLP?</p>	<p>A\$50,000 and in multiples of A\$50,000 thereafter.</p>
<p>What are the returns?</p>	<p>The Manager is projecting a pre-tax operating return for the LLP as follows:</p> <ul style="list-style-type: none"> • 7.65% per annum for the year ending 30 June 2017 (assuming settlement takes place on the expected settlement date of 1 July 2016); and • 8.10% per annum for the year ending 30 June 2018. <p>On the basis of the above projected levels of return for the LLP and the expected tax deductions available to the LLP, the Manager expects to make post-Australian tax Australian dollar cash distributions to Investors of 7.0% for the years ending 30 June 2017 and 30 June 2018, to be paid monthly.</p> <p>Investors with a marginal tax rate of 30% or 33% may (if Australian tax credits are less than New Zealand tax payable on their allocation of New Zealand taxable income less New Zealand depreciation) need to account for the difference between tax paid by the LLP and the tax that applies to the income rate in their New Zealand tax returns.</p> <p>Distributions are funded from operating cashflows.</p>

When are distributions paid?	Distributions are paid monthly in arrears, with payments being made on the 7th day of each subsequent month, or the next working day.
Capital Raising Condition	The Manager must have raised A\$9,000,000 under the Offer by 31 May 2016 (the date the Offer closes). If the Capital Raising Condition is not satisfied by the Offer may not proceed.
Key dates	Please see "Section 3: Key Dates and Offer Process" on page 22.
Potential deferred settlement of acquisition and issue of Units	<p>The intended date of settlement of acquisition of the Property and issue of the Units is 1 July 2016. However, if the Development has not reached practical completion, settlement of the acquisition of the Property and the issue of Investors Units may be delayed. If practical completion has not occurred by 1 July 2016, the Manager may call on settlement any time up until 14 September 2016. After 14 September 2016, if practical completion has not occurred, and the Manager has not called for settlement, the acquisition will not complete and Units will not be issued until practical completion has occurred.</p> <p>If the Manager has raised the A\$14,000,000 sought under the Offer, it anticipates that, if practical completion had not occurred, it would call for settlement soon after 1 July 2016, and, in any event, prior to 14 September 2016 (and the rental top up would apply).</p> <p>Further information on the potential delay is contained on pages 16 to 17 under the heading "deferred settlement mechanics".</p> <p>In the period up to settlement, Investor funds will be held in the Chapman Tripp trust account.</p>
Minimum amount to be raised	A\$14,000,000.
No overseas investors	<p>The Offer is a regulated offer for the purposes of the Financial Markets Conduct Act 2013 and is only being made to potential investors in New Zealand. No person may offer, invite, sell or deliver any Units or distribute any documents (including the PDS) to any person outside New Zealand without the approval of the Manager. The PDS may not be sent into or distributed in the United States.</p> <p>Unless otherwise agreed with the Manager, any person applying for Units under the Offer will be deemed to represent and warrant to the Manager that he, she or it is not in a jurisdiction that does not permit the making of the Offer or an invitation of the kind contained in the PDS and is not acting for the account or benefit of a person within such a jurisdiction. Neither the Manager, the Supervisor, nor any of their directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.</p>

Further terms of the Units are set out in the Governing Document and the LLP Deed. These documents are available on the Scheme Register (where the form of the LLP Deed is included as a schedule to the Governing Document) at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search schemes".

5. HOW QUINNS HILL ROAD PARTNERSHIP WORKS

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



WHAT IS A LIMITED LIABILITY PARTNERSHIP?

Investors are offered the opportunity to invest in the LLP (an Australian limited liability partnership) that will acquire the Property and become a limited partner in the LLP.

An LLP is a partnership, with two or more persons (a company is a legal person), at least one of which is a general partner and at least one a limited partner, which (in this instance) is formed under the Partnership Act 1891 (Queensland, Australia). A partnership is formed when a statement of the partnership's composition under the Partnership Act 1891 (Queensland, Australia) is registered. It is the registration that actually creates the LLP at law (similar to the incorporation of a company).

The Custodian will hold the title to the Property and the Leases in its name for the LLP. The interrelationship between the Investors (as limited partners), the LLP and the General Partner is set out in the LLP Deed and the Governing Document.

The LLP will be managed and administered by the Manager pursuant to the Governing Document. The Manager's responsibilities and duties are set out in the Governing Document (which is available on the Scheme Register at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search schemes") which sets out the rights and obligations of the Investors, Manager, General Partner, LLP, Custodian and Supervisor.

Each Unit confers equal rights and obligations on each Investor in respect of entitlements to income and capital from the LLP and each Unit will confer one vote upon the holder in respect of matters on which Investors are entitled to vote under the LLP Deed and Governing Document.

The General Partner (which in this case is an Australian limited liability company, Quinns Hill Rd Partners Pty Limited) has been incorporated to act as the general partner of the LLP in accordance with the LLP Deed. The General Partner's liability is not limited. The directors of the General Partner are Bryce Barnett and David Krishnan. The shareholder of the General Partner is the Manager.

An LLP enables the General Partner to conduct the business of the partnership, while the limited partners are liable for no more than their respective stakes in the partnership. Limited partners must not take part in the management of the business of the partnership and have no power to bind the partnership. For the purposes of the LLP the Manager will, pursuant to Governing Document, direct the General Partner as to the management of the LLP provided that the General Partner cannot be obliged to take any action that would breach the LLP Deed.

Significant benefits of investing in the LLP

The significant benefits of investing in the LLP are:

- The projected post-Australian tax Australian dollar cash distributions to Investors of 7.0% for the years ending 30 June 2017 and 30 June 2018, to be paid monthly.⁴;
- The ability to have an investment in a property that would not typically be available to Investors who are only able to invest A\$50,000 (or similar amounts);
- The investment in the LLP is passive with active day to day management (including preparation of accounts, negotiation of leases, payment of distributions and obtaining bank financing) being handled by the Manager.

RELATED PARTY BENEFITS

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

⁴Investors with a marginal tax rate of 30% or 33% may (if Australian tax credits are less than New Zealand tax payable on their allocation of New Zealand taxable income less New Zealand depreciation) need to account for the difference between tax paid by the LLP and the tax rate that applies to the income in their New Zealand tax returns.

6. QUINNS HILL ROAD PARTNERSHIP'S FINANCIAL INFORMATION

SELECTED FINANCIAL INFORMATION

This table provides selected financial information about the LLP. Full financial statements are available on the Offer Register at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search offers". If you do not understand this sort of financial information, you can seek professional advice.

	For the financial year ending 30 June 2017	For the financial year ending 30 June 2018
Projected Pre-Tax Operating Return for the LLP	7.65%	8.10%
Projected Post-Australian Tax Operating Return	6.73%	7.13%
Projected Sustainable Distribution Rate	7.0%	7.0%

Investors with a marginal tax rate of 30% or 33% may (if Australian tax credits are less than New Zealand tax payable on their allocation of New Zealand taxable income less New Zealand depreciation) need to account for the difference between tax paid by the LLP and the tax rate that applies to the income in their New Zealand tax returns.

The returns set out in the above table are not guaranteed and the actual distribution rate may vary.

The purpose of the prospective financial statements is to assist Investors in assessing the viability of and return on funds invested. This Product Disclosure Statement and the prospective financial information may not be appropriate for any other purpose.

The prospective financial information included in the tables below has been extracted from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the Offer Register. The prospective financial statements have been subject to a reasonable assurance engagement and an unmodified opinion issued, a copy of which is also included on the Offer Register.

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

PROJECTED OPERATING RETURNS FOR THE LLP

The LLP's operations, after payments of all expenses including the fee payable to the Manager, are expected to generate a pre-tax operating return for the LLP as follows:

- 7.65% per annum for the year ending 30 June 2017 (assuming settlement takes place on the expected settlement date of 1 July 2016); and
- 8.10% per annum for the year ending 30 June 2018.

This equates to a post-Australian tax operating return for the LLP of:

- 6.73% per annum for the year ending 30 June 2017 (assuming settlement takes place on the expected settlement date of 1 July 2016); and
- 7.13% per annum for the year ending 30 June 2018.

On the basis of the above levels of return and the expected tax deductions available to the LLP, the Manager expects to make post-Australian tax Australian dollar cash distributions to Investors as follows:

- 7.0% per annum for the year ending 30 June 2017 (assuming settlement takes place on the expected settlement date of 1 July 2016); and
- 7.0% per annum for the year ending 30 June 2018.

Investors with a marginal tax rate of 30% or 33% may (if Australian tax credits are less than New Zealand tax payable on their allocation of New Zealand taxable income less New Zealand depreciation) need to account for the difference between tax paid by the LLP and the tax rate that applies to the income in their New Zealand tax returns. Further information is provided in section 9 "Tax".

The distribution rate of 7.0% is the projected sustainable rate based on the available funds from the projected **operating cash flows** of the LLP. This return is based on a percentage of the initial contributions from Investors. Therefore it does not account for initial establishment costs nor is it a return based on the Investor equity position after establishment costs have been accounted for. It is not guaranteed and the actual distribution rate may vary.

⁵ Investors with a marginal tax rate of 30% or 33% may (if Australian tax credits are less than New Zealand tax payable on their allocation of taxable income less New Zealand depreciation) need to account for the difference between tax paid by the LLP and their tax rate in their tax returns.



PROJECTED OPERATING RETURN TO INVESTORS FROM THE LLP

The table below presents the above projected returns for the LLP based on operating activities for the year ending 30 June 2017 and 30 June 2018. **All figures are based on Australian Dollars.**

The adverse variance in the first year is compensated in subsequent years due to the fixed rental increases in the Leases. The cash flows sustain the higher return rate in the first year due to tax for this year not being payable until 31 March 2018.

	12 Months ending 30 June 2017 A\$	12 Months ending 30 June 2018 A\$
PRE-TAX OPERATING RETURN (FOR THE LLP)		
Total Number of Units	280	280
Amount Invested per Unit	50,000	50,000
Total Comprehensive Income per Prospective Financials	(400,428)	1,140,922
Add back:		
Taxation	129,502	136,812
Change in Fair Value of Investment Property	1,547,429	-
Prospective Net Income before Tax and revaluation	1,276,503	1,277,734
Add back/ (deduct):		
Non-Operating Finance Costs on Establishment	47,750	47,750
Non-Cash Accounting Adjustment for fixed rental increases	(252,781)	(190,858)
Net Cash Income from Operations before Tax	1,071,472	1,134,626
Per Unit	3,827	4,052
% Pre Tax Operating Return	7.65%	8.10%
POST-TAX OPERATING RETURN (FOR THE LLP)		
Net Cash Income From Operations before Tax	1,071,472	1,134,626
Less Tax payable by the LLP	(129,502)	(136,812)
Net Cash Income from Operations after Tax	941,970	997,814
Per Unit	3,364	3,564
% Post Tax Operating Return	6.73%	7.13%
Cash Distributions at 7.0% of initial contributions	980,000	980,000
Per Unit	3,500	3,500
Variance to Net Cash Income from Operations after Tax per Unit	(136)	64

6. QUINNS HILL ROAD PARTNERSHIP'S FINANCIAL INFORMATION [CONT]

PROSPECTIVE INCOME, EXPENSES AND RETURNS

The table below presents summary prospective financial information.

	12 Months ending 30 June 2017	12 Months ending 30 June 2018
Prospective Statement of Comprehensive Income	A\$	A\$
Net Rental Income	1,903,474	1,907,848
Scheme Expenses	(79,816)	(83,212)
EBITDA	1,823,658	1,824,636
Finance Costs	(547,155)	(546,902)
Net Profit Before Tax and Revaluation of Investment Property and derivatives	1,276,503	1,277,734
Taxation	(129,502)	(136,812)
Change in fair value of Investment Property	(1,547,429)	-
Total Comprehensive Income	(400,428)	1,140,922

	Capital A\$	Retained Earnings A\$	Total A\$
Prospective Statement of Changes in Equity			
Balance at 1 July 2016	-	-	-
Profit for the Year	-	(400,428)	(400,428)
Issued Capital	14,000,000	-	14,000,000
Issue Costs	(1,044,888)	-	(1,044,888)
Distributions to Investors	-	(980,000)	(980,000)
Balance as at 30 June 2017	12,955,112	(1,380,428)	11,574,684
Balance as at 1 July 2017	12,955,112	(1,380,428)	11,574,684
Profit for the Year	-	1,140,922	1,140,922
Distributions to Investors	-	(980,000)	(980,000)
Balance as at 30 June 2018	12,955,112	(1,219,506)	11,735,606



AUGUSTA
FUNDS MANAGEMENT



6. QUINNS HILL ROAD PARTNERSHIP'S FINANCIAL INFORMATION [CONT]

Prospective Statement of Financial Position	As at 30 June 2017	As at 30 June 2018
	A\$	A\$
Current Assets	383,024	412,521
Non Current Assets	23,252,781	23,443,639
Total Assets	23,635,805	23,856,160
Current Liabilities	321,054	332,737
Non Current Liabilities	11,740,067	11,787,817
Total Liabilities	12,061,121	12,120,554
Equity	11,574,684	11,735,606

Prospective Statement of Cash Flows	12 Months ending 30 June 2017	12 Months ending 30 June 2018
	A\$	A\$
Cash at the beginning of the year	-	383,024
Cash flow from operating activities	1,181,357	1,009,497
Cash flow from investing activities	(24,547,429)	-
Cash flow from financing activities	23,749,096	(980,000)
Cash at the end of the year	383,024	412,521

PRINCIPAL ASSUMPTIONS

Below is a summary of the principal assumptions on which the above prospective financial information is based. Further information on these assumptions may be found at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search offers".

The LLP

The LLP is to be established and domiciled in Australia. All figures presented are in the functional currency of the scheme which is Australian dollars.

The LLP will be a commercial property investor that owns land and buildings located at 76 Quinns Hill Road East, Stapylton, Queensland, Australia. The registered office of the Manager is situated at Level 2, 4 Viaduct Harbour Avenue, Auckland, New Zealand.

Settlement

Pursuant to the sale and purchase arrangements described on page 16, settlement is expected to occur on 1 July 2016. Therefore for the purpose of the financial statements, rental income has been recognised from 2 July 2016.

The Property is assumed to be purchased by the LLP on 1 July 2016 at a purchase price of A\$23,000,000.

Establishment Costs

Total establishment costs are expected to be A\$2,787,817 (inclusive of the sinking fund). This includes offeror, brokerage, legal, accounting and valuation fees as well as financing and marketing costs. A\$1,044,888 of these costs are deemed to be issue costs, A\$95,500 are financing costs and

the balance of A\$1,547,429 is associated with the acquisition of the Property.

Also included in this is a sinking fund of A\$100,000 that has been assumed and is included in cash at balance date.

The establishment costs have been based on quotes received or estimates based on previous experience establishing similar schemes.

Investment Property

The future fair value gain or loss on the Property cannot be reliably predicted, and accordingly the fair value of the Property is assumed to equal the purchase price of the Property. Therefore an adjustment has been reflected in these prospective financial statements for a revaluation loss representing the capitalised establishment costs and stamp duty paid, so as to reflect the current valuation of A\$23,000,000.

The LLP as landlord is responsible for all works of a structural or capital nature. A sinking fund of A\$100,000 has been established to cover such.

Rental Income

The commencement date for the Nu-Pure Lease is assumed to be 1 July 2016 in line with the expected practical completion of the Development. Annual 4% rental increases have been assumed to occur annually on 1 March thereafter. It has been assumed that A&L Windows' rent will increase by 3.5% in December each year. Therefore the total assumed rental payable for the year ended 30 June 2017 is A\$1,650,693.

The annual fixed rent reviews in both Leases have the potential to lead to a growth in Investor returns over time.

These fixed rent review adjustments have been made to recognise income on a straight line basis over the Leases in accordance with NZ IAS 17. Income has been recognised on the Nu-Pure Lease over the term until the first right of renewal on 28 February 2025 (8 years and 8 months). Income has been recognised on the A & L Lease over the term until the right of renewal on 30 November 2024. This right of renewal has been exercised by A & L Windows however as there will be a review of rental income to reflect market rent as at the renewal date, we cannot reliably estimate what rent will be payable for a further term and this renewal period has therefore been excluded from the fixed rental increase calculations.

For the financial years ending 30 June 2017 and 30 June 2018 it is assumed that there is no vacancy and no tenant default. It is also assumed that there are no delays in receipt of debtors.

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

Management Fees

The annual LLP management fees are A\$75,000 in the first year and second year. In the third year this will increase to A\$100,000 and increase at the greater of 3% or CPI thereafter per year. The Leases provide for management and administration expenses including wages and management fees to be included in outgoings and recoverable from the Tenants. The cash flows assume that 1.625% of the rental income is recoverable from the Tenants (A\$26,824 in the year ended 30 June



6. QUINNS HILL ROAD PARTNERSHIP'S FINANCIAL INFORMATION [CONT]



2017 and A\$26,488 in the year ended 30 June 2018). This is based upon information supplied by the vendor being the portion that they currently pay in their outgoings. Therefore the amount above this recovery is considered to relate to the LLP management and will be an unrecovered cost for the LLP.

Borrowings

The loan agreement will be based on a finance proposal from National Australia Bank and will be interest only for a term of 2 years from drawdown. It is assumed that an extension will be granted on prior to the expiry on similar terms.

The Loan to Value ratio (based on drawn debt) measured against the purchase valuation is expected to be 51.3% at establishment.

Interest Expense

The interest expense is calculated at a fixed rate of 4.27%, and is based on no principal repayments (interest only) utilising a fixed agreement during the 2 year term of the loan. The rate is based on indications from National Australia Bank for a fixed rate agreement or swap at the time of preparing this PDS.

Scheme Expenses

Audit engagement, valuation, supervisor, accounting and administration fees are based on quotes received or estimates based on previous experience on managing similar schemes.

Environment

The prospective financial information has been based on the assumption that there will be no material change in the economic environment, legal requirements or the current tax regulations.

FINANCIAL MEASURES FOR SCHEME BORROWINGS

	30 June 2016 (Date on which Property is acquired)	30 June 2017 (end of first financial year)	30 June 2018 (end of second financial year)
Gearing Ratio	51.0%	49.9%	49.4%
Interest Cover Ratio	Not applicable	3.3	3.4

The "Gearing ratio" tells you how much the LLP owes (debt) as a portion of what it owns (assets). The higher the gearing ratio, the higher the risk to the LLP as it indicates that a higher portion of the LLP's assets will need to be applied to repay its debt.

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

BORROWING REPAYMENT DATES

Loan Facility	Repayment Date
National Australia Bank Facility	30 June 2018

7. RISKS TO RETURNS FROM QUINNS HILL ROAD PARTNERSHIP

RISKS TO RETURNS FROM QUINNS HILL ROAD PARTNERSHIP

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

These circumstances may not encompass all of the circumstances that may present a risk to returns of Investors now or in the future, and there is no guarantee that the importance of each circumstance will not change.

These circumstances, were they to occur and if they were not appropriately managed by the Manager, could have a material adverse effect on the LLP's financial position or future financial performance through a decrease in revenue or an increase in costs. The

Manager has taken, and will, in the future take, steps to mitigate the effects of these circumstances. However, some risks may not be fully capable of mitigation.

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

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

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Tenant Default</i>	<p>Dependence has been placed on the ability of the Tenants to meet their respective contractual obligations to continue payment of rental and outgoings under the Leases. If one or both of the Tenants were to suffer liquidity or other financial problems of a significant nature, any resulting failure to pay rental and outgoings and consequential recovery action or litigation and/or vacancy/reletting costs would have a serious detrimental impact on the ability:</p> <ul style="list-style-type: none"> • of the LLP to pay returns to Investors and/or make interest payments under its banking facility; and /or • for Investors to recoup their original investment. 	<p>The principal source of income for the LLP is the rental payments by the Tenants. The Tenants are both privately held Australian companies and the Manager is unable to procure full financial information on them.</p>	<p><i>Assessment of likelihood:</i> Both Tenants have passed the third party credit checks run by the Manager, and, based on the Manager’s observations, operate throughout the east coast of Australia. However, the Manager is unable to procure full financial information on the Tenants. Accordingly, the Manager is unable to predict with any certainty the likelihood of Tenant default under the Leases.</p> <p><i>Nature:</i> Were a Tenant to default under its Lease, there would be significant impacts for the LLP. A loss of income would severely affect the LLP’s ability to pay distributions and/or make interest payments under its banking facility. If a Tenant was in default and/or the Lease was cancelled, it would also have an impact on the value of the Property.</p> <p><i>Magnitude:</i> In the event of Tenant default, the LLP would suffer a significant loss of income. However, the magnitude of this impact is inherently mitigated by the fact that the LLP’s income stream is split across the two Leases. Furthermore, both Leases provide bank guarantees for:</p> <ul style="list-style-type: none"> • in the case of the Nu-Pure Lease, 3 months rental; and • in the case of the A&L Lease, 6 months rental. <p>Personal guarantees are also included in the Nu-Pure Lease. The magnitude of the impact of default under only one Lease would still be significant if replacement tenants were not found during the period covered by the bank guarantees and (in the case of Nu-Pure) the LLP was unable to recover rental under the personal guarantees.</p> <p>Furthermore, the magnitude of the impact of a Tenant default is likely to be more significant if property values in the area do not increase over time, as this may make it more difficult to relet the Property in the period covered by the relevant guarantees (see further below under “Location”).</p>

7. RISKS TO RETURNS FROM QUINNS HILL ROAD PARTNERSHIP [CONT]

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>A lack of liquidity and the costs of purchasing a Unit</i>	There is no guarantee that there will always be willing buyers for this type of investment. The sale of Units in the LLP by Investors presumes a market for the Units. Costs (including stamp duty) applying to incoming Investors will likely have a negative impact on the price any incoming Investor would be willing to pay for an exiting Investor's Unit(s).	The market for Units may be illiquid and a sale of a Unit may not be easily achieved. In particular, any purchaser of a Unit will be liable for stamp duty under Australian tax law, which is likely, in the Manager's view, to have a negative impact on the value of Units. This may impact an Investor's ability to recoup their original investment in full.	<p><i>Assessment of likelihood:</i> The LLP has a long-term investment horizon, and is structured to provide Investors with a long-term investment in industrial real estate. If an Investor wishes to exit their investment in the LLP, a lack of liquidity and the stamp duty payable by the purchaser of an Investor's Unit may significantly impact the ability of an Investor to recoup their original investment in full.</p> <p><i>Nature:</i> A lack of liquidity for Units and/or high costs accruing to any incoming Investor will likely adversely impact the value of the Units.</p> <p><i>Magnitude:</i> In the Manager's view, if Investors' investment horizons match those of the LLP, the impact of a lack of liquidity and/or high costs accruing to any incoming Investor for Units is unlikely to be significant. However, if an Investor was to wish to sell their Units, the potential illiquidity coupled with the stamp duty that applies to any incoming Investor, may lead to a loss in value for that exiting Investor.</p>
<i>Interest Rates</i>	The return to Investors will be subject to interest rate variations on the bank loan (a summary of the bank loan terms is set out on pages 19 to 20 of this PDS).	The principal expense of the LLP is interest payments. As such, the financial performance of the LLP will be affected by movement in interest rates. The Manager is only able to confirm the interest rate applicable to the banking arrangements (through appropriate hedging arrangements) at settlement.	<p><i>Assessment of likelihood:</i> Interest rates are unable to be accurately predicted in the long-term. Accordingly, the Manager intends to enter into a two year fixed interest rate arrangement or swap agreement for the entire debt of the LLP. Furthermore, in the future the Manager will manage the interest rate with a combination of short-term and long-term interest rate swap agreements, fixed rate agreements and/or floating rates and will constantly monitor the interest rate management strategy. Further information on the interest rate strategy (and other financial policies) can be found in section 2 "What Quinns Hill Road Partnership invests in"</p> <p><i>Nature:</i> If interest rates applicable to the LLP's banking arrangements were to increase, or to be higher than the level assumed in the prospective financial information contained in this PDS, it is likely to affect the LLP's ability to maintain the distribution levels projected in section 6 "Quinns Hill Road Partnership's Financial Information".</p> <p><i>Magnitude:</i> The magnitude of the impact of interest rate changes cannot be accurately predicted (as the rates themselves cannot be accurately predicted). The Manager has undertaken interest rate sensitivity analysis, as set out in the financial information for the LLP available on the Offer Register, showing (for example) a change in interest rate from the assumed rate of 4.27% to 5.52% would lead to a potential reduction in Investor returns (per Unit) of A\$526 per year. However, the Manager considers that the magnitude of the impact of any change in interest rates can be adequately minimised through its interest rate strategy.</p>

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Location</i>	The Property is located in Stapylton, which forms part of the Yatala Enterprise Area. The area is an emerging industrial area and is not as developed as some other locations in Queensland.	If property values in the area do not increase over time, it may affect the ability of the LLP to relet the Property and is likely to have an impact on the capital value of the Property.	<p><i>Assessment of likelihood:</i> Property location is an underlying determinant of property value. As such, performance of the property market in the area is an inherent risk in property investments such as the type offered. As part of its due diligence enquiries of the Property, the Manager has investigated the development potential of the area. Those investigations identify the Property's location as having strong potential for future development, given the location's roading links. The Yatala Enterprise Area is positioned on a major freight route in South East Queensland which is underpinned by major roading infrastructure and linkages between Brisbane's central business district, Gold Coast and Ipswich, via the Pacific Highway and Logan Highway. Those links lower, in the Manager's view, the likelihood of limited growth in property values in the area.</p> <p><i>Nature:</i> Poor performance of the Stapylton property market will affect the ability of the LLP to relet the Property and is likely to have an impact on the capital value of the Property, and, indirectly, the value of Investors' investment.</p> <p><i>Magnitude:</i> The magnitude of the impact of any poor performance of the property sector on the LLP would be dependent on how poorly the sector had performed. Significantly poor performance could lead to a significant impact on the ability to relet the Property and capital value of the Property.</p>

7. RISKS TO RETURNS FROM QUINNS HILL ROAD PARTNERSHIP [CONT]

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Exchange rates</i>	<p>The projected returns set out in this PDS are expressed, and the financial assets of the LLP will be held, in Australian dollars. If an Investor's return is paid into that Investor's New Zealand dollar bank account (as opposed to an Australian dollar bank account), the return following the currency conversion and associated fees into New Zealand dollars will be different from the post Australian tax paid return calculated in Australian dollars.</p> <p>Furthermore, as the Property is located in Queensland, the value of the Property will, on any potential resale or valuation, be denominated in Australian dollars.</p>	<p>If Investors measure the performance of their investment in the LLP on a New Zealand dollar basis, a weakening of the Australian dollar (relative to the New Zealand dollar) could significantly impact the LLP's performance. Such risk is a particular feature of the LLP – if the LLP's operating currency was New Zealand dollars (which would be the case if the Property was located in New Zealand) this circumstance would not apply.</p>	<p>Assessment of likelihood: Exchange rates are unable to be accurately predicted. The performance of the Australian dollar is likely to be dependent on the underlying Australian and New Zealand economies. Exposure to the performance of the Australian dollar (and, indirectly, the Australian economy) is an inherent risk in this investment.</p> <p>Over the past ten years, the Australia dollar / New Zealand dollar has traded in a range of 0.72610 to 0.99620.</p> <p>Nature: If the Australian dollar materially weakens against the New Zealand dollar the:</p> <ul style="list-style-type: none"> • returns to Investors; and • the capital value of the Property and the value that may be achieved on any resale, <p>may (from a New Zealand dollar perspective) be adversely affected.</p> <p>Magnitude: The magnitude of the impact of exchange rate movements cannot be accurately predicted.</p>

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Development defects</i>	If the Development is not completed to the requisite standard the LLP may be required to meet the cost of rectifying any defects.	If costs incurred by the LLP rectifying any defects in the Development works are significant, it would negatively affect the LLP's cashflows and may impact the LLP's ability to pay distributions.	<p><i>Assessment of likelihood:</i> The Manager considers that the likelihood of defect obligations having a significant impact on the returns to Investors is low. While the contractor undertaking the Development works is a related party of the Vendor, and there is no provision for retentions under the Construction Contract, the Manager believes that:</p> <ul style="list-style-type: none"> • the level of expertise of the contractor is appropriate for the circumstances (the contractor regularly undertakes large scale construction projects, including on complex mining sites); and • based on its monitoring of the Development, the terms of the Construction Contract and the fact that the contractor was the original builder of the Nu-Pure Building and A&L Building, that the works are being completed to a high standard. <p><i>Nature:</i> If the LLP was required to meet the cost of rectifying Development defects it may adversely affect the financial performance of the LLP.</p> <p><i>Magnitude:</i> If the LLP is required to meet the costs of remedying significant development defects, it could have a significant impact on the financial performance of the LLP. However, as noted above, the Manager considers that, due to its assessment of the appropriateness of the contractor, and the standard of the works undertaken to date, the magnitude of the impact of any Development defects is likely to be low and manageable.</p>

7. RISKS TO RETURNS FROM QUINNS HILL ROAD PARTNERSHIP [CONT]

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Renewal/reletting costs</i>	On the expiry of the Lease or on any renewal of the Lease, the LLP may need to incur expenditure/costs by upgrading or remediating the Property, or by providing lease inducement payments or rental holidays to the Tenant(s) or any replacement tenant(s). In particular, dispensations are held meaning certain requirements relating to sprinkler systems do not apply to the buildings on the Property. If any new tenant did not hold an equivalent dispensation, sprinkler systems would likely be required to be installed by the LLP by the incoming tenant. It is not currently possible to know if any new tenant would hold the required dispensation or not.	Any costs incurred in connection with renewal or reletting will affect the cashflows of the LLP, and may impact its ability to pay distributions.	<p><i>Assessment of likelihood:</i> Renewal/reletting costs are inherent in investments of the type offered. However, in the medium term, the Manager believes the likelihood of such costs impacting the returns to Investors is low given the term of the Leases.</p> <p><i>Nature:</i> On any renewal or reletting, the LLP would likely incur costs associated with obtaining replacement tenant(s) or inducing a Tenant to renew. Such costs will reduce funds available for the distribution to Investors.</p> <p><i>Magnitude:</i> Those costs may be significant, when they arise. In particular, the Manager understands that installing an appropriate sprinkler system may cost between A\$700,000 and A\$1,000,000. However, given the Lease terms, the Manager does not expect such costs to arise in the medium term.</p>
<i>Rental on renewal/reletting</i>	In m3property strategists' view (as set out in their valuation report in respect of the Property), the rental being paid by Nu-Pure under the Nu-Pure Lease is slightly above market rental. On any renewal or reletting the rental may be reset to market (as the Tenant may look to renegotiate the rental levels at that point).	The LLP's primary source of income is rental in respect of the Property. If rental was to decrease on any renewal or reletting, it may impact the level of distributions made to Investors.	<p><i>Assessment of likelihood:</i> The Manager considers that the likelihood of the rental levels on renewal and/or reletting impacting on Investor returns is low in the medium term, given the current Lease terms. The Manager plans to pro-actively manage this risk by attempting to negotiate renewals well in advance of the expiry date and believes a possible reduction to market rent (if the then current rental is above market) may be an incentive for the tenant to agree a renewal.</p> <p><i>Nature:</i> Any reduction in the rental levels would reduce the level of funds available for the distribution to Investors.</p> <p><i>Magnitude:</i> The Manager does not believe the overrenting of the Nu-Pure Building is significant. As such, the Manager believes that, with appropriate management of the Property and lease arrangements, the magnitude of any impact of rent adjustments to market is likely to be minimal and unlikely to affect the projected returns set out in this PDS.</p>

Circumstance	Description of circumstance	Why circumstance is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<i>Leverage and ability to maintain bank financing</i>	<p>The LLP will borrow from National Australia Bank to fund the purchase of the Property. Adverse market movements may cause the banking covenants to be breached. If the breach (or any other breach of the banking covenants) is not remedied, National Australia Bank may enforce its security and sell the Property at a lower than market price due to a forced mortgagee sale.</p> <p>In addition, there is also a risk that the bank loan will not be renewed and alternative funding (if available) may require higher interest payments and/or payment of the principal amount of the loan. The banking arrangements are relatively short term (on a two year facility). Those arrangements do not mirror the long-term investment horizon of the LLP.</p>	<p>A failure to maintain or renew funding may lead to a forced sale of the Property.</p>	<p><i>Assessment of likelihood:</i> Based on the Manager’s experience managing the funding arrangements associated with industrial and commercial property, such as the Property, the Manager considers that the likelihood of a breach of banking covenants or the Manager being unable to secure appropriate funding at the expiry of the initial facility arrangements to be low. While the gearing on establishment of the LLP is anticipated to be 51.0%, the Manager anticipates that lowering over time, due to valuation growth.</p> <p><i>Nature:</i> A failure to maintain funding may threaten the ongoing viability of the LLP.</p> <p><i>Magnitude:</i> The magnitude of the impact of a breach of banking covenants and/or an inability to refinance would have a significant impact on the future viability of the LLP. However, as noted above, the Manager considers such a consequence may be avoided through active management of the LLP’s finances and banking arrangements.</p>

8. WHAT ARE THE FEES?

ESTABLISHMENT FEES AND EXPENSES

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

Manager and associated person's fees and expenses	
Manager's offeror fee	A\$600,000 (inclusive of NZ GST)
Manager and associated person's aggregate fees for establishment of LLP	A\$600,000
Other fees and expenses for establishment of LLP	
Stamp duty	A\$1,376,363
Brokerage fee	A\$322,000*
Legal fees – New Zealand	A\$95,220*
Legal fees – Australia	A\$75,000
Legal disbursements**	A\$17,000
Accounting / tax fees**	A\$4,000
Assurance and taxation fees**	A\$14,230*
Property valuation fee**	A\$6,000
Chattel valuation fee	A\$4,500
Supervisor	A\$5,290*
Supervisor's legal fees	A\$13,754*
Marketing	A\$126,960*
PDS registration fee and FMA levy	A\$5,500*
Bank fees (including legal fees)**	A\$22,000
Other person's aggregate fees for establishment of LLP (including stamp duty)	A\$2,087,817
Total fees and expenses for establishment of the LLP	A\$2,687,817

*These amounts will be invoiced to the LLP in New Zealand dollars. They have been converted to Australian dollars at an NZD/AUD exchange rate of 0.92 so that the above amounts can be presented in one currency. They also include goods and services tax (GST) chargeable in New Zealand. It is not possible to claim the GST input tax on the New Zealand GST invoices in respect of these amounts as the General Partner is not registered for GST purposes in New Zealand. It is also not possible to zero-rate the invoices for GST purposes as even though the services are provided to a non-resident entity (the Australian General Partner) the services are effectively being received in New Zealand by the New Zealand resident Investors.

** These amounts, or a component of these amounts, are the Manager's best estimates, based on its experience and the information known to it at the date of this PDS, but they may be subject to change. All other amounts are maximum and cannot be increased (unless as a result of the applicable exchange rate differing from 0.92). Details of the fees and expenses incurred by the LLP will be included in the LLP's annual report, however Investors will not be specifically notified of such a change.

The offeror fee is payable to the Manager for arranging and establishing the LLP.

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

Legal costs are payable to the LLP's Solicitors, Chapman Tripp and David K Lawyers, for the costs of legal due diligence on the Property, negotiation of the documentation giving effect to the purchase of the Property, settlement of the purchase, cost of advising on this PDS, the LLP Deed and the Governing Document, compliance with the Financial Markets Conduct Act, and in connection with the LLP's financing arrangements.

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

The supervisor's legal fees are payable to the supervisor's legal advisers in connection with their assistance with the supervisor's review of this PDS, the Governing Document and the LLP Deed.

Assurance and taxation fees represent Staples Rodway Taranaki Limited's fee for providing a reasonable assurance engagement on the prospective financial statements contained on the disclose register and taxation services for Investors.

The accounting/tax fee is payable to the LLP's Australian and New Zealand accounting and tax advisers in connection with the structure of the LLP and attending to relevant registrations.

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

The property valuation fees are payable to m3property strategists for preparing the valuation report on the Property.

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

The bank fee is payable to National Australia Bank in connection with its provision of the loan facility to the LLP and the fees of its solicitors in advising it on the loan facility to the LLP.

The PDS registration fee and FMA levy are payable to the Financial Markets Authority in connection with the registration of this PDS and the Offer.

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

Alongside the above fees and expenses, the Manager is also establishing a A\$100,000 sinking fund for future capital expenditure.



AUGUSTA
FUNDS MANAGEMENT



8. WHAT ARE THE FEES? [CONT]

Ongoing fees and expenses

There is no most recent accounting period for the LLP.

The ongoing fees and expenses charged to the LLP during its duration are:

Manager and associated person's fees	
Annual Management Fee	<p>The annual LLP management fees are A\$75,000 in the first year and second year. In the third year this will increase to A\$100,000 and increase at the greater of 3% or CPI thereafter per year.</p> <p>The Leases provide for management and administration expenses including wages and management fees to be included in outgoings and recoverable from the Tenants. The prospective financial information assumes that 1.625% of the rental income is recoverable from the Tenants (A\$26,824 in the year ended 30 June 2017 and A\$26,488 in the year ended 30 June 2018). This is based upon information supplied by the vendor being the portion that they currently pay in their outgoings. Therefore the amount above this recovery is considered to relate to the LLP management and will be an unrecovered cost for the LLP.</p>
New leasing	<p>(a) Where no real estate agent is used by the Manager:</p> <ul style="list-style-type: none"> (i) Lease term of less than one year: Nil; (ii) Lease term of one year or longer but less than three years: 10% of annual rental plus GST; (iii) Lease term of three years or longer but less than five years: 12.5% of annual rental plus GST; (iv) Lease term of five years or longer: 15% of annual rental plus GST; <p>(b) Where a real estate agent is involved:</p> <ul style="list-style-type: none"> (i) Lease term of less than one year: Nil; (ii) Lease term of one year or longer but less than three years: 5% of annual rental plus GST; (iii) Lease term of three years or longer but less than five years: 6.25% of annual rental plus GST; (iv) Lease term of five years or longer: 7.5% of annual rental plus GST. <p>No charge will be payable to the Manager on lease renewals. However if at the expiry or surrender of an existing lease a new lease with the a Tenant is agreed, or, upon a renewal the Manager negotiates an extension or renewal beyond that anticipated in the Lease, then the leasing fees described above will apply.</p>

Sale of the Property	The Manager will be entitled to a fee equal to 1.0% of the sale price for any part of the Property.
Project Management Fees	Project management fees may also be payable to the Manager.
Secondary market transfers	If Investors utilise the secondary market facility offered by Augusta Funds Management, then an administration fee will be payable to Augusta Funds Management and the current charge is equivalent to 2% of the transaction value.
Removal of Manager	If Investors resolve to remove the Manager in accordance with the terms of the Governing Document, a fee equal to one year's annual management fee will be payable to the Manager in connection with that removal.
The Manager and its associated person's aggregate fees for the accounting periods to:⁵	30 June 2017 will be A\$75,000 plus GST, which as a percentage of net assets of the LLP is anticipated to be 0.65%. It is estimated in the prospective financial information that A\$26,824 of this fee will be recoverable from the Tenants.
	30 June 2018 will be A\$75,000 plus GST, which as a percentage of net assets of the LLP is anticipated to be 0.64%. It is estimated in the prospective financial information that A\$26,488 of this fee will be recoverable from the Tenants.

Project management fees and secondary market fees will be charged at the rate applicable at the time. The annual LLP management fees, new leasing fees, sale of the Property fees and removal of the Manager fee may not be amended, except in accordance with the Governing Document. Details of the fees and expenses incurred by the LLP will be included in the LLP's annual report, however Investors will not be specifically notified of such a change.

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

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

Sale of the Property fees apply where the Manager arranges a sale of the Property.

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

or part of the Property, on the basis of time spent, as agreed between the Manager and the Supervisor.

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

⁵ Assuming the management fee increases at the levels set out in the Governing Document, and no other fees are payable (as at the date of this PDS the Manager does not anticipate it, nor any of its associated persons, will accrue any fees other than the management fee described).

8. WHAT ARE THE FEES? [CONT]

Other fees and expenses	
Supervisor's annual fees	<p>The greater of NZ\$6,000 and 0.05% of the net asset value of the LLP plus GST.</p> <p>The Supervisor is also entitled to charge a special duties fee, charged at the Supervisor's usual time and attendance rates to cover the Supervisor's ongoing reviews of any amendment to the documentation, the exercise of its power and discretions, the Supervisor's attendance at any special meetings and any other non-routine duties.</p>
Audit of financial statements	Estimated at NZ\$10,950 plus GST
Annual valuation fees	Estimated at A\$4,500 plus GST
Annual Accounting and Investor tax advice	Estimated at A\$2,500 plus GST
Annual director fees	Estimated at A\$3,000 plus GST
Legal Fees	Legal fees arising in relation to attendances on management of the Property and the LLP, including documenting rent reviews and attendances in relation to any sale of the Property (charged on the basis of time spent).
Interest charges	<p>Annual interest charges payable to National Australia Bank are estimated at A\$503,342 for the period ended 30 June 2017 and A\$504,722 for the year ended 30 June 2018 based on an effective interest rate of 4.27% per annum.</p> <p>The Manager intends to enter into a two year fixed interest rate or swap arrangement and in the future to manage the interest rate with a combination of short-term and long-term interest rate swap agreements, fixed rate agreements and/or floating rates.</p>
Outgoings, property maintenance expenses, fees and costs (to the extent not recoverable from the Tenant)	<p>The Manager has the ability to undertake or approve repairs, maintenance or improvements at its sole discretion if the aggregate expense does not exceed A\$200,000 per financial year exclusive of GST. Aggregate expenses exceeding A\$200,000 per financial year exclusive of GST can only be undertaken with the approval of the Investors who hold not less than 50% of the total Units entitled to vote and voting on the resolution. The Manager however may undertake repairs, maintenance or improvements without the approval of the Investors where necessary to comply with the terms of a Lease or which are described in this PDS.</p> <p>The Manager has allowed A\$2,500 for the year ended 30 June 2017 and A\$5,000 for the year ended 30 June 2018 in the prospective cash flows for the LLP for such fees and expenses. The Manager has also established an A\$100,000 sinking fund to meet such expenses.</p>

Expenses on a sale of the Property	<ul style="list-style-type: none"> • Commission on the sale of the Property, estimated at 2.0% of the sale price plus GST, will be payable to a real estate agent. • Legal fees will arise in relation to attendances on the sale of the Property and repayment of the bank loan (charged on the basis of time spent). • A swap termination fee may be payable to the bank in the event that the Property is sold prior to expiration of the term of any loan facility of the LLP. • Liquidation & wind up fees.
Other possible fees and expenses	<ul style="list-style-type: none"> • Legal fees for any future leasing, renewals of lease, assignments, rent reviews, refinancing, LLP meetings and incidentals to management of the Property will be charged on the basis of time spent. • Administration and filing fees, including for filing the necessary documentation with the Australian Securities and Exchange Commission. • Leasing fees (whether for a new lease or a renewed lease) by external agencies involved in any such negotiations will be charged separately at that time. <p>The Manager has allowed A\$492 for the year ended 30 June 2017 and A\$1,052 for the year ended 30 June 2018 in the prospective cash flows for the LLP for such fees and expenses.</p>
Other person's aggregate fees and expenses (including interest payments) for the accounting periods to:⁶	<p>30 June 2017 will be A\$531,045 plus GST, which as a percentage of net assets of the LLP is anticipated to be 4.59%.</p> <p>30 June 2018 will be A\$533,852 plus GST, which as a percentage of net assets of the LLP is anticipated to be 4.55%.</p>

The above fees and expenses are the Manager's best estimate, based on its Property management experience and the information known to it at the date of this PDS, but are subject to change. Details of the fees and expenses incurred by the LLP will be included in the LLP's annual report, however Investors will not be specifically notified of such a change.

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

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

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

Accounting and Investor tax advice is obtained in connection with the calculation of Investors' and the LLP's tax liability.

Director fees are payable to David Krishnan, as compensation for holding the role of director of the General Partner.

Interest charges are payable to National Australia Bank under the terms of the LLP's banking facility.

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

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

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

⁶Further information on the LLP's anticipated expenses is set out in the financial information for the LLP available on the Offer Register at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search offers".



9. TAX

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

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

The LLP has to comply with the tax requirements in both Australia and New Zealand. In Australia the LLP is treated as a company for taxation purposes and a 30% tax rate will apply to its taxable income. The LLP will file its Australian tax return and pay this tax from net profit. Vincents Chartered Accountants will be the initial Australian accountants for the LLP.

In New Zealand, the tax treatment will be as a partnership. Each Investor will be required to include their proportion of the LLP's taxable income calculated under New Zealand tax rules in their New Zealand tax return. Investors will also be able to include a foreign tax credit against that income of their proportion of the tax paid in Australia by the LLP to the extent that New Zealand income tax is payable on that income. Staples Rodway Taranaki Limited will prepare a schedule of New Zealand taxable income and overseas tax credits each year and provide Investors with all the information they require for inclusion in their New Zealand tax returns.

Income tax will be paid in Australia on the LLP's taxable income at a 30% tax rate prior to any distributions. However, the application of New Zealand tax rules will result in variances in the taxable income for New Zealand and Australia. If the overseas tax credits allocated to an Investor are higher than the tax that is payable on that income in the Investor's New Zealand tax return then the Investor will not be able to claim back any tax paid in Australia at this higher tax rate. In addition, Investors on a higher tax rate will need to pay tax on the difference between the share of 30% tax credits paid by the LLP in Australia and the relevant Investor's New Zealand tax liability on the income.

The following reconciliation shows the further tax that is expected to be payable by 30% and 33% marginal tax payers in the first two years.

All figures are based on Australian Dollars.

	12 Months ending 30 June 2017	12 Months ending 30 June 2018
Projected tax paid in Australia by LLP	129,502	136,812
Share of tax paid in Australia per unit projected to be available as a Foreign Tax Credit	463	489
Net Cash Income from Operations before Tax	1,071,472	1,134,626
NZ Tax Adjustments:		
Less Deductible expenses in NZ	(104,000)	-
Depreciation claimable in NZ	(548,877)	(469,410)
Taxable Income in NZ	418,595	665,216
Per Unit	1,495	2,376
For an Investor with a 30% Tax Rate		
NZ Tax payable @30%	448	715
Less Foreign Tax Credit projected to be available	(463)	(489)
Net Tax Payable – further tax	-	224
For an Investor with a 33% Tax Rate		
NZ Tax payable @33%	493	784
Less Foreign Tax Credit projected to be available	(463)	(489)
Net Tax Payable – further tax	30	295





9. TAX [CONT]

Additional tax is payable for the year ended 30 June 2018 because there are more deductible expenses claimable for the year ending 30 June 2017 and additional depreciation is claimable.

The completion of each Investors' New Zealand personal tax return is each investors own responsibility. The LLP will provide a tax disclosures letter from Staples Rodway each year for the purpose of providing Investors with the information to disclose in their tax returns. Claiming depreciation has been assumed in the above reconciliation however is optional. The Manager recommends obtaining individual personal advice from your accountant.

If there is a capital gain on the eventual sale of the Property, capital gains tax will be due and payable by the LLP in Australia. In addition, if there is a capital gain on the sale of a Unit by an Investor, capital gains tax may be due and payable by the Investor in Australia.

Stamp duty on a property transaction is payable by the purchaser. Therefore this will not be applicable on an eventual sale, however this cost has been included in the capitalised establishment costs at the start.

Land tax will be applicable for the LLP and the LLP will be registered for GST in Australia. It will be one of the obligations of the Manager to pay these taxes on behalf of the LLP together with the income tax, capital gains tax and initial stamp duty. Land tax is payable from the LLP's funds but has been assumed to be fully recoverable from the Tenants. All of these taxes (except capital gains tax that only arises upon disposal) have been built into the prospective financial information.

The Manager urges Investors to obtain independent advice in regards to their own circumstances.

10. ABOUT AUGUSTA FUNDS MANAGEMENT LIMITED AND OTHERS INVOLVED IN QUINNS HILL ROAD PARTNERSHIP

ABOUT AUGUSTA FUNDS MANAGEMENT LIMITED

Augusta Funds Management Limited is the manager of the LLP.

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

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

The Manager also arranges funding packages allowing Investors to benefit from the terms of the LLP's funding arrangements, including some interest rate hedging and initial interest-only terms. Details of the bank funding applying to the LLP are set out on pages 19 to 20.

Augusta Funds Management is a wholly-owned subsidiary of Augusta Capital Limited, which is an NZX listed company with a market capitalisation of approximately NZ\$92 million as at the date of this PDS. Augusta Funds Management has assets under management of approximately NZ\$1.45 billion.

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

The directors of the Manager and key senior managers of Augusta Funds Management collectively have considerable property expertise with experience in property development, facilities and asset management, property investment, business administration and accounting. Augusta Funds Management manages a wide range of properties including single ownership entities, and syndicates in numerous locations throughout New Zealand and Brisbane, Australia. This investment opportunity is based around the market knowledge and experience of these people. Further detail on the expertise and background of these people is set out below and on page 11.

In addition to **Mark Francis**, **Bryce Barnett** and **Philip Hinton** (whose profiles are set out on page 11), the directors of the Manager are:

Paul Duffy **Independent Director and Chairman**

Dip Urb Val

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

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

Martin Goldfinch **Independent Director**

BCom, LLB

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

John Loughlin **Independent Director**

MBA, BCA, FCA, FCIS, ANZIIF (fellow), INFINZ (fellow), FNZIM, AFInstD

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

John was the chairman of finance company Allied Nationwide Finance Limited, now known as NFA Limited (in liquidation) (referred to below as *Allied*), from 1 May 2007 to 23 August 2010. Allied was placed in receivership on 20 August 2010 as part of the finance company collapses in New Zealand at that time and subsequently went into liquidation on 31 October 2012. He ceased to be the chairman and a director of Allied on 23 August 2010. On 2 September 2013, the Financial Markets Authority (*FMA*) issued a formal warning letter to John Loughlin and the other directors of Allied stating that, in the FMA's view, the directors of Allied likely breached the Securities Act by failing to adequately disclose the ability of Allied's parent, Allied Farmers Limited, to provide financial support and Allied's ability to meet its financial obligations. The FMA advised that, having taken into account the possible availability of defences, FMA's enforcement policy and public interest considerations, the FMA did not intend to take formal enforcement action at that time. The FMA considers that better disclosure should have been made, to ensure that investors were aware of the risks associated with their investment in Allied.

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

Dip Urb Val

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

Contact details

The Manager may be contacted:

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

10. ABOUT AUGUSTA FUNDS MANAGEMENT LIMITED AND OTHERS INVOLVED IN QUINNS HILL ROAD LIABILITY LIMITED PARTNERSHIP [CONT]

WHO ELSE IS INVOLVED?

Party	Name	Role
Supervisor	Covenant Trustee Services Limited	Covenant Trustee Services Limited has been appointed supervisor for the LLP. The Supervisor will monitor compliance with the Governing Document and fulfil the role of supervisor under the Financial Markets Conduct Act.
Custodian	Quinns Hill Road Custodian Limited	Quinns Hill Road Custodian Limited (Custodian) is the custodian for the LLP. The Custodian will hold the certificates of title for the Property on bare trust on behalf of the LLP in accordance with the Governing Document. The Custodian is a subsidiary of the Supervisor.
General Partner	Quinns Hill Rd Partners Pty Limited	Quinns Hill Rd Partners Pty Limited is the general partner of the LLP, and is responsible for managing the activities and affairs of the LLP in accordance with the LLP Deed. It has appointed Augusta Funds Management as the manager of the LLP. The General Partner is a subsidiary of the Manager.

None of the parties above guarantee any returns to Investors.

11. HOW TO COMPLAIN



HOW TO COMPLAIN

Complaints about the Units or the LLP can be made to the Manager, attention Mark Francis, Managing Director, at the address and business telephone number set out on page 73.

A complaint can also be made to the Supervisor (at the address and business telephone number set out on page 73).

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

A complaint can also be made to Fairway Resolution Limited (trading as Financial Dispute Resolution), being the dispute resolution scheme Augusta Funds Management Limited has joined for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act. Financial Dispute Resolution may be contacted by telephoning 0508 337 337 or at Freepost 231075, PO Box 5730, Wellington 6145. Financial Dispute Resolution will not charge a fee to any complainant to investigate or resolve a complaint.





12. WHERE YOU CAN FIND MORE INFORMATION

WHERE YOU CAN FIND MORE INFORMATION

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

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

The Offer Register and Scheme Register may be viewed at www.business.govt.nz/disclose and search "Quinns Hill Road Partnership" under "search offers" and "search schemes".

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

All information available on the Offer Register and the Scheme Register is also available on request free of charge from the Manager (at the address and business telephone number set out in on page 73).

13. HOW TO APPLY

HOW TO APPLY

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

- A completed and signed application form;
- Completed Nature and Purpose statement (contained within the application form);
- Bank encoded deposit slip, bank statement or confirmation from your bank verifying your bank account name and number. Distributions may be received into three different types of bank account:
 - into an Australian AUD account. This will not incur any transfer fees but requires an account to be set up;
 - into a New Zealand NZD account. The transfer fees are small for this option as the LLP pays only one transfer fee. The transfer fees (currently \$25 per month) will be spread evenly across all Investors who choose this option;
 - into a New Zealand AUD account. Each distribution would be considered a separate transfer and therefore each distribution would incur a transfer fee (currently \$25) which would be deducted from the distribution;

- For new investors with the Manager, the identification and other anti-money laundering due diligence information referred to on the form headed "Identity Verification" in this section;
- Payment of the total application amount. See "Payment" below, for further details.

Completed and signed application forms, along with the above accompanying documents and subscription amounts, must be mailed to Chapman Tripp at PO Box 2206, Auckland (Attention: Quinns Hill Road Offer) or delivered or couriered to Level 38, ANZ Centre, 23-29 Albert Street, Auckland.

CLOSING

The Offer closes on 31 May 2016.

IMPORTANT – for existing Augusta investors, identification documents may have been provided previously as part of Augusta's AML (Anti-Money Laundering) requirements. If, at the time of submitting your application, Augusta does not have the correct identification documents on file up to the standard required by the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 additional documents may have to be re-submitted before your application can be accepted.

If you invest through different entities, identification documents are required for each different entity.

PAYMENT

Payment must be made in Australian dollars for immediate value.

Once the relevant forms have been approved by the Manager and identification and other anti-money laundering due diligence information has been received (satisfactory to the Manager), bank account details for an electronic transfer will be provided to Investors. **All funds must be transferred by electronic international money transfer (telegraphic transfer, wire or swift transfer). NO CHEQUES WILL BE ACCEPTED.**

Investor funds received will be held in the Chapman Tripp trust account until settlement of the acquisition of the Property and issue of the Units.





APPLICATION FORM

PLEASE READ ALL INSTRUCTIONS BELOW TO ENSURE PROMPT PROCESSING OF APPLICATIONS

This Application Form is issued with the Product Disclosure Statement prepared dated 27 April 2016, issued by Augusta Funds Management Limited. Please return this application form and all other required additional documents to **Chapman Tripp (Attention: Quinns Hill Road Offer)**.

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

INSTRUCTIONS ON HOW TO COMPLETE

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

1. APPLICANT DETAILS, BLOCK LETTERS PLEASE

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

Legal First Name(s)	Legal Family Name	Date of birth	Place of birth

Corporate or Trust Name:

Postal Address	Ph - Home ()
	Ph - Work ()
	Mobile:
	Email:
	Postcode:

BANK ACCOUNT DETAILS FOR DISTRIBUTIONS

ACCOUNT NAME(S)

ACCOUNT NUMBER

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

2. APPLICATION AMOUNT - IMPORTANT

Number of Interests (minimum A\$50,000 per interest and in multiples of A\$50,000 thereafter)	Amount
	A\$

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

OPTION 1: EXISTING INVESTOR

Please enter name of one Augusta syndication, fund or other Augusta investment you are an investor in: _____

OPTION 2: NEW INVESTOR

NEW INVESTORS MUST PROVIDE THE APPROVED IDENTIFICATION INFORMATION WITH THIS APPLICATION FORM – SEE THE FOLLOWING PAGES.

4. NATURE AND PURPOSE OF YOUR INVESTMENT

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

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

THE NATURE OF MY INVESTMENT IN THE LLP IS:

.....
.....

THE PURPOSE OF MY INVESTMENT IN THE LLP IS:

.....
.....

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

I/We hereby apply for the Units as set out above subject to the terms and conditions of the Product Disclosure Statement dated 21 April 2016. I/We agree to accept the Units as applied for or any lesser number that may be issued to me. I/We hereby irrevocably appoint David Krishan of David K Lawyers (the LLP's Australian solicitor) as my/our attorney for the purposes of signing the LP Deed and any other documents or registration forms required by the Queensland State Government's Department of Fair Trading on my/our behalf in order to register or otherwise facilitate operation of the Quinns Hill Road Partnership. I/we confirm that the Manager may disclose such information as it holds in respect of me/us to regulatory authorities where necessary.

Signed as a Deed

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

DATED: / / 2016	
Applicant Signature	Applicant Signature
NAME:	NAME:
Witness Signature	Witness Signature
NAME:	NAME:
Applicant Signature	Applicant Signature
NAME:	NAME:
Witness Signature	Witness Signature
NAME:	NAME:

CERTIFICATE OF NON REVOCATION OF POWER OF ATTORNEY

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

I, (Name of Attorney)
of (Address and Occupation of Attorney)

HEREBY CERTIFY

1. That as Attorney of under a deed dated
Given to me by him/her/the Company DAY MONTH YEAR
 2. That I have executed the application for Units on the face hereof as Attorney under the said Power of Attorney and pursuant to the powers hereby conferred on me.
 3. That at the date hereof I have not received any notice of information of the revocation of the said Power of Attorney by death or otherwise.
- Signed at PLACE this DAY MONTH 2016
- Signature

IDENTITY VERIFICATION

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

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

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

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

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

OPTION 1

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

- New Zealand or overseas passport (containing your name, date of birth, photograph and signature)
- New Zealand certificate of identity
- New Zealand firearms licence
- Overseas government-issued national identity card, containing your name, date of birth, photograph and signature

OR: OPTION 2

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

- New Zealand driver licence
- AND** Non-photo identification. Choose ONE certified photocopy of the following (document must be current):
 - New Zealand or overseas full birth certificate Embossed credit card, debit card or an EFTPOS card, with your name and signature, issued by a registered NZ bank
 - Bank account statement issued by a NZ registered bank within 12 months of your application Statement issued by a NZ Government agency within 12 months of your application (like an IRD statement)
 - A document issued by a NZ Government agency with your name and signature (i.e. Super Gold card) NZ or overseas citizenship certificate

ADDRESS VERIFICATION

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

- Utility or rates bill
- Telephone bill
- Bank account statement (as delivered by mail, not via internet banking)
- IRD tax notice or statement
- Insurance policy document
- A document issued by a NZ Government agency

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

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

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

INDIVIDUAL		TICK ✓
Investor Name:		
Investor Date of Birth:		
Investor Address:		
Investor Place of Birth: (town/city)		
Certified IDENTITY Verification ATTACHED	See the identity verification guide for options	
Certified residential ADDRESS Verification ATTACHED	See the address verification guide for options	
Authorised Person(s) (Optional): <i>"Authorised person(s)" include beneficial owners and persons acting on behalf i.e. Power of Attorney. These people must provide certified ID, residential address verification and POA document or other proof of authority (if applicable)</i> <i>Please list any authorised person(s) that may act on your behalf and their relationship to you</i>	NAME: ADDRESS: DATE OF BIRTH PLACE OF BIRTH (TOWN/CITY): RELATIONSHIP: NAME: ADDRESS: DATE OF BIRTH PLACE OF BIRTH (TOWN/CITY): RELATIONSHIP:	
Politically Exposed Person (PEP): Definition: Are you or any "Authorised Person(s)" listed above:	An individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise. An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country (other than New Zealand): An immediate family member of a person referred to above (including spouse, partner, child, child's spouse/partner or parent). If you have circled 'yes' to any of the options above please provide details of the public function held and the country: If you are making an investment of \$500,000 or more please write details of the origin of your wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, grantor's name, employment details, property address etc. Also provide details of the source of the income you are receiving e.g. wages/salary, investment income or any other income. Signature: Name: Date:	Please circle: Yes / No Yes / No
Politically Exposed Person (PEP) details (if applicable):		
FOR INDIVIDUALS MAKING AN INVESTMENT OF \$500,000 OR MORE Source of Funds and/or Wealth Statement		<input type="checkbox"/>
FOR INDIVIDUALS MAKING AN INVESTMENT OF \$500,000 OR MORE		<input type="checkbox"/>
Evidence of Source of Funds and/or Wealth ATTACHED (photocopies must be certified by an independent trusted referee)	Please note, we may require that these details are verified by an independent Chartered Accountant, Lawyer or Justice of the Peace. If you are making an investment of \$500,000 or more please provide backing documents to support the legitimacy of the details provided in the source of funds and/or wealth statement above e.g. certified copies of bank account statements confirming income i.e. business, personal and/or rental income, property settlement statement, details of investment income, inheritance i.e. letter from executor of estate, loan statement, gifting letter and/or financial statements (as prepared by a Chartered Accountant).	<input type="checkbox"/>

JOINT HOLDING (INDIVIDUALS)		TICK ✓
First Investor - Investor Name:		
Investor Date of Birth:		
Investor Place of Birth: (town/city)		
Investor Address:		
Second Investor - Investor Name:		
Investor Date of Birth:		
Investor Place of Birth: (town/city)		
Investor Address:		
First Investor Certified IDENTITY Verification: ATTACHED	See the identity verification guide for options	<input type="checkbox"/>
Certified residential ADDRESS Verification: ATTACHED	See the address verification guide for options	<input type="checkbox"/>
Second Investor Certified IDENTITY Verification: ATTACHED	See the identity verification guide for options	<input type="checkbox"/>
Certified residential ADDRESS Verification: ATTACHED	See the identity verification guide for options	<input type="checkbox"/>
Authorised Person(s) (Optional): <i>"Authorised persons" include beneficial owners and persons acting on behalf i.e. Power of Attorney. These people must provide certified ID, residential address verification and POA document or other proof of authority (if applicable)</i> <i>Please list any authorised person(s) that may act on your behalf and their relationship to you</i>	NAME: ADDRESS: DATE OF BIRTH PLACE OF BIRTH (TOWN/CITY): RELATIONSHIP: NAME: ADDRESS: DATE OF BIRTH PLACE OF BIRTH (TOWN/CITY): RELATIONSHIP:	
Politically Exposed Person (PEP): Definition Are you or any Authorised Person(s) listed above:	An individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise; An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country (other than New Zealand); An immediate family member of a person referred to above (including spouse, partner, child, child's spouse/partner or parent). If you have circled 'yes' to any of the PEP options above please provide details of the public function held and the country:	Please circle: Yes / No Yes / No
Politically Exposed Person (PEP):	If you are making an investment of \$500,000 or more please write details of the origin of your wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, grantor's name, employment details, property address etc Also provide details of the source of the income you are receiving e.g. monthly deposit from a bank account, income from an underlying company.	<input type="checkbox"/>
FOR INVESTORS MAKING AN INVESTMENT OF \$500,000 OR MORE Source of Funds and/or Wealth Statement <i>Please note, we may require that these details are verified by an independent Chartered Accountant, Lawyer or Justice of the Peace.</i>	Signature: Name: Date:	<input type="checkbox"/>
FOR INVESTORS MAKING AN INVESTMENT OF \$500,000 OR MORE Evidence of Source of Funds and/or Wealth: ATTACHED (photocopies must be certified by an independent trusted referee)	If you are making an investment of \$500,000 or more please provide backing documents to support the legitimacy of the details provided in the source of funds and/or wealth statement above e.g. certified copies of bank account statements confirming income i.e. business, personal and/or rental income, property settlement statement, details of investment income, inheritance i.e. letter from executor of estate, loan statement, gifting letter and/or financial statements (as prepared by a Chartered Accountant).	<input type="checkbox"/>

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

COMPANY		TICK ✓
Company Legal Name:		
Company Trading Name (if different):		
Company Principal Business Address/Registered Office Address:		
Company Registration Number:		
Does any entity such as a Family Trust have any ownership of the Company? <i>Please note, if the answer is yes, we will require further information about the entity.</i>		Please circle: Yes / No
Beneficial Ownership / Effective Control <i>List any person who:</i> - owns more than 25% of the company; - has effective control of the company; - on whose behalf a transaction is conducted; - is a director or shareholder of a corporate/trustee company involved with the company; and/or - is authorised to carry out transactions on behalf of the Company e.g. accountant, lawyer or other authorised person (please provide details of relationship to the company, source of authority, and company or registration number (if applicable)).	NAME: ADDRESS: DATE OF BIRTH: RELATIONSHIP TO COMPANY: NAME: ADDRESS: DATE OF BIRTH: RELATIONSHIP TO COMPANY: NAME: ADDRESS: DATE OF BIRTH: RELATIONSHIP TO COMPANY: NAME: ADDRESS: DATE OF BIRTH: RELATIONSHIP TO COMPANY: <i>Please list any additional details on a separate page</i>	
Certified IDENTITY Verification of EACH Beneficial Owner / Effective Controller ATTACHED	<i>See the identity verification guide for options</i>	
Certified residential ADDRESS Verification of EACH Beneficial Owner / Effective Controller ATTACHED	<i>See the address verification guide for options</i>	
Politically Exposed Person (PEP): Definition Are you or any Authorised Person(s) listed above:	- An individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise; - An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country (other than New Zealand); - An immediate family member of a person referred to above (including spouse, partner, child, child's spouse/partner or parent).	Please circle: Yes / No Yes / No
Politically Exposed Person (PEP):	If you have circled 'yes' to any of the options above please provide details of the public function held and the country.	
FOR INVESTORS MAKING AN INVESTMENT OF \$500,000 OR MORE Source of Funds and/or Wealth Statement	If you are making an investment of \$500,000 or more please write details of the origin of your wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, grantor's name, employment details, property address etc. Also provide details of the source of the income you are receiving e.g. monthly deposit from a bank account, income from an underlying company. Signature: Name: Date:	
FOR INVESTORS MAKING AN INVESTMENT OF \$500,000 OR MORE Evidence of Source of Funds and/or Wealth ATTACHED <i>(photocopies must be certified by an independent trusted referee)</i>	Please note, we may require that these details are verified by an independent Chartered Accountant, Lawyer or Justice of the Peace. If you are making an investment of \$500,000 or more please provide backing documents to support the legitimacy of the details provided in the source of funds and/or wealth statement above e.g. certified copies of bank account statements confirming income i.e. business, personal and/or rental income, property settlement statement, details of investment income, inheritance i.e. letter from executor of estate, loan statement, gifting letter and/or financial statements (as prepared by a Chartered Accountant).	

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

TRUST (continued)		TICK ✓
<p>Is this a discretionary trust?</p> <p>Who are the beneficiaries of the trust? Note: If the Trust is a discretionary trust, a charitable trust, or there are more than 10 beneficiaries, please provide a description of each class or type of beneficiary (you are not required to provide the name and date of birth for the beneficiaries of these kinds of trusts).</p>	<p>Please circle:</p> <p>Yes / No</p> <p>BENEFICIARY NAME:</p> <p>DATE OF BIRTH:</p> <p>BENEFICIARY NAME:</p> <p>DATE OF BIRTH:</p> <p>BENEFICIARY NAME:</p> <p>DATE OF BIRTH:</p> <p><i>For discretionary trusts, charitable trusts or trusts where there are 10 or more beneficiaries please provide a description of each class or type of beneficiary:</i></p>	<input type="checkbox"/>
<p>Beneficial Owners / Effective Control</p> <p>List any person who:</p> <ul style="list-style-type: none"> -has effective control of the Trust (e.g. protector or special trustee (if any)); and/or -any person who is authorised to carry out transactions on behalf of the Trust (please provide details of relationship to Trust, authority to carry out transactions, and company or registration number (if applicable)). 	<p>NAME:</p> <p>ADDRESS:</p> <p>DATE OF BIRTH:</p> <p>PLACE OF BIRTH (town/city):</p> <p>RELATIONSHIP TO TRUST:</p> <p>NAME:</p> <p>ADDRESS:</p> <p>DATE OF BIRTH:</p> <p>PLACE OF BIRTH (town/city):</p> <p>RELATIONSHIP TO TRUST:</p> <p>NAME:</p> <p>ADDRESS:</p> <p>DATE OF BIRTH:</p> <p>PLACE OF BIRTH (town/city):</p> <p>RELATIONSHIP TO TRUST:</p> <p><i>See the identity verification guide for options</i></p>	
<p>Certified IDENTITY Verification of EACH Beneficial Owner / Effective Controller</p> <p>ATTACHED</p>	<p><i>See the address verification guide for options</i></p>	<input type="checkbox"/>
<p>Certified ADDRESS Verification of EACH Beneficial Owner / Effective Controller</p> <p>ATTACHED</p> <p>Politically Exposed Person (PEP): Definition</p> <p>Are you or any Authorised Person(s) listed above:</p>	<p><i>An individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise;</i></p> <p><i>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);</i></p> <p><i>An immediate family member of a person referred to above (including spouse, partner, child, child's spouse/partner or parent).</i></p> <p>Please circle:</p> <p>Yes / No</p> <p>Yes / No</p>	<p>Please circle:</p> <p>Yes / No</p> <p>Yes / No</p>
<p>Politically Exposed Person (PEP):</p>	<p><i>If you have circled 'yes' to any of the options above please provide details of the public function held and the country:</i></p>	

GLOSSARY

Term	Definition
A&L Building	The building on the Property rented to A&L Windows under the A&L Lease
A&L Lease	Lease bearing registration numbers 716564170 & 716564190 between the Vendor and A&L Windows
A&L Windows	A&L Windows (Qld) Pty Ltd
A\$	Australian dollars
Augusta	Augusta Capital Limited (Company number: 1873288)
Capital Raising Condition	The condition under the put and call option deed with the Vendor under which that deed is subject to the Manager raising a minimum equity amount under the Offer of A\$9,000,000 by 31 May 2016
Construction Contract	The construction contract dated 30 October 2015 between the Vendor and Commercial Building Projects Pty Ltd under which the Development works will be undertaken, as further described on page 19
CPI	The Consumer Price Index (all groups) published by Statistics New Zealand
Custodian	Quinns Hill Road Custodian Limited
Development	The development being undertaken on the Property by the Vendor under the agreement to lease, as further described on pages 16 to 17
Governing Document	The Governing Document dated 14 April 2016 between the Manager, the LLP the Custodian and the Supervisor, setting out the arrangements for ownership and management of the LLP and as is available on the Scheme Register at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search schemes"
General Partner	Quinns Hill Rd Partners Pty Limited
Investors	Persons registered as the holders of Units in the LLP
Leases	The leases in respect of the Property, being the Nu-Pure Lease and the A&L Lease
LLP	The Australian limited liability partnership established for the purpose of acquiring the Property, being the Quinns Hill Road Partnership

Term	Definition
LLP Deed	The limited liability partnership deed between the General Partner and the Investors (as limited partners) to be formed pursuant to the Partnership Act 1891 (Queensland)
LLP's Solicitors	Chapman Tripp, 23 Albert Street, Auckland 1140
Manager or Augusta Funds Management	Augusta Funds Management Limited (Company number: 3760278)
National Australia Bank	National Australia Bank Limited (ABN 12 004 044 937)
Nu-Pure Building	The building on the Property rented to Nu-Pure under the Nu-Pure Lease
Nu-Pure Lease	The lease the subject of the agreement for lease between the Vendor and Nu-Pure for the Nu-Pure Building, including the extension to the said building being constructed by the Vendor, such lease expiring on 28 February 2025 containing one right of renewal for a further term of 5 years
Nu-Pure	Nu-Pure Pty Ltd
Offer	The offer of Units under the PDS
Offer Register	The offer register entry for the LLP, that forms part of the Disclose Register, that is available at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search offers"
PDS or Product Disclosure Statement	This product disclosure statement detailing the offer of Units in the LLP
Property	The property at 76 Quinns Hill Road East, Stapylton, Queensland, Australia
Scheme Register	The scheme register entry for the LLP, that forms part of the Disclose Register, that is available at www.business.govt.nz/disclose by searching "Quinns Hill Road Partnership" under "search schemes"
SIPO	The Statement of Investment Policy and Objectives for the LLP adopted by the Manager which sets out its investment policies, objectives and strategies for the LLP in respect of its investment in the Property as well as the policies it will apply in respect of its management and its investment performance monitoring benchmarks
Supervisor	Covenant Trustee Services Limited (Company number: 2194946)
Tenants	Nu-Pure and/or A&L Windows
Units	The units in the LLP, issued in accordance with this PDS and the Governing Document
Vendor	Stapylton Road Development Pty Limited, the current owner of the Property, and from whom it is being acquired

DIRECTORY

REGISTERED OFFICE OF THE MANAGER

Augusta Funds Management Limited (Company number: 3760278)

Level 2
4 Viaduct Harbour Avenue
Auckland
P O Box 37953, Parnell
Auckland 1151

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

DIRECTORS OF THE MANAGER

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

GENERAL PARTNER

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C/- David K Lawyers
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300 Queen Street
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P O Box 5041
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CUSTODIAN

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AUDITOR

Staples Rodway Taranaki Limited

(Company number: 1379924)

109 – 113 Powderham Street
New Plymouth 4310

SELLING AGENT

Bayleys Real Estate Limited

(Company number: 88609)

Maritime Square
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Auckland 1010
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Telephone: (09) 309 6020
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SUPERVISOR

Covenant Trustee Services Limited

(Company number: 2194946)

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Telephone: (09) 302 0638



AUGUSTA
FUNDS MANAGEMENT