

New Zealand Real Estate Investment Trust

Investment Statement

Current Offer

3,404,385 Unit Class A units of \$1.02 each are being offered to acquire 100% of the completed childcare property located at 199-203 Beach Haven Road

6% projected pre-tax cash
p.a. distribution, payable quarterly

Offer opens 25 January 2022

Dear Investors,

It is my pleasure to welcome you to New Zealand Real Estate Investment Trust (the "Fund" or "NZREIT"), our commercial property fund which was established in 2015 with focus on childcare properties.

Managed by Uwin Capital Limited, the Fund was established to enable the founders and like minded investors to pool their funds and invest side by side in Childcare properties with suitable returns.

NZREIT currently offers two sub-divisions, Unit Class A and Unit Class B. Unit Class A holds a portfolio of fully developed and leased childcare properties to meet the needs of investors who wish to receive regular distributions from net rental income while enjoying the prospect of capital gains reflected in the unit price. Unit Class B is for those investors who are interested in participating in the development margin from building childcare properties.

Since the establishment of Unit Class A on 1 October 2019, the Fund has consistently paid quarterly distributions, achieving an average 6% p.a. pre-tax cash distribution, despite experiencing three pandemic lockdowns in Auckland in the last two years. Our distribution record in this difficult period of time reflects the underlying quality of our childcare properties and compares favourably with other comparable investments over this period.

Our aim is simple – to grow a portfolio of childcare properties that have a diversified group of quality tenants and with growth potential. We will focus initially on Auckland, then other strong growth regions throughout New Zealand where there is growing demand for our modern and purpose-built childcare properties.

Childcare property has proven over time to continue to perform even in difficult economic times with steady growth in childcare demand and supported by government operational funding. Childcare property has maintained attractive returns and market growth during the Covid-19 pandemic.

Since 30 September 2019, Unit Class A has acquired two properties. The first acquisition, 5 William Pickering Drive, is a commercial building located in the light industrial area of Rosedale, Auckland. Tenants include a 98 license childcare center on a long term 15 x 10 x 10 year lease and four other steady tenants, including Uwin Capital Limited. The second acquisition, 4019 Great North Road, is a newly built 120 license childcare center, located on the busy major arterial road in Kelston, also with long term 15 x 10 x 10 year lease. Both properties were developed by the fund.

This new capital raising is to acquire another new purpose built 125 license (final number subject to the approval of Ministry of Education) childcare property. Located at 199-203 Beach Haven Road, it is in the heart of Beach Haven community in North Shore, Auckland, next to the existing Beach Haven local shops. This property was developed by Uwin Capital No. 1 Limited Partnership, with Unit Class B as the anchor limited partner. The biggest childcare operator in New Zealand, Best Start, is the tenant and this property is expected to be handed over to the tenant in early February 2022.

All these properties meet our location, tenant, yield, and potential growth criteria.

NZREIT is an open-ended fund. As such, our intention is to continue to add to our portfolio of childcare properties, thereby diversifying investment risk across multiple properties and tenants. We believe that this is a conservative investment structure enabling us to better manage the requirements of our tenants and provide our unit holders with superior security.

Our strategy is to provide the closest alternative to direct property ownership as possible, targeting regular quarterly distributions and the potential for capital growth. Being a PIE fund, Unit Class A investors receive the same income, tax deductions and capital gains as if they owned the properties direct, including depreciation deductions which reduces your tax.

NZREIT intends to grow by acquiring further childcare properties. The founders, alongside other existing investors, will be offered the first opportunity to reinvest on a pari passu basis.

We welcome your interest and the opportunity to work with you.

Peter Jiang

Director

Uwin Capital Limited.

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Key Metrics

Property

199-203 Beach Haven Road,
Beach Haven, Auckland

Projected Pre-Tax Cash Distribution:

6% p.a.

Offer Opens:

25 January 2022

Offer Closes:

25 March 2022

Capital Raise Amount:

\$3,472,473

Minimum Investment:

\$100,000

Underwritten amount:

\$1,000,000

Lease Term:

15 years + 10 years + 10 years

Gearing:

45%

Occupancy:

100%

Key information

The Fund has a dual “Core” and “Value Add” investment strategy with a focus on childcare centres and commercial property. That is, the Fixed Income Fund (Unit Class A) will generally invest in “Core” properties (stable, fully leased to quality tenants within strong, diversified metropolitan areas). This is a lower risk strategy. The Growth Fund (Unit Class B) will generally invest in “Value Add” properties that require some form of enhancement or development. Post-development, these properties are retained by the Fund for long term investment. This is a moderate-risk strategy.

Overview of this Offer

The Fund is a 45.96% limited partner in Uwin Capital No. 1 Limited Partnership which has developed and currently owns the childcare center located at 199-203 Beach Haven Road. 3,404,385 Unit Class A units of \$1.02 each are being offered by the Fund to acquire 100% of the completed childcare property.

You will subscribe for and own units in Unit Class A issued by NZREIT, a private New Zealand unit trust. Your money will be pooled with other investors’ money and invested. The assets of the Fund are held in the name of the Fund or its nominee and are managed by Uwin Capital Ltd (the Manager).

The Fund is suitable for Wholesale Investors who seek exposure to New Zealand childcare and other commercial property and have a medium to long term investment horizon.

Investment Key Features

6%* p.a. projected pre-tax cash distribution, payable quarterly

- Newly constructed childcare center located in desirable Beach Haven
- Leased to the biggest childcare operator in New Zealand, Best Start
- Lease Term: 15 years x 10 years x 10 years
- Purchase price \$6,145,455 (Indicative only, based on the yield of 5.5%, the final price will be confirmed by the independent valuation report obtained in early January 2022)
- Equity raise \$3,472,473
- PIE fund structure
- Low LVR of 45%
- 1,926 sqm freehold site
- 766 sqm standalone building
- Returning \$338,000 p.a. + outgoings + GST (after four-month ramp-up incentive)
- Projected handover date 1 February 2022

Financial Information

Intended Use of Funds

The equity funds raised together with the bank loan will be used as follows:

Purchase Price for 199-203 Beach Haven Road	\$6,145,455
Acquisition Costs	\$327,018
TOTAL	\$6,472,473

This is expected to be funded as follows:

Unit Holder Capital	\$3,472,473
Bank Loan	\$3,000,000
TOTAL	\$6,472,473

Establishment Costs

The establishment costs relating to the acquisition of 199-203 Beach Haven Road are as follows:

Manager property acquisition fee	\$120,656
Manager brokerage fee	\$62,100
Third Party underwrite fee	\$30,000
Assurance, accounting and tax advice	\$48,262
Marketing costs	\$45,000
Legal fees	\$6,000
Bank fee (including legal fees)	\$5,000
Valuation fees	\$10,000
TOTAL	\$327,018

The above fees are net-off GST and disbursements. Costs previously incurred by the Manager will be re-imbursed by the Fund.

Bank Loans

On 15th November 2021 the Fund obtained the following indicative Expression of Interest for bank funding:

Description	Term Loan
Bank	ASB Bank Limited
Facility Limit	\$9,150,000 (an increase of \$3,000,000)
Interest Rate	The current relevant BKBM Bid rate on the date of each drawing (currently 0.8% p.a), plus a margin of 2.53% per annum, total 3.33%
Term	2 years
Repayment terms	Interest only
Security	<p>A registered first and exclusive mortgage over the property at 199-203 Beach Haven Road.</p> <p>The first ranking General Security Deed over the assets and undertaking of the holding entity.</p> <p>A specific Security Deed granted by the Borrower over the shares in the holding entity.</p> <p>A specific Security Deed granted by the Borrower over the lease at 199-203 Beach Haven Road.</p>
LVR Ratio	Not to exceed 45% of the gross value of the portfolio
Interest Coverage Ratio	Net rentals/Interest Expense to be at least 2 times

The terms of the loan may change prior to drawdown as a result of external factors and/or the finalisation of documents.

Annual Report

Please contact the Manager for a copy of the Fund's 31 March 2021 Annual Report.

Property Portfolio

Property 1: 5 William Pickering Drive, Rosedale, Auckland 0632

Address	5 William Pickering Drive, Rosedale, Auckland 0632
Legal Description	Lot 51 Deposited Plan 137448
Settlement Date	31 January 2017
Purchase Price	\$3,500,000
Improvements	\$2,500,000
Fair Value 31 March 2021	\$7,350,000
Transfer from Unit Class B to Unit Class A	30 September 2019



Strategically located in one of Auckland's busiest business parks, 5 William Pickering Drive comprises of:

- A substantial freehold site of 3,575sqm (more or less)
- Standalone office building of 1,001sqm (approximately)
- Low site coverage of 20% (approximately)
- Extensive carparking

Located on a main arterial road with 55m frontage, this high-profile property is strategically positioned in the heart of the Albany business district and is less than 1km to motorway interchanges.

Originally built in the early 1990's to a very high specification for German multinational pharmaceutical company as an office and distribution centre, the property has been refurbished by Unit Class B and transferred to Unit Class A on 30 September 2019. The property now offers high quality childcare, office and showroom space targeted at the educational sector.

Tenants

Lessee:	Just Kidz Albany Limited
Lease Term	15yrs x 10yrs x 10yrs = 35yrs
Rent	\$280,280 (\$55/week from 98 kids) in the first year.
Lessee:	Uwin Capital Limited
Lease Term	3yrs x 3yrs x 3yrs = 9yrs
Rent	\$45,000 annually
Lessee:	The Dance Space Limited
Lease Term	15yrs x 15yrs = 30yrs
Rent	\$37,354 annually
Lessee:	Japan Kauri Education
Lease Term	2yrs x 2yrs x 2yrs = 6yrs
Rent	\$18,000 annually
Lessee:	Sino-NZ Education Ltd
Lease Term	3yrs x 2yrs x 2yrs = 7yrs
Rent	\$41,000 annually

Just Kidz Albany Limited

Just Kidz (www.justkidz.co.nz) is all about quality childcare, education, preschool, kindergarten and after school care. With centres in St. Johns, Dannemora, Huapai, Kelston and Henderson, the centre at 5 William Pickering Drive is one of their biggest centres.

The Dance Space Limited

Dance Space (<http://www.dancespace.co.nz>) is a fun-loving dance studio that fosters a love for dance, appreciation of music, building confidence and expressing happiness. It is open to those of all ages and abilities. With new ownership of the company, 5 William Pickering Drive is Dance Space's new home.

Uwin Capital Limited

Uwin Capital Limited is the Manager of the Fund. The Manager is associated with Uwin International Investment (NZ) Limited ("Uwin") through the owner of Uwin also owning a significant minority of the Manager. Uwin is one of the most influential agents for business migration to New Zealand.

Japan Kauri Education

Japan Kauri Education operates Japanese Children's Library and Japanese Heritage Centre (Japanese language/cultural education classes) for the Japanese community in Auckland.

The Japanese Children's Library has more than 12,000 Japanese children's books which cover a wide range of categories and target ages. It is the biggest Japanese children's library in New Zealand. The objective of this library is to assist children who are either born in Japan or have Japanese parents living in New Zealand, to enjoy books written in the Japanese language.

Sino-NZ Education Ltd

Sino-NZ Education Ltd ("Sino") is committed to creating a fun, effective and professional Mandarin Institute in Auckland. It offers various Mandarin courses in after school times and the weekend.

Sino has grown and developed quickly in one year and received almost 100% positive feedbacks from its students and their parents. At present, their influence is expanding. Sino intends to provide more courses and classes such as Math, English and Science, and recruit more students in coming terms.



Property 2: 4019-4021 Great North Rd, Glen Eden, Auckland 0602

Address	4019-4021 Great North Road, Glen Eden, Auckland 0602
Legal Description	Lot 1 Deposited Plan 551977
Settlement Date	12 September 2019
Purchase Price	\$2,500,000
Improvements	\$3,550,000
Fair Value 31 March 2021	\$6,228,210
Transfer from Unit Class B to Unit Class A	31 March 2021

The development of the site was completed by Unit Class B and the site was transferred from Unit Class B to Unit Class A on 31 March 2021. This property is one of the newest childcare centres in Glen Eden.

Tenant

The following lease was signed on 25 May 2021:

Lessee:	Happy Learning Limited
Lease Term	15yrs x 10yrs x 10yrs = 35yrs
Rent	\$346,320 annually (\$55.50/week from 120 kids) in the first year after the rent-free period

The lease has a rent-free period for 6 months. Peter Jiang is a shareholder (50%) and director of Happy Learning Limited.



Property 3 (to be acquired by Unit Class A under this offer): 199-203 Beach Haven Road, Beach Haven, Auckland 0626

- The site was purchased by Uwin Capital No1 Limited Partnership (Unit Class B is one of the limited partners) in December 2019.
- Construction commenced in March 2021 of a childcare centre for 125 children.
- Contractor: PINK Construction.
- The childcare centre is expected to be completed in December 2021 and expected to open in March 2022.



Tenant

The following agreement to lease was signed on 25 August 2020:

Lessee:	Best Start Education Limited
Lease Term	15yrs x 10yrs x 10yrs = 35yrs
Rent	\$338,000 annually (\$52/week from 125 kids) in the first year after the rent-free period

The agreement to lease has a rent-free period for 4 months.

2.

Important Information

Choosing an investment

When deciding whether to invest, consider carefully the answers to the questions set out in Section 3 – Offer Summary.

In addition to the information in this offer, important information can be found in the attached Application Form and NZREIT Information Statement.

The Financial Markets Authority regulates conduct in New Zealand's financial markets.

The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets. For more information about investing, go to www.fma.govt.nz.

Financial advisers can help you make investment decisions

Using a financial adviser cannot prevent you from losing money, but it should be able to help you make better investment decisions.

Financial advisers are regulated by the Financial Markets Authority to varying levels, depending on the type of adviser and the nature of the services they provide. Some financial advisers are only allowed to provide advice on a limited range of products.

When seeking or receiving financial advice, you should check:

- the type of adviser you are dealing with;
- the services the adviser can provide you with;
- the products the adviser can advise you on.

A financial adviser who provides you with personalised financial adviser services may be required to give you a disclosure statement covering these and other matters. You should ask your adviser about how he or she is paid and any conflicts of interest he or she may have.

Financial advisers must have a complaints process in place and they, or the financial services provider they work for, must belong to a dispute resolution scheme if they provide services to retail clients, so that if there is a dispute over an investment, you can ask someone independent to resolve it.

Most financial advisers, or the financial services provider they work for, must also be registered on the financial service providers register. You can search for information about registered financial service providers at www.fspr.govt.nz. You can also complain to the Financial Markets Authority if you have concerns about the behaviour of a financial adviser.

Wholesale Investors

This offer is not open to the public. It is open to Wholesale Investors which include New Zealand residents who invest at least \$750,000, or who are Eligible Investors, or who are otherwise classed as Wholesale Investors under the Financial Markets Conduct Act 2013. Please refer to the Application Form: <https://www.fma.govt.nz/compliance/financial-advice/> for full details. If you are a non-resident, please contact the Manager.

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

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

Investments of this kind are not suitable for retail investors. Ask questions, read all documents carefully and seek independent financial advice before committing yourself.



3.

Offer Summary

What sort of investment is this?

You will subscribe for and own Units in a New Zealand Private Unit Trust, the New Zealand Real Estate Investment Trust (the "Fund"/"NZREIT"). Your money will be pooled with other investors' money and invested. The assets of the Fund are held in the name of the Trustee or its nominee and are managed by Uwin Capital Limited ("the Manager"). The Trustee in conjunction with the Manager will make investments in New Zealand real estate comprising of childcare centres and commercial property.

The current Offer is for Unit Class A units in the Fixed Income Fund.

The units issued by the Fund should comply with New Zealand Immigration's "Acceptable Investments" criteria.

The Fund is suitable for Wholesale Investors who seek exposure to New Zealand commercial property and have a medium to long term investment horizon.

What is the purpose of this Offer?

The purpose of this Offer is to acquire the childcare centre located at 199-203 Beach Haven Road, Beach Haven.

What are the key terms of the Offer?

Name of Fund	New Zealand Real Estate Investment Fund
Type of Fund	Unit Trust
Nature of Offer	Fixed Income Fund – Unit Class A
Total Units on Offer	3,404,385 Units
Unit Price	\$1.02
Offer Opens	25 January 2022
Offer Closes	25 March 2022
Investor Type	Wholesale Investors only (as defined by the Financial Markets Conduct Act 2013).
Investment Period	At least 2 years
Risk Profile	Low to Moderate risk
Manager	Uwin Capital Limited
Administrator	Rockburgh Fund Services Limited
Distributions	Quarterly
Unit Pricing	Quarterly
Minimum Investment	\$100,000 (Wholesale Investors only)
Minimum Subsequent Investment	\$50,000
Underwrite	This Offer is underwritten up to \$1,000,000

The timetable above is indicative only and the dates may change. The Manager reserves the right to close the Offer prior to the offer closing date or extend the Offer by up to 45 days without prior notice. Over-subscriptions are permitted.

Further details regarding the terms of the Offer are set out in sections 4, 5, and 7.

Is this a single property syndicate?

No. The Fund will provide you access to a diversified portfolio made up of New Zealand childcare and commercial properties. The Fund is an "open ended" fund – it intends to continually raise capital for additional investment in order to incrementally reduce its investment risk through portfolio diversification.

Is this a mortgage fund?

No. The Fund will invest mainly in freehold estates. However, the Fund will also invest in leasehold estates where the Manager believes that there is an appropriate risk/reward balance between the ground lease and sublease.

Who is involved in providing it for me?

Uwin Capital Limited (the Manager) is the manager of the Fund. Refer www.childcareproperty.co.nz. The directors of the Manager bring together a unique blend of property, investment, financial, wealth management, immigration and governance skills critical for selecting the appropriate New Zealand childcare centre and commercial properties.

Further details regarding the Manager is set out in section 7.

How much do I invest?

The minimum investment is \$100,000. You will have to complete an Eligible Investor Certificate or alternative certification satisfactory to the Manager that confirms that you qualify as a Wholesale Investor. Once your investment application has been accepted you will need to complete a unit subscription agreement. You will receive confirmation when your unit subscription agreement has been processed advising you of the Units allotted to you.

The minimum additional investment is \$50,000. You will receive confirmation when your additional unit subscription agreement has been processed advising you of your additional Unit.

Is this Offer underwritten?

This Offer is partially underwritten to the extent of \$1,000,000.

What returns can I expect?

The returns to you from an investment in Units will be derived from distributions from the Fund and the change in value of your Units in the Fund.

Fixed Income Fund Unit Class A: Target 6% pre-tax cash distribution, payable quarterly.

The Distribution Policy of the Fixed Income Fund is to pay quarterly distributions.

Returns from an investment in the Fund may be positive or negative. No amount of return is promised or guaranteed.

Can the investment be altered?

The Manager may change the investment policy for the Fund after consultation with the Trustee. Details of any material change to the investment policy must generally be given to all Unit Holders at least one month before the change is to be effective. We may make certain adjustments to the investment policy without notifying Unit Holders. These include adjustments that are of a minor nature or are required because of a change in law.

The Trustee may, with the concurrence of the Manager, by deed supplemental to the Unit Trust Deed amend, add to or revoke (in whole or in part) any provision of the Unit Trust Deed or any supplemental deed provided that:

- No such amendment shall result in the infringement of the rule against perpetuities; and
- Any such amendment which alters or is likely to alter the rights attaching to any Unit or a Unit Class has been approved beforehand by Extraordinary Resolution (approved by 75% majority of Unit Holders).

The Manager shall notify all Unit Holders in writing of the amendments made to the Unit Trust Deed during any financial year when it sends copies of the completed Financial Statements to Unit Holders in the Trust for that financial year.

How do I cash in my investment?

The Fund's strategy is to invest long-term in order to derive rental income and capital growth. Investors in Unit Class A of the Fund should have a similar investment objective. You may only exit your Units through selling your units to other investors arranged either by yourself or by the Manager. If the Manager arranges a buyer for your Units, you are required to pay the brokerage fee.

The Fund will not initially be listed on any stock exchange and may never list on a stock exchange. The Trustee of the Fund in conjunction with the Manager may decide to list the Fund once it satisfies the New Zealand Stock Exchange listing requirements, including minimum Unit Holder requirements.

What are the key risks?

We consider the general risks of investing in the Funds are:

- Risks relating to investing in New Zealand childcare centres and commercial real estate.
- Risks relating to investing in New Zealand childcare developments.
- Risks relating to investing in New Zealand shares and debt securities.
- Risks relating to the investment objectives not being met.
- Risks relating to the performance of a particular property or company we have invested in.
- Risks relating to the concentration of an investment in a particular region, industry, or other grouping.
- Risks relating to valuation or taxation errors.

In addition to the risks associated with a particular investment class there are some general risks associated with an investment through the Fund. These risks, should they occur, may materially impact on the performance, financial position and operation of your investment and, consequently, your returns.

You should carefully consider this entire Investment statement, including the risk factors outlined below, in conjunction with seeking professional advice, before investing in the Fund.

What are the fees?

Brokerage Fee	Units issued: Up to 1.8% of Unit Issue Price (paid to financial advisors) Sale of Units: Nil if seller finds buyer, 1.5% if Manager finds buyer
Property Acquisition Due Diligence Fee	Up to 2.5% of the purchase price (excluding GST) of any real estate acquired by the Fund
Property Disposal Fee	Up to 2.5% of the sale price (excluding GST) on the disposal of any real estate investment of the Fund (inclusive of real estate agent fee)
Management and Property Management Fee	0.47% per annum of the Gross Asset Value of the Fund A performance fee may also be payable - refer section 8
Administration Fee	0.17% per annum of the Gross Asset Value of the Fund
Trustee Fee	0.08% per annum of the Gross Asset Value of the Fund
Underwriter fee	3% of the amount underwritten

Further details regarding fees are set out in section 8.

How will my investment be taxed?

The Manager has registered the Fixed Income Fund Unit Class A as a "Portfolio Investment Entity" ("PIE").

The amount of tax you pay is based on your prescribed investor rate (PIR). PIE funds are considered tax efficient investment vehicles because the highest PIR is capped at 28%. To determine your PIR, go to Inland Revenue's website at www.ird.govt.nz and search for prescribed investor rate, contact Inland Revenue on 0800 227 774 or speak to your tax adviser.

Further details regarding how you will be taxed are set out in section 9.

Who do I contact about my investment?

If you have any enquiries about your Units you can contact the Manager at any time. Contact details are set out in section 10.

Who do I talk to if there is a dispute?

The Manager is a registered Financial Services Provider (FSP479846) and is a member of the Insurance & Financial Services Ombudsman Scheme (**IFSO Scheme**), an independent dispute resolution scheme approved by the Ministry of Consumer Affairs.

If you have made a complaint to us and the complaint cannot be resolved, then you may refer it to the IFSO Scheme subject to certain conditions being met at:

Office of the IFSO,
Level 2, Solnet House,
70 The Terrace, Wellington 6143

PO Box 10-845
Wellington 6143
New Zealand

Telephone: +64 (04) 499 7612
Freephone: 0800 888 202
Facsimile: +64 (04) 499 7614

Further information about referring a complaint to the IFSO scheme can be found at info@ifso.nz

Further details regarding how you make a complaint are set out in section 11.

Your Investment Visa Solution

The Immigration New Zealand InvestorPlus (Investor 1 Category) and Investor (Investor 2 Category) Visa Schemes apply where you plan to invest, respectively, a minimum of NZ\$10 million over a three-year period or NZ\$3 million over a four-year period. Please consult your immigration adviser for details of the qualifying criteria of each of the two Investment Visa Schemes and the approved process for transferring your money to New Zealand.

No guarantee

Neither the Trustee, Manager, nor any other person, guarantee the repayment of your investment or the payment of any earnings or returns from investments made by the Fund. We promise no amount of return on investment.

Statements of future performance

This offer contains certain statements that relate to the future. Such statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond our control and which may cause actual results, performance or achievements of the Fund to differ materially from those expressed or implied by such statements.

How do I Apply?

Full details on how to apply are set out in section 12.



4.

Tell me about the Fund

Overview

The Fund invests in New Zealand real estate. The Fund has two unit classes:

- **Fixed Income Fund Unit Class A:** Invests in yielding childcare and commercial real estate investments
- **Growth Fund Unit Class B:** Invests in Value Add childcare and commercial real estate investments

The Manager selects and acquires the real estate investments. The Manager also manages all of the Fund's properties. For the Growth Fund Unit Class B, the Manager also project manages any enhancement or development.

The Manager also acts as property manager on a day to day basis to ensure that all properties are optimally leased, all rent is collected and that the properties are maintained in good order.

The independent Trustee (or its nominee) owns the underlying real estate investments on behalf of the Fund.

For fixed interest investments, an independent custodian wrap platform separately owns and records the fixed interest investments on behalf of the Fund.

The Administrator prepares the accounts and manages all investment and investor reporting.



Unit Trust Structure

You will own Units in the Fund. Each Unit shall be of equal value and shall confer an equal interest in the Fund's assets, subject to any rights, obligations and restrictions attaching to any particular Units or Class. Whilst no Unit shall confer any interest in any particular part of the Fund or in any asset of the Fund, the Trustee and Manager will keep separate accounts in respect of each Class of Units.

Different classes of Units may be issued to each Unit Holder with such rights, obligations and restrictions attaching to the Units of such classes as the Trustee determines following consultation with the Manager. The Fund may have any number of Classes of Units, each with any number of Unit Holders. The rights attaching to each Class may, without limitation to any other rights, include rights as to distributions, voting, entitlements on termination and investment in certain assets or pools of assets of the Fund.

The Trustee and the Manager may from time to time create a sub fund or division within the Fund to hold the assets of a particular Unit Holder or group of Unit Holders and the assets of that sub fund or other division shall be held for the benefit of that Unit Holder or those Unit Holders on such terms as the Trustee and the Manager agree between themselves. For the avoidance of doubt, any such sub fund or division may or may not be linked with a Class of Units on terms agreed by the Trustee and the Manager.

The Fund currently offers the following sub funds and unit classes:

- **Fixed Income Fund Unit Class A:** Target 6% pre-tax cash distribution, payable quarterly
- **Growth Fund Unit Class B:** discretionary distributions, long term capital growth

When your Subscription Amount is invested in the Fund it is used to make an investment in one or more real estate investments and/or fixed interest investments. These investments are held by the Trustee (or its nominee or custodian) on behalf of each Unit Class and are applied solely in respect of that Unit Class. Each Unit Class will have its own unit value.

No Unit Holder shall be entitled to: require the transfer to him or her of any of the Fund assets; question or challenge the exercise or non-exercise by the Trustee of its rights, discretions and powers or by the Manager of its rights or functions; or by virtue of holding Units, exercise or seek involvement in the exercise of any rights attaching to any assets in which the Fund holds an interest.

How much to invest

The Fund is suitable for Wholesale Investors who seek exposure to New Zealand real estate investments including:

- Any Wholesale Investor who would like to invest at least \$750,000.
- Eligible Investors who would like to invest at least \$100,000, or such lower amount accepted by the Manager

Your Subscription Amount is equal to the number of Units subscribed for, multiplied by the Unit Price.

How to invest more

NZREIT is an open-ended fund which seeks to continuously acquire appropriate properties that meet its investment criteria. When NZREIT has identified a property, investors will be invited to subscribe for either Unit Class A or Unit Class B.

Please contact the Manager to discuss additional investments. The minimum additional investment is \$50,000. You will receive confirmation when your additional investment application has been processed advising you of the investments you have acquired and the relevant prices.

Payment of your Subscription Amount

You may pay your Subscription Amount directly to the nominated subscription accounts stipulated in the Application Forms.

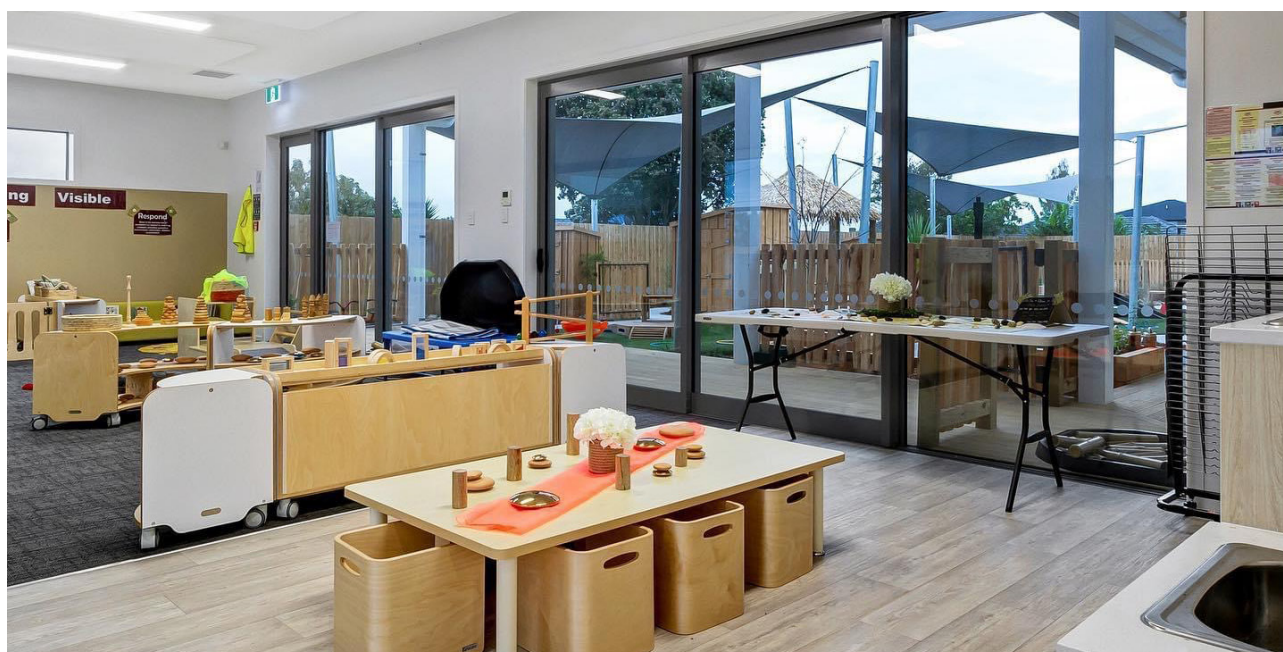
How your money is invested

When your Subscription Amount is transferred from your bank account it is used to acquire either Unit Class A or Unit Class B in the Fund, as selected by the investor.

The Trustee reserves the right to restrict an investor's investment in the Fund at the time of any application including where such investment would be contrary to the conditions of any approval obtained through Overseas Investment Office or where such investment would adversely affect the status of the Fund for the purposes of seeking approval of Overseas Investment Office in relation to any underlying investment.

The Fund, or any Unit Classes, will generally be permitted to borrow in respect of any real estate investment made by the Trustee. The Manager may on behalf of the Trustee or against the security of that real estate, borrow up to 50% of the value of that real estate, subject always to the written approval of the Trustee.

The Fund's present intention is that all property investments are made for the purpose of long-term growth and rental yield. For the Fixed Income Fund Unit Class A, net investment returns are distributed on a quarterly basis. For the Growth Fund Unit Class B, the returns will usually be re-invested at the Fund level.



How your Unit Class is valued

When you invest money in the Fund it is invested in one or more real estate investments or fixed interest investments. The value of your Unit Class is based on the underlying value of these investments.

It may not always be possible to value your investments. Contact the Manager or the Administrator for the latest value. The value of your Unit Class is based on the information most recently available. For some assets, historical information is used and for real estate, generally the acquisition price is used unless a more recent valuation is available.

The value of your Unit Class generally takes into account pending transactions (i.e. transactions that may not have been processed). The overall value of your Unit Class will change according to the change in value of the underlying investments in the Fund.

Investment valuations are generally calculated quarterly using the most recently available valuation information. For real estate, valuations are conducted annually or more frequently as required.

How do I sell my Units?

Unit Holders are free to sell some or all of their Units at any time to anyone they choose. The Manager will keep a list of Unit Holders and others seeking to either purchase or sell units and help to facilitate the sale of units on a best endeavours basis as and when required. The sale of units may also be facilitated by the Manager during a new capital raise. Where you find your own buyer, the Manager will not charge for this service, and will not charge a brokerage fee on the sale of your units. Where the Manager finds a buyer for you, brokerage of 1.5% is payable to the Manager.

If you decide to sell your Units to a third party the sale price will be determined by you and the buyer.

The Fund will not initially be listed on any stock exchange. The Manager may decide to list the Fund once it satisfies the New Zealand Stock Exchange listing requirements, including minimum shareholder requirements.

How do I redeem my Units?

The Fund does not currently offer a unit redemption facility. The Fund may offer a redemption facility in the future. The timing of the redemption facility (if at all) and its terms and conditions will be at the absolute discretion of the Manager. The earliest time when a redemption facility may be offered is two years from the date this Offer closes.

Once in place, Unit redemptions will be at the absolute discretion of the Manager. Permitted Unit redemptions will be during set liquidity windows and will be at the Repayment Price. Both the Unit Price on issue and the Repayment Price reflect the current Net Asset Value (NAV) of the Fund – the value of the Fund's underlying assets after deducting all liabilities of the Fund and making such provisions as the Manager thinks necessary or desirable for accrued or contingent liabilities or losses, including a provision for the costs of realisation of any investments and redemption of Units.

Once in place, an exit fee of 1.5% will apply to permitted Unit redemptions. In certain circumstances, and at the absolute discretion of the Manager, withdrawals may be deferred. This may occur where, for example, a number of investors wish to withdraw their funds at the same time.

Redemption proceeds are paid to your nominated bank account as soon as is practicable. We do not pay cash or by cheque. Once lodged, your redemption request cannot generally be withdrawn. Deductions can be made for any money you owe relating to your investment.

The Fund's strategy is to invest long-term in order to derive income and capital growth. Your investment horizon should be medium to long term. Investors should consider that most of the Fund's investments will be in illiquid real estate investments. There can be significant delays including where the assets being realised are illiquid, or subject to other restrictions. For liquidity reasons the Manager may require a sufficient period of time to sell the Fund's investments in an orderly manner and re-balance the Fund's remaining investments.

If you are relying on the investment as an Acceptable Investment for the purposes of your immigration residency visa, withdrawing from the Fund can jeopardise your visa unless you invest your \$3m or \$10m in another Acceptable Investment as required by the New Zealand Immigration Regulations.

Can the investment be altered?

The Manager may change the investment policy for the Fund after consultation with the Trustee. Details of any material change to the investment policy must generally be given to all Unit Holders at least one month before the change is to be effective.

We may make certain adjustments to the investment policy without notifying Unit Holders. These include adjustments that are of a minor nature or are required because of a change in law.

The Trustee may, with the concurrence of the Manager, by deed supplemental to the Unit Trust Deed amend, add to or revoke (in whole or in part) any provision of the Unit Trust Deed or any supplemental deed provided that:

- No such amendment shall result in the infringement of the rule against perpetuities; and
- Any such amendment which alters or is likely to alter the rights attaching to any Unit or a Unit Class has been approved beforehand by Extraordinary Resolution (approved by 75% majority of Unit Holders).

The Manager shall notify all Unit Holders in writing of the amendments made to the Unit Trust Deed during any financial year when it sends copies of the completed Financial Statements to Unit Holders in the Trust for that financial year.

Circumstances when we cannot process instructions

There are times when the Trustee might not be able to process your investment instructions or there could be considerable delays, whether that be in respect of your initial application or a subsequent application, for example when:

- there are liquidity issues in the investment option;
- the Trustee suspends transactions (because, for example, the Trustee considers that it is desirable for the protection of the Fund or in the best interests of the investors as a whole);
- the Trustee cannot obtain a price from the relevant underlying investment sub-manager (if any);
- the instruction from you is incomplete; or
- unforeseen circumstances prevent us from using our information system or other administration systems.

Investment prices are generally calculated at the time the delay ends.

Keeping you informed

We provide the following information so you can stay informed about your investments and any opportunities that may arise:

- Quarterly unit pricing
- Quarterly Investor Statements
- Quarterly Property Portfolio Updates
- Annual property portfolio valuations and commentary
- Annual accounts and tax reports.



5.

Give me more specifics about Unit Class A's SIPO

Investment Philosophy

The Fixed Income Fund was established to enable the founders and likeminded investors to pool their funds and invest side by side in Childcare properties and other commercial properties with suitable returns.

Investment Objectives

Our objective is to accumulate a portfolio of childcare and other commercial properties, diversifying investment risk across multiple properties and tenants in order to derive steady investment returns enabling the Fixed Income Fund to make regular quarterly distributions and the potential for capital growth. Being a PIE fund, Unit Class A investors derive investment returns that are a close alternative to direct property ownership, receiving the same income, tax deductions and capital gains as if they owned the properties direct.

Investment Strategy

The strategy of the Fixed Income Fund is to construct and manage a portfolio of New Zealand yielding childcare centres and commercial properties that provides a steady target 6% p.a pre-tax cash distribution, payable quarterly, and the possibility of growth in value over the medium to long term

Investment Policies

Gearing

The Fund will generally not be permitted to borrow except that in respect of any real estate investment made by the Trustee, the Manager may on behalf of the Trustee or against the security of that real estate, borrow up to 50% of the value of that real estate, subject always to the written approval of the Trustee.

Investment Horizon

Given the nature of the Fund's investments, the investment horizon will be medium to long term. The Fund will principally invest for the purpose of deriving rental income, plus capital appreciation over the medium to long term. Development will usually be restricted to value-add opportunities to properties that the Fund owns and will continue to own post development for the purpose of deriving rental income.

Investment Decisions

Utilizing our unique scorecard system, our senior management team identifies, analysis and selects New Zealand Core Plus real estate opportunities which are then presented to the Advisory Committee for review and approval.

Unit Pricing

The Administrator manages the pricing and valuations of all Fund assets and calculating the Net Asset Value (NAV) of the Fund.

We will internally value all Fund assets and the NAV and reconcile this to the Administrator valuations quarterly.

We will also have an established process for investigating, reporting, and resolving any pricing errors or non-compliance with pricing methodologies by the Administrator.

Independent valuations of the Fund's properties will be undertaken annually.

Liquidity

The Fund will limit its cash holdings to no more than the minimum required for usual liquidity requirements. Notwithstanding the guidelines, the Fund will aim to be as balanced in its portfolio as to risk and reward as is consistent with these objectives.

Conflicts of interest/related party transactions

We have adopted a conflicts of interest / related party transactions policy which sets out how we endeavour to identify and deal with conflicts of interest and potential related party transactions appropriately. This is complemented by the restrictions we place on ourselves, our Directors, and our staff when trading on our or their own account.

Our guiding principle is that we cannot use information obtained through our respective positions, or use those positions, to gain an improper advantage or cause detriment to investors in the Fund.



Investment Evaluation and Selection Process

The Fund has a dual "Core" and "Value Add" investment strategy with a focus on childcare centres and commercial property. That is, the Fixed Income Fund Unit Class A will generally invest in "Core" properties (stable, fully leased to quality tenants within strong, diversified metropolitan areas). This is a lower risk strategy. The Growth Fund Unit Class B will generally invest in "Value Add" properties that require some form of enhancement or development. Post-development, these properties are retained by the Fund for long term investment. This is a moderate-risk strategy.

Childcare facilities

The fundamentals for Childcare facilities have been, and should remain, strong including:

- their central locations
- long leases
- government childcare subsidies
- high quality tenants and
- alternative use potential.

Due to the strength of the leases involved and New Zealand's high childcare participation rate, the sector is viewed as more secure than other asset classes.

The childcare sector remains strong due to the favourable demand/supply dynamics for places at childcare centres which should continue as the population continues to rise. While demand for childcare developments remains strong versus supply, prices are being pushed upwards. Therefore, sourcing quality developments in central locations with growing populations and working parents, is key. These properties are usually freehold, standalone residential properties with favourable zoning providing genuine Core Plus valuation enhancement prospects.

Commercial and industrial

The New Zealand commercial and industrial real estate sector continued to see strong growth in 2020 and year to date 2021. In their September 2021 NZ Research Report, Colliers summarise the commercial and industrial market as follows:

- Local commercial and industrial property activity in the June 2021 quarter was one of the strongest on record, driven mainly by low interest rates and investor confidence.
- A similar picture across the Asia Pacific region with all major markets showing an increase in investment volumes.

Colliers expects some cautiousness post the current lockdown:

The outlook for many parts of New Zealand's commercial and industrial property markets over the next 12 months is encouraging..... While sentiment and activity are seemingly in a better position, cautious and confident will likely be the approach by many investors ahead despite the current positive demand and supply dynamics. Investors will be cognisant of the projections of the increase in the official cash rate ahead as the Reserve Bank looks to tackle inflation, house price surges and keep employment levels strong. Given increases in interest rates are likely to be incrementally adjusted over the short term and that the moves are from record low rates, the impact upon market activity should be limited in the short-term providing a clear signal for an active market ahead.

Industrial property continues to out-perform other real estate asset classes.

Investment Selection

Utilizing our unique scorecard system our senior management team identifies, analyses and selects New Zealand real estate opportunities which are then presented to the Advisory Committee for review and approval.

Investments are selected taking into account the following factors:

- Location
- Type of Property
- Building Warrant of Fitness
- Seismic rating
- Quality of tenants
- Quality of leases
- Weighted average life of leases
- Valuation
- Value-add enhancement/development opportunities
- Price
- Capital growth potential
- Gearing
- Rate of Return

The Fund has selected 199-203 Beach Haven Road because it meets the following investment criteria for Unit Class A:

Location	Principally Auckland and within surrounding regions, having regard to socio-economic trends, demographic changes, environmental risks, and existing similar properties in these target locations.
Type of Property	Childcare only or childcare plus attached commercial property. Principally large modern purpose-built childcare centers located near mature or newly developed residential areas with growth potential where there are lots of young families.
Building Warrant of Fitness	Current or known reasons why not current. Capital expenditure is expected to be low (or factored into the purchase price) for Unit Class A portfolio.
Seismic rating	At least 67% NBS.
Quality of tenants	A range of factors considered. The manager has in-depth understanding of the childcare industry and business interests in childcare operations which make it possible for the manager to evaluate the performance of the center and the capacity of its operator (the tenant).
Quality of leases	Strong tenant covenants and a range of other factors considered.
WALT	Normally long-term leases. Childcare leases are often 15yrs x 10yrs x 10yr, but other lease terms will also be considered.
Valuation	Valuations must equal or exceed the purchase price of each property (taking into account any deferred maintenance or remedial matters).
Core Plus enhancement opportunities	Target properties should have at least some enhancement opportunities.
Price	At or below valuation.
Total Shareholder Returns	Target 6% p.a. pre-tax cash distributions, payable quarterly, plus capital appreciation.
Gearing	Current LVR is 45%, below the Fund limit of 50% LVR (this may be exceeded temporarily in order to meet the needs of the business).
Market Conditions	Market externalities may result in a purchase that otherwise meets all of the Fund's requirements, to not go ahead or be deferred (e.g. COVID -19 lockdown).

Distribution Policy

The Distribution Policy of the Fixed Income Fund is to pay quarterly distributions.

Returns from an investment in the Fund may be positive or negative. Returns will be derived from the increase (or decrease) in the value of Fund units, which will reflect changes in the value of the Fund's underlying property investments. It is important to be aware that past returns are not a reliable indicator of future results.

No amount of returns are promised.

Returns on units in the Fund will be determined by many factors. Some of these can have a significant impact on returns including: the global and New Zealand economy, the New Zealand property sector, movements in the New Zealand dollar, fees and taxes.

Risk Management

We have a rigorous approach to risk management including:

- In depth property and financial due diligence
- Concentration on properties which provide limited downside risk including, namely childcare centres and commercial property.
- Limitations on shares and other non-property investment

The Fund will generally not be permitted to borrow. The exception is in respect of any real estate investment made by the Fund where the Manager may, on behalf of the Trustee and against the security of that real estate, borrow up to 50% of the value of that real estate, subject always to the written approval of the Trustee.

Investment Performance Monitoring

Fund performance (net of fees and expenses) will be monitored on a monthly basis. Daily management will be required in certain circumstances. For example, for development projects or in the event of credit impairment situations.

We also maintain records of the Fund's longer-term performance.

The Fund will report to unit holders at least quarterly.

Investment Strategy Review

The Manager's investment team will hold a formal investment strategy review on a monthly basis, and informal reviews on an as required basis. The formal review includes an assessment of the Fund's portfolio of investments with regard to the market environment, Fund objectives and strategy, and agreement on and execution of the strategy moving forward.

SIPO Review

Our Board is responsible for the SIPO. Accordingly, the Board will review the operation of the Fund against the SIPO throughout the investment cycle, and during that process consider whether any changes are required. In doing so, the Board will assess whether any further resources are needed in order to implement and manage the SIPO.

The SIPO will be reviewed on an annual basis by us. The review will consider the factors listed under 'Investment Strategy Review', as well as any other factors we consider necessary.

Where a change to the SIPO is requested by an employee or director of the Manager, unanimous agreement from all directors must be reached before a change can be completed. We will give shareholders prior written notice of any material changes to the SIPO. We will not implement any material changes until we have given investors at least one month's prior notice of those changes and any redemption requests received during that period have been actioned.



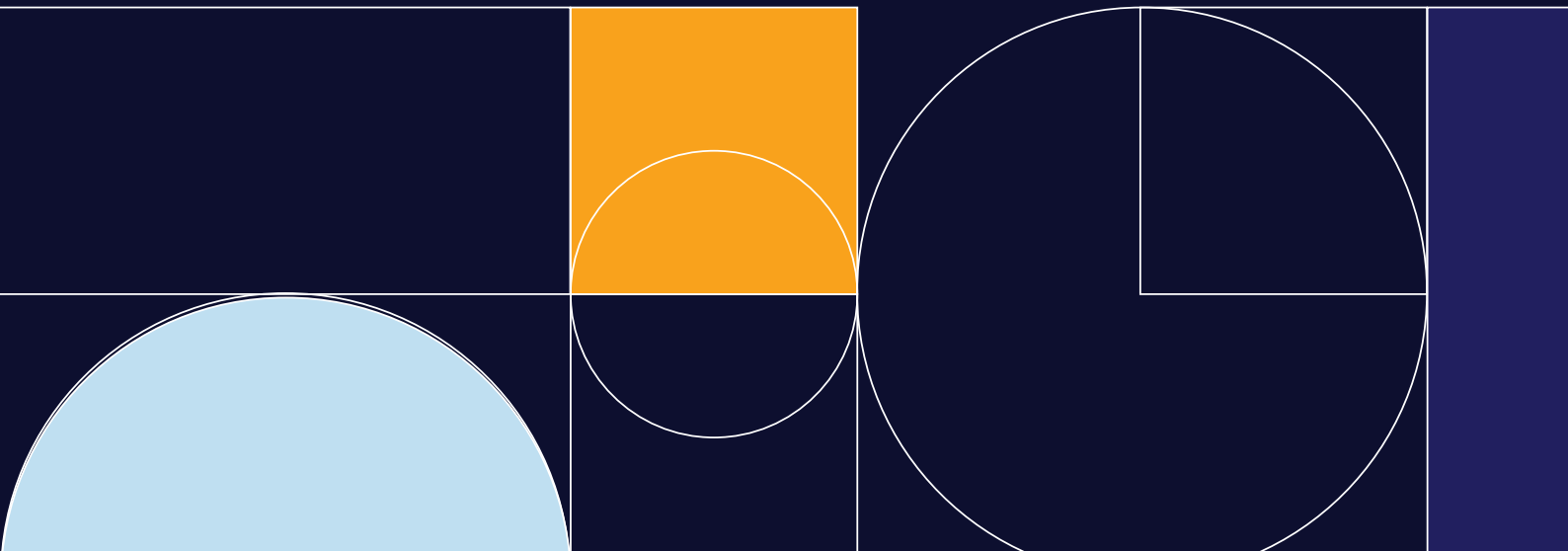
6.

Who is managing the Fund?

About the Manager

Uwin Capital Limited (the Manager) is the manager of the New Zealand Real Estate Investment Trust (the Fund). The Manager has deep experience in developing and managing childcare centres and investing in commercial property.

The directors of the Manager bring together a unique blend of property, investment, financial, wealth management, immigration and governance skills critical for selecting the appropriate New Zealand real estate investments for Immigration New Zealand Investment Visa investors. Details of the directors are set out below. Security of your funds is also of paramount importance. We do not handle your funds directly. An external independent Trustee and Custodian hold your funds.





Uwin Capital Limited

Peter Jiang

Director

Peter has 25 years' experience in property investment in the New Zealand market with a particular focus on developing and managing childcare centres and investing in commercial property in recent years. Peter's investment philosophy is conservative, investing along with his clients in properties with steady, long term growth prospects. Since 2015, Peter and his team have successfully developed three childcare properties in Auckland. Peter has also been involved in the childcare franchising business since 2016.

Peter strongly believes that NZREIT Fixed Income Fund should provide investors with regular distributions from rental income from high quality childcare properties. Peter is dedicated to providing trustworthy investment opportunities for investors.

Peter has had a successful career in business migration and investment, having been a Licensed Immigration Adviser since 2009. Peter Jiang established Uwin International Investment Limited in Shanghai in 2008. Uwin's clients have introduced at least NZD 500 million of investment funds to the New Zealand market over the last 15 years. Peter has now sold his business interests in Uwin China but remains a consultant. Peter continues to run the Uwin International Investment (NZ) Limited operations.

Peter Jiang graduated with a Bachelor of Science in China in 1984 and he has a broad business background including technical, accounting and international trading between 1984 and 1996. Peter also has a diploma in real estate in New Zealand. Peter had been running his Immigration consulting practice in Auckland from 1996 to 2007.



Uwin Capital Limited

Cindy Hong Yan Liu

Director

Cindy Liu immigrated to New Zealand in 1998. Before her financial planning career, Cindy worked with one of the largest land developers in New Zealand where she gained extensive knowledge and experience in land development and subdivision projects. Her financial planning career has broadened her experience to include the funding side of subdivision and land development projects.

Cindy became an Authorized Financial Advisor (AFA FSP 228905) in 2012. Through her Financial Advice Provider (FAP Transactional) Licence, Cindy works closely with large New Zealand families assisting them with investment strategies in Australia and New Zealand. Through her diligent, hardworking, honest and trustworthy work ethic, Cindy has built an extensive network of high net worth clients.

Cindy co-founded New Zealand Real Estate Investment Trust in 2015 and has been a director and shareholder of the management company, Uwin Capital Limited. Cindy established a childcare franchise system in 2016 and remains shareholder. Cindy brought extensive local New Zealand network system covering both financial industry and real estate industry.

Cindy has a Grad Dip Bus Stud (Personal Financial Planning) from Massey University and is a Financial Advice Provider FSP260285.

Advisory Committee

When NZREIT reaches sufficient scale, an independent advisory committee will be established.

About the Trustee

New Zealand Property Investment Trustee Limited



Randolph van der Burgh Director

Randolph is a Chartered Accountant (CA 26638) in Public Practice and has a Bachelor of Commerce and Administration Honours (first class) degree from Victoria University of Wellington.

Randolph has nearly 30 years' experience in corporate finance, mergers & acquisitions, IPOs, financial services and international tax planning. Randolph was previously a senior partner at Ernst & Young both in New Zealand and Australia and specialised in financial services and international tax.

Randolph has advised some of the largest financial institutions in the Asia-Pacific region on cross border private equity funds, property funds, infrastructure funds and managed investment funds, including related products for retail and wholesale investors.

Randolph has structured and set-up a number of New Zealand and offshore funds and advised on a range of debt, equity, and hybrid capital markets products. He has also advised on unit trust, superannuation and life insurance products, plus various funds management, investment and hedging strategies.

About the Administrator

Rockburgh Fund Services Limited (FSP 479827) is part of the VCFO Group. VCFO Group Limited is a Chartered Accounting firm regulated by Chartered Accountants of Australia and New Zealand and provides specialist advisory and outsourcing solutions for domestic investment, foreign direct investment, collective investment and integrated wealth management.

Rockburgh Fund Services Limited, a commonly owned sister entity of VCFO Group Limited, provides specialist fund accounting, tax and administration services to a range of New Zealand and offshore funds, wealth managers, private investors, family offices, private companies, and multinational groups.

Our Stakeholders

Our investors come first and are the central focus of our broader stakeholder group. We believe it is critical to support and nurture our stakeholders. Our stakeholders are our investors and staff and their dependents, as well as our shareholders, the regulators and the local and broader community.

The Manager commits to constantly strive to:

- Operate with transparency and integrity.
- Provide the highest quality of services to our investors.
- Protect, grow and respect our investors' wealth.
- Support the development and growth of our staff and other stakeholders.
- Comply with all laws and regulations.

Our commitment is to harness our depth of experience and to utilise it to beneficially manage your investment with transparency and integrity.



Related Party Disclosures

Peter Jiang

Uwin Capital Limited (Shareholder and Director)

Uwin International Investment (NZ) Limited
(Shareholder and Director)

Happy Learning Limited (Shareholder and
Director)

River Holding Limited (Shareholder and Director)

Happy Lemon Early Childcare Education Group
Limited (Shareholder)

ARV Holdings Limited (Shareholder and Director)

Cindy Hong Yan Liu

Uwin Capital Limited (Shareholder and Director)

Global Village Personal Finance Planning & Wealth
Management Limited (Shareholder and Director)

ABCD Equity Investment Limited (Shareholder and
Director)

ABCD Property Investment Limited (Shareholder
and Director)

Hong Fei International Culture Exchange Center
(New Zealand) (Shareholder and Director)

Hong Fei International Culture Exchange Center
(Australia) (Shareholder and Director)

Newland Capital Management Limited
(Shareholder and Director)

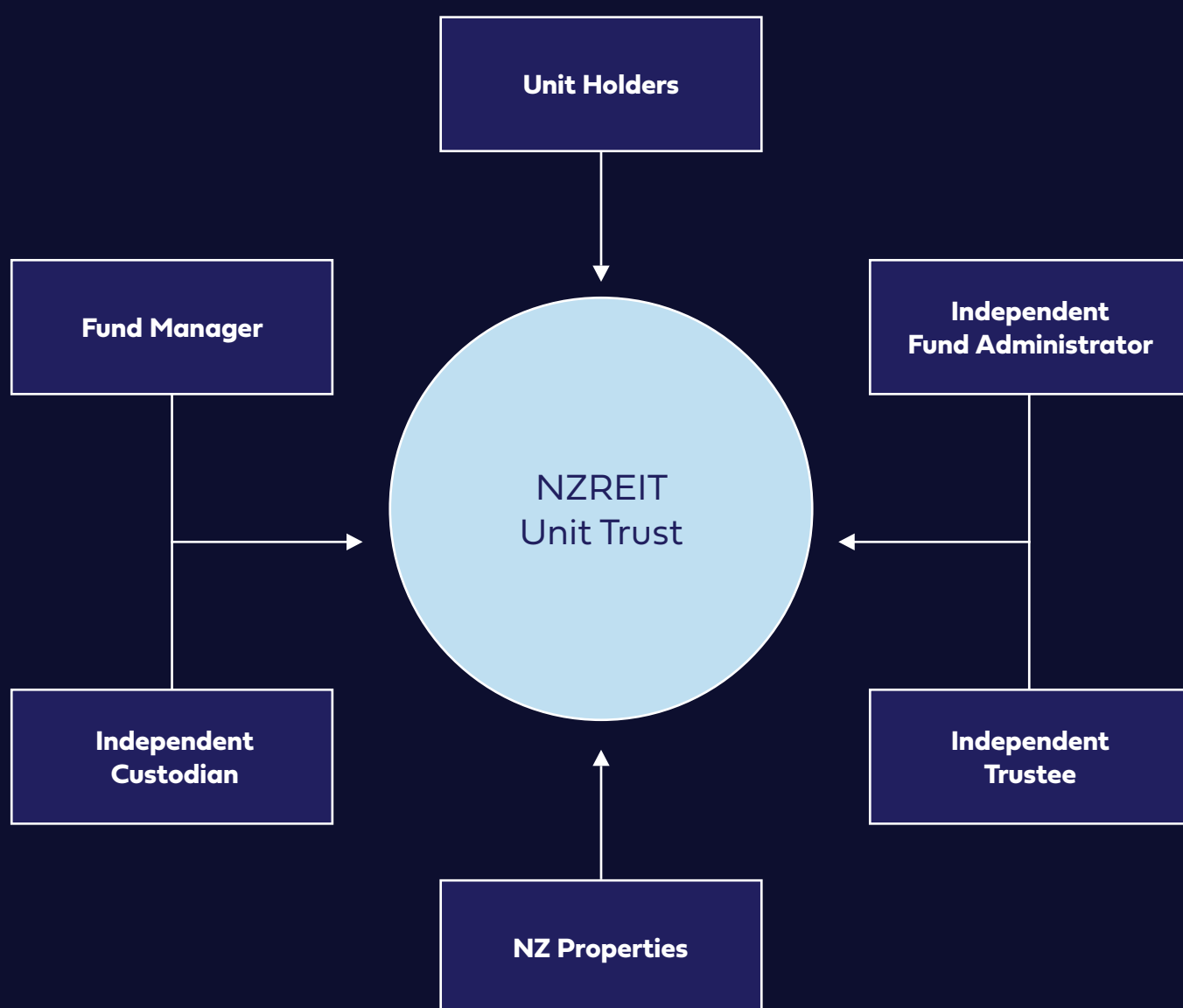
Newland Charitable Trust Limited (Shareholder
and Director)

Cindy holds FAP License (FSP260285) It is therefore strongly recommended that if you are a client of Cindy's and you are investing in the Fund that you should seek independent advice on this investment.

The related entities above may from time to time perform services for the Fund at market terms and conditions. This will be fully disclosed as and when the services are supplied.

How does it all fit together?

Manager	Uwin Capital Limited
Trustee	New Zealand Property Investment Trustee Limited
Administrator	Rockburgh Fund Services Limited
Custodian	Custodial Services Limited (Craigs Investment Partners)



7.

What are the risks of investing?

We consider the general risks of investing in the Funds are:

- Risks relating to investing in New Zealand childcare centres and commercial real estate.
- Risks relating to investing in New Zealand childcare developments.
- Risks relating to investing in New Zealand shares and debt securities.
- Risks relating to the investment objectives not being met.
- Risks relating to the performance of a particular property or company we have invested in.
- Risks relating to the concentration of an investment in a particular region, industry, or other grouping.
- Risks relating to valuation or taxation errors.

In addition to the risks associated with a particular investment class there are some general risks associated with an investment through the Fund. The following summary represents a non-exhaustive list of risks associated with investing in the Fund. These risks, should they occur, may materially impact on the performance, financial position and operation of your investment and, consequently, your returns.

You should carefully consider the entire Investment statement, including the risk factors outlined below, in conjunction with seeking professional advice, before investing in the Fund.

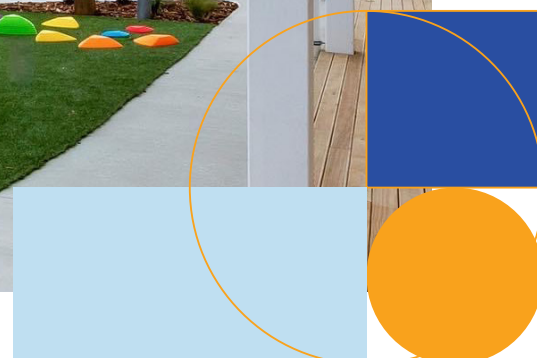


TYPE OF RISK	DESCRIPTION
General Economic Conditions	Investment returns may be affected by a range of economic factors, including: contractions in domestic and global economies; fluctuations in interest rates and currency exchange rates; changes to government fiscal policies; global and national political stability; changes to labour markets; inflationary cycles; access to debt and capital markets; changing consumer demands; and fluctuations in general market prices for property and other investment products.
Market Conditions	The value of your Unit Class and the Fund will be determined by a range of factors beyond the control of the Trustee and the Manager. Macro level conditions, such as general movements in the domestic and overseas stock markets and local and international economic conditions, together with sector and stock specific factors, may have an impact on the value of your Unit Class.
Real Estate Market Conditions	The value of the underlying real estate investment and the income from the real estate investments are affected by demand, location, the quality of the property, market conditions, opinions, and the market for real estate investments. They may also be susceptible to a lack of liquidity (meaning that investments may not be easily sold, or may only be able to be sold at a lower price than expected) and valuation issues (meaning that the actual value of investments may not always reflect the value attributed to them by us or may fluctuate). In addition, high transaction costs are often involved.
Inflation risk	Fluctuations in interest rates may have an adverse impact on the value of the investor's Unit Class by diminishing the Fund's cash investments and reducing the value of the Fund's assets and/or increasing the cost of any borrowing associated with the underlying investments.
Interest risk	Interest rate fluctuations may have an adverse impact on the value of the investor's Units by diminishing the Fund's cash investments and reducing the value of the Fund's assets.
Tenant default or cancellation risk	<p>Rental income is the main source of income for the Fund. Where tenants default or cancel their lease, the financial performance of the Fund may be adversely affected.</p> <p>Pandemic events like the current COVID-19 pandemic may also adversely affect the financial performance of the Fund.</p>
Investment Concentration risk	The Investor's Unit Class may have a high level of investment concentration. A low number of investments and/or a limited level of diversification in investments may lead to a high level of investment concentration. Higher investment concentration can increase the potential higher volatility of an investment.

Investment Objectives and Volatility risk	<p>An investor's investment objectives may not be met by its selection of investments. The volatility of returns is one measure of risk of an investment and as volatility in returns increases, so too will the variability of returns from time to time.</p>
Liquidity risk	<p>The assets of the Fund, being predominantly real estate, will inherently be illiquid. Certain fixed interest investment options may also be subject to liquidity restrictions. Whilst investors may have a right to transfer their investments subject to the discretion of the Trustee, each investor's Unit Class is an unlisted Unit Class and, consequently, there is no established secondary market for trading.</p> <p>The Trustee of the Fund may be unable to sell or redeem investments due to market circumstances, or due to fees or charges, or as a consequence of poor investment performance. In addition, the Trustee of the Fund may also have difficulty realizing certain assets and, in certain circumstances, the Trustee may be required to suspend withdrawals to allow for a more orderly liquidation of its assets to meet redemption requests.</p>
Distributions	<p>The ability of the Trustee of your Unit Class to pay distributions is dependent on the Unit Class having sufficient cash resources and distributable income. Variances in the costs of operating the Fund or changes to investment returns on the underlying investments may affect the level of income available for distribution and the timing of distributions.</p> <p>If the Fund is required to hold material cash balances for any reason (e.g. pending deployment for a property acquisition or following the sale of a property) this may affect the level of distribution for one or more quarters.</p> <p>In addition, for Growth Fund Class B Units, you should note the Trustee's present intention is that all income from your investments will be automatically re-invested at the Fund level. This means that you may not receive any distributions in cash.</p>
Structural risk	<p>Investing in a Fund is similar to investing directly in the real estate investments, fixed interest securities and other underlying investments held by the Fund. Accordingly, income from the Fund distributed to the investor should be similar to that received from investments made directly in real estate, fixed interest securities or other investments held by the Fund. However, the Trustee of your Unit Class may take into account different considerations in making investments or managing withdrawals, which may result in different income or capital gains outcomes.</p>
Credit risk	<p>Credit risk is the risk that a party to a contract with a Fund defaults, fails to complete a transaction, or otherwise becomes unable to meet its financial obligations.</p>

Pricing risk	<p>The value of your Unit Class may be unable to be determined in a timely way. The Fund may invest in investment products managed by other fund managers. In the event that one or more of these investment managers is unable to value investment products in which the Fund has invested, the value of your Unit Class may in turn be unable to be calculated. In addition, the value of your Unit Class may not be able to be calculated in circumstances where the Fund has invested directly in assets that are impracticable to value or revalue.</p> <p>Pricing risk may also arise where an underlying investment is valued incorrectly. In such circumstances, the value of such assets may need to be re-valued at a future date, which may result in a reduction in the value of your Unit Class.</p>
Management risk	<p>The performance of an investment in the Fund is reliant on the expertise, experience, strategy and operational stability of the Trustee and the Manager and their respective key directors and staff. In the event that their services are no longer available, this may affect the management and financial performance of the Fund and returns to investors.</p>
Damage and destruction risk	<p>To the extent not covered by insurance, properties damaged or destroyed could result in a loss to the Fund.</p>
Redemption risk	<p>The Fund does not offer a unit redemption facility. Individual cases may be approved in the absolute discretion of the Trustee. You may only exit through the sale of your units to other investors. You may face the risk that you do not find an investor to buy your units.</p>
Systemic risk	<p>A disruptive event can cause a chain of events that compromises the normal functioning of a financial or economic system. Systemic risk cannot be addressed by way of diversification and may be magnified by the reactions of participants within the system to the event.</p>
Taxation risk	<p>The tax implications of investing in the Fund are a result of New Zealand and overseas tax laws and regulations in force from time to time. Amendments to, or changes to the interpretation of such laws and regulations, may have an adverse effect on the financial performance of the Fund and upon investors' returns.</p>
Changes in laws and regulations	<p>The Trustee, Manager and all other parties involved in the operation of the Fund must comply with applicable laws and regulations, including the laws and regulations that govern the New Zealand Immigration Investment Visa Schemes. Such laws and regulations may change during the life of the investor's Unit Class in a way that adversely affects the financial performance of the Fund and, consequently, returns to investors.</p>

Derivative risk	As the Fund may use derivatives like futures to manage liquidity risk which means its investment movements may be more volatile than a fund with no derivative exposure.
Company risk	The risks associated with an investment in a particular company, including the risk that the value of its securities may fluctuate as a result of factors specific to that company.
Litigation risk	NZREIT's investments and business operations could become the subject of disputes. Whilst the Trustee will maintain appropriate insurance, there is a risk that claims not covered by insurance may arise. Such claims could have an adverse effect on your Unit Class's financial performance.
Limited liability of investors	The Unit Trust Deed contains provisions intended to limit the liability of investors to their investment in their Unit Class. However, there can be no absolute assurance that the liability of investors will be limited as intended by these provisions, as the determination of the ultimate liability of investors rests with the courts.





8.

What are the fees?

The Fund will pay fees to the Manager, Trustee, and other service providers as detailed below.

Expenses incurred by the Trustee or the Manager in connection with the Fund (including expenses relating to the formation and administration of the Fund) will be paid out of the assets of the Fund.

Ordinary expenses include all the usual expenses associated with operating the Fund. Ordinary expenses include: Fund establishment; marketing and promotion (including travel, accommodation and entertainment); distribution; outsourced functions (including custody, administration and registry); professional services (including audit, accounting, legal and taxation); offer document (including printing, design and postage); fund accounting and operations costs (including postage); and regulatory expenses, as well as any GST impact on these.

Other expenses of the Fund including brokerage, investor meetings, fund termination costs, change of trustee or expenses arising out of any disputes with third parties, will be recovered from all investors pro-rata to the value of their Unit Class.

Expenses incurred in relation to any particular real estate investment, including those relating to the acquisition, maintenance, and disposal of such investments, will be recovered from the Fund.

TYPE OF RISK	DESCRIPTION	FIXED INCOME FUND UNIT CLASS A
Brokerage Fee	<p>An entry brokerage fee may be charged in addition to the amount invested. The Manager shall be responsible for AML/CFT Know Your Client due diligence and related investor sourcing and on-boarding services. The Manager will pay sub-brokerage fees and commissions to third party distributors from any Brokerage Fee received.</p> <p>The Administrator is also entitled to an Investor on-boarding fee to cover its AML/CFT compliance related costs.</p> <p>No brokerage fee applies to secondary trading in the Units where the seller finds the buyer. Where the Manager finds the buyer a brokerage fee of 1.5% applies.</p>	<p>Up to 1.8% of the unit subscription amount</p> <p>NZ\$575 per investor</p> <p>Nil, unless the Manager finds the buyer in which case 1.5% of the Unit value</p>
Exit Fee	<p>Exit can only be through selling your units to other investors. Permitted redemptions at the Trustee's absolute discretion in which case an Exit Fee of 1.5% applies.</p>	<p>For permitted withdrawals, 1.5% of the Unit value</p>
Management Fee	<p>The Manager is entitled to an annual management based on the Gross Asset Value of the Fund.</p> <p>The Manager is responsible for: the investment performance of the Fund; managing sub-brokers and distributors; managing investment sub-managers, the Administrator, Custodian, Property Manager, and; carrying out management duties and responsibilities for the Fund.</p> <p>The Manager is also responsible for: leasing; collecting rents; inspections; managing all property services; managing all trade people; dealing with repairs and maintenance; managing tenancy issues; managing utility suppliers, and; advising on rent reviews.</p> <p>The Manager will maintain suitable premises and hire the necessary personnel at the fund's costs to professionally carry out the relevant duties.</p>	<p>0.40% per annum of the GAV of the Fund</p>

<p>Property Acquisition Due Diligence Fee</p>	<p>The Manager is entitled to charge a property acquisition due diligence fee in respect of any real estate acquired by the Fund.</p> <p>The Manager is responsible for: selecting, conducting due diligence on, and acquiring the real estate investments; dealing with all third-party services providers relating to real estate acquisition; applying for resource consents; project managing development works and; ensuring development works are completed on time. This fee will cover the Manager's costs relating to due diligence, acquisition, planning, resource consents and project management.</p> <p>Disbursements relating to engineer/building inspections, architects, consulting planners, legal advice, tax advice and agency fees will be recovered separately.</p>	<p>Up to 2.5% of the purchase price (excluding GST)</p>
<p>Property Disposal Fee</p>	<p>The Manager is entitled to a property disposal fee from the Fund on the disposal of any real estate investment of the Fund. The fee covers all marketing and selling costs, including real estate agent fees.</p>	<p>Up to 2.5% of the sale price (excluding GST)</p>
<p>Trustee Fee</p>	<p>The Trustee is entitled to an annual trustee fee based on the Gross Asset Value of the Fund.</p> <p>The Trustee is responsible for providing such services that enable the Trustee to exercise the Trustee's Powers as specified in the Unit Trust Deed; compiling, reviewing and summarising reports, notices and advice received from the Manager, custodian, Administrator, solicitors and other third party service providers; convening and attending Trustee meetings; attending to Trustee secretarial and compliance matters; providing reports to the Manager and/or Investors; communicating with the FMA and other regulators as required, and; attending to all other statutory compliance matters.</p>	<p>0.08% per annum of the GAV of the Fund (\$12,000 minimum fee applies)</p>
<p>Performance Fee</p>	<p>The Manager is entitled to an annual performance fee based on the Fund's performance:</p> <p>Either:</p> <ul style="list-style-type: none"> a) 20% of investment returns above the Fund's performance benchmark rate (income plus revaluation gains) of 10%; or b) 10% of the revaluation gains on new ECE properties. <p>Whichever is greater.</p>	<p>For the purposes of (a) , the Fund's properties will be valued as at 1 January 2022 to provide a fair opening valuation.</p> <p>As the performance fee will be based on unrealised fair value movements, the performance fee will be paid to the Manager by way of issuing Unit Class A units to the Manager so that no cash is involved.</p>

Administrator Fee	<p>The Administrator is entitled to an annual administration fee based on the Gross Asset Value of the Fund.</p> <p>The Administrator is responsible for: on-boarding investors; maintaining accurate records of all investors, contributions, distributions and transfers to/from the Fund; investment and Fund bookkeeping and accounting; maintaining accurate records of all Fund income and distributions for New Zealand tax purposes; calculating Fund NAV and GAV, fees, tax liabilities; processing corporate actions; preparing Fund annual financial statements, tax returns, other returns, investor statements; managing all communications and reporting, and; attending to all other corporate and secretarial services as required.</p>	<p>0.17% per annum of the GAV of the Fund (\$24,000 minimum fee applies)</p>
Property Management Fee	<p>The Property Manager is entitled to a property management fee based on the Total Property Value of the Fund.</p> <p>The Property Manager is responsible for: leasing; collecting rents; inspections; managing all property services; managing all trade people; dealing with repairs and maintenance; managing tenancy issues; managing utility suppliers, and; advising on rent reviews.</p>	<p>0.07% per annum of the Total Property Value of the Fund</p>
Custodian Fee	<p>The Custodian fee depends on the amount of funds held by the Custodian. The Custodian shall be entitled to a Custodian fee not exceeding 0.15%.</p>	<p>Up to 0.15% per annum of the GAV of the Fund</p>
Fee Changes	<p>If any of the fees referred to above are varied by us, we will need the consent of the Trustee and must provide you with at least three months' notice in writing.</p>	

Other Expenses

Under the terms of the Unit Trust Deed, the following other costs and expenses may also be paid from the Fund and reimbursed to the Trustee or Manager if we or the Trustee incur them:

- bank fees;
- legal fees;
- statutory auditor fees;
- AML compliance audit fees;
- advisory fees;
- valuation fees;
- property acquisition costs;
- custodian fees;
- brokerage fees;
- independent accountants' fees;
- insurance premiums;
- all taxes and duties payable in connection with the Fund;
- the cost of convening and holding any investor meetings;
- other expenses properly and reasonably incurred by the Trustee or us in connection with carrying out our respective duties under the Fund.

The fees are deducted from the Fund and will be included in the Fund's annual financial statements.

We may receive commission rebates from brokers through whom we transact.



9.

What taxes will I pay?

This taxation summary is provided for general information only and should not be relied upon as specific taxation advice.

This summary applies to investors who invest directly in the Fund in their own name and assumes that the Fund invests only in "Acceptable Investments". The comments below are based on New Zealand taxation legislation and administrative practice at the issue date of the Investment Statement.

Investors should note that this section is not a comprehensive and complete tax guide. As tax is complex and may change, we recommend that you obtain expert advice in relation to your personal circumstances, particularly in relation to your residency status for income tax purposes. While you may need to pay tax on your investments, you may also be able to receive tax relief due to your residency status.

The Manager has registered the Income Fund A Units as a "Portfolio Investment Entity" ("PIE"). The PIE tax regime is a flow through tax regime. That is, the income of a Unit Trust that has elected into the PIE regime is taxed at the marginal tax rate of its Unit Holders. In addition, realised gains from New Zealand equities and most listed Australian equities are not taxable.

Taxation of Investors

The tax payable by an Investor in the Fund depends on a number of factors, including their residency for income tax purposes.

For New Zealand income tax purposes, if you are a New Zealand resident for tax purposes you are subject to tax on the worldwide income you derive during an income year. In contrast, if you are a foreign resident for tax purposes, you are only subject to New Zealand tax on the income you derive from all New Zealand sources during an income year. Therefore, it is important to determine whether you are a New Zealand resident, temporary resident or a foreign resident for tax purposes when calculating your New Zealand income tax liability. The New Zealand income tax rules are not dependent on whether or not you are a Permanent Resident or Citizen of New Zealand. A taxpayer's residence for tax purposes must be assessed on an annual basis.

If a person is a New Zealand resident for tax purposes, they may still be a resident of another country for the purposes of that country's taxation laws. In the event a person is a resident of New Zealand and another country, it should be determined whether New Zealand and that other country have a Double Tax Agreement ("DTA"). If a DTA exists, regard should be had to the residency tie-breaker provisions of the DTA to determine the individual's residency status.

Please contact your tax adviser so that you can advise us of your current tax residency status, and possible future tax residency status. If you need assistance in this regard, please contact the Administrator.

Taxation of Unit Trusts (PIE)

This section applies to Unit Class A which has elected to be taxed as a PIE.

PIE tax advantages

A share of the PIE's taxable income (or loss) is allocated to you based on your interest in the Fund. The Fund pays tax on your share of this income at your notified prescribed investor rate ('PIR'). You do not normally pay any further tax on that income if your PIR is above 0%.

Because the PIRs at which tax is paid on PIE income are capped at 28%, and no other tax is generally payable by individual Unit Holders, there can be tax advantages for individuals and trusts on a higher marginal tax rate.

Capital gains made on most investments in New Zealand shares, and most Australian listed shares, are not taxable irrespective of the level of trading undertaken (dividends on those shares are taxable).

Fixed interest investments are regarded as "financial arrangements" for tax purposes. Gains realised from the sale of fixed interest investments are subject to income tax.

New Zealand does not generally tax capital gains realised on commercial real estate investments. Gains realised on the sale of commercial real estate investments are tax free if the investment was made for the purpose of deriving rental income and long-term capital growth which is the strategy of the Fund.

Gains realised from the sale of real estate investments are subject to income tax if held on revenue account. For example, if the Trustee is a dealer in real estate, or the investment was made for the purpose or intention of resale, or the real estate investments are otherwise regarded as being held on revenue account. Land development and subdivision activities are generally regarded as being on revenue account. Some exceptions apply, for example if a property development is undertaken for the purpose of holding the property as an investment for deriving rental income.

As the Fund will not be making any investments outside New Zealand, the Fund will not be subject to the Foreign Investment Fund rules.

Distributions from the Fund

Distributions from the Fund (being a multi-rate PIE) will generally not be taxable to you. As long as you have provided the correct PIR, no further tax is payable by (non-0% PIR) investors.

Capital gains realised by the Fund may be distributed to Shareholders tax-free during the life of the Fund where it is a PIE.

RWT (for NZ investors) and NRWT (for non-resident investors) does not generally apply to distributions from multi-rate PIEs.

Gains on disposal or redemption

Gains on disposal or redemption will generally not be taxable to you. Gains realised on the disposal of Units by an investor are subject to income tax if held on revenue account and not subject to income tax if held on capital account. An Investor's Units will be regarded as held on revenue account if the investor is a dealer, or the investment was made for the purpose of resale, or the Units are otherwise regarded as being held on revenue account. Units will be regarded as held on capital account if the investment was made for the purpose of deriving dividend income and/or for long term growth.

How do I determine my PIR?

PIRs are determined by whether you are investing as an individual, trust, estate, company, incorporated society, or partnership. If you are an individual, it will also depend on your taxable income. Your PIR may be 0%, 10.5%, 17.5% or 28%. To work out your PIR visit the Inland Revenue website at www.ird.govt.nz and search for prescribed investor rate, contact Inland Revenue on 0800 227 774, or speak to your tax adviser.

Supplying your PIR

You need to advise us of both your PIR and your IRD number otherwise we apply the default PIR of 28%. You must tell us every time your PIR changes. We will remind you annually to check the rate. The IRD may tell us to apply another PIR to you.

What if I supply the wrong PIR?

You may end up paying too much tax in which case you will not receive any refund; or conversely, you may not pay enough tax in which case you may have to pay the tax shortfall as well as any penalties and interest, and you may need to file a tax return to include this detail.

How do I pay my share of PIE tax?

We take care of this for you. The Fund will deduct your share of tax payable at your nominated PIR at the end of each quarter (that is, after 31 March, 30 June, 30 September, and 31 December). This can also happen if you withdraw. Your share of any tax credits the Fund receives from Inland Revenue for tax losses or other excess tax credits will usually take the form of additional Units in the Fund.

How do I find out what tax has been paid for me?

We will send you an annual PIE tax statement by 30 June which shows the detail of tax paid or refunded at your PIR. If you have given us the correct PIR, you will not need to include this information in your own tax return unless you have a PIR of 0% or you are a trust (that is not a charitable trust) that does not have a PIR of 28% (if either of those applies to you, you will need to return the income in your tax return).

Is tax paid when I withdraw?

As well as at the end of each quarter, we may collect tax if you make any withdrawals. We collect tax by cancelling Units equal to your tax obligation. The amount paid to you on withdrawal is not taxable income for you (unless a lower than correct PIR has been applied, you have a 0% PIR or are a trust (that is not a charitable trust) that does not have a PIR of 28%).

Non-Resident Investors

Please contact your tax adviser so that you can advise us of your current tax residency status, and possible future tax residency status. If you need assistance in this regard, please contact the Administrator.

New residents

Special rules apply for investors that have newly become New Zealand tax resident. You must include your non-resident foreign sourced income in one of the two income years prior to the income year in which you became New Zealand tax resident when calculating your PIR. The exception is where you reasonably expect that your actual income (in the first income year you become New Zealand tax resident or the following income year) will be significantly less than your total income (in the income year prior to becoming resident).

Transitional residents

Special rules also apply for investors who meet the definition of a “transitional resident” for tax purposes. You must include all foreign sourced income (which may include amounts that are not New Zealand taxable income) when calculating your PIR.

Tax certificate

We are required to provide every investor with an annual tax certificate. This will include the PIE income allocated to you and the amount of tax paid at your nominated PIR. This information will be needed for determining your PIR in the future.

Holding restrictions

PIEs have restrictions on the percentage of Units you and any associated parties can hold (generally no more than 20%). As Manager we may redeem or cancel Units held by investors exceeding the permitted threshold to ensure PIE status is maintained. If Units are cancelled you will receive a refund of subscription moneys plus or minus any amount which the Trustee deems appropriate, in consultation with the Manager.

Other Tax Considerations

Goods and Services Tax

The Fund is registered for GST. Some of the Fund’s investments (for example residential property leasing and fixed interest securities) are exempt from GST. Investments into the Fund and distributions from the Fund to investors are not subject to GST. GST is payable on some ongoing expenses. Depending on the mix of GST taxable supplies and GST exempt supplies from time to time, the Fund should be able to claim most its GST input tax credits.

All fees and expenses are quoted exclusive of GST.

Further information

For more information we recommend that you speak to your tax adviser.

10.

Where you can find more information

The Unit Trust Deed

The Unit Trust Deed, the Application Form together with the Investment statement and certain financial services laws govern our legal relationship with investors. You are entitled to a copy of the Unit Trust Deed on request.

Some provisions are discussed elsewhere in this document and others include:

- the nature of the Fund,
- our powers (and how and when we can exercise them),
- when the Fund terminates (we can terminate the Fund at any time and distribute the relevant investors share the net proceeds),
- when we can retire and what happens if we do (usually another trustee will be appointed), and
- changing the Unit Trust Deed (we can change the deed).

Meetings and changes of Trustee

Investor meetings are uncommon. Investors can, however, generally attend and vote at meetings. Changes of Trustee are also uncommon. Investors have no right to requisition a meeting or call for the retirement or removal of the Trustee.

Investment Enquiries

Enquiries about your investment in the Fund can be made to us in writing, by email, or by telephone as follows:

Ms. Orena Likun Huang

Uwin Capital Limited

Level 1, 5 William Pickering Drive,
Rosedale
Auckland 0632
New Zealand

www.childcareproperty.co.nz

Telephone: +649 363 8086

Email: info@childcareproperty.co.nz

Attn: Business Manager

New Zealand Property Investment Trustee Limited
Level 1, 96 St Georges Bay Road, Parnell
Auckland 1052
New Zealand

PO Box 91211
Victoria Street West
Auckland 1142
New Zealand

Telephone: +649 918 3474

Alternatively, please contact your financial adviser.

No guarantee

Neither the Directors, Manager, Administrator, nor any other person guarantee the repayment of your investment or the payment of any earnings or returns from investments made by the Fund. We promise no amount of return on investment.

Anti-Money Laundering and Know Your Client rules

In order to comply with AML/KYC Laws, the Trustee, Manager, Administrator or their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, permitted delegates and sub-delegates may require you to provide appropriate detailed identification and verification about an applicant, which may include identification of underlying beneficial owner(s). The Trustee may delay or refuse to accept an application of a prospective investor who delays or fails to produce any information we request for verification purposes or if we are concerned that the application may breach any obligation of, or cause us to commit or participate in an offence under the AML/KYC Laws, and we will incur no liability to you if we do so. The Trustee will not accept the transfer of your funds until all required information has been received to the satisfaction of the Trustee (including any additional information that may be requested) and it is satisfied all client identification procedures have been completed and any other obligations under the AML/KYC Laws have been complied with. We may also require you to provide additional information and identification documents to those listed in the Application Form. The Trustee may take certain actions including 'freezing' an investor's investment in the Fund, not permitting the Fund to accept any additional contributions from such investors, not requesting any additional contributions from such investors, not permitting the Fund to allocate any items of income or gain to such investors, limiting any distributions made to the investor and/or causing the Fund to redeem the investor's frozen interest if we are concerned that the interest held by an investor may breach any obligation of, or cause us to commit or participate in an offence under the AML/KYC Laws, and we will incur no liability to you if we do.





11.

Complaints Process

Contact us

In the first instance, complaints should be made either by telephoning or writing to:

Ms. Cindy Hongyan Liu

Uwin Capital Limited

Level 1, 5 William Pickering Drive
Rosedale
Auckland 0632
New Zealand

www.childcareproperty.co.nz

Telephone: +649 363 8086

Email: info@childcareproperty.co.nz

Contact the Trustee

If you believe your complaint has not been resolved after speaking with us, you can then direct it to:

Attn: Business Manager

New Zealand Property Investment Trustee Limited

Level 1, 96 St Georges Bay Road,
Parnell
Auckland 1052
New Zealand

PO Box 91211
Victoria Street West
Auckland 1142
New Zealand

Telephone: +649 918 3474

12.

How to Apply

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

- A completed and signed Application Form
- Completed Investment Criteria Certificate (contained in the Application Form)
- Bank encoded deposit slip verifying your bank account name and number
- Certified copy of your passport or ID
- Certified copy of your proof of address (no older than 3 months)
- Documentation supporting proof of source of funds may be required (refer Application Form)
- A completed Unit Subscription Agreement
- Payment of the Subscription Amount

Your completed Application Form, along with the above accompanying documents and the Subscription Amount must be mailed to the Manager:

Uwin Capital Limited

PO Box 302103
North Harbour
Auckland 0751
New Zealand

Or delivered or couriered to the Manager:

Uwin Capital Limited

5 William Pickering Drive
Rosedale
Auckland 0632
New Zealand

Or mailed to the Trustee:

New Zealand Property Investment Trustee Limited

Level 1, 96 St Georges Bay Road, Parnell
Auckland 1052
New Zealand

PO Box 91211
Victoria Street West
Auckland 1142
New Zealand

Joint applicants must both sign and supply accompanying documents.

If you require an Application Form for a Trust, Partnership, or Company please contact the Administrator.

Payment should be made in New Zealand dollars for immediate value. Payment may be made by:

- Electronic funds transfer (account details are contained in the Application Form and below)

Bank: ASB Bank
Address: 12 Jellicoe Street, ASB North Wharf, Auckland 1010, New Zealand
Account Name: New Zealand Real Estate Investment Trust
Account Number: 12-3648-0023663-00
SWIFT: ASBBNZ2A
Reference: [Name] NZREIT Offer

- Cheque: Payable to "New Zealand Real Estate Investment Trust"

If you have any questions, please contact the Manager.

When your Application Form and accompanying documents have been accepted by the Manager you will receive a Subscription Agreement to sign. Units will be issued to you after you have signed the Subscription Agreement.

An investor cannot cancel their Subscription once the Application Form has been accepted by the Manager and you have signed the Subscription Agreement.

13.

Glossary

Administrator – Rockburgh Fund Services Limited

Benchmark - The standard against which the performance of the fund is measured

Custodian – Craigs – Custodial Services Limited

Distribution Yield - How much a Unit Trust pays in distributions relative to its share price

Fund/NZREIT - New Zealand Real Estate Investment Trust

Unit Class A - New Zealand Real Estate Investment Trust-Fixed Income Fund A Units

Unit Class B - New Zealand Real Estate Invest Trust-Growth Fund B Units

Gross Asset Value - The aggregate value of the investments before deducting liabilities, fees and tax

Investor - Unit holder in the Unit Trust

Manager – Uwin Capital Limited

Property Manager – Uwin Capital Limited

Subscription Amount - Number of Units issued multiplied by the Unit Price

Trustee - New Zealand Property Investment Trustee Limited

Unit Class - Each Investor's interest in the Unit Trust

Unit Trust - New Zealand Real Estate Investment Trust established by the Unit Trust Deed

Unit Trust Deed - New Zealand Real Estate Investment Trust Deed. This sets out the terms and conditions applicable to the Unit Trust

Wholesale Investors - As defined by the Financial Markets Conduct Act 2013, Schedule 1. It includes New Zealand residents who invest at least NZ\$750,000, or who are Eligible Investors, or who are otherwise classed as Wholesale Investors and complete and sign an Investment Criteria Certificate

Wholesale Investor Certificate - The certificate contained in the Application Form

New Zealand Real Estate Investment Trust

Application Form - Individuals

Initial Investment Amount

New Zealand Immigration InvestorPlus Visa Scheme Applicants (\$10 million) - Amount in Words	
New Zealand Immigration Investor Visa Scheme Applicants (\$2.5 million or \$3 million) - Amount in Words	
Other Wholesale Investors (minimum investment of \$750,000, less if other exemptions apply) - Amount in Words	
Amount in Numbers	

Subscription Amount to be paid by:

- electronic transfer (bank account details at right)
- cheque (made payable to "New Zealand Real Estate Investment Trust")

Bank: ASB Bank
 Address: 12 Jellicoe Street, ASB North Wharf, Auckland 1010, New Zealand
 Account Name: New Zealand Real Estate Investment Trust
 Account Number: 12-3648-0023663-00
 SWIFT: ASBBNZ2A
 Reference: [Name] NZREIT Offer

As explained in the IM, your money will be used by the Trustee to acquire investments in particular unit classes on your behalf. Please choose your preferred investment allocation by setting out the percentage of your money you wish to be allocated to each investment class listed below:

NZREIT Fixed Interest Fund Unit Class A	%
NZREIT Growth Fund Unit Class B	%
Total	100%

Personal Information

Title	
Last Name	
First Name(s)	
Address	
Country	
Contact Telephone Number	
Email	
Nationality	
ID/Passport Number	
Date of Birth	
Place of Birth	
Place of Issue	
Date of Issue	
Expiry Date	
Marital Status	
Occupation	
Name of Employer	
Address	
Business Telephone Number	

New Zealand Tax Information

Are you an NZ tax resident	
If no, please state country and we will send you a tax residency self-certification form	
Are you a US citizen or US tax resident? If yes, we will send you a separate FACTA questionnaire	
IRD Number	
PIR (0%, 10.5%, 17.5%, 28%)	

** If you are unsure what your PIR is, visit www.ird.govt.nz and search for 'Prescribed Investor Rate'; contact Inland Revenue on 0800 227 774, or speak to your tax adviser. If your PIR is invalid or you do not choose one, the default rate of 28% will apply. If you are not a New Zealand tax resident, please contact your tax adviser.*

Bank Account Information

Bank Name	
Branch Address	
Country	
Account Name	
Account Number	
Swift Code	

** Required for identification of subscriptions to the fund, paying distributions and redemption payments.*

Financial Advisor/Distributor's Details

Financial Advisor/Distribution Name	
Relationship Manager's Name	
Relationship Manager's email	

** Please write N/A in this field if a Distributor has NOT introduced this investment to you*

Source of Funds **Percentage (Complete All)**

Salary Accumulation	
Bonus	
Sale asset(s)	
Investment Portfolio	
Inheritance/Gift	
Gaming Winnings	

Please provide certified copies of the following documents: Employment Contract; Salary/bonus letter; Sale & Purchase Agreement; Broker Statements; Correspondence from lawyers confirming inheritance; Proof of winnings.

Investment Objectives for this Application **Tick One**

Speculation	
Capital Growth	
Capital Preservation	

Investment Horizon for this Application **Tick One**

3 years	
4 years	
5 years	
Over 5 years	

Investment experience in: **Years (Complete All)**

Residential Real Estate	
Commercial Real Estate	
Equities or Exchange Traded Funds	
Mutual Funds or Unit Trusts	
Currencies	
Bonds	
Derivatives	

Anti-Money Laundering and Countering Financing of Terrorism Act 2009

This Application Form is issued as part of the latest available Investment Statement relating to the New Zealand Real Estate Investment Trust (the "Fund") managed by Uwin Capital Limited (the "Manager").

The Manager is required to comply with New Zealand's Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) and similar AML laws of other countries.

In order to comply with the anti-money laundering laws and regulations applicable to the Manager, and the Manager on behalf of the Fund, the Custodian, the Administrator, the Investment Manager, the Representative (if applicable), the Distributor (if applicable), the Compliance Agent (if applicable), and the Paying Agent (if applicable), together the "Parties" acting together or individually, you acknowledge that the Manager will not accept the transfer of your Subscription Amount until such time that the Parties involved are satisfied that evidence regarding the source of the Subscription Amount, your identity, and the payment instructions for redemptions, is satisfactory and at any given time the Parties may request new and/or additional evidence, information or other documentation deemed necessary by the Parties and you warrant to provide such information within reasonable time as defined by the Parties. Applications may be rejected if this information is incomplete or the wire confirmation does not match the information provided in this Application Form.

Provision of some verification evidence may, at the discretion of the Manager and Administrator, be waived where Subscription Amount will be transferred from an account held in your name from a financial institution based in a country that is recognized as having an adequate anti-money laundering regime.

We agree that no investment will be made unless and until the relevant Subscription Amount, net of fiscal and bank charges, have been received in cleared funds by or on behalf of the Manager.

We are committed to protecting the privacy of your information and we will continue to ensure all identity and other personal information you provide will be used and managed in accordance with the Privacy Act 1993.

If you have any questions or concerns in respect of the requirements under the AML/CFT Act please feel free to contact us.

Privacy Act 2020

This statement relates to personal information that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us (and our related entities and service providers) for the purposes of enabling us to arrange and manage your investment, to contact you in relation to your investment, and to market other products to you.

You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf and to regulatory bodies, taxing authorities, or law enforcement agencies as required by law and to meet our legal or regulatory obligations.

You have the right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide the personal information of other persons when you provide that personal information to us. You agree that your name and address may be used by us to provide you with newsletters and other information about us and our related entities and other products and services offered by us and our related entities.

By signing and returning this Application Form we hereby confirm that:

Individual Investment Understanding Declaration

1. I have read and understood the Terms and Conditions as set out in the Investment Statement and agree that these Terms and Conditions are binding and irrevocable.
2. I have read and understood the Fees and Charges in the Investment Statement.
3. I have read and understood that the Units cannot be redeemed but that they may be sold to a third party which may be facilitated by the Manager and I agree to pay the brokerage fee, should it apply.

Individual Consent and Declaration

1. The information contained in this Application Form is true and accurate and deem such information and representations made here to be correct and accurate as of this date.
2. Rockburgh Fund Services Limited is authorized to contact persons or companies for the purpose of verifying the information provided in this Application Form.
3. I will inform Rockburgh Fund Services Limited promptly if any information provided in this application ceases to be true and accurate.
4. I consent to a Relationship Manager from Rockburgh Fund Services Limited periodically contacting me, via email or telephone, to perform their normal duties as an appointed administrator.

Individual Representations and Warranties

I hereby apply to subscribe for Units in the Fund upon the terms and conditions of the Investment Statement, Trust Deed, and this Application Form (collectively referred to as the "Establishment Documents").

I hereby make the following representations, warranties and agreements to and for the benefit of the Parties and the directors of the Manager on behalf of the Fund:

1. By signing this Application Form, I agree to be bound by the terms and conditions of the Establishment Documents.
2. I have received and reviewed a copy of the Investment Statement and have evaluated the risks and merits of the investment. I am making this application solely on the terms and provisions set forth in the Investment Statement and not in reliance on any representations of any kind or nature except as specifically set forth in the Investment Statement. I acknowledge that the Parties have full and sole discretion to accept or reject this Application Form without being required to explain any decision or action taken or not taken.
3. I have knowledge, skill, or experience in financial and business matters, and I can evaluate the merits of, and are able to bear the economic risks of, my investments in the Fund. In regard to the economic, tax and legal considerations related to this investment, I have consulted with my own professional advisers.
4. The subscription for Units in the Fund is not in breach of any regulatory or legal requirements of the jurisdiction in which I am resident, or which are applicable to me.

5. I am in good standing under the laws of the jurisdiction in which I am currently resident and have the power and authority and legal capacity to enter into and perform our obligations under this Application Form. The person(s) signing this Application Form has all requisite power and authority to sign and deliver such documents on my behalf. I have fully observed the legal requirements of all jurisdictions to which I am subject, including the obtaining of any government or other consents that may be required or the compliance with other necessary formalities.
6. I hereby declare that I am the ultimate beneficial owner of the Subscription Amount that will be invested in the Fund. In such case, I acknowledge that the Manager has the right to reject this Application Form or terminate our relationship should it subsequently be found that I have concealed the facts of beneficial ownership. I also undertake to keep you informed in writing of any changes to the above information in future and undertake to provide any other additional information as may be required by the Manager.
7. I furthermore declare that I am not involved in money laundering and/or drug trafficking and that any monies and/or securities that have been or will be deposited in any bank account do not originate, either directly or indirectly, from illegal and/or criminal activities.
8. I agree to the information above under "Anti-Money Laundering and Countering Financing of Terrorism Act 2009" and "Privacy Act 2020"

Applicant's Name

Applicant's Signature*

Date

Witness Name

Signature of Witness

Date

**This should be signed by the applicant(s) in front of a witness*

Wholesale Investor Certificate

Warning

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

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

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

Offence

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

Certificate

We, _____ hereby certify that we are a wholesale investor of the following kind **(tick one of the following)**:

- ☐ Please refer to the following definitions in respect of the terms in bold.
- ☐ Person is an investment business
- ☐ Person has in the last 2 years owned (or controlled) a portfolio of specified financial products of a value (in aggregate) of at least \$1,000,000.
- ☐ Person has during the 2 years before this subscription carried out one or more transactions to acquire specified financial products where the amount payable under those transactions (in aggregate) is at least \$1,000,000 and the other parties to the transactions are not associated persons.
- ☐ Person is an individual who within the last 10 years has been employed or engaged in an investment business and has, for at least 2 years during that 10-year period, participated to a material extent in investment decisions made by the investment business.
- ☐ Person is a large investor if the person and its controlled entities have as at the last day of each of the 2 most recently completed financial years net assets of or total consolidated turnover exceeding \$5,000,000.

The grounds on which we claim we are a wholesale investor under the relevant category identified above are as follows:

[include grounds]

We understand the consequences of certifying ourselves to be a wholesale investor.

This certificate is valid for 2 years from its date.

Defined terms

A person is an **investment business** if the person is –

- (a) an entity whose principal business consists of 1 or more of the following:
 - (i) investing in financial products; or
 - (ii) acting as an underwriter; or
 - (iii) providing a financial adviser service in relation to financial products; or
 - (iv) providing a broking service in relation to financial products; or
 - (v) trading in financial products on behalf of other persons; or
- (b) a registered bank; or
- (c) a Non-Bank Deposit Taker; or
- (d) a licensed insurer; or
- (e) a manager of a registered scheme, or a discretionary investment management service, that holds a market services licence; or
- (f) a derivatives issuer that holds a market services licence; or
- (g) a Qualifying Financial Entity or an Authorised Financial Adviser.

Specified financial products means financial products other than—

- (a) financial products of a kind specified by regulations;
- (b) interests in a retirement scheme;
- (c) financial products issued by an associated person.

Financial product means—

- (a) a debt security; or
- (b) an equity security; or
- (c) a managed investment product; or
- (d) a derivative.

Eligible Investor means a habitual investor in financial products like the Units in the Fund who is able to assess the merits and risk of such financial products and knows the consequences of electing to be an eligible investor and an authorised financial adviser, a chartered accountant, or a lawyer signs a written confirmation of the investor's certification.

Applicant's Name

Applicant's Signature*

Witness Name

Signature of Witness

Date

Date

*This should be signed by the applicant(s) in front of a witness

Eligible Investor Certificate

Warning

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

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

Make sure you understand these consequences.

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

Offence

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

CERTIFICATION

This Certificate relates to investments in units issued by New Zealand Real Estate Investment Trust which is managed by Uwin Capital Limited (the “**Transaction**”)

Name of Investor: _____ (the “Investor”)

New Zealand Real Estate Investment Trust aims to construct and manage a portfolio of New Zealand real estate investments comprising of commercial property and new residential properties that comply with New Zealand Immigration’s “Acceptable Investments” criteria.

The Investor certifies that it has previous experience in acquiring or disposing of financial products that allows the Investor to assess:

- a. the merits of the Transaction (including assessing the value and the risks of the investment); and
- b. the Investor’s own information needs in relation to the Transaction; and
- c. the adequacy of the information provided by any person involved in the Transaction.

The grounds for the above certifications are as follows:

[Place a tick in all appropriate boxes and add any further grounds that apply to you. This section will need to be tailored to the personal experience of the certifying investor.]

- ☐ The Investor has previously invested in early stage or established New Zealand commercial property businesses.
- ☐ In the course of its investment activities, the Investor has been involved in investor presentations and/or due diligence meetings and through this have gained an appreciation for the risks and opportunities associated with investing in New Zealand commercial and new residential properties.
- ☐ The Investor has served as a director of an early stage business that was involved in capital raising.
- ☐ The Investor has experience in investing in units and other securities (listed and unlisted) and understands the risk with investing in different types of financial products.
- ☐ The Investor has experience in investing in New Zealand property, directly or indirectly, and understands the risk with investing in New Zealand commercial and new residential property.
- ☐ The Investor recognises that investment in New Zealand commercial and new residential property has a higher risk profile than other types of property investments.
- ☐ The Investor currently hold a diverse portfolio of investments. The Investor regularly reviews its own investment portfolio, with the benefit of advice from relevant professionals where appropriate, and makes its own investment decisions in relation to its portfolio.
- ☐ In the course of its investment activities, the Investor is exposed to a wide range of investment analysis and commentary and this has helped the Investor build up its knowledge and skills in assessing the value and risks of investing in financial products.
- ☐ Other relevant experience of acquiring or disposing of financial products.

Specify details below:

Through the above activities, the Investor considers that it understands the risk of investing in the Transaction. The Investor is aware of the information that it needs to form a decision on the Transaction and it is satisfied that it has received all the information that it needs. Further, the Investor's experience has given it the ability to assess the adequacy of the information provided to it in connection with the Transaction.

The Investor understands the consequences of certifying itself to be an eligible investor within the meaning of clause 41, Schedule 1 of the Financial Markets Conduct Act 2013.

SIGNED by the Investor

Signature

Name

Date

Confirmation of Eligible Investor Certification

CLAUSE 43, SCHEDULE 1 OF THE FINANCIAL MARKETS CONDUCT ACT 2013 ("Act")

Name of **Eligible Investor** _____

1. I confirm that:
 - (a) I am:
 - (i) a financial adviser under the Act; or
 - (ii) a qualified statutory accountant under section 5 (1) of the Financial Reporting Act 2013; or
 - (iii) a lawyer under section 6 of the Lawyers and Conveyancers Act 2006.
 - (b) I am not an associated person (as defined in the Financial Markets Conduct Act 2013) of New Zealand Real Estate Investment Trust or Uwin Capital Limited or other relevant person, or any related body corporate of New Zealand Real Estate Investment Trust or Uwin Capital Limited or other relevant person (the "**Relevant Persons**").
 - (c) If I am an authorised financial adviser or chartered accountant, I have not, within the 2 years immediately before the date of this confirmation, provided professional services to any Relevant Person.
2. Having considered the Eligible Investor's grounds for the certification in the attached certificate:
 - (a) I am satisfied that the Eligible Investor has been sufficiently advised of the consequences of the certification; and
 - (b) I have no reason to believe that the certification is incorrect or that further information or investigation is required as to whether or not the certification is correct.

SIGNED by a financial adviser/qualified statutory accountant/lawyer:

Signature

Name

Date

Who can certify documents?

Investor Identification	Directors and Ultimate beneficial Owners
Identity verification	<p>If you are over 18 years, we will need certified photocopies of acceptable forms of identification to verify your identity that will include:</p> <ul style="list-style-type: none"> • current international travel passport; or • national identity card (for example Hong Kong Identity card).
Address verification	<p>To verify your address, certified photocopies of acceptable original (not printed) documents that set out your name and current address and are dated within the previous three months include:</p> <ul style="list-style-type: none"> • power or home phone bill; • rates bill; • bank account statements; • IRD statements; or • car registration documents.
Certification of documents	<p>Please send certified photocopies of documents, not the originals. Your photocopies must be certified to verify your identity and your address by law. We will accept photocopied documents certified by someone who is over 16 years of age and is one of the following:</p> <ul style="list-style-type: none"> • Commonwealth representative; • A Police constable; • Justice of the peace; • Registered medical doctor; • Registered teacher; • Minister of religion; • Lawyer; • Notary public; • New Zealand Honorary consul; • Member of Parliament; or • Chartered Accountant. <p>The person certifying your document must not be: related to you; for example, your parent, child, brother, sister, aunt, uncle or cousin; or your spouse or partner; or a person who lives at the same address as you.</p> <p>If sufficient identification and address verification is not provided your Application Form will be rejected and your payment returned. Payments returned to investors will not be eligible to accrue any interest.</p>
Certification of documents Overseas	<p>When certification occurs overseas, copies of International identification provided by you must be certified by a person authorised by law in that country to take statutory declarations or equivalent in the customers country. Documents that are not in English must be supported by an independent and certified English translation.</p>

Document Checklist

Required supporting documentation to accompany this Application Form

1. Certified copy of Applicant's Passport or ID	
2. Certified copy of Applicant's Proof of Address (no older than 3 months)	
3. Completed and signed Application Form	
4. Completed and signed Wholesale Investor Certificate (if applicable)	
5. Completed and signed Eligible Investor Certificate (if applicable)	
6. Completed Unit Subscription Agreement.	
7. Bank encoded deposit slip verifying your bank account name and number	
8. Source of Funds information may be required (refer to the Manager)	

Completed Application Form and Documents

Please post this documentation to:	Or, courier this documentation to:
Uwin Capital Limited P O Box 302103 North Harbour, Auckland 0751	Uwin Capital Limited 5 William Pickering Drive Rosedale, Auckland 0632

