

New Zealand Real Estate Investment Trust

Investment Statement

31 October 2019



Fixed Income Fund A Units

Growth Fund B Units

This offer is not open to the public. It is open to Wholesale Investors including New Zealand residents who invest at least NZ\$750,000, or who are Eligible Investors, or who are otherwise classed as Wholesale Investors. Please refer to the Application Form for full details.

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Important Information

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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In addition to the information in this Investment statement, important information can be found in the attached Application Form and the Unit Trust Deed. You are entitled to a copy of the Unit Trust Deed on request.

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.

What Sort Of Investment Is This?

Units in the New Zealand Real Estate Investment Trust

You will subscribe for and own Units in a New Zealand private Unit Trust, the New Zealand Real Estate Investment Trust (the "Fund"). 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 the Manager. The Trustee in conjunction with the Manager will make investments in New Zealand real estate comprising of commercial property that comply with New Zealand Immigration's "Acceptable Investments" criteria.

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

- a) Any Wholesale Investor who would like to invest at least NZ\$750,000.
- b) Eligible Investors who may invest any amount accepted by the Manager from time to time.
- c) New Zealand Immigration InvestorPlus Visa Scheme Applicants who are required to invest a minimum of NZ\$10 million in "Acceptable Investments";
- d) New Zealand Immigration Investor Visa Scheme Applicants who are required to invest a minimum of NZ\$3 million (NZ\$2.5 million in certain circumstances) in "Acceptable Investments";
- e) Immigration New Zealand Parent Retirement Visa Scheme Applicants who are required to invest a minimum of NZ\$1 million in "Acceptable Investments";

What type of units can I invest in?

- Fixed Income Fund A units: Target pre-tax return of 6%, regular quarterly distributions
- Growth Fund B Units: Discretionary distributions, long term capital growth

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 A and B Units 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.

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 Investment statement 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.

Wholesale Investors

This offer is not open to the public. It is open to Wholesale Investors including New Zealand residents who invest at least NZ\$750,000, or who are Eligible Investors, or who are otherwise classed as Wholesale Investors. Please refer to the Application Form for full details.

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.

Key Information Summary – Fixed Income Fund A Units

Name of Fund	New Zealand Real Estate Investment Trust
Type of Fund	Unit Trust
Nature of offer	Fixed Income Fund - A Units
Investor Type	Investors who seek exposure to New Zealand real estate. Wholesale Investors only (as defined by the Financial Markets Conduct Act 2013).
Fixed Income Fund's Objective	To invest in yielding New Zealand commercial real estate that comply with New Zealand Immigration's "Acceptable Investments" criteria.
Fixed Income Fund's Investment Strategy	To construct and manage a portfolio of New Zealand yielding real estate investments that provides a steady target dividend return and the possibility of growth in value over the medium to long term. The Fixed Income Fund targets a pre-tax 6% return.
Risk Profile	Low - Moderate risk
Manager	Uwin Capital Limited
Trustee	New Zealand Property Investment Trustee Limited
Administrator	Rockburgh Fund Services Limited
Unit Pricing	Quarterly
Minimum Investment	NZ\$100,000 (Eligible Investors)
Minimum Subsequent Investment	NZ\$50,000
Distributions	Quarterly
Withdrawals and Exit Fee	Through selling your units to other investors arranged either by yourself or through the Manager. Permitted withdrawals at the Trustee's absolute discretion in which case an Exit Fee of 1.5% applies.
Brokerage	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
Management Fee	0.75% per annum of the Gross Asset Value of the Fund
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)
Trustee Fee	0.08% per annum of the Gross Asset Value of the Fund
Administration Fee	0.2% per annum of the Gross Asset Value of the Fund
Property Management Fee	0.2% per annum of the Total Property Value of the Fund
Switching Fee	Nil
Launch Date	1 October 2019
Does anyone guarantee this investment?	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.
Tax	The Fund has elected to be a multi rate PIE.

Key Information Summary – Growth Fund B Units

Name of Fund	New Zealand Real Estate Investment Trust
Type of Fund	Unit Trust
Nature of offer	Growth Fund - B Units
Investor Type	Investors who seek exposure to New Zealand real estate. Wholesale Investors only (as defined by the Financial Markets Conduct Act 2013).
Growth Fund's Objective	To invest in Core Plus New Zealand commercial real estate that comply with New Zealand Immigration's "Acceptable Investments" criteria.
Growth Fund's Investment Strategy	To construct and manage a portfolio of New Zealand Core Plus real estate investments that provides a discretionary dividend and growth in value over the medium to long term.
Risk Profile	Moderate - High risk
Manager	Uwin Capital Limited
Trustee	New Zealand Property Investment Trustee Limited
Administrator	Rockburgh Fund Services Limited
Unit Pricing	Quarterly
Minimum Investment	NZ\$100,000 (Eligible Investors)
Minimum Subsequent Investment	NZ\$50,000
Distributions	Discretionary
Withdrawals and Exit Fee	Through selling your units to other investors arranged either by yourself or through the Manager. Permitted withdrawals at the Trustee's absolute discretion in which case an Exit Fee of 1.5% applies.
Brokerage	Units Issued: Up to 2% of Unit Issue Price (paid to financial advisors) Sale of Units: Nil if seller finds buyer, 1.5% if Manager finds buyer
Management Fee	1.5% per annum of the Gross Asset Value of the Fund
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)
Trustee Fee	0.08% per annum of the Gross Asset Value of the Fund
Administration Fee	0.2% per annum of the Gross Asset Value of the Fund
Property Management Fee	0.2% per annum of the Total Property Value of the Fund
Switching Fee	Nil
Launch Date	23 December 2015
Does anyone guarantee this investment?	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.
Tax	The Fund is taxed as a Unit Trust (deemed New Zealand company). When the Fund qualifies it may elect to be a multi rate PIE.

New Zealand Investment Visa requirements

InvestorPlus and Investor Categories

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. The main differences between the two Investment Visa Schemes are:

Investor Plus Scheme (Investor 1 Category)

- Invest at least NZ\$10m in acceptable investments in New Zealand for 3 years
- No maximum age
- No business experience
- No English language requirement
- Everyone included in the residence application must meet health and character requirements
- Minimum time in New Zealand: In years 2 and 3 must reside in New Zealand for a minimum of 44 days per year. Alternatively, if you have 25% (or more) invested in growth-orientated investments, you must reside in New Zealand for a minimum of 88 days over the 3-year investment period
- No annual quota for this resident visa category

Investor Scheme (Investor 2 Category)

- Invest at least NZ\$3m in acceptable investments in New Zealand for 4 years (NZ\$2.5m if you have 50% (or more) invested in growth-orientated investments)
- Aged 65 or under
- Minimum of 3 years business experience
- English language experience/test required
- Everyone included in the residence application must meet health and character requirements
- Minimum time in New Zealand: In years 2, 3 and 4 must reside in New Zealand for a minimum of 146 days per year. Alternatively, if you have 25% (or more) invested in growth-orientated investments, you must reside in New Zealand for a minimum of 438 days over the 4-year investment period.
- The annual quota for the maximum number of resident visas that can be approved in this category is 400

During the application process you will need to provide verifiable evidence that you meet the criteria summarised below. The funds and/or assets you nominate in your residence application must be equivalent to at least NZ\$10m or NZ\$3m. You will have to provide evidence to show that these funds and/or assets:

- are owned by you or jointly by you, your partner and/or dependent children
- are unencumbered, i.e. not subject to any mortgage, lien, charge and/or encumbrance (whether equitable or otherwise) or any other creditor claims
- have been earned or acquired legally
- are transferable through the banking system, or a foreign exchange company that uses the banking system.

When your application has been processed and Immigration New Zealand has given you approval in principle, you will need to provide verifiable documents to show that the funds you transfer to New Zealand came from the funds and/or assets that you nominated. You will need to invest a minimum of NZ\$10m or NZ\$3m in acceptable investments in New Zealand.

You cannot nominate investment funds or assets you intend to bring to New Zealand for your personal use – for example a personal residence, car, or boat.

Immigration New Zealand may not accept funds transferred through a foreign exchange company using the banking system if you cannot provide satisfactory evidence of the following:

- the nominated investment funds have been transferred to the foreign exchange company directly from your bank account(s), and
- the nominated investment funds have not been transferred through the foreign exchange company contrary to the laws of New Zealand, and
- nominated investment funds transferred are traceable, and
- cash transactions were not made, and
- the foreign exchange company is not suspected of, or proven to have committed fraudulent activity or financial impropriety in any country it operates from or in.

After residence is approved

If your residence application is approved in principle, you (the principal applicant) will have 12 months to transfer your nominated investment funds and invest them in an acceptable investment in New Zealand, thus beginning your investment period. You can also apply for a work visa so you can travel to New Zealand to look into investment opportunities. You will need to retain your investment funds in acceptable investments for three years (NZ\$10m Investor Plus) or four years (\$3m Investor).

What may I invest in to satisfy the Investment Visa requirements?

"Acceptable Investments" includes any investment that:

- is capable of a commercial return under normal circumstances, and
- is not for the personal use of the applicant(s), and
- is invested in New Zealand in New Zealand currency, and
- is invested in lawful enterprises or managed funds that comply with all relevant laws in force in New Zealand (see *Managed funds* below), and
- has the potential to contribute to New Zealand's economy, and
- is invested in either one or more of the following:
 - bonds issued by the New Zealand government or local authorities, or
 - bonds issued by New Zealand firms traded on the New Zealand Debt Securities Market (NZDX), or
 - bonds issued by New Zealand firms with at least a BBB- or equivalent rating from internationally recognised credit rating agencies (for example, Standard and Poor's), or
 - equity in New Zealand firms (public or private including managed funds), or
 - bonds issued by New Zealand registered banks, or
 - equities in New Zealand registered banks, or
 - bonds in New Zealand finance companies, or
 - New Zealand residential property development(s) (must be new, not the purchase of existing dwellings), or
 - New Zealand commercial property, or
 - New Zealand private equity funds and angel funds or networks, or
 - eligible New Zealand venture capital funds, or
 - acceptable philanthropic investments (up to 15% of your nominated investment funds)

Note:

- For the purposes of these categories, convertible notes are considered to be an equity investment.
- New Zealand registered banks are defined by the New Zealand Reserve Bank Act 1989.
- New Zealand commercial property (including new developments) must be leased to third parties for the purpose of making a commercial return (cannot be used by family, relatives or associated persons).
- Funds invested in New Zealand private equity must be used for growth, reducing debt, or purchasing capital assets.
- Growth-oriented investments excludes bonds, convertible notes and philanthropic investments.

Where an investment fails to meet one of the Acceptable Investment requirements, Immigration New Zealand may consider, on a case-by-case basis, whether the failure was beyond the control of the principal applicant and if satisfied that this was the case, may consider the investment acceptable.

Bonds in finance companies may be considered as an Acceptable Investment where the finance company:

- is a wholly-owned subsidiary of,
- raises capital solely for, and
- has all its debt securities unconditionally guaranteed by a New Zealand Stock Exchange listed company or a local authority.

Note:

The value of an investment is based on the net purchase price (for example, less any accrued interest, commission, brokerage and/or trade levy), not on the face value of the investment.

Managed funds

For the purposes of this category, managed funds are defined as either:

- a managed fund investment product offered by a financial institution, or
- funds invested in equities that are managed on an investor's behalf by the fund manager or broker.

In order to be acceptable as a form of investment managed funds must be invested only in New Zealand companies. Managed fund investments in New Zealand with international exposure are acceptable only for the proportion of the investment that is invested in New Zealand companies. For example, only 50% of a managed fund that equally invests in New Zealand and international equities would be deemed to be an acceptable investment.

Approved Money Transfer

The transfer of funds to New Zealand must be compliant with foreign exchange laws, Anti-Money Laundering laws, and Immigration New Zealand law and policies. With regard to the latter, the following Immigration New Zealand rules apply.

(a) When your application is approved in principle, you will be required to transfer the nominated investment funds to New Zealand. These funds must:

- be the funds initially nominated, or the funds that result from the sale of the same assets as those initially nominated, in the resident visa application; or
- be funds, in the case of the Investor 1 Category as agreed to by a business immigration specialist, secured against the nominated assets in the resident visa application and as approved in accordance with (b) below; and
- be transferred through the banking system directly from your bank account(s) to New Zealand; or
- be transferred by a foreign exchange company to New Zealand through the banking system. Business immigration specialists may not accept the transferred funds if you cannot provide satisfactory evidence of the following:
 - the nominated investment funds have been transferred to the foreign exchange company directly from your bank account(s); and
 - the nominated investment funds have not been transferred through the foreign exchange company contrary to the laws of New Zealand; and
 - nominated investment funds transferred are traceable; and
 - cash transactions were not made; and
 - the foreign exchange company is not suspected of, or proven to have committed fraudulent activity or financial impropriety in any country it operates from or in.

(b) Under the Investor 1 Category, a business immigration specialist may consider, on a case by case basis, borrowed funds as acceptable investment funds where you are able to demonstrate that:

- you own net assets equal or greater in value to the required investment amount; and
- the borrowed investment funds will be from a bank or commercial lending institution acceptable to a business immigration specialist and will be secured against the assets identified under (i); and
- it is not economically viable or practical to liquidate the nominated assets. E.g. sell a business.

(c) The investment funds that are transferred to New Zealand and subsequently into an acceptable investment must be from the same source of funds as nominated in the resident visa application.

New Zealand Real Estate Investment Trust

Immigration New Zealand has reviewed New Zealand Real Estate Investment Trust structure and has indicated that, in principle, the units should qualify as an Acceptable Investment.

As is normal for all investment products, Immigration New Zealand does not explicitly endorse individual investment products or offer any guarantee of acceptance or approval of any resident visa application made under the current immigration policies. Facts and circumstances change, as do immigration laws and policies. Therefore, each resident visa application under an investment visa scheme is reviewed on its merits and must comply with the immigration laws and policies that apply at the time the application is made.

Individuals and immigration advisers are expected to carry out their own due diligence on New Zealand Real Estate Investment Trust and seek professional and independent advice where required. Where advice is sought on matters concerning immigration policy, a licensed immigration advisor must be engaged.

Uwin Capital Limited discloses that one of its directors and shareholders, Peter Jiang, is a licensed immigration adviser.

About the Manager

Uwin Capital Limited (the Manager) is the manager of the New Zealand Real Estate Investment Trust (the Fund). The Manager is associated with Uwin International Investment 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. Uwin's clients have introduced at least NZD 500 million of investment funds to the New Zealand market over the last 10 years.

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.

Neither we, 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.

Senior Management

Peter Jiang Director

Peter has had a successful career in business migration and investment. Peter Jiang established, and is the Managing Director of, Uwin International Investment Limited in Shanghai. Established in 2008, Uwin now has offices in Shanghai, Beijing, Guangzhou and Auckland. Uwin is one of the most influential agents for business migration to New Zealand. Uwin's clients have introduced at least NZD 500 million of investment funds to the New Zealand market over the last 10 years.

From 1996 to 2007 Peter was practicing in his own immigration consulting business based in Auckland. He is one of the most senior business immigration specialists and has assisted hundreds of families migrating to New Zealand.

Peter has 20 years' experience in property investment in the New Zealand market. Peter's investment philosophy is conservative, investing along with his clients in properties with steady, long term growth prospects. Peter strongly believes that NZREIT Fixed Income Fund should provide investors with steady dividend returns from rental income from high quality commercial properties, while NZREIT Growth Fund, with a higher risk profile associated with development opportunities, should provide investors with an enhanced return principally through capital growth.

Peter is dedicated to providing trustworthy investment opportunities for investors.

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 is also a senior property investor and has a diploma in real estate in New Zealand.

Cindy Hong Yan Liu Director

Cindy Liu immigrated to New Zealand in 1998. Before her financial planning career, Cindy worked as a Real Estate agent in Barfoot & Thompson. Working with one of the largest land developers in New Zealand, Cindy 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 or land development projects.

Cindy has experienced several real estate cycles in New Zealand. Based on her own investment experience, Cindy provides specialist New Zealand real estate investment advice to clients in the Chinese community. Cindy believes that there are many ways to investment in New Zealand real estate. Listed property vehicles or REITs provide risk diversification benefits and economies of scale.

Cindy became an Authorized Financial Adviser (AFA) in 2012. As an AFA, Cindy provides financial advice to high net worth individuals, family trusts, and new migrants. Cindy specialises in providing comprehensive financial plans for her clients.

As a fund manager, Cindy shares Peter's conservative long-term value investment philosophy and brings local property management experience to the Fund.

Cindy has a Grad Dip Bus Stud (Personal Financial Planning) from Massey University and is an Authorised Financial Adviser FSP228905.

Advisory Committee

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

Philosophy

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.

NZREIT commits to constantly strive to:

- Operate with transparency and integrity.
- Provide the highest quality of services to our investors and the community.
- Protect, grow and respect our investors' wealth.
- Continually educate ourselves and improve our financial services expertise.
- Support our community through engagement and philanthropy.
- Support the development and growth of our stakeholders.

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

Our Investment process and policies

Our Investment approach is disciplined by the following

- We are Core Plus real estate investment managers.
- We underpin all investments with our own research.
- We are focused on capital preservation and income generation, alongside capital growth.
- We have a rigorous approach to risk management.
- Peer review is a critical part of our process.

Investment Selection Process

The Fund will adopt a Core Plus investment strategy. That is, the Fund will generally invest in Core properties (stable, fully leased, to quality tenants within strong, diversified metropolitan areas), however, many of these properties will require some form of enhancement or value-added element. This is a moderate-risk strategy.

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.

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
- Core Plus enhancement opportunities

- Price
- Capital growth potential
- Gearing
- Rate of Return

Risk Management

We have a rigorous approach to risk management including:

- In depth property and financial due diligence
- Limitations on shares and other non-property investment
- Limitations on weightings within the property portfolio
- Concentration on properties which provide limited downside risk including, for example, Childcare Facilities, Retirement Villages, Medical Centres and Hotel and Tourism Facilities.

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.

Related Party Disclosures

Peter Jiang

Uwin Capital Limited (Shareholder and Director)
 Uwin International Investment (NZ) Limited (Shareholder and Director)
 Uwin International Investment Limited (Shareholder and Director)
 Northwest Properties No. 3 Limited Partnership (Limited Partner)
 Happy Learning Limited (Shareholder and Director)
 River Holding Limited (Shareholder and Director)

Cindy Hong Yan Liu

Uwin Capital Limited (Shareholder and Director)
 Northwest Properties No. 3 Limited Partnership (Limited Partner)
 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 (Shareholder and Director)
 Hong Fei International Culture Exchange Center (Shareholder and Director)

Cindy is an AFA. 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.

About Rockburgh Fund Services Limited

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.

About the Fund

Description of the fund

The Fund invests in New Zealand real estate, first mortgages, development finance and actively managed portfolios comprised predominantly of high-quality New Zealand dollar denominated debt securities, issued or guaranteed by the New Zealand Government, or government agencies, local authorities, registered banks and corporations that qualify under Immigration New Zealand's "Acceptable Investments".

Overview

The Manager selects and acquires the real estate investments, first mortgages and development finance on behalf of the fund. The Manager may appoint advisors or sub-managers who have specialist investment skills. For example, a specialist fixed interest manager may be appointed to manage the Fund's cash pending deployment into real estate investments.

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.

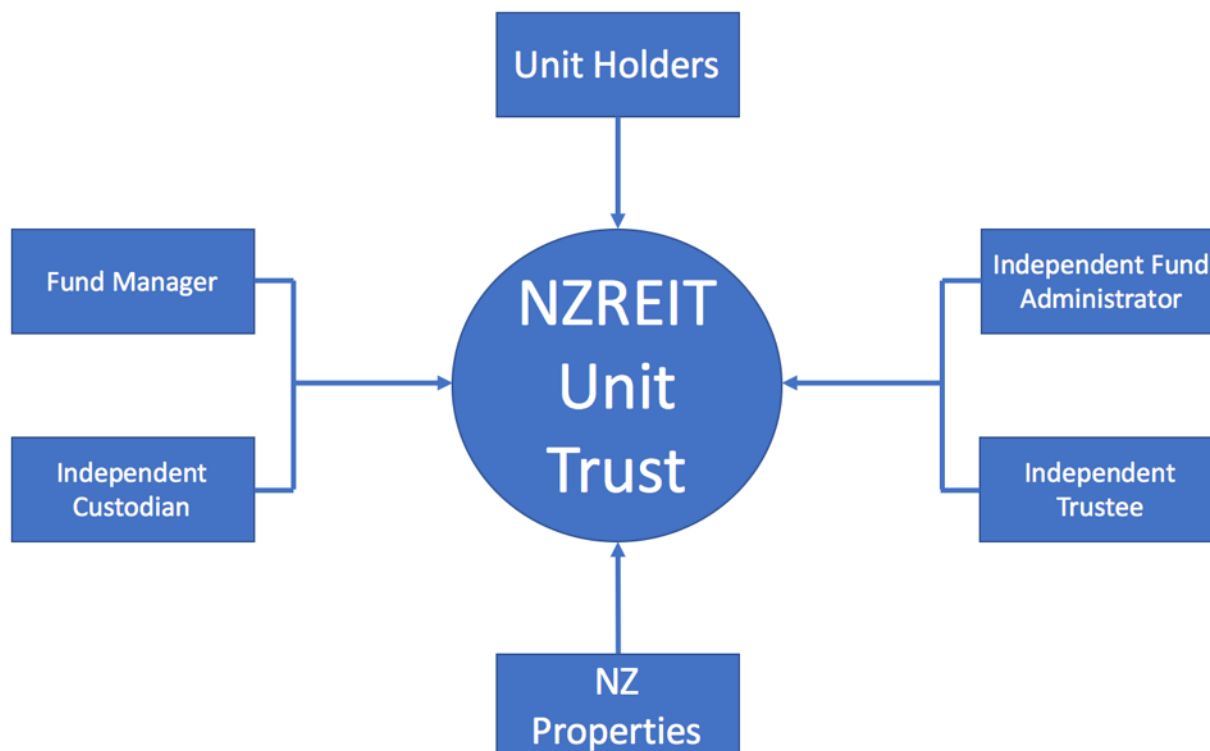
The independent Trustee (or its nominee) owns the underlying real estate investments on behalf of the Fund.

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.

Parties

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



New Zealand Real Estate Investment Trust – Fixed Income Fund A Units

Objective and Investment Policy

To invest in New Zealand yielding commercial real estate that comply with New Zealand Immigration's "Acceptable Investments" criteria.

Investment Strategy

To construct and manage a portfolio of New Zealand yielding commercial real estate investments that provides a steady target 6% pre-tax dividend return and the possibility of growth in value over the medium to long term.

Investment Limits

Up to 99% New Zealand real estate. Balance to be invested in New Zealand fixed interest securities.

Investor Type

"Wholesale Investors" who seek exposure to New Zealand real estate with expectation of regular dividends.

Risk profile

Low - Moderate

Investment Period

Long term

Brokerage

Units issued: Up to 1.8% of Unit Issue Price

Sale of Units: Nil if seller finds buyer, 1.5% if Manager finds buyer

Management Fee

0.75% per annum of the Gross Asset Value of the Fund

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)

Exit Fee

Exit can only be through selling of units to other investors (1.5% Exit Fee payable for permitted redemptions at the Trustee's absolute discretion)

Trustee fee

0.08% per annum of the Gross Asset Value of the Fund (\$12,000 minimum fee applies)

Administration Fee

0.20% per annum of the Gross Asset Value of the Fund (\$24,000 minimum fee applies)

Property Management fee

0.20% per annum of the Total Property Value of the Fund (\$25,000 minimum fee applies)

Custodian Fee

Up to 0.15%

Trustee

New Zealand Property Investment Trustee Limited

Administrator

Rockburgh Fund Services Limited

Property Manager

Uwin Capital Limited

Custodian

Craigs Investment Partners - Custodial Services Limited

New Zealand Real Estate Investment Trust – Growth Fund B Units

Objective and Investment Policy

To invest in New Zealand Core Plus commercial real estate that comply with New Zealand Immigration's "Acceptable Investments" criteria.

Investment Strategy

To construct and manage a portfolio of New Zealand Core Plus commercial real estate investments that provides a discretionary dividend and growth in value over the medium to long term.

Investment Limits

Up to 99% New Zealand real estate. Balance to be invested in New Zealand fixed interest securities.

Investor Type

"Wholesale Investors" who seek exposure to New Zealand real estate.

Risk profile

Moderate - High

Investment Period

Long-term

Brokerage

Units issued: Up to 2% of Unit Issue Price

Sale of Units: Nil if seller finds buyer, 1.5% if Manager finds buyer

Management Fee

1.5% per annum of the Gross Asset Value of the Fund

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).

Exit Fee

Exit can only be through selling of units to other investors (1.5% Exit Fee payable for permitted withdrawals at the Trustee's absolute discretion)

Trustee fee

0.08% per annum of the Gross Asset Value of the Fund (\$12,000 minimum fee applies)

Administration Fee

0.20% per annum of the Gross Asset Value of the Fund (\$24,000 minimum fee applies)

Property Management fee

0.20% per annum of the Total Property Value of the Fund (\$25,000 minimum fee applies)

Custodian Fee

Up to 0.15%

Trustee

New Zealand Property Investment Trustee Limited

Administrator

Rockburgh Fund Services Limited

Property Manager

Uwin Capital Limited

Custodian

Craigs Investment Partners - Custodial Services Limited

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 A units: Target pre-tax return of 6%, regular quarterly distributions
- Growth Fund B Units: 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 will be held by the Trustee (or its nominee or custodian) on behalf of each Unit Class and will be 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:

- a) Any Wholesale Investor who would like to invest at least NZ\$750,000.
- b) Eligible Investors who may invest any amount accepted by the Manager from time to time.
- c) New Zealand Immigration InvestorPlus Visa Scheme Applicants who are required to invest a minimum of NZ\$10 million in "Acceptable Investments";
- d) New Zealand Immigration Investor Visa Scheme Applicants who are required to invest a minimum of NZ\$3 million (NZ\$2.5 million in certain circumstances) in "Acceptable Investments";
- e) Immigration New Zealand Parent Retirement Visa Scheme Applicants who are required to invest a minimum of NZ\$1 million in "Acceptable Investments";

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 A or B Units.

Please contact the Manager to discuss additional investments. The minimum additional investment is NZ\$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.

How your money is invested

When your Subscription Amount is transferred from your bank account it is used to acquire either A or B Units in the Fund, as selected by the investor. The Trustee of the Fund uses your Subscription Amount (and any subsequent amounts invested) to acquire assets and investments as follows:

- The Trustee will invest all moneys received in either new properties or for the development of exiting properties. Amounts received prior to settlement of a property or awaiting drawdown for a development will be either directly or indirectly invested into Government Bonds or term deposit.
- 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 (A units), net investment returns will be distributed on a quarterly basis. For the Growth Fund (B Units), the returns will usually be re-invested at the Fund level. Distributions in respect of the B Units will be at the absolute discretion of the Manager. If you decide to invest in either the A or B Units you will be taken to have consented to the distribution policy or reinvestment of investment returns in the manner described above.

Please refer to the previous diagram showing a simplified example of the structure of the Fund.

Payment of your Subscription Amount

For local investors with no immigration restrictions, you may pay your Subscription Amount directly to the nominated subscription accounts.

If you are an applicant for New Zealand residence under business migration category or retirement (family) residence category, you have two options as to how to make your Subscription Amount:

1. Pay your Subscription Amount directly to the Trustee's application account upon receipt of an invitation from the New Zealand Government to make your complying investment ("Invitation");
2. Pay your Subscription Amount now, pending receipt of your Invitation.

If you choose option 2, when you pay your Subscription Amount to us we will not invest this immediately in the Fund. Subscription Amounts paid under this option will be held by a custodian nominated by the Trustee in a cash management account separate from the Fund pending possible transfer to the Trustee as set out below.

The Subscription Amount held in the separate cash management account is not an investment into the Fund. It is a separate investment held for you by a custodian nominated by the Trustee and, as directed by you, will be applied to your Unit Class only once your Visa is granted and the Trustee has approved your application for an investment in the Fund.

- a) If your Visa application is approved by Immigration New Zealand within 12 months of lodgment of the Visa application, the Trustee will transfer the Subscription Amount to the Fund (subject to the A or B Units of the Fund being open for subscriptions. If the subscription is not open and there are no exiting investors who may want to sell their units, your Subscription Amount, at your election, may remain invested in your cash management account with the custodian)
- b) If your Visa Application is not approved by Immigration New Zealand within 12 months of lodgment of the Visa application; or if the Fund becomes closed to applications before your Visa application is approved; or if your application for an investment in the Fund is otherwise rejected for any reason, at our discretion, the Trustee will return the Subscription Amount to you unless you agree other arrangements with the Trustee.

c) Interest paid on the Subscription Amount (net of any taxes withheld) may be paid to you on the date the Subscription Amount is transferred to the Fund or you, as applicable. However, such interest will be reduced by any administration fees payable to the Trustee and/or Custodian and any taxes required to be paid by the Custodian, in relation to administering the bank account, and such reduction to any interest payable may be substantial. Interest will only be earned from the date on which the Subscription Amount is received by the nominated Custodian in the separate cash management account. There may be a delay between the payment of the Subscription Amount to the Trustee and these funds being lodged with the Custodian in a separate cash management account.

d) You are not entitled to be refunded your Subscription Amount, to receive interest or other payments from the Trustee, in any other circumstances.

You may choose to invest in either A or B Units of the Fund immediately just like other local investors. Please check with the Manager for your eligibility of this option.

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 investments selected; and
- value of those 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 cash in my investment?

The Fund's strategy is to invest long-term in order to derive rental income and capital growth. Investors in A and B Units 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.

We recommend that you use a financial advisor if you have any questions about this investment. 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, so you should check their credentials before seeking their advice.

Can the investment be altered?

The Manager may change the investment policy for the Fund after consultation with the Trustee. The Manager may change the investment policy for the Fund provided that the Fund remains invested in "Acceptable Investments".

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 can't 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 unit 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.

New Zealand Real Estate Investments

New Zealand Real Estate

The Fund will invest in either a portfolio of New Zealand:

- Yielding commercial real estate investments (Fixed Income Fund A Units) or
- Core Plus commercial real estate investments (Growth Fund B units).

The Fund may also invest in New Zealand property companies, trusts and other property related securities with exposure to New Zealand commercial, residential development, retail, hotel, tourism, industrial, medical, educational, rural, and retirement village sectors.

The Fund will invest in New Zealand real estate and property related shares. Consequently, returns may be volatile and dividend distributions may be irregular, particularly for the Growth Fund B Units. The Fund is likely to suit investors looking to invest into property related units over a longer-term investment timeframe and who are prepared to accept a moderate degree of volatility.

New Zealand Economic Outlook

New Zealand's economy expanded by over 3% in 2018, according to the IMF. For the last four years, the economy's performance has been the strong, with growth of 3% in 2017, 4.1% in 2016, 4.2% in 2015 and 3.2% in 2014. That said, the New Zealand economy is facing some headwinds. ANZ is forecasting growth of 2.2% this year, 2.5% in 2020 and towards 3% in 2021. ANZ's Economic Outlook (July 2019) states:

The New Zealand economy has been gradually slowing as key economic tailwinds and headwinds duke it out, and it's still not entirely clear which will be on top by year-end. We expect the tailwinds will regain the upper hand, seeing growth bottom out shortly. While these two opponents are closely matched, help is undoubtedly on the way. The RBNZ has already cut the OCR, and we expect they'll do so again in August and November; the NZD remains around 2% below late-March levels; and Budget 2019 included a little extra fiscal stimulus. All up, we see annual growth slowing to 2% in Q2, before gradually lifting towards 3% in 2021. That's not going to drive a strong inflation pulse, but we expect it will be sufficient to keep core inflation elevated close to the target midpoint

Global factors have both a positive and negative impact on the New Zealand property market. ANZ's Economic Outlook (July 2019) summarises the position as follows:

The synchronised slowdown in global growth has become more pronounced, with activity indicators weakening further in recent months. Businesses are deferring investment and industrial production activity has slowed. Uncertainties persist regarding trade, Brexit, and global growth and this is now spilling over to a broader slowdown. Inflation is still subdued and below target in many economies, despite tight labour markets and gradually rising wages...There are some signs that the weaker global environment is affecting New Zealand. Commodity prices have softened, particularly for dairy and logs, although this partly reflects supply factors.

A low interest rate environment both in New Zealand and globally looks like it will continue. Institutional and private investors will both continue to seek investments in alternative assets. New Zealand is seen as a safe haven, particularly with European and Asian investors. These fundamental long-term factors should counterbalance any short-term corrections in the market.

• Childcare facilities

The fundamentals for Childcare facilities have been, and should remain, strong including: their central locations, long leases, 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 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 population and working parents, is key. These properties are usually freehold, standalone residential properties with favourable zoning providing genuine Core Plus valuation enhancement prospects.

• Commercial

The New Zealand commercial real estate sector continued to see strong growth with vacancy rates remaining low and rents rising in 2019. Auckland in particular continues to experience low vacancy rates due to a shortage of supply. According to Colliers International – 2019 Commercial Property Review:

Overview: Our latest August 2018 industrial survey findings indicate a record low vacancy rate of 1.7 per cent overall. This is the lowest vacancy rate recorded since our surveys began in August 1995. Warehouse rental growth shows no sign of slowing down at least in the short-term, primarily due to the lack of supply and the sharp reduction in secondary vacancy, limiting tenant options. Prime average net warehouse rents continue to track upwards, reaching \$124 per square metre in June 2018, a 4.4 per cent increase from a year ago. In September, Foodstuffs' 13.12ha distribution centre in Mt Roskill, Auckland (pictured above) sold for \$93 million. This represents the largest singular asset industrial transaction on record in New Zealand. The previous record-holder was the \$90 million sale of The Warehouse distribution centre in 2012. Both properties were sold by Colliers International.

Forecast: The persistence in occupier demand which has kept vacancy rates at record lows is unlikely to be met by a sufficient supply response. Land availability and pricing remains the key market mechanism that will result in demand outweighing supply. This will result in the market remaining in favour of landlords. Greater levels of cashflow will likely be sought with yields at record lows.

Auckland commercial property values should continue to grow given the strong business environment, continued net migration trends, and supply shortages.

• Retirement Villages

Investment in retirement villages and aged care facilities will give the Fund a hedge against property cycles as the demand for retirement villages is driven predominantly by demographics. The first baby boomers (1936 to 1941 - the result of a recovering economy after the great depression) initiated the demand for retirement villages. The "Grey Tsunami" baby boomers (1946 to 1964 - the result of post-second world war prosperity) will continue the demand for retirement villages for the next several decades. In 2016 the first of these baby boomers turned 70. This together with greater social acceptance of retirement villages and aged care facilities will underpin growth in this sector.

The sector requires significant capital to satisfy the growing demand for quality, cost effective retirement village and aged care facilities. This is a needs-driven property sector and with longer life expectancies, the continuum of care required will drive consistent and stable cash-flows for investors.

• Residential

New Zealand's housing market has cooled down, with house price growth slowing to its weakest pace in seven years. During 2018, the nationwide median house price rose by just 1.5% to NZ\$560,000 (US\$381,847), according to the Real Estate Institute of New Zealand (REINZ), a sharp slowdown from year-on-year rises of 6.28% in 2017, 13.85% in 2016 and 11.49% in 2015.

The Auckland residential property market continues to be soft. Auckland saw almost no price movement in 2018 from the previous year. Base demand from a continuing growing population is expected to provide downside protection. The property market especially in Auckland continues to remain under supplied which also provides price support. However, the broader affordability conditions have pushed house prices down which has caused the residential markets momentum to slow down.

According to Colliers International's "2019-20 Otago Market Review and Outlook" the Queenstown residential market is also levelling off. However, Queenstown's residential property market remains fundamentally undersupplied, particularly in the affordable home and apartment sector. As tourism continues to grow, demand for affordable residential property by people servicing the tourism sector will continue to grow.

Auckland and Queenstown have historically had high levels of foreign buyers who have been affected by the new overseas ownership restrictions which came into effect in October 2018 and tighter lending restrictions.

Only new residential developments qualify as "Acceptable Investments" under Immigration New Zealand rules. Once the Fund has sufficient investment diversity, residential development opportunities will be considered.

The Properties

Fixed Income Fund – A Units

- **Property 1: 5 William Pickering Drive, Albany, Auckland**

Address	5 William Pickering Drive, Rosedale, Auckland 0632
Legal Description	Lot 51 Deposited Plan 137448
Settlement Date	31 st Jan 2017
Purchase Price	\$3,500,000
Improvements	\$2,500,000
Fair Value 31 March 2019	\$7,350,000

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

- A substantial freehold site 3,575sqm (more or less)
- Standalone office/warehouse 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 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 NZREIT. 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	\$75,600 annually
Lessee:	Focus Music Academy
Lease Term	2yrs x 2yrs = 4yrs
Rent	\$37,000 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 and Westgate, the centre at 5 William Pickering Drive is their biggest yet.

Dance Space

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 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. Uwin's clients have introduced at least NZD 500 million of investment funds to the New Zealand market over the last 10 years.

Focus Music Academy

The Focus Music Academy is an Auckland professional music education institution. The Academy mainly provides music training for young children, teenagers, and adults. It offers the ABRSM examination guidance. The Academy aims to provide students with good music literacy and the ability to perceive the music itself.

Sino-NZ Education Ltd

Sino-NZ Education Ltd ("Sino") is committed to create a fun, effective and professional Mandarin Institute in Auckland. It offers various Mandarin courses in after school times and 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 from Term 4 of 2019 and recruit more students in coming terms.



Growth Fund – B Units

- **Property 2: 335 Main Rd, Huapai, Kumeu 0810**

Address	335 Main Rd, Huapai, Kumeu 0810
Legal Description	Lot 18 Deposited Plan 39985
Settlement Date	17 January 2018
Purchase Price	\$1,225,000
Improvements	\$1,443,923
Fair Value 31 March 2019	\$2,305,000

This is a level to easy contour site of 817 sqm in Huapai, 30 minutes west of Auckland. A new childcare centre has been developed on the site and a new long-term lease has been signed by Huapai Childcare Limited.

- **Tenants**

Lessee	Huapai Childcare Limited
Lease Term	15yrs x 10yrs x 10yrs = 35 yrs
Rent	\$127,500 annually (\$57/week from 43 kids) in the first year

Huapai Childcare Limited

Huapai Childcare Limited, a Just Kidz franchisee, provide monitored Auckland childcare and carefully planned development programmes in a fun and stimulating environment, allowing children to learn, discover and develop life-long learning skills.

Just Kidz

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



- Property 3: 4019-4021 Great North Rd, Glen Eden, Auckland 0602**

Address	4019-4021 Great North Road, Glen Eden, Auckland 0602
Legal Description	Lot
Settlement Date	12 September 2019
Purchase Price	\$2,500,000
Improvements	To be developed

This site was purchased by the Growth Fund B Units on 12 September 2019. When completed, this property will be one of the newest childcare centres in Glen Eden. Consents have been granted to develop the site. The development will commence in 2020.



- Tenants**

The following lease was signed on 30 October 2019:

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

The lease is subject to the tenant obtaining a Ministry of Education licence and approval for 120 children at the premises. The lease has a rent-free period for 6 months. Peter Jiang is a shareholder (50%) and director of Happy Learning Limited.

Financial Information

Unit Price Summary

31 March 2016	\$1.00
31 March 2017	\$1.02
31 December 2017	\$1.07
31 March 2018	\$1.09
31 March 2019	\$1.10
30 September 2019	\$1.10

Financial Summary

Profit & Loss	6 months to 30/09/19	12 months to 31/03/19	12 months to 31/03/18
Investment income	4,488	12,066	86,255
Rental income	166,907	133,725	77,336
Total Operating Revenue	171,395	145,791	163,591
Expenses	(160,675)	(254,492)	(233,792)
Total Operating Earnings	10,720	(108,701)	(70,201)
Fair value investment gains	-	137,684	689,858
Taxes	-	30,436	10,585
Net profit/(loss)	10,720	59,419	630,242
Balance Sheet	As at 30/09/19	As at 31/03/19	As at 31/03/18
Bank	526,969	45,324	1,400,744
Current assets	184,226	249,059	164,085
Investments	11,926,356	9,662,254	8,153,796
Total Assets	12,637,551	9,956,636	9,718,625
Current liabilities	(78,866)	(458,671)	(280,079)
Non-Current Liabilities	(3,050,000)		
Net Assets	9,508,685	9,497,965	9,438,546
Funds invested	8,629,188	8,629,188	8,629,188
Retained earnings	879,497	868,777	809,358
Unit Holders Funds	9,508,685	9,497,965	9,438,546

Accounting Policies and Assumptions

The following accounting policies and assumptions have been adopted by the Fund in its financial statements (Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Unit Holders Funds and Statement of Cash Flows):

Entity

The reporting entity is the Fund, a for-profit entity for financial reporting purposes. The Fund is a reporting entity within Tier 2 under the Financial Reporting Act 2013. The Fund's Financial Statements have been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZ IFRS RDR").

Accounting Period

The Fund has a 31 March balance date.

Measurement Base

The financial statements will be prepared on a historical cost basis with the exception that the investment property and loans will be stated at fair value.

Investment Property

The Fund's properties are held to earn rental income and long-term capital gains. Therefore, the properties are recognized in the Statement of Financial Position as "Investment Properties".

The Fund's investment properties are initially be recorded at historic cost, including transaction costs. Thereafter investment properties will be recorded at their fair values, based on annual independent valuations from a registered valuer.

Gains or losses arising from changes in the fair values of properties held by the Fund are included in the Fund's Statement of Comprehensive Income in the year in which they arise. Realised gains and losses, calculated as the difference between net disposal proceeds and the carrying value of the property, are included in the Fund's Statement of Comprehensive Income in the year of disposal.

Expenditure incurred on investment properties post acquisition are capitalized to the property's carrying amount where it is probable that a future economic benefit will flow to the Fund and the costs can be reliably measured. All other costs are expensed as repairs and maintenance when incurred.

Rentals

The rentals in the Statement of Comprehensive Income are based on the rentals in the existing lease agreements relating to the properties of the Fund.

Rental income (net of any incentives) is recognized on a straight-line basis over the term of the relevant lease. Incentives provided to tenants (if any) are initially recognized as an asset of the Fund and the cost is then recognized over the lease term on a straight-line basis as a reduction in rental income. Rental income is stated net of property operating costs, either recovered from tenants or not recovered.

The properties of the Fund do not have any vacant lettable areas.

Expenses

Investment and property management fees, administration fees and other expenses are paid monthly in arrears.

Most property acquisition costs are capitalized to the cost of the property acquired.

Most of the Fund set-up costs have been incurred by the Manager and will be amortised and reflected in the Fund's Statement of Comprehensive Income over a 7-year period commencing April 2019.

Fund and General Environment

The Fund intends to acquire a portfolio of properties which may have an impact on the prospective returns to investors.

The targeted returns in this Investment Statement are based on the assumption that there will be no material change in the economic environment, legal and tax laws, or regulatory environment.

The Fund's actual net income and investors' actual returns may differ from the targeted returns provided in this Investment Statement. Actual rental income, changes in interest rates, changes in tenancies, other expenses, changes in fair values of properties, realised gains or losses on properties, and taxes, may have a material impact on the Fund's actual net income and investors' actual returns.

Neither the Directors, Manager, Administrator, nor any other person, guarantee that the prospective financial information presented will be achieved, or guarantee the repayment of your investment or the payment of any distributions or returns from investments made by the Fund. We promise no amount of return on investment.

Benefits of investing in the Fund

Professional Management

The Manager is experienced and has qualified professionals who specialise in the selection and management of New Zealand real estate investments. The Manager maintains extensive contacts within the New Zealand property market and has access to detailed information, which together with in-house expertise, allow it to make informed timely decisions on your behalf.

Diversified real estate portfolio

The Fund will provide you access to a diversified portfolio made up of different New Zealand real estate assets. This can reduce your level of investment risk by minimising the impact of poor performance by a particular asset.

The Fund aims to provide you with access to New Zealand real estate assets that can assist with portfolio diversification but which you may not otherwise be able to invest in due to factors such as:

- financial limitations (such as office buildings),
- market access (such as hotels),
- where it is difficult for individual investors to gain research, information or insight to performance (such as retirement villages),
- liquidity (the Fund will invest directly in New Zealand real estate but will also invest in property shares, units and securities to provide liquidity), or
- borrowing capacity (the Fund's balance sheet should enable it to borrow on attractive terms).

Before making an investment decision, you should consider what particular composition of investment portfolio is appropriate to your needs, objectives and circumstances. Please refer to the Fund's latest Quarterly Property Portfolio Update for the Fund's current investment portfolio details.

If you identify a specific real estate investment, we will endeavour to work with you to link this investment to the Fund. This flexibility will give you the confidence that you can access a wide range of investment opportunities, as your personal situation evolves.

Convenience

Another advantage of investing in the Fund is that the Manager, together with the Administrator, will look after all the paperwork for you, the buying and the selling, all property management decisions, the collection of income, rent and dividends and so on. And then, on a regular basis, the Manager will report to you on the performance of the Fund.

Geared Exposure

You can use your Units in the Fund as part of a geared investment strategy, such as margin lending. Please contact the Manager to discuss your options in this regard.

Your Investment Visa Solution

If you wish to invest in New Zealand real estate and comply with Immigration New Zealand requirements, the Fund is intended to provide this solution. The Fund will invest in and manage a portfolio of New Zealand real estate investments in a manner that allows you to comply with Immigration New Zealand "Acceptable Investments" criteria.

The Fund aims to:

- (a) provide cost efficient access to the growth and income potential of direct and indirect New Zealand property investments, and
- (b) achieve a return (after fees but before tax) that is higher than that of a New Zealand property index selected by us.

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. Your returns will also depend on whether you invest in A units or B units as follows:

- Fixed Income Fund A units: Target pre-tax return of 6% with regular quarterly distributions
- Growth Fund B Units: Discretionary distributions and long-term capital growth

The Distribution Policy of the Fixed Income Fund is to pay quarterly distributions. The Distribution Policy of the Growth Fund is to retain and re-invest any rental or coupon (interest) income. Thereafter income will only be distributed to Unit Holders on a discretionary basis.

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.

Units in the Fund are issued at the Issue Price and redeemed (only permitted at the absolute discretion of the Trustee) at the Repayment Price. Both the Issue Price and the Repayment Price reflect the current value of the Fund's underlying assets after deducting all liabilities of the Fund and making such provisions as we or the Trustee 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.

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

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.

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.

General risks of an investment in the Fund

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

- Risks relating to investing in New Zealand commercial real estate.
- Risks relating to investing in New Zealand new residential real estate 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 this 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.
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	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.
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	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.
Credit risk	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.
Currency risk	Movements in exchange rates may cause the value of investments to decline relative to other currencies. Investments made by the Fund will be in New Zealand Dollars, but you may have other assets in other currencies against which your Unit Class investments may decline in value.
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	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

risk	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.
Limited history	The NZREIT is still a relatively new fund with limited history as at the date of this Investment Statement. There can be no assurance that your Unit Class will meet its investment objectives as set out in this Investment statement.
Redemption risk	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.
Systemic risk	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.
Taxation risk	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
Changes in laws and regulations	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.
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.

Fund Expenses

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.

The deduction of expenses will be made out of the Fund. Once the initial expenses of the Trustee and Manager have been recovered in full, then the deduction for expenses will be reduced if actual expenses of the Fund are lower.

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 fee	Description	Fixed Income Fund A Units	Growth Fund B Units
Brokerage fee	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.	Up to 1.8% of the unit subscription amount	Up to 2% of the unit subscription amount
	The Administrator is also entitled to an Investor on-boarding fee to cover its AML/CFT compliance related costs	NZ\$575 per investor	NZ\$575 per investor
	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.	Nil, unless the Manager finds the buyer in which case 1.5% of the Unit value	Nil, unless the Manager finds the buyer in which case 1.5% of the Unit value
Exit fee	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.	For permitted withdrawals, 1.5% of the Unit value	For permitted withdrawals, 1.5% of the Unit value
Management fee	The Manager is entitled to an annual management based on the Gross Asset Value of the Fund. The Manager is responsible for: the investment performance of the Fund; managing sub-brokers and distributors; managing investment sub-managers, the	1.5% per annum of the GAV of the Fund	0.75% per annum of the GAV of the Fund

	<p>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>		
Property Acquisition Due Diligence Fee	<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; 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>	Up to 2.5% of the purchase price (excluding GST)	Up to 2.5% of the purchase price (excluding GST)
Property Disposal Fee	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.	Up to 2.5% of the sale price (excluding GST)	Up to 2.5% of the sale price (excluding GST)
Trustee Fee	<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>	0.08% per annum of the GAV of the Fund (\$12,000 minimum fee applies)	0.08% per annum of the GAV of the Fund (\$12,000 minimum fee applies)
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</p>	0.20% per annum of the GAV of the Fund (\$24,000 minimum fee applies)	0.20% per annum of the GAV of the Fund (\$24,000 minimum fee applies)

	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		
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>	0.20% per annum of the Total Property Value of the Fund (\$25,000 minimum fee applies)	0.20% per annum of the Total Property Value of the Fund (\$25,000 minimum fee applies)
Custodian Fee	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%	Up to 0.15% per annum of the GAV of the Fund	Up to 0.15% per annum of the GAV of the Fund
Fee changes	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.		

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 each year in the Fund's financial statements.

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

Taxation Considerations

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 this 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 Manager intends to register the Growth Fund B Units as a PIE in the future when it qualifies. 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.

This taxation summary is in two parts: Taxation of Unit Trusts (non-PIE) and Taxation of Unit Trusts (PIE).

Taxation of Unit Trusts (non-PIE)

Unit trusts are deemed to be companies, units in unit trusts are deemed to be shares, unit holders are deemed to be shareholders, and distributions from unit trusts are deemed to be dividends for New Zealand tax purposes. Income derived by the Trustee of the Fund (interest, dividends, and certain investment gains) is taxed at the company tax rate of 28%.

The Fund will invest in New Zealand real estate and New Zealand fixed interest and equity investments held directly by the Trustee (or via its nominee or Custodian) on behalf of the Fund.

New Zealand does not generally tax capital gains. Gains realised on the sale of real estate investments are tax free if the investment was made for the purpose of deriving rental income and/or long-term growth. Likewise, gains realised on the sale of equities are tax free if the investment was made for the purpose of deriving dividend income and/or for long term growth. However, there are a number of specific tax regimes which treat certain gains as income.

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

Gains realised from the sale of real estate investments will be 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.

Gains realised from the sale of equity investments will be subject to income tax if held on revenue account. For example, if the Trustee is a dealer in equities, or the investment was made for the purpose of resale, or the equities are otherwise regarded as being held on revenue account.

In accordance with its treatment as a company, a unit trust is required to maintain an imputation credit account under the dividend imputation rules.

Losses incurred by the Fund can be carried forward to offset against future income, subject to specific loss carry forward rules.

Taxation of Investors (non-PIE)

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.

Distributions from the Fund (non-PIE)

Distributions from the Fund will be classified as returns of capital or dividends for New Zealand tax purposes.

Distributions of capital by the Fund are generally not taxable under special rules on redemption of units from a unit trust.

Imputation credits may be attached to Fund dividends where the Fund has paid tax on its income. New Zealand resident unit holders will be taxed on the dividends and imputation credits received, the tax payable being reduced by the imputation credits received so you only pay tax once at your marginal tax rate.

The Trustee must deduct resident withholding tax (RWT) to bring the total tax credit up to 33% of the gross dividend paid to a resident Investor.

The Trustee must deduct non-resident withholding tax (NRWT) where dividends are distributed to a foreign resident Investor. However, NRWT on fully imputed dividends paid to foreign residents is, effectively, reimbursed via the payment of a supplementary dividend (by the dividend paying Fund) and funded by a tax credit from the government (to the dividend paying Fund).

Gains on disposal or redemption (non-PIE)

Gains realised from the sale of Units will be 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.

Taxation of Unit Trusts (PIE)

This section applies where the Fund elects to be taxed as a multi-rate PIE. This will be considered by the Trustee and the Manager when the Fund has at least 20 investors and otherwise complies with the PIE requirements.

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).

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

The taxation of real estate gains and fixed interest gains are the same as summarised under the "Non-PIE" section above.

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 will be 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

Gift and Stamp Duty

Gift Duty was abolished in respect of gifts made on or after 1 October 2011.

There is no Stamp Duty in New Zealand.

Goods and Services Tax

The Fund will be registered for GST. Some of the Fund's investments (for example residential property leasing and fixed interest securities) will be 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, the Fund should be able to claim some, but not all, 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.

Additional Information

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.

Your rights and other important issues

The Unit Trust Deed

The Unit Trust Deed, the Application Form together with this 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. Cindy Hong Yan LIU
Uwin Capital Limited
Level 1, 5 William Pickering Drive
Rosedale
Auckland 0632
New Zealand

www.nzreits.co.nz

Telephone: +649 363 8086

Email: info@nzreits.co.nz

Alternatively, please contact your financial adviser.

Complaints Process

Contact us

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

Ms. Orena Likun Huang
Uwin Capital Limited
Level 1, 5 William Pickering Drive
Rosedale
Auckland 0632
New Zealand

www.nzreits.co.nz

Telephone: +649 363 8086

Email: info@nzreits.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

Contact our Dispute Resolution Scheme

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

Glossary

Administrator – Rockburgh Fund Services Limited

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

Custodian – Craigs – Custodial Services Limited

Dividend Yield - How much a company pays in dividends relative to its share price

Fund - New Zealand Real Estate Investment Trust

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

Investment Criteria Certificate - The certificate contained in the Application Form

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 non - New Zealand resident investors and 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