



PRODUCT DISCLOSURE STATEMENT FOR
AN OFFER OF ORDINARY SHARES IN

AUGUSTA INDUSTRIAL FUND LIMITED

Issued by Augusta Industrial Fund Limited
- 7 February 2019

(This is a replacement product disclosure statement that replaces
the product disclosure statement dated 5 February 2019)

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on <https://disclose-register.companiesoffice.govt.nz>. Augusta Industrial Fund Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.



AUGUSTA
INDUSTRIAL



1. KEY INFORMATION SUMMARY

1.1 What is this?

This is an offer of ordinary shares (the **Shares**) in Augusta Industrial Fund Limited (**Augusta Industrial**). Ordinary shares give you a stake in the ownership of Augusta Industrial. You may receive a return if dividends are paid or Augusta Industrial increases in value and you are able to sell your Shares at a higher price than you paid for them.

If Augusta Industrial runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

1.2 About Augusta Industrial

Augusta Industrial Fund Limited has been established by Augusta Funds Management Limited with the purpose of investing in industrial property.

Augusta Industrial is managed by Augusta Funds Management Limited, which is a wholly owned subsidiary of the NZX listed Augusta Capital Limited. As detailed in section 2.8, Augusta Funds Management has an experienced management team who provide a wide range of management services including asset management, development and project management, treasury and financial management, investor relations and legal and compliance services. It has total assets under management of approximately \$1.80 billion.

Augusta Industrial is a limited liability company incorporated in New Zealand. Investors in Augusta Industrial receive ordinary shares in this company. It is not a "Managed Investment Scheme" for the purposes of the Financial Markets Conduct Act 2013 and does not have a Financial Markets Authority (**FMA**) - licensed manager or a FMA - licensed independent supervisor to govern its investment activities.

Investor rights are set out in the constitution of Augusta Industrial which has been set up in accordance with the Companies Act 1993.

1.3 Purpose of this Offer

The purpose of the Offer is to raise sufficient capital to enable Augusta Industrial to purchase the New Properties as part of the Industrial Portfolio. The remaining funds required to complete the acquisition and pay the offer costs will be obtained by borrowings from ASB and Westpac.

The weighted average lease term of the Industrial Portfolio after acquiring the New Properties will be 5.8 years across 47 tenants. The current "as if complete" valuation of the Industrial Portfolio (including the New Properties) will be \$296.7 million and gearing will be between 40% to 42%.

1.4 Key terms of the Offer

Description of the equity securities being offered	Ordinary shares in a limited liability company, Augusta Industrial Fund Limited, which is a portfolio investment entity (PIE) for New Zealand tax purposes.
Issue price	\$1.00 per share
Total number of Shares being offered	105,000,000. Over-subscriptions of up to 10,000,000 Shares will be accepted. The total number of Shares being offered will be between 58.3% to 60.5% of the total Shares on issue immediately following the Offer, depending on the number of Shares issued under this Offer. To ensure it maintains at least a 10% shareholding in Augusta Industrial following completion of the Offer, Augusta Capital, the Manager's parent, will subscribe for a minimum of 10,500,000 Shares.
Minimum number of Shares that may be applied for¹	Shares available in multiples of 1,000 with a 10,000 Shares (\$10,000) minimum investment in regards to this Offer.

¹ Augusta Industrial and the Manager reserve the right to amend the minimum and maximum subscription amounts.

1. KEY INFORMATION SUMMARY (CONT.)

Maximum number of Shares that may be held by any shareholder¹	No investor may hold more than 19.99% of the proposed post-issue total number of shares (being between 180 and 190 million depending on the level of over-subscriptions (if any)), to ensure Augusta Industrial maintains its PIE status.
Minimum and maximum amount of equity to be raised	The minimum amount to be raised in order for the Offer to proceed is \$105,000,000. Over-subscriptions of up to \$10,000,000 will be accepted.
Expected distribution rate	Forecast pre-tax cash return of 6.50% of the subscription amount per annum for the accounting periods ended 31 March 2019 and 31 March 2020. See section 7 for further information on the forecast returns after tax and depreciation.
Preference for 116-152 Swanson Road, 510 Mt Wellington Highway, 5 & 21 Beach Road and 265 Albany Highway Investors	<p>Investors in the existing Augusta Funds Management managed schemes that own: (i) 116-152 Swanson Road; (ii) 510 Mt Wellington Highway; (iii) 5 & 21 Beach Road; and (iv) 265 Albany Highway have a preferential right to acquire Shares in the Offer. Further details are on page 39.</p> <p>Following those scheme investors noted above, existing shareholders in Augusta Industrial have a preferential right to acquire Shares in the Offer.</p> <p>Scheme investors must exercise their preferential right by providing a completed application form by 7 March 2019. Further details are provided in section 5 of the PDS.</p>

¹Augusta Industrial and the Manager reserve the right to amend the minimum and maximum subscription amounts.

*The above dates are indicative only and the dates may change. In particular, Augusta Industrial reserves the right to close the Offer at any time prior to that date or extend the Offer by up to 25 working days without prior notice.

Underwrite	The minimum number of 105,000,000 Shares to be issued is fully underwritten.
PDS registration date	7 February 2019
Offer open date	15 February 2019*
Offer close date	22 March 2019*
Allotment date and settlement of acquisition of the New Properties	28 March 2019*
Liabilities, fees and charges	If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares if you acquired the Shares with the intention to sell. You should seek your own tax advice in relation to your Shares.
Management	<p>Augusta Funds Management has been appointed to manage Augusta Industrial and provides asset management, development and project management, treasury and financial management, investor relations and, legal and compliance services.</p> <p>The key terms of the Management Agreement (including fees) have been set having regard to what the Manager and Augusta Industrial consider appropriate and industry benchmarks for listed property funds.</p> <p>The fees payable to Augusta Funds Management include:</p> <ul style="list-style-type: none"> • A management fee of 0.50% per annum of the total average value of Augusta Industrial's tangible assets up to \$0.5 billion of assets under management and 0.40% of the total average value of any tangible assets above \$0.5 billion.

Management (cont.)	<ul style="list-style-type: none"> • A property management fee equal to 1.5% of the gross rental income from any properties owned by Augusta Industrial and its subsidiaries. However, in respect of 862-880 Great South Road, Brick Street and The Hub, the Manager has agreed that it will only charge a property management fee of \$50,000 per annum until 14 June 2021, unless a greater amount is recoverable from the tenants under the terms of their leases. • A performance fee equal to 10% of any shareholder returns above 10% per annum and capped at 15% per annum. • Certain other transaction fees are payable to the Manager as set out in section 2.8, including an acquisition fee, sale fee, underwrite fee, leasing fee and development/capital expenditure fee. <p>If the Management Agreement is terminated without cause and Shareholders vote by Special Resolution to terminate the Management Agreement (being a resolution passed by 75% or more of the votes that are cast by Shareholders entitled to vote and voting on the resolution), Augusta Industrial must pay the Manager a sum equal to 30% of the aggregate of all fees paid to the Manager in the preceding five years before termination. No termination fee is payable where the Management Agreement is terminated in any other scenario.</p> <p>Details of the Management Agreement are set out in section 2.8. The Management Agreement is also available on the Offer Register at https://disclose.register.companiesoffice.govt.nz/disclose.</p>
Offer to investors	<p>The offer is only being made to potential investors in New Zealand, Australia and any other institutions to which Augusta Industrial is able to offer without having to prepare a disclosure document.</p>

1.5 How you can get your money out

As part of this Offer, Augusta Industrial does not intend to quote these Shares on a market licensed in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Shares.

1.6 Key drivers of returns

Augusta Industrial's directors believe its returns will be driven by the following current and future factors:

Key factor driving return

Rental income and tenant retention: increases in Augusta Industrial's income will be driven by rent review provisions in the various leases across the Industrial Portfolio, as well as either retention of tenants on lease expiry or re-leasing to new tenants.

There are also various market rent reviews across the leases, either at fixed periods during a lease or on renewal.

Future acquisitions: Augusta Industrial has a strategy to grow the value of the Industrial Portfolio through further property purchases. The ability to source value and earnings accretive acquisitions will drive future returns and provide further diversification. Augusta Industrial does not assume it will make any future acquisitions in FY19 and FY20.

Present Market Conditions: the continuation of present market conditions of low vacancy rates and the restricted supply of industrial property in Auckland and Wellington.

Interest rates: interest costs are forecast to be approximately 27% of Augusta Industrial's net income in FY20. Increases or decreases in interest rates will have a material effect on Augusta Industrial's returns.

Other expenses: the level of other expenses, including management fees, will effect returns.

More information on Augusta Industrial and the Manager's strategies and plans for the above (and other) factors can be found in Section 2 of the PDS.

1. KEY INFORMATION SUMMARY (CONT.)

1.7 Key risks affecting this investment

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

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

Interest Rate Risk	<p>The return to investors is subject to interest rate variations on Augusta Industrial's bank borrowings (refer to Section 2.6 for a summary of its bank borrowings). Interest rate movements are unable to be accurately predicted. To manage this risk, Augusta Industrial has entered into interest rate swap agreements under which approximately 68% of Augusta Industrial's drawn debt will be hedged on 28 March 2019 and this is expected to increase to 70% following settlement of the land sale at Great South Road. This will reduce the exposure to floating interest rates.</p> <p>The Manager monitors and actively manages the base rate and margin components of Augusta Industrial's debt, including by entering into forward start swap agreements and committed bank loan facilities.</p>
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This summary does not cover all of the risks of investing in the Shares. You should also read section 8 of the PDS (risks to Augusta Industrial's business and plans) and to other places in the PDS that describe risk factors (for example, risks arising for investors from the nature of the product).

1.8 Where you can find Augusta Industrial's financial information

The financial position and performance of Augusta Industrial are essential to an assessment of this Offer. You should also read section 7 of the PDS (Augusta Industrial's financial information).



CONTENTS

1	Key Information Summary	1
	Letter from the Chair	6
2	Augusta Industrial and what it does	7
3	Purpose of the Offer	36
4	Key Dates and Offer Process	38
5	Terms of the Offer	38
6	Key features of the Shares	43
7	Augusta Industrial's Financial Information	45
8	Risks to Augusta Industrial's business and plans	51
9	Tax	54
10	Where you can find more information	56
11	How to apply	58
	Warning Statement - Issues to Australian Investors	59
12	Contact Information	60
	Glossary	61

LETTER FROM THE CHAIR

Dear Investor

Augusta Industrial is a limited liability company that was established in April 2018 as an open-ended, unlisted property fund. Its purpose is to provide investors with the opportunity to invest in a portfolio of strategically selected industrial assets that provide both tenant and location diversification within this strongly performing industrial sector of the New Zealand property market.

Initially consisting of four properties, the original \$75 million share offer was oversubscribed with many investors missing out. Within a short time period the value of these assets has grown to \$121.64 million from a total purchase price of \$114.074 million. We are pleased to advise a further five assets have now been secured, and Augusta Industrial is again open for investment.

The portfolio, including the New Properties, is currently independently valued at \$296.7 million and will comprise 47 tenants including global and multinational names such as Toll, Downer, Linfox, Fujitsu and Fletcher Steel along with well-known national tenants such as Macpac, Pacific Steel, and Icepak (Hall's Group). With 99% occupancy, Augusta Industrial provides exposure to a sector that has outperformed other commercial property sectors with the highest total returns over the past five years, as well as diversification of tenant risk. A key objective for Augusta Industrial is to deliver a sustainable and stable income return paid to investors monthly, plus the potential to add further value to the investments.

The portfolio is managed by Augusta Funds Management. Established in 2003, Augusta Funds Management has an established track record in managing successful shared ownership structures with approximately \$1.80 billion of property under management across New Zealand and Australia on behalf of over 3,500 investors.

Augusta Funds Management has vast experience through numerous property cycles and in my opinion the increasing shortage of good quality industrial opportunities should ensure industrial property values remain well underpinned. The fund structure allows for retention of such assets and greater degree of long-term sustainability of shareholder returns along with the ability to capitalise on new opportunities, and sustaining a lower risk profile.

Augusta Industrial intends to further grow the number of assets in the portfolio and maintain a gearing target of 35% to 40% (which may increase to 45% on acquisition of the new properties on a short term basis). Assets will continue to be strategically selected for their ability to contribute to a blended fund weighted average lease term of 6 years and a stabilised 75% weighting within the strong performing locations of Auckland, Hamilton and Tauranga. Assets in other major cities will be chosen for their ability to enhance yield and provide further diversification, such as the Castle Rock properties which are located in Christchurch being acquired by Augusta Industrial.

Targeted investment attributes will continue to be:

- Functional broad user or logistic based warehouses, temperature-controlled storage facilities and manufacturing facilities.
- In close proximity to major infrastructure with strong tenant covenants.
- Low capital expenditure real-estate (unless specifically required for repositioning) or older well-located assets underpinned by land value.

Augusta Industrial will continue to look for opportunities to grow its portfolio and, depending on market conditions, may look to list Augusta Industrial on the NZX Main Board. We do not think it is appropriate to consider a listing for Augusta Industrial at this point given current market conditions.¹

Augusta Capital is the cornerstone investor in Augusta Industrial and will continue to hold a minimum of 10% of the shares in Augusta Industrial. Its interests are aligned with Augusta Industrial's shareholders with significant incentive to ensure Augusta Industrial is performing well.

With the investment available in multiples of \$1,000 (minimum \$10,000) we are proud to increase New Zealanders' accessibility to this high performing asset class.

With the previous over-subscription, along with the objectives of diversification, sustainable and stable income, we expect strong interest in this offer. Augusta Industrial welcomes the opportunity for you to co-invest with Augusta Capital in this investment opportunity.²

This PDS contains important information about this offer. I encourage you to read the PDS carefully and consider in particular section 8 on "Risks to Augusta Industrial's business and plans" before making your investment decision.

Yours sincerely,




Mark Petersen
Chair, Augusta Industrial Fund Limited

¹No guarantee is given that Augusta Industrial will apply to have the Shares quoted or that Augusta Industrial will be listed. Augusta Industrial has not made, and does not intend to make any application to NZX for permission to list Augusta Industrial as part of this Offer. NZX Main Board is a licensed market operated by NZX, which is a licensed exchange regulated under the Financial Markets Conduct Act 2013.

²Neither Augusta Capital nor any other person guarantees the Shares offered under this Offer, nor warrants or guarantees the future performance of Augusta Industrial, the Shares or any return on investment pursuant to this Offer.

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES

In this section, you will find information on:

- Augusta Industrial and its investment philosophy and strategy
- Key drivers of Augusta Industrial's future financial performance
- Augusta Industrial's property portfolio
- The industrial property market
- Augusta Industrial's bank facilities
- The Manager
- The Management Agreement between Augusta Funds Management and Augusta Industrial
- Substantial shareholder and relevant interests held by directors and senior managers
- Interests of Augusta Industrial's directors

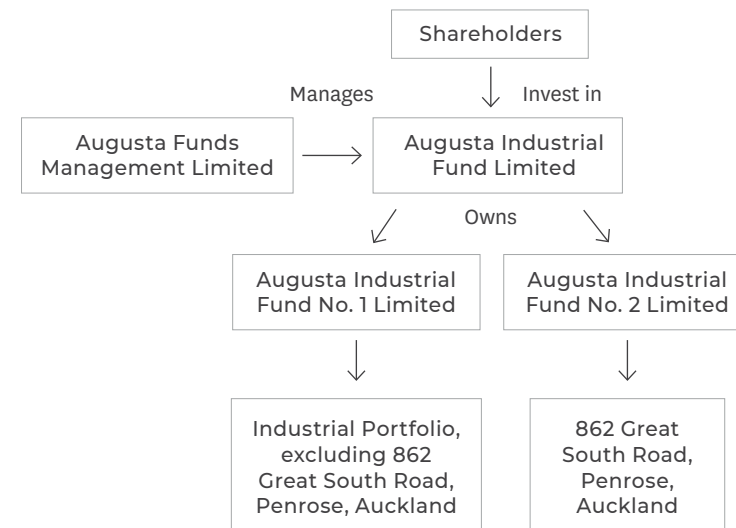
2.1 Overview of Augusta Industrial

Augusta Industrial was established by Augusta Funds Management in April 2018 to invest in industrial property. Augusta Industrial issued 75,000,000 ordinary shares on 15 June 2018. Augusta Industrial used the \$75 million of equity and bank funding from ASB to purchase the Initial Properties (one located in Wellington and three located in Auckland).

Augusta Industrial's main activities since its establishment has been managing the Initial Properties acquired on 15 June 2018 and investigating new investment opportunities. Consistent with Augusta Industrial's investment strategy to grow its asset base, Augusta Industrial has identified the New Properties (four located in Auckland and one located in Christchurch) as appropriate properties for Augusta Industrial to acquire. Further details on the New Properties are set out in section 2.4, together with summary details on the Initial Properties.

Augusta Industrial is managed on a day to day basis by Augusta Funds Management who currently manages approximately \$1.80 billion of commercial property across New Zealand and Brisbane, Australia. Further details about Augusta Funds Management are set out in section 2.8.

Augusta Industrial was incorporated on 16 April 2018 and has two subsidiaries – Augusta Industrial Fund No. 1 Limited and Augusta Industrial Fund No. 2 Limited, who each hold legal title to one or more of the properties in the Industrial Portfolio.



What is Industrial Property?

Industrial property is land and buildings utilised for industrial purposes such as logistics, production, manufacturing, assembly, warehousing, storage and distribution

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

The five new properties to be acquired by Augusta Industrial will be purchased from the following vendors:

- 265 Albany Highway, Rosedale, Auckland will be purchased from Albany Highway Nominees Limited;
- 510 Mt Wellington Highway, Mt Wellington, Auckland will be purchased from Mt Wellington Nominees Limited;
- 116-152 Swanson Road, Henderson, Auckland will be purchased from Westend Industrial Park Nominees Limited;
- 5 & 21 Beach Road, Otahuhu, Auckland will be purchased from 21 Beach Road Otahuhu Limited; and
- Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch will be purchased from Castle Rock Properties Limited.

Other than Castle Rock, the New Properties being acquired are currently owned by schemes managed by Augusta Funds Management.

2.2 Investment philosophy and strategy

Investment Philosophy

Augusta Industrial is a limited liability company that has been established to invest in a diversified portfolio of industrial real estate located in New Zealand's major economic centres.

Investment Strategy

Augusta Industrial's strategic investment objectives are:

- A sustainable and stable income, plus the potential for capital growth.
- A target geographic weighting (by capital value) of 75% in Auckland, Hamilton and Tauranga, and up to 25% in assets located in major cities outside Auckland where it is considered necessary for yield enhancement and geographic diversification.
- A target WALT³ of 6 years or greater.
- A long-term gearing target of 35 to 40%, but with the ability to increase gearing to 45% on a short-term basis to facilitate acquisitions.

An interest rate management strategy is in place that considers both the length of the remaining loan facility term and the WALT for the Industrial Portfolio when hedging interest rate risk.

The Industrial Portfolio's WALT was 8.7 years after the acquisition of the Initial Properties but will decrease to 5.8 years following the acquisition of the New Properties. This reflects the lease terms at the New Properties which Augusta Industrial considers creates opportunities for lease extensions at the New Properties.

To deliver this investment strategy, Augusta Industrial may invest in:

- functional warehouse and/or logistics assets;
- temperature controlled storage facilities;
- manufacturing sites;
- properties located in close proximity to major infrastructure including; major roads, airports, ports, rail and CBDs;
- leases with strong tenant covenants;
- assets with long lease terms or the ability to convert to long lease terms;
- mixed-use assets with predominantly industrial use (current or future);
- industrial zoned land (which will provide the opportunity for developing new investments);
- properties where capital expenditure is expected to be low (unless the capital expenditure is specifically required to re-position the asset); and
- older, well located assets underpinned by land value.

Augusta Industrial will continue to look for opportunities to grow Augusta Industrial and, depending on market conditions, may look to list Augusta Industrial on the NZX Main Board. We do not think it is appropriate to consider listing Augusta Industrial at this point given current market conditions. No guarantee is given that Augusta Industrial will apply to have the Shares quoted or that Augusta Industrial will be listed in the future. Augusta Industrial has not made, and does not intend to make, an application to NZX for permission to list Augusta Industrial as part of this Offer. NZX Main Board is a licensed market operated by NZX, which is a licensed exchange regulated under the Financial Markets Conduct Act 2013. Augusta Industrial cannot be listed on the NZX without the prior approval of the Shareholders.

Augusta Industrial will continue to review its strategy to reflect market conditions and opportunities.

³WALT means weighted average lease term which measures the average lease term across each of the leases in the Industrial Portfolio weighted by the relative income of each lease. The higher the income a lease has, the higher the effect on the calculation of the average lease term that it has.

2.3 Key drivers of Augusta Industrial's future financial performance

The current and future aspects that will have, or may have, the most impact on the financial returns for Augusta Industrial are set out below as well as the specific strategies and plans to manage those factors.

Key factor driving return	Strategies and plans to manage this factor
<p>Rental income and tenant retention: increases in Augusta Industrial's income will be driven by rent review provisions in the various leases across the Industrial Portfolio, as well as either retention of tenants on lease expiry or re-letting to new tenants.</p> <p>There are fixed annual or bi-annual increases ranging between 1.45% to 3.50% across approximately 48% of the rental income in the Industrial Portfolio and CPI increases across approximately 37% of the rental income in the Industrial Portfolio.</p> <p>There are also various market rent reviews across the leases, either at fixed periods during a lease or on renewal.</p>	<p>The Industrial Portfolio provides a diverse tenant mix with 47 tenants and a WALT of 5.8 years (as at 28 March 2019). Augusta Industrial will continue to target properties with long lease terms, or an ability to convert to long lease terms and a range of tenants.</p> <p>The six largest tenants by Passing Rent are as follows:*</p> <ol style="list-style-type: none"> 1. Americold at 20 Paisley Place which represents 8.1% of the Passing Rent for the Industrial Portfolio. Americold has a remaining lease term of eight months but will be replaced by Icepak Limited (Hall's Group) with a further lease term of 12 years (who will represent 8.4% of Passing Rent); 2. Blue Star Group at 116-152 Swanson Road which represents 6.2% of the Passing Rent for the Industrial Portfolio. Blue Star Group has a remaining lease term of four and a half years with one further right of renewal of eight years; 3. GPC Asia Pacific (Repco) at 510 Mt Wellington Highway which represents 7.4% of the Passing Rent for the Industrial Portfolio. GPC Asia Pacific has a remaining lease term of just over two years; 4. D & H Steel at Brick Street which represents 7% of the Passing Rent for the Industrial Portfolio. D & H Steel has a remaining lease term of nine years remaining (14 years should the tenant not exercise its break clause); 5. Pacific Steel at 21 Beach Road which represents 5.4% of the Passing Rent for the Industrial Portfolio. Pacific Steel has a remaining lease term of just over seven years; and

Key factor driving return	Strategies and plans to manage this factor
	<p>6. Graphic Packaging at 862-880 Great South Road which represents 5.0% of the Passing Rent for the Industrial Portfolio. Graphic Packaging has agreed to enter into a new lease for a term of eight years (provided that the new building and canopy are completed by 31 May 2019 so that the tenant does not cancel the agreement to lease) with a right to a further lease term of eight years.</p> <p>Augusta Industrial will also generally target properties for acquisition which have leases with fixed rental increases or negotiate any new leases in the future with fixed rental increases to the extent possible.</p> <p>Augusta Industrial has dedicated asset managers for each property. The asset managers are responsible for engaging with each of the tenants and developing those relationships in order to attract and retain tenants and negotiate rental increases. A fund manager also oversees the management of Augusta Industrial, including engagement with tenants. Augusta Funds Management also has a wide range of relationships in the property industry which it considers will be of assistance in identifying leasing and acquisition opportunities.</p>
<p>Market value of the Industrial Portfolio: the market value of each property in the Industrial Portfolio is subject to change as a result of overall market conditions (including rental yields and sales of other similar properties), as well as property specific factors such as the remaining lease term, tenant covenant, age and quality of the building(s) and income growth prospects of the property.</p>	<p>Augusta Industrial's strategy for the acquisition of properties (described above under "Investment Strategy") has a focus on assets with strong property fundamental such as proximity to key infrastructure and strong tenant covenants.</p> <p>Each property is actively managed by Augusta Funds Management in order to maintain or increase property values and achieve growth in rental income.</p>

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

Key factor driving return	Strategies and plans to manage this factor
<p>Front portion of 880 Great South Road: as set out in more detail in the Other Material Information which can be found on the Offer Register at https://disclose-register.companiesoffice.govt.nz/disclose, Augusta Industrial has examined the value-adding opportunities for the front portion of this property, including sale or redevelopment. The front portion of 880 Great South Road comprises approximately 9,000m². Augusta Industrial Fund No.2 Limited has entered into an unconditional agreement to sell approximately 4,480m² of the 9,000m² front portion of the property. The sale will result in a pre-tax profit of approximately \$1.1 million and will be accretive to earnings. Augusta Industrial will apply the proceeds of the sale towards debt repayment to reduce gearing and provide capability for future acquisitions.</p> <p>There is approximately 4,500m² of the front portion which would continue to be held by Augusta Industrial. Augusta is currently investigating the potential sale or development of the balance of the development land.</p>	<p>As part of its due diligence on 862-880 Great South Road, Augusta Funds Management has reviewed the potential sale and re-development options, and the likely costings of the redevelopment options.</p> <p>Augusta Industrial believes the remaining portion of the site provides the following opportunities:</p> <ul style="list-style-type: none"> • A sale of the balance of the development site to enable development by a third party, with the proceeds of the sale being applied towards debt repayment to reduce gearing and provide capability for future acquisitions. • A basic subdivision into one or two further separate titles with those separate titles then on-sold. • Development of one to two separate industrial buildings of approximately 3,000m² to 6,000m² in size. The buildings could then be leased and held by Augusta Industrial. <p>The Manager has provided a specialist development manager to oversee the re-development.</p>
<p>Development opportunities: Development of greenfield land at 265 Albany Highway, 116-152 Swanson Road and 510 Mt Wellington Highway.</p>	<p>As part of its due diligence on 265 Albany Highway, 116-152 Swanson Road and 510 Mt Wellington Highway, the Manager has identified potential development opportunities within these properties. Augusta Industrial will investigate the feasibility of these development opportunities. The Manager will appoint a specialist development manager to oversee any such development should it be pursued.</p>

Key factor driving return	Strategies and plans to manage this factor
<p>Capital Expenditure: the amount of capital expenditure required for the Industrial Portfolio will affect Augusta Industrial's returns.</p>	<p>Augusta Industrial has engaged various building surveyors and other external consultants to provide building condition reports and provide capital expenditure plans. Recommended capital expenditure in the short term has been built into the PFI for the first two financial periods. In addition, the Syndicated Loan Facility has an undrawn amount of approximately \$13 million (following settlement of the sale of part of the front portion of 880 Great South Road) which provides headroom for any future capital expenditure.</p>
<p>Future acquisitions: Augusta Industrial has a strategy to grow the value of the Industrial Portfolio through further property purchases. The ability to source value and earnings accretive acquisitions will drive future returns.</p>	<p>Augusta Industrial will target, in the medium term, a 75% weighting towards industrial property in Auckland, Hamilton and Tauranga. Any future properties will only be purchased if they maintain or increase current returns to Shareholders, provide potential capital growth or materially increase the WALT.</p> <p>The PFI does not assume any future acquisitions in FY19 and FY20.</p>
<p>Interest rates: interest costs are forecast to be 27% of Augusta Industrial's net income in FY20 and are the greatest expense for Augusta Industrial. Increases or decreases in interest rates will have a material effect on Augusta Industrial's returns.</p>	<p>Augusta Industrial has entered into interest rate swap agreements under which approximately 68% of Augusta Industrial's drawn debt will be hedged on settlement date for the New Properties and is expected to increase to 70% following settlement of the land sale at Great South Road. The Manager, as part of its role, monitors interest rates.</p> <p>Fixed rental increases also provide a partial hedge against increasing interest rates.</p>
<p>Other expenses: the level of other expenses, including management fees, will effect returns.</p>	<p>Management fees will increase as the gross value of Augusta Industrial's assets grows. The Manager expects to be able to negotiate competitive expenses with various suppliers (such as consultants, valuers and lawyers) due to the size of its managed portfolio (currently \$1.80 billion).</p>

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

Key factor driving return	Strategies and plans to manage this factor
Tenant performance / covenant: If a key tenant were to suffer significant financial problems, any failure to pay rental and outgoings or vacancy related costs would have a material detrimental impact on Augusta Industrial's ability to pay returns to investors and market value of the affected property.	Augusta Industrial has undertaken comprehensive due diligence of all tenants within the Industrial Portfolio. In addition, a number of tenants have provided bank guarantees or parent company/personal guarantees.

**The remaining lease terms are calculated from the settlement date of the new property acquisitions which is assumed to be 28 March 2019.*

2.4 Augusta Industrial's Property Portfolio

This section sets out the key metrics for the Industrial Portfolio, as well as more specific information on each of the New Properties.

Further detailed information on the Initial Properties (including independent valuation reports) can be found in the Other Material Information and on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/disclose>.

Augusta Industrial's Industrial Portfolio – Investment Snapshot Initial Properties and New Properties	
Number of properties	<p>Nine:</p> <p>Initial Properties:</p> <ul style="list-style-type: none"> • 862-880 Great South Road, Penrose, Auckland • 12 Brick Street, Henderson, Auckland • 20 Paisley Place, Mount Wellington, Auckland • The Hub, Seaview, Wellington <p>New Properties:</p> <ul style="list-style-type: none"> • 265 Albany Highway, Rosedale, Auckland • 510 Mt Wellington Highway, Mount Wellington, Auckland • 116-152 Swanson Road, Henderson, Auckland • 5 & 21 Beach Road, Otahuhu, Auckland • Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch

Portfolio Valuation ("as if complete")	\$296.7 million
Number of tenants	47
WALT	5.8 years (as at 28 March 2019)
Net lettable area	175,137m ²
Occupancy	99%
Passing Rent	\$19.7 million
Passing Yield	6.64%
Forecast distribution for FY19 and FY20	6.5% pre-tax cash return of the subscription amount per annum
Gearing	41.8% (as at 28 March 2019). Gearing will reduce to 40.1% following the sale of \$4,480m ² of the front portion of 880 Great South Road.

The New Properties

Below is a snapshot on key metrics for the New Properties.

New Properties – Investment Snapshot	
Portfolio Valuation ("as if complete")	\$175.06 million
Purchase price for the New Properties	\$173.818 million
Number of tenants	32
WALT	4.6 years (as at 28 March 2019)
Net lettable area	107,370m ²
Occupancy	99%
Passing Rent	\$12.36 million
Passing Yield	7.1%

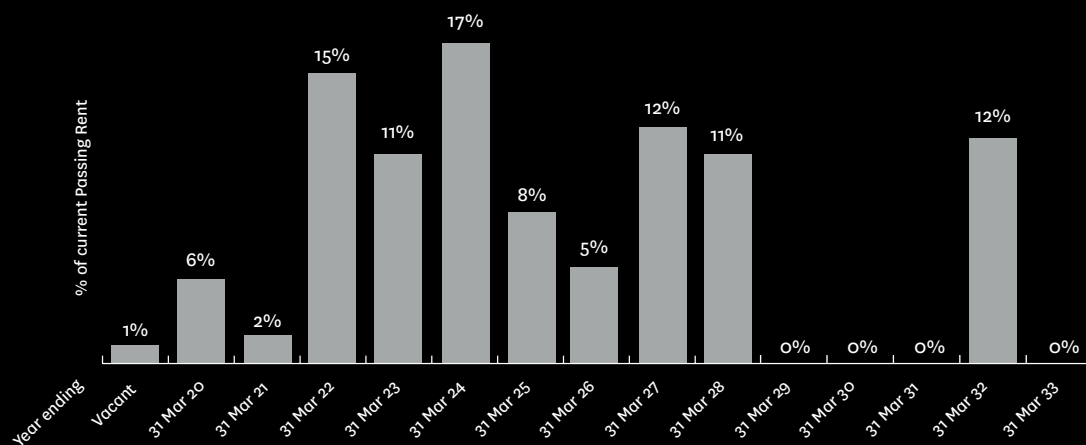
The Manager has completed legal, technical and financial due diligence for each of the New Properties. The material findings from due diligence are set out in this section 2.4.

The capital expenditure to be incurred in respect of the Existing Properties and the New Properties is set out in Section 7 (Augusta Industrial's financial information).

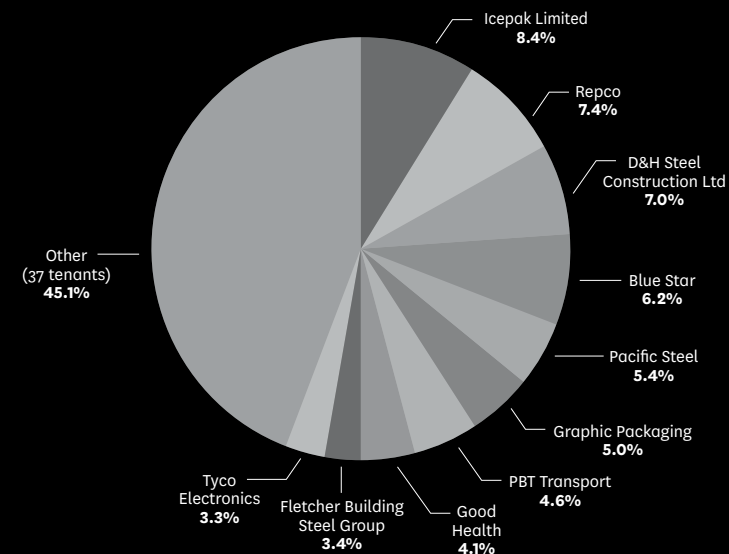


Asaleo - Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch.

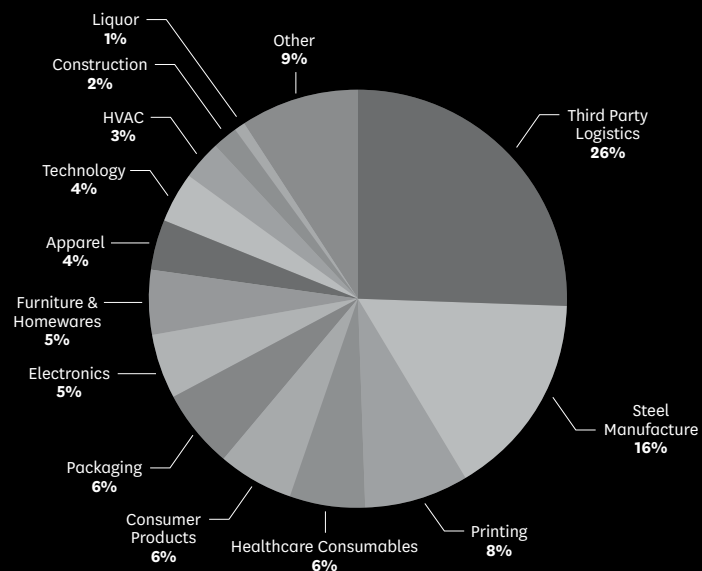
15 Year Lease Expiry Profile



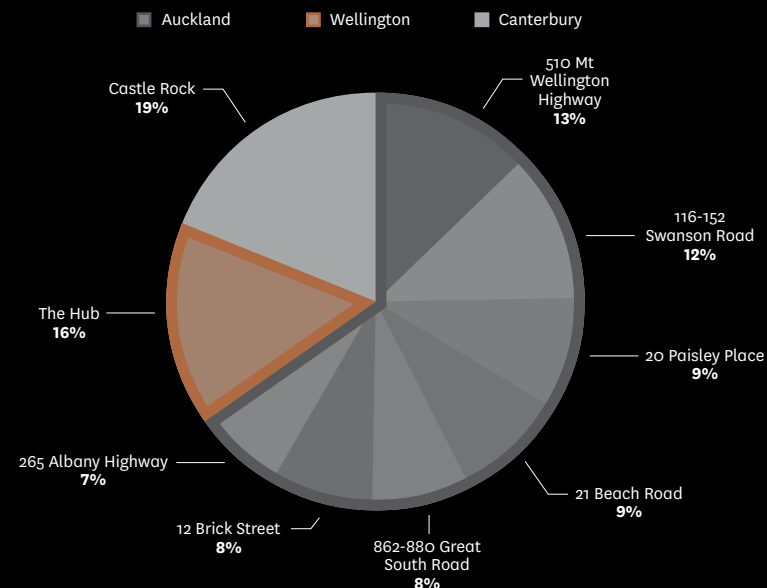
Largest 10 Tenants (Passing Rent)



Tenant Industry Mix (Passing Rent)



Portfolio Weighting (Valuation)



Icepak Limited lease for 20 Paisley Place does not commence until 1 December 2019 following expiry of the current lease to Americold NZ Limited. For the purposes of these charts only the Icpak lease has been reflected.

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

265 Albany Highway,
Rosedale, Auckland

- 01 GOOD HEALTH PRODUCTS LIMITED
- 02 ALBANY OPE LIMITED (STIHL)
- 03 PANDA INTERNET CAFÉ
- 04 JUNIOR JUNCTION (ALBANY) LIMITED
- 05 CAFFE E CUCINA

5
TENANTS



The Properties

265 Albany Highway, Rosedale, Auckland

Multi-Let Property with Surplus Land with Future Development Potential

This industrial property comprises four modern standalone buildings situated within the established North Harbour Industrial Estate, well located along the eastern side of the Albany Highway.

The tenancies include a large purpose-built industrial premise with impressive offices which is the home of anchor tenant Good Health Products Limited, an established company that manufactures and distributes a range of health-related products. With a showroom/workshop premises leased to Stihl, a café and a childcare facility also on site, the property benefits from the split-risk provided through five tenants.

There is an area of surplus land to the rear of the Good Health building which is currently in the area of the Good Health lease, but the Manager considers could be developed in the future subject to future demand and financial viability.

Purchase Price	\$20,100,000 plus GST (if any)
Current Independent Valuation	\$20,100,000 prepared by Russell Clark and Callum Kayes of Colliers International Limited as at 31 October 2018 in accordance with the current Australia and New Zealand Property Institute Valuation and Property Standards. You can find a copy of the independent valuation report on the Offer Register at https://disclose-register.companiesoffice.govt.nz/disclose .
WALT	5.02 years (as at 28 March 2019)
Occupancy	100%
Land area	16,917m ²
Net lettable area	5,504m ²
Seismic rating	An initial evaluation procedure has been carried out on the property by Stephen Mitchell Engineering Limited. The report provides that all four buildings scored at or above 100% NBS.

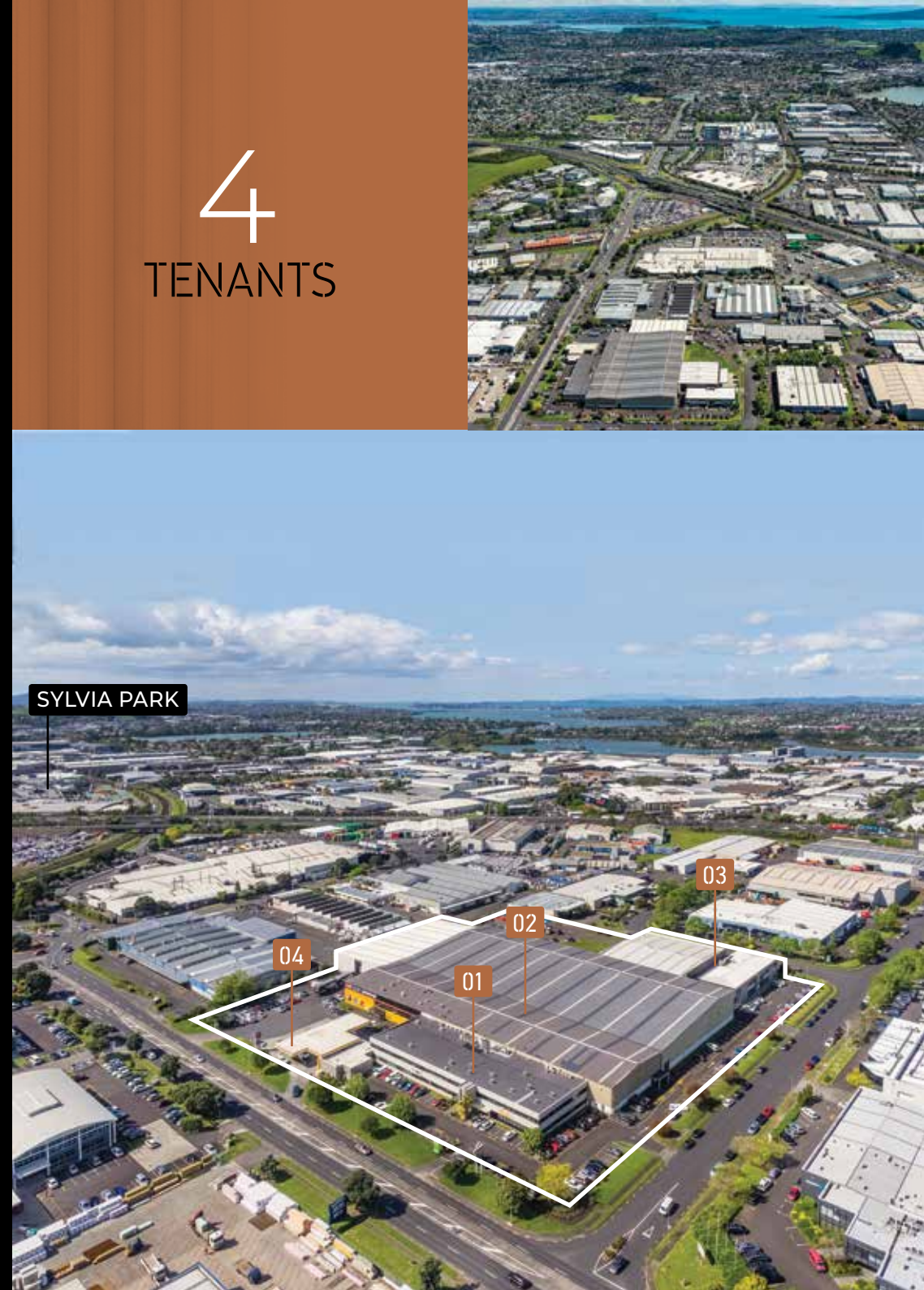
Tenant	Current rent per annum	Expiry Date of Current Term	Rights of Renewal (remaining)	Rent Review
Good Health Products Limited	\$831,651 plus GST per annum	31 March 2024	One (1) of eight (8) years	Market review on each second anniversary of the commencement date (with the reviewed rent not to be increased by more than 3% except on 1 April 2025).
Albany OPE Limited (Stihl)	\$107,400 plus GST per annum	30 September 2024	One (1) of five (5) years	Market review on each second anniversary of the commencement date (with the rent payable from each review date to be no lower than the rent payable as at the commencement date of the current lease term).
Panda Internet Café	\$50,000, increasing to \$55,340 plus GST per annum on 1 May 2019	30 April 2023	One (1) of four (4) years	Market review on 1 May 2023 (with the rent payable from 1 May 2023 to be no lower than the rent payable as at 1 May 2021). Fixed increases of 2.5% on each anniversary of the commencement date excluding market rent review dates.
Junior Junction (Albany) Limited	\$158,996 plus GST per annum	31 October 2021	Four (4) of six (6) years	CPI reviews on each second anniversary of the commencement date excluding renewal dates. Market review on renewal (with the rent to be no lower than the rent payable during the previous 12 months).
Caffe E Cucina Limited	\$133,954 plus GST per annum	31 August 2024	Three (3) of four (4) years	CPI reviews on each second anniversary of the commencement date (excluding the renewal dates). Market review on renewal (with the rent to be no lower than the rent payable during the previous 12 months).
Total	\$1,287,341 plus GST per annum			

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

4
TENANTS

510 Mt Wellington
Highway, Mount
Wellington, Auckland

- 01 MCCONNELL DOWELL CONSTRUCTION LIMITED
- 02 GPC ASIA PACIFIC LIMITED (REPCO)
- 03 DICKER DATA NZ LIMITED
- 04 Z ENERGY LIMITED



The Properties

510 Mt Wellington Highway, Mount Wellington, Auckland

Prime Position with Multiple Tenants

This substantial 3-hectare industrial property is located in the middle of the sought after Auckland industrial suburb; Mount Wellington. In a prominent position with three road frontages it's only 800m from New Zealand's largest shopping centre Sylvia Park and 300m from the motorway interchange. It is comprised of one large 9,086m² warehouse, one smaller 1,233m² warehouse, both with a two-level office and amenities block and a Z Energy service station. A portion of surplus land, which the Manager considers could potentially be developed, is positioned to the eastern side of the site towards Carmont Place.

Currently leased to a variety of well-known tenants including major infrastructure construction company McConnell Dowell, the Australian owned and operated ASX listed hardware distributor Dicker Data, and multinational automotive parts supplier Repco.

Purchase Price	\$37,950,000 plus GST (if any)
Current Independent Valuation	\$37,950,000 prepared by Patrick Ryan and Nick Hazelwood of CBRE Limited as at 31 October 2018 in accordance with the current Australia and New Zealand Property Institute Valuation and Property Standards. You can find a copy of the independent valuation report on the Offer Register at https://disclose-register.companiesoffice.govt.nz/disclose .
WALT	3.08 years (as at 28 March 2019)
Occupancy	100%
Land area	30,845m ²
Gross lettable area	18,827.5m ²
Seismic rating	An initial evaluation procedure has been carried out on the property by Stephen Mitchell Engineering Limited. The report, dated October 2018, provides that the buildings scored between 100% to 180% NBS.

Tenant	Current rent per annum	Expiry Date of Current Term	Rights of Renewal (remaining)	Rent Review
McConnell Dowell Construction Limited	\$397,338 plus GST per annum	25 June 2024	Nil	CPI reviews on 26 June 2020 and 26 June 2022.
GPC Asia Pacific Limited (Repco)	\$1,492,221 plus GST per annum	3 July 2021	One (1) of nine (9) years	Market review on 4 July 2021 (with the rent to be no less than 90% and no more than 110% of the rent payable immediately preceding the review). Fixed increases of 2.5% on each anniversary of the commencement date (other than 4 July 2021).
Dicker Data NZ Limited	\$627,885 plus GST per annum	28 September 2022	One (1) of six (6) years	CPI reviews on 29 September 2020, 29 September 2024 and 29 September 2026. Market review on 29 September 2022 (with the rent to be no lower than the rent payable during the previous 12 months).
Z Energy Limited	\$86,305 plus GST per annum	30 March 2023	One (1) of five (5) years	CPI reviews on 31 March 2019 and each second anniversary thereafter (provided that the landlord may elect to review the rent to market instead).
Total	\$2,603,750 plus GST per annum			

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

116-152 Swanson
Road, Henderson,
Auckland

- 01 UNITED CORPORATION LIMITED
- 02 BESTWARE LIMITED (TRADING AS TREASURE BOX)
- 03 CAPRICE NZ LIMITED
- 04 BLUE STAR GROUP (NEW ZEALAND) LIMITED
- 05 ZP FITNESS LIMITED

5
TENANTS



The Properties

116-152 Swanson Road, Henderson, Auckland

5.6 Hectares with 5 Tenants and Spare Land for Future Upside

A substantial 5.6-hectare property with an extensive 192 metres of road frontage to one of Henderson's main vehicular thoroughfares of Swanson Road. The property is comprised of two well-presented main structures leased to five established tenants. An industrial building which has been extensively refurbished and modernised provides both high stud and medium stud warehousing and a substantial freestanding high stud warehouse completed in 2011 is located directly at the road frontage. A portion of surplus land, which the Manager considers could be developed, is positioned to the North-Western periphery of the property.

Purchase Price	\$36,360,000 plus GST (if any)
Current Independent Valuation	\$36,360,000 prepared by Wouter Robberts and Isabelle Hoy of Jones Lang LaSalle as at 31 October 2018 in accordance with the current Australia and New Zealand Property Institute Valuation and Property Standards. You can find a copy of the independent valuation report on the Offer Register at https://disclose-register.companiesoffice.govt.nz/disclose .
WALT	4.04 years (as at 28 March 2019)
Occupancy	100%
Land area	56,033m ²
Net lettable area	26,755m ²
Seismic rating	Building 1 & 3 (Original Warehouse and Gym) are 70% NBS and Building 2, 4 & 5 (Warehouse extension and New Warehouse) are at least 100% NBS as detailed in the Stephen Mitchell Engineers Ltd IEP Report dated October 2018

Tenant	Current rent per annum	Expiry Date of Current Term	Rights of Renewal (remaining)	Rent Review
United Corporation Limited	\$508,106 plus GST per annum	30 June 2024	Nil	CPI review on 1 July 2021.
Bestware Limited (trading as Treasure Box)	\$147,088 plus GST per annum	31 March 2020	One (1) of four (4) years	Fixed increases of 2.5% on 1 April in each year (excluding 1 April 2020). Market review on 1 April 2020 (with the rent to be no lower than the rent payable during the previous 12 months).
Caprice NZ Limited	\$465,681 plus GST per annum	21 July 2024 (subject to a right to terminate early on 21 July 2021)	Nil	CPI reviews on each anniversary of the commencement date.
Blue Star Group (NZ) Limited	\$1,258,695 plus GST per annum	30 September 2023	One (1) of eight (8) years	CPI reviews on each second anniversary of the commencement date. Market review on 1 October 2023 (with the rent to be no lower than the rent payable at the commencement date).
ZP Fitness Limited	\$95,927.60 plus GST per annum	28 July 2023	Two (2) of five (5) years	CPI reviews on each second anniversary of the commencement date (other than market review dates). Market reviews on 29 July 2023 and 29 July 2028 (with the rent to be no lower than the rent payable at the commencement date).
Total	\$2,475,496.98 plus GST per annum			

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

2 TENANTS

5 & 21 Beach Road,
Otahuhu, Auckland

- 01 PACIFIC STEEL (NZ) LIMITED
- 02 FLETCHER BUILDING STEEL GROUP



The Properties

5 & 21 Beach Road, Otahuhu, Auckland

Well Located Heavy Industrial with Long Term Leases to Established Tenants

A substantial 4.1ha industrial complex well located in a prominent corner position within the heavy industrial precinct of Otahuhu with established long-term tenants. The property offers easy access to all major motorway systems, in particular, the southern and south western motorways, and is in close proximity to the Manukau CBD and the Auckland Airport. The property comprises two main factory warehouses, together with adjacent warehousing dispatch areas, warehouse offices and amenities, yard areas and a number of smaller ancillary buildings. A two-level office building is provided to the Beach Road frontage of 21 Beach Road.

5 Beach Road is leased to Fletcher Building Steel Group Limited, New Zealand's leading importer, distributor and processor of steel, with over 12 years remaining on its current lease term. 21 Beach Road is leased to Pacific Steel, New Zealand's only manufacturer of wire rod, reinforcing bar and coil products with a new 7-year term agreed from June 2019 with the rental increasing to \$1,190,458 per annum from 25 June 2020 and the benefit of fixed 2.5% p.a. annual rent reviews from 2021 to lease expiry.

Purchase Price	\$25,650,000 plus GST (if any)
Current Independent Valuation	<p>\$25,650,000 by Wouter Robberts and Sophie Louis of Jones Lang LaSalle as at 31 October 2018 on an "as if complete" basis, in accordance with the current Australia and New Zealand Property Institute Valuation and Property Standards. This valuation has been completed on the basis that Pacific Steel renews its lease for 7 years and that the current roof works at both 5 & 21 Beach Road are funded by the vendor.</p> <p>You can find a copy of the independent valuation report on the Offer Register at https://disclose-register.companiesoffice.govt.nz/disclose.</p>
WALT	9.66 years (as at 28 March 2019)
Occupancy	100%
Land area	41,074m ²
Net lettable area	22,757m ²
Seismic rating	<p>A seismic assessment has been undertaken at the property which has assessed:</p> <p>5 Beach Road: 100% NBS</p> <p>21 Beach Road: in excess of 100% NBS</p>

Tenant	Current rent per annum	Expiry Date of Current Term	Rights of Renewal (remaining)	Rent Review
Pacific Steel (NZ) Limited	\$1,088,221 plus GST per annum	24 June 2026	One (1) of five (5) years	<p>Fixed increase to \$1,190,458 plus GST on 25 June 2020.</p> <p>Fixed increases of 2.5% every year from 25 June 2021.</p> <p>Market review on 25 June 2026 (with the rent to be no lower than the rent payable immediately prior to the review).</p>
Fletcher Building Steel Group	\$688,142 plus GST per annum	31 July 2031	Two (2) of six (6) years each	<p>Fixed increases of 3% on every 1 August (except for 1 August 2024, 1 August 2031 and 1 August 2037).</p> <p>Market reviews on 1 August 2024, 1 August 2031 and 1 August 2037 (with the rent not to increase or decrease by more than 10% of the rent payable immediately prior to the review).</p>
Total	\$1,776,363 plus GST per annum			

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch

- 01 APPAREL & MERCHANDISING SOLUTIONS
- 02 ASSEMBLY SPECIALISTS LIMITED
- 03 CASTLE ROCK CAFÉ
- 04 CASTLE ROCK PROPERTIES LIMITED (VENDOR UNDERWRITE)
- 05 CONTEC GROUP INTERNATIONAL LIMITED
- 06 ELGAS LIMITED
- 07 LONGBEACH HOLDINGS LIMITED
- 08 MACPAC LIMITED
- 09 NOOD TRADING LIMITED
- 10 ASALEO CARE NEW ZEALAND LIMITED
- 11 KIWI LABELS LIMITED
- 12 TSB LIVING LIMITED
- 13 TYCO ELECTRONICS NEW ZEALAND LIMITED
- 14 TYCO NEW ZEALAND LIMITED (TRADING AS JOHNSON CONTROLS)
- 15 XTEND-LIFE NATURAL PRODUCTS (INTERNATIONAL) LIMITED

15
TENANTS



Boundary lines indicative only.

The Properties

Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch

Huge 7.95ha Modern Industrial Park with 15 Tenants

Strategically located in the popular eastern industrial suburb of Hillsborough, both near the Lyttleton Port and only 10 minutes from the Christchurch CBD, Castle Rock is an established and thriving corporate park for industrial tenants.

Built in stages from the early 2000s, its impressive appearance has attracted 15 well known tenants across the 13 buildings providing diversification of income. Key tenants include Tyco Electronics, Xtend-Life, Macpac and Kiwi Labels. Value add opportunities also exist as the low 41% site coverage on this massive 7.95ha site allows for future development and the single title provides an ability for future subdivision.

Purchase Price	\$53,758,095.00 plus GST (if any)
Current Independent Valuation	<p>\$55,000,000 by Mark Foster of Jones Lang LaSalle as at 25 January 2019 in accordance with the current Australia and New Zealand Property Institute Valuation and Property Standards.</p> <p>You can find a copy of the independent valuation report on the Offer Register at https://disclose-register.companiesoffice.govt.nz/disclose.</p>
WALT	3.86 years (as at 28 March 2019)
Occupancy	<p>100%. Under the terms of the sale and purchase agreement, Castle Rock Properties Limited, the vendor, has agreed to provide an underwrite of: (i) the vacant space at 10a Chapmans Road plus 27 carparks for 3 years from settlement; and (ii) the gross rental payable under any existing leases which expire on or before 15 December 2019 for a period of 12 months from the date that those tenants vacate their premises and cease paying rent. Settlement is expected to occur on 28 March 2019. Occupancy excluding the vendor underwrite is 97%.</p>
Site area	79,456m ²
Net lettable area	33,527m ²
Seismic rating	50% to 100% but note that the vendor, Castle Rock Properties Limited, is required to undertake seismic upgrade works on the buildings at 4, 6, 15 and 17 Mary Muller Drive prior to settlement to bring them up to at least 67% of the new building standard.

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch (cont.)

Tenant	Current rent per annum	Expiry Date of Current Term	Rights of Renewal (remaining)	Rent Review
Tyco Electronics NZ Limited	\$661,993 plus GST per annum	2 July 2025	Two (2) of three (3) years each	CPI plus 1% reviews on every 3 July (excluding 3 July 2025 and 3 July 2028). Market reviews on 3 July 2025 and 3 July 2028 (with the rent to be no less than the rent payable as at the commencement date of the previous lease term).
Xtend-Life Natural Products (Intl) Limited	\$476,256 plus GST per annum	17 March 2023	Two (2) of three (3) years each	Market reviews on 18 March 2019, 18 March 2021, 18 March 2023, 18 March 2025 and 18 March 2027 (with the rent to be no less than the rent payable as at the commencement date of the prior lease term).
Macpac New Zealand Limited	\$431,720 plus GST per annum	30 June 2022	Two (2) of four (4) years each	CPI plus 1% reviews on every 1 July (excluding 1 July 2022 and 1 July 2026). Market reviews on 1 July 2022 and 1 July 2026 (with the reviewed rent to be no less than the rent payable as at the commencement date of the prior lease term).
Kiwi Labels Limited	\$297,708 plus GST per annum (less annual rebate of \$8,000 plus GST during the current term)	31 March 2024	One (1) of three (3) years	Market review on 1 April 2021 and 1 April 2024 (with no minimum or maximum rent).
TSB Living Limited	\$250,000 plus GST plus \$8,500 plus GST for fit out rent (which is payable until 31 May 2019)	31 May 2019 (underwritten by vendor for 12 months from the date of the tenant vacates the premises and ceases paying rent)	One (1) of two (2) years	Market review on 1 June 2019 (with the reviewed rent to be no less than the rent payable as at the commencement date of the lease term prior to the rent review).
Longbeach Holdings Limited	\$255,161.13 plus GST per annum	31 December 2021	Two (2) of four (4) years each	Fixed 2% increase on every 1 January.
Tyco New Zealand Limited (trading as Johnson Controls)	\$213,781 plus GST per annum	10 March 2021	Two (2) of four (4) years each	Market reviews on 11 March 2019, 11 March 2021, 11 March 2023, 11 March 2025 and 11 March 2027 (with the rent not to be more than 10% of the rent payable prior to the review, and not to be less than the rent payable at 11 March 2013).
Assembly Specialists Limited	\$203,502.24 plus GST per annum	31 December 2021	Two (2) of four (4) years each	Fixed 2% increase on every 1 January.

Tenant	Current rent per annum	Expiry Date of Current Term	Rights of Renewal (remaining)	Rent Review
Nood Trading Limited	\$152,150 plus GST per annum	31 August 2021	One (1) of three (3) years	CPI review on 1 September 2019 and 1 September 2020 (with the rent not to be increased by more than 3% of the rent payable prior to the rent review).
Tyco New Zealand Limited (trading as Johnson Controls)	\$143,221 plus GST per annum	17 June 2019 (underwritten by vendor for 12 months from the date of the tenant vacates the premises and ceases paying rent)	Nil	Nil
Contec Group International Limited	\$119,950 plus GST per annum (plus \$685 plus GST for improvements rent)	23 March 2023	One (1) of five (5) years	Market reviews on 24 March 2020, 24 March 2022, 24 March 2024 and 24 March 2026 (with the rent to be no less than the rent payable as at the commencement date of the prior lease term).
Apparel and Merchandising Solutions Limited	\$118,911.60 plus GST per annum	30 November 2023	Two (2) of three (3) years each	Fixed 2% increase on every 1 December (excluding 1 December 2023 and 1 December 2026). Market reviews on 1 December 2023 and 1 December 2026 (with the rent to be no less than the rent payable as at the commencement date of the prior lease term, and no more than 10% of the rent payable immediately prior to the review).
Elgas Limited	\$74,664 plus GST per annum	30 September 2027	Two (2) of five (5) years each	CPI review on every 1 October (excluding 1 October 2022, 1 October 2027 and 1 October 2032). Market reviews on 1 October 2022, 1 October 2027 and 1 October 2032 (with the rent to be no less than the rent payable as at the commencement date of the prior lease term).
Asaleo Care New Zealand Limited	\$637,695 plus GST per annum	28 February 2022	Five (5) of three (3) years each	CPI plus 0.5% review on every 1 March (excluding 1 March 2021, 1 March 2026, 1 March 2031 and 1 March 2036). Market reviews on 1 March 2021, 1 March 2026, 1 March 2031 and 1 March 2036 (with the rent to be no less than the rent payable immediately prior to the review, and any increase not to be more than 10% of the annual rent payable in previous 12 months).
Castle Rock Properties Limited	\$104,095 plus GST per annum	28 March 2021	Nil	Fixed 2% increase on every 29 March.
Castle Rock (2015) Limited (Café)	\$47,572 plus GST per annum	9 July 2020	Two (2) of two (2) years each	Market reviews on 10 July 2020 and 10 July 2022 (with the rent to be no less than the rent payable as at the commencement date of the prior lease term).
Total	\$4,189,565			

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

Financial Standing and Other Information

The Manager has investigated the financial standing of the tenants within the Industrial Portfolio (including the New Properties). The Manager considers that there are no material risks in respect of the ability of the tenants of the properties to meet their obligations under the respective leases.

Copies of building reports and land information memoranda, issued under section 44A of the Local Government Official Information and Meetings Act 1987, for each of the New Properties are available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/disclose>. The Manager does not consider there are any material adverse matters raised in these reports in respect of the New Properties which have not been provisioned for in the prospective financial information (PFI).

The Manager has also engaged building surveyors and mechanical engineers to inspect each of the New Properties for the purposes of identifying possible future capital expenditure.

The Initial Properties

Below are brief descriptions of the Initial Properties. Further detailed information on the Initial Properties (including independent valuation reports) can be found on the Offer Register and in the Other Material Information available at <https://disclose-register.companiesoffice.govt.nz/disclose>.

862-880 Great South Road, Penrose, Auckland

Prime Industrial Location with Lease to Multinational Tenant and Development Potential.

Located in arguably New Zealand's pre-eminent industrial precinct, and bordered by the main arterial Great South Road and the Southern Motorway, this 2.37 ha property provides both income and a redevelopment opportunity. Significant refurbishment is currently being undertaken at the rear including construction of a new office and canopy. A new 8-year lease⁵ from 1 January 2019 has been agreed with Graphic Packaging, a subsidiary of the NYSE listed company⁶. The lease provides for annual rental growth through fixed 3.5% p.a. and 4 yearly market reviews with the first review in 2023, along with tenant rights of renewal until 2034. Land in the Penrose precinct is scarce and a development opportunity remains for a portion of the site fronting Great South Road.

⁵Subject to the completion of certain works by 31 May 2019.

⁶The obligations of Graphic Packaging International New Zealand Ltd are guaranteed by its Australian holding company, Graphic Packaging International Australia Pty Limited, but not by the NYSE listed Graphic Packaging Holding Company.

This property was acquired for \$19.05 million on 15 June 2018 and has been valued at \$24.45 million as at 31 October 2018 by Wouter Roberts and Sophie Louis of Jones Lang LaSalle on an "as if complete" basis once the demolition works are complete and the new office, truck canopy and pedestrian canopy have been built for Graphic Packaging.

12 Brick Street, Henderson, Auckland

Impressive Modern Industrial on a 2ha Site with at least 9 years remaining on a lease to D&H Steel.

Built in 2009, this property offers high stud warehouse and manufacturing facilities and high-quality office and amenities over two levels. In Augusta Industrial's opinion this is one of Auckland's premium industrial buildings. Tenanted by D&H Steel (since completion) who was established over 40 years ago and is one of New Zealand's largest structural steel fabricators with a wide range of projects including the Viaduct Events Centre, the Auckland Airport arrivals hall, Sylvia Park and Riccarton shopping centres.

The initial lease term has nine years remaining (or 14 years if the tenant's break clause is not exercised) with rights of renewal until 2053.

This property was acquired for \$22.36 million on 15 June 2018 and has been valued at \$23.58 million as at 31 October 2018 by Wouter Robbers and Isabell Hoy of Jones Lang LaSalle.

20 Paisley Place, Mt Wellington, Auckland

Well Located Industrial Property with a New 12 Year Lease to a National Tenant.

A substantial industrial property well located in the established industrial suburb of Mount Wellington. The property incorporates cool store and distribution facilities. Currently tenanted by Americold until December 2019, a 12 year new triple net lease (tenant is responsible for all operating and capital expenditure during the term of the lease) with 2% p.a. annual rental growth has been agreed with Icepak Limited from 1 December 2019 providing a WALT of 12.7 years. Icepak is a storage and logistics business who is a subsidiary of Hall's Group Limited who has been in business for 40 years and guarantee Icepak's obligations under the lease.

This property was acquired for \$25,384,615 on 15 June 2018 and has been valued at \$26 million as at 8 November 2018 by Russell Clark and Callum Kayes of Colliers.

The Hub, Seaview, Wellington

17-23 Toop Street, 25 Toop Street, 109-117 Port Road and 101-103 Port Road, Seaview, Wellington.

Logistics Facility on 5ha of Land with 13 national and global tenants.

This multi-tenanted warehouse and distribution centre is located in Seaview, Wellington's largest industrial area which attracts a wide range of tenants that include distribution and logistics. The property is 100% occupied with 13 national and global tenants including Fujitsu, Linfox Logistics, Toll Logistics and Downer providing diversification of income. The majority of the tenancies are also rented for less than current market rates providing opportunities for rental growth.

This property was acquired for \$44.9 million on 15 June 2018 and has been valued at \$47.61 million as at 31 October 2018 by Michael Horsley and Reuben Blackwell of Colliers.

2.5 The Industrial Property Market

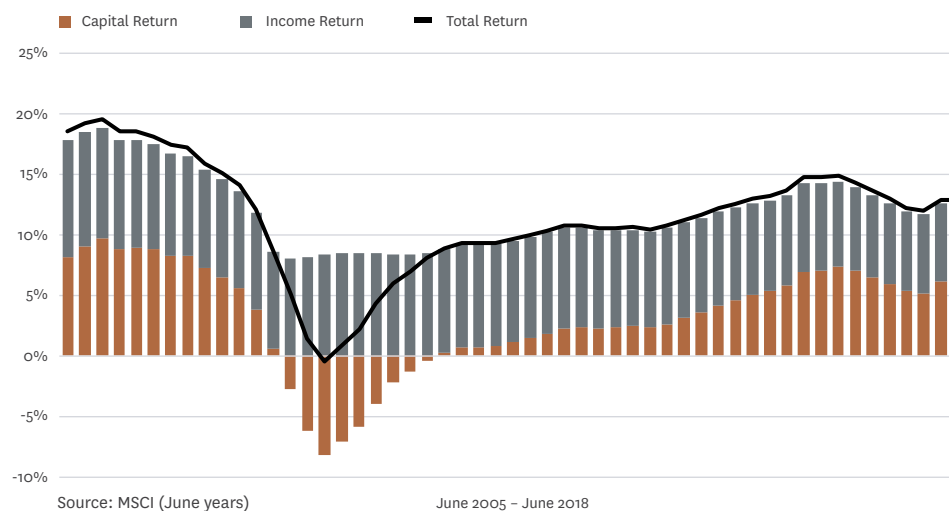
Ian Little of Bayleys Research has provided the following commentary on the recent performance of the industrial property markets in Auckland, Wellington and Christchurch as well as its outlook for those markets.

Industrial Property Market Overview

The latest data released by MSCI shows New Zealand industrial investment property has continued to perform strongly, recording a total return of 12.9% over the 12-month period to June 2018.

Capital returns account for approximately 50% of the total reflecting ongoing compression of yields and upward pressure on rentals.

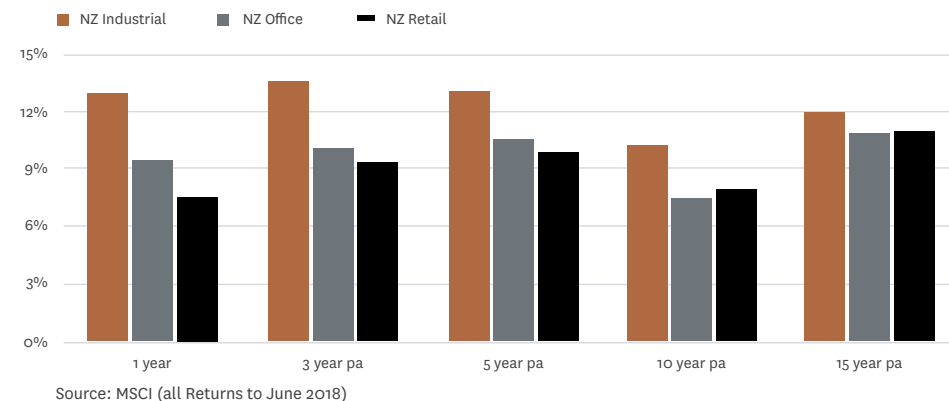
Investment Returns NZ Industrial Property



The industrial sector has again outperformed the commercial office and retail sectors which have produced annual returns of 9.4% and 7.5% respectively, over the year to June 2018.

The latest results show a continuation of the long-term trend which has seen the industrial sector generating higher returns than the other two major market sectors over the past 3, 5, 10 and 15 years.

Total Returns by Key Sector (historic rolling annual % pa)



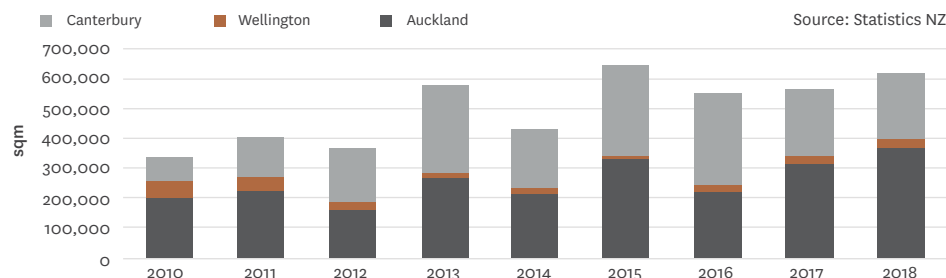
2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

Outlook

New Zealand's strongly performing economy has driven increasing demand for industrial workspace. Employment within the key blue-collar sectors increasing by a further 20,800 across an additional 1,730 business units according to Business Demographic data released by Statistics New Zealand (year to February 2018).

The increase in demand in already extremely tight markets in Auckland and Wellington has elicited a supply response with building consents reaching multi year highs in both centres. Despite this, vacancy rates have held at extremely low levels, with Auckland and Wellington, both being sub 3%. With conditions being as tight as they are further upward pressure on rentals will be applied.

New Industrial building consents (sqm)



Post the 2011 earthquakes industrial development within Canterbury lifted sharply, partly due to the requirement to replace damaged premises but also to meet strong demand from the distribution and logistics sector. Since 2011, Christchurch has cemented its position as the South Island's distribution hub. The lift in new development has resulted in vacancy rates trending up over the last two years as new, efficient buildings have been brought to market. As a result construction activity has been easing with the amount of new industrial floor space consented over the 12 months to October 2018 sitting 29% below the level recorded two years earlier, according to Statistics New Zealand consents data. A further moderation of new development activity is likely over the year ahead. As the flow of new development slows supply and demand will become more evenly balanced.

This market overview was prepared by Bayleys Research. All opinions, statements, analyses are based on information from sources which Bayleys Research believes to be authentic and reliable. Bayleys issues no invitation to anyone to rely solely on the information contained herein and intends by this statement to exclude liability for any such opinions, statements and analyses.

2.6 Augusta Industrial's Bank Facilities

Augusta Industrial will part fund the acquisition of the New Properties by refinancing the initial loan facility provided by ASB with a syndicated facility provided by ASB and Westpac. The key terms of the Syndicated Loan Facility are:

Facility limit	\$132,000,000 with the following participations: ASB: \$72,600,000 Westpac: \$59,400,000
Base rate	BKBM (Bank Bill Benchmark Rate) for the selected interest period. Augusta Industrial has managed the floating nature of the BKBM rate by entering into interest rate swap agreements.
Interest rate	Base rate plus a margin of 1.70%.
Commitment fee	0.68% on the undrawn facility limit.
Establishment and extension fee	\$108,418
Bank legal fees	\$25,000
Term	An extendable facility with an initial expiry date of 29 April 2022 (initial 37-month term). The facility is reviewed annually and may be extended by a further 12 months subject to the agreement of both Banks and the Borrower.
Security	General security deed over all assets and undertakings of Augusta Industrial and its subsidiaries. Guarantees from all Augusta Industrial subsidiaries. Mortgages over the titles to all properties.
Key covenants	Interest cover ratio EBIT is to be at least two times interest expense. Loan to value ratio The ratio of all outstanding debt to the value of all properties is to be no more than 50%.

The bank debt will rank in priority to the Shares.

2.7 Directors of Augusta Industrial

Augusta Industrial is overseen by a board of directors that is led by Mark Petersen, as Chair. The members of the Board are:



Mark Petersen – Chair

Dip Urb Val

Mark is a professional director and corporate adviser who has worked in the commercial property sector for the past 35 years. Initially working as a registered valuer, Mark's background includes development management, project management and investment management. Mark was Managing Director of NZX listed Shortland Properties Limited from 1989 to 1999 and he is currently a director of CentrePort Limited, Wellington's container port company and its subsidiaries. He is also an advisory Board member for Te Tumu

Kainga, a trust administered by the Maori Trustee for the provision of affordable housing. Mark is a former director of Wellington Waterfront Limited, a former director of Australian property focused private equity funds which were established and managed by Grant Samuel and is a past Chair of the NZ Hockey Federation.



Mark Francis

BCom (Fin)

Mark is the Managing Director of Augusta Capital. Mark has a Bachelor of Commerce in Finance from the University of Otago and has a background in finance and property in roles with Hendry Hay MacIntosh, Force Corporation Limited and Village Roadshow Australia Pty Limited. Mark formed Augusta Group Limited in 2001 and began property syndication through Augusta Funds Management in 2003. Mark has the largest shareholding in Augusta Capital.



Guy French-Wright

BCom VPM (Valuation & Property Management)

Guy joined Augusta in March 2017, from Quintessential Equity, a wholesale property fund manager based in Melbourne, Australia, where he was General Manager – Development and was responsible for building a diversified development business. Prior to that, he was Development Director – Commercial at the Mirvac Group in Melbourne and had previous roles at Mirvac, Salta Properties and Austcorp Group in Australia. In 2018, Guy stepped down as Chief Operating Officer of Augusta Capital to return to Melbourne.



Guy Weaver

Guy joined the Augusta Industrial Fund Board in October 2018 as a director. His previous experience has been as a director of a privately-owned software company together with owning and operating a large multi franchised Automotive Group. Guy also subsequently owned and operated Newline Homes Limited who held the A1 Homes franchise for the greater Wellington area. Guy has prior experience as a General Manager in the corporate sector. For the past twenty years he has successfully managed his own commercial property business. The Board considers that Guy is an independent director of Augusta Industrial.

Mark Petersen and Mark Francis are also directors of Augusta Funds Management and Augusta Capital.

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

2.8 The Manager

Augusta Industrial is managed by Augusta Funds Management, which is a wholly-owned subsidiary of Augusta Capital. Augusta Capital is one of New Zealand's leading property fund managers, managing over 100 commercial and industrial properties with a total value of approximately \$1.80 billion, on behalf of over 3,500 investors. Augusta Capital is listed on the NZX Main Board.

Directors of the Manager

In addition to Mark Francis and Mark Petersen (who are directors of Augusta Industrial), the directors of the Manager also include:



Paul Duffy - Chairman

Dip Urb Val

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

large real estate portfolio in the United States and Europe. Paul is currently a director of Asset Plus Limited, Leighs Construction and a number of other private companies.

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



Kevin Murphy

Chartered Accountant, FCA

Kevin became a director of Augusta Funds Management on 29 March 2018. He was formerly the Managing Director of TSB New Zealand (until January 2018) where he helped grow a small regional bank into the sixth largest retail bank in New Zealand with assets in excess of \$7 billion. During his time as Managing Director he also served as a director of Fisher Funds, Payments NZ and the New Zealand

Banking Ombudsman. Kevin is a Chartered Accountant and was previously the Vice President of Chartered Accountants Australia and New Zealand (CA ANZ).



Bryce Barnett

Chartered Accountant, FCA, F.PINZ, MNZM

Bryce's career started as a Chartered Accountant for Inland Revenue before becoming Chief Accountant of the Moller Group of Companies. Bryce has held executive positions including Managing Director within publicly listed and private companies each with a strong emphasis on property. Bryce went on to form his own company, KCL Property Limited in 1994, which was acquired by Augusta Capital in 2014.

His property experience over the last 47 years includes; commercial, industrial, larger format retail and residential development and investment in New Zealand and Brisbane, Australia. In 2017, Bryce was awarded both a Chartered Accountants Fellowship and is a Member of the New Zealand Order of Merit in recognition of his contribution to governance and philanthropy.

Key Personnel of the Manager

The following personnel of the Manager who will be responsible for the management of Augusta Industrial alongside the board of Augusta Funds Management are:



Joel Lindsey

BProp (Real Estate) / BA (Geography), M.PINZ

Chief Operating Officer of Augusta. Joel will provide oversight of the Industrial Portfolio and day-to-day administration and operation of Augusta.

Prior to his return to New Zealand in 2014, Joel worked at Aviva Investors (London) where he worked his way from Analyst to Fund Manager and ultimately held the position of Senior Director – Real Estate. In that position, he was responsible for management of the £4 billion Aviva Life & Pensions real estate investment portfolio. On his return to New Zealand, Joel has worked at Panuku Development Auckland and was, until recently, the Head of Business Development and Project Director.

**Simon Woollams***BCom (Accounting), Chartered Accountant*

Chief Financial Officer of Augusta. Simon will provide financial oversight of Augusta Industrial and will, in particular, be responsible for Augusta Industrial's bank finance and treasury policy.

Simon joined Augusta in 2007. He is a Chartered Accountant and has a strong financial background, including roles with BDO and ANZ Bank in the property and finance teams, and has experience from the UK.

**Ben Harding***BCom (Finance) and MA (Property Valuation and Law), MRICS*

Ben is Augusta Industrial's Fund Manager at Augusta Funds Management, responsible for strategically managing the Industrial Fund's portfolio.

Ben has a Masters in Property Valuation and Law from London City University and is a qualified member of the RICS and REAA. Immediately prior to joining Augusta in 2018, Ben worked for Stride Property where he

was responsible for the strategic asset management of its office property portfolio.

**Will Ellison***BBS VPMFin, Certificate in Real Estate Agency Representation, Post Graduate Diploma in Surveying*

Will is a Development Manager at Augusta Funds Management. He oversees any development that might be undertaken at 880 Great South Road. As a Development Manager he is responsible for achieving corporate objectives in relation to property development activities and major capital works programmes through strategic

planning, development management, financial management and reporting.

Prior to joining Augusta in October 2017, Will previously held roles as the National Property Development Manager for Progressive Enterprises and as Associate Director, Funds Management for LaSalle Investment Management in London.

**Stephen Brown-Thomas***BBS (Valuation & Property Management)*

Stephen is a Development Manager at Augusta Funds Management. He will oversee any development that might be undertaken at Castle Rock or other properties.

As a Development Manager he is responsible for achieving corporate objectives in relation to property development activities and major capital works programmes through

strategic planning, development management and financial management and reporting.

Stephen was previously with KCL and DTZ International and has over 10 years' experience in development, fund, asset and project management with Augusta. Stephen has a bachelor of business majoring in Valuation & Property Management.

**Mark Madigan***BCom (Accounting and Marketing) / BCom (Hons) (Accounting), Chartered Accountant*

Mark is a Financial Controller at Augusta Funds Management. Mark is responsible for financial reporting, compliance, tax and treasury management for the Augusta Industrial portfolio.

Mark joined Augusta in 2018 following Financial Controller roles at Airwork and Property For Industry. Prior to this, Mark was an Associate Director in the institutional banking client coverage team at Commonwealth Bank of Australia.

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

Summary of Augusta Industrial's Management Agreement

The key terms of the Management Agreement (including fees) have been set having regard to what the Manager and Augusta Industrial consider appropriate and industry benchmarks for listed property funds. The key terms of the Management Agreement between Augusta Industrial and the Manager are:

Manager	Augusta Funds Management Limited
Term	The term of the Management Agreement runs until Augusta Industrial is wound up in accordance with the Companies Act 1993 and Augusta Industrial's constitution, unless terminated earlier as set out below.
Termination	<p>The Management Agreement will be able to be terminated in the following situations:</p> <ul style="list-style-type: none"> Augusta Industrial may terminate the agreement without cause or reason provided that six months' notice is given to the Manager and the termination is approved by a Special Resolution of shareholders (which the Manager and its related parties cannot vote on). The Manager may terminate the agreement if it gives Augusta Industrial not less than 12 months' notice in writing that it wishes to terminate the agreement. The Management Agreement will be automatically terminated on the occurrence of certain events, for example if the Manager was insolvent. Augusta Industrial may terminate the agreement if the Manager is in material breach of the agreement and the Manager fails to cure that breach within 30 business days, provided that the termination is approved by a Special Resolution of shareholders. The Manager and its related parties cannot vote on this resolution. <p>If the Management Agreement is terminated without cause and by a Special Resolution of shareholders, Augusta Industrial must pay the Manager a sum equal to 30% of the aggregate of all fees paid to the Manager by Augusta Industrial in the preceding 5 years before termination. No termination fee is payable where the Management Agreement is terminated in any other scenario.</p>

Management Duties

Investment Management Duties

- Maximising the value of Augusta Industrial's investment through the active management of the Industrial Portfolio
- Preparing acquisition and divestment proposals for approval of the Board
- Arranging funding facilities and present to the Board for approval
- Managing financial affairs
- Development management

Property Management Duties

- Collection of rents and payment of outgoings
- Negotiating rent reviews/assignment/sub-leases
- Legal compliance including building and health & safety laws
- Documentation of leases, renewals, variations, rent reviews etc.
- Inspection of properties

Administrative Management

- Ensuring compliance with laws
- Maintaining statutory records, including share register and Board minutes
- Provision of company secretarial services, including keeping minutes of all proceedings
- Maintaining accounting and tax records
- Preparation of annual financial statements and liaising with external auditor
- Preparation of the annual report to shareholders
- Preparing and filing all tax returns (GST, PIE, Income tax)
- Arranging annual valuations

Investor Relations

- Reporting quarterly to shareholders on Augusta Industrial's performance
- Responding to all investor queries
- Arranging annual shareholder meetings

Bayleys Property Services Limited will be appointed to provide day to day property and facilities management services.

Sub-contracting/assignment	<p>The Manager's obligations may be sub-contracted but the Manager remains liable for those obligations.</p> <p>Assignment of the Manager's rights and obligations is permitted with consent of Augusta Industrial, which is not to be unreasonably withheld.</p>
Limitation of liability	<p>The Manager will not be liable for any reduction in:</p> <ul style="list-style-type: none"> the amount of the dividend paid by Augusta Industrial; or any loss in value of Augusta Industrial or a reduction in Augusta Industrial's share price, <p>as a result of matters outside the control of the Manager, unless such loss is a direct result of the Manager materially breaching its obligations under the Management Agreement.</p>
Related Party Transactions	<p>Augusta Industrial and the Manager will not enter into any transactions with related parties unless approved by an ordinary resolution of Shareholders, except for:</p> <ul style="list-style-type: none"> Any underwriting agreement entered into with Augusta Capital or any of its related parties provided the underwriting fee does not exceed 3% of the equity that is being underwritten by Augusta Capital or Augusta Industrial's related parties; or Any acquisition by Augusta Industrial of any property owned by Augusta Industrial's related parties provided the purchase price payable by Augusta Industrial does not exceed the amount determined by an independent valuer. <p>If Augusta Industrial becomes listed, any related party transactions and voting restrictions will be governed by the NZX Listing Rules.</p>

Conflicts of Interest	<p>Augusta Funds Management has adopted a conflict of interest policy which sets out how Augusta will manage conflicts between its obligations to the various entities that it manages (amongst other things such as director or employee conflicts of interest). The policy provides that:</p> <ul style="list-style-type: none"> Each entity managed by Augusta Funds Management is to have a separate investment mandate; When an investment opportunity is identified by Augusta Funds Management, it must evaluate that opportunity against each entity's mandate; The opportunity must then be progressed for the relevant entity whose mandate it falls within; and If that entity does not wish to acquire the opportunity, Augusta Funds Management may progress it for any other entity. Co-investment between different entities may also be considered.
Fees	<p>Augusta Funds Management is entitled to be paid the following fees under the Management Agreement:</p> <ul style="list-style-type: none"> An annual management fee; An annual property management fee; A performance fee; Certain transaction fees, as described in more detail below.
Management Fee	<p>A management fee of 0.50% per annum of the total average value of all tangible assets under management up to \$0.5 billion plus GST and 0.40% of the total average value of any tangible assets under management above \$0.5 billion plus GST.</p>
Property Management Fee	<p>A fee equal to 1.5% of the gross rental income from any properties owned by Augusta Industrial and its subsidiaries plus GST. However, in respect of 862-880 Great South Road, Brick Street and The Hub, the Manager has agreed that it will only charge a property management fee of \$50,000 per annum until 14 June 2021, unless a greater amount is recoverable from the tenants under the terms of their leases.</p>

2. AUGUSTA INDUSTRIAL AND WHAT IT DOES (CONT.)

Performance fee	<ul style="list-style-type: none">• 10% of shareholder returns above 10% per annum and capped at 15% per annum. Where the returns are capped, the excess is carried forward to the next calculation of performance fees.• While unlisted, the performance fee is calculated annually by reference to the shareholder returns over the 12 month period ending on 31 March in each calendar year including gross distributions paid during the financial year and the change in net tangible assets per Share as calculated by reference to the audited financial statements for that financial year. Any performance fee is payable (in cash, or Shares if agreed by Augusta Industrial and the Manager) once Augusta Industrial is listed.• If listed the performance fee will be calculated quarterly by reference to the change in Augusta Industrial’s share price and distributions made in the quarter. Where shareholder returns are less than 10% per annum, then the deficit is also carried forward and taken into account in the next calculation of performance fees.• Any calculation of whether a performance fee is payable will be reviewed by Augusta Industrial’s auditor.	
Transaction fees	<i>Acquisition fees</i>	1% of acquisition price.
	<i>Sale fees</i>	1% of the gross sale price.
	<i>Underwrite Fees</i>	3% of the equity being underwritten.
	<i>Leasing fees</i>	One-off fee of between 5% and 15% of annual gross rental for each new lease arranged or right of renewal exercised depending on the term of the lease and whether a third party or real estate agent is involved in the negotiation.
	<i>Development/capital expenditure fees</i>	3.5% of the total costs of any development, project or other work of a capital nature where the cost of those works exceed \$50,000.
		All transaction fees (other than the underwriting fee) are exclusive of GST.

You can find a copy of the Management Agreement on the Offer Register at <https://disclose.register.companiesoffice.govt.nz/disclose>.

Other arrangements and fees between Augusta Funds Management and Augusta Industrial include:

- Augusta Funds Management will receive an acquisition fee of \$1,738,181 (plus GST) - further details are set out in section 2.10.
- Augusta Funds Management will receive an administration fee (payable at 2% of the transaction value (plus GST)) for secondary market transfers - further details are set out in section 6.1.

2.9 Substantial shareholdings and relevant interests held by directors and senior managers

Substantial shareholdings as at 5 February 2019

The table below lists the Shareholders with a relevant interest in 5% or more of the Shares (which is the only class of shares on issue) as at 5 February 2019.

Name	Legal ownership or other nature of the relevant interest	Number of shares	Percentage of the total relevant securities of each class that the person has a relevant interest
Augusta Capital	Registered holder	7,500,000	10%

Expected substantial shareholdings upon completion of the Offer

The table below lists the persons who are likely to have a relevant interest in 5% or more of the Shares (which will be the only class of shares on issue) immediately after completion of the Offer.

Augusta Capital intends to retain a minimum of 10% of the Shares following completion of the Offer and will subscribe for Shares to ensure it holds at least this percentage. Augusta Capital may subscribe for more shares under its underwriting commitment and reserves the right to hold more or less Shares at its discretion.

Name	Legal ownership or other nature of the relevant interest	Number of shares	Percentage of the total relevant securities of each class that the person has a relevant interest
Augusta Capital	Registered holder	18,000,000*	10%

*Augusta Capital may subscribe for additional shares to retain its 10% shareholding to the extent the Offer is oversubscribed.

Expected shareholdings held by directors and senior managers

The table below lists sets out the shares in Augusta Industrial that the directors and senior managers of Augusta Industrial are likely to have an interest in immediately following completion of the Offer.

Name	Legal ownership or other nature of the relevant interest	Number of shares	Percentage of the total relevant securities of each class that the person has a relevant interest
Kevin Murphy	Registered holder and beneficial owner	100,000	0.056%

2.10 Interests of Directors

Augusta Industrial was incorporated on 16 April 2018 and has not completed a full accounting period. The directors of Augusta Industrial will receive the following directors' fees for FY19:

Director	Director Fee
Mark Petersen	\$40,000
Mark Francis	Nil
Guy French-Wright	\$25,000
Guy Weaver	\$25,000

In addition, Guy Weaver will receive a fee of \$10,000 for being a member of the due diligence committee for this Offer.

The above fees reflect a policy of Augusta Funds Management that no employee receive fees for acting as a director of an entity managed by Augusta Funds Management while they are an employee.

Augusta Industrial has no employees as it is fully managed by Augusta Funds Management.

The particulars of any direct or indirect material interests in Augusta Industrial, or in any agreement entered into on behalf of or in respect of Augusta Industrial, that any director, proposed director, senior manager of Augusta Industrial or proposed senior manager or any person associated with them has and that are material to either the person who has the interest and/or Augusta Industrial are as follows:

- **Management Agreement:** two out of four of the directors of Augusta Industrial are also directors of Augusta Funds Management who manage Augusta Industrial under the Management Agreement described in section 2.8. Under the Management Agreement, Augusta Funds Management receives various management, performance, leasing, sale, acquisition, underwriting and project management fees – further details are set out in section 2.8.
- **Acquisition Fee:** an acquisition fee of \$1,738,181 (plus GST) is to be paid to Augusta Funds Management as a result of Augusta Industrial's acquisition of the New Properties.
- **Underwriting agreement:** Augusta Industrial has also entered into an underwriting agreement with Augusta Capital Limited (the parent company of Augusta Funds Management). The key terms of the underwriting agreement are:
 - Augusta Capital will underwrite \$17.98 million of the \$105 million that is proposed to be raised (in addition to Augusta Capital subscribing for Shares to maintain its 10% shareholding in Augusta Industrial following completion of the Offer).
 - This underwriting commitment ranks ahead of the commitment of all other underwriters. As a result, if the shortfall in the Shares subscribed for is less than 17.98 million shares, Augusta Capital will subscribe for the full amount of the shortfall. If the shortfall is greater than 17.98 million shares, Augusta Capital will subscribe for 17.98 million shares and the other underwriters will subscribe for any further shortfall on a proportionate basis relative to their underwriting commitment.
 - In consideration for agreeing to underwrite \$17.98 million of the equity raising, Augusta Capital will receive a fee of \$539,400 (calculated at 3% of \$17.98 million based on the minimum amount to be raised of \$105 million).

3. PURPOSE OF THE OFFER

The purpose of this offer of Shares in Augusta Industrial is to provide Augusta Industrial with equity which, together with the proceeds of the Syndicated Loan Facility, is sufficient to fund the company's strategy and plans to acquire the New Properties.

Intended use of funds

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

Purchase price for New Properties	173,818,095
Offer and Acquisition Costs	7,724,699
Total	181,542,794

Funded by:	
Loan Facility (debt)	76,542,794*
Equity	105,000,000
Total	181,542,794

The use of the money raised under the Offer will not change depending on the total amount that is raised. The minimum amount to be raised in order for the Offer to proceed is \$105,000,000. This amount is fully underwritten.

*To the extent there are over-subscriptions, the loan facility may not be fully drawn.

Offer and acquisition costs

The offer and acquisition costs are:

Augusta Funds Management's acquisition fee	1,738,181
Augusta Capital's underwrite fee	539,400
Other underwriter fees	2,295,600
Brokerage and marketing fees	2,132,400
Legal fees	290,000
Investigating Accountant's fees	65,000
Independent review fees	12,500
Valuation fees	114,020
Bank legal fees	25,000
Bank fees	108,418
Property due diligence report fees	243,680
Assignment of Swanson Road reports	108,000
Prospectus liability insurance	27,500
Registry fees	9,000
PDS registration fee and FMA levy	6,000
Director due diligence committee fee	10,000
Total	7,724,699

*The brokerage fee payable assumes no oversubscriptions are accepted by Augusta Industrial. If oversubscriptions are accepted of up to 10 million shares, a brokerage fee will be payable at a rate of 1.75% per \$1 share.

The above fees are exclusive of GST and disbursements.

Where any of the above costs have previously been paid by Augusta Funds Management, it will be reimbursed for those costs by Augusta Industrial.

Of the \$105 million to be raised, Augusta Capital has provided a firm commitment to subscribe for at least \$10.5 million (depending on level of over-subscriptions (if any)) to maintain its 10% shareholding.⁷

The remaining \$94.5 million has been fully underwritten by:

- Augusta Capital Limited: \$17.98 million;
- Tabrita Securities Limited: \$35.25 million;
- Cook Property Group Limited: \$35.25 million;
- Bayleys Corporation Limited: \$5 million; and
- Terafly Trustees Limited: \$1.02 million.

All underwriters receive an underwrite fee of 3% of the amount underwritten. Augusta Capital will receive a fee of \$539,400 (calculated at 3% of \$17.98 million, being the \$28.48 million underwritten by Augusta Capital (excluding the 10% stake that Augusta Capital will subscribe for in Augusta Industrial)).

Augusta Capital's underwrite of \$17.98 million is for the first \$17.98 million of any shortfall in applications, with the other underwriters being liable, on a proportionate basis, for any shortfall up to \$76.52 million.



Longbeach - Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch.

⁷Augusta Capital reserves the right to subscribe for more than 10% of the Shares on offer.

4. KEY DATES AND OFFER PROCESS

Offer opens	15 February 2019
Last date for existing Augusta syndicate investors to exercise their preferential right	7 March 2019
Offer closes	22 March 2019
Subscription amounts are due from investors	22 March 2019
Shares are allotted	28 March 2019
Settlement of the property acquisitions	28 March 2019
Expected date for payment of first dividend	20 April 2019

The timetable is indicative only and the dates may change. In particular, Augusta Industrial reserves the right to close the offer at any time prior to that date or extend the offer by up to 25 working days without prior notice. Augusta Industrial also reserves the absolute right in its sole discretion to accept or reject any application in whole or in part without assigning any reason.

Investors' subscription monies will be held in a trust account established by Link Market Services ("LMS o/a Augusta Industrial Fund") and will accrue interest at bank call rates from subscription to the date on which Shares are issued, which will then be paid to investors.

5. TERMS OF THE OFFER

What is the Offer?	<p>This is an offer of ordinary Shares in Augusta Industrial.</p> <p>The Shares will rank equally in all respects with any other Shares previously issued by Augusta Industrial. Each Share confers an equal right to share in dividends and other distributions authorised by the Board, and to cast a vote at meetings of Shareholders, in accordance with the Augusta Industrial's constitution.</p> <p>No person guarantees the Shares offered under this Offer, nor warrants or guarantees the future performance of Augusta Industrial, the Shares or any return on investment pursuant to this Offer.</p>
Key dates	See Section 4: "Key dates and offer process" for information about the key dates of the Offer.
Price	\$1.00 per Share
Minimum number of Shares that may be applied for and minimum investment amount⁸	Shares are available in multiples of 1,000 with a 10,000 Shares (\$10,000) minimum investment in regards to this Offer.
Maximum number of Shares that may be held by any shareholder and maximum investment amount⁹	No investor may hold more than 19.99% of the post-issue total number of shares (being between 180 and 190 million (depending on the level of over-subscription (if any))).
Minimum and maximum amount of equity to be raised	The minimum amount to be raised in order for the Offer to proceed is \$105,000,000. Over-subscriptions of up to \$10,000,000 will be accepted.

⁸Augusta Industrial and the Manager reserve the right to amend the above minimum and maximum subscription amounts.

⁹Augusta Industrial and the Manager reserve the right to amend the maximum number of shares that may be held.

Preference for 116-162 Swanson Road, 510 Mt Wellington Highway, 5 & 21 Beach Road and 265 Albany Highway Investors	<p>Investors in the existing Augusta Funds Management managed syndicates that own: (i) 116-152 Swanson Road; (ii) 510 Mt Wellington Highway; (iii) 5 & 21 Beach Road; and (iv) 265 Albany Highway have a preferential right to acquire Shares in the Offer for the current amounts:</p> <p>(a) Swanson Road: 74,000 Shares for every 1 unit held in that scheme;</p> <p>(b) Mt Wellington Highway: 80,000 Shares for every 1 unit held in that scheme;</p> <p>(c) Beach Road: 105,000 Shares for every 1 unit held in that scheme;</p> <p>(d) Albany Highway: 105,000 Shares for every 1 unit held in that scheme</p> <p>Investors in those schemes are welcome to apply for larger amounts than the above preferential amounts.</p> <p>Following the above preferential rights, existing shareholders in Augusta Industrial have a preferential right to acquire Shares in the Offer.</p> <p>These investors must exercise this right by providing a completed application form by 7 March 2019.</p>
Underwrite	The minimum number of 105,000,000 Shares to be issued is fully underwritten.
Scaling (over-subscriptions)	Over-subscriptions of up to \$10,000,000 (being 10 million Shares) will be accepted. If Augusta Industrial receives valid applications for more than 115 million Shares then it may scale applications, which means that you may receive fewer shares than you subscribed for. If this happens, you will be refunded the difference within 5 working days of the allotment date.

How to apply	See Section 11: “How To Apply” for more information on how to apply for Shares in Augusta Industrial.
Overseas investors	<p>The Offer is a regulated offer for the purposes of the Financial Markets Conduct Act 2013 and is only being made to potential investors in New Zealand, Australia and any institutions to which Augusta Industrial is able to offer without having to prepare a disclosure document.</p> <p>The Offer is being made in Australia in reliance on the trans-Tasman mutual recognition scheme under Chapter 8 of the Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth).</p> <p>No person may offer, invite, sell or deliver any Shares or distribute any documents (including the PDS) to any person outside New Zealand or Australia unless such offer or invitation can be made without having to prepare a disclosure document. The PDS may not be sent into or distributed in the United States. Unless otherwise agreed with Augusta Industrial, any person applying for Shares under the Offer will be deemed to represent and warrant to Augusta Industrial that he, she or it is not in a jurisdiction that does not permit the making of the Offer or an invitation of the kind contained in the PDS and is not acting for the account or benefit of a person within such a jurisdiction. Neither Augusta Industrial, the Manager nor any of their directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.</p>

Augusta Industrial’s constitution sets out the terms of the Shares. You can find a copy of Augusta Industrial’s constitution on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/disclose>.

5
TENANTS

16,917 M²



265 ALBANY HWY,
ROSEDALE, AUCKLAND



5 & 21 BEACH ROAD,
OTAHUHU, AUCKLAND



2
TENANTS

41,074 M²



CASTLE ROCK BUSINESS
PARK, MARY MULLER DRIVE,
HILLSBOROUGH, CHRISTCHURCH



15
TENANTS

79,456 M²

4

TENANTS

30,845 M²

(more or less)



510 MOUNT WELLINGTON HWY,
MOUNT WELLINGTON, AUCKLAND



116-152 SWANSON RD,
HENDERSON, AUCKLAND



5

TENANTS

56,033 M²



862-880 GREAT SOUTH ROAD,
PENROSE, AUCKLAND

1

TENANT

23,700 M²



1
TENANT

19,876 M²



12 BRICK STREET,
HENDERSON, AUCKLAND



20 PAISLEY PLACE,
MT WELLINGTON, AUCKLAND



1
TENANT

13,630 M²



THE HUB, SEAVIEW, WELLINGTON



13
TENANTS

52,756 M²

6. KEY FEATURES OF ORDINARY SHARES IN AUGUSTA INDUSTRIAL

6.1 Key features of the equity securities

Augusta Industrial is a limited liability company, incorporated in New Zealand under the Companies Act 1993 and subject to the laws of New Zealand.

Shareholders receive ordinary Shares in Augusta Industrial. The key features of Shares in Augusta Industrial do not differ from those that apply to ordinary shares in a company generally. Each share is entitled to one vote on any vote of the Shares in Augusta Industrial, a proportionate right to receive any dividends and distributions made by Augusta Industrial and a proportionate right to share in any surplus funds on a liquidation of Augusta Industrial, each relative to the total number of Shares in Augusta Industrial at the relevant time.

Shareholders do not have pre-emptive rights on any new shares to be issued by Augusta Industrial. The Board of Augusta Industrial has the right to issue further shares, on such terms and conditions as it considers are fair and reasonable to Augusta Industrial and its shareholders.

Any sale of Shares must occur in accordance with Augusta Industrial's constitution. Augusta Industrial's Board may refuse to register or delay registration of any transfer of Shares in any of the following circumstances:

- If required to do so by law or where Augusta Industrial or Augusta Funds Management is unable to conduct satisfactory customer due diligence on the proposed transferee in order to comply with its obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009;
- The proposed transfer is less than the minimum transfer size set by the Board from time to time (currently 10,000 Shares);
- The proposed transfer would result in a shareholder holding less than the minimum shareholding set by the Board from time to time (currently 10,000 shares); and
- The proposed transfer would occur part-way through a quarter of the financial year, unless otherwise approved by the Board.

The appointment of directors must occur in accordance with Augusta Industrial's constitution, as follows:

- each Share gives the holder the right to vote by ordinary resolution to appoint or remove directors;

- one third of the directors (or the number nearest to one third) are required to retire by rotation and may offer themselves for re-election by shareholders each year; and
- the holder of each Share may by ordinary resolution vote to appoint directors to fill the office vacated by retiring directors each year.

In addition to the above, Augusta Industrial cannot be listed on the NZX without the prior approval of the Shareholders.

The rights of Shareholders are set out in Augusta Industrial's constitution, a copy of which is available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/disclose>, and the Companies Act 1993.

As part of this Offer, Augusta Industrial does not intend to quote the Shares on a licenced market in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Shares.

The Manager, on behalf of Augusta Industrial, operates a secondary market facility where buyers and sellers of shares will be matched. There are no rules or agreement that govern the operation of the secondary market. The Manager facilitates secondary transfers but does not act as a broker nor does it provide financial advice to any party. The Manager has no obligation to provide liquidity for Shareholders. If Shareholders utilise the secondary market facility offered by the Manager on behalf of Augusta Industrial, then an administration fee will be payable at a fee of 2% of the transaction value (plus GST).

Augusta Capital is entitled, and may, trade its shares in Augusta Industrial.

6.2 Augusta Industrial's dividend policy

Augusta Industrial has forecast that dividend payments will be made at a rate of 6.5 cents per share (before taxation, including any depreciation claim for taxation purposes) for FY19 and FY20. This is consistent with Augusta Industrial's revised dividend policy to pay out between 90% and 110% of adjusted funds from operations (AFFO). Previously, Augusta Industrial's policy was to pay out between 95% and 100% of AFFO. The Board of Augusta Industrial has revised the payout ratio to reflect the acquisitions that are being undertaken and the particular characteristics of the New Properties which may require additional maintenance capital expenditure and the payment of leasing incentives.



AFFO is a non-GAAP financial measure adopted to assist Augusta Industrial in assessing the adjusted operating profit available for distribution, calculated in accordance with the guidelines issued by the Property Council of Australia. A summary of how Augusta Industrial calculates AFFO is included on page 47 under the heading “FFO and AFFO – Non-GAAP information” with a reconciliation of that information to net profit after tax included on the Offer Register.

Shareholders in Augusta Industrial receive monthly distributions.

Any dividend or distribution is at the discretion of the Board and is subject to meeting the solvency test requirements of the Companies Act 1993 and the Board determining that it is in the best interests of Augusta Industrial that a dividend be paid. The payment of any dividend is therefore not guaranteed. Augusta Industrial’s dividend policy may change from time to time. As a result of the above, the actual gross dividend yield for a period may vary from the prospective information set out in section 7.

Augusta Industrial does not propose to offer a dividend reinvestment programme while Augusta Industrial is unlisted.

6.3 Declared Dividends

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

Month Ended	Date Declared	Dividend (cents per share)	Gross Dividend	Payment Date
30 June 2018	9 July 2018	0.27	203,125	9 July 2018
31 July 2018	9 July 2018	0.54	406,250	7 August 2018
31 August 2018	9 July 2018	0.54	406,250	7 September 2018
30 September 2018	9 July 2018	0.54	406,250	8 October 2018
31 October 2018	5 November 2018	0.54	406,250	7 November 2018
30 November 2018	5 November 2018	0.54	406,250	7 December 2018
31 December 2018	5 November 2018	0.54	406,250	7 January 2019
31 January 2019	30 January 2019	0.54	406,250	7 February 2019
28 February 2019	30 January 2019	0.54	406,250	7 March 2019

7. AUGUSTA INDUSTRIAL'S FINANCIAL INFORMATION

In this section, you will find the following information:

- A summary of historical financial information for the 6 months and 15 days to 31 October 2018. This provides information on the actual financial performance of Augusta Industrial for that period (which is the only accounting period for Augusta Industrial as it was only incorporated in April 2018).
- A summary of the prospective financial information for the following two periods:
 - The 11 months and 15 days ending 31 March 2019; and
 - The 12 months ending 31 March 2020

This represents Augusta Industrial's forecasts on its expected financial performance for those periods.

In addition to the above information which has been prepared in accordance with generally accepted accounting practice (GAAP), this section also includes certain non-GAAP measures which Augusta Industrial uses to monitor underlying operating performance.

The table below provides key financial information about Augusta Industrial and its subsidiaries. The full interim financial statements (**Interim Statements**) and full prospective financial information (**PFI**) are available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/disclose>. If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

PFI has been prepared based on the directors' assessment of known events and conditions existing at the date of this PDS and the accounting policies and assumptions set out in the PFI on the Offer Register. A summary of the principal assumptions on which the PFI is based are set out below under the heading "Principal Assumptions" in this section. The PFI for the 11 months and 15 days ending 31 March 2019 incorporates actual results for the 6 months and 15 days ended 31 October 2018.

Prospective financial information by its nature is inherently uncertain. It is a prediction of future events and conditions which cannot be assured. It involves risks and uncertainties many of which are beyond Augusta Industrial's control. The Board believes that the PFI has been prepared with due care and attention, and considers the assumptions, when taken as a whole, to be reasonable and supportable at the time of preparing this PDS. Actual results may vary from the information presented and variances may be material. Accordingly, neither the directors nor any other person can provide any assurance that the PFI will be achieved and investors are cautioned not to place undue reliance on the PFI. You should read the PFI in this PDS in light of the assumptions, and in conjunction with the other information in this PDS (including in particular, the information in Section 8 (Risks to Augusta Industrial's business and plans)).

The PFI has been subject to a limited assurance engagement by Ernst & Young Transaction Advisory Services Limited, a copy of the limited assurance report is included in the Offer Register.

The forecasts included in the tables below have been extracted from the PFI which has been prepared in accordance with Financial Reporting Standard No. 42: Prospective Financial Statements (FRS 42). This historic information for the period ending 31 October 2018 has been extracted from the Interim Statements which have been prepared in accordance with the New Zealand equivalent to International Accounting Standard 34: Interim Financial Reporting.

7. AUGUSTA INDUSTRIAL'S FINANCIAL INFORMATION (CONT.)

Selected Financial Information

The summary information presented in the table below is extracted from the more detailed Interim Statements and PFI, copies of which are on the Offer Register.

	Actual	Forecast	Forecast
	6 Months and 15 days to 31 October 2018 (\$'000)	11 Months and 15 days ending 31 March 2019 (\$'000)	12 Months ending 31 March 2020 (\$'000)
Revenue	3,628	7,313	24,302
Operating costs	(861)	(1,279)	(4,703)
Net revenue	2,767	6,034	19,599
EBITDA	7,246	8,941	18,194
Net profit before tax	6,432	7,115	12,841
Net profit after tax	6,432	7,115	12,841
Funds from Operations (FFO)	1,740	3,742	12,413
Adjusted Funds from Operations (AFFO)	1,625	3,603	11,286
Dividends on all equity securities of the issuer	(1,422)	(3,923)	(11,700)
Net cash flows from operating activities	1,736	2,848	13,981
Total assets	121,290	299,212	297,646
Cash and cash equivalents	687	500	500
Total liabilities	46,113	126,078	123,371
Total debt	44,540	124,889	121,360
Net Tangible Assets	75,177	173,134	174,275
Gearing Ratio	37%	42%	41%
Interest Cover Ratio	3.14	2.95	3.57

Revenue represents rental income derived from all lease agreements and operating expense recoveries.

Net revenue represents revenue less property operating expenses.

Augusta Industrial is an unlisted PIE and tax is withheld from shareholder distributions and not payable directly by Augusta Industrial. As a result net profit before tax and net profit after tax are the same.

FFO and AFFO are non-GAAP financial measures adopted to assist Augusta Industrial in assessing the adjusted operating profit available for distribution. A further explanation of these terms is included below under the heading "FFO and AFFO - Non-GAAP Information". A reconciliation of Non-GAAP information including a reconciliation of the FFO and AFFO is included in the Interim Statements and PFI, copies of which are available on the Offer Register.

Net Tangible Assets represents the total assets of the Augusta Industrial Group excluding intangible assets (for which Augusta Industrial is assumed to not carry any) less total liabilities.

The gearing ratio and interest cover ratios are also Non-GAAP information. The "Gearing Ratio" tells you how much Augusta Industrial owes (debt) as a portion of what it owns (total assets). The higher the gearing ratio, the higher the risk as it indicates a higher proportion of Augusta Industrial's assets will need to be applied to repay its debts. The "Interest Cover Ratio" tells you how much Augusta Industrial's net revenue exceeds interest on its loans (as a multiple).

The gearing ratio and interest cover ratios are included as debt is an integral and material component in respect to the acquisition of the New Properties and capital structure of Augusta Industrial.

Historical Financial Performance

As Augusta Industrial was incorporated on 16 April 2018, historical financial information is only included for the interim period ended 31 October 2018. As this is its first accounting period, there is no prior period available to compare nor was prospective financial information prepared for the period to 31 October 2018 and available for comparison.

Augusta Industrial considers that its financial performance for the period to 31 October 2018 is materially as expected. However, there have been four items where there has been some variance:

- Property operating expenses at the Hub are higher than forecast;
- Registry and insurance costs are higher than forecast;
- The appointment of an additional director has resulted in additional director fees; and
- Funding costs are higher than forecast.

Those items have not affected the ability to make distributions at 6.5 cents per share (on an annualised basis), as forecast. Each of these items (either separately or together) are not considered material but they do identify trends that Augusta Industrial considers could lead to material variances in the future. As a result, the PFI has been updated to reflect these trends.

In addition, the historical financial information includes a \$5.33 million revaluation gain for the Initial Properties. The previous PFI assumed no revaluation and the PFI has now been updated to reflect this trend.

The Interim Statements have been subject to an independent review by Ernst & Young and a copy of the independent review report is included in the Offer Register.

No historical financial information is included for the 5 assets being acquired. The acquisitions of 265 Albany Highway, 510 Mt Wellington Highway, 116-152 Swanson Road, 5 & 21 Beach Road and Castle Rock are considered to be asset acquisitions, rather than business acquisitions.

FFO and AFFO – Non-GAAP information

The historical and prospective financial information presented includes certain items such as revaluations of properties, change in fair values of interest rate swaps and accruals for fixed rental increases which can be unpredictable from year to year and/or are non-cash items which are often not realised. The Board of Augusta Industrial considers these items need to be adjusted in order to present its underlying operating performance and funds available for distribution. The non-GAAP underlying measures that Augusta Industrial uses to assess this performance are Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO), consistent with practice in the Australian and New Zealand listed property sector.

The calculation of FFO and AFFO reflects guidelines from the Property Council of Australia issued in December 2017, adjusted to reflect changes in accounting standards since those guidelines were issued.

Funds from Operations

Augusta Industrial considers that FFO is important to identify the funds generated from operations. It calculates FFO by making the following adjustments to net profit after tax:

- Removing revaluations of investment properties;
- Removing changes in fair value of interest rate swaps;
- Removing any gains or losses on disposals of investment property;
- Adding finance offer costs which have been amortised;
- Removing any accruals for fixed rental growth;
- Adding back amortisation of lease incentives and other leasing costs;
- Removing depreciation on right-to-use assets and subtracting the repayment of lease liabilities to mirror cash flows; and
- Adjusting for other one-off items which are not viewed by management as part of the underlying and recurring earnings (for example, the holding cost of land sold but which has a deferred settlement and costs associated with the payment of deposits and other property acquisition costs).

Adjusted Funds from Operations

After calculating FFO, Augusta Industrial considers that further adjustments should then be made to remove certain items from FFO that are considered to be capital items under GAAP but which Augusta Industrial considers should be funded from FFO. AFFO is calculated by making the following adjustments to FFO:

- Subtracting the costs of closing out interest rate swaps other than due to a change in capital structure;
- Subtracting any capital expenditure spent as part of maintaining a building's grade and/or quality;
- Subtracting any lease incentives (such as cash, fitout contributions and rent-free periods) and other leasing costs incurred in entering into a lease; and
- Removing other one-off items which did not occur in the prior period and are highly unlikely to reoccur in the following accounting period.

7. AUGUSTA INDUSTRIAL'S FINANCIAL INFORMATION (CONT.)

A reconciliation of Non-GAAP information including a reconciliation of the FFO and AFFO is included on the Offer Register.

Prospective Financial Information

The PFI presented in the selected financial table has been based on the key assumptions described below. These assumptions are described in more detail in the prospective financial information and further information on these assumptions may be found at <https://disclose-register.companiesoffice.govt.nz/disclose> by searching "Augusta Industrial Fund Limited" under "search offers".

Prospective financial information for the periods ending 31 March 2019 and 31 March 2020 was previously prepared as part of the Augusta Industrial's initial offering of 75 million shares in 2018 (the **Original PFI**). New prospective financial information for those periods (the **New PFI**) has now been prepared in conjunction with this Offer. The New PFI differs from the Original PFI primarily as a result of the acquisition of the New Properties occurring prior to 31 March 2019. Previously it was assumed that new acquisitions would occur on 1 April 2019. The quantum of the acquisition of the New Properties is also higher than previously forecast. As a result, the Original PFI has been revised and the New PFI includes a reconciliation of the changes made to the Original PFI, with an explanation of the material differences and changes in assumptions. This reconciliation is included in the PFI on the Offer Register.

The basis of the PFI for the periods ended 31 March 2019 and 31 March 2020 is reflected in the following assumptions. These assumptions reflect historical performance, strategies in respect of the Initial Properties as well as the expected impact of the acquisition of the New Properties. For example, revenue in FY20 is higher at \$24.3 million as a result of Augusta Industrial holding the New Properties for the full 12 months ended 31 March 2020.

Principal Assumptions

Establishment

\$75 million of equity was raised in the initial offer and \$42.5 million of debt was drawn to facilitate settlement and pay the establishment costs. Settlement occurred on 15 June 2018 to acquire the four Initial Properties.

Settlement of New Properties

Pursuant to the sale and purchase agreements for the five New Properties to be acquired, settlement is to occur on 28 March 2019. For the purposes of the PFI, rental income has been recognised from 29 March 2019 for the New Properties.

An equity raise of \$105 million of equity has been assumed on 28 March 2019 along with \$76.5 million of additional debt drawn to facilitate the purchase of \$173.8 million of additional property and associated costs.

Investment, establishment and acquisition costs: (\$'000)	
Investment Property	173,818
Capitalised acquisition costs	2,352
Costs of raising equity	5,225
Financing costs	148
Total investment, establishment and acquisition costs	181,543
Funded by:	
Debt	76,543
Equity	105,000
Total	181,543

Transaction and Issue Costs

Total transaction and issue costs are assumed to be no more than \$7.73 million with respect to this Offer. This includes acquisition, underwriting, brokerage, due diligence, legal and valuation fees as well as financing and marketing costs. The bulk of these costs are deemed to be issue costs, with the exception of \$0.15 million financing costs and \$2.35 million associated with the acquisition of the New Properties.

The transaction and issue costs have been based on quotes received and/or estimates made by the Manager.

Return on Investment

A gross return of 6.5% (before taxation, including any depreciation claimed for taxation purposes) is assumed to be paid to Shareholders. The 6.5% gross distribution is supported by the forecast operating earnings and represents a pay-out ratio of between 90% and 110% of AFFO. The 6.5% is represented as a return on the weighted average equity for each relevant period.

Investment Property

On the settlement date for the acquisition of the Initial Properties, 15 June 2018, the value of the portfolio is assumed to equal the cost, plus any directly related acquisition costs.

On 31 October 2018 the Initial Properties were revalued based on independent valuations commissioned. Thereafter no further revaluations are assumed. Any capital expenditure incurred up to 31 March 2019 is also assumed as an increase in the carrying value.

On 28 March 2019 it is assumed that \$173.8 million of further investment property is acquired by Augusta Industrial. As at 31 March 2019 the carrying value of the New Properties is assumed to represent the independent valuations commissioned at the time of acquisition plus additional capital expenditure incurred post settlement.

For the year ending 31 March 2020 it is assumed there are no future revaluations aside from adjusting for the value of the fixed rental accrual and any relevant capitalised lease incentives. Capital expenditure incurred is reflected as an increase in the carrying value for the period ended 31 March 2020.

It is also assumed that on 1 May 2019, Augusta Industrial Fund No.2 Limited sells 4,480m² of land at 862 Great South Road, for \$4,000,000 (which is held for sale). The net sale proceeds are \$3.860 million with a gain on sale of \$1.1 million. The balance of the land is assumed to be held by Augusta Industrial and no further re-development works have been assumed in the prospective period aside from the capital expenditure assumed.

No further investment property acquisitions or divestments are assumed.

	11 months and 15 days ending 31 March 2019 \$'000	12 months ending 31 March 2020 \$'000
Balance at beginning of financial year	-	293,102
Contracted purchase price	282,977	-
Transaction costs to purchase property	2,951	-
Capital expenditure	3,014	2,330
Revaluation adjustment	4,160	(914)
Balance at end of financial year	293,102	294,518

Rental Income

Rental income was received from 16 June 2018 with respect to the Initial Properties.

Rental income is then assumed to commence on 29 March 2019 in respect to the New Properties and the PFI reflects all fixed and CPI rent reviews within the periods ending 31 March 2019 and 2020.

Rental income is forecast based on existing contracted lease agreements and assumptions with respect to upcoming lease expiries. For the forecast periods it is assumed that there is no vacancy and no tenant default. It is also assumed there are no delays in receipt of debtors.

The Tenants are responsible for most operating costs including rates, insurance premiums, utilities and certain maintenance obligations when in occupation and in respect to net leases. There is an element of unrecovered operating costs identified in due diligence. It is assumed that all operating cost payments will be made on time and that there are no creditors associated with these operating costs.

7. AUGUSTA INDUSTRIAL'S FINANCIAL INFORMATION (CONT.)

Management Fees

The annual fund management fees have been agreed at 0.50% of the total average asset value of Augusta Industrial's tangible assets up to \$0.5 billion and 0.40% thereafter. Aside from establishment fees paid to the Manager further fees are charged including property management fees, sale fees in respect to the assumed land transaction and capital expenditure.

Acquisition fees at 1% of the relevant purchase price have been assumed with respect to the acquisition of the New Properties.

Administration Costs

Compliance and administration costs are based on quotes received and directors' fees are based on proposed future fee levels.

Audit fees and valuation fees are based on quotes received.

Borrowings

Credit approved offers have been received for a Syndicated Loan Facility provided by ASB and Westpac. The financing will facilitate settlement of the New Properties and payment of the relevant transaction costs alongside the equity raise. The loan term is 37 months and is interest only. The loan facility is subject to annual review and extension of 1 year at the discretion of the funders.

Interest Expense

The interest expense on drawn debt is assumed to average 4.26% per annum for the period ending 31 March 2019 and 4.14% per annum for the year ending 31 March 2020. Four interest rate swap contracts have been entered into to hedge \$84 million of debt. Base rates are assumed to increase by 23 basis points (0.23%) during the prospective period. A commitment fee of 0.25% is payable on the undrawn facility limit until 27 March 2019 and then 0.68% thereafter.

The identified fair value of the existing interest rate swaps entered into in conjunction with the acquisition of the Initial Properties are assumed to unwind over the remaining term of each swap arrangement.

Taxation

Augusta Industrial is registered as a multi-rate Portfolio Investment Entity (PIE). Augusta Industrial will attribute income, losses and tax credits to its shareholders based on their shareholding and pay tax based on their prescribed investor rates (PIRs).

Actual Results

Actual results may differ from the prospective financial statements. The resulting variance may be material. The prospective financial statements also do not include the potential impact of an independent property revaluation aside from in the period ending 31 March 2019. The revaluation amount has the potential to be material but is a non-cash item.

Augusta Industrial and the Manager give no guarantee or assurance that the prospective financial information presented will be achieved.

8. RISKS TO AUGUSTA INDUSTRIAL'S BUSINESS AND PLANS

This section sets out a description of the circumstances that Augusta Industrial is aware of that exist or are likely to arise that significantly increase the risk to Augusta Industrial's financial position, financial performance and plans. The table below sets out particulars of why each circumstance is of particular significance and an assessment of the likelihood of any impact arising, the nature of that impact, and the potential magnitude of that impact along with strategies to mitigate the impact.

The circumstances have been identified by Augusta Industrial on the basis of information known to it as at the date of this PDS and on an assessment of the probability of a circumstance occurring and the anticipated impact of that circumstance if it did occur. These circumstances may not encompass all of the circumstances that may present a risk to returns of investors now or in the future, and there is no guarantee that the importance of each circumstance will not change.

These circumstances, were they to occur and if they were not appropriately managed by Augusta Industrial, could have a material adverse effect on Augusta Industrial's financial position or future financial performance through a decrease in revenue or an increase in costs. Augusta Industrial has taken, and will, in the future, take, steps to mitigate the effects of these circumstances. However, some circumstances may not be fully capable of mitigation.

Potential investors should carefully consider these risks (together with other information in this PDS) before deciding whether to invest in Augusta Industrial.

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

Description of Circumstance	Augusta Industrial's assessment of nature and magnitude	Mitigating factors
Interest Rate changes	<p><i>Nature:</i> If interest rates were to increase, it may affect Augusta Industrial's ability to maintain the distribution levels.</p> <p><i>Magnitude:</i> The magnitude of the impact of interest rate changes cannot be accurately predicated (as the interest rates themselves cannot be accurately predicted). Augusta Industrial considers that the magnitude of the impact of any change in interest rates can be adequately minimised through its interest rate management strategy.</p>	<p>Augusta Industrial has entered into four interest rate swap agreements under which approximately 68% of Augusta Industrial's drawn debt will be hedged on the settlement date for the New Properties and this is expected to increase to 70% following settlement of the land sale at Great South Road. The weighted average term of the hedging is 4.27 years. This will reduce the exposure to floating interest rates.</p> <p>The margin component of the interest rate is fixed until 29 April 2022.</p> <p>Part of the Manager's role is to manage the floating component of the interest rate throughout the life of Augusta Industrial with a combination of short-term and long-term interest rate swap agreements and/or floating rates. The Manager also actively monitors the margins available in the market and reports to the Board on whether more competitive financing is available. The Manager may recommend that Augusta Industrial enter into forward start swap agreements.</p> <p>The Manager has an active interest rate management strategy which it will continue to employ throughout the life of Augusta Industrial.</p> <p>A number of the leases have contracted fixed annual increases which also provide some hedging against rising interest rates.</p>
<i>Augusta Industrial's assessment of likelihood of circumstance arising</i>	Unable to be accurately predicted. However, there is a reasonable prospect of a degree of adverse movement given the current interest rate environment.	
<i>Augusta Industrial's assessment of the impact, were the circumstance to arise</i>	Potentially significant depending on the amount of the change. For example as 70% of the drawn debt is hedged for 4.27 years, if the floating component of the interest rate increased by 1% and all other factors remained the same, the return would decrease by 0.20 cents per share in the second financial year.	

8. RISKS TO AUGUSTA INDUSTRIAL'S BUSINESS AND PLANS (CONT.)

Description of Circumstance	Augusta Industrial's assessment of nature and magnitude	Mitigating factors
Termination of the new lease of the property at 862-880 Great South Road	<p>The new building and canopy to be constructed on the property at 862-880 Great South Road were previously required to be completed by 31 March 2019.</p> <p>As a result of the original contractor's insolvency, Augusta Industrial has entered into a new main construction contract with Robert Cunningham Construction Commercial Limited (RCC). Works are expected to be completed by 30 April 2019.</p> <p>Augusta Industrial has agreed a variation with the tenant which extends the original sunset date and lease expiry (being 31 March 2019) to 31 May 2019 and requires Augusta Industrial to use all reasonable endeavours to complete the works as soon as practicable.</p> <p>If practical completion has not occurred on or before 31 May 2019, the tenant may cancel the agreement to lease. The existing lease of the property is due to expire on 31 May 2019, so the existing leasing arrangement may also come to an end if the works are not completed by that date.</p>	<p>As a result of the due diligence Augusta Industrial has completed on the construction programme for the new building and canopy and the fact that the substantial majority of the development has been completed, Augusta Industrial anticipates that the works will be completed by 30 April 2019.</p>
<i>Augusta Industrial's assessment of likelihood of circumstance arising</i>	Low, based on the anticipated short delay of two months and the tenant being unlikely to be able to identify alternative premises in a short period of time. In addition, the tenant would incur relocation costs and inconvenience.	
<i>Augusta Industrial's assessment of the impact, were the circumstance to arise</i>	Significant if a new tenant had to be found and a new lease had to be negotiated in a short timeframe or, if the tenant decided not to lease the property.	

Description of Circumstance	Augusta Industrial's assessment of nature and magnitude	Mitigating factors
<p>Whether the financial position of the vendor and the tenant at 20 Paisley Place is sufficient to insulate Augusta Industrial from costs arising out of significant building issues with the property</p>	<p>There are a number of condition and maintenance issues with the building at this property. Augusta Industrial has the benefit of an indemnity from Madill & Smeed Limited, the vendor of the property in relation to all of the landlord's repair, replacement, renewal and maintenance obligations for which Augusta Industrial becomes liable during the term of Americold's lease.</p> <p>Following expiry of Americold's lease, Augusta Industrial has agreed a new 12-year triple net lease (the tenant is responsible for all operating and capital expenditure during the term of the lease) with Icepak Limited from 1 December 2019.</p> <p>Augusta Industrial is dependent on:</p> <ul style="list-style-type: none"> the covenant of Madill & Smeed Limited (as the vendor of the property) in respect of the 8-month period during which Americold is the tenant; and the covenant of Hall's Group Limited (as the guarantor of Icepak Limited's lease) during the 12-year lease term to insulate it from issues with the building. <p>Augusta Industrial's initial investigations of the likely cost of these works indicate they could be approximately \$2.2 million.</p>	<p>Augusta Industrial has reviewed the financial details for Hall's Group Limited and considers that it currently has a sufficient financial position with respect to its obligations under the lease of Paisley Place. However, no information is available on the financial position of Madill & Smeed Limited, other than that it owns two separate properties (each mortgaged by ANZ) and a further property (with no mortgage). Hall's Group Limited is owned by interests associated with Madill & Smeed Limited.</p>
<p><i>Augusta Industrial's assessment of likelihood of circumstance arising</i></p>	<p>Based on Augusta Industrial's review of the financial details for Hall's Group Limited, it considers Hall's Group Limited is currently likely to be able to perform its obligations.</p>	
<p><i>Augusta Industrial's assessment of the impact, were the circumstance to arise</i></p>	<p>If Hall's Group Limited or Madill & Smeed Limited does not perform its obligations, the likely cost could be \$2.2 million.</p>	

9. TAX

Tax can have significant consequences for investments and can affect your returns from this investment. If you have any queries relating to tax consequences of the investment you should seek independent tax advice from a professional advisor.

Augusta Industrial is a multi-rate Portfolio Investment Entity (**PIE**). As a PIE, Augusta Industrial pays tax based on your prescribed investor rate (**PIR**). To determine your PIR, go to www.ird.govt.nz/toii/pir/workout/ or follow the flow chart in the application form. If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue (**IRD**). It is your responsibility to notify Augusta Industrial of your PIR when you invest and provide your IRD number. If you do not provide your IRD number with your application, your application will not be able to be accepted. If you do not tell Augusta Industrial your PIR, a default rate may be applied. If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, you will not get a refund of any overpaid tax.

Prescribed Investor Rate (PIR)

Your PIR is the tax rate that Augusta Industrial will use to calculate the tax payable on the income Augusta Industrial allocates to you. For natural persons, your PIR is based on your taxable income. If you are investing jointly with another investor, the highest PIR of the joint shareholders will be used to calculate the tax liability that arises in respect of income allocated to you.

There are four PIRs available to New Zealand resident investors, being 28%, 17.5%, 10.5% or 0%. By way of brief summary, the following PIRs are available for different entities:

- Companies – 0%;
- Trusts - 28%, 17.5%, 10.5% or 0%;
- Individuals - 28%, 17.5% or 10.5%
- Charities and PIEs – 0%;
- Non-New Zealand residents – 28% (subject to certain exceptions); and
- If you do not provide your PIR, the default rate is 28%.

Distributions

As Augusta Industrial is a registered PIE, distributions from Augusta Industrial (including share repurchases) are not separately subject to tax. Further there should be no withholding tax on distributions to non-resident investors.

If Augusta Industrial ceases to be a PIE then any distribution will be a dividend and subject to New Zealand tax on that basis. For New Zealand residents, any imputation credits attached to a dividend can be used to reduce or offset a Shareholder's tax liability. For non-residents, distributions should be subject to the non-resident withholding tax regime, foreign investor tax credit regime and any applicable Double Tax Agreement.

A statement advising Shareholders of the allocation of taxable income and tax paid on their behalf will be sent to Shareholders each year by Augusta Industrial.

Maintaining PIE Status

To ensure that Augusta Industrial maintains its PIE status, Augusta Industrial must at all times, among other things;

- have a minimum of 20 Shareholders (this minimum requirement may be less if a Shareholder is a PIE or is a certain other investor type);
- ensure that no Shareholder owns over 20% of Augusta Industrial (unless a Shareholder is a PIE or is a certain other investor type);
- not hold voting interests in a company of more than 20% (unless that company is a PIE or land investment company and subject to certain exceptions);
- ensure that 90% of the income is derived from a lease of land, interest, dividends and / or the proceeds from the disposal of property; and
- ensure that 90% of the asset's value is held in either land, financial arrangements or a right or option to acquire property.

The tax status may change for Augusta Industrial if it is listed in the future including the treatment of distributions to Shareholders.



D&H Steel - 12 Brick Street, Henderson, Auckland.

10. WHERE YOU CAN FIND MORE INFORMATION

10.1 Offer Register

The following further information relating to Augusta Industrial and the Shares is available on the Offer Register:

- the Constitution;
- the Management Agreement;
- Financial Statements for the interim period;
- Full Prospective Financial Statements;
- Independent Valuation Reports for the New Properties;
- Lease documentation for the Blue Star Group, GPC Asia Pacific Limited, Pacific Steel (NZ) Limited, D&H Steel, Graphic Packaging and Icepak Limited;
- Updated Independent Valuation Reports for the Initial Properties;
- Sale and Purchase Agreements for the New Properties;
- the Other Material Information; and
- Detailed property information on the Initial Properties.

The Offer Register can be accessed at <https://disclose-register.companiesoffice.govt.nz/disclose> and this Offer can be found by clicking on “Search Offers” and searching “Augusta Industrial Fund Limited”.

A copy of the information on the Offer Register is available on request to the Registrar of Financial Service Providers (email registrar@fspr.govt.nz).

The above information is also available on request free of charge from the Manager (at the address and business telephone number set out in the Contact Information).

10.2 Companies Office

Further information relating to Augusta Industrial is also available on the public register at the Companies Office. This can be accessed on the Companies Office website at <https://companies-register.companiesoffice.govt.nz/>

10.3 Reporting to Shareholders

Shareholders receive a quarterly update following the end of the March, June, September and December quarters. The quarterly updates provide an update on the Industrial Portfolio, and provide details of Augusta Industrial’s distributions for that quarter.

Investors in Augusta Industrial also receive an annual report following the end of each financial year. The annual report will include annual financial statements which will be audited.

Augusta Industrial also has an Annual Shareholders Meeting (**ASM**). The ASM is open to all Shareholders and provides a formal forum for investors to hear presentations from the Manager and the Board, to raise questions and vote on any necessary resolutions.

99%

OCCUPANCY

- 01 265 ALBANY HIGHWAY,
ALBANY, AUCKLAND
- 02 510 MT WELLINGTON HIGHWAY,
MOUNT WELLINGTON, AUCKLAND
- 03 116-152 SWANSON ROAD,
HENDERSON, AUCKLAND
- 04 5 & 21 BEACH ROAD, OTAHUHU,
AUCKLAND
- 05 CASTLE ROCK BUSINESS
PARK, MARY MULLER DRIVE,
HILLSBOROUGH, CHRISTCHURCH
- 06 862-880 GREAT SOUTH ROAD,
PENROSE, AUCKLAND
- 07 12 BRICK STREET,
HENDERSON, AUCKLAND
- 08 20 PAISLEY PLACE,
MT WELLINGTON, AUCKLAND
- 09 THE HUB, SEAVIEW, WELLINGTON



01
Good Health Products Limited, Albany OPE Limited (Stihl), Panda Internet Café, Junior Junction (Albany) Limited, Caffè E Cucina.

02
McConnell Dowell Construction Limited, GPC Asia Pacific Limited (Repco), Dicker Data NZ Limited, Z Energy Limited.

03
United Corporation Limited, Bestware Limited (trading as Treasure Box), Caprice NZ Limited, Blue Star Group (New Zealand) Limited, ZP Fitness Limited.

04
Pacific Steel (NZ) Limited, Fletcher Building Steel Group.

05
Tyco Electronics New Zealand Limited, Xtend-Life Natural Products (International) Limited, Macpac Limited, Kiwi Labels, TSB Living Limited, Longbeach Holdings Limited, Tyco New Zealand Limited, Assembly Specialists Limited, Nood Trading Limited, Contec Group International Limited, Apparel & Merchandising Solutions, Elgas Limited, Castle Rock Properties Limited, Castle Rock Café, Asaleo Care New Zealand Limited.

06
Graphic Packaging.

07
D&H Steel Construction Limited.

08
Americold NZ Limited.

09
Downer Utilities Alliance New Zealand Limited, Linfox Logistics (N.Z.) Limited, Fujitsu General New Zealand Limited, Tiger Construction NZ Limited (sublease), Orangebox Limited, Just Water International Limited, Tasman Liquor Company Limited, Toll Logistics (NZ) Limited, Jets Transport Limited, PBT Transport Limited, Nature Pac Limited, Fujitsu New Zealand Limited, Seaview Commercial Investments Limited.

11. HOW TO APPLY

How To Apply

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

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

Completed and signed application forms, along with the above accompanying documents and subscriptions amounts, should be couriered to the Manager in the pre-paid courier bag included with the hard copy of this product disclosure statement. Should you wish to deliver or arrange your own courier please send to the Manager, **Augusta Funds Management Limited**, Level 2, 30 Gaunt Street, Auckland (**Attention: Industrial Fund Offer**) We do not recommend posting due to the longer delivery timing. The Offer closes 22 March 2019.

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

Payment

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

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

- Electronic transfer; or
- Cheque. Cheques must be made out in favour of LMS o/a Augusta Industrial Fund and crossed “Non-Transferable”; or
- Direct Debit.

Returns will not be paid until issue of the Shares occurs. Investor’s subscription monies will, in that period, be held in the Link Market Services’ Trust Account (“LMS o/a Augusta Industrial Fund”) and will accrue interest from date of subscription to the date on which Shares are issued which will then be paid to investors. Upon settlement, that interest shall be paid to investors. The amount will reflect the size of investor’s investment and the amount of time their funds were held in the Link Market Services’ Trust Account.

PAYMENT OF YOUR SUBSCRIPTION AMOUNT IS DUE BY 22 MARCH 2019

IMPORTANT – for reinvesting 116-152 Swanson Road, 510 Mt Wellington Highway, 5 & 21 Beach Road, and 265 Albany Highway investors, please refer to section 5 of the Application Form where you have a preferential right to acquire Shares in the Offer and can elect to have the value you hold in any of the schemes (which would otherwise be due to you on the wind-up of the schemes), applied to your application for Shares in the amounts set out below:

- Swanson Road: 74,000 Shares for every 1 unit held in that scheme;
- Mt Wellington Highway: 80,000 Shares for every 1 unit held in that scheme;
- Beach Road: 105,000 Shares for every 1 unit held in that scheme;
- Albany Highway: 105,000 Shares for every 1 unit held in that scheme.

You must exercise this right by providing a completed Application Form by 7 March 2019.

Warning Statement – Issues to Australian Investors

If you are an Australian investor, we are required to provide the following warning statement to you under Australian law.

This offer to Australian investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 of New Zealand and the Financial Markets Conduct Regulations 2014 of New Zealand.

This offer and the content of the offer document are principally governed by New Zealand, rather than Australian, law. In the main, the Financial Markets Conduct Act 2013 of New Zealand and the Financial Markets Conduct Regulations 2014 of New Zealand set out how the offer must be made.

There are differences in how securities and financial products are regulated under New Zealand, as opposed to Australian, law. For example, the disclosure of fees for managed investment schemes is different under New Zealand law.

The rights, remedies and compensation arrangements available to Australian investors in New Zealand securities and financial products may differ from the rights, remedies and compensation arrangements for Australian securities and financial products.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Australian Securities and Investments Commission (ASIC). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of New Zealand securities and financial products is not the same as that for Australian securities and products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the security or financial product is in dollars that are not Australian dollars. The value of the security or financial product will go up and down according to changes in the exchange rate between those dollars and Australian dollars. These changes may be significant.

If you receive any payments in relation to the security or financial product that are not in Australian dollars, you may incur significant fees in having the funds credited to a bank account in Australia in Australian dollars.

12. CONTACT INFORMATION

Registered Office of Augusta Industrial

Augusta Industrial Fund Limited
(Company number: 6806353)

Level 2, 30 Gaunt Street
Auckland
PO Box 37953, Parnell
Auckland 1151
Attention: Mark Francis
Phone: (09) 300 6161
Facsimile: (09) 300 6162

Directors of Augusta Industrial

Mark Petersen
Mark Francis
Guy French-Wright
Guy Weaver

Registered Office of the Manager

Augusta Funds Management Limited
(Company number: 3760278)

Level 2, 30 Gaunt Street
Auckland
PO Box 37953, Parnell
Auckland 1151
Attention: Mark Francis
Phone: (09) 300 6161
Facsimile: (09) 300 6162

Directors of the Manager

Paul Duffy
Bryce Barnett
Mark Francis
Kevin Murphy
Mark Petersen

Solicitors

Chapman Tripp

Level 35, ANZ Centre
23 Albert Street
Auckland 1010
PO Box 2206
Auckland 1140
Telephone: (09) 357 9000
Facsimile: (09) 357 9099

Investigating Accountant

Ernst & Young Transaction Advisory
Services Limited

2 Takutai Square, Britomart
Auckland 1010
PO Box 2146
Auckland 1140
Telephone: +64 9 377 4790
Facsimile: +64 9 309 8137

Share Registrar

Link Market Services Limited

Level 11
Deloitte Centre
80 Queen Street
Auckland
PO Box 91976
Auckland 1142
Telephone: +64 9 375 5998
Facsimile: +64 9 375 5990

GLOSSARY

Term	Definition
5 & 21 Beach Road	The property at 5 & 21 Beach Road, Otahuhu, Auckland.
20 Paisley Place	The property at 20 Paisley Place, Mt Wellington, Auckland.
21 Beach Road	The property at 21 Beach Road, Otahuhu, Auckland.
116-152 Swanson Road	The property at 116-152 Swanson Road, Henderson, Auckland.
265 Albany Highway	The property at 265 Albany Highway, Rosedale, Auckland.
510 Mt Wellington Highway	The property at 510 Mt Wellington Highway, Mt Wellington, Auckland.
862-880 Great South Road	The property at 862-880 Great South Road, Penrose, Auckland.
880 Great South Road	The property at 880 Great South Road, Penrose, Auckland (which is part of 862-880 Great South Road).
\$	New Zealand dollars.
AFFO	Adjusted Funds from Operations is a non-GAAP financial measure and is further described on page 47.
Americold	Americold NZ Limited (Company number: 1714139).
Augusta Capital	Augusta Capital Limited (Company number: 1873288).
Augusta Industrial	Augusta Industrial Fund Limited (Company number: 6806353).
Augusta Industrial Group	Augusta Industrial and its subsidiaries
Board	The board of directors of Augusta Industrial.
Brick Street	The property at 12 Brick Street, Henderson, Auckland.
Castle Rock	The properties at 212 Port Hills Road, 10A Chapmans Road, 2, 4, 6, 8-12, 14, 15, 17 and 21 Mary Muller Drive in Hillsborough, Christchurch which together comprise the industrial property known as Castle Rock.
FFO	Funds from Operations is a non-GAAP financial measure and is further described on page 47.
FY	Financial year ended or ending on 31 March.
FY19	Financial year ending 31 March 2019.
FY20	Financial year ending 31 March 2020.
GAAP	Generally Accepted Accounting Practice.
Graphic Packaging	Graphic Packaging International New Zealand Limited (Company number: 3233571).

Term	Definition
Industrial Portfolio	Each of the properties acquired by Augusta Industrial, including the Initial Properties and the New Properties.
Initial Properties	The Hub, 862-880 Great South Road, 20 Paisley Place and Brick Street.
Loan Facility	The loan facility as described in section 2.6 of this PDS.
LVR	Loan to Value Ratio.
Manager or Augusta Funds Management	Augusta Funds Management Limited (Company number: 3760278).
Management Agreement	The agreement between Augusta Industrial and Augusta Funds Management under which Augusta Funds Management is exclusively appointed to manage Augusta Industrial.
NBS	New Building Standards.
New Properties	116-152 Swanson Road, 265 Albany Highway, 510 Mt Wellington, 5 & 21 Beach Road and Castle Rock.
NZX	NZX Limited.
NZX Listing Rule	The listing rules of the NZX Main Board (or any rules replacing those rules).
NZX Main Board	The main board equity security market operated by NZX.
Offer	The offer of Shares under this PDS.
Offer Register	The offer register for Augusta Industrial, that forms part of the Disclose Register that is available at https://disclose-register.companiesoffice.govt.nz/ by searching "Augusta Industrial Fund Limited" under "search offers".
Other Material Information	The document titled "Other material information relating to the offer of ordinary shares in Augusta Industrial Fund Limited" that is available at https://disclose-register.companiesoffice.govt.nz/ by searching "Augusta Industrial Fund Limited" under "search offers".
Passing Rent	The sum of the current rent, outgoings, recoveries and sundry income, less total outgoings expense (including non-recoverable expenses).
PDS	This product disclosure statement detailing the offer of Shares in Augusta Industrial, prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and lodged with the New Zealand Registrar of Financial Service Providers and with the Australian Securities and Investments Commission in reliance on the Trans-Tasman mutual recognition scheme in Chapter 8 of the Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth).

GLOSSARY (CONT.)

Term	Definition
PIE	A Portfolio Investment Entity, as defined in the Income Tax Act 2007.
PFI	Prospective Financial Information.
Shares	Ordinary shares in Augusta Industrial.
Shareholder	A holder of shares in Augusta Industrial.
Special Resolution	A shareholder resolution where a resolution will be passed if greater than 75% of the votes that are cast by Shareholders entitled to vote and voting on the resolution, vote in favour of the resolution.
Syndicated Loan Facility	The loan facility described in section 2.6 of this PDS.
The Hub	The properties at 17-23 Toop Street, 25 Toop Street, 109-117 Port Road and 101-103 Port Road in Seaview, Wellington which together comprise the industrial property known as The Hub.
WALT	The weighted average lease term which measures the average lease term across each of the leases in the Industrial Portfolio weighted by the relative income of each lease.

APPLICATION FORM

CLOSING DATE: 22 MARCH 2019

Before completing this Application Form, applicants should read and consider the Augusta Industrial Product Disclosure Statement dated 7 February 2019 to which this application relates. If you have any questions or if there is anything you do not understand, please contact our sales representatives on 0800 BAYLEYS (229539).

Augusta Funds Management and Augusta Industrial do not provide any financial, tax or other professional advice. Before making any financial or investment decisions, we recommend that you seek professional financial advice from an Authorised Financial Adviser which takes into account your personal investment objectives, financial situation and individual needs.

PLEASE READ ALL INSTRUCTIONS BELOW TO ENSURE PROMPT PROCESSING OF APPLICATIONS. PLEASE COURIER COMPLETED APPLICATIONS AND DOCUMENTS TO AUGUSTA INDUSTRIAL FUND OFFER, LEVEL 2, 30 GAUNT STREET, AUCKLAND.

This Application Form is issued with the Product Disclosure Statement dated 7 February 2019 issued by Augusta Industrial Fund Limited.

INSTRUCTIONS ON HOW TO COMPLETE

- Please write in block letters
- Insert your full name(s), address(es), date of birth, place of birth, telephone number(s) and email address(es).
- Applications must be in the name(s) of natural persons, companies or other legal entities.
- Please review the Customer Due Diligence Checklists that must be completed with your application form.
- Please insert the Bank Account Holder's name and Bank Account Number into which distribution payments are to be made and include proof of the account holders name and account number.

1. NAME OF INVESTOR AND APPLICANT DETAILS

- Please enter all name(s) in full.
- If you are applying as a Trust, all trustees' names are required including the Corporate or Professional Trustee Company name.
- Where applying in the name of a company, the names of directors and shareholders of the company do not need to be included.

INSERT TRUST, COMPANY, CHARITY OR PARTNERSHIP NAME HERE:

Please set out below the relevant details of ALL applicants

Legal First Name(s)	Legal Family Name	Date of birth	Place of birth (city/town and country)	Occupation
NAME OF CORPORATE OR PROFESSIONAL TRUSTEE COMPANY (IF APPLICABLE):				

2. PRIMARY APPLICANT CONTACT DETAILS

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

3. BANK ACCOUNTS DETAILS FOR DISTRIBUTION PAYMENT

Please insert the Bank Account holder's name and Bank Account Number into which distribution payments are to be made. Distributions must be paid into the Bank Account of the investor/investment entity (Augusta does not pay distributions to third parties on an investor's behalf).

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

ACCOUNT HOLDERS NAME

ACCOUNT NUMBER

4. IRD NUMBER

IRD Number. For a joint application where both investors are individuals provide only the IRD number of the applicant who has the highest PIR (see section 6 below). For other joint applications please contact us. For a company, trust, partnership or other entity, please provide the entity IRD number.

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IF YOUR IRD NUMBER IS NOT PROVIDED YOUR APPLICATION IS UNABLE TO BE ACCEPTED

Country of residence for taxation purposes:

☐ I am a New Zealand tax resident

☐ I am tax resident of _____ (Country). Foreign tax number in overseas country _____

Are you a citizen or tax resident of the United States of America? ☐ Yes ☐ No
(If yes, we will contact you with further information)

5. RESIDENT WITHHOLDING TAX (RWT) RATE

Your Resident Withholding Tax (RWT) rate is based on your taxable income, and there are different rates for individuals, trusts, companies and partnerships. You can find the current RWT rates on the Inland Revenue (IRD) website. RWT is deducted from the interest earned on your subscription amount while held in the Link Market Services trust account.

☐ 0% ☐ 10.5% ☐ 17.5% ☐ 28% ☐ 30% ☐ 33%

6. PRESCRIBED INVESTOR RATE (PIR)

Your Prescribed Investor Rate (PIR) is the rate at which your PIE tax is calculated on the PIE taxable income or loss from your investment. We need your PIR so that we can pay the correct amount of tax on your investments to IRD.

☐ 0% ☐ 10.5% ☐ 17.5% ☐ 28%

- If a PIR is not selected, 28% will be applied.
- Companies, incorporated societies, charitable trusts, and certain others must select a PIR rate of 0%. Depending on your tax status, you may need to include the PIE taxable income or loss, in your tax return.
- Trusts may select a PIR of 28%, 17.5%, or 0% to best suit the beneficiaries. If the trust is a testamentary trust it may select 10.5%.

If the rate you tell us is higher than your correct PIR this will mean you pay too much tax, and the current tax rules do not allow IRD to refund the excess tax to you. If the rate you tell us is lower than your correct rate you will not have paid enough tax, and the current tax rules require you to include your share of the fund's taxable income or loss in a tax return and pay any top-up tax at your marginal tax rate - which may be as high as at 33%.

ARE YOU A NEW ZEALAND TAX RESIDENT	
YES	NO
Is this PIR calculation in relation to an individual or joint account?	
YES	NO
In either of the last two tax years was: a) Your taxable income \$14,000 or less; AND b) Your total income (PIE + taxable income) \$48,000 or less	
YES	NO
In either of the last two tax years was: a) Your taxable income \$48,000 or less; AND b) Your total income (PIE + taxable income) \$70,000 or less	
YES	NO
Are you a company, unit trust, charity, incorporated society, or PIE?	
YES	NO
Are you a trustee of a trust (excluding charitable trusts and unit trusts), or a superannuation fund?	
YES	NO

Your PIR is 10.5%

Your PIR is 17.5%

Your PIR is 28%

Your PIR is 0%

Choose a PIR of 28%, 17.5% or 0%. Certain testamentary trusts can also choose a PIR of 10.5%.

7. NATURE AND PURPOSE OF YOUR INVESTMENT

This information is being requested solely for the purpose of Augusta's regulatory compliance obligations (pursuant to section 17 of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009) and not for the purpose of allowing Augusta Funds Management or Augusta Industrial to assess the suitability of this investment for your personal financial circumstances, financial needs or goals.

THE NATURE OF MY INVESTMENT IS: You should explain how much you plan to invest with Augusta, how regularly you expect to invest and for how long you intend to hold this investment.

THE PURPOSE OF MY INVESTMENT IS: Please explain your investment objectives and intentions, and what you are trying to achieve by investing with Augusta.

NOTE: YOU MUST COMPLETE SECTION 7 ABOVE

8. APPLICANT(S) CUSTOMER DUE DILIGENCE (CDD) REQUIREMENTS (PLEASE COMPLETE ONLY ONE OPTION)

As part of our obligations under the Anti Money Laundering and Countering Financing of Terrorism Act 2009, Augusta must undertake due diligence on (a) a customer (b) any beneficial owner of a customer (c) any person acting on behalf of a customer.

☐ OPTION 1: EXISTING INVESTOR –

I am an existing Augusta investor and I have previously provided complete CDD documentation, the details of which are still correct.

Please note: Augusta will review the documents it holds on file and may request further information. If you are unsure if you have provided all of the necessary documentation please phone a member of the Augusta compliance team on 09 300 6161.

☐ OPTION 2: NEW INVESTOR –

I am a new investor with Augusta and will meet my Customer Due Diligence (CDD) requirements. In addition to the details provided above I have also completed one of the Customer Due Diligence Checklists as part of my/our application.

☐ Individual/Joint Individual Checklist (Page 69)

☐ Partnership Checklist (Page 70)

☐ Company Checklist (Page 71)

☐ Trust Checklist (Page 72)

☐ Estate Checklist (Page 73)

NEW INVESTORS MUST PROVIDE THE APPROVED CUSTOMER DUE DILIGENCE INFORMATION WITH THIS APPLICATION FORM – SEE THE CUSTOMER DUE DILIGENCE CHECKLISTS AND PROOF OF IDENTITY AND ADDRESS INFORMATION ON THE FOLLOWING PAGES.

9. APPLICATION AMOUNT AND PAYMENT

Number of Shares (\$1 per Share with a minimum investment of \$10,000 then in \$1,000 increments thereafter)	Amount in NZD
Shares	\$

PLEASE NOTE: If you invest as a trust, a company with Nominee Shareholders or you are making an investment of \$500,000 or more, Augusta will require information relating to the source of the funds or wealth for this investment.

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

☐ OPTION 1: ELECTRONIC TRANSFER

Augusta will provide bank details for payment by email or phone to you once the application is complete and all customer due diligence documentation has been provided.

☐ OPTION 2: CHEQUE

Please include a cheque made out in favour of "LMS o/a Augusta Industrial Fund" and crossed "Non-Transferable" for the amount to be invested. Note: Cheques will not be banked until the application is complete and all customer due diligence documentation has been provided.

☐ OPTION 3: EXISTING 116-152 Swanson Road, 510 Mt Wellington Highway, 21 Beach Road, or 265 Albany Highway Investor (Previous Schemes)

Please tick this box if you are already an investor in 116-152 Swanson Road, 510 Mt Wellington Highway, 21 Beach Road, or 265 Albany Highway and wish for your current equity value you hold in any of the scheme(s) (which would otherwise be due to you on the wind-up of the previous schemes) applied to your application for Shares under this application form. The remaining amounts owing to you will be distributed to you as part of the previous scheme's wind-up.

If your investment in Augusta Industrial is greater than your holdings in a Previous Scheme(s) please advise your payment option for the difference in investment amount by ticking the relevant box.

Please complete section 9 above with the total amount of shares that you wish to apply for in Augusta Industrial.

☐ OPTION 4: DIRECT DEBIT

Direct debits allow Augusta or its agent to deduct money from your nominated bank account as payment for your Application. If you wish to make payment by this method, please complete your account details below. By signing this Acceptance Form, the signatory agrees that Augusta or its agent is authorised to direct debit the bank account below for the total amount payable in accordance with the terms specified in the Explanation of Entitlement.

Continued over next page.

9. APPLICATION AMOUNT AND PAYMENT (CONT.)

Name: _____ Name of Bank: _____

Bank/Branch	Account number	Suffix
<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>

DIRECT DEBIT INSTRUCTIONS

NOTE: Please select the date for deduction from your bank account of your application amount by selecting one of the below options:

☐ The date on which this application is confirmed by Augusta as complete. ☐ 22 March 2019

(Please tick one of the above boxes)

If you provide a nominated bank account to make payment by direct debit, you authorise the Registrar to initiate a direct debit for the total amount payable, on the day selected above. The bank account must be with a New Zealand registered bank. You cannot specify a direct debit date and you must ensure that:

- a) the bank account details supplied are correct;
- b) the Application Monies in the bank account for the direct debit are available on the day you submit your Application or on 22 March 2019 (depending on the date selected above);
- c) the person(s) giving the direct debit instruction has/have authority to operate the account solely/jointly; and
- d) the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

Should your direct debit fail, your Application may be rejected if you are unable to pay by alternative means. If requested, a direct debit form will be provided to you by the Registrar

10. COMMON SHAREHOLDER NUMBER

If you have a Common Shareholder Number (CSN) that you would like your shares held in, please insert in the box below:

<input type="text"/>	<input type="checkbox"/> Please tick if you are an existing Augusta Industrial shareholder (and include your CSN)
----------------------	---

Please note that the application must be made in the same name(s) as the CSN above otherwise the application will be deemed to be made without a CSN and a unique CSN will be allocated.

11. INVESTOR ACKNOWLEDGEMENT / DECLARATION

I/We hereby apply for the Shares as set out above subject to the terms and conditions of the Product Disclosure Statement dated 7 February 2019. I/We have received, read and understood the Product Disclosure Statement. I/We understand the risks to Augusta Industrial's Business and Plans as set out at section 8 of the Product Disclosure Statement. I/We acknowledge that the offer of Shares in the Product Disclosure Statement was made to me/us in New Zealand, or Australia or any other country in which Augusta Industrial is able to offer to institutions without having to prepare a disclosure document. I/We agree to accept the Shares as applied for or any lesser number that may be issued to me/us. I/We hereby consent to Augusta Industrial the Manager disclosing such information as it holds in respect of me/us to regulatory authorities. The information I/We have provided in this Application Form and the accompanying Customer Due Diligence Checklist/s is true and correct to the best of my/our knowledge. I/We understand that Augusta Funds Management have not assessed the suitability of this investment for my/our personal financial circumstances, financial needs or goals nor provided any personalised financial advice.

Privacy Act 1993

You have a right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. The personal information you have supplied may be used by us (and other related entities) for the purposes of enabling us to arrange and manage your investment, to contact you in relation to your investment, and to market other products and services to you. You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law, and to meet our legal or regulatory obligations. We will provide you (on request) with the name and address of any entity to which information has been disclosed.

Please identify the agent, advisor or
institution who introduced you to the fund:

BAYLEYS REAL ESTATE LIMITED

DATED: / / 2019

Applicant Signature:

Applicant Signature:

Applicant Name:

Applicant Name:

Applicant Signature:

Applicant Signature:

Applicant Name:

Applicant Name:

SIGNATURES

Please note, all individual and joint applicants must each sign. If applying as trust, all trustees must sign. If the investor is a company or corporate trustee company of a trust, two directors of the company (or one director if there is only one director) must sign.

If the application form is signed by an Attorney (or an agent), an original or certified copy of the relevant Power of Attorney must be lodged with the application form. The Attorney must complete the certificate of non-revocation on this page.

CERTIFICATE OF NON REVOCATION OF POWER OF ATTORNEY

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

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

HEREBY CERTIFY

1. That as Attorney of under a deed dated
Given to me by him/her/the Company MONTH YEAR

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

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

Signed at this of
PLACE DAY MONTH 2019

Signature

CUSTOMER DUE DILIGENCE INFORMATION (ANTI MONEY LAUNDERING AND COUNTERING FINANCING OF TERRORISM ACT 2009)

As part of our obligations under the Anti Money Laundering and Countering Financing of Terrorism Act 2009 Augusta must undertake due diligence on (a) a customer (b) any beneficial owner of a customer (c) any person acting on behalf of a customer.

If you are an EXISTING Augusta investor and are unsure if further documentation is required or if you are a NEW investor and would like to discuss the Customer Due Diligence requirements - please phone a member of our compliance team to discuss on 09 300 6161.

New investors MUST provide the approved customer due diligence information with this application form – see the checklists and proof of identity and address information on the following pages.

NOTE:

- All documents provided must be originals or the original certified photocopies of documents.
- Certification of documents must have been carried out in the last three months. Original certifications of photocopied documents must be provided – scans or photocopies of certifications will not be accepted.
- Any identity and documents which are certified must be current, dated and signed by an independent trusted referee within the last three months (e.g. the Trustees of a trust should not certify documents for other trustees).
- Alternatively, an Augusta Staff Member may certify copies of documents at your request.

IDENTITY VERIFICATION REQUIRED FOR EVERY APPLICANT INCLUDING ALL TRUSTEES, BENEFICIAL OWNERS AND ANY PERSON ACTING ON BEHALF OF THE INVESTOR

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

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

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

If you are certifying documents overseas, then the documents must be certified by a person who has the legal authority to take statutory declarations or the equivalent in that country.

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

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

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

OPTION 1

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

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

OR: OPTION 2

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

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

ADDRESS VERIFICATION REQUIRED FOR EVERY APPLICANT INCLUDING ALL TRUSTEES, BENEFICIAL OWNERS AND ANY PERSON ACTING ON BEHALF OF THE INVESTOR

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

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

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

SECTION 1: INDIVIDUALS/JOINT INDIVIDUALS

Investor(s) Name(s):

IDENTITY/ADDRESS VERIFICATION		AUTHORISED PERSON(S) (OPTIONAL)	
<p>All investors MUST provide identity/address verification. You must also provide verification for every beneficial owner*/effective controller or authorised person</p> <p>*Who is a beneficial owner/effective controller? An individual (other than those named above) who has effective control over the investment, or on whose behalf a transaction is conducted.</p>		<p>Please list any authorised person(s) that may act on your behalf and their relationship to you:</p> <p>Name: Address: Date of Birth: Place of Birth: Relationship: "Authorised person(s)" include beneficial owners and persons acting on behalf i.e. Power of Attorney. These people MUST provide certified ID, residential address verification and POA document or other proof of authority (if applicable).</p>	
AND			
SOURCE OF FUNDS/WEALTH STATEMENT AND SUPPORTING DOCUMENTS			
<p>If your investment is \$500,000 or more you MUST provide information and documentation regarding your source of funds and/or wealth. This may include original or certified photocopies of; bank account statements confirming income i.e. business, personal and/or rental income; property settlement statement; details of investment income; inheritance i.e. letter from executor of estate; loan statement; gifting letter and/or financial statements (as prepared by a Chartered Accountant).</p>		<p>Documents Provided</p> <div></div>	
<p>Please write details of the origin of your wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, employment details, property address etc.</p> <p>.....</p> <p>.....</p> <p>Also provide details of the source of income you are receiving e.g. wages/salary, investment income or any other income.</p> <p>.....</p> <p>.....</p> <p>.....</p>			

POLITICALLY EXPOSED PERSON (PEP)

A PEP is an individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise.

Are you, or an immediate family member including spouse, partner, child, child's spouse/partner or parent) or any Authorised Person(s) listed above An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country?

YES / NO (Please Circle)

If you have marked 'YES' to any of the options above please provide details of the public function held, and the country:

.....

SECTION 2: PARTNERSHIPS

Partnership Full Legal Name: _____
(Or Trading name if different)

IDENTITY/ADDRESS VERIFICATION		PARTNERSHIP DEED/AGREEMENT	
All investors MUST provide identity/address verification. You must also provide verification for every beneficial owner*/effective controller or authorised person. *Who is a beneficial owner/effective controller? An individual (other than those named above) who has effective control over the partnership or on whose behalf the transaction is conducted.		AND If you are a Partnership please provide a copy of the Partnership Deed/ Agreement and any resolutions, evidencing any amendments which must confirm the Partnership name, and Partners/Officers names and other persons authorised to act on behalf of the Partnership.	
SOURCE OF FUNDS/WEALTH STATEMENT AND SUPPORTING DOCUMENTS			
If your investment is \$500,000 or more you MUST provide information and documentation regarding your source of funds and/or wealth. This may include original or certified photocopies of: bank account statements confirming income i.e. business, personal and/or rental income; property settlement statement; details of investment income; inheritance i.e. letter from executor of estate; loan statement; gifting letter and/or financial statements (as prepared by a Chartered Accountant).			Documents Provided <input type="checkbox"/>
Please write details of the origin of your wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, employment details, property address etc. Also provide details of the source of income you are receiving e.g. wages/salary, investment income or any other income.			

POLITICALLY EXPOSED PERSON (PEP)

A PEP is an individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise.

Are you, or an immediate family member including spouse, partner, child, child's spouse/partner or parent) or any Authorised Person(s) listed above *An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country?*

YES / NO (Please Circle)

If you have marked 'YES' to any of the options above please provide details of the public function held, and the country:

.....

SECTION 3: COMPANY/INCORPORATED SOCIETY

Company/Incorporated Society Name: _____
(Or Trading name if different)

IDENTITY/ADDRESS VERIFICATION	AND	COMPANY INFORMATION/IDENTITY
<p>All directors, officers and every shareholder who holds over 25% ownership of the company MUST provide identity/address verification. You must also provide verification for every beneficial owner*/effective controller or authorised person of the company if different from above.</p> <p>*Who is a beneficial owner?</p> <ul style="list-style-type: none">• A person who owns more than 25% of the company• A person (other than the directors/shareholders) who has effective control over the company• A person on whose behalf a transaction is conducted.		<p>Company registration number:</p> <p>Please provide a Certificate of Incorporation and the Company Extract e.g. obtained from the New Zealand Companies Office</p> <p>Principle business address or registered office address:</p> <p>.....</p>
SOURCE OF FUNDS/WEALTH STATEMENT AND SUPPORTING DOCUMENTS		
<p>If your investment is \$500,000 or more you MUST provide information and documentation regarding your source of funds and/or wealth. This may include original or certified photocopies of; bank account statements confirming income i.e. business, personal and/or rental income; property settlement statement; details of investment income; inheritance i.e. letter from executor of estate; loan statement; gifting letter and/or financial statements (as prepared by a Chartered Accountant).</p> <p>Please write details of the origin of your wealth e.g. inheritance; earnings; savings; loan; gift; sale of property. Please include details about the transaction(s), date, grantor's name, employment details, property address etc.</p> <p>.....</p> <p>.....</p> <p>Also provide details of the source of income the company is receiving e.g. monthly deposit from a bank account; income from an underlying company.</p> <p>.....</p> <p>.....</p> <p>.....</p>		<p>Documents Provided <input type="checkbox"/></p>

Does any entity such as a Family Trust have any ownership of the company? **YES / NO (Please Circle)**
If 'YES' please refer to **SECTION 4: TRUSTS** on which documents need to be provided.

POLITICALLY EXPOSED PERSON (PEP)
A PEP is an individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise.
Are you, or an immediate family member including spouse, partner, child, child's spouse/partner or parent) or any Authorised Person(s) listed above *An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country?*

YES / NO (Please Circle)
If you have marked 'YES' to any of the options above please provide details of the public function held, and the country:
.....

SECTION 4: TRUSTS

Trust Name: _____

IDENTITY/ADDRESS VERIFICATION			TRUST DEED
All trustees and every beneficial owner*/effective controller or authorised person MUST provide identity/address verification. If a trustee is a corporate trustee company then please provide information for <u>all</u> directors and every shareholder who holds over 25% ownership. Please also provide address verification for the trust. Who is a beneficial owner/effective controller? <ul style="list-style-type: none">Any person (other than the Trustees) who has effective control over the Trust, specific Trust property, or with power to amend the Trust deeds, or remove or appoint trustees (a.g. protector)A person on whose behalf a transaction is conductedAny beneficiary or person that has a vested interest of more than 25% in the Trust propertyAll directors of a Trustee CompanyAny person who owns more than 25% of a Trustee Company.	AND You MUST provide a copy of the Trust Deed and any subsequent deed or retirement/appointment or any amendments which must confirm: <ul style="list-style-type: none">The name of the trustThe names of the current trusteesThe names of the beneficiaries or class/type of beneficiariesThe name of the SettlorThe signature of all Trustees		
SOURCE OF FUNDS/WEALTH STATEMENT AND SUPPORTING DOCUMENTS			
All trusts MUST provide documentation to support the information provided in the source of funds and/or wealth statement above. This may include original or certified photocopies of: bank account statements confirming income i.e. business, personal and/or rental income; property settlement statement; details of investment income; inheritance i.e. letter from executor of estate; loan statement; gifting letter and/or financial statements (as prepared by a Chartered Accountant). Please write details of the origin of the settlor's/grantor's wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, grantor's name, employment details, property address etc. Also provide details of the source of income the Trust is receiving e.g. investment earnings, business/rental income or earnings from an underlying company. 			Documents Provided <div></div>

WHO ARE THE BENEFICIARIES OF THE TRUST?

Is this a discretionary Trust or are there 10 or more beneficiaries? **YES / NO (Please Circle)**

If 'YES' please provide a description of each class or type of beneficiary (or list relevant section in Trust Deed)

If 'NO' please list names and date of birth of the named beneficiaries:

Is this a Charitable Trust? **YES / NO (Please Circle)**. If 'YES' please state the objects of the trust:

POLITICALLY EXPOSED PERSON (PEP)

A PEP is an individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise.

Are you, or an immediate family member including spouse, partner, child, child's spouse/partner or parent) or any Authorised Person(s) listed above *An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country?*

YES / NO (Please Circle)

If you have marked 'YES' to any of the options above please provide details of the public function held, and the country:

SECTION 5: ESTATES

Name of Estate: _____

IDENTITY/ADDRESS VERIFICATION	AND	ESTATE INFORMATION
Trustees, Executors and every beneficial owner*/effective controller or authorised person MUST provide identity/address verification. *Who is a beneficial owner/effective controller? An individual who has effective control over the Estate or on whose behalf a transaction is conducted.		You will need to provide a copy of the Probate* for the Estate. *Where Probate is not required to be obtained, other documentation that establishes the legal standing of the Estate and confirming the trustees/the Executor(s) instructing Augusta on behalf of the Estate. This must include an original certified copy of the Death Certificate of the deceased.
SOURCE OF FUNDS/WEALTH STATEMENT AND SUPPORTING DOCUMENTS		
If your investment is \$500,000 or more you MUST provide information and documentation regarding your source of funds and/or wealth. This may include original or certified photocopies of; bank account statements confirming income i.e. business, personal and/or rental income; property settlement statement; details of investment income; inheritance i.e. letter from executor of estate; loan statement; gifting letter and/or financial statements (as prepared by a Chartered Accountant).		Documents Provided <div></div>
Please write details of the origin of the Estates wealth e.g. inheritance, earnings, savings, loan, gift, sale of property. Please include details about the transaction(s), date, grantor's name, employment details, property address etc. Also provide details of the source of income the Estate is receiving e.g. investment earnings, business/rental income or earnings from an underlying company.		

POLITICALLY EXPOSED PERSON (PEP)

A PEP is an individual who holds a 'Prominent Public Function' e.g. head of a country, government minister, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprise.

Are you, or an immediate family member including spouse, partner, child, child's spouse/partner or parent) or any Authorised Person(s) listed above
An individual who holds, or has held at any time in the preceding 12 months, a 'prominent public function' in any country?

YES / NO (Please Circle)

If you have marked 'YES' to any of the options above please provide details of the public function held, and the country:
.....



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AUGUSTA
INDUSTRIAL