ERSKINE+OWEN

OUR LATEST COMMERCIAL PROPERTY SYNDICATION

WATTIE'S NATIONAL DISTRIBUTION CENTRE

8.0%* P.A.

PROJECTED RETURN
PAID QUARTERLY

Tenanted by an iconic New Zealand brand

OFFER RESTRICTED TO "WHOLESALE INVESTORS" UNDER CLAUSES 3(2) AND 3(3)(a) OF SCHEDULE 1 TO THE FINANCIAL MARKETS CONDUCT ACT 2013

* Projected pre-tax return for full one year period. Details on how the return will be calculated and the risk associated with the investment and return are set out in the Information Memorandum.

THE OFFER – 8.0% P.A.* PROJECTED RETURN

+ 8.0% P.A. projected cash return paid quarterly*
+ Tenanted by an iconic New Zealand brand
+ The site is Wattie's National Distribution Centre
+ It's immediately adjacent to Heinz Wattie's processing plant
+ It features a rail siding providing direct access to Napier Port
+ It's on a 6.3 hectare site with a gross floor area of 45,351 m2
+ The warehouse is A+ seismic rating meeting 100% NBS
+ The lease is for 7.5 years
+ Annual rent of $2,218,719
+ Rent subject to CPI increase every 2 years from May 2020
+ The offer has been fully underwritten
+ Minimum investment is 100,000 units at $1 per unit
+ Offer available to Wholesale Investors only

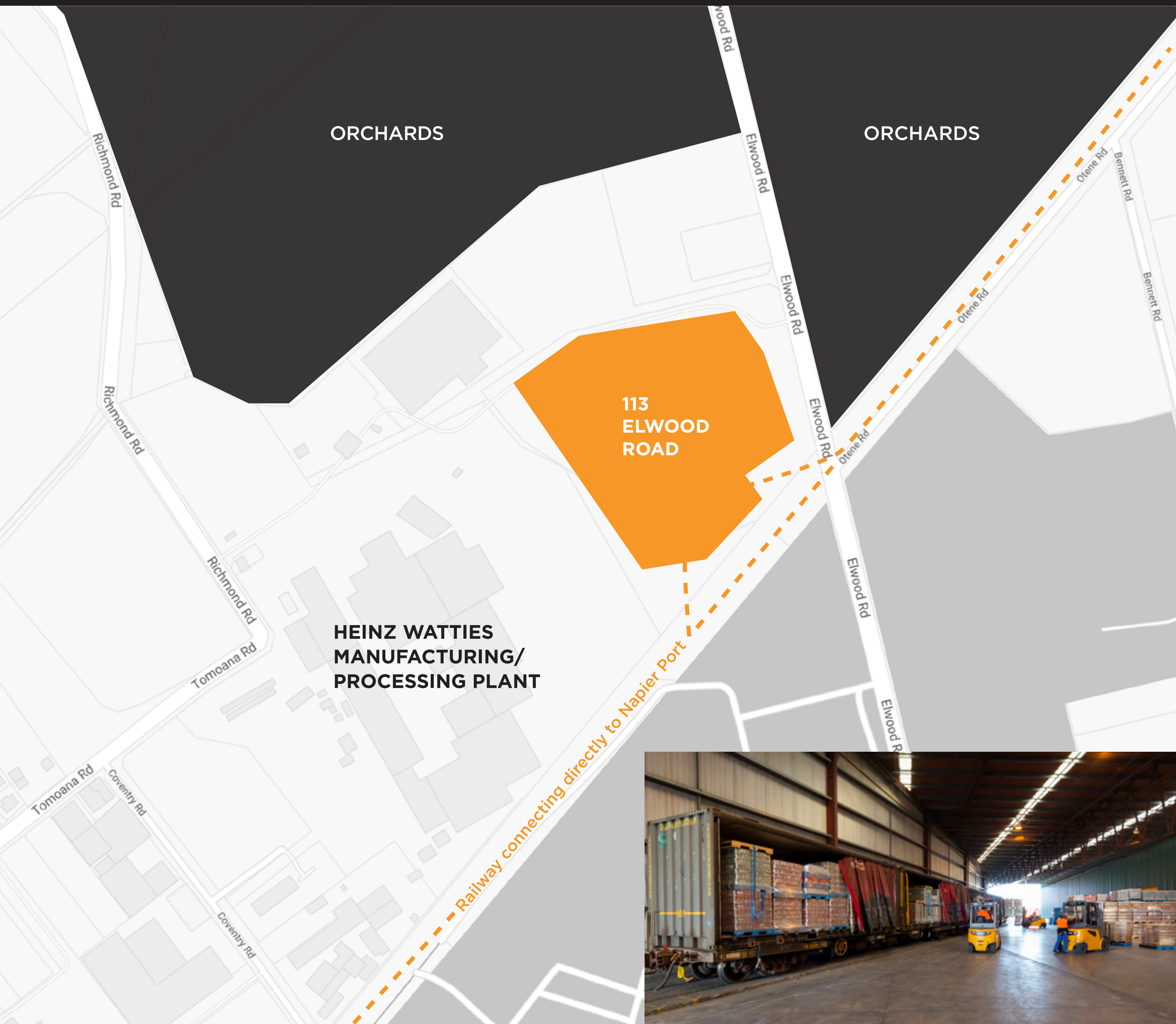
*Projected pre-tax return for full one year period. Details on how the return will be calculated and the risk associated with the investment and return are set out in the Information Memorandum.

STRATEGIC LOCATION

The property is located at 113 Elwood Road, Hastings and is a substantial industrial complex which was developed in stages from the 1990's through to 2005. The facility is the Wattie's National Distribution Centre.

This property is immediately adjacent to the North Island Heinz Wattie's manufacturing/processing plant and comprises a large medium stud distribution warehouse complex, handling over 1200 product lines, with rail siding capabilities connecting directly to Napier Port.

It has a total gross floor area of 45,351 m2, excluding canopies and tarsealed yard. The property comprises a 6.3 hectare site and is predominately leased to Heinz Wattie's on a long term lease which expires on 30 April 2027. There is another building on-site which is leased to tenant, Tomoana Warehousing Limited.



STABLE TENANT

+ Heinz Wattie's is owned by Kraft Heinz, the USA based Fortune 500 company. They are the 3rd largest food and beverage company in North America and the 5th largest in the world.
+ The annual rent from the property is $2,218,719, and is subject to a CPI review every two years from 1 May 2020, with 7.5 years of lease term remaining. We are confident that Wattie's will remain commited to the site as it's adjacent to their manufacturing plant and features a rail siding. The cost to build a similar scale distribution centre in another location would be substantial. The parent, Kraft Heinz, does not guarantee the obligations of the Tenant under the Lease.
+ The second tenant, Tomoana Warehousing Limited, leases part of a building known as the Grey Shed for an annual rent of $60,000 which is less than 3% of the annual rent from the Wattie's National Distribution Centre.

GROWTH IN HAWKES BAY

+ The Hawkes Bay's regional economy is worth $8.1 billion and is a major contributor to New Zealand's horticulture sector. The region is a premium global producer, processor and exporter of primary products such as fruit and vegetables, beef, lamb, wine and forest products.
+ Hawkes Bay is a major agriculture and food processing hub, with farms and orchards spread across its plains and 353 kilometre coastline.
+ Napier Port is the country's fourth largest port with 66% of its revenue coming from container services. It has just raised $234M for expansion plans in a successful IPO.
+ Tourism spending in the Hawkes Bay was up 3.6% as at March 2019 year on year, with spend at $658 million.
+ In terms of commercial property, the average value of non-residential consents increased by 23.9% for a total annual value of $153 million for the year ended 31 March 2019.
+ This all points to the Hawkes Bay region as one in an exciting growth phase and a compelling investment destination.

THE RISKS

Investments in syndicated commercial and industrial property does carry risk. Prospective investors must determine whether the investment is appropriate having regard to their own investment objectives and financial situation. Investors are encouraged to seek independent financial, tax and legal advice on these matters. The Offeror and General Partner considers that the most significant risk factors that could affect the value of a Limited Partnership interest are:

+ Loss of rental income; a default by any tenant in paying rent and outgoings may affect forecast returns.
+ Re-leasing: costs may be incurred in any future re-leasing of the property and failure to re-lease will likely affect its value.
+ Interest rate and bank risk: interest rate movements are unable to be accurately predicted and an increase in interest rates may affect returns and bank covenant compliance.
+ Capital expenditure risk: capital expenditure for the property may be more than budgeted.

No warranty or representation is made in respect of whether the revenue, expenses, or any capital appreciation in the future will be actually achieved. Actual results are likely to be different to the forecasts since anticipated events frequently do not occur as expected and the variation may be significant. Accordingly, Erskine + Owen, its shareholders, directors, employees, advisors or agents nor any other person can provide any assurance with respect to such information.

Register your interest

To register your interest and to receive a copy of the Information Memorandum for the Wattie's National Distribution Centre, contact:

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ABOUT ERSKINE + OWEN

ERSKINE + OWEN SPECIALISE IN HELPING PEOPLE CREATE WEALTH AND PASSIVE INCOME THROUGH INTELLIGENT PROPERTY INVESTMENT.

Proportionate ownership (or syndication) makes investing in commercial property more achievable.

Pooling together with other investors gives access to potentially higher value, higher return and higher growth properties.

Erskine + Owen has helped hundreds of clients generate significant equity growth over the last twelve years.

We provide a comprehensive service from financial planning, sourcing investment properties and property management.

www.erskineowen.co.nz/watties