

FUNDS & INVESTMENT PRODUCTS

BAYLEYS

ALTOGETHER BETTER

Residential / Commercial / Rural / Property Services

BAYLEYS FUNDS AND INVESTMENT PRODUCTS

We provide investors with access to premium, high-yielding property funds and investment products. Minimum investments usually range from \$10,000 to \$50,000, with returns paid monthly and the potential for capital growth.

With over 20 years of experience marketing and selling investment products for leading property fund managers, we've helped our clients invest over \$1.3 billion across the commercial, industrial, agricultural and healthcare property sectors.

Investment in a property fund is a relatively easy and straightforward way for investors to participate in the ownership of institutional grade properties at an entry level price.

Investors' funds are pooled, and they become investment partners in good buildings, with good tenants and long leases, receiving a proportionate share of the rental income and capital growth. The properties are fully managed on behalf of the investors with all property management, financial and administrative matters taken care of. Investment in both single and multi-asset property funds are available through Bayleys.

We have a very wide range of investors who participate, ranging from those who invest the minimum through to those who invest many millions across multiple offerings.

Opportunities to invest in other investment products, including real estate debt are also available through Bayleys. In a real estate debt investment, investors' funds are pooled and used to provide a loan to a borrower, with the borrower repaying the loan with interest.

Many investors choose to benefit from diversification through investing in multiple offerings with properties in various locations (throughout New Zealand and Australia) and differing property types, for example, retail, commercial, industrial and agricultural along with different tenant profiles. They may also diversify their investment portfolio through investment in real estate debt.

Examples of previous offers are included within this brochure or please contact us (details on reverse) to discuss current opportunities.

Bayleys is New Zealand's largest full-service national real estate agency offering integrated, professional services across all property sectors throughout the country.

Established as a specialist commercial and industrial agency in the early 1970s, this remains the cornerstone of our business. We operate in a family-founded and values-based corporate environment that demands integrity, excellence and innovation. We strive to exceed our customers' expectations.

Noticing the reservations that some smaller investors had about the significant outlay involved in direct property investment and having all their investment capital tied up in one property, Bayleys established the Funds and Investment Products division in 2003.

The market has evolved significantly over the past 20 years. The first property fund marketed by Bayleys Real Estate raised \$1.85 million of capital from investors. In recent times, the capital raises for some offerings have exceeded \$100 million.

We are very particular about the fund investments that we market and only align ourselves with those with the same values. We are the sole selling agents in New Zealand for Centuria (formerly known as Augusta in New Zealand).

CENTURIA NZ RELATIONSHIP

Bayleys Real Estate and Centuria NZ (formerly Augusta) have a long standing relationship with the key parties in the management on both sides transacting property together for over 20 years.

Since 2014, Bayleys has exclusively acted as the sole selling agents for all Centuria NZ investment opportunities. This means that we will send you information on upcoming offers, answer any questions and assist you with completing the application forms. We will make sure the process is as easy as possible at every step.

Centuria NZ is the Manager. They structure the offer and issue the Product Disclosure Statement or relevant documentation. Centuria NZ is responsible for the investor management and property management and will send investors six monthly updates on their investment.

By way of background, in 2020, Augusta (now known as Centuria NZ), merged with the ASX listed Centuria Capital Group (one of Australia's largest property fund managers) to create a leading Australasian property fund management platform, with over \$20 billion¹ of Trans-Tasman assets under management on behalf of investors.

Centuria is conservative in their approach and focuses on quality assets with strong long-term fundamentals.

Centuria

¹As at 31 December 2023



PREVIOUS OFFERS

Over the past 20 years, we've managed the marketing and sales for around 70 property funds with a total combined property value in excess of \$2.5 billion. Over that time, we've helped thousands of our clients invest over \$1.3 billion with leading property fund managers, sharing in the ownership of properties across the commercial, industrial, agricultural and healthcare sectors.

A small selection of some recent investment opportunities (all now fully subscribed) are shown below.

To find out more about current investment opportunities, please use the contact details on the back of this brochure.

SINGLE ASSET FUND INVESTMENTS - EXAMPLES

752 Great South Road, Penrose, Auckland



Known as the Visy Glass Industrial Property, this substantial 8.576ha industrial complex had a 20-year "triple net lease" (widely considered the most landlord friendly form of lease) with 3% annual rental growth to a subsidiary of global packaging leader, the Visy Group.

The property is well located in a high-profile position directly between Auckland's Southern Motorway and the main arterial Great South Road within one of New Zealand's pre-eminent industrial suburbs, Penrose, Auckland. The complex is only 9km from the Auckland CBD and Port and benefits from sought-after heavy industrial zoning.

Minimum Investment	\$50,000
Purchase Price	\$178.3 million

96 St Georges Bay Road, Parnell, Auckland



96 St Georges Bay Road is a 5-Green Star, design rated, premium grade office complex located in central Auckland with long leases to well-known tenants. Constructed in 2018 by one of New Zealand's leading property developers, the award winning Mansons TCLM Limited, the property comprises four levels of office accommodation and three ground floor retail premises.

The property is Xero Limited's Auckland base. This market leading cloud accounting software company had a new 12-year lease with rights of renewal until 2042 supported by a bank guarantee. Other major tenants, with initial 10-year leases included Harrison Grierson, a well regarded engineering consultancy, and Independent Liquor NZ Limited, a member of the multi-national Asahi Group Holdings Limited.

Minimum Investment	\$50,000
Purchase Price	\$116 million

741 Nudgee Road, Northgate, Brisbane, Australia



This investment provided the opportunity to diversify into the Australian property market with a modern industrial building located on a high exposure corner site close to major arterial roading networks and only five minutes from the Brisbane Airport and 9.5km from the CBD.

Tenanted by Health World Limited, established in 1985, and one of the largest suppliers of natural medicines (vitamins and health supplements) in New Zealand and Australia. At the time of the offer there was 11.5 years to run on the lease term with rights of renewal until 2034 along with built in rental growth.

Minimum Investment	AUD\$50,000
Purchase Price	AUD\$28.25 million

MULTI-ASSET FUND INVESTMENTS - EXAMPLES

Centuria NZ Agricultural Property Fund Limited



Established in 2023 to provide investors with exposure to the agricultural property sector, the fund's initial asset was a 29.7ha property only 45 minutes from Auckland CBD on which greenhouse and packhouse facilities operate. Tenanted by Superb Herb, NZ's largest supplier of potted and cut herbs, with a 15-year triple net lease and annual 3.5% rental increases, the property provided a long-term and growing income stream. Since the initial offer the fund acquired a 7.87ha property in Pukekohe (50km south of Auckland CBD) tenanted by Blooming Hill, the largest cut rose grower in NZ, also with a 15-year triple net lease, providing tenant and geographic diversification within the fund.

Minimum Investment \$25,000

Centuria NZ Industrial Fund Limited



Centuria NZ Industrial Fund 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 sector of the New Zealand property market.

Initially consisting of four properties, the fund has grown with three capital raises totalling \$270 million and now comprises of 19 assets with 54 tenants².

A key long term strategic investment objective for Centuria NZ Industrial Fund is to deliver sustainable and stable income distributions paid to investors monthly, along with the potential for long term capital growth.

Minimum Investment \$10,000

Centuria NZ Healthcare Property Fund



Centuria NZ Healthcare Property Fund was established in 2022 with the purpose of providing investors with exposure to the sought-after healthcare real estate sector along with monthly cash distributions and the potential for capital growth.

The fund's initial acquisition was 23 aged care properties leased to one of New Zealand's leading and largest aged care operators, Heritage Lifecare, on 30-year triple net leases with built in annual rental growth, providing a long term stable income stream.

Minimum Investment \$10,000

Value Add Funds



Value Add Fund No.1 was established by Augusta (now known as Centuria NZ), and offered \$60 million ordinary shares in a portfolio of five Auckland commercial and industrial properties. The opportunity was open to Wholesale Investors only and required a minimum investment of \$200,000.

The fund was structured as a closed end, fixed term fund whereby all assets were intended to have the value added (through re-leasing or re-zoning for example) and the asset sold within five years. All assets were sold ahead of schedule achieving an internal rate of return of 11.75% (pre-tax and performance fee).

Minimum Investment \$200,000
Purchase Price \$109.30 million
IRR³ 11.75% (pre-tax and performance fee)

A second Value Add Fund was established by Centuria in late 2023, acquiring 43 College Hill, a prime location in Central Auckland, with the intention to convert the well suited existing building into a sought after premium storage facility and then sell the property within a two year period.

² As at 31 March 2024

³ Details of how the return was calculated and the risks associated with the investment are set out in the original Information Memorandum. Property information correct as at time of offer.

REAL ESTATE DEBT INVESTMENTS - EXAMPLES

In a real estate debt investment, investors' funds are pooled and used to provide a loan to a borrower, with the borrower repaying the loan with interest. Investing in real estate debt provides investors with capital protection, as the loan made with investors' funds benefits from first-ranking mortgages over properties used as security.

Centuria's real estate debt arm Centuria Bass Credit has a strong track record with over 125 real estate debt investments made, all of which are returning the original target return to investors, or above⁴.

Centuria Bass NZ First Mortgage Fund No.4

Offering investors a target 10% p.a. pre-tax return⁵, funds were used to provide a 12-month loan to borrowing trusts associated with a well-regarded and experienced New Zealand property developer, Thames Pacific. The investment was secured by first-ranking mortgages over two separate land assets, well located in the Kapiti Coast.

OTHER PREVIOUS INVESTMENTS - EXAMPLES



ANGLESEA MEDICAL CENTRE,
HAMILTON



THE MERCURY BUILDING, 33
BROADWAY, NEWMARKET,
AUCKLAND



BDO CENTRE, BUILDINGS
B & C, 2-4 GRAHAM STREET,
AUCKLAND



BDO CENTRE, BUILDING A, 2-4
GRAHAM STREET, AUCKLAND



76 QUINNS HILL ROAD EAST,
STAPYLTON, AUSTRALIA



33-43 HUGO JOHNSTON
DRIVE, PENROSE, AUCKLAND



COUNTDOWN, 160
PEACHGROVE ROAD,
HAMILTON



COUNTDOWN DISTRIBUTION
CENTRE, 146 SHANDS ROAD,
CHRISTCHURCH



SHERBROOKE ROAD,
WILLAWONG, BRISBANE,
AUSTRALIA



SOUTHGATE RETAIL CENTRE,
TAKANINI, AUCKLAND



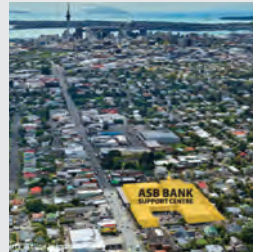
SPARK CITY, BUILDING C,
167-191 VICTORIA STREET
WEST, AUCKLAND



BUNNINGS, 18 HIBISCUS
COAST HIGHWAY,
SILVERDALE, AUCKLAND



12 BRICK STREET,
HENDERSON, AUCKLAND



ASB, 360 DOMINION ROAD,
MT EDEN, AUCKLAND



JB HI-FI AND WILSON
PARKING BUILDING, 308
BARTON STREET, HAMILTON



CARTERS, 14 BIRCH AVENUE,
TAURANGA



COUNTDOWN, STATE
HIGHWAY ONE, HUNTLY



ENZA INDUSTRIAL COMPLEX,
WILLIAMS STREET, HASTINGS



COUNTDOWN, WESTGATE
SHOPPING CENTRE,
AUCKLAND



BUNNINGS, STATE HIGHWAY
ONE, WHANGAREI



COUNTDOWN, FRASER
COVE SHOPPING CENTRE,
TAURANGA



510 MT WELLINGTON
HIGHWAY, MT WELLINGTON,
AUCKLAND



8 AIRPARK DRIVE, MANUKAU,
AUCKLAND



APN, 587 GREAT SOUTH
ROAD, MANUKAU,
AUCKLAND



92 -114 KAIMANAWA STREET,
PALMERSTON NORTH

⁴ As at 31 December 2023

⁵ Details of how the return was calculated and the risks associated with the investment are set out in the original Information Memorandum.

FREQUENTLY ASKED QUESTIONS

How do I invest?

All potential investors must request a copy of the Product Disclosure Statement or Information Memorandum which contains the details of the property and the investment. Investors must complete the application form and provide, along with payment, the applicable identity verification (as required under the Anti-Money Laundering (AML) legislation).

The Bayleys Funds and Investment Products team will assist you with the application process to ensure it is as easy as possible. We are here to help.

Are there different types of investments?

Bayleys Funds and Investment Products division provides investors with access to commercial, industrial, agricultural, healthcare and tourism property investment opportunities. The majority of opportunities available through Bayleys are comprised of New Zealand properties with Australian properties offered from time-to-time.

In most opportunities available through Bayleys, investors purchase shares or units in a fund and via this entity share in the ownership of the property, benefitting from a monthly return from the rental income along with the potential for capital growth. Every investment available has an information package (containing either a Product Disclosure Statement or Investment Memorandum) which includes the details of that specific opportunity.

Investment in both single and multi-asset property funds are available through Bayleys.

Opportunities to invest in other investment products, including real estate debt are also available through Bayleys. In a real estate debt investment, investors' funds are pooled and used to provide a loan to a borrower, with the borrower repaying the loan with interest.

Who can invest?

The majority of offers are made available to all potential investors located in New Zealand (known as Retail Investors). At times certain investments are made only to Wholesale Investors who must meet certain eligibility criteria. This is made very clear on the relevant documentation.

How often are investment opportunities available?

The investments marketed by Bayleys go through a robust selection process by the Manager. As such, there is no set timing on when property investment opportunities will be available. On average three to four offers are marketed each year.

We encourage you to provide us with your contact details so we can keep you informed of when the next investment opportunity is available.

How long is the investment for?

In most cases the investments marketed by Bayleys have no fixed term. Commercial property should generally be looked at from a long-term perspective. For single asset funds, the Manager of the property will make recommendations on when they see the best time to sell the property or alternatively investors can sell their individual investment unit/share as described in "Can I sell my individual investment?".

In most cases the property is sold upon the passing of a resolution by 75% or more of the investors.

Can I sell my individual investment?

Yes. In most cases, an investor has the right to sell their unit/share at any time, commonly referred to as a "secondary sale". In most cases the transaction is facilitated by the Manager of the fund/investment product.

Do I receive any capital gain?

Yes. Upon the sale of the property and the winding up of the scheme/fund, investors may receive a return which is greater than the amount paid for each unit/share if the net sale proceeds from the sale of the property/properties exceed the total capital paid by investors. The same may occur with a secondary sale. There is no guarantee that there will be any capital gain.

How is the return paid to investors?

In most cases distributions are made to investors monthly in arrears and paid directly to the investor's nominated bank account.

How is the investment taxed?

As a general overview, for funds with New Zealand assets that are structured as a Portfolio Investment Entity (PIE), at the time of application investors elect their Prescribed Investor Rate (PIR) based on their taxable income. Investors' PIR is then used to calculate the tax payable on the income allocated to them and the distributions to investors are net of this amount.

For funds with New Zealand assets that are not structured as a PIE, the monthly distributions are paid to the investors on a gross basis and tax is paid by the investors as part of their annual tax return at their usual marginal tax rate.

For funds with Australian assets, structures differ depending on the specific asset and value. Further information is available on request.

The above is general in nature. If you have any questions relating to taxation of your investment we recommend you seek professional advice from your accountant.

What are the risks?

Investing in property funds has the usual risks associated with commercial property ownership such as tenancy risk and, if applicable, interest rate risk (in offers where debt is used to fund acquisitions). The risks with regard to each property investment are outlined in detail in the relevant Product Disclosure Statement or Information Memorandum.

What are the fees?

The fees include management, brokerage, legal and accounting which vary from offer to offer. These are outlined in detail in the relevant Product Disclosure Statement or Information Memorandum. All forecast pre-tax returns are after any fees.

Is there any independent oversight?

Under the Financial Markets Conduct Act 2013, managed investment schemes must have a licensed independent supervisor. The supervisor's role is to monitor that the manager is complying with the Governing Document and look after the interests of the investors. For example they hold the certificate of title and authorise payments.

What is AML - Anti Money Laundering?

As part of the New Zealand Government's commitment to a global fight against financial crime all New Zealand banks and financial institutions (including people who offer interests in property funds) were required to make changes to their investor identification process.

New investors will need to provide approved identification and some additional documents, for example proof of address. Please contact us to discuss how this applies to you.

How do I find out more?

Contact the Bayleys team using the details on the reverse. Presentations are also held throughout New Zealand and we would welcome the opportunity to meet with you in person. Webinars are also available.

To learn more or to be kept informed of upcoming investment opportunities contact your local Bayleys Agent:



Or the Bayleys Funds and Investment Products team below.

Mike Houlker

P 09 375 8437

M 021 945 927

mike.houlker@bayleys.co.nz

Samara Phillips

P 09 375 8490

M 021 027 61373

samara.phillips@bayleys.co.nz

Sarah Prebble

P 09 375 6825

M 027 635 3521

sarah.prebble@bayleys.co.nz

Haojia Tan

P 09 306 7762

M 021 129 1269

haojia.tan@bayleys.co.nz

0800 BAYLEYS (229539)

bayleys.co.nz/funds

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The content of this brochure is general in nature – it is not intended to be financial advice and should not be relied on when making your investment decisions. Before deciding whether to invest in any financial products available through Bayleys Real Estate Limited, you should obtain independent financial advice that takes account of your personal financial goals and circumstances.

Bayleys Real Estate Limited cannot provide you with any such independent financial advice. Important information about the financial advice service provided by Bayleys Real Estate Limited is available at bayleys.co.nz/funds. No person including Bayleys Real Estate, our Financial Advisers (selling agents), or the manager of the scheme, guarantees or promises any return to investors.