SUPPLIED CONTENT

Record growth year for Oyster

New Zealand's Biggest Ever Office Transaction

Oyster Group recently settled the Greenlane Millennium Centre Business Park asset for $210 million, recording New Zealand's biggest ever office transaction and resulting syndication investment opportunity.

The purchase was not only significant in terms of the commercial property transaction landscape but also contributed substantially to a year of solid growth in the Group's funds management business.

The syndication of the three-hectare site, at 600-604 Great South Road, attracted very high levels of interest prior to settlement. A release of a limited number of interests is now available with a total of 146 parcels at $250,000 each being offered to wholesale investors.

The Millennium deal closely followed Oyster's purchase and successful syndication of the landmark Cider building in Auckland's central suburb of Ponsonby last year.

Wholesale investors seized the opportunity to own interests in Cider within a matter of days. A total of 50 interests of $1,000,000 each were made available and, at the time, the transaction was Oyster's largest-ever equity raise under a multi-investor ownership structure.

Oyster was keen to maintain momentum and the Millennium purchase enabled it to do so.

The company now has a combined portfolio value of over $1.2 billion of property assets under management throughout New Zealand via a combination of public and private special purpose property funds, and property management mandates from institutions and private investors.

Identifying Properties Appropriate for Divestment

Whilst the provision of stable long term returns from quality commercial property is Oyster's key focus, Oyster is also constantly assessing opportunities to crystallise optimal value for investors by selling properties in more buoyant times. The reasons for considering sales include near term single tenant expiry risk, abnormal capital expenditure requirements, perpetual vacancy and potential future funding issues. Capitalising on current market conditions, Oyster assets sold during the past year include Countdown Papakura, 12 Foreman Road Hamilton and most recently 131 Lincoln Road Auckland (all having provided investors with a double digit internal rate of return over many years).

Oyster Direct Property Fund Resonates with Investors

The Oyster Direct Property Fund, launched last year, is an unlisted PIE structured unit trust providing monthly distributions or reinvestment, with a relatively affordable entry point of $10,000.

The Fund is open on a permanent basis, offering investors exposure to over $475 million in significant New Zealand commercial property assets.

The Fund comprises investments in a diversified portfolio of quality commercial property weighted towards major urban locations, high quality tenants and long lease terms.

With a monthly tax advantaged income stream, historical performance for the year to 31 March 2017 has been a 7.0 cents per unit annualised distribution.

The Oyster Direct Property Fund also allows investors to participate in a Distribution Reinvestment Plan (DRP) which provides the opportunity to have monthly cash distributions reinvested into the fund as units in lieu of taking a monthly distribution. Investors can opt out at any time and begin receiving distributions again.

Once an investor has made a minimum investment of $10,000, they then have the ability and flexibility to continue to invest further funds in increments of $1,000 or more at any time after their initial investment.

A Growing Suite of Property Investment Options

Oyster chief executive officer, Mark Schiele, says the company remains focused on providing high quality commercial property fund offerings for investors who are, for the most part, New Zealanders looking to invest in substantial properties with long term security in both income and value.

"Our drive is to enable as many investors as possible to participate in, and benefit from, commercial property investment. We will continue to offer a range of property investment options to cater for investors with vastly different risk profiles and criteria for investments. So if an investor has $20,000 to invest, the Oyster Direct Property Fund is an ideal match. Similarly, for a wholesale investor with upwards of $250,000 to invest, the Millennium Centre wholesale investment offer provides an excellent return for an A-grade investment property of this scale and quality."

Integral Third Party Management Mandates

A large, important part of Oyster's business is where third party property owners (typically institutions or private investors) engage Oyster to provide specific services.

Oyster's third party management services include asset, financial, facilities and property management, retail property consulting and leasing for an extensive portfolio of retail, industrial and office properties throughout New Zealand. Oyster retains a specialist team focussed on retail property management and leasing. The Oyster team has many combined years of experience in successful retail asset management, development and leasing and a strong reputation in the market for the provision of these services. The highly anticipated opening of the first stage of the Tauranga Crossing Shopping Centre last year was a good example of this, with Oyster holding both development management and asset management mandates for the project.

OYSTER DIRECT PROPERTY FUND

HISTORICAL PERFORMANCE FOR YEAR TO 31 MARCH 2017

7.0 CENTS PER UNIT

ANNUALISED PRE-TAX CASH DISTRIBUTION*

Minimum investment $10,000

Diversified exposure in commercial property valued at $477 million

The Oyster Direct Property Fund aims to provide investors with an income distribution payable monthly, combined with the potential for capital growth through investing in a diversified portfolio of quality commercial property assets.

- A range of office, retail and industrial assets in a single investment
- Investment in commercial property assets of significant value and scale
- Structured for monthly distributions and redemptions†
- Affordable entry point with a minimum investment of $10,000
- Units issued on the first day of each month
- An unlisted, diversified commercial property fund
- Oyster Management Limited is the offerer and issuer of the units in the Oyster Direct Property Fund
- A fund which targets a portfolio weighted towards major urban locations, quality tenants and long leases

A Product Disclosure Statement is available; to receive a copy please contact:
Kate Hamill **(09) 632 1287** Email **investor@oystergroup.co.nz**

*The cash distribution stated in the advertisement is based upon the pre-tax distribution paid to investors for the period from 6 July 2016-31 March 2017. Past performance is no indication or guarantee of future performance. For further details, please refer to the Product Disclosure Statement.

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†Redemptions will be available from 1 June 2017.

Prospective investors are recommended to seek professional advice from an Authorised Financial Adviser which takes into account their personal circumstances before making an investment decision.

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