

Oyster Direct Property Fund.

Quarterly Investor Update

*For the quarter ended:
31 December 2023*

OYSTER[®]

Invest in the real world.

Manager's Report

Divestment Update

The sale campaign for 107 Harris Road, East Tamaki, Auckland concluded in early December 2023. Several offers were submitted at the close of the campaign and following a period of extensive negotiation with multiple parties, the highest offer was ultimately made on an unconditional basis (not subject to a due diligence condition) at \$10,900,000 plus GST (if any). The settlement date is scheduled for 28 February 2024.

On settlement, the net sale proceeds will be applied to the repayment of the Fund's debt to reduce the impact of the higher borrowing costs; consistent with the Fund's strategy.

Selected Directly Owned Properties continue to be marketed for sale and sales will be considered in instances where optimal total returns can be realised under current market conditions. The divestment strategy remains a key focus and progress will continue to be communicated to investors via the Fund's Quarterly Investor Updates.

Discussions continue with the interested party introduced through the 6 Hurring Place and 12 Newlands Road, Wellington campaign, and further clarity will be sought through early 2024.

DPF Trading Platform

Oyster continues to provide the Syndex trading platform to facilitate the trading of the Fund's Units between willing buyers and willing sellers reaching an agreed price for Units. This facility provides an optional liquidity event for investors who may require this. The price at which Units are traded on the Syndex trading platform may be higher or lower than the Fund's Unit Price, as an agreed price can be reached between participating buyers and sellers via the marketplace that the Syndex trading platform provides.

The DPF Trading Platform facilitated the trading of 379,785 Units for the quarter ending 31 December 2023. Investors can contact the Investor Relations team should they wish to participate in next monthly trading event.

Distributions & Redemptions

To ensure the Fund retains working capital to meet its needs, for the period 1 January to 29 February 2024, distributions are set at 3.00 cents per unit per annum, applicable to distributions payable in February and March 2024, given the Fund pays distributions monthly in arrears.

The Fund's redemptions facility remains suspended to allow the Fund to maintain appropriate working capital.

Financing Report

The Bank Loans directly held by the Oyster Direct Property Fund are on an interest-only basis. This is made up of a fixed margin portion (ranging from 2.10% to 2.35%) which is decided with the financier (ASB Bank) on agreeing the loan facility terms.

Interest rates remain at their highest since the Fund's inception and the floating rate is resulting in high borrowing costs. The floating interest rate on the Fund's loans as at 31 December 2023 was 5.63%, providing an effective all-in interest rate of 7.73% (including margin). This reflects an all-in interest rate decrease of 0.04% since the prior quarter.

On 20 December 2023, the Fund repaid \$545,000 of the loan balance as part of the Fund's strategy to reduce borrowing cost.

Effective from November 2023, ASB Bank amended the Interest Cover Ratio covenant on the Fund's Bank Loans from 2.00 times to 1.50 times.

Fund Performance

Since inception, the Fund's average annual total return is 8.33% as at 31 December 2023 (after fees and before tax).

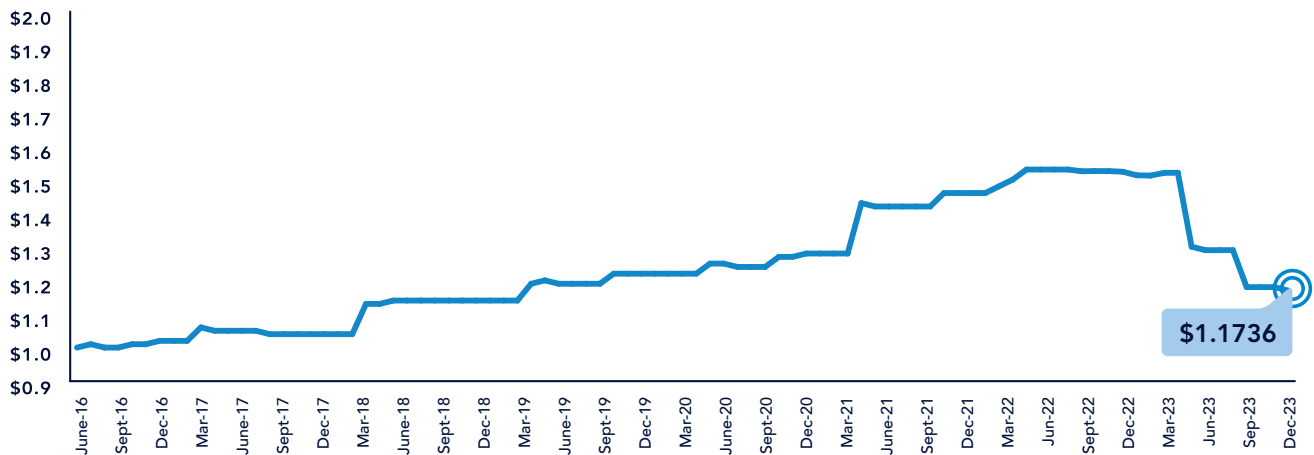


How to invest

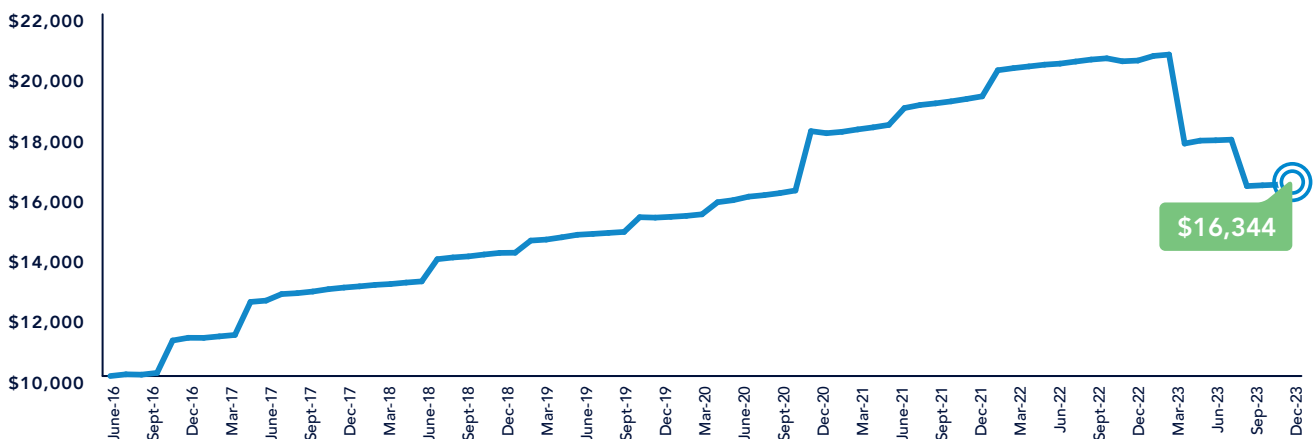
Register your interest via oystergroup.co.nz/dpf to automatically receive the Product Disclosure Statement. Oyster Management Limited is the issuer of units in the Oyster Direct Property Fund.

Fund Performance

Unit Price History



Performance of \$10,000 since inception (as at 31 December 2023)¹



¹ Based on a minimum investment of \$10,000 at inception with distributions reinvested and a prescribed investor rate of 28%.

Quarterly Summary	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
Unit Price	\$1.3002	\$1.2981	\$1.1797	\$1.1736
Adjusted Net Asset Value	\$166,608,822	\$166,628,232	\$151,605,474	\$150,994,558
Units Traded via DPF Trading Platform	n/a	n/a	n/a	379,785 Units
Quarterly Distribution (per unit, p.a.)	3.65 cents per Unit	3.65 cents per Unit	3.65 cents per Unit	3.65 cents per Unit
Weighted Average Lease Term	6.34 years	6.19 years	6.19 years	5.88 years
Occupancy	99.2%	98.3%	98.3%	99.3%
Loan to Value Ratio (Look Through)	47.6%	47.1%	49.5%	49.7%
Income Return ¹	3.29%	2.90%	2.52%	2.41%
Capital Return ¹	-14.88%	-15.01%	-22.66%	-22.38%
Total Return¹	-11.59%	-12.10%	-20.14%	-19.96%

¹ All returns are averaged for the twelve month period up to each quarter date. Income Return is the pre-tax distribution and Capital Return is the change in Unit Price. The Total Return is the aggregate of Income Return and Capital Return. Past performance is no indication or guarantee of future performance. Prospective investors are recommended to seek professional advice from a financial advice provider which takes into account their personal circumstances before making an investment decision. The Oyster Direct Property Fund offer is made in accordance with the Financial Markets Conduct Act 2013.

Fund Overview

Key Features

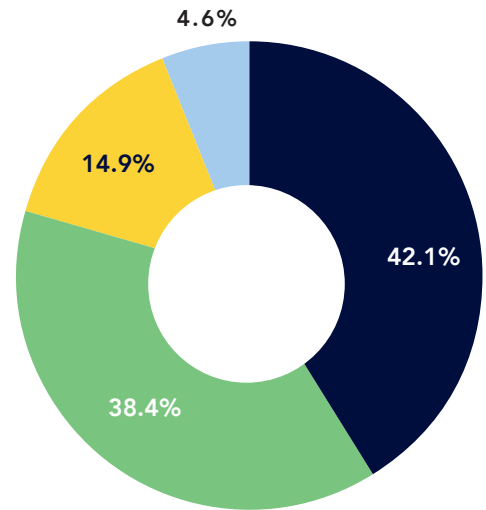
Applications ¹	Monthly
Minimum Investment ¹	\$10,000
Minimum Reinvestment ¹ (Existing investors)	\$1,000
Pre-Tax Distributions ²	3.00 cents per unit (p.a.)
Redemptions	Monthly (Currently suspended)
PIE Structured	Yes
Distributions Payable	Monthly
Distribution Reinvestment	Optional
Licensed Manager	Yes

¹ The minimum subscription for new investors is \$10,000. Minimum subscription for existing investors in the fund is \$1,000. Subscriptions received by 3pm three business days prior to the last calendar day of a month will be processed that month with units issued on the first day of the following month. Redemptions are limited to the fund's monthly available funds, for further explanation please refer to the Product Disclosure Statement.

² For the period 1 January 2024 to 29 February 2024, applicable to distribution payments paid in February and March 2024.

Sector Diversification³

by proportion of assets

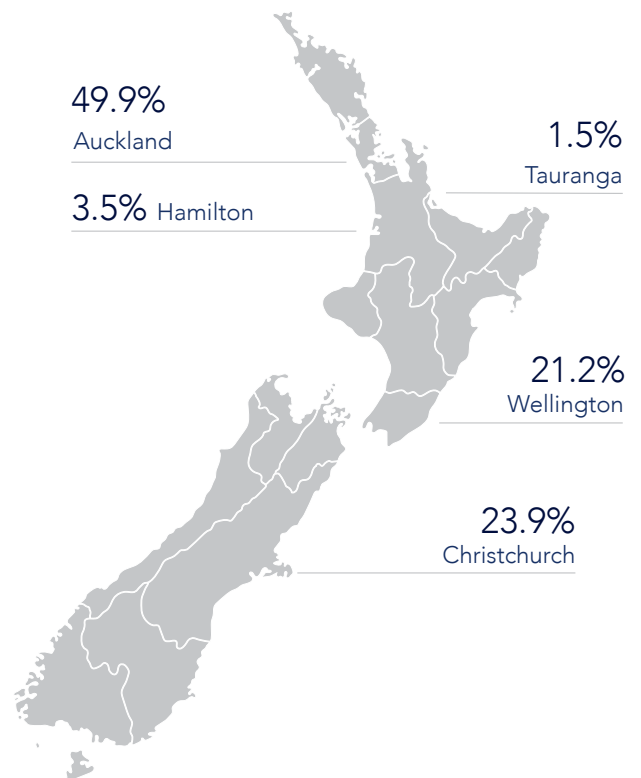


Top Ten Tenants

17.4%	Government (various)
11.8%	Kathmandu Ltd
7.6%	Mitre 10 Ltd (New Zealand)
6.1%	City Fitness Ltd
6.0%	Westland Dairy Company Ltd
5.6%	General Distributors Ltd (Countdown)
3.6%	ASB Bank Ltd
3.6%	VIP Plastic Packaging (NZ) Ltd
3.2%	Cardinal Logistics Ltd
2.0%	Hellers Ltd

Geographical Diversification³

by proportion of assets



Property Investments

Property Investment Vehicles	Property Value ¹	Value of Property Investments ³	% of Total Property Investments
JACKSON PETONE POS – 106–110 Jackson Street, Petone, Wellington	\$10,000,000	\$551,428	0.27%
PUKEKOHE MEGA POS – 12 Wrightson Way, Pukekohe, Auckland	\$23,750,000	\$610,013	0.30%
51 CORINTHIAN POS – 51 Corinthian Drive, Albany, Auckland	\$19,800,000	\$995,518	0.50%
9 CORINTHIAN POS – 9 Corinthian Drive, Albany, Auckland	\$36,100,000	\$1,893,894	0.94%
181 GRAFTON POS – 181 Grafton Road, Grafton, Auckland	\$24,350,000	\$2,000,966	0.99%
C&C POS – 618 Cameron Road, Tauranga	\$20,000,000	\$3,529,432	1.75%
UNIVERSAL DRIVE POS – 185–187 Universal Drive, Henderson, Auckland	\$24,500,000	\$3,793,647	1.91%
33 CORINTHIAN POS – 33 Corinthian Drive, Albany, Auckland	\$52,600,000	\$6,100,700	3.07%
HOME STRAIGHT PARK POS – 17–21 Home Straight, Te Rapa, Hamilton	\$65,300,000	\$6,536,777	3.21%
HENDERSON MEGA POS – 186 Lincoln Rd, Henderson, Auckland	\$41,250,000	\$6,719,004	3.33%
PASTORAL HOUSE POS – 25 The Terrace, Wellington	\$69,650,000	\$8,059,898	4.04%
100 HARRIS POS – 100 Harris Road, East Tamaki, Auckland	\$39,900,000	\$10,839,637	5.40%
OYSTER LARGE FORMAT RETAIL FUND – 260 Oteha Valley Road, Albany, Auckland	\$80,500,000	\$11,370,849	5.66%
CIDER POS – 4 Williamson Avenue, Ponsonby, Auckland	\$110,500,000	\$11,598,894	5.79%
OYSTER INDUSTRIAL LTD – Multi-Asset Portfolio of Industrial Property	\$176,150,000	\$16,500,719	8.27%
MILLENNIUM CENTRE POS – 600–604 Great South Road, Greenlane, Auckland	\$273,600,000	\$19,866,108	9.82%
TOTAL PROPERTY INVESTMENT VEHICLES	\$1,067,950,000	\$110,967,486	55.25%

Directly Owned Properties	Property Value ²	Value of Property Investments	% of Total Property Investments
107 HARRIS ROAD – East Tamaki, Auckland ⁴	\$10,900,000 ⁴	\$10,900,000 ⁴	5.44%
12 NEWLANDS ROAD – Newlands, Wellington	\$14,500,000	\$14,500,000	7.24%
6 HURRING PLACE – Newlands, Wellington	\$16,250,000	\$16,250,000	8.12%
35 HICKORY PLACE – Christchurch	\$17,600,000	\$17,600,000	8.79%
223 TUAM STREET – Christchurch	\$30,000,000	\$30,000,000	14.98%
TOTAL DIRECT PROPERTY	\$89,250,000	\$89,250,000	44.57%
TOTAL	\$1,157,200,000	\$200,217,486	100.00%

¹ The Property Value of the Property Investment Vehicles reflect the Fund's Assessment of Fair Value as at 30 September 2023.

² The Property Value for the Directly Owned Properties reflects independent valuations completed as at 30 September 2023.

³ Value of Property Investments - The Fund's proportionate share of the value of net assets in each Property Investment Vehicle based on management accounts. For further explanation, please refer to the Product Disclosure Statement.

⁴ The Fund entered into an unconditional sale and purchase agreement to sell 107 Harris Road, East Tamaki for \$10,900,000 in December 2023 and the property is scheduled to settle on 28 February 2024. The Property Value and Value of Property Investments has been updated to reflect the unconditional sale.

Property Investments



MILLENNIUM CENTRE POS
600–604 Great South Road, Auckland



9 CORINTHIAN POS
9 Corinthian Drive, Albany, Auckland



PUKEKOHE MEGA POS
12 Wrightson Way, Pukekohe, Auckland



51 CORINTHIAN POS
51 Corinthian Drive, Albany, Auckland



33 CORINTHIAN POS
33 Corinthian Drive, Albany, Auckland



100 HARRIS POS
100 Harris Road, East Tamaki, Auckland



OYSTER LARGE FORMAT RETAIL FUND
260 Oteha Valley Road, Albany, Auckland



181 GRAFTON POS
181 Grafton Road, Grafton, Auckland



C&C POS
618 Cameron Road, Tauranga



CIDER POS
4 Williamson Avenue, Ponsonby, Auckland



HENDERSON MEGA POS
186 Lincoln Road, Henderson, Auckland



HOME STRAIGHT PARK POS
17–21 Home Straight, Te Rapa, Hamilton



JACKSON PETONE POS
106–110 Jackson Street, Petone, Wellington



PASTORAL HOUSE POS
25 The Terrace, Wellington



UNIVERSAL DRIVE POS
185–187 Universal Drive, Henderson, Auckland



Directly Owned Properties

- 6 Hurring Place, Newlands, Wellington
- 107 Harris Road, East Tamaki, Auckland¹
- 12 Newlands Road, Newlands, Wellington
- 223 Tuam Street, Christchurch
- 35 Hickory Place, Christchurch

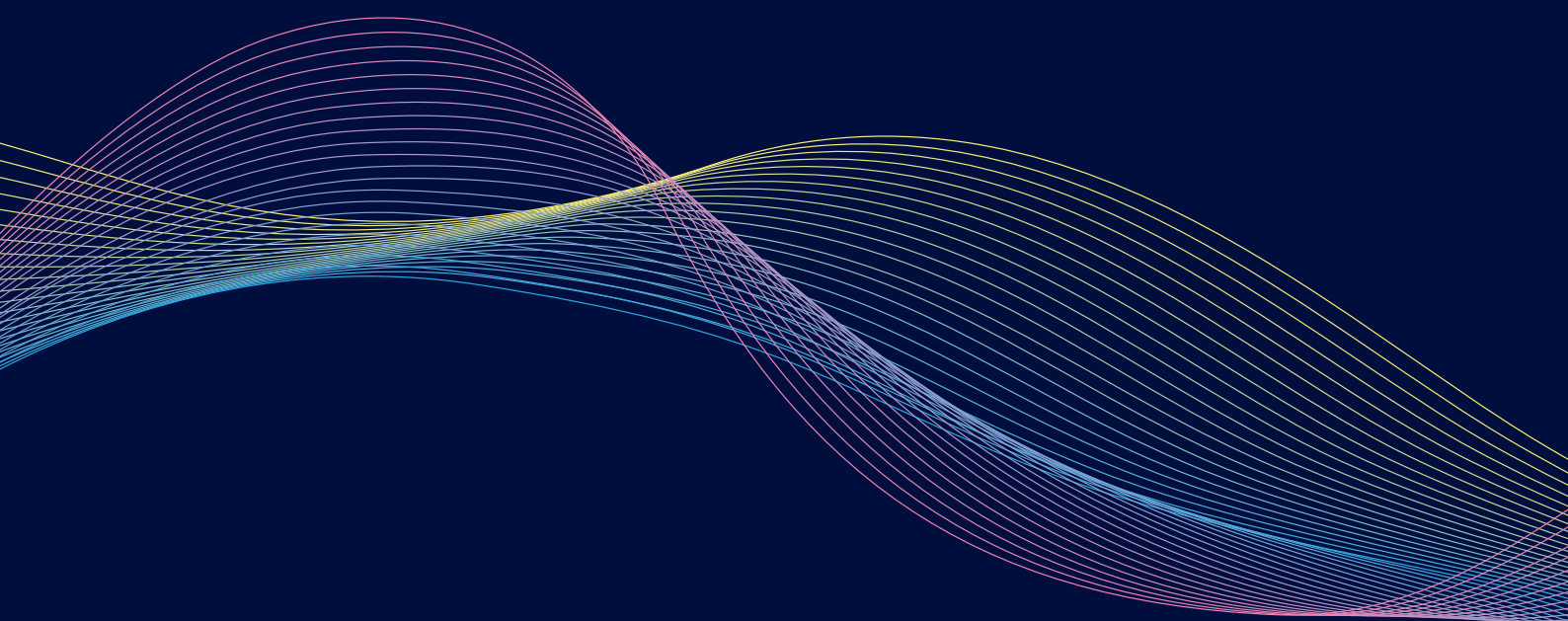


Oyster Industrial Limited

- 14–16 Makaro Street, Porirua, Wellington
- 71 Westney Road, Mangere, Auckland
- 75 Wainui Road, Lower Hutt, Wellington
- 77 Westney Road, Mangere, Auckland
- 67 Main North Road, Kaiapoi, Canterbury



¹ The Fund entered into an unconditional sale and purchase agreement to sell 107 Harris Road, East Tamaki for \$10,900,000 in December 2023 and the property is scheduled to settle on 28 February 2024.



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