



# INGHAMS HATCHERY SCHEME

## Product Disclosure Statement

Offer of interests in the Inghams Hatchery Scheme | 12 September 2023 | Issued by Silverfin Capital Limited  
This is a replacement Product Disclosure Statement which replaces the Product Disclosure Statement dated 18 July 2023

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 [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose). Silverfin Capital Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

# 1. KEY INFORMATION SUMMARY

## WHAT IS THIS?

This is an offer of interests in the Inghams Hatchery Scheme ('Scheme'). Your money will be pooled with other investors' money and invested. Silverfin Capital Limited ('Silverfin') invests the money in assets, being principally the two properties at 115 and 142 Brown Road, Tuakau, Waikato, and 87 Andrews Road, Onewhero, Waikato (each a 'Property' and together the 'Properties') and takes fees. The assets and fees are described in this document. By investing in this scheme, you are relying on the investment decisions of Silverfin and returns from the assets that the scheme invests in. There is a risk that you may lose some or all of the money you invest.

## WHO MANAGES THIS SCHEME?

Silverfin is the manager of the Scheme. See 'About Silverfin Capital Limited and others involved in Inghams Hatchery Scheme' on page 55 for more information.

## WHAT ARE YOU INVESTING IN?

This is a managed investment scheme. The Scheme has been structured as a long-term investment in commercial and agricultural real estate.

The investments in the Scheme will be used to acquire and manage the two Properties at 115 and 142 Brown Road, Tuakau, Waikato, and 87 Andrews Road, Onewhero, Waikato.

The Properties have one tenant – Inghams Enterprises (NZ) Pty Limited ('Tenant').

The Scheme has no fixed term. This means that there is no set date for the sale of the Properties or on which your investment will be returned. However, a decision to sell the Properties in the future and return funds to investors can be made by way of a 75% vote in favour by investors entitled to vote and voting (reducing to 50% vote in favour after five years). Each interest has one vote.

The Scheme will use the funds raised by this offer combined with a limited recourse bank funding facility from Rabobank New Zealand Limited ('Rabobank') to help fund the purchase of the Properties. The table below sets out the loan from Rabobank, combined with the investor subscriptions required to finance the Properties' purchase price and the associated costs to establish the Scheme (all in New Zealand dollars and GST exclusive):

Purchase Price	\$29,287,560
Establishment Costs	\$1,554,440
<b>Total</b>	<b>\$30,842,000</b>
<b>Funded by</b>	
Subscriptions from investors' 389 interests @ \$50,000)	\$19,450,000
Bank Loan	\$11,392,000
<b>Total</b>	<b>\$30,842,000</b>

The Rabobank bank loan is an interest only facility that will be secured primarily by way of first registered mortgage over the Properties for an initial term of 36 months.

### *Investment strategy*

The Scheme's investment strategy is to acquire and hold the Properties on a fully leased basis.

### *Investment Objectives*

The Scheme's investment objectives are to invest in the Properties as a long-term hold with a view to delivering the following key deliverables:

- providing a cash return of 7.5% per annum before tax;
- maintaining full occupancy of the Properties;
- maintaining the Loan to Value Ratio ('LVR') for Scheme borrowing at or below 55%;
- maintaining the interest cover ratio for Scheme borrowing at a level not less than 1.75 times;
- maintaining Net Tangible Assets ('NTA') of not less than 90% of NTA when the Properties were acquired; and
- preserving the investment made by the holders of interests in the Scheme.

## KEY TERMS OF THE OFFER

<b>Brief description of the managed investment products</b>	Interests in a managed investment scheme investing in real property
<b>Price per interest</b>	\$50,000
<b>Number of interests offered</b>	389
<b>Offer opening date</b>	26 July 2023
<b>Intended offer closing date</b>	11 October 2023*
<b>Liability for further payments</b>	Investors will only be liable to make further payments to the Scheme if there are insufficient funds to meet any obligation of the Scheme and a special resolution of investors resolving to make those payments is passed.
<b>Minimum subscription</b>	The minimum subscription is \$19,450,000 (389 interests of \$50,000).

\* This date is indicative only and may change.

## HOW YOU CAN GET YOUR MONEY OUT

Interests in the Scheme are not redeemable.

Silverfin does not intend to quote the interests in the Scheme on a market licensed in New Zealand. However, those financial products will be able to be traded on the Syndex platform. This means that you can sell your investment on the Syndex platform if there are interested buyers. You may receive less than the amount that you invested.

## KEY DRIVERS OF RETURNS

The current and future aspects of the Scheme that have, or may have, the most impact on its financial performance are:

**Interest Rates** – As a significant expense of the Scheme is interest payable to Rabobank, the financial performance of the Scheme will be affected by interest rates. Silverfin intends to carefully manage interest rate risk by applying a combination of fixed interest rates and/or floating rates as appropriate.

**Rental Income** – Rent received from the Tenant and rental increases provide annual rental receivable and potential growth that should have a positive impact on returns. Returns to investors could be affected if the Tenant fails to meet its obligations to pay rent or outgoings, vacates, or upon renewal or re-leasing the Properties, if the rent is less than the initial contract rent.

**Capital Value** – Increases and/or decreases in market rental rates will have an impact on the capital value of the asset. This may have a positive or negative impact on the capital value of investors' investments.

**Lease Renewal** – There is a long term 20-year lease to the Tenant with five ten-year rights of renewal. If the Tenant does not renew, significant additional re-leasing costs may be incurred and the rent received from a new tenant may be lower. This would affect returns to investors.

Silverfin's key strategies and plans for these matters are described in section 2 of this Product Disclosure Statement ('PDS') ('What Inghams Hatchery Scheme invests in').

## INGHAMS HATCHERY SCHEME'S FINANCIAL INFORMATION

	1 November 2023 (settlement date)	31 March 2024 (forecast)	31 Mar 2025 (forecast)	31 Mar 2026 (forecast)	31 Mar 2027 (forecast)	31 Mar 2028 (forecast)
<p><b>Gearing ratio</b></p> <p>The 'gearing ratio' is how much the Scheme owes (interest bearing debt) as a proportion of what it owns (assets). The higher the ratio, the higher the risk to the Scheme as it indicates that a higher portion of the Scheme's assets will need to be applied to repay its debt.</p>	35.73%	35.08%	34.70%	34.33%	33.98%	33.64%
<p><b>Interest cover ratio</b></p> <p>The 'interest cover ratio' tells you how much of the Scheme's income is used to pay interest on its loans. The higher the ratio, the more comfortably the Scheme's income can cover any interest owing.</p>	–	2.99 times	3.31 times	3.31 times	3.29 times	3.28 times
<p><b>Forecast cash return</b></p>	<p>7.5% projected pre-tax return for the first four full 12-month periods ending 31 March 2025, 2026, 2027 and 2028, paid monthly. This projected return of 7.5% p.a. is also forecast for the five months to 31 March 2024 (on an annualised basis).</p> <p>This return is not guaranteed, and the actual distribution rate may vary.</p>					
<p><b>Valuation of the Properties</b></p>	\$32,000,000 as at 12 September 2023					

### Valuation

An independent valuation of the Properties on a market value basis has been provided by Carl Waalkens, Director – Valuation and Advisory Services, Registered Practising Valuer, BProp, MPINZ, together with Samuel Cameron, Registered Practising Valuer, BProp, BCom, MPINZ, both of Bayleys Valuations Limited ('Bayleys') at a value of \$32,000,000 plus GST (if any) as at 12 September 2023. The valuation has been undertaken in accordance with the International Valuation Standards and relevant Australia and New Zealand Valuation and Property Standards. The valuation was prepared using both a capitalisation approach and a discounted cash flow analysis.

### KEY RISKS OF THIS INVESTMENT

Investments in managed investment schemes are risky. You should consider whether the degree of uncertainty about Inghams Hatchery Scheme's future performance and returns is suitable for you. The price of these interests should reflect the potential returns and the particular risks of these interests. Silverfin considers that the most significant risk factors that could affect the value of the interests in the Scheme are:

**Tenant Default/Cancellation Risk:** The Scheme will invest principally in the Properties with a single tenant (rather than in a diversified portfolio of assets, like many other managed investment schemes do). If the Tenant does not trade well or

experiences significant financial problems resulting in non-payment of their rent or outgoings, this could affect investors' returns. If the lease is cancelled, rental income would cease and costs would be incurred in re-leasing, with a vacancy period likely, together with the potential for less annual rental.

**Interest rates:** The Scheme will fund a significant proportion of the Properties' purchase price through a bank loan. As a result (and unlike many other managed investment schemes), the main expense of the Scheme will be interest payable. Any significant upward movement may affect investors' returns.

**Liquidity:** Property syndicates are relatively illiquid and an investor may not be able to sell their interest in the Scheme prior to the sale of the Properties. Alternatively, an investor may not be able to sell their interest for the same amount as they paid for it.

This summary does not cover all of the risks. You should also read section 7 of the PDS ('Risks to returns from Inghams Hatchery Scheme').

### WHAT FEES WILL YOU PAY?

The table on the next page summarises the fees and expenses that you will be charged to invest in this scheme. Further information about fees is set out in section 8 of the PDS ('What are the fees?').

**Establishment costs (one off fees and expenses charged to the Scheme on its establishment)**

Silverfin and associated persons' fees

Offeror's fee	512,532
Brokerage fee	389,000
Accountancy fee	10,000
Underwrite fee	104,000
<b>Silverfin and associated persons' total fees for establishment of the Scheme</b>	<b>\$1,015,532</b>

**Other fees and expenses**

Legal fees^	140,000
Marketing and issue costs^	100,000
Bank fees	14,000
Supervisor's fee	12,000
Audit fees	20,000
Valuation fees^	25,000
Inspection fees^	5,000
Other Underwrite Fees	172,000
Other fees, contingency, and working capital^	50,908
<b>Total other persons' fees and expenses</b>	<b>\$538,908</b>
<b>Total fees and expenses for establishment of the Scheme</b>	<b>\$1,554,440</b>

^ These amounts are reasonable estimates. The actual amount charged to the Scheme will reflect the amount invoiced by the relevant third party.

**Ongoing fees and expenses payable for the duration of the Scheme**

Silverfin's and its associated persons' aggregate fees for accounting periods to-

31 March 2024 (being five months) are estimated to be ongoing fees and expenses of \$46,667 plus GST and establishment costs of \$1,015,532 plus GST which, in total, as a percentage of net asset value is estimated to be 5.16%

31 March 2025 are estimated to be \$98,000 plus GST which as a percentage of net asset value is estimated to be 0.48%

31 March 2026 are estimated to be \$98,000 plus GST which as a percentage of net asset value is estimated to be 0.48%

31 March 2027 are estimated to be \$114,000 plus GST which as a percentage of net asset value is estimated to be 0.56%

31 March 2028 are estimated to be \$114,000 plus GST which as a percentage of net asset value is estimated to be 0.56%

Other persons' aggregate fees and expenses (including interest payments) for the accounting periods to-

31 March 2024 (being five months) are estimated to be ongoing fees and expenses of \$374,612 plus GST and establishment costs of \$538,908 plus GST which, in total, as a percentage of net asset value is estimated to be 4.44%

31 March 2025 are estimated to be \$846,364 plus GST which as a percentage of net asset value is estimated to be 4.13%

31 March 2026 are estimated to be \$847,487 plus GST which as a percentage of net asset value is estimated to be 4.15%

31 March 2027 are estimated to be \$846,705 plus GST which as a percentage of net asset value is estimated to be 4.16%

31 March 2028 are estimated to be \$847,339 plus GST which as a percentage of net asset value is estimated to be 4.16%

**HOW WILL YOUR INVESTMENT BE TAXED?**

The Scheme is a portfolio investment entity (PIE).

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). This can be 0%, 10.5%, 17.5% or 28%. See section 9 of the PDS ('Tax') on page 52 for more information.





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## 2 WHAT INGHAMS HATCHERY SCHEME INVESTS IN

### KEY FEATURES OF THE SCHEME

The key features of the Scheme are set out in this section.

#### Description of the Properties

Number of Properties in the portfolio	Two
Portfolio weighted average lease term (WALT)	20 years
Portfolio occupancy	100%
Total combined land area	44.57 ha
Total combined annual rent	\$2,269,786

	Property Address	Property Type	Net Lettable Area	Land Area	Net Annual Rent
1	87 Andrews Road, Onewhero	Breeder Farm	5,371 sqm	5.50 ha	\$215,696
2	115 and 142 Browns Road, Tuakau	Breeder Farm and Hatchery	40,685 sqm	39.10 ha	\$2,054,090
			<b>46,056 sqm</b>	<b>44.60 ha</b>	<b>\$2,269,786</b>

#### Legal descriptions

Property and address	Title reference	Estate	Legal description	Land Area	
115 and 142 Browns Road, Tuakau	115B Brown Road, Tuakau	NA13B/941	Fee Simple	Part Lot 2 DP 26117	4.5502 ha
	Brown Road, Tuakau	NA13B/940	Fee Simple	Lot 1 DP 58760	0.1012 ha
	164 Brown Road, Tuakau	NA16B/130	Fee Simple	Lot 1 DP 60675	5.6580 ha
	142 Brown Road, Tuakau	NA15B/1252	Fee Simple	Lot 1 DP 50544 Lot 1 DP 55153	0.5397 ha
	171 Roberts Road, Tuakau	NA1520/25	Fee Simple (limited as to parcels)	Allotment 15 Suburbs of Tuakau	4.0469 ha
	Brown Road, Tuakau	NA751/88	Fee Simple (limited as to parcels)	Allotment 14 Suburbs of Tuakau	4.0469 ha
	92 Brown Road, Tuakau	NA1520/26	Fee Simple (limited as to parcels)	Allotment 13 Suburbs of Tuakau	4.0469 ha
	115A Brown Road, Tuakau	NA752/317	Fee Simple (limited as to parcels)	Lot 1 DP 26117	16.1040 ha
87 Andrews Road, Onewhero	SA41C/902	Fee Simple	Lot 4 DP 45519	5.4772 ha	
				<b>44.5710 ha</b>	



## THE TENANT

The sole tenant of the Properties is Inghams Enterprises (NZ) Pty Limited, which is an Australian-incorporated company registered in New Zealand as an overseas company and is a wholly-owned subsidiary of ASX listed Inghams Group Limited.

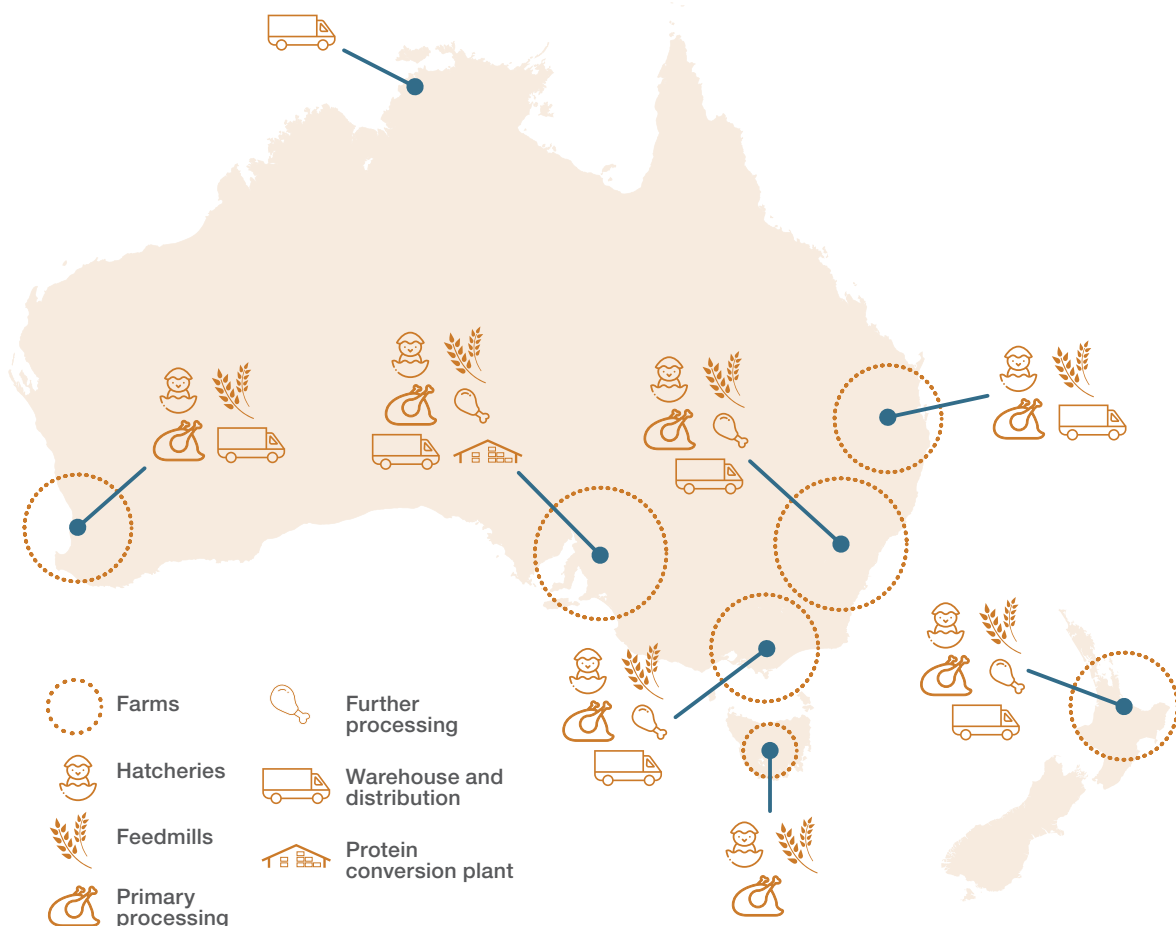
Silverfin Capital have a four-year relationship with the Tenant, as (in effect) their landlord on behalf of a portfolio of properties owned by two existing Silverfin property syndication schemes. We have only had positive dealings with the Tenant and our good relationship has resulted in this latest opportunity.

The Tenant is a farmer, producer and distributor of poultry and stockfeed products across Australia and New Zealand. The Tenant's parent company was founded as a family business in 1918 by Walter Ingham in Liverpool, New South Wales. After their father's death in 1953, Walter's sons, Bob and Jack Ingham, expanded the business through a combination of organic growth and acquisitions and after 80 years of family ownership Bob Ingham sold the business in March 2013 to TPG, an investment firm with over \$70 billion of assets under management. In November 2016, the Tenant's parent company Inghams Group Limited was taken public and listed on the

Australian Stock Exchange (ASX:ING). As of 7 September 2023, Inghams Group Limited had a market capitalisation of approximately AU\$1.27 billion. The parent company does not guarantee the Tenant's obligations under the lease.

Based in the Waikato region, the Tenant has been operating in New Zealand as a fully integrated chicken company since 1990, when Inghams Group Limited purchased the complete operations of Harvey Farms in New Zealand. Over the past 30 years, the Tenant's New Zealand operations have expanded to make it become one of New Zealand's largest poultry companies.

Today the Inghams Group is the largest integrated poultry producer in Australasia. The Inghams Group has a comprehensive network of processing and distribution facilities across Australia and New Zealand, processing over four million birds per week and with a workforce of 8,000. The Inghams Group also holds strong market positions across the Australian turkey, Australian stockfeed and the New Zealand dairy feed industries.





## PROPERTY DESCRIPTIONS

The Properties, located at 115 and 142 Brown Road, Tuakau and 87 Andrews Road, Onewhero, consist of two poultry farms held over multiple freehold sites, with a total land area of 44.6 hectares and a total floor area for all improvements of approximately 46,056 square meters (sqm).



### 87 ANDREWS ROAD

87 Andrews Road is held in a single title of 5.5 hectares. The site is improved with multiple buildings of approximately 5,371 sqm including three standalone poultry sheds, a residential building (to house staff members) and ancillary buildings including office and amenities, egg fumigation / chilled space and a storage shed.

Two of the poultry sheds (labelled A and B) were constructed in the 1990s and extended in 2007 and provide space for 7,200

birds. Construction comprises concrete block nib wall with long-run metal wall above, long-run metal roof and concrete slab floor. The third poultry shed (labelled C) was constructed circa 2018 and is of a similar construction, however, it has insulated panel cladding throughout and provides space for 12,600 birds. To the north of the shed is a secondary building platform for the possible future construction of a fourth shed.

## 115 AND 142 BROWN ROAD

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115 and 142 Brown Road consists of 39.1 hectares of land across eight freehold titles with frontage and access available from Brown Road and Roberts Road. The improvements have a total floor area of approximately 40,685 sqm and include the substantial hatchery facility, 25 poultry sheds, fourteen residential dwellings (occupied by staff) as well as offices, storage and sundry facilities.

The 25 poultry sheds are all single storey structures of varying age, length, width, structural systems and cladding. All sheds have concrete floor slabs. A condition assessment was completed by engineers, Stiles & Hooker Limited, and revealed no visible structural issues.

The hatchery located at 115 and 142 Brown Road makes up a majority of the value of the improvements on this site with a replacement cost that is estimated at ~\$20 million. The hatchery was completed in 2014 with an extension added in

2017/2018 creating a total floor area of 3,566 sqm. The building contains amenities and offices areas as well as female and male biosecurity showers and washing area. The main area of the hatchery includes egg storage with capacity to store up to one million eggs, setter rooms, hatcher rooms and chick processing and storage rooms as well as a truck loading dock. The building is made up of concrete floors, steel portal frames and steel roof purlins.

The fourteen residential dwellings are occupied by staff members and a sub-lease arrangement will be put in place between the Tenant and their employees. The Scheme will not be responsible for any of the tenancy arrangements relating to the residential dwellings. The houses are all timber framed construction with timber floors and timber subfloor. All houses comply with healthy home standards (or will comply from the settlement date at the Vendor's expense) and reveal no visible structural issues.



## IMPROVEMENT WORKS

Post settlement, the Tenant will be upgrading and extending the poultry sheds to bring them in line with their rigorous quality standards. These initial improvement works will be funded by the Tenant and will not attract an additional improvements rent.

A summary of the initial improvement works is contained in the below table, noting that this is indicative only and the Tenant is currently finalising the work plan.

Remedial Works	Description	Purpose of works
<b>New amenities, Fume/Cool Rooms for access and separation</b>	Installation of new amenities such as showers and change rooms to segregate access to various breeder farms for biosecurity.  Installation of new fume and cool rooms for egg storage at each breeder farm to fumigate eggs at source before intermingling with other eggs at the hatchery.	To improve the general biosecurity of the site by adding separation between various farms and to bring up to Inghams' minimum standards.
<b>Installation of / Extension of concrete pads for farm clean out</b>	Installation of / extension of concrete pads at the ends of each shed for the purpose of equipment wash down and sanitisation.	To improve the general biosecurity of the site by adding separation between various farms and to bring up to Inghams' minimum standard.
<b>Installation of rodent control strips</b>	Installation of 1m wide and 15cm deep coarse rock/gravel strips around each shed that does not currently have them.	To prevent rodent activity from entering sheds to reduce salmonella risk.
<b>Fencing works</b>	Installation of fencing and walk ways around certain sites for access control and separation for biosecurity.	To improve the general biosecurity of the site by adding separation between various farms and to bring up to Inghams' minimum standards.
<b>Ventilation upgrades</b>	Removal of existing under powered fans, and installation of new high power fans at each shed.	To improve air flow inside sheds for proper ventilation and prevention of disease.
<b>Auto nesting systems</b>	Installation of auto nest boxes inside sheds that currently don't have them.	To automate the egg collection process inside sheds.
<b>Feeding system upgrades</b>	Replacement of existing feeding systems inside sheds with new systems.	To automate the feed delivery process inside sheds.
<b>Water sanitation upgrades</b>	Installation of dosatron, pumps and water meters in those sheds which currently don't have them.	To improve the water quantity and quality fed to birds inside sheds.

As a precursor to these improvement works a number of older poultry sheds will be demolished at the Vendor's expense prior to settlement. The sheds to be demolished are circled in the

plan shown on the following page and are not considered in the Stiles & Hooker Limited condition assessment report.





## LOCATION

The Properties are situated 15kms from each other on the outskirts of the rural Waikato areas of Onewhero (87 Andrews Road) and Tuakau (115 and 142 Brown Road), to the south of Pukekohe and to the south-west of Pokeno. The surrounded areas are predominantly rural used for horticultural purposes, as well as rural residential and lifestyle blocks.

State Highway One (SH1) is easily accessed from the Properties via Pokeno and Mercer. SH1 is the main arterial route travelling in a north to south direction through New Zealand providing ease of access to Auckland (approximately 60kms to the north) and Hamilton (approximately 70km to the south).

The Properties are strategically located to support the Tenant's operations and will play a key part in its overall supply chain.

## STATEMENT OF INVESTMENT POLICY AND OBJECTIVES AND INVESTMENT STRATEGY

Silverfin has adopted a Statement of Investment Policy and Objectives ('SIPO') for the Scheme which sets out its investment policies, objectives and strategies for the Scheme in respect of its investment in the Properties as well as the policies it will apply in respect of its management and its investment performance monitoring benchmarks. A copy of the SIPO is available on the scheme register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

The investment strategy of the Scheme is to acquire and hold the Properties on a fully leased basis.

The Scheme's investment objectives are to invest in the Properties as a long-term hold with a view to delivering the following key deliverables to investors:

- Provide investors with a cash return of 7.5% per annum before tax on the investor's original investment. The cash return does not take into account any increase or decrease in the value of the Properties or any other non-cash items;
- Maintain full occupancy of the Properties;
- Maintain the LVR for Scheme borrowing at or below 55%;
- Maintain the interest cover ratio for Scheme borrowing at a level not less than 1.75 times (i.e. the net operating income from the Properties is at least 1.75 times the interest cost);
- Maintain NTA of not less than 90% of NTA when the Properties were acquired; and
- Preserve the investment made by the holders of interests in the Scheme.

Silverfin will strategically manage the Scheme, recommending to investors where necessary development, expansion or disposal options to ensure that the Properties remains current in the market and to maximise their potential. Any such recommendation will be subject to the approval of investors in accordance with the Deed of Participation constituting the Scheme (if required under the Deed of Participation) and would be reflected in a change to the SIPO.

Set out below is an outline of key investment policies that Silverfin will follow in the management of the Scheme:

- **Liquidity and cash flow management:** the Scheme needs to be structured and managed to ensure it can meet any reasonable level of operating expense. Liquidity and cash flow requirements are considered prior to making investor distributions, ensuring that a reasonable level of cash is available. This is based on Silverfin's management's and directors' assessment, with the support of appropriate professional advisers as required;

- **Leverage and hedging policy:** the debt in the Scheme will be no more than 55% of the gross asset value of the Properties. Hedging may be considered during the course of the investment's life for the purposes of providing certainty over interest to be paid and managing volatility in interest rates;
- **Interest rate policy:** Silverfin will adopt and frequently reassess the appropriate interest rate policy for the Scheme depending on the following factors: economic and market conditions, overall Scheme risk profile, weighted average lease term, cash flow impacts, the condition of the Properties and any requirements for structural repairs, maintenance or capital works, flexibility requirements of the Scheme, and prevailing market interest rates;
- **Distribution:** to provide investors with monthly cash distributions equal to a minimum pre-tax cash return of 7.5% per annum, subject to adjustment where required to reflect the Scheme's circumstances (note that PIE tax will be deducted from distributions, where applicable);
- **Conflicts of interest:** all conflicts of interest are required to be disclosed and recorded and any potential related party transactions will be addressed appropriately. This is complemented by restrictions placed on Silverfin, its directors and staff when investing or trading in any Silverfin-managed scheme;
- **Interest cover:** net operating income is to be maintained at not less than 1.75 times the interest payments; and
- **Capital expenditure:** to monitor the general condition of the Properties and to ensure ongoing routine repairs and maintenance for the buildings and other relevant services are undertaken as required with a high level of workmanship.

The SIPO (including the investment strategy) may be amended by Silverfin in consultation with the supervisor of the Scheme, being Trustees Executors Limited. Where a change requires investor approval (for example, if it relates to a proposed major development or expansion of a Property) Silverfin will follow the process in the Deed of Participation to seek that approval, and the change will not take place unless and until that approval is obtained. If investor approval is not required, Silverfin will provide investors with one month's written notice before implementing and adopting the change (unless Silverfin and the Supervisor agree that the change is not material).

## MANAGEMENT OF THE SCHEME

The Scheme will be managed by Silverfin who will conduct the day-to-day facilities and property management services for the Properties. Silverfin will ultimately be responsible and liable for all management functions, but may appoint a local management agency to assist it. See section 10 of this PDS ('About Silverfin Capital Limited and Others involved in Inghams Hatchery Scheme') for further information.

The key personnel of Silverfin are:



### MILES BROWN

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Miles is the Chief Executive Officer of Silverfin. He is an experienced property professional with a successful property career of 25 years with employment in multinational corporations in New Zealand, Asia and Europe.

Prior to Silverfin, Miles spent 14 years at Kiwi Property Group Limited in several roles including Head of Transactions and General Manager of Commercial Portfolio as part of the key executive team reporting directly to the Chief Executive Officer of the \$3 billion fund.

Miles holds a Bachelor of Property and Master of Business Administration.

**Miles, in conjunction with the Chief Financial Officer and property team, oversees all aspects of the Scheme and the Properties as part of his role.**



### VEDANT DESAI

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Vedant is the Chief Financial Officer at Silverfin and has a Bachelor of Commerce and a Bachelor of Business Systems. He has been a member of the Chartered Accountants of Australia and New Zealand since 2010. Vedant has extensive experience in the property sector and recently returned from the UK.

**Vedant will provide financial oversight for the Scheme and in particular be responsible for overseeing all of the compliance reporting requirements.**

## PURPOSE OF OFFER & ALLOCATION OF FINANCE

The purpose of the offer is to raise funds, which together with bank financing, will allow the Scheme to purchase the Properties.

The money raised together with the bank financing will be allocated as follows (GST exclusive):

<b>Purchase Price</b>	\$29,287,560
<b>Establishment Costs</b> <i>(including \$50,908 other fees, contingency and working capital)</i>	\$1,554,440
<b>TOTAL</b>	<b>\$30,842,000</b>
<b>Funded by</b>	
Investor Subscriptions	\$19,450,000
Bank Loan	\$11,392,000
<b>TOTAL</b>	<b>\$30,842,000</b>

The above costs relate to the SIPO and the objectives and strategy of the Scheme as follows:

### Purchase price

The sole intention of the investment strategy is to acquire the Properties for long term hold.

### Establishment costs

The establishment costs (one off fees and expenses charged to the Scheme on its establishment) are:

<b>Silverfin and associated persons' fees</b>	
Offeror's fee	512,532
Brokerage fee	389,000
Accountancy fee	10,000
Underwrite fee	104,000
<b>Silverfin and associated persons' total fees for establishment of the Scheme</b>	<b>\$1,015,532</b>

### Other fees and expenses

Legal fees <sup>^</sup>	140,000
Marketing and issue costs <sup>^</sup>	100,000
Bank fees	14,000
Supervisor's fee	12,000
Audit fees	20,000
Valuation fees <sup>^</sup>	25,000
Inspection fees <sup>^</sup>	5,000
Other Underwrite fees	172,000
Other fees, contingency, and working capital <sup>^</sup>	50,908
<b>Total other persons' fees and expenses</b>	<b>\$538,908</b>
<b>Total fees and expenses for establishment of the Scheme</b>	<b>\$1,554,440</b>

The offeror's fee reflects Silverfin's identification of the Properties and negotiation with the Vendor and the Tenant of acceptable terms, as well as managing of the subsequent syndication process through to settlement of the transaction.

The brokerage, marketing, underwriting, supervisor's and bank fees are necessary to ensure the successful completion of the offer and raising the funds without which the investment strategy will not be able to be implemented. The brokerage fee may be on-paid by Silverfin to a third-party broker as appropriate.

The legal fees relate to the establishment of the Scheme structure, the negotiation and finalisation of the transaction documentation, financing and settlement of the Properties.

All other fees primarily relate to due diligence on the Properties and the investment in order to determine whether the investment strategy is feasible.

Fees marked (^) are Silverfin's best estimates, based on its experience and the information known to it all at the date of this PDS, and they may be subject to change. All other amounts are fixed fees and cannot be increased. Details of the fees and expenses incurred by the Scheme will be included in the Scheme's annual report, however investors will not be specifically notified of such change.

## APPLICATION OF FUNDS, MINIMUM SUBSCRIPTION, AND UNDERWRITE

Upon settlement of the purchase of the Properties all money raised, along with the bank borrowings, will be applied to settle the Properties and pay the establishment costs. The use of the money raised will not change before settlement or as a result of the amount raised (as a fixed sum is sought).

The minimum subscription is for \$19,450,000 (389 interests), to be raised from investor subscriptions. The offer is partially underwritten up to a total of \$6,900,000 (138 interests) by the Silverfin Underwrite Investment Fund, an entity associated with Silverfin, as well as three other underwriters. This means that a minimum of \$12,550,000 (251 interests) needs to be subscribed for by investors other than the underwriters in order for the Scheme to proceed.

Silverfin may arrange further underwriters as the offer proceeds.

## ASPECTS OF THE SCHEME THAT HAVE, OR MAY HAVE, THE MOST IMPACT ON ITS FINANCIAL PERFORMANCE AND STRATEGIES AND PLANS TO ADDRESS THEM

ASPECT IMPACTING FINANCIAL PERFORMANCE	EXPLANATION AND KEY STRATEGIES AND PLANS
<b>Changes in Interest Rates</b>	As a significant expense of the Scheme is interest payable to Rabobank (or any replacement funder), the financial performance of the Scheme will be affected by interest rates. Silverfin intends to carefully manage the interest rate risk by applying a combination of fixed interest rates and/or floating rates as appropriate. Silverfin initially intends entering into three to five-year interest rate 'swaps' over the full amount of the loan amount (with the period chosen depending on pricing). The swaps will fix interest rates for a three to five-year term from settlement, removing interest rate volatility over that period.
<b>Reliance on rental income</b>	Rent received from the Tenant and rental increases provide annual rental receivable and potential growth that should have a positive impact on returns. The Tenant, Inghams Enterprises (NZ) Pty Limited, is a wholly-owned subsidiary of Australian listed company Inghams Group Limited. Whilst not guaranteed by the parent company the Tenant is a subsidiary of a major multinational company. As a result, Silverfin considers the likelihood of the Tenant defaulting to be low. However, returns to investors could be affected if the Tenant fails to meet its obligations to pay rent or outgoings, vacates, or upon renewal or re-leasing the Properties, if the rent is less than the initial contract rent.
<b>Changes in Capital Value</b>	Increases and/or decreases in market rental rates will have an impact on the capital value of the asset. This may have a positive or negative impact on the capital value of investors' investments. Silverfin will strategically manage the Properties recommending to investors where necessary development, expansion or disposal options to ensure that Properties remains current in the market and to maximise their potential (and therefore likely value).
<b>Lease renewal</b>	The initial 20-year term of the lease expires in 2043, although the Tenant has the right to renew the lease for up to five further terms, each for a period of ten years. If the Tenant does not renew, significant additional re-leasing costs may be incurred and the rent received from a new tenant may be lower than that paid by the Tenant. Silverfin will actively manage the relationship with the Tenant to achieve lease renewal when required and to extend the Tenant's commitment to the site.

## NATURE OF RETURNS AND KEY FACTORS THAT DETERMINE RETURNS

Investors may receive the following returns in respect of their interest:

- Distributions of operating cash flows of the Scheme relative to their respective interests; and
- Any gains which result from the net sale proceeds of the Properties exceeding the purchase price for the Properties, the cost of any future capital expenditure incurred by the Scheme, and the establishment costs.

The key factors that will affect the returns are listed below. The policies and objectives above guide Silverfin to manage these in response to changing economic settings.

**Rental income** – The Tenant's lease has annual 2% rent increases, with the first rent increase being scheduled for the first anniversary of the settlement date. This will have a positive impact on the returns to investors.

After the initial 20-year term the lease contains five Rights of Renewal of 10 years each. Market rent reviews are due to occur on the lease renewal dates (i.e. on the 20th, 30th, 40th, 50th, and 60th anniversaries of the commencement date).

The market rent cannot be less than 95% of the rent payable immediately prior to the market rent review date. The market rent will be the lower of the market rent and the rent payable immediately before the market rent review date. This means that, on these market rent review dates, the rent could reduce by up to 5% but could not increase.

**Capital value** – Increases and or decreases in market rental rates and market yields for commercial properties will have an impact on the capital value of the asset. This may have a positive or negative impact on the capital value of investors' investments.

**Finance** – the acquisition of the Properties will be funded in part by bank financing from Rabobank for \$11,392,000.

A significant expense of the Scheme is interest payable to the bank, meaning the financial performance of the Scheme will be affected by interest rates. Rabobank have offered loan terms at an interest rate of 1.90% above the 90-day Bank Bill Benchmark Rate ('BKBM') for a 36-month term.

The indicative floating interest rate at 7 September 2023 is 7.55% (being BKBM of 5.65% plus the bank margin of 1.90%). However, Silverfin intends to manage the interest rates by fixing rates for a three to five-year period, which will remove exposure to interest rate volatility. This will be accomplished via entering into a three to five-year swap arrangement (with the period chosen depending on pricing).

As at 7 September 2023, the anticipated three year swap rate is 5.14%, the anticipated four year swap rate is 4.97%, and the anticipated five year swap rate is 4.87%. The total interest rate (base rate plus margin) based on a three-year swap would therefore be 7.04% (6.87% based on a four-year swap and 6.77% based on a five-year swap). This interest rate will be subject to movement prior to entering into the swap arrangements.

**Operational costs** – The lease is effectively a triple-net lease with the Tenant meeting all operating expenses and capital expenses up to a certain threshold.

**Capital costs** – There may be circumstances where the Scheme is required to fund expenses of a capital nature for repairs or the cost of expansion works. Where this occurs improvements rent would be payable by the Tenant. However, if the additional rent this is not sufficient to cover the full cost of works then returns to investors could be affected.

## ACQUISITION OF KEY PROPERTY

### Property valuation

An independent valuation of the Properties on a market value basis has been provided by Carl Waalkens, Director – Valuation and Advisory Services, Registered Practising Valuer, BProp, MPINZ together with Samuel Cameron, Registered Practising Valuer, BProp, BCom, MPINZ, both of Bayleys at a value of \$32,000,000 plus GST (if any) as at 12 September 2023.

The valuation has been undertaken in accordance with the International Valuation Standards and relevant Australia and New Zealand Valuation and Property Standards. The valuation was prepared using both a capitalisation approach and a discounted cash flow analysis.

A copy of the valuation report can be found on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) by searching 'Inghams Hatchery' under offers.

The valuation is based upon the key assumptions:

- The valuation assumes breeding houses D1 – D6 at 115 and 142 Brown Road have been demolished.
- The valuation assumes each residential dwelling is compliant with Healthy Homes Standards.
- The valuation assumes the lease described in this PDS is in place.
- The valuation assumes that the Tenant does not activate the expansion works clause in the lease (as an adjustment to the lease terms and contract rental would then apply).

The valuation report also includes certain other assumptions made by Bayleys in undertaking the valuation. Silverfin does not believe the key assumptions above or any of the other assumptions in the valuation are unreasonable, based on its management's significant experience obtaining and considering valuation advice.

The valuation report has been made available to investors by Bayleys for the purposes of the Scheme and for use by prospective investors on a non-reliance basis. It contains important information that prospective investors should read.

Bayleys has consented in writing to the PDS including information from, and references to, the valuation in the form and context in which they are included, and agreed and acknowledged that the register will include the valuation.



## REAL PROPERTY

This section summarises important information comprised in:

- the lease of the Properties;
- the records of title for the Properties and all interests registered on the records of title;
- the Land Information Memorandums issued by the North Waikato District Council;
- The Deed of Covenant;
- The Sale and Purchase Agreement; and
- The building condition report.

## THE LEASE

An agreement to lease has been entered into with the Tenant dated 17 February 2023, which has the draft lease attached. The terms of the agreement to lease and lease have been varied by the deed of variation of agreement to lease dated 8 May 2023. An executed lease will be provided on settlement.

The Properties will be fully leased to the Tenant from the settlement date and the key lease terms will be as follows:

<b>Tenant</b>	Inghams Enterprises (NZ) Pty Limited
<b>Guarantees</b>	Nil
<b>Properties</b>	115 and 142 Brown Road, Tuakau, Waikato. 87 Andrews Road, Onewhero, Waikato
<b>Term</b>	20 years
<b>Commencement Date</b>	Settlement date
<b>Rights of Renewal</b>	Up to five rights of 10 years each
<b>Rent</b>	\$2,269,786 plus GST per annum
<b>Outgoings</b>	This lease is effectively a 'triple net lease' and all usual outgoings are recoverable from the Tenant in addition to the rent. The Scheme is not permitted to charge any management expenses to the Tenant.

<b>Percentage rent review</b>	2.0% annual increases for the entire term of the lease (except on lease renewal dates, when a market rent review applies).
<b>Market rent review</b>	<p>The lease contains five Rights of Renewal of 10 years each. Market rent reviews are due to occur on the lease renewal dates (i.e. on the 20th, 30th, 40th, 50th, 60th and 70th anniversaries of the commencement date.</p> <p>The market rent cannot be less than 95% of the rent payable immediately prior to the market rent review date. The market rent will be the lower of the market rent and the rent payable immediately before the market rent review date.</p>
<b>Maintenance and Repair Obligations</b>	<p>Tenant responsibilities include:</p> <p>(a) to keep the Properties in good and tenantable repair and promptly repair any damage caused by the Tenant; and</p> <p>(b) to carry out all capital repairs (refer to below).</p>
<b>Capital Repairs</b>	<p>The Tenant must carry out all capital repairs where the cost of doing so is less than the threshold amount of \$250,000 (excluding GST). Capital repairs includes structural repairs or replacement, repairs or upgrades to the Scheme's property or repairs or upgrades to any building services.</p> <p>Where the costs of the capital repairs are more than the threshold amount then the Tenant may require the Scheme to reimburse the costs. Improvements rent is payable by the Tenant in these circumstances using the same process that applies to expansion works (see below). The improvements rent is the development costs and financing costs associated with the capital costs, multiplied by the then-current 30-day Bank Bill Benchmark Rate (BKBM), expressed as a percentage, plus 3.45%. For example, if the development costs and financial costs total \$1,000,000, and the then BKBM is 5.0%, then the improvements rent would be: \$1,000,000 x 8.45% to equal \$84,500 per annum.</p> <p>The improvements rent is payable by the Tenant on a monthly basis in addition to the ordinary rent payable by the Tenant.</p> <p>The Tenant is not required to carry out capital repairs in the last five years of the term, unless the Tenant has exercised its right of renewal.</p> <p>Silverfin and the Tenant must meet once every 12 months to discuss any capital repairs that are expected to be required in the next 12 months. Discussion of capital repairs does not oblige the Tenant to undertake the capital repair.</p> <p>The Tenant must not serve a capital repairs notice in the first five years of the initial term.</p> <p>If the capital works are funded by the Scheme, Silverfin has the ability to extend the lease in line with the provisions for expansion works as detailed below.</p> <p>Silverfin believes that any required capital works contributions could be funded by additional bank funding and/or cash flow. However, if this is not possible, it may be necessary to issue further Interests or, under a worst case scenario, seek additional funds from existing investors (both of which would require the approval of a special resolution of investors).</p>

## Expansion Works

Silverfin and the Tenant must meet once every 12 months to discuss any expansion works that are expected to be required in the next 12 months. Discussion of expansion works does not oblige the Tenant to undertake the expansion works.

The Tenant may, after consultation with Silverfin, serve an expansion works notice on the Scheme to upgrade or extend an existing building or construct a new building. An expansion works notice must include design intent and a scope of works for the proposed expansion works.

The Tenant must pay for the expansion works if the cost of those works is less than the threshold amount of \$3 million (exclusive of GST). If the cost of expansion works exceeds the threshold amount, the Scheme must fund the cost, up to a maximum value of \$5 million (expansion works cap). Expansion Works Rent is payable by the Tenant where the Scheme has contributed to the cost of the expansion works.

Following the delivery of the expansion works notice, the Tenant must also deliver to Silverfin a preliminary cost budget and indicative construction programme. If the Tenant requires the Scheme to fund the expansion works, then the Tenant must consider Silverfin's reasonable comments relating to the budget and construction programme. Any amendments to the budget and construction programme must be delivered to Silverfin.

The Tenant must then engage consultants to produce detailed plans and specifications relating to the expansion works, and provide these to Silverfin. The detailed plans and specifications must confirm to the content, quality and intent of the original design intent and scope of works for the proposed expansion works provided to Silverfin in the expansion works notice.

After the detailed plans and specifications are completed, the Tenant must obtain all approvals required for the construction of the expansion works and also obtain competitive price tenders or proposals from all required consultants and contractors to undertake the expansions works. Once all necessary approvals are obtained, the Tenant must then complete the expansion works in accordance with the plans and specifications.

The Expansion Works Rent is the development costs and financing costs associated with the capital costs, multiplied by the then-current 30-day Bank Bill Benchmark Rate (BKBM), expressed as a percentage, plus 3.45%. For example, if the development costs and financial costs total \$4,000,000, and the then BKBM is 5.0%, then the improvements rent would be:  $\$4,000,000 \times 8.45\%$  to equal \$338,000 per annum.

If at the date of practical completion of the expansion works that are funded by the Scheme, the lease term is less than 10 years, then the term will be extended so that the unexpired portion is at least 10 years from the date of Practical Completion of the Expansion Works.

The Tenant must not serve an expansion works notice in the first five years of the initial term.

Silverfin believes that any required expansion works contributions could be funded by additional bank funding and/or cash flow. However, if this is not possible, it may be necessary to issue further Interests or, under a worst case scenario, seek additional funds from existing investors (both of which would require the approval of a special resolution of investors).

## Concurrent Leases

The Tenant will become the landlord in respect of the periodic service tenancies (being the residential tenancies) with the intent that those tenancies will become subtenancies on the commencement date (being the settlement date).

## Right of last Refusal

If the Scheme intends to dispose of a Property and a third party buyer has confirmed that it wishes to purchase the Property, Silverfin must:

- (a) obtain a contract signed by the third party buyer which provides that it is subject to the Tenant's right of last refusal and permits disclosure of the contract to the Tenant; and
- (b) offer to sell the Property to the Tenant.

If the Tenant does not accept Silverfin's offer, then the Scheme is free to sell the Property to a third party buyer on the terms and conditions of the third party buyer's contract for a period of six months after the date on which the offer was made to the Tenant.

Where the Tenant accepts Silverfin's offer, that acceptance may be subject to the Tenant obtaining consent from the Overseas Investment Office to acquire the lease interest in the Properties. Where the Tenant does not obtain consent pursuant to the Overseas Investment Act 2005, the Scheme is free to sell the Property to a third party buyer on the terms and conditions of the third party buyer's contract for a period of six months after the date on which the offer was made to the Tenant.

<b>Insurance Requirements</b>	<p>The Tenant insures the Properties and must maintain the following insurance policies:</p> <ul style="list-style-type: none"><li>• public and products liability insurance for at least \$20,000,000 for any one event (or for any greater amount determined by Silverfin and the Tenant in consultation);</li><li>• full replacement and reinstatement (including consequential losses) for a reasonable amount having regard to the value of the improvements; and</li><li>• loss of rent and outgoings for a period of 18 months.</li></ul> <p><i>Note: The Tenant has elected to insure the Properties under Inghams' group policy with Ovoid Insurance Limited, which is arranged by the insurance brokers Aon. The limit of liability under their policy is AUD\$ 225,000,000, with an excess of \$500,000 for any one loss. Whilst this excess is high, the lease provides that the Tenant is responsible for any excess payments. Essentially there is an element of self-insurance in the Inghams policy, which in Silverfin's view is acceptable for such a large company. The current policy also includes 'loss of rents' cover of 18 months.</i></p>
<b>Make Good Obligations</b>	<p>The Tenant has limited reinstatement obligations. Prior to the end of the lease, the Tenant must yield up the premises in a condition consistent with the performance of the Tenant's obligations under the lease, return all keys and access cards, remove any stock, personal effects and business records and remove all rubbish.</p> <p>The Tenant may leave its property and alterations and additions in the Properties at the end of the lease. If the Tenant removes its property or any alterations and additions, it must leave the parts of the building used for removing property in a clean and good condition.</p> <p>The Properties are specialised in nature and if the Tenant did vacate, a Property would be more difficult to re-lease than a generic industrial property.</p>
<b>Contamination</b>	<p>The Tenant must remediate any new contamination caused by any act or omission by the Tenant.</p> <p>The Scheme must not do anything that causes or exacerbates contamination on the Properties or adjoining land. Unless the contamination is caused by the Tenant, Silverfin (at the Scheme's cost) must clean up any contamination which is a result of the Scheme's negligence or default to the extent required by law.</p>
<b>Damage and Destruction</b>	<p>The rent, outgoings and improvements rent (if any) (or a fair proportion of each of them) will abate where: a Property is destroyed or damaged and the Property is unfit for occupation or inaccessible; or the Tenant is unable to gain access to the Property due to an emergency.</p> <p>Where a Property cannot be reinstated within 12 months of the damage or destruction occurring, the Tenant must notify Silverfin, within 60 business days of becoming aware of the damage / destruction, whether it wishes to either terminate the lease or require the Property to be reinstated.</p> <p>Where the premises are inaccessible due to an emergency for a continuous period of six months, the Tenant may terminate the lease by serving written notice on Silverfin.</p>
<b>Restrictions on dealings with the Properties</b>	<p>The Scheme must not, without the Tenant's prior consent, transfer, assign or otherwise dispose of the Properties after the Tenant has issued an expansion works notice and prior to the Scheme complying in full with its payment obligations with respect that expansion works notice.</p>

## TENANT STANDING

The Tenant, Inghams Enterprises (NZ) Pty Limited, is wholly owned by Inghams Group Limited, an Australian company that is listed on the ASX. The financial statements of the Tenant can be viewed on the New Zealand Companies Office website and the Australian parent's financial statements can be downloaded from the investor centre on the Inghams' website.

Silverfin has reviewed the financial statements of the Tenant and the Australian parent and believes both companies are in a sound financial position with consistently strong financial results. Note that Inghams Group Limited does not guarantee the Tenant's obligations under the lease.

As the lease has not commenced, Silverfin is not aware of any failure by the Tenant to meet its material obligations under the lease.

The agreement to lease (which contains a copy of the lease) is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).



## TITLE

There are eight records of title for 115 and 142 Brown Road, Tuakau and one record of title for 87 Andrews Road, Onewhero, totalling nine records of title. The titles can be summarised as follows:

Property and address	Title reference	Estate	Legal description	Land Area	
115 and 142 Browns Road, Tuakau	115B Brown Road, Tuakau	NA13B/941	Fee Simple	Part Lot 2 DP 26117	4.5502 ha
	Brown Road, Tuakau	NA13B/940	Fee Simple	Lot 1 DP 58760	0.1012 ha
	164 Brown Road, Tuakau	NA16B/130	Fee Simple	Lot 1 DP 60675	5.6580 ha
	142 Brown Road, Tuakau	NA15B/1252	Fee Simple	Lot 1 DP 50544 Lot 1 DP 55153	0.5397 ha
	171 Roberts Road, Tuakau	NA1520/25	Fee Simple (limited as to parcels)	Allotment 15 Suburbs of Tuakau	4.0469 ha
	Brown Road, Tuakau	NA751/88	Fee Simple (limited as to parcels)	Allotment 14 Suburbs of Tuakau	4.0469 ha
	92 Brown Road, Tuakau	NA1520/26	Fee Simple (limited as to parcels)	Allotment 13 Suburbs of Tuakau	4.0469 ha
	115A Brown Road, Tuakau	NA752/317	Fee Simple (limited as to parcels)	Lot 1 DP 26117	16.1040 ha
87 Andrews Road, Onewhero	SA41C/902	Fee Simple	Lot 4 DP 45519	5.4772 ha	
				<b>44.5710 ha</b>	

There are a number of mortgages on the titles, which will be discharged at settlement and removed from the titles and replaced with the mortgage to Rabobank entered into on behalf of the Scheme.

Anderson Lloyd have prepared a table summarising the instruments registered on the records of title for the Properties in their legal due diligence report, which is available upon request from Silverfin. Anderson Lloyd's review of the

instruments registered on the records of title has not identified any material information not set out above.

Anderson Lloyd has consented in writing to the PDS including information from, and references to, its legal due diligence report in the form and context in which they are included.

## LAND INFORMATION MEMORANDUM (LIM)

The material information from the LIM reports for the Properties is summarised as follows:

The main issue to note is that there are a number of outstanding Code of Compliance Certificates (CCCs) for previous works at the Properties. The Vendor is required to resolve these outstanding CCC issues prior to settlement.

Other material items of note identified within the LIMs are:

Matter	Comment
Planning: There is an outstanding CCC in relation to building consent application FBLD87618 for a tank stand.	The Vendor has advised that the tank stand has been demolished.
HAIL sites and contamination: The 142 Brown Road LIM and the 115 Brown Road LIM (being the reports for 115 Brown Road and 142 Brown Road) both note that these Properties are associated with an activity that appears on the Hazardous Activities and Industries List. This means that the Properties may have been used for petrochemical industries or engineering workshops with metal fabrication.	Contamination is likely to be limited to small areas of the Property that were previously used for a workshop and the like. We also note that the Scheme is only responsible to the Tenant to remediate contamination that the Scheme has caused. Nevertheless this remains a risk, however we believe it is modest in nature.
Lapsing of LUC0315/17 for C-Site at 115 Brown Road: A number of resource consents for the Property have, or may have, lapsed.	The Sale and Purchase Agreement addresses the Vendor's obligation to obtain replacements of the majority of these consents.
Wastewater and grey water discharges: There are no active wastewater or grey water discharge consents for poultry operations. Wastewater and grey water non-compliances have been identified and are addressed by indemnities within the Deed of Covenant (see below).	Wastewater and grey water non-compliances have been identified and must be addressed by the Vendor prior to settlement. There are indemnities within the Deed of Covenant and if the Vendor does not complete the work, the Tenant will complete it post settlement.

Anderson Lloyd has reported fully on the LIMs in their due diligence report, which is available upon request from Silverfin. Anderson Lloyd's review of the LIMs has not identified any material information not set out above.

## DEED OF COVENANT

Silverfin has entered into a Deed of Covenant dated 17 February 2023 with the Vendor and the Tenant recording certain arrangements between Silverfin and the Vendor, and the Tenant and the Vendor.

Pursuant to the Deed of Covenant:

- (a) Silverfin has appointed the Tenant as its agent to act on its behalf in respect of the warranties given to Silverfin by the Vendor under the Sale and Purchase Agreement and the indemnity granted by the Vendor to Silverfin relating to any Waikato District Council fines arising from the Vendor's hatchery wastewater non-compliance and hatchery grey water non-compliance (refer to the Land Information Memorandum (LIM) section above for more information);
- (b) the Vendor confirms that it will undertake the pre-settlement work set out in the Deed of Covenant relating to the Properties as a pre-condition of settlement;
- (c) the Vendor will use reasonable endeavours to complete the remediation works set out in the Deed of Covenant prior to settlement; and

- (d) the Sale and Purchase Agreement and the agreement for sale and purchase between the Vendor and the Tenant in respect of the acquisition of the Vendor's business operations by the Tenant ('Business Sale Agreement') are interdependent. Essentially, the Sale and Purchase Agreement will not proceed unless the Tenant is also able to acquire the hatchery business being sold by the Vendor. One of the conditions in the Business Sale Agreement relates to the Tenant either receiving clearance from the Commerce Commission to acquire the business assets or confirmation that the Commerce Commission does not intend to conduct further enquiries in relation to the business sale transaction. Commerce Commission clearance was received on 6 July 2023.

In addition to the above, the Deed of Covenant includes an acknowledgement from the Vendor that the Tenant will construct a ring road around the area known as Site C to satisfy the requirements of resource consent number LUC0315/7.

## SALE AND PURCHASE AGREEMENT

The material terms of the sale and purchase agreement for the Properties ('Sale and Purchase Agreement') are:

<b>Vendor:</b>	Bromley Park Hatcheries Limited
<b>Purchase price:</b>	\$29,287,560
<b>Agreement executed:</b>	17 February 2023
<b>Deposit:</b>	\$500,000 payable on unconditional date
<b>Silverfin's due diligence condition:</b>	<p>The Sale and Purchase Agreement was conditional on Silverfin being satisfied with the outcome of its due diligence enquiries.</p> <p>This condition was due to be satisfied on 20 April 2023. This condition has now been satisfied.</p>
<b>Silverfin's syndication condition:</b>	<p>The Sale and Purchase Agreement is conditional on the successful completion of this offer by Silverfin.</p> <p>This condition is due to be satisfied by 11 October 2023.</p>
<b>Vendor's condition</b>	<p>The Sale and Purchase Agreement is conditional on the Vendor confirming that the Business Sale Agreement is unconditional in all respects.</p> <p>This condition is due to be satisfied by 18 September 2023.</p>
<b>Deed of Covenant conditions:</b>	<p>The Deed of Covenant (described above) is conditional on the conditions contained in the Sale and Purchase Agreement and the Business Sale Agreement being satisfied (this includes the requirement for the Tenant to obtain OIO consent). The Deed of Covenant conditions are due to be satisfied by 17 November 2023.</p> <p>OIO consent was obtained by the Tenant on 09 August 2023.</p>
<b>Settlement date:</b>	<p>Settlement is 15 working days after the Sale and Purchase Agreement is unconditional.</p> <p>Silverfin's syndication condition will be the last condition to be satisfied, which is scheduled for 11 October 2023, making settlement on 01 November 2023.</p> <p>The settlement date is subject to change depending on when all conditions are satisfied. For example, if Silverfin's syndication condition is satisfied earlier than 11 October 2023, then settlement will be earlier than the 01 November 2023 date. The settlement date could also be changed by agreement between Silverfin and the Vendor.</p> <p>Silverfin has the ability to cancel the Sale and Purchase Agreement if the Vendor's condition is not satisfied by 18 September 2023. If this occurs, then the Scheme will not proceed and investors' funds will be returned.</p>
<b>Interdependence:</b>	<p>The Sale and Purchase Agreement provides that if the Business Sale Agreement or the Deed of Covenant is terminated for any reason then the Sale and Purchase Agreement will also be at an end. Similarly, the Deed of Covenant also contains an interdependence clause with a similar effect.</p> <p>This means that the Sale and Purchase Agreement will only proceed if all other arrangements between the Vendor and Tenant also proceed. If the Sale and Purchase Agreement is terminated, then the Scheme will not proceed and investors' funds will be returned.</p>

## **BUILDING INSPECTION REPORT**

A condition assessment report, dated 21 February 2023, was completed by engineers Stiles & Hooker Limited and revealed no visible structural issues.

The 25 poultry sheds are all single storey structures of varying age, length, width, structural systems and cladding. All sheds have concrete floor slabs.

The hatchery was completed in 2014 with an extension added in 2017/2018. The building is made up of concrete floors, steel portal frames and steel roof purlins.

The fourteen residential dwellings are all timber framed construction with timber floors and timber subfloor. All houses comply with healthy home standards (or will comply from the settlement date at the Vendor's expense) and no visible structural issues were identified.

The Stiles & Hooker Limited report is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

Stiles & Hooker Limited has consented in writing to the PDS including information from, and references to, its report in the form and context in which they are included, and agreed and acknowledged that the register will include its report. The report is made available to potential Investors on a non-reliance basis.

## **SEISMIC STRENGTH**

Seismic assessments were not sought for the Properties as the buildings are typically single storey, lightweight structures (poultry sheds) that do not have extensive human occupation. Furthermore, the triple net lease structure means the Tenant would be responsible if any strengthening work was required at its cost (up to \$250,000 excluding GST) unless the work was required in the last 5 years of the term.

## **BANK LOAN**

Silverfin has received a finance proposal from Rabobank New Zealand Limited as lender. The finance proposal outlines the terms of the loan to the Scheme, the conditions precedent to providing that funding, and the bank's security requirements and covenants. A formal loan agreement with Rabobank will be entered into prior to settlement.

The key terms of the finance proposal are:

Amount	The limit of the facility will be \$11,392,000 A registered first and exclusive mortgage over the Properties.
Security:	A registered first and exclusive general security deed over all present and future property of the Scheme in favour of Rabobank.
Loan Term:	36 months from draw-down. 90-day Bank Bill Benchmark Rate ('BKBM') rate plus a margin of 1.90%. Note that we are intending to fix interest rates for a three to five-year period to remove exposure to interest rate volatility. This will be accomplished via entering into three to five-year swaps for the full amount (with the period chosen depending on pricing).
Interest Rate:	As at 7 September 2023, the anticipated three year swap rate is 5.14%, the anticipated four year swap rate is 4.97%, and the anticipated five year swap rate is 4.87%. The total interest rate (base rate plus margin) based on a three-year swap would therefore be 7.04% (6.87% based on a four-year swap and 6.77% based on a five-year swap). This interest rate will be subject to movement prior to entering into the swap arrangements.
LVR:	The Loan to Value Ratio ('LVR') must not exceed 45% at any time (note this is lower than the 55% LVR permitted under the Deed of Participation and SIPO). Note that the LVR on commencement of the Scheme will be approximately 36%.
Interest cover ratio:	At all times, projected net rental income for the next 12 months to projected interest costs must exceed 1.75 times gross interest expense. Upon commencement of the Scheme the interest cover ratio will be 2.99 times.
No Guarantees:	The recourse of the bank lender under the loan facility will be limited to the assets of the Scheme with no personal guarantees being given by any party including investors, and investors normally being under no obligation to fund any shortfall beyond the value of their Interests (the main exception being that Silverfin could be empowered under the Deed of Participation to recover any shortfall from investors if approved by special resolution – being 75% of votes of holders of interests entitled to vote and voting on the matter).
Establishment fee:	\$14,000 plus the bank's solicitors legal costs.

As the above borrowings for the Scheme will be due before the Scheme is likely to be wound up, Silverfin considers that refinancing is likely to be needed. Silverfin will enter into refinancing discussions with the existing lender and other banks well ahead of the loan expiry date.

Amounts owing to Rabobank and all other liabilities of the Scheme (such as auditor, legal, supervisory and independent valuation fees) will rank ahead of investors on a winding up of the Scheme.

## 3 KEY DATES AND OFFER PROCESS

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### OFFER OPENED

26 July 2023

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### SILVERFIN MUST HAVE RECEIVED ADEQUATE ANTI-MONEY LAUNDERING IDENTIFICATION DOCUMENTATION AND APPLICATION FORMS FROM INVESTORS

11 October 2023

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### OFFER CLOSES

11 October 2023

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### INTERESTS ARE ISSUED TO INVESTORS

Anticipated to be 1 November 2023

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### SETTLEMENT OF THE ACQUISITION OF THE PROPERTIES

Anticipated to be 1 November 2023

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The above dates may change. In particular, Silverfin reserves the right to close the offer at any time prior to the date specified above or extend the offer at any time prior to that date, and the settlement date may change as outlined under 'Sale and Purchase Agreement' on page 29. Silverfin will close the offer earlier once all interests have been subscribed for.

## 4 TERMS OF THE OFFER

### How can investments be made?

Investors may acquire an interest in the Scheme with a minimum subscription of \$50,000, and multiples of \$50,000 thereafter. Subscriptions must be completed on the application form contained at the back of this PDS. Subscriptions may only be made before the closing date and there is no continuous offer of interests in the Scheme. Silverfin reserves the right to accept or reject any application in whole or in part without giving any reason.

To ensure all potential investors are dealt with equitably, Silverfin operates a 'first in, first served' policy in relation to the acceptance of applications. If the Scheme is oversubscribed, the criteria for assessing which applications will not be accepted will be based on the date the subscription funds were received, with the funds that were received last being the first to be returned. Completed application forms and any other required information must also have been received by Silverfin. One interest will be returned per applicant until the oversubscription is resolved.

### How can I withdraw my investment from the Scheme?

**An investment in the Scheme is not redeemable upon demand and the Scheme has no fixed term.**

Investors are able to transfer their interests in accordance with the Deed of Participation and interests will be able to be traded on the Syndex independent secondary sales trading platform. This means that you could sell your investment to a third party on Syndex if there are interested buyers. However, you may not find a buyer or you may receive less than the amount you invested.

Syndex is a registry designed to provide an independent trading platform for the sale and purchase of interests in syndicates. For further information on Syndex refer to: **[www.syndex.exchange](http://www.syndex.exchange)**.

You can also sell your interest to any third party without Syndex involvement provided you comply with the terms of the Deed of Participation.

**There is no guarantee there will be willing buyers for the interests.**

Silverfin charges a sale fee of 2% of the interest sale price for facilitating the sale of an interest prior to termination of the Scheme. Third party costs (e.g. legal fees) reflecting costs actually incurred may be payable in addition to this fee.

The Scheme may be terminated by investors passing a special resolution (within the first five years) or ordinary resolution (at any time thereafter) to that effect. A special resolution is a resolution passed by a 75% majority of interests entitled to vote and voting on the matter. An ordinary resolution is a resolution passed by a 50% majority of interests entitled to vote. It could also be terminated in other circumstances set out in the Deed of Participation.

If the Scheme is to be terminated, Silverfin will arrange for the Properties to be sold and the proceeds after the payment of all Scheme liabilities, costs and expenses will be divided amongst investors in proportion to their interests.

Silverfin may be entitled to a performance fee on termination of the Scheme. See 'Performance Fee' on page 51 for more information.

The Deed of Participation is available on the scheme register at **[www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)**

### What is the minimum investment?

**\$50,000** and multiples of \$50,000 thereafter.

<b>What are the returns?</b>	<p>Silverfin is projecting a pre-tax cash return for the Scheme as follows:</p> <p>3.13% for the five months ending 31 March 2024 (7.5% annualised) and 7.5% per annum for the 12 months ending 31 March 2025, 2026, 2027, and 2028.</p> <p>This return is not guaranteed and the actual distribution rate may vary. Silverfin reserves the right to withhold distributions as may be necessary to cover any shortfall or anticipated shortfall as they, acting in a competent managerial capacity, may deem prudent, for example in the case of a tenant default. See section 7 of the PDS ('Risks to returns from Inghams Hatchery Scheme') for more information.</p> <p>Each month the amount available for distribution is calculated by deducting the Properties' and Scheme operating costs from the gross income (including operating expenses amount available to be recovered) which results in net funds. The amount available for distribution is proportionally applied to investors' interests.</p> <p>While distributions are generally funded from operating cash flows, investor distributions may include funds from working capital to meet operating cash flow requirements and to maintain a consistent level of distributions. Working capital is initially funded from investor contributions. This is considered to be commercially sustainable over the life of the Scheme.</p>
<b>When are distributions paid</b>	<p>Distributions will usually be paid monthly in arrears, with payments being made on the 20th of the month and on the 20th of each subsequent month or the next working day thereafter. The first distribution is expected to be paid on 20 December 2023, for the period from the expected settlement date to 30 November 2023. PIE tax will be deducted from distributions, where applicable.</p>
<b>Key dates</b>	<p>Please see section 3 of this PDS ('Key dates and offer process').</p>
<b>Underwrite</b>	<p>The offer is partially underwritten up to a total of \$6,900,000 (138 interests).</p> <p>Silverfin may arrange further underwriters as the offer proceeds.</p>
<b>Minimum amount to be raised</b>	<p>\$19,450,000 (being 389 interests of \$50,000). This includes any interests that are subscribed for by underwriters.</p>
<b>No retail offer outside New Zealand</b>	<p>Applications will not be accepted from persons located outside New Zealand, unless Silverfin has been satisfied that the investor is a wholesale investor (or equivalent) in the relevant jurisdiction and all other applicable legal requirements are met. Silverfin would also need to be satisfied that the Overseas Investment Act 2005 would be complied with.</p>
<b>Description of Interests</b>	<p>Please see section 5 for a description of interests and how the Inghams Hatchery Scheme works.</p>
<b>Circumstances where additional payments may be required</b>	<p>If there are insufficient funds to meet any obligation of the Scheme, investors could be required to make further payments in proportion to their interest in the Scheme, but only where a special resolution of investors resolving to make those payments is passed. A special resolution is a resolution passed by a 75% majority of interests entitled to vote and voting on the matter.</p> <p>If investors do not make additional payments to the Scheme when required, the Scheme may be unable to meet its financial obligations and its creditors, secured or unsecured, could place the Scheme in receivership or liquidation (as applicable).</p>
<b>Additional Information</b>	<p>Additional information about the interests is set out in the Deed of Participation. The Deed of Participation is available on the scheme register at <a href="http://www.business.govt.nz/disclose">www.business.govt.nz/disclose</a>.</p>

# 5 HOW INGHAMS HATCHERY SCHEME WORKS

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The Scheme is a managed investment scheme and a trust whereby investors are offered the opportunity to gain exposure to the Properties.

An interest is not a share (equity) or a debt security. Investors will not rank as creditors and, accordingly, investors will rank after Rabobank bank lending and any other creditors of the Scheme.

The Scheme will be managed and administered by Silverfin pursuant to the Deed of Participation. As manager, Silverfin is responsible for offering and issuing interests in the Scheme, managing the Properties, and administering the Scheme. It has a range of specific functions under the Deed of Participation, and is subject to various duties and obligations including to act in the best interests of investors.

Silverfin is able to delegate its functions as manager but remains liable for the performance of the functions delegated or contracted out.

Trustees Executors Limited is the supervisor of the Scheme. It is responsible for supervising the performance by Silverfin of its functions under the Deed of Participation and for supervising the financial position of Silverfin and the Scheme to ascertain that they are adequate. The Supervisor is also responsible for custody of the Scheme's assets (i.e., the Properties). The Supervisor has a range of other functions, duties, and obligations under the Deed of Participation and the Financial Markets Conduct Act 2013. No person (including the Supervisor, Nominee, or Silverfin) guarantees the performance of the Scheme or the return of capital invested in it.

The Deed of Participation authorises Silverfin to incur financial liability on the Scheme's behalf without prior approval from investors where the liability:

- a) is recoverable from the Tenant;
- b) is part of the monthly or recurring operating charges for the Properties;
- c) needs to be incurred to comply with (or is contemplated by) the lease;
- d) in Silverfin's opinion, is necessary to facilitate a new lease; or
- e) is required for a repair that, in Silverfin's opinion, is necessary to protect the Properties from damage or to maintain essential services to the Tenant.

Silverfin can also incur financial liability on the Scheme's behalf without prior approval from investors where the aggregate liability (not including liabilities incurred for the reasons set out above) does not exceed \$400,000 plus GST in respect of any financial year.

The Deed of Participation also contain other important provisions. Copies of the Deed of Participation are available on the scheme register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

Investors are encouraged to read the Deed of Participation. By signing the application form and applying for interests investors agree to be bound by the Deed of Participation.

## Significant benefits of investing in the Scheme

The significant benefits of the investment are:

- The projected pre-tax cash return of 7.5% per annum (annualised) through until 31 March 2024, and 7.5% per annum each year through until 31 March 2028.
- The ability to have an investment in property that would not typically be available to investors who are only able to invest \$50,000 or similar amounts.
- The investment in the Scheme is passive with active day to day management (including preparation of accounts, liaison with the Tenant, payment of distributions and obtaining bank finance) being undertaken by Silverfin.
- Sharing in any capital growth in the value of the Properties if they are sold.

## Related party benefits

The offer of Interests in the Scheme is partially underwritten by the Silverfin Underwrite Investment Fund up to a maximum of \$2,600,000. The Silverfin Underwrite Investment Fund is an entity associated with Silverfin. The Silverfin Underwrite Investment Fund will be paid a flat underwrite fee of \$104,000 (or 4.0% of the maximum underwrite amount) to provide this underwrite, regardless of the number of interests it is required to subscribe for. This fee is consistent with standard market rates. In addition, Silverfin receives management fees from the Silverfin Underwrite Investment Fund.

The Silverfin Underwrite Investment Fund will receive distributions from the Scheme on any interests it subscribes for, for so long as it holds them, as provided for under the Deed of Participation. Its entitlements will be the same as the entitlements of any other investor.

Silverfin and other persons associated with Silverfin may invest in the Scheme. If so, they will receive distributions from the Scheme on any interests subscribed for, for so long as they hold them, as provided for under the Deed of Participation. These entitlements will be the same as the entitlements of any other investor.

There are no further related party benefits to be given to, or received by, a related party in the future other than the fees and expenses disclosed under section 8 ('What are the fees?').

# 6 INGHAMS HATCHERY SCHEME'S FINANCIAL INFORMATION

## SELECTED FINANCIAL INFORMATION

This section provides selected financial information about the Inghams Hatchery Scheme. Full financial statements are available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose). If you do not understand this sort of financial information, you can seek professional advice.

The financial statements have been prepared in accordance with NZ GAAP.

Projected Pre-Tax Cash Return	7.5% per annum for the first four full 12-month periods ending 31 March 2025, 2026, 2027 and 2028 and 3.13% until 31 March 2024 (7.5% when annualised), noting that the first reporting period is five months to 31 March 2024.
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This return is not guaranteed and the actual distribution rate may vary in accordance with the Deed of Participation. PIE tax will be deducted from distributions, where applicable.

The purpose of the prospective financial statements is to assist investors in assessing the viability of and return on funds invested. This PDS and the prospective financial information may not be appropriate for any other purpose.

The prospective financial information included in the tables on the following pages has been extracted from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the offer register. The prospective financial statements have been subject to a limited assurance engagement and an unmodified opinion has been issued, a copy of which is also included on the offer register.

The principal assumptions on which the prospective financial information is based are set out under the heading 'Principal Assumptions' on page 43.



## PROJECTED INVESTOR RETURNS

The Scheme's operations, after payments of all expenses including the fees payable to Silverfin, are projected to provide pre-tax cash returns as follows:

- 3.13% (7.5% annualised) before tax on the investors' original subscription amount for the period of five months to 31 March 2024 (assuming settlement takes place on the expected settlement date of 1 November 2023); and

- 7.5% per annum before tax on the investors' original subscription amount for the four years ending 31 March 2025, 2026, 2027 and 2028 being the first four full years of the Scheme.

The table below presents the method for calculating the projected return:

	5 Months ending 31 March 2024	12 months ending 31 March 2024 (annualised)	12 Months ending 31 March 2025	12 Months ending 31 March 2026	12 Months ending 31 March 2027	12 Months ending 31 March 2028
	\$	\$	\$	\$	\$	\$
Amount invested per interest	50,000	50,000	50,000	50,000	50,000	50,000
Prospective net profit before tax	653,145	1,573,584	1,813,402	1,812,279	1,797,062	1,796,427
Total number of interests	389	389	389	389	389	389
Prospective net profit per interest	1,679	4,045	4,662	4,659	4,620	4,618
Total investor cash return per interest	1,563	3,750	3,750	3,750	3,750	3,750
Forecast cash return per period (pre-tax)	3.13%	7.50%	7.50%	7.50%	7.50%	7.50%

A cash distribution payment representing a 7.5% pre-tax return per annum is expected to be distributed on a monthly basis in arrears. This amount is set by Silverfin in accordance with the Deed of Participation. The projected cash return for the five months ending 31 March 2024 includes the April 2024 distribution. Returns are not guaranteed and the actual distribution rate may vary. PIE tax will be deducted from distributions, where applicable.

Based on forecast tax calculations, which include a deduction for depreciation, Silverfin expects that there will be no PIE tax payable on distributions for the financial periods ending 31 March 2024 and 31 March 2025.

Investor distributions may include funds from working capital to meet operating cash flow requirements and to maintain a consistent level of distributions. Working capital is initially funded from investor contributions.



## PROSPECTIVE FINANCIAL INFORMATION

The tables below presents summary prospective financial information.

### PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

(in New Zealand dollars)

	5 Months ending 31 March 2024	12 Months ending 31 March 2025	12 Months ending 31 March 2026	12 Months ending 31 March 2027	12 Months ending 31 March 2028
	\$	\$	\$	\$	\$
<b>Income</b>					
Rental Income	945,744	2,288,701	2,334,475	2,381,164	2,428,788
Capitalised Fixed Rental Growth	203,325	469,066	423,292	376,603	328,979
	<b>1,149,069</b>	<b>2,757,767</b>	<b>2,757,767</b>	<b>2,757,767</b>	<b>2,757,767</b>
<b>Less Expenses</b>					
<b>Administration Expenses</b>					
Accounting Fees	20,000	10,000	10,000	10,000	10,000
Audit Fees	36,000	16,560	17,140	17,739	18,360
Statutory Supervisor	26,167	10,000	10,000	10,000	10,000
Compliance Fees (incl. Syndex exchange)	5,235	12,565	12,565	12,565	12,565
General Administration Costs	417	1,000	1,000	1,000	1,000
<b>Operating Expenses</b>					
Valuation Costs	40,000	15,525	16,068	16,631	17,213
Scheme Management	36,667	88,000	88,000	104,000	104,000
<b>Total Administration &amp; Operating Expenses</b>	<b>164,486</b>	<b>153,650</b>	<b>154,773</b>	<b>171,935</b>	<b>173,138</b>
<b>Net Operating Income</b>	<b>984,583</b>	<b>2,604,117</b>	<b>2,602,994</b>	<b>2,585,832</b>	<b>2,584,629</b>
<b>Finance Expenses</b>					
Bank Fees	1,944	4,667	4,667	2,722	-
Interest on Loan Advance	329,494	786,048	786,048	786,048	788,202
<b>Net Profit (before revaluation of investment property)</b>	<b>653,145</b>	<b>1,813,402</b>	<b>1,812,279</b>	<b>1,797,062</b>	<b>1,796,427</b>
Revaluation of investment property	2,509,115	(469,066)	(423,292)	(376,603)	(328,979)
<b>Total Comprehensive income</b>	<b>3,162,260</b>	<b>1,344,336</b>	<b>1,388,987</b>	<b>1,420,459</b>	<b>1,467,448</b>

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

(in New Zealand dollars)

	Capital	Retained Earnings	Total
	\$	\$	\$
Opening Balance 1 November 2023	-	-	-
Total Comprehensive Income/(Loss)	-	3,162,260	3,162,260
Investors' capital contribution	18,037,467	-	18,037,467
Less distribution to investors	-	(607,813)	(607,813)
<b>Balance as at 31 March 2024</b>	<b>18,037,467</b>	<b>2,554,447</b>	<b>20,591,914</b>
Opening Balance 1 April 2024	18,037,467	2,554,447	20,591,914
Total Comprehensive Income/(Loss)	-	1,344,336	1,344,336
Less distribution to investors	-	(1,458,750)	(1,458,750)
<b>Balance as at 31 March 2025</b>	<b>18,037,467</b>	<b>2,440,033</b>	<b>20,477,500</b>
Opening Balance 1 April 2025	18,037,467	2,440,033	20,477,500
Total Comprehensive Income/(Loss)	-	1,388,987	1,388,987
Less distribution to investors	-	(1,458,750)	(1,458,750)
<b>Balance as at 31 March 2026</b>	<b>18,037,467</b>	<b>2,370,270</b>	<b>20,407,737</b>
Opening Balance 1 April 2026	18,037,467	2,370,270	20,407,737
Total Comprehensive Income/(Loss)	-	1,420,459	1,420,459
Less distribution to investors	-	(1,458,750)	(1,458,750)
<b>Balance as at 31 March 2027</b>	<b>18,037,467</b>	<b>2,331,979</b>	<b>20,369,447</b>
Opening Balance 1 April 2027	18,037,467	2,331,979	20,369,447
Total Comprehensive Income/(Loss)	-	1,467,448	1,467,448
Less distribution to investors	-	(1,458,750)	(1,458,750)
<b>Balance as at 31 March 2028</b>	<b>18,037,467</b>	<b>2,340,677</b>	<b>20,378,145</b>

## PROSPECTIVE STATEMENT OF FINANCIAL POSITION

(in New Zealand dollars)

	31 March 2024	31 March 2025	31 March 2026	31 March 2027	31 March 2028
	\$	\$	\$	\$	\$
Equity					
Capital	18,037,467	18,037,467	18,037,467	18,037,467	18,037,467
Retained earnings	2,554,447	2,440,033	2,370,270	2,331,979	2,340,677
<b>Owner's Equity</b>	<b>20,591,914</b>	<b>20,477,501</b>	<b>20,407,737</b>	<b>20,369,447</b>	<b>20,378,145</b>
Represented by:					
Current assets					
Cash and cash equivalents	257,530	149,012	86,196	54,104	65,210
Debtors and Prepayments	12,055	7,389	2,722	-	-
Non-current assets					
Investment property	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
<b>Total Assets</b>	<b>32,269,585</b>	<b>32,156,401</b>	<b>32,088,917</b>	<b>32,054,104</b>	<b>32,065,210</b>
Current liabilities					
GST (payable)/ receivable	53,356	54,840	55,998	56,779	57,983
Accounts payable	110,752	110,495	111,618	114,314	115,517
Distribution Payable	121,563	121,563	121,563	121,563	121,563
Non-Current liabilities					
Bank loan	11,392,000	11,392,000	11,392,000	11,392,000	11,392,000
<b>Total Liabilities</b>	<b>11,677,671</b>	<b>11,678,900</b>	<b>11,681,180</b>	<b>11,684,657</b>	<b>11,687,065</b>
<b>Net Assets</b>	<b>20,591,914</b>	<b>20,477,501</b>	<b>20,407,737</b>	<b>20,369,447</b>	<b>20,378,145</b>

## PROSPECTIVE STATEMENT OF CASH FLOWS

(in New Zealand dollars)

	5 Months ending 31 March 2024	12 Months ending 31 March 2025	12 Months ending 31 March 2026	12 Months ending 31 March 2027	12 Months ending 31 March 2028
	\$	\$	\$	\$	\$
<b>Cash flows from Operating activities</b>					
Cash provided from:					
Rental receipts	1,087,606	2,632,006	2,684,646	2,738,339	2,793,106
GST received/(paid)	(86,812)	(341,995)	(349,014)	(356,194)	(363,114)
	<b>1,000,794</b>	<b>2,290,011</b>	<b>2,335,632</b>	<b>2,382,145</b>	<b>2,429,992</b>
Cash disbursed to:					
Operating Expenses	(122,187)	(153,731)	(153,650)	(169,439)	(171,935)
Interest and Commitment fees	(276,734)	(786,048)	(786,048)	(786,048)	(788,202)
	<b>(398,921)</b>	<b>(939,779)</b>	<b>(939,698)</b>	<b>(955,487)</b>	<b>(960,137)</b>
<b>Net cash inflow from Operating activities</b>	<b>601,873</b>	<b>1,350,232</b>	<b>1,395,934</b>	<b>1,426,658</b>	<b>1,469,855</b>
<b>Cash flows from Investing activities</b>					
Cash disbursed to:					
Purchase of investment property	(29,287,560)	-	-	-	-
	<b>(29,287,560)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash inflow from Investing activities</b>	<b>(29,287,560)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from Financing activities</b>					
Cash provided from:					
Investors contributions	19,450,000	-	-	-	-
Bank loan	11,392,000	-	-	-	-
	<b>30,842,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash disbursed to:					
Issue costs	(1,412,533)	-	-	-	-
Distributions to investors	(486,250)	(1,458,750)	(1,458,750)	(1,458,750)	(1,458,750)
	<b>(1,898,783)</b>	<b>(1,458,750)</b>	<b>(1,458,750)</b>	<b>(1,458,750)</b>	<b>(1,458,750)</b>
<b>Net cash inflow from Financing activities</b>	<b>28,943,217</b>	<b>(1,458,750)</b>	<b>(1,458,750)</b>	<b>(1,458,750)</b>	<b>(1,458,750)</b>
Net increase (decrease) in cash held	257,530	(108,518)	(62,816)	(32,092)	11,105
Cash and cash equivalents at start of period	-	257,530	149,012	86,196	54,104
<b>Cash and cash equivalents at end of period</b>	<b>257,530</b>	<b>149,012</b>	<b>86,196</b>	<b>54,104</b>	<b>65,210</b>



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## PRINCIPAL ASSUMPTIONS

Below is a brief summary of the principal assumptions on which the above prospective financial information is based. Further information on these assumptions may be found on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

### The Scheme

The Scheme will be a managed investment scheme established and domiciled in New Zealand.

The Scheme will own the properties at 115 and 142 Brown Road, Tuakau, Waikato and 87 Andrews Road, Onewhero, Waikato.

Silverfin is the issuer of interests in the Scheme, and the manager of the Scheme.

Silverfin is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

### Settlement

Pursuant to the Sale and Purchase Agreement, settlement is scheduled for 15 working days after the Sale and Purchase Agreement becomes unconditional.

The key conditions are Silverfin's syndication condition which must be satisfied by 11 October 2023, the Vendor's condition which must be satisfied by 18 September 2023, and the Deed of Covenant conditions which must be satisfied by 17 November 2023 (see page 29 for more information).

The key requirement for the Vendor's condition and the Deed of Covenant conditions to be satisfied is OIO consent, which was received on 09 August 2023. We therefore estimate that settlement will be 15 working days after Silverfin's syndication condition is satisfied, which is a settlement date of 1 November 2023. The settlement date is subject to change depending on when all conditions are satisfied.

On the basis of the above, for the prospective financial information, rental income has been recognised from 1 November 2023 for the year ending 31 March 2024 representing a period of five months.

The Properties are assumed to be purchased by the Scheme on 1 November 2023 at a purchase price of \$29,287,560. However, as explained above this settlement date may vary.

### Establishment Costs

Total establishment costs are expected to be \$1,554,440. The costs include offeror, underwriting, brokerage, legal, accounting and valuation fees as well as financing and marketing costs. The bulk of these costs are deemed to be issue costs.

The establishment costs have been based on a combination of quotes received and best estimates.

### Investment Property

The future fair value gain or loss on the Properties cannot be reliably predicted, and accordingly the fair value of \$32,000,000 is assumed, which is supported by the current market valuation from Bayleys.

The investment will be recognised at the purchase price of \$29,287,560, plus any directly related acquisition costs and any further capital costs incurred during the prospective period, and subsequently revalued to the independent valuation.

### Rental Income

It is assumed that there is no vacancy and no Tenant default. It is also assumed that there are no delays in receipts of rent and outgoings.

The rental used in the prospective financial statements is based on the expected rental level from the lease.

The amount payable under the lease increases based on fixed rental growth of 2% per annum on the anniversary of the commencement date of the lease each year. Rental income is recognised on a straight-line basis over the term of the lease.

Operating expense recoveries are assumed to be fully recovered from the Tenant and have not been included separately.

### Management fees

A Scheme management fee is charged to the Scheme equivalent to 0.275% of gross asset value (GAV) (i.e. \$32,000,000 at settlement, but this value may increase or decrease over time) plus GST, increasing to 0.325% of GAV after three years. This fee is calculated at \$88,000 plus GST for a full 12-month period ending 31 March 2025. These fees cannot be on-charged to the Tenant.

## Borrowings

The bank loan funding is an interest only facility from Rabobank secured by way of first registered mortgage over the Properties for an initial term of 36 months. It is assumed the facility is extended for a further three-year period before the initial expiry date.

The assumed interest rate for the Scheme for the first five month period is 6.90%. The rate for the subsequent 12-month periods ending 31 March is assumed to be 6.90%. Silverfin intends to manage the interest rate risk with fixed interest rates via a 'swap' mechanism.

The expected Loan to Value ratio ('LVR') (based on drawn debt) measured against the fair value valuation is expected to be approximately 36%. The maximum LVR permitted under the terms of the loan agreement is expected to be 45%, and the maximum LVR permitted under the Deed of Participation and SIPO is 55%. The interest cover ratio is expected to be 2.99 times in the five months ending 31 March 2024 and 3.31 times in the year ending 31 March 2025. The minimum interest cover ratio permitted under the terms of the loan agreement is expected to be 1.75 times.

## Administration Expenses

Audit fees and valuation fees are based on best estimates.

## Depreciation deductions

Based on forecast tax calculations, which include a deduction for depreciation, Silverfin expects that there will be no PIE tax payable on distributions for the five-month period ending 31 March 2024 and the year ending 31 March 2025.

The estimated tax depreciation claim is based on Silverfin's assessments and the agreed purchase price allocation in the Sale and Purchase Agreement. Tax depreciation is assumed to be claimed on buildings, fixtures and chattels using the diminishing value method.

A tax depreciation claim of \$1,040,518 is forecast for the year ending 31 March 2024, \$1,674,503 for the year ending 31 March 2025, \$1,500,935 for the year ending 31 March 2026, \$1,348,731 for the year ending 31 March 2027, and \$1,214,668 for the year ending 31 March 2028. However, no depreciation is included in the prospective financial information as the investment property is recognised in the prospective financial information at its fair value.

## FINANCIAL MEASURES FOR SCHEME BORROWINGS

	1 November 2023 (settlement date)	31 March 2024 (end of first financial period)	31 March 2025 (end of second financial year)	31 March 2026 (end of third financial year)	31 March 2027 (end of fourth financial year)	31 March 2028 (end of fifth financial year)
Gearing Ratio	35.73%	35.08%	34.70%	34.33%	33.98%	33.64%
Interest Cover Ratio	N/A	2.99 times	3.31 times	3.31 times	3.29 times	3.28 times

The 'gearing ratio' is how much the Scheme owes (interest bearing debt) as a portion of what it owns (assets). The higher the ratio, the higher the risk to the Scheme as it indicates that a higher portion of the Scheme's assets will need to be applied to repay its debt.

The 'interest cover ratio' tells you how much of the Scheme's income is used to pay interest on its loans. The higher the ratio, the more comfortably the Scheme's income can cover any interest owing.

These figures are forecasts only. The actual ratios may be different.

## BORROWING REPAYMENT DATES

Loan Facility	Repayment Date
\$11,392,000 Facility	31 October 2026

# 7 RISKS TO RETURNS FROM INGHAMS HATCHERY SCHEME

This section sets out a description of the circumstances that Silverfin is aware of that exist or are likely to arise that significantly increase the risk to returns for investors. 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 the impact, and the potential magnitude of that impact.

Circumstance	Description	Why this is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<b>Tenant – default/cancellation</b>	Dependence has been placed on Inghams Enterprises (NZ) Pty Limited to meet its contractual obligations to continue the payment of rent and outgoings. If the Tenant was to suffer liquidity or other financial problems of a significant nature, or cancel the lease, any resulting failure to pay rent and outgoings or vacancy or re-letting costs would have a serious detrimental impact on the ability of the Scheme to pay returns to investors and/or make interest payments under its banking facility. This may prevent investors from recouping their original investment.	Inghams Enterprises (NZ) Pty Limited is the sole tenant and its rent is the sole source of the Scheme's income.	<p><b>Assessment of likelihood:</b> Silverfin assesses the likelihood of the Tenant defaulting or cancelling under the lease to be low, based on the identity and financial standing of the Tenant and its parent company Inghams Group Limited (although that entity does not guarantee the lease).</p> <p><b>Nature:</b> Were the Tenant to default under the lease, there would be significant impacts for the Scheme. A loss of income from the Tenant would severely affect the Scheme's ability to pay distributions and/or make interest payments under its banking facility. It would likely also have an impact on the value of the Properties.</p> <p><b>Magnitude:</b> In the event of default by the Tenant, the Scheme would suffer a total loss of income until a replacement tenant was found.</p> <p>During any period of rental downtime the Scheme would not be able to maintain forecast financial returns to investors whilst meeting operating expenses and bank interest costs and may not be able to meet bank interest costs.</p>
<b>Interest rates</b>	The return to investors will be subject to interest rate variations on the bank loan – refer to the summary of the bank loan terms on page 31 of this PDS).	The Scheme will fund approximately 36% of the Properties' purchase price through a bank loan from Rabobank. As a result, the principal expense of the Scheme is interest payments. As such, the financial performance of the Scheme will be affected by movement in interest rates.	<p><b>Assessment of likelihood:</b> Interest rates are unable to be accurately predicted. Silverfin intends to manage the interest rate risk by entering into three to five-year interest rate 'swaps' over the majority of the loan amount (with the period chosen depending on pricing). The swaps will fix interest rates for a three to five-year term from settlement, removing interest rate volatility over that period. Post the initial swap term, Silverfin will manage the interest rate risk with a combination of short-term and long-term interest rate swap agreements and/or floating rates as appropriate, and will constantly monitor the interest rate management strategy.</p> <p><b>Nature:</b> If interest rates applicable to the Scheme's banking arrangements were to increase, it may affect the Scheme's ability to maintain the distribution levels forecasted in section 6 ('Inghams Hatchery Scheme's Financial Information'), which is why Silverfin has sought to mitigate the risk through its interest rate strategy.</p> <p><b>Magnitude:</b> The magnitude of the impact of interest rate changes cannot be accurately predicted (as the rates themselves cannot be accurately predicted). However, Silverfin considers that interest rates are currently at a comparatively high level such that the magnitude of the impact of any change in interest rates should be able to be adequately minimised through its interest rate strategy.</p>

Circumstance	Description	Why this is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<b>A lack of liquidity</b>	There is no guarantee that there will always be willing buyers for this type of investment. The sale of interests in the Scheme by investors presumes a market for the interests.	The market for interests may be illiquid and a sale of an interest may not be easily achieved. This may impact an investor's ability to recoup their original investment in full.	<p><b>Assessment of likelihood:</b> The Scheme has a long-term investment horizon, and is structured to provide investors with a long-term investment in commercial property. If an investor wishes to exit their investment in the Scheme, a lack of liquidity may significantly impact the ability of an investor in the secondary market to recoup their original investment in full. Silverfin has entered into an arrangement with Syndex to facilitate trading in interests, subject to willing buyers being available.</p> <p><b>Nature:</b> A lack of liquidity for interests will likely adversely impact the value of the interests.</p> <p><b>Magnitude:</b> In Silverfin's view, if investors' investment horizons match those of the Scheme, the impact of a lack of liquidity for interests is unlikely to be significant. However, if an investor was to wish to sell their interests in a period of illiquidity, it may lead to a loss in value for that investor.</p>
<b>Renewal costs</b>	On the expiry of the lease or on any renewal of the lease, the Scheme is likely to need to incur expenditure/ costs by upgrading or remediating the Properties, or by providing lease inducement payments or rent holidays to the Tenant or any replacement tenant(s).	The Scheme is dependent on its Tenant for its income. A decision to not renew the lease will affect the Scheme's income and result in additional costs to the Scheme to procure a new tenant and prepare the Properties for that incoming tenant.	<p><b>Assessment of likelihood:</b> Renewal costs are inherent in tenanted assets. However, in the medium to long term, Silverfin believes the likelihood of such costs impacting the returns to investors is low given the term of the lease and the strength of the Tenant covenant. In addition, the location and nature of the Properties and the integral role the Properties will play in the Tenant's supply chain leads Silverfin to believe that the Tenant will be long time occupiers of the Properties.</p> <p><b>Nature:</b> If the Tenant does not renew, the Scheme would likely incur costs associated with obtaining a replacement tenant(s). Costs might also be incurred inducing the existing Tenant to renew. Those costs cannot currently be quantified as these are expected at the end of the lease term and Silverfin cannot determine what level the market will be at. The buildings on the Properties are of a specialised nature, which means Silverfin would likely need to target other participants in the poultry industry as replacement tenants. A new tenant would expect an incentive, whether a rent-free period, and/or a contribution to fit out should the tenant require an alternative fit out. Such costs will reduce funds available for the distribution to investors.</p> <p><b>Magnitude:</b> The costs may be significant, when they arise. However, given the identity of the Tenant and the lease term, Silverfin does not expect these costs to arise in the medium to long term. That being said, it is prudent for management to build reserves to anticipate such events and Silverfin intends to build a cash reserve over the 20 year lease term to address risk associated with renewal.</p>

Circumstance	Description	Why this is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<b>Rental on renewal / re-letting</b>	On re-letting the rental may be reset to market which may be less than the rent paid immediately prior to the re-letting. In addition, a market rent review will apply on lease renewal dates (i.e. on the 20th, 30th, 40th, 50th, and 60th anniversaries of the commencement date).	The Scheme's primary source of income is rent from the Tenant in respect of the Properties. If rent was to decrease, it will impact the level of distributions available to be made to investors.	<p><b>Assessment of likelihood:</b> Silverfin considers that the likelihood of the rental levels on reletting impacting on the investors returns as low in the medium to long term given the 20 year lease term and Silverfin's confidence in the tenant covenant. Silverfin intends to pro-actively manage the rental risk at renewal through early engagement with the Tenant. If the Tenant exercises their right to renew, the rent on renewal will be adjusted to market. However, the Tenant may use the renewal as an opportunity to renegotiate.</p> <p>If the Tenant did vacate, given the use of the Properties by the current Tenant, the rent is likely to reduce.</p> <p><b>Nature:</b> Any reduction in rental levels would reduce the level of funds available for the distribution to investors.</p> <p><b>Magnitude:</b> Bayleys' estimate that the Properties passing rent is equal to the market rent, however it is difficult to accurately establish market rent due to the specialised nature of the Properties. Given the strategic importance of the Properties to the Tenant's supply chain, Silverfin will look to actively manage any renewal date rent review to achieve the highest level in the circumstances to minimise the impact on returns. In addition, because the rent following a market review cannot be less than 95% of the rent payable immediately prior to the market rent review date, the potential magnitude of any reduction is limited.</p>
<b>Breach of banking covenants and inability to re-finance</b>	The Scheme will borrow from Rabobank to part-fund the purchase of the Properties. Adverse market movements may cause the banking covenants to be breached. If the breach (or any other breach of the banking covenants) is not remedied, or the covenant varied, Rabobank may enforce its security and sell the Properties at a below market price (or during a period of subdued market prices) due to a forced mortgagee sale. In addition, there is also a risk that the bank loan will not be renewed and alternative funding (if available) may require higher interest payments and/ or payment of the principal amount of the loan. The banking arrangements are relatively short term (36 months). Those arrangements do not mirror the long-term investment horizon of the Scheme.	A failure to maintain or renew bank funding may lead to a forced sale of the Properties (or any one of them).	<p><b>Assessment of Likelihood:</b> Assessment of likelihood: Based on Silverfin's personnel's experience managing the funding arrangements associated with industrial and commercial property, such as these Properties, Silverfin considers that the likelihood of a breach of banking covenants or Silverfin being unable to secure appropriate funding at the expiry of the initial facility arrangements to be reasonably low.</p> <p><b>Nature:</b> A failure to maintain funding would threaten the ongoing viability of the Scheme. Repayment of principal may affect investors' cash returns. In addition, a forced sale of the Properties at below market price (or during a period of subdued market pricing) may mean investors do not recoup their original investment in full.</p> <p><b>Magnitude:</b> If this happens the impact would be significant. Silverfin considers the potential magnitude of the impact of changes to the Scheme's funding arrangements will be able to be adequately minimised through active management of the Scheme's finances and banking arrangements. In addition, there is likely to be funding alternatives available other than Rabobank.</p>

Circumstance	Description	Why this is of significance	Assessment of likelihood, and nature and potential magnitude of any impact
<b>Damage, destruction, and loss of access – termination of lease</b>	If a Property is destroyed or damaged and is unfit for occupation and use or is inaccessible, and cannot be reinstated within 12 months of the damage or destruction occurring, the Tenant has the right to terminate the lease. The Tenant also has the right to terminate the lease if a Property is inaccessible due to an emergency for a continuous period of six months.	The Scheme is dependent on its Tenant for its income. If the Tenant terminated the lease it would affect the Scheme's income and result in additional costs to the Scheme to procure a new tenant and prepare the Property for that incoming tenant, in addition to any repair or reinstatement costs.	<p><b>Assessment of likelihood:</b> Silverfin considers it unlikely that the Tenant would exercise this right to terminate given the difficulties associated with locating alternative sites, particularly with regard to obtaining the necessary resource consents. In addition, the nature of the Tenant's business reduces the likelihood of access being limited due to an emergency (for example, another pandemic-related lockdown).</p> <p><b>Nature:</b> If damage occurred, the Scheme would implement repairs and would rely on its insurance to cover the cost of repairs as well as the loss of rents whilst repairs were being completed. If the Tenant chose to exercise its right to terminate because the Property was inaccessible due to an emergency, the Scheme would look to rely on insurance which the Tenant is required to arrange for the benefit of Silverfin to cover the loss of rent and outgoings. The loss of rent and outgoings insurance under the lease is required to be available for a period of 18 months. In either event, the Scheme would look to identify a replacement tenant upon completion of the remediation works or on access being restored. The Scheme would likely incur costs associated with obtaining a replacement tenant. Such costs (together with any uninsured loss of rent) will reduce funds available for distribution to investors.</p> <p><b>Magnitude:</b> The costs have the potential to be significant if they arose. However, given the nature of the Properties and the importance each specific Property will play in the Tenant's supply chain, we expect the Tenant would choose to have the damage repaired or to wait for access to be restored rather than exercise this right to terminate.</p>
<b>Changes to Tax Legislation</b>	New Zealand's general elections are scheduled for October 2023; both major parties are signalling changes to existing tax legislation.	A change to tax legislation could potentially impact on our ability to claim tax depreciation on commercial property, or have other impacts on the Scheme or investors.	<p><b>Assessment of likelihood:</b> As at the date of this document, there is no certainty as to which party (or coalition of parties) will form a Government and as such the extent of changes to tax legislation (if any) cannot be assessed.</p> <p><b>Nature:</b> Changes to legislation concerning tax depreciation might reduce tax benefits available to investors, thereby reducing the post-tax distribution available to investors. Other changes could also impact pre or post-tax returns from the Scheme.</p> <p><b>Magnitude:</b> The magnitude of the impact will depend on the nature and extent of any changes made, which is not currently known.</p>

## 8 WHAT ARE THE FEES?

The fees and expenses charged to the Scheme on its establishment are (exclusive of GST):

Silverfin and associated persons' fees		
Offeror's fee	Calculated as 1.75% of the total purchase price of the Properties (\$32 million) plus GST	\$512,532
Brokerage fee	These fees are calculated at 2% of the total value of interests sold and may be payable to a third party broker	\$389,000
Accounting fee	Fixed fee for preparation of the prospective financial statements	\$10,000
Underwrite fee	The fee is calculated as a fixed fee of \$104,000 (being 4% of the underwrite amount of \$2.6 million)	\$104,000
<b>Silverfin and associated persons' total fees for establishment of the Scheme</b>		<b>\$1,015,532</b>

Other fees and expenses		
Legal fees	These fees are estimated based on Silverfin's prior experience and quotes received	\$140,000
Marketing and issue costs	These fees are estimated based on Silverfin's prior experience	\$100,000
Bank fee	Fixed fee	\$14,000
Supervisor's fee	Fixed fee	\$12,000
Audit fee	Fixed fee for carrying out a limited assurance engagement on the prospective financial statements	\$20,000
Valuation fees	Fixed fee of \$15,000 for property valuation and estimated fee of \$10,000 for chattels valuation	\$25,000
Inspection fees	These fees are based on costs incurred	\$5,000
Other Underwrite Fees	A fixed fee calculated at 4% of the amount underwritten	\$172,000
Other fees, contingency and working capital	These amounts are estimated based on Silverfin's prior experience	\$50,908
Total other persons' fees and expenses		\$538,908
<b>Total fees and expenses for establishment of the Scheme</b>		<b>\$1,544,440</b>

Disbursements will be in addition to these fees.

The actual amounts charged to the Scheme for the external fees will reflect the amount ultimately invoiced by the relevant third party.

The **offeror's fee** is payable to Silverfin for arranging and establishing the Scheme. It reflects Silverfin's identification of the Properties and negotiation with the Vendor and the Tenant of acceptable terms, as well as managing of the subsequent syndication process through to settlement of the transaction.

The **brokerage fee** is payable to Silverfin for selling interests in the Scheme. The brokerage fee may be on-paid by Silverfin to a third-party broker as appropriate.

The **accounting fees** are payable to Silverfin for the preparation of the prospective financial statements.

The **underwrite fees** are payable to the underwriters for partially underwriting the offer.

**Legal fees** are payable to the Scheme's solicitors, Anderson Lloyd and Anthony Harper, together with the bank's solicitors for the costs of all of the legal due diligence on the Properties, negotiation of the Sale

and Purchase Agreement and related transaction documents, preparing the Scheme documentation, advising on legal compliance, settlement of the purchase, and in connection with the Scheme's financing arrangements, and to the Supervisor's solicitors for their costs in relation to establishment of the Scheme. Legal fees also include amounts payable to Deloitte for advice on tax matters.

**Marketing and issue costs** reflect the costs of both preparing and producing advertisements in relation to the offer and the costs of preparing and printing this PDS.

The **bank fees** are payable to Rabobank in connection with its provision of the loan facility to the Scheme.

The **Supervisor's fees** are payable to Trustees Executors Limited for their costs in relation to reviewing and negotiating this PDS, the Deed of Participation and all related documentation.

**Audit fees** represent KPMG's fee for carrying out a limited assurance engagement in respect of the prospective financial statements contained on the offer register.

The **valuation fees** are payable to Bayleys for preparing the valuation report on the Properties and to CBRE for preparing a valuation report on the Properties' chattels.

The **inspections fees** are payable to Stiles & Hooker Limited for preparing a condition assessment report on the Properties.

The **other fees, contingency, and working capital** allowance covers issue and production expenses, incidental expenses arising in connection with the offer (including but not limited to postage, regulatory costs, and registration fees), the initial working capital to be held by the Scheme for operational matters, and a contingency for other costs and changes in the other fees outlined above (including, for example, additional underwrite fees which would be agreed with any further underwriters).

All of the above fees are charged to the Scheme or, alternatively, have been or will be paid by Silverfin and will be reimbursed to Silverfin following settlement.

## ANNUAL COSTS

The ongoing annual fees and expenses are:

Fee or expense and basis of calculation	Estimate for the period ended 31 March 2024		Estimate for the period ended 31 March 2025		Estimate for the period ended 31 March 2026		Estimate for the period ended 31 March 2027		Estimate for the period ended 31 March 2028	
	\$	% of net assets	\$	% of net assets	\$	% of net assets	\$	% of net assets	\$	% of net assets

### Silverfin's and associated persons' fees and expenses

Establishment fees and expenses as outlined above	\$1,015,532	4.93%	-	-	-	-	-	-	-	-
Annual management fee 0.275% per annum of the Properties' gross asset value, increasing to 0.325% after three years (prorated and paid monthly in advance)	\$36,667	0.18%	\$88,000	0.43%	\$88,000	0.43%	\$104,000	0.51%	\$104,000	0.51%
Accounting fees Fixed annual fee for preparation of financial statements	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%
<b>TOTAL</b>	<b>\$1,062,198</b>	<b>5.16%</b>	<b>\$98,000</b>	<b>0.48%</b>	<b>\$98,000</b>	<b>0.48%</b>	<b>\$114,000</b>	<b>0.56%</b>	<b>\$114,000</b>	<b>0.56%</b>

### Other fees and expenses

Establishment fees and expenses as outlined above	\$538,908	2.62%	-	-	-	-	-	-	-	-
Interest charges Estimated to be 6.90% of the loan value	\$329,494	1.60%	\$786,048	3.84%	\$786,048	3.85%	\$786,048	3.86%	\$788,202	3.87%
Bank Charges Allocation of initial fees across the initial loan period	\$1,944	0.01%	\$4,667	0.02%	\$4,667	0.02%	\$2,722	0.01%	-	0.00%
Annual audit fees Fixed annual fee agreed with the financial auditor	\$16,000	0.08%	\$16,560	0.08%	\$17,140	0.08%	\$17,739	0.09%	\$18,360	0.09%
Supervisor's fee 0.03% per annum of the Properties' gross asset value (prorated and paid monthly in arrears) subject to a minimum annual fee of \$10,000	\$4,167	0.02%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%
Valuation fees Fixed annual fee agreed with the valuer	\$15,000	0.07%	\$15,525	0.08%	\$16,068	0.08%	\$16,631	0.08%	\$17,213	0.08%
Syndex fees 0.065% per annum of the Scheme's investor contributions	\$7,591	0.04%	\$12,565	0.06%	\$12,565	0.06%	\$12,565	0.06%	\$12,565	0.06%
General Estimate of incidental costs	\$417	0.00%	\$1,000	0.00%	\$1,000	0.00%	\$1,000	0.00%	\$1,000	0.00%
<b>TOTAL</b>	<b>\$913,520</b>	<b>4.44%</b>	<b>\$846,364</b>	<b>4.13%</b>	<b>\$847,487</b>	<b>4.15%</b>	<b>\$846,705</b>	<b>4.16%</b>	<b>\$847,339</b>	<b>4.16%</b>

All of the fees and expenses outlined above are charged to the Scheme and are GST exclusive.

The **annual management fee** is payable to Silverfin for the ongoing management of the Scheme.

**Accounting fees** are payable to Silverfin for the preparation of the Scheme's financial statements.

**Interest charges** are payable to Rabobank in accordance with the loan and any hedging or swap agreements.

**Annual audit fees** are payable to the external assurance provider for their audit of the Scheme's financial statements. These fees are assumed to increase at 3.5% per annum.

The **supervisor's fee** is payable to Trustees Executors Limited for custodial and supervisory services to the Scheme.

**Valuation fees** are payable to an independent valuer for completing the annual valuation of the Properties. These fees are assumed to increase at 3.5% per annum.

**Syndex fees** are payable to Syndex for registry and exchange fees for the Scheme's registry.

**General fees** are payable to various parties for other items not covered elsewhere. These are costs for the operation of the Scheme and might include postage, registration fees on the FSPR/Scheme/Offer register or advice from other experts.

The Deed of Participation authorises Silverfin to incur financial liability on the Scheme's behalf without prior approval from investors where the liability:

- is recoverable from the Tenant;
- is part of the monthly or recurring operating charges for the Properties;

c) needs to be incurred to comply with (or is contemplated by) the lease;

d) in Silverfin's opinion, is necessary to facilitate a new lease; or

e) is required for a repair that, in Silverfin's opinion, is necessary to protect the Properties from damage or to maintain essential services to the Tenant.

Silverfin can also incur financial liability on the Scheme's behalf without prior approval from investors where the aggregate liability (not including liabilities incurred for the reasons set out above) does not exceed \$400,000 plus GST in respect of any financial year.



## OTHER FEES AND EXPENSES

Fee or expense	Explanation
Interest sale fee	<p>Silverfin charges a sale fee of 2% of the interest sale price for facilitating the sale of an interest prior to termination of the Scheme.</p> <p>Third party costs (e.g. legal fees) reflecting costs actually incurred may be payable in addition to this fee. Third party costs include Syndex's fees where the Syndex platform is used. Syndex's current fee is \$32 per interest, but this is subject to change.</p> <p>This fee and any third party costs are charged directly to the investor selling an interest.</p>
Performance fee	<p>A performance fee is payable to Silverfin on termination of the Scheme if the pre-tax return per interest is greater than 9.0% per annum for the period from commencement to the effective date of termination of the Scheme, equal to 20% of the return in excess of 9.0% per annum.</p>
Development management fees	<p>Silverfin may charge fees at standard market rates for development or capital works, subject to the Supervisor's prior approval of such standard market rates based on such evidence thereof as the Supervisor shall reasonably require.</p>
Other charges	<p>For work not contemplated by the Deed of Participation Silverfin may charge a fee at standard market rates. However, unless approved by Ordinary Resolution no additional fees will be recoverable for leases, renewals, or rent reviews.</p>
Regulatory costs	<p>In the case of any changes to the Financial Markets Conduct Act or to other laws or regulations affecting the operation or management of the Scheme, Silverfin may charge the reasonable costs it incurs (including internal costs at standard market rates) in ensuring compliance with those requirements.</p>
Government costs	<p>In the case of any Government levies payable by Silverfin to make or manage the offer of interests or the Scheme, Silverfin may charge a proportionate share of those levies, shared with any other Schemes it or a related company manages.</p>

Unless stated above these other fees and expenses are charged to the Scheme.

## CHANGES TO FEES

Silverfin's fees cannot be changed except by an ordinary resolution of investors. Investors would be notified in writing of any such change.

The Supervisor's fees cannot be changed except by an ordinary resolution of investors. Investors would be notified in writing of any such change.

Other third party fees and expenses (such as those charged by real estate agents, Rabobank, legal advisers, auditors, and valuers) are set by the relevant third party and are subject to change. Investors will not be notified of changes, but can obtain details at any time by contacting Silverfin. In addition, the actual amounts incurred in each year will be reflected in that year's financial statements.

## 9 TAX

Inghams Hatchery Scheme is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to the flow chart on page 62. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell Silverfin your PIR when you invest or if your PIR changes. If you do not tell Silverfin, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

In the event that the Scheme does not qualify as a PIE, you will receive distributions net of imputation credits calculated at 28%, and dividend withholding tax calculated at 5%, of the net taxable income.

Tax can have significant consequences for investments. If an investor has queries relating to the tax consequences of the investment, the investor should obtain professional advice on those consequences.

### DISTRIBUTIONS

While the Scheme is a PIE, distributions from the Scheme will not separately be subject to tax provided Silverfin has your correct PIR. The Scheme will generally adjust for the PIE tax liability associated with your Interest from distributions made to you. Therefore, any distributions received from the Scheme should not be included in your income tax return (if a zero percent PIR is supplied, you may need to include the allocated PIE taxable income in your income tax return, but not the distribution itself). Further, there will be no non-resident withholding tax on distributions made to non-resident investors.

If the Scheme ceases to be a PIE, or does not qualify to be a PIE, then any distributions paid will be taxable and may need to be included in investors' tax returns.

### CALCULATION AND PAYMENT OF PIE TAX

Under the multi-rate PIE rules, the Scheme is required to allocate its taxable income to investors and calculate and pay PIE tax at investors' elected PIRs.

The Scheme intends to adjust distributions for investors' PIE tax liabilities (calculated at investors' elected PIRs, if 10.5% or higher).

To ensure equity, the Scheme intends that an investor that is allocated PIE taxable income and is subject to PIE tax, will also be the recipient of that income (paid by way of a distribution). (Note: while the Scheme will adjust distributions for the PIE tax, the distributions themselves will not be taxable to investors. The adjustment is simply a mechanism to pay the tax liability. Further, the allocated PIE taxable income may differ from the total distributable amount; for example, if non-taxable amounts are also distributed. Also, the Scheme's taxable income may change each quarter and, therefore, the tax deducted and net distribution may change each quarter.)

Investors that choose a 0% PIR will be allocated PIE taxable income, but will not have any PIE tax adjustment made on their behalf by the Scheme to distributions paid to them. These investors may need to include the allocated PIE taxable income in their tax returns.

Where Interests are sold, or otherwise transferred, if the transferor is the investor of record at the distribution (declaration) date, PIE tax will be calculated by the Scheme at the transferor's PIR and PIE tax adjusted from the distribution. The Scheme may refuse to approve a transfer of Interests if this will create a misalignment between the allocation of PIE taxable income and its distribution.

Any PIE tax adjustment made to distributions by the Scheme will be final. Therefore, if an investor subsequently changes their PIR, they will need to include the allocated PIE taxable income in their income tax return for the year, if the PIR applied by the Scheme is lower than their correct PIR. If tax has been overpaid as a result it cannot be refunded.

## EQUALISATION PAYMENTS

In order to ensure equality among investors where taxable income from the Scheme is not distributed, the Scheme may choose to make an equalisation payment by way of disproportionate distribution to those investors not on a 28% PIR pursuant to the table below, by way of example.

In this example, \$1,000 of taxable income is earned by the Scheme and held in the Scheme as retained earnings. Tax is required to be paid on this income at each investor's PIE tax rate. In this instance, a distribution may be made to investors on PIE tax rates of less than 28% to adjust for their PIE tax liability. This will ensure an equitable distribution of post-tax income if and when the retained earnings are distributed.

## DEPRECIATION BENEFITS

As a PIE, the Scheme will claim tax depreciation on buildings, fixtures and chattels owned by the Scheme as a deduction. This will reduce the taxable income attributed to investors and the resulting tax liability deducted from distributions, without further action required from investors.

Taxable depreciation recovery income could arise on any future disposal of the Properties, which may result in tax being payable by Scheme on behalf of investors.

Based on forecast tax calculations, which includes a deduction for depreciation, the Scheme expects that there will be no PIE tax payable on distributions for the five month period ending 31 March 2024 and the year ending 31 March 2025. Further information is set out in section 6 of the PDS ('Inghams Hatchery Scheme's financial information').

PIR	Taxable income allocated	PIE tax paid to IRD	Net amount paid to investor	Retained in the scheme
28%	\$1,000	\$280	Nil	\$720
17.5%	\$1,000	\$175	\$105	\$720
10.5%	\$1,000	\$105	\$175	\$720
0%	\$1,000	Nil	\$280	\$720





# 10 ABOUT SILVERFIN CAPITAL LIMITED AND OTHERS INVOLVED IN INGHAMS HATCHERY SCHEME

## ABOUT SILVERFIN CAPITAL LIMITED

Silverfin is licensed under the Financial Markets Conduct Act 2013 as a manager of managed investment schemes (excluding managed funds) that invest in real property or property syndicates/real property proportionate ownership schemes.

Silverfin is a business specialising in property syndication and management. Silverfin's schemes are structured to provide investors with a cash return from commercial real estate, without the burdens of private property ownership. Silverfin currently has approximately \$560 million of property assets under management across 24 schemes.

Silverfin was established in 2016 by experienced property syndicator Cheryl Macaulay, former owner and managing director of Commercial Investment Properties Limited, which amalgamated with syndicator KCL Property and was later acquired by listed company Augusta Capital (now called Centuria Capital). Cheryl sadly passed away in August 2018, but the executive team, led by Chief Executive Officer Miles Brown, have continued the strong record Cheryl established.

## GOVERNANCE

The directors and management of Silverfin have considerable property expertise with experience in property development, facilities and asset management, property investment, business administration and accounting. The directors and management have been involved in commercial property for many years and have extensive experience and knowledge in this area. Silverfin's directors, the management team and their professional partners present a strong well-organised team that provides a broad base of knowledge and experience.

Silverfin's board comprises Murray Cleverley as Chairman and independent director, John Bishop as an independent director and Paul Macaulay as a non-independent director.

## CONTACT DETAILS

Silverfin can be contacted:

**At its registered office:** Level 12, 41 Shortland Street, Auckland Central, Auckland 1010

**By telephone:** 09 216 8626

**By email:** [info@silverfin.nz](mailto:info@silverfin.nz)

**By post:** Silverfin Capital Limited, PO Box 105527, Auckland 1143 - Attention Miles Brown



**MURRAY CLEVERLEY, CHAIRMAN**

Murray is a professional director having previously worked in a variety of roles within the health and business sectors. He is strongly community focussed and in 2014 he was awarded a Member of the New Zealand Order of Merit for his service to business and the community. He has an MBA from Massey University, is a Chartered Fellow of the Institute of Directors and is managing director of a consulting and management company providing governance services to businesses.



**JOHN BISHOP, INDEPENDENT DIRECTOR**

John is an independent director with extensive experience on a number of boards in the finance, insurance, logistics, education, sports and property industries. John was part of the executive management team of ASB Bank. John brings a wealth of property experience to Silverfin, having been a director and chair on the KCL Property board for eight years. He is a Chartered Director of the Institute of Directors and a qualified accountant.



**PAUL MACAULAY, NON-INDEPENDENT DIRECTOR**

Paul is a substantial shareholder in Silverfin Capital Limited. Paul is a non-independent director and an experienced businessman who has owned and managed businesses in various industries from farming to tourism. Paul has been involved in property syndication for many years acting as adviser and sounding board to Cheryl Macaulay. Paul ensures Cheryl's 'investors first' philosophy continues to be front of mind for the Silverfin team.

**WHO ELSE IS INVOLVED?**

	Name	Role
<b>Supervisor</b>	Trustees Executors Limited	The Supervisor is responsible for supervising the performance of our functions, acting on behalf of investors, and ensuring the Scheme's assets are appropriately held.
<b>Custodian</b>	Trustees Executors Limited	The Supervisor and Custodian will nominate its wholly owned subsidiary Silverfin Nominees (Inghams Hatchery) Limited to hold the Scheme's assets.

# 11 HOW TO COMPLAIN

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You can lodge a complaint with us:

**Call:** 09 216 8626  
**Email:** [info@silverfin.nz](mailto:info@silverfin.nz)  
**Write to:** Chief Executive Officer  
Silverfin Capital Limited  
PO Box 105527  
Auckland 1143

We are a member of the Financial Dispute Resolution Scheme ('FDRS'), an approved dispute resolution scheme. If you have complained to us and you have reached the end of our internal complaints process without your complaint being resolved to your satisfaction, the FDRS may be able to consider your complaint. For the FDRS to consider your complaint we must have 'deadlocked' your complaint and other criteria must be met.

**Online:** [www.fdr.org.nz/making-complaint/make-complaint/make-complaint-line](http://www.fdr.org.nz/making-complaint/make-complaint/make-complaint-line)

**Call:** 0508 337 337

**Email:** [enquiries@fdrs.org.nz](mailto:enquiries@fdrs.org.nz)

**Write to:** Financial Dispute Resolution Service  
PO Box 2272  
Wellington 6140

FDRS will not charge a fee to any complainant to investigate or resolve a complaint.

You can also make a complaint to the Supervisor:

**Call:** 0800 878 783 during normal business hours

**Write to:** Trustees Executors Limited  
PO Box 4197  
Shortland Street  
Auckland 1140

The Supervisor is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited ('FSCL'). If your complaint to the Supervisor has not been resolved, you can refer it to FSCL.

**Call:** 0800 347 257

**Write to:** Financial Services Complaints Limited  
4th Floor, 101 Lambton Quay  
PO Box 5967  
Wellington 6145

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.



# 11 WHERE YOU CAN FIND MORE INFORMATION

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Further information relating to the Scheme and interests in the Scheme is available on the offer register and the scheme register (for example, financial statements). A copy of information on the offer register or scheme register is available on request from the Registrar of Financial Service Providers and from Silverfin.

The offer register can be viewed at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) by searching 'Inghams Hatchery' under offers.

The scheme register can be viewed at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) by searching 'Inghams Hatchery' under schemes.

No other information relating to the Scheme and interests in the Scheme is available other than the information contained in this PDS, the offer register and the scheme register.

## Annual Information

Each year you will be sent the Scheme's audited financial statements for the previous financial year. These will be provided free of charge within four months of each financial year.

## On Request Information

You can request the following information on request and free of charge:

- the latest audited financial statements of the Scheme at the time of your request; and
- further copies of this PDS.

Requests for information should be made to by contacting Silverfin:

**Call:** 09 216 8626

**Email:** [info@silverfin.nz](mailto:info@silverfin.nz)

**Write to:** Silverfin Capital Limited  
PO Box 105527  
Auckland 1143

## Information about your investment

You can obtain information specific to your investment free of charge through Syndex. If you need help to access Syndex please call Silverfin on 09 216 8626.

# 13 HOW TO APPLY

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Applications can be made by completing the application form attached to this PDS. Existing Silverfin individual investors can also apply online at [www.syndex.exchange](http://www.syndex.exchange).

Please ensure that all customer due diligence information is provided, as set out in the application form. Without this information we cannot accept your application.

Payment of the full subscription amount must accompany the application form by bank transfer. Details for payments are included in the application form.

## Completed application forms must be sent to:

Inghams Hatchery Scheme Applications  
Silverfin Capital Limited  
PO Box 105527  
Auckland 1143

**Or via email to:** [info@silverfin.nz](mailto:info@silverfin.nz)

Applications once made cannot be revoked or withdrawn. Silverfin reserves the right to accept or reject any application in whole or in part without giving any reason.

To ensure all potential investors are dealt with equitably, Silverfin operates a 'first in, first served' policy in relation to the acceptance of applications. If the Scheme is oversubscribed, the criteria for assessing which applications will not be accepted will be based on the date the subscription funds were received, with the funds that were received last being the first to be returned. Completed application forms and any other required information must also have been received by Silverfin.

One interest will be returned per applicant until the oversubscription is resolved.

# 14 GLOSSARY

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Term	Definition
<b>Deed of Participation</b>	The Scheme's deed of participation, which is its governing document.
<b>Interest</b>	An interest in the Scheme.
<b>Interest Cover Ratio</b>	The Interest Cover Ratio is a measure of how many times the Scheme's net operating income covers the interest costs on the Scheme's interest bearing debt.
<b>LVR</b>	The Loan to Value Ratio (LVR) is a measure of the Scheme's interest bearing debt as a proportion of the value of the Properties.
<b>Ordinary Resolution</b>	An ordinary resolution is a resolution passed by a 50% majority of interests entitled to vote.
<b>Properties</b>	115 and 142 Brown Road, Tuakau, Waikato 87 Andrews Road, Onewhero, Waikato
<b>Scheme</b>	The Inghams Hatchery Scheme, which is the scheme in which interests are offered in this PDS.
<b>Silverfin</b>	Silverfin Capital Limited, the manager of the Scheme.
<b>SIPO</b>	The Statement of Investment Policy and Objectives for the Scheme adopted by Silverfin that sets out Silverfin's investment policies, objectives and strategies for the Scheme together with its policies for the management of its investment in the Properties and the performance and monitoring thereof
<b>Special Resolution</b>	A special resolution is a resolution passed by a 75% majority of interests entitled to vote and voting on the matter.
<b>Supervisor</b>	Trustees Executors Limited, the supervisor of the Scheme.
<b>Tenant</b>	Inghams Enterprises (NZ) Pty Limited, who will become the tenant of the Properties from the settlement date.
<b>Vendor</b>	Bromley Park Hatcheries Limited, the company selling the Properties to the Scheme under the Sale and Purchase Agreement.

# 15 AN OVERVIEW OF THE NEW ZEALAND POULTRY INDUSTRY

Chicken, as a food source, is an extremely popular meat choice – representing 52% of all meat consumed in New Zealand. New Zealanders eat around 41kg of chicken every year – that’s over 20 chickens per person, per year.

To meet demand, the poultry industry has 180 farms around the country, employing 3,500 people. The industry has a Government mandated code of welfare, which combined with Poultry Industry Association of New Zealand’s (PIANZ) high standards of training, stockmanship and systems, mean New Zealand chicken is in high demand around the world. New Zealand is often described as the best place in the world to grow chickens, due to our temperate climate, advanced systems and disease-free status. *Source: PIANZ website*

The key demand drivers for the poultry industry include:

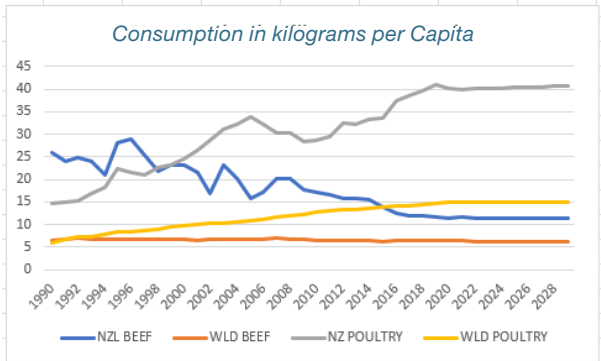
1. continued population growth in New Zealand;
2. affordability, achieved through increased efficiency in production and growing systems; and
3. market positive consumer trends, in particular health, well-being and convenience related preferences.

## GROWTH IN CONSUMPTION

Chicken is one of the cheapest and most popular meats in New Zealand and contains less saturated fat than red meats such as beef, pork or lamb. While consumption trends are showing decreases in red meat, poultry is remaining strong in virtually all countries and regions due to lower prices, product consistency, adaptability, and higher protein / lower fat content.

In almost 30 years, annual poultry consumption in New Zealand has increased from ~14 kg per person (1990) to ~41 kg per person (2022) a compound annual growth rate of 3.4% per annum.

In comparison, New Zealanders consumption of beef reduced by 2.65% per annum over a similar period and worldwide consumption of beef remained flat.



Source: OECD Agriculture Statistics: OECD-FAO Agricultural Outlook (Edition 2022))



# APPLICATION INSTRUCTIONS

Application forms for the Inghams Hatchery Scheme are contained in the following pages 64-79. The instructions below are a summary to assist investors in completing the forms. If you have any questions on the application forms, please contact Silverfin (contact details on the last page of this Product Disclosure Statement).

## EXISTING SILVERFIN INVESTORS

- You will need to complete pages 64-67 of the application form
- Ensure all investors sign and date page 64 as follows:
  - joint investors to both sign
  - for a company, two directors must sign unless there is only one
  - for a trust, all trustees to sign.
- As an existing investor Silverfin will already have your AML documentation. However, these may have expired since your last investment, and as such we may require current certified ID and proof of your current residential address.

### ONLINE APPLICATIONS FOR EXISTING SILVERFIN INVESTORS

If you're an existing Silverfin Investor you can apply for your investment online.

Follow the instructions over the page on how to use the online form and visit [www.syndex.exchange](http://www.syndex.exchange) to make the application.

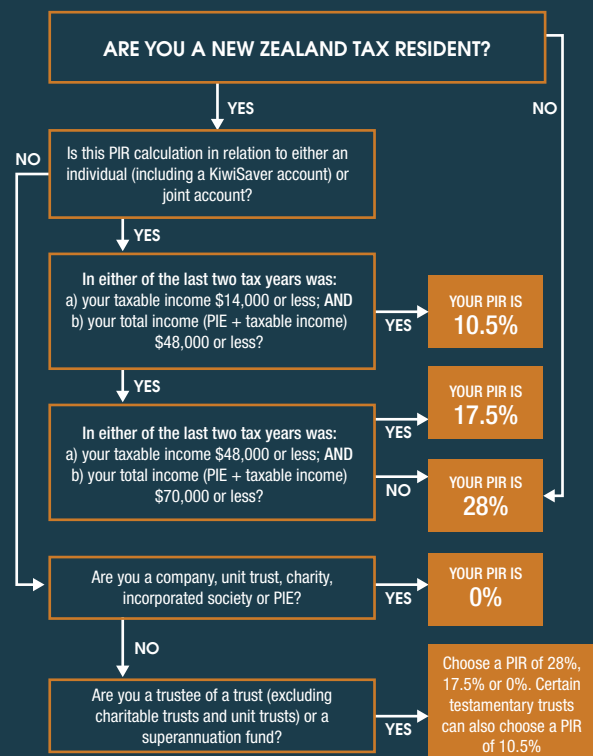
## NEW SILVERFIN INVESTORS

- You will need to complete pages 68-79 of the application form
- Ensure all investors sign and date page 68 as follows:
  - joint investors to both sign
  - for a company, two directors must sign unless there is only one
  - for a trust, all trustees to sign.
- Provide proof of bank account for your monthly distribution payments
- Provide ID and proof of residential address. Page 77 outlines what forms of ID and proof of residential address are accepted. Note that this is required for all investors i.e. joint investors, trustees, company directors and any shareholders holding over 25% (and certain others). Alternatively, we can verify your identity electronically through your smartphone.
- Page 78 outlines who can certify the above documents
- If you are investing as a trust, we require confirmation of your source of wealth/funds i.e. how did your trust acquire funds for this investment?

## WORKING OUT YOUR PRESCRIBED INVESTOR RATE (PIR)

The table below will help you work out your Prescribed Investor Rate. If you are unsure, go to [www.ird.govt.nz](http://www.ird.govt.nz) or talk to your tax adviser.

If a PIR is not selected or you supply an incorrect IRD number, the default rate of 28% will apply.



# APPLYING FOR SILVERFIN OFFERS ONLINE

## FOR EXISTING SILVERFIN INVESTORS ONLY

(Please note: online applications can only be completed if your ID verification is up to date. If this is not the case, you will be required to update it before proceeding with the application.)

### STEP ONE

Login to your Syndex account at [www.syndex.exchange](http://www.syndex.exchange). If your account is incomplete, you will be required to complete the full Syndex registration process via a prompt that will pop up on your screen, this may include the Electronic Identity Verification (EIV) process.

### STEP TWO

Once logged in, click the 'apply' button next to the Silverfin Scheme\* you wish to apply for on your home page.

Issuer	Issue	Total No. of Units/Shares	Minimum Investment	Minimum Investment Value	Offer End Date	Action
	Inghams Hatchery Scheme	389	1	NZD 50,000.00	11/10/2023	<a href="#">Apply</a>

### STEP THREE – APPLY

You will then be taken to the Scheme's Syndex page, where you can click the apply button in the top centre of the page, then follow the prompts (pictured right) to finish your online application.

### STEP FOUR – APPLICATION CONFIRMATION

This Scheme has application declaration terms and conditions that are specific to the Scheme. You must confirm your acceptance of these before your application can be submitted. Read the declaration and tick the box to register your acceptance.

### STEP FIVE – ONBOARDING QUESTION

Silverfin is required to ask for the nature and purpose of your investment. Please provide the requested details. You must complete this section before your application can be submitted.

### STEP SIX – SUBMIT YOUR APPLICATION

Confirm you agree with Syndex's Account Holder Rules. You will receive a confirmation email and one of the Silverfin Team will be in touch shortly.

### STEP SEVEN – COMPLETE PAYMENT

Payment of the full subscription amount must be made immediately after your application has been successfully submitted.

Payments can be made to:

*Anderson Lloyd Trust Account*

*06-0901-0015250-02*

Please insert "Inghams" and your surname into the reference field.

### Apply for Silverfin Offer

#### Application Details

Interests are at the value of \$50,000 per interest and applications must be for a minimum of one interest. You can apply for greater than the minimum investment by simply entering the number of interests you would like to apply for.

No of Units/Shares	Application Amount
<input type="text" value="Two"/>	<input type="text" value="\$100,000"/>

▼

Online applications are available for existing individual investors.

[Add New Account](#)

Please select in the dropdown box the entity which will be applying for the units. Note: If you are applying on behalf of a trust, company or joint account you cannot apply online.



## INGHAMS HATCHERY SCHEME

# EXISTING SILVERFIN INVESTORS APPLICATION FORM

If you're an existing investor with Silverfin please complete the following pages.

For new Silverfin investors please complete pages 68-79 only.

### SECTION 1: Application Declaration

#### PLEASE READ THIS BEFORE SIGNING

By signing this application form you agree and confirm the following:

- The information and documents that you have provided to us are accurate and complete, and you will advise us of any changes to this information or these documents.
- You have been given, read, and understand the Inghams Hatchery Scheme ('Scheme') Product Disclosure Statement dated 12 September 2023 and understand that additional information about the Scheme (including a copy of the Scheme's deed of participation) is available from Silverfin Capital Limited (as described in the Product Disclosure Statement).
- You are bound by the Scheme's deed of participation.
- You understand that once submitted your application is irrevocable (unless Silverfin Capital Limited agrees), but may be accepted or rejected by Silverfin Capital Limited at its absolute discretion.
- You understand that no particular level of distribution is guaranteed, that the actual distribution rate may vary, and that the differences could be significant.
- You understand that an investment in the Scheme has risk, that your investment is not redeemable, and that the secondary market for sale of your investment may be limited (meaning that you may not be able to sell your investment for the price you want (or at all) and may receive less than the amount you invested).
- You understand that no person guarantees the returns from the Scheme or the repayment of your investment.
- You understand that the Scheme is not a partnership and that you are not the agent of (and have no authority to bind) any other investor.
- You are not a builder, land developer, land dealer, or an associated person (in terms of the Income Tax Act 2007) of such a person.
- You will be just and faithful to all other investors in the Scheme and will not, during the term of the Scheme, do anything that may prejudice the interests of the Scheme.
- You authorise Silverfin Capital Limited and Trustees Executors Limited to disclose information about you and your investment to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law.
- You agree that Silverfin Capital Limited may share the information that you provide to us with relevant domestic and foreign tax authorities in accordance with applicable tax laws and regulations, including the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS).
- You consent to Silverfin Capital Limited disclosing personal information about you to third parties for the purpose of undertaking checks on you to satisfy our obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) (and related regulations and guidance).
- You agree to provide Silverfin Capital Limited with any further documents or information that we request from time to time in order to comply with our legal and regulatory obligations.
- If you have provided your email address, or if you provide it at any later date, you consent to receiving electronic communications (including email) from Silverfin Capital Limited about the Scheme and additional services or other investments that may be of interest to you. You may elect to not receive electronic communications at any time.
- You acknowledge that the Privacy Act 2020 gives you the right to access and request correction of personal information held by Silverfin Capital Limited, Trustees Executors Limited and their associated entities and agents. You acknowledge that the information in this application form, and any information provided by you at any later date, will be used by Silverfin Capital Limited to facilitate your investment in the Scheme, may be disclosed to third parties for that purpose, and may also be used to inform you of additional services or other investments that may be of interest to you. You may elect to not receive marketing communications at any time. If you do not provide the information sought Silverfin Capital Limited may be unable to process your application.
- You have the authority to complete this form.

Unless they are wilfully negligent and / or dishonest, independent trustees are bound by these covenants (and those in the deed of participation) as trustees under the relevant trust in their capacities as trustee and not personally.

**SIGNED FOR AND ON BEHALF OF** (*investing entity name*): \_\_\_\_\_

Joint investors must each sign this form. Where the investing entity is a company or trust, it must be signed by those persons authorised to act on behalf of the company or trust (in the case of a company, two directors must sign unless there is only one director. In the case of a trust, all trustees must sign).

Investor(s) signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position/Capacity: \_\_\_\_\_

Date: \_\_\_\_\_

Investor(s) signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position/Capacity: \_\_\_\_\_

Date: \_\_\_\_\_

Investor(s) signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position/Capacity: \_\_\_\_\_

Date: \_\_\_\_\_

## SECTION 2: Application Details

### APPLICANT(S) TO COMPLETE, BLOCK LETTERS

Investor Name \_\_\_\_\_

Investor IRD Number: --

Investor Type (tick one)  Trust  Company  Joint Holder  Individual  Other

Prescribed Investor Rate \_\_\_\_\_% (Refer to page 62 for help to work out your PIR rate)

Investor RWT (tick one) (If no RWT rate is provided, the default rate that must be used is 45%)

- 10.5% Resident Withholding Tax     
  17.5% Resident Withholding Tax     
  28% Resident Withholding Tax  
 30% Resident Withholding Tax     
  33% Resident Withholding Tax     
  39% Resident Withholding Tax  
 Resident Withholding Tax Exempt

### PRIMARY CONTACT OF INVESTING ENTITY

Name \_\_\_\_\_ Mobile Ph \_\_\_\_\_

Daytime Contact Ph \_\_\_\_\_ Email \_\_\_\_\_

Postal Address \_\_\_\_\_

\_\_\_\_\_ Post code \_\_\_\_\_

### RELEVANT PERSON 1

Name \_\_\_\_\_ Mobile Ph \_\_\_\_\_

Daytime Contact Ph \_\_\_\_\_ Email \_\_\_\_\_

Postal Address \_\_\_\_\_

\_\_\_\_\_ Post code \_\_\_\_\_

### RELEVANT PERSON 2

Name \_\_\_\_\_ Mobile Ph \_\_\_\_\_

Daytime Contact Ph \_\_\_\_\_ Email \_\_\_\_\_

Postal Address \_\_\_\_\_

\_\_\_\_\_ Post code \_\_\_\_\_

### FATCA / CRS DISCLOSURE

Is the Investor (when an individual) or any shareholder or director (when a company), or any trustee or beneficiary (when a trust) a US citizen or resident of the US for tax purposes, or a tax resident of any country other than NZ?

- No     
  Yes (If 'Yes', we may require the Investor to complete further forms in order to enable us to comply with FATCA and CRS requirements).

### APPLICATION

Number of Interests \_\_\_\_\_ @ \$50,000ea      Total Amount \$ \_\_\_\_\_

Account Name for distributions: \_\_\_\_\_

BANK	BRANCH	ACCOUNT NUMBER	SUFFIX
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

NOTE: If your account details have changed from previous investments please enclose a bank encoded deposit slip, bank statement or confirmation from your bank verifying the revised bank account name and number.

The nominated account must be a New Zealand bank account and be in the name of the Investor.

## SECTION 3: Nature and Purpose of Investment

This information is being requested solely for the purpose of our regulatory compliance obligations and not for the purpose of allowing Silverfin to assess the suitability of this investment for you.

**The nature of your investment explains how much you plan to invest with Silverfin, how regularly you expect to invest and for how long you intend to hold this investment.**

How regularly do you intend to invest with Silverfin?

One off investment     1-3 times a year     Each available opportunity     When funds are available

How much do you plan to invest in total with Silverfin on an annual basis?

Less than \$100k     \$100k up to \$250k     \$250k up to \$500k     Over \$500k

How long do you intend to hold your investment with Silverfin?

Less than 12 months     2-5 years     6-10 years     Over 10 years

**The purpose of your investment explains your investment objectives and intentions, and what you are trying to achieve by investing with Silverfin.**

What are you looking to achieve through investing with Silverfin?

Receive regular income     Achieve capital growth     Planning for retirement     Other

If other, please provide additional information: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### TRUST INFORMATION REQUIRED

#### Source of wealth / source of funds

Please provide information about the source of wealth and/or source of funds for the trust and evidence supporting this information.

\_\_\_\_\_

\_\_\_\_\_

#### Trust changes

Trust entities only: Have there been any changes to the trustees, beneficiaries, or amendments to the trust deed since your last investment with us?  Yes  No

If yes, provide details \_\_\_\_\_

\_\_\_\_\_

## SECTION 4: Certificate of Non-Revocation of Power of Attorney

Only complete this if you are applying on behalf of someone for whom you hold a Power of Attorney

I, (Name of Attorney) \_\_\_\_\_

Of (Address of Attorney) (Attorney's Occupation) \_\_\_\_\_

Hereby certify that I am the Attorney of (Donor) \_\_\_\_\_

of \_\_\_\_\_

Given to me by him/her/them (address) \_\_\_\_\_

(a copy of which is attached to this application form) (Power of Attorney)

THAT I have executed the application for subscription on the face of this form as Attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me.

THAT at the date of this certificate I have not received any notice or information of the revocation of that Power of Attorney by the death or winding up of the Donor or otherwise.

Signed (Attorney) \_\_\_\_\_ Dated \_\_\_\_\_

## SECTION 5: Application Instructions

### 1. Payment

Payment of the full subscription amount must accompany the application form. *Payments by cheque can no longer be accepted.*

Payments can be made to: **Anderson Lloyd Trust Account | Account No: 06-0901-0015250-02**

**Please insert "Inghams" and your surname into the reference field**

### 2. Closing Date

5pm on 11 October 2023 or such other date as Silverfin may determine.

### 3. Delivery

Applications cannot be revoked or withdrawn. Applications can be scanned and sent to alexandra@silverfin.nz, mailed to: PO Box 105527, Auckland 1143 or delivered to Silverfin Capital Limited, Level 12, 41 Shortland Street, Auckland Central 1010.

## SECTION 6: Application Checklist

### 1 – Returning Silverfin Investor Application

Signed & Dated (by authorised parties)

### 2 – Applicant Details

Proof of bank account (deposit slip or other evidence (if your bank account has changed))

### 3 – Supporting Documents

Power of Attorney (if applicable)

Complete FATCA / CRS self-certification form (if applicable)

*Silverfin may in certain circumstances request additional information and/or supporting documents to ensure compliance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. If you are asked to provide this information your application will not be processed without it.*

*If you act on behalf of another party you must provide full details of the relationship between you and the other party and documentary evidence of your authority to act (e.g. power of attorney with appropriate certificate of non-revocation).*

————— **END OF EXISTING SILVERFIN APPLICATION FORM** —————



**INGHAMS HATCHERY SCHEME**

**NEW SILVERFIN INVESTORS APPLICATION FORM**

*If you're an existing investor with Silverfin please complete the following pages.  
For existing Silverfin investors please complete pages 64-67 only.*

**SECTION 1: Application Declaration**

**PLEASE READ THIS BEFORE SIGNING**

**By signing this application form you agree and confirm the following:**

1. The information and documents that you have provided to us are accurate and complete, and you will advise us of any changes to this information or these documents.
2. You have been given, read, and understand the Inghams Hatchery Scheme ('Scheme') Product Disclosure Statement dated 12 September 2023 and understand that additional information about the Scheme (including a copy of the Scheme's deed of participation) is available from Silverfin Capital Limited (as described in the Product Disclosure Statement).
3. You are bound by the Scheme's deed of participation.
4. You understand that once submitted your application is irrevocable (unless Silverfin Capital Limited agrees), but may be accepted or rejected by Silverfin Capital Limited at its absolute discretion.
5. You understand that no particular level of distribution is guaranteed, that the actual distribution rate may vary, and that the differences could be significant.
6. You understand that an investment in the Scheme has risk, that your investment is not redeemable, and that the secondary market for sale of your investment may be limited (meaning that you may not be able to sell your investment for the price you want (or at all) and may receive less than the amount you invested).
7. You understand that no person guarantees the returns from the Scheme or the repayment of your investment.
8. You understand that the Scheme is not a partnership and that you are not the agent of (and have no authority to bind) any other investor.
9. You are not a builder, land developer, land dealer, or an associated person (in terms of the Income Tax Act 2007) of such a person.
10. You will be just and faithful to all other investors in the Scheme and will not, during the term of the Scheme, do anything that may prejudice the interests of the Scheme.
11. You authorise Silverfin Capital Limited and Trustees Executors Limited to disclose information about you and your investment to the Financial Markets Authority as may be required from time to time under the Financial Markets Conduct Act 2013 or any other law.
12. You agree that Silverfin Capital Limited may share the information that you provide to us with relevant domestic and foreign tax authorities in accordance with applicable tax laws and regulations, including the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS).
13. You consent to Silverfin Capital Limited disclosing personal information about you to third parties for the purpose of undertaking checks on you to satisfy our obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) (and related regulations and guidance).
14. You agree to provide Silverfin Capital Limited with any further documents or information that we request from time to time in order to comply with our legal and regulatory obligations.
15. If you have provided your email address, or if you provide it at any later date, you consent to receiving electronic communications (including email) from Silverfin Capital Limited about the Scheme and additional services or other investments that may be of interest to you. You may elect to not receive electronic communications at any time.
16. You acknowledge that the Privacy Act 2020 gives you the right to access and request correction of personal information held by Silverfin Capital Limited, Trustees Executors Limited and their associated entities and agents. You acknowledge that the information in this application form, and any information provided by you at any later date, will be used by Silverfin Capital Limited to facilitate your investment in the Scheme, may be disclosed to third parties for that purpose, and may also be used to inform you of additional services or other investments that may be of interest to you. You may elect to not receive marketing communications at any time. If you do not provide the information sought Silverfin Capital Limited may be unable to process your application.
17. You have the authority to complete this form.

Unless they are wilfully negligent and / or dishonest, independent trustees are bound by these covenants (and those in the deed of participation) as trustees under the relevant trust in their capacities as trustee and not personally.

**SIGNED FOR AND ON BEHALF OF** *(investing entity name):* \_\_\_\_\_

*Joint investors must each sign this form. Where the investing entity is a company or trust, it must be signed by those persons authorised to act on behalf of the company or trust (in the case of a company, two directors must sign unless there is only one director. In the case of a trust, all trustees must sign).*

Investor(s) signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position/Capacity: \_\_\_\_\_

Date: \_\_\_\_\_

Investor(s) signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position/Capacity: \_\_\_\_\_

Date: \_\_\_\_\_

Investor(s) signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position/Capacity: \_\_\_\_\_

Date: \_\_\_\_\_

## SECTION 2: Application Details

### APPLICANT(S) TO COMPLETE, BLOCK LETTERS

Investor Name \_\_\_\_\_

Investor IRD Number: --

Investor Type (tick one)  Trust  Company  Joint Holder  Individual  Other

Prescribed Investor Rate \_\_\_\_\_ % (Refer to page 62 for help to work out your PIR rate)

Investor RWT (tick one) (If no RWT rate is provided, the default rate that must be used is 45%)

10.5% Resident Withholding Tax  17.5% Resident Withholding Tax  28% Resident Withholding Tax

30% Resident Withholding Tax  33% Resident Withholding Tax  39% Resident Withholding Tax

Resident Withholding Tax Exempt

### PRIMARY CONTACT OF INVESTING ENTITY

Name \_\_\_\_\_ Mobile Ph \_\_\_\_\_

Daytime Contact Ph \_\_\_\_\_ Email \_\_\_\_\_

Postal Address \_\_\_\_\_

\_\_\_\_\_ Post code \_\_\_\_\_

### RELEVANT PERSON 1

Name \_\_\_\_\_ Mobile Ph \_\_\_\_\_

Daytime Contact Ph \_\_\_\_\_ Email \_\_\_\_\_

Postal Address \_\_\_\_\_

\_\_\_\_\_ Post code \_\_\_\_\_

### RELEVANT PERSON 2

Name \_\_\_\_\_ Mobile Ph \_\_\_\_\_

Daytime Contact Ph \_\_\_\_\_ Email \_\_\_\_\_

Postal Address \_\_\_\_\_

\_\_\_\_\_ Post code \_\_\_\_\_

### FATCA / CRS DISCLOSURE

Is the Investor (when an individual) or any shareholder or director (when a company), or any trustee or beneficiary (when a trust) a US citizen or resident of the US for tax purposes, or a tax resident of any country other than NZ?

No  Yes (If 'Yes', we may require the Investor to complete further forms in order to enable us to comply with FATCA and CRS requirements).

### APPLICATION

Number of Interests \_\_\_\_\_ @ \$50,000ea Total Amount \$ \_\_\_\_\_

Account Name for distributions: \_\_\_\_\_

BANK	BRANCH	ACCOUNT NUMBER	SUFFIX
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

NOTE: You must enclose a bank encoded deposit slip, bank statement or confirmation from your bank verifying the bank account name and number.

The nominated account must be a New Zealand bank account and be in the name of the Investor.

### SECTION 3: Nature and Purpose of Investment

This information is being requested solely for the purpose of our regulatory compliance obligations and not for the purpose of allowing Silverfin to assess the suitability of this investment for you.

**The nature of your investment explains how much you plan to invest with Silverfin, how regularly you expect to invest and for how long you intend to hold this investment.**

How regularly do you intend to invest with Silverfin?

- One off investment       1-3 times a year       Each available opportunity       When funds are available

How much do you plan to invest in total with Silverfin on an annual basis?

- Less than \$100k       \$100k up to \$250k       \$250k up to \$500k       Over \$500k

How long do you intend to hold your investment with Silverfin?

- Less than 12 months       2-5 years       6-10 years       Over 10 years

**The purpose of your investment explains your investment objectives and intentions, and what you are trying to achieve by investing with Silverfin.**

What are you looking to achieve through investing with Silverfin?

- Receive regular income       Achieve capital growth       Planning for retirement       Other

If other, please provide additional information: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### SECTION 4: Anti-Money Laundering and Countering Financing of Terrorism Act 2009 – customer due diligence

**ALL PROOF OF IDENTITY DOCUMENTATION MUST BE CERTIFIED BY A TRUSTED REFEREE OR VERIFIED BY A SILVERFIN STAFF MEMBER**

\* Please refer to Section 11 for details on how to get your documents certified or verified by a Silverfin Staff member.

**To be completed by the Applicant:**

**What is the source of your funds/wealth? (please tick one)**

Please provide evidence for your source (eg Sale and Purchase Agreement, Will, Bank Statement etc).

- Savings       Growth       Retirement  
 Capital       Income       Business Account  
 Recent inheritance (detail) \_\_\_\_\_  
 Recent gift (detail) \_\_\_\_\_  
 Recent sale of investment (detail) \_\_\_\_\_  
 Other (detail) \_\_\_\_\_

**What type of Investor are you? (choose one):**

- Individual ..... **Go to Section 5**       New Zealand company..... **Go to Section 7**  
 Trust..... **Go to Section 8**       Politically exposed person.....**Go to Section 9**

**Have you ever invested in any proportionate syndication schemes?**

- Current investor       Previous Investment       Never

**Do you have a Syndex.Exchange account?**

- Yes  No

\* Silverfin may in certain circumstances request additional information and/or supporting documents that verify the source of funds or wealth such as bank statements, sale and purchase agreements, payslips and any other documentation that shows the source of funds or wealth of the customer.

Any identity documents must be current, certified/verified, dated and signed by the certifier/verifier within the last three months.

If you act on behalf of another party you must provide full details of the relationship between you and the other party and documentary evidence of your authority to act (e.g. power of attorney with appropriate certificate of non-revocation).

## SECTION 5: Investor – Individual or Joint

Complete this section if the Investor is an individual or individuals (where the interests are held jointly). Where an Investor is an individual, customer due diligence will be conducted on the following:

- **Investor:** The individual(s).
- **Beneficial owners:** All beneficial owners of the individual, being those individuals on whose behalf the transaction is being conducted.
- **Acting on behalf:** Any persons acting on behalf of the individual(s).  
*This is an individual who is authorised to act on behalf of an individual in relation to their dealings with Silverfin or is authorised to carry out transactions or other activities on behalf of the individual in relation to its dealings with Silverfin. This includes, for example, a person granted a power of attorney.*

All individuals and entities who meet the criteria set out above, will need to be verified by us.

### THE PERSONS (IF ANY) WHO ARE BENEFICIAL OWNERS ARE:

FULL NAME*	DOB	RESIDENTIAL ADDRESS	AUTHORISED PERSON	IRD NUMBER
			<input type="checkbox"/> YES <input type="checkbox"/> NO	
			<input type="checkbox"/> YES <input type="checkbox"/> NO	

\* All individuals listed will need to have their identity and address verified in accordance with Section 11: Certification / Verification of Documents and Section 10: Acceptable Documents for Individuals.

### THE PERSONS (IF ANY) WHO ARE ACTING ON BEHALF ARE:

FULL NAME*	DOB	RESIDENTIAL ADDRESS	AUTHORISED PERSON	IRD NUMBER
			<input type="checkbox"/> YES <input type="checkbox"/> NO	
			<input type="checkbox"/> YES <input type="checkbox"/> NO	

\* All individuals listed will need to have their identity and address verified in accordance with Section 11: Certification / Verification of Documents and Section 10: Acceptable Documents for Individuals.

## SECTION 6: Certificate of Non-Revocation of Power of Attorney

Only complete this if you are applying on behalf of someone for whom you hold a Power of Attorney

I, (Name of Attorney) \_\_\_\_\_

Of (Address of Attorney) (Attorney's Occupation) \_\_\_\_\_

Hereby certify that I am the Attorney of (Donor) \_\_\_\_\_

of \_\_\_\_\_

Given to me by him/her/them (address) \_\_\_\_\_

(a copy of which is attached to this application form) (Power of Attorney)

THAT I have executed the application for subscription on the face of this form as Attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me.

THAT at the date of this certificate I have not received any notice or information of the revocation of that Power of Attorney by the death or winding up of the Donor or otherwise.

Signed (Attorney) \_\_\_\_\_ Dated \_\_\_\_\_

## SECTION 7: Investor – New Zealand Company

Complete this section if the Investor is a New Zealand company. When the Investor is a New Zealand company, we are required to undertake customer due diligence on the following:

- 1 **COMPANY:** The company itself.
- 2 **BENEFICIAL OWNERS:** All "beneficial owners" of the company, being those individuals who satisfy any one of the following criteria:
  - a) **Owens more than 25% of the company.**  
*This is an individual who directly or indirectly owns more than 25% of the company (in aggregate).*
  - b) **Have effective control of the company.**  
*The purpose of this limb is to understand the management and governance structure of the company. It requires information to be collected and verified on senior management and any person who can appoint or dismiss those in senior management positions. For example, a director or CEO of a company would be deemed to have effective control.*
  - c) **On whose behalf the transaction is being conducted.**  
*This is intended for instances where a company conducts a transaction on behalf of another person. Where this occurs, the person on whose behalf the transaction is being conducted on behalf of must also be identified and verified.*
- 3 **ACTING ON BEHALF:** Any persons acting on behalf of the company.  
*This is a person or entity who is authorised to act on behalf of the company in relation to its dealings with Silverfin or is authorised to carry out transactions or other activities on behalf of the company in relation to its dealings with Silverfin.*

All individuals and entities who meet the criteria set out above, will need to be verified by Silverfin.

### 1 COMPANY INFORMATION

Company Name: \_\_\_\_\_ Company Number: \_\_\_\_\_

Principal Business Address (PO Boxes are not accepted): \_\_\_\_\_

Registered Business Address (If different from principal business address. PO Boxes are not accepted): \_\_\_\_\_

## SECTION 7: Investor – New Zealand Company Continued...

### 2 BENEFICIAL OWNERS OF THE COMPANY

a) >25% direct or indirect shareholding in the company (in aggregate)\*.

FULL NAME	DOB	RESIDENTIAL ADDRESS	PARTICULARS OF SHAREHOLDING

b) Effective control of the company\*

FULL NAME	DOB	RESIDENTIAL ADDRESS	POSITION

c) Persons on whose behalf is the transaction being conducted\*

FULL NAME	DOB	RESIDENTIAL ADDRESS	RELATIONSHIP TO THE INVESTOR

### 3 PERSONS ACTING ON BEHALF OF THE COMPANY

FULL NAME	DOB	RESIDENTIAL ADDRESS	RELATIONSHIP TO THE INVESTOR AND SOURCE OF AUTHORITY

\* All individuals listed will need to have their identity and address verified in accordance with Section 11: Certification / Verification of Documents and Section 10: Acceptable Documents for Individuals.

### 4 NOMINEE DIRECTORS OR SHAREHOLDERS

Does the company have any nominee directors or shareholders? A nominee is someone who is required to carry out, or accustomed to carrying out, their role in accordance with the directions or instructions of another person. If so, please provide the following details:

NAME OF NOMINEE	DIRECTOR OR SHAREHOLDER?	FULL NAME OF THE PERSON THE NOMINEE REPRESENTS

Where the investor has nominee directors and/or shareholders, Silverfin may request additional information to ensure compliance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

## SECTION 8: Investor – Trust

Complete this section if the Investor is a Trust. When the Investor is a Trust, we are required to undertake customer due diligence on the following:

- 1 **TRUST:** The trust itself.
- 2 **BENEFICIAL OWNERS:** All beneficial owners of the trust, being those individuals who satisfy any one of the following criteria:
  - a) **Own more than 25% of the trust.**  
*In the context of a trust, this is every beneficiary of a trust unless the trust is a discretionary trust, or a charitable trust, or has more than 10 beneficiaries.*
  - b) **Have effective control of the trust.**  
*The purpose of this limb is to understand who has effective control of the trust, including control over the assets of the trust, the ability to appoint and remove trustees and the ability to amend the trust deed.*
  - c) **On whose behalf the transaction is being conducted.**  
*This is intended for instances where a trust conducts a transaction on behalf of another person. Where this occurs, both the trust and the person who the transaction is being conducted on behalf of must be identified and verified.*
- 3 **ACTING ON BEHALF:** Any persons acting on behalf of the trust.  
*This is an individual who is authorised to act on behalf of the trust in relation to its dealings with Silverfin or is authorised to carry out transactions or other activities on behalf of the trust in relation to its dealings with Silverfin. This may include the trustees of the trust or persons authorised to deal with the trust's assets.*

All individuals and entities who meet the criteria set out above, will need to be verified by Silverfin.

### 1 TRUST INFORMATION

Full name of the Trust: \_\_\_\_\_

Address of the Trust (*PO Boxes are not accepted*): \_\_\_\_\_

Registration number (*if applicable*): \_\_\_\_\_

#### Trust deed and related documents:

- Please provide us with a copy of the latest trust deed and any related documents. Related documents could include, for example, documents that vary the terms of the trust deed or appoint or remove trustees of the trust.

## SECTION 8: Investor – Trust Continued...

### 2 BENEFICIAL OWNERS OF THE TRUST

a) Entitled to >25% of the assets of the trust

Select one:  Charitable  Discretionary  Fixed

If the trust is a charitable trust, specify the object or purpose of the trust: \_\_\_\_\_  
 \_\_\_\_\_ Go to (b)

If the trust is a discretionary trust, specify the class or type of beneficiaries: \_\_\_\_\_  
 \_\_\_\_\_ Go to (b)

If the trust is a fixed trust, does the trust have more than 10 beneficiaries?

YES, please specify the class or type of beneficiaries: \_\_\_\_\_  
 \_\_\_\_\_ Go to (b)

NO, please specify the following information for each of the beneficiaries below:

FULL NAME	DATE OF BIRTH

b) Effective control of the trust\*

FULL NAME	DOB	RESIDENTIAL ADDRESS	POSITION
			<input type="checkbox"/> Trustee <input type="checkbox"/> Appointer <input type="checkbox"/> Protector <input type="checkbox"/> Settlor <input type="checkbox"/> Other
			<input type="checkbox"/> Trustee <input type="checkbox"/> Appointer <input type="checkbox"/> Protector <input type="checkbox"/> Settlor <input type="checkbox"/> Other
			<input type="checkbox"/> Trustee <input type="checkbox"/> Appointer <input type="checkbox"/> Protector <input type="checkbox"/> Settlor <input type="checkbox"/> Other
			<input type="checkbox"/> Trustee <input type="checkbox"/> Appointer <input type="checkbox"/> Protector <input type="checkbox"/> Settlor <input type="checkbox"/> Other
			<input type="checkbox"/> Trustee <input type="checkbox"/> Appointer <input type="checkbox"/> Protector <input type="checkbox"/> Settlor <input type="checkbox"/> Other

c) Persons on whose behalf is the transaction being conducted?\*

FULL NAME	DOB	RESIDENTIAL ADDRESS	RELATIONSHIP TO THE INVESTOR

### 7.3 PERSONS ACTING ON BEHALF OF THE TRUST\*\*

FULL NAME*	DOB	RESIDENTIAL ADDRESS	SOURCE OF AUTHORITY

\* All individuals listed will need to have their identity and address verified in accordance with Section 11: Certification / Verification of Documents and Section 10: Acceptable Documents for Individuals.

\*\* Evidence of authority to act on behalf of the trust will need to be provided.

## SECTION 9: Politically Exposed Person (“PEP”) Declaration

A PEP is an individual who holds, or who has held at any time in the preceding 12 months, certain prominent public functions in any overseas country. A PEP generally presents a higher risk for potential involvement in bribery and corruption by virtue of their position and the influence they may hold.

Prominent public functions may include, for example, the following:

- heads of countries or governments;
- government ministers;
- senior judicial or military officials;
- senior foreign representatives;
- ambassadors or high commissioners;
- senior executives of government enterprises; and
- governors of central banks.

The definition of a PEP under the AML/CFT Act also extends to the following persons:

- a. An immediate family member of a person described in the paragraphs above, including his or her spouse, partner, child or parent.
- b. An individual with joint beneficial ownership of a legal entity, or any other close relationship, with a person described in paragraphs above, or who has sole beneficial ownership of a legal entity that exists for the benefit of a person described in paragraphs above, according to public or readily available information.

### **POLITICALLY EXPOSED PERSON DECLARATION**

Are you, or any authorised person(s), known associates, immediate family members or beneficial owners of the Investor a Politically Exposed Person (PEP) or do you have any reason to suspect they may be?

No       Yes

## SECTION 10: Acceptable Documents for Individuals

Silverfin, in partnership with Syndex, have introduced a simple and easy to use identity verification process that relieves you of having to provide certified copies of your identity documents and proof of address. The identity verification process is based on biometric technology that is able to confirm that the person presenting an identity document for the purposes of satisfying our requirements under the Anti-Money Laundering and Countering Financing of Terrorism Amendment Act 2013, is in fact the person represented on the identity document. The biometric matching process enables Silverfin to rely on the result of the identity verification process with a high level of confidence, and relieves the individual being verified of having to complete an otherwise cumbersome manual process of verification.

There are two options to verify your identity:

**1. Electronically through your smartphone – you will receive a bioverification link to your smartphone.**

YES – send a link to my smartphone and jump to Section 12.

Please note: if for some reason we are unable to verify you electronically you will be asked to complete manual proof of identity documents.

**2. Manual proof of identity as outlined below**

Please note: if the Investor is a company or trust the persons providing their details in relation to that company or trust must also provide the information required by this section.

### 2A. PROOF OF IDENTITY

**Reminder:** All documents within Part A are required to be certified or verified in accordance with Section 11: Certification / Verification of Documents.

Option 1 (all documents must be current)

- Appropriate pages of New Zealand or overseas passport, containing your name, date of birth, photograph and signature
- New Zealand certificate of identity (as issued under the Passports Act 1992)
- Overseas government-issued national identity card, containing your name, date of birth, photograph and signature

OR

Option 2

**Photocopy of:**

A current New Zealand driver licence (both sides of drivers licence to show expiry date)

AND

**Photocopy of one of:**

- A current ATM (eftpos) card, credit card or debit card issued by a NZ registered bank, provided your name and signature are on the card
- Bank account statement issued by a NZ registered bank in the 12 months immediately preceding the date of this application
- Statement issued by the Inland Revenue Department in the 12 months immediately preceding the date of this application
- A current SuperGold card
- A New Zealand Identification card
- A New Zealand Defence Forces card
- A New Zealand or overseas full birth certificate
- A New Zealand or overseas citizenship certificate
- A current Community Services card

### 2B. PROOF OF RESIDENTIAL ADDRESS

**Photocopy of one of the following documents issued within the last three months (PO Boxes are not accepted):**

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Utility bill              | <input type="checkbox"/> Car registration document   | <input type="checkbox"/> Bank account statement  |
| <input type="checkbox"/> Insurance policy document | <input type="checkbox"/> Statement issued by the IRD | <input type="checkbox"/> Rental agency agreement |
| <input type="checkbox"/> Rates bill                |  |  |

## SECTION 11: Certification / Verification of Documents

(Please skip this section if you have opted to verify your identity with Smartphone Bioverification as outlined in Section 10).

### WHAT ARE YOU REQUIRED TO DO?

All identification documents presented to Silverfin are required to be either certified by a 'Trusted Referee' or verified by a staff member of Silverfin. This section provides instructions on how documents must be certified or verified.

### CERTIFICATION OF DOCUMENTS

#### Who may certify documents?

In New Zealand, documents may be certified by a 'Trusted Referee'. A Trusted Referee is a person who holds one of the following positions (amongst others):

- A Justice of the Peace.
- A lawyer (as defined in the Lawyers and Conveyancers Act 2006).
- A notary public.
- Chartered Accountant (within the meaning of section 19 of the New Zealand Institute of Chartered Accountants Act 1996).

When certification occurs overseas, documents may be certified by a person authorised by law in that country to take statutory declarations or the equivalent in the country.

In addition to the above, the person making the certification must also satisfy the following criteria:

- Is at least 16 years old.
- Is not related to the person presenting the documents.
- Does not live at the same address as the person presenting the documents.
- Is not the spouse or partner of the person presenting the documents.
- Is not involved in the transaction or business that the certification relates to.

#### How must documents be certified?

A Trusted Referee must sight the original documents and make a statement to the following effect (as applicable):

Photographic documentation: *"I certify that this is a true copy of the original, which I have sighted, and the photo represents a true likeness of the person presenting the document to me for certification"*.

Non-photographic documentation: *"I certify that this is a true copy of the original, which I have sighted"*.

The Trusted Referee must also include the following information on each document being certified:

- Name.
- Signature.
- Date of Certification (within 3 months of receiving the documents).
- Occupation.

### VERIFICATION OF DOCUMENTS

Alternatively, documents may be verified by a Silverfin staff member. In order for us to verify documents, we must meet with you face to face and you must have the original documents on you.

## SECTION 12: Application Instructions

### 1. Payment

Payment of the full subscription amount must accompany the application form.

Payments can be made to: **Anderson Lloyd Trust Account | Account No: 06-0901-0015250-02**

**Please insert "Inghams" and your surname into the reference field**

*Payments by cheque can no longer be accepted.*

### 2. Closing Date

5pm on 11 October 2023 or such other date as Silverfin may determine.

### 3. Delivery

Applications cannot be revoked or withdrawn. Applications can be scanned and sent to alexandra@silverfin.nz, mailed to: PO Box 105527, Auckland 1143 or delivered to Silverfin Capital Limited, Level 12, 41 Shortland Street, Auckland Central 1010.

## SECTION 13: Checklist

### Section 1: Application Declaration

Signed & Dated (by authorised parties)

### Section 2: Applicant Details

Attached proof of bank account (deposit slip)

### Section 4: Proof of Funds

Evidence of source of funds

### Section 5: New Zealand resident individual customer (if using Smartphone Bioverification this does not apply)

Certified Identification

Proof of Residential Address

### Section 6: Non-revocation of Power of Attorney

Copy of Power of Attorney (if applicable)

### Section 7: NZ Company

Shareholding of greater than 25% (and others as specified) certified identity document and proof of residential address

### Section 8: Trust

All trustees (and others as specified) certified proof of identity (if not using Smartphone Bioverification)

All trustees (and others as specified) proof of residential address

Copy of Trust Deed(s) and related documents

For non-discretionary trusts:

All non-discretionary beneficiaries; certified proof of identity

All non-discretionary beneficiaries; proof of residential address

### Section 9: Politically Exposed Person

Indicate Politically Exposed Person status

### Supporting Documents

Complete FATCA / CRS self-certification form (if applicable)

*Silverfin may in certain circumstances request additional information and/or supporting documents to ensure compliance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. If you are asked to provide this information your application will not be processed without it.*

*If you act on behalf of another party you must provide full details of the relationship between you and the other party and documentary evidence of your authority to act (e.g. power of attorney with appropriate certificate of non-revocation).*

**If you require clarification on any of these sections  
or require assistance in completion, contact:**

**ALEXANDRA BROWN | SILVERFIN INVESTOR AML/CFT LIAISON**

Email: alexandra@silverfin.nz Phone: 09 951 9961





# DIRECTORY

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## SOLICITORS (PROPERTY)

### **Anderson Lloyd**

Australis Nathan Building  
Level 3  
37 Galway Street  
Britomart  
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