

Inghams Hatchery Scheme

Other material information

12 September 2023

1. GENERAL

This other material information document has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 and clauses 48 and 50 of schedule 5 to the Financial Markets Conduct Regulations 2014 in relation to an offer of interests in the Inghams Hatchery Scheme, as set out in a replacement product disclosure statement (**PDS**) dated 12 September 2023.

Terms capitalised but otherwise undefined in this document have the meanings given to them in the PDS. This document must be read alongside the PDS, the Statement of Investment Policy and Objectives (**SIPO**) for the Scheme, and other information held on the Scheme's *Disclose* Register entry at www.disclose-register.companiesoffice.govt.nz.

2. TOTAL ESTIMATED COSTS OF OFFER AND ISSUE

Description of cost	Amount paid, or agreed to be paid	Cost paid to	Reason for cost and description of services
Offeror's fee	\$512,532	Silverfin Capital Limited (Silverfin)	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.
Brokerage fee	\$389,000	Silverfin	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.
Accounting fee	\$10,000	Silverfin	Payable to Silverfin for the preparation of the prospective financial statements.
Underwrite fee	\$104,000	Silverfin Underwrite Investment Fund (SUIF)	Payable to the SUIF for partially underwriting the offer.
Legal fees	\$140,000 ¹	Anthony Harper and Anderson Lloyd (Scheme's solicitors), MinterEllisonRuddWatts (Rabobank's solicitors), DLA Piper (Supervisor's	Payable to the Scheme's solicitors and 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

¹ It is estimated that approximately \$65,000 of this amount will be payable to Anderson Lloyd (this additional disclosure is included because Anderson Lloyd are an expert in terms of this offer, for the purposes of section 60 of the Financial Markets Conduct Act 2013).

Description of cost	Amount paid, or agreed to be paid	Cost paid to	Reason for cost and description of services
		solicitors), Deloitte (tax advisers).	documentation, advising on legal compliance, settlement of the purchase, and in connection with the Scheme's financing arrangements, to the Supervisor's solicitors for their costs in relation to establishment of the Scheme, and to Deloitte for advice on tax matters.
Marketing and issue costs	\$100,000	Various	Reflect the costs of both preparing and producing advertisements in relation to the offer and the costs of preparing and printing the PDS.
Bank fee	\$14,000	Rabobank New Zealand Limited (Rabobank)	Payable in connection with Rabobank's provision of the loan facility to the Scheme.
Supervisor's fee	\$12,000	Trustee Executors Limited	Payable for the Supervisor's costs in relation to reviewing and negotiating the PDS, the Deed of Participation and all related documentation.
Audit fee	\$20,000	KPMG	Payable for a limited assurance engagement in respect of the prospective financial statements contained on the offer register.
Valuation fee	\$15,000	Bayleys Valuations Limited	Payable for preparing the valuation report on the Properties.
Chattels valuation fee	\$10,000	CBRE	Payable for preparing a valuation report on the Properties' chattels.
Inspection fees	\$5,000	Stiles & Hooker Limited	Payable for preparing a condition assessment report on the Properties.
Other underwrite fees	\$172,000	Various	Payable to third party underwriters for partially underwriting the offer.
Other fees, contingency	\$50,908	Various	Covers issue and production expenses, incidental expenses arising in connection with the offer (including but not limited

Description of cost	Amount paid, or agreed to be paid	Cost paid to	Reason for cost and description of services
and working capital			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.

Fee assumptions

Establishment fees

Silverfin's fees and the fees payable to the Supervisor, the auditor, and the valuer, as well as bank fees are fixed and cannot be increased. The bank, audit, valuation and Supervisor's fees have all been negotiated with the relevant third party by Silverfin and, in Silverfin's view, represent reasonable levels for the services provided. They cannot be increased.

The underwrite fee in respect of the SUIF consists of a fee of 4.0% of amounts underwritten of \$2,600,000 totalling \$104,000, and the underwrite fee payable to third party underwriters consists of a fee of 4.0% of amounts underwritten of \$4,300,000 totalling \$172,000. It assumes that no other underwrite fees are paid. If additional underwrite fees are paid, these would be paid out of the 'other fees, contingency and working capital' allowance.

The amounts of the other establishment fees are Silverfin's best estimates, based on experience and the information known at the date of the PDS, but may be subject to change. The actual amount charged to the Scheme will reflect the amount ultimately invoiced by the relevant third party.

Ongoing fees and expenses

The amounts of ongoing fees and expenses are set out at section 8 of the PDS.

The annual management fee payable to Silverfin has been set at 0.275% per annum of the Properties' gross asset value, based on their most recent valuations, increasing to 0.325% after three years. The annual accounting fees are set at \$10,000 per annum.

No fees other than those described in the PDS are payable to Silverfin or its associated persons.

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 six 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 fees payable to third parties have been estimated by the relevant third party, and, in Silverfin's view, represent reasonable levels for the service of the relevant third party.

All fees are subject to GST where applicable.

3. VALUER

An independent valuation of the Properties on a market value basis has been provided by Carl Waalkens and Samuel Cameron of Bayleys Valuations Limited at a combined market value of \$32,000,000 plus GST (if any) as at 12 September 2023 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.

Carl Waalkens' qualifications are BProp, MPINZ and Samuel Cameron's qualifications are BProp, BCom, MPINZ. Bayleys Valuations Limited's address is Bayleys House, 30 Gaunt Street, Auckland 1150.

The valuation was made by the valuers as independent valuers. The valuers made the valuation for the purposes of the Scheme and for use by prospective investors in the Scheme. The valuers have consented to the distribution of the valuation report to prospective investors in the Scheme and, as at the date of the PDS, have not withdrawn that consent.