



PMG Property Funds
Management Limited
(PMG)

Reinvestment Plan (RP)

Offer Document
October 2021

This document contains a description of the PMG Property Funds Management Limited Reinvestment Plan, and its terms and conditions. It replaces the version dated August 2020.

The Plan allows participants to use their distributions, and accumulated cash contributions, to automatically purchase Units in PMG Generation Fund. It is a convenient way for participants to increase their investments with PMG.



Key Features of the Plan

How the Reinvestment Plan works

The PMG Property Funds Management Limited Reinvestment Plan (the **Plan**) provides participants with an opportunity to invest the net proceeds of cash distributions receivable from their existing investments in an Eligible Fund managed by PMG Property Funds Management Limited (**PMG**) in fully paid units in the PMG Generation Fund (the **Fund**).

The following funds are currently considered an Eligible Fund:

- PMG Generation Fund
- PMG Direct Office Fund
- PMG Direct Childcare Fund
- PMG Capital Fund Limited; and
- Pacific Property Fund Limited.

The Plan also provides participants with an opportunity to make regular or one-off cash contributions to purchase fully paid units in the Fund.

The units to be acquired by investors are currently sourced from various underwriters of units on issue in the Fund. No new units are currently being created or issued for the purpose of the Plan.

The Fund is managed by PMG. For more information about the Fund, please contact the PMG Investor Relationships Team by emailing invest@pmgfunds.co.nz or phoning 07 578 3494.

Who can participate in the Plan?

Participation in the Plan is optional. If investors wish to continue to receive cash distributions from their existing investments in an Eligible Fund managed by PMG, they should not take up this offer. Normal cash distribution payments will be made on units/shares not participating in the Plan.

All of our New Zealand resident investors are eligible to participate in the Plan. Due to potential compliance issues with overseas securities legislation, PMG does not offer the Plan to overseas resident investors.

How do you enroll in the Plan?

Investors should read the enclosed information carefully and consult the PMG Investor Relationships Team if they have any questions. Investors should also consider obtaining financial advice from a Financial Advice Provider on the benefits and risks of investing, taking into account your personal circumstances. PMG and the PMG Investor Relationships Team do not provide advice.

In order to enroll in the Plan, investors should complete and send a Participation Notice to invest@pmgfunds.co.nz. Please find a copy of the Participation Notice attached to this document.

If the participant does not have existing units in the Fund, they will be required to purchase a minimum holding of 1,000 units. They will also be required to complete an application form for the Fund.

For more information, please contact the PMG Investor Relationships Team by e-mailing invest@pmgfunds.co.nz or by phoning 07 578 3494.

Terms and Conditions

1. Introduction

The Plan enables holders of Participating Units/Shares to use their net distribution proceeds receivable from an Eligible Fund, regular cash contributions and one-off cash contributions to acquire existing fully paid units in the Fund.

Participating Units/Shares means an investor's entire holding of units or shares in an Eligible Fund managed by PMG, including shares issued by either PMG Capital Fund Limited, or Pacific Property Fund Limited.

2. Participation

Subject to these Terms and Conditions, PMG offers to all New Zealand resident holders of Participating Units/Shares, in an Eligible Fund, the right to elect to participate in the Plan.

Due to potential issues with compliance with overseas securities legislation, PMG does not offer participation under the Plan to investors in an Eligible Fund who are overseas residents.

3. Degree of Participation

Investors can participate in three different ways:

- I. Participants can accumulate and reinvest net cash distributions from their Participating Units/Shares.

Participating Units/Shares are elected by the investor, and must be based on their total holdings in an Eligible Fund. For instance, if the participant has 100,000 shares in Pacific Property Fund Limited and 50,000 units in PMG Generation Fund, they can select the following options as their Participating Units/Shares:

- Option 1 – Only reinvest distributions from their 100,000 shares in Pacific Property Fund
- Option 2 – Only reinvest distributions from their 50,000 units in PMG Generation Fund
- Option 3 – Reinvest distributions from both their 100,000 shares in Pacific Property Fund Limited and 50,000 units in PMG Generation Fund.

- II. Participants can make/accumulate regular cash contributions into their cash wallet account.

- III. Participants can make/accumulate one-off cash contributions into their cash wallet account.

Regular cash contributions and one-off cash contributions are not intended to be used as an alternative to investors trading on the secondary market.

Reinvestment is subject to unit availability. The extent of participation will always be limited to the units in the Fund available for acquisition. As a result, net cash distributions and contributions to the cash wallet may not be immediately applied to acquire units. Where no units in the Fund are available for acquisition, the balance will remain in your cash wallet, and is available for refund on instruction from you.

4. Joining Arrangements

New Zealand resident holders of shares or units in an Eligible Fund can join the Plan at any time by completing and forwarding a Participation Notice to invest@pmgfunds.co.nz (subject to acceptance at PMG's discretion). If the participant does not have existing units in the Fund, they will be required to purchase a minimum holding of 1,000 units. They will also be required to complete an application form for the Fund.

Notices received at least three business days prior to the distribution day will apply to the distribution due for the current month/quarter (as applicable) and any future cash distributions. Any notices received after three business days prior to the distribution day will apply to cash distributions commencing with the payment in the following month/quarter (as applicable).

Participation Notices received while the unit register is closed will not take effect until the day upon which the unit register is re-opened.

5. Operation of the Reinvestment Plan

The Plan currently enables investors to acquire units sourced from various underwriters of units on issue in the Fund. No new units are currently being created or issued for the purpose of the Plan, however the future intention is for new units to be issued under the Plan.

Once the participant decides to participate in the Plan, a cash wallet account will be set up. The participant will be able to view this account in the PMG Investor Portal (<https://pmgfunds.unitregistry.co.nz>).

Nature of the cash wallet

The cash wallet is a system that keeps track of distributions and cash contributions that are able to be invested in units under the Plan and the reinvestment of those funds in the Fund's units. Your cash wallet funds are held in a separate trust account by PMG on bare trust for participants in the Plan. This means that PMG looks after the money, and, in conjunction with a third party registry provider, keeps records of the cash wallet on behalf of participants and invests the money for investors on the terms and conditions of the Plan.

The cash wallet is not a bank account in your name and is not a separate financial product. It is a way of keeping track of your funds for reinvestment, and for holding those funds separately from the assets of PMG.

You do not earn any interest on your balance in the cash wallet.

PMG complies with regulatory reporting and audit requirements in relation to cash wallet funds, which are for the benefit of investors.

Operation of the cash wallet

On the day that the participant would have otherwise been paid a cash distribution on their Participating Units/ Shares, PMG will credit the net cash distribution into their cash wallet account.

The participant will also be able to make regular and one-off cash contributions to their cash wallet account with the flexibility to contribute when they choose.

The net cash distributions and the additional cash contributions will be aggregated in the cash wallet. The cash wallet facility will not attract fees or interest.

On the first business day of each month, PMG will then automatically acquire the number of fully paid units on behalf of the participant in the Fund at the prevailing unit price of the Fund (to the extent units are available).

PMG will acquire units from various underwriters who hold units in the Fund.

Funds will be taken from the cash wallet in multiples equal to the minimum threshold (currently one unit) in order to purchase units. Any remaining funds will be left in the cash wallet account to continue accumulating for future use.

6. Calculation of Entitlements

The number of fully paid units of the Fund to be acquired by the participant under the Plan will be calculated on the first day of each month by PMG as follows:

$$\frac{CWB}{P}$$

Where:

- CWB = the cash wallet balance, that is, the cash balance recorded in the participant's cash wallet on the first day of the month arising from the prior cash distributions credited to the wallet and any cash contributions made by the participant.
- P = the prevailing unit price of the Fund, calculated in accordance with the Establishment Deed for the Fund (as explained below)

Calculation of unit price: In summary, unit price is calculated and approved by PMG periodically based on the requirements of the Establishment Deed. The calculation is based on the Net Asset Value of the Fund, adjusted for items specified the Establishment Deed of the Fund, including amortisation of the Fund's establishment costs, equity raising costs, and property acquisition costs over a period of five years. In the event of a discrepancy between this summary and the terms of the Establishment Deed for the Fund, the Establishment Deed prevails.

Rounding: Where the number of units to be acquired by the participant as calculated above is not a whole number of units, the number of units will be rounded down to the nearest whole number. Any remaining cash amount in credit in the cash wallet will remain in the cash wallet and be included in the calculation for the next month.

7. Tracking Funds in the Cash Wallet Account

Distribution Statements provided to investors in relation to each Eligible Fund will state if funds have been directed to the participant's cash wallet account.

PMG will not confirm once we have received one-off cash contributions or regular cash contributions. The participants are however able to view their accumulated funds in the cash wallet account at any time by logging in to the PMG Investor Portal. Processed transactions may take two business days to appear in your cash wallet.

8. Confirmation of the Purchase of Units

If in the first business day of the month the amount accumulated in the participant's cash wallet account has reached the threshold of one unit, the reinvestment will be made and a statement with the details below will be sent to the participant:

- i. The number and Unit Price of the units in the Fund allotted to the participant on first day of the month.
- ii. The new unit holding balance in the Fund; and
- iii. Other information (if any) as PMG considers necessary.

9. Units Acquired

The number of units allocated in respect of the Plan will be allocated at the Fund's Unit Price at the start of the relevant month.

Units acquired under the Plan will all be subject to the same rights and will rank equally in all respects with existing fully paid units in the Fund. Fully paid units acquired under the Plan can be redeemed in the same manner as the existing units.

10. Variation or Termination of Participation

A participant may, at any time, by giving written notice to PMG and subject to any additional requirement determined by PMG in its discretion:

- i. Change the Participating Units/Shares
- ii. Terminate participation in the Plan

Any such termination or variation received at least three business days prior to the distribution day will apply to the distribution due for the current month/quarter (as applicable) and any future cash distributions. Any written notices received after three business days prior to the distribution day will apply to cash distributions commencing in the following month/quarter (as applicable).

If the participant terminates the Plan, the participant is able to withdraw the cash that has not yet been utilised to purchase units from the cash wallet. A written notice should be sent to PMG at least one business day prior the first day of the month. Cash withdrawals will be processed within approximately five business days.

If a participant who is an individual dies, their participation will be terminated upon receipt by PMG of notice from an authorised party. Receipt by the Registrar of notice of the death of one joint Unitholder will not terminate participation in the Plan for the surviving Unitholder(s).

11. Sale of Participating Units/Shares

A participant who sells all of their Participating Units/Shares will be deemed to have terminated their participation in the Plan on the date the sale of all of their Participating Units/Shares is registered.

12. Transfer of Participating Units/Shares

A participant who transfers all of their Participating Units/Shares will be deemed to have terminated their participation in the Plan on the date the transfer of their holdings is registered. Participation will not attach to the units or shares and the new holder must give their own Participation Notice if they wish to participate in the Plan.

Where a participant disposes of part of their holdings without giving PMG notice of termination of participation, the participant will be deemed to have terminated their participation in the Plan in respect of those holdings disposed of, on the date the relevant transfer is registered. Participation will continue for the remaining holding of Participating Units/Shares held by the participant as part of the Plan.

13. Cost to Participants

No fees will be payable by participants to PMG in respect of any aspect of the reinvestment in units under the Plan.

14. Manager's Discretion

PMG may at any time in its sole discretion:

- i. Terminate or modify the Plan. If this Plan is modified an existing Participation Notice will still be deemed to be the Participation Notice under the Plan, as modified unless that Participation Notice is withdrawn by the investor.
- ii. Suspend the operation of all or part of the Plan, including restricting the acceptance of funds into an investors cash wallet. Reinvestment of distributions (in whole or in part), and/or regular or one-off contributions may cease to be accepted into the cash wallet, and any funds already accepted (in whole or in part) will be available for refund to the investor in cash.
- iii. Determine that in the event of the subdivision, consolidation or reclassification of the shares or units into one or more new classes of shares or units, that a Participation Notice will still be deemed to be the Participation Notice in respect of the shares or units as subdivided, consolidated or reclassified unless such Participation Notice is subsequently changed or withdrawn by the Participating Units/Shares.
- iv. Determine that a Participation Notice will cease to be of any effect.
- v. Where any termination, suspension or modification is made to the Plan pursuant to this paragraph, notice of such suspension, modification or termination will be given to all participants.

Notwithstanding this paragraph, PMG may at any time, without the need of any notice:

- a. Modify or terminate the Plan to comply with any applicable law, or any provision of the Trust Deed of the Fund; and
 - b. Make minor amendments to the Plan where such amendments are of an administrative, procedural or clarifying nature.
- vi. Related parties of PMG may subscribe for units in the Fund from time-to-time (as either Unitholders, or sub-underwriters) on the same terms and conditions as other Unitholders or sub-underwriters. Units held by related parties may be sold to investors through PMG's secondary market matching facility, including sales to investors participating in the Plan.

15. Taxation

As at the date of this Offer Document for New Zealand income tax purposes, investors who reinvest the net proceeds of their cash distributions in the acquisition of further units in the Fund will be treated in the same way with respect to their distributions as if they had not reinvested.

The cash distributions net of PIE tax will be available for reinvestment. This tax summary is, of necessity, general. It does not take account of the participant's individual circumstances and the specific tax consequences of their participation or non-participation in the Plan, which may vary considerably.

The participant should not rely on this general summary but should seek their own tax advice. PMG does not accept any responsibility for the financial or taxation effects of your participation or non-participation in the Plan.

16. Governing Law

The Plan and its operation and these terms and conditions will be governed by the laws of New Zealand.

17. Available Information

Copies of the most recent annual report, the Trust Deed, the most recent Product Disclosure Statement, and financial statements of the Fund are available free of charge on request by contacting PMG at the address below.

Alternatively, if you would an electronic copy of these documents please contact PMG directly.

PMG Property Funds Management Limited
Level 1, 143 Durham Street
Tauranga 3110

PO Box 2034
Tauranga 3140

Phone: 07 578 3494
Email: invest@pmgfunds.co.nz

18. Complaints

A complaint about your investment may be made to:

The Manager

The Chief Executive Officer
PMG Property Funds Management Limited
Level 1, 143 Durham Street
Tauranga 3110

PO Box 2034
Tauranga 3144
Phone 07 578 3494
Fax 07 578 6455

The Supervisor

Covenant Trustee Services Limited
Level 6, 191 Queen Street
Auckland 1010
Phone 09 302 0638

Dispute Resolution Scheme

Financial Dispute Resolution Scheme
PO Box 2272
Wellington 6140
Phone 04 0833 7337
Email: enquiries@fdrs.org.nz
Web: www.fdrs.org.nz

The Dispute Resolution Scheme will not charge a fee to any complainant to investigate or resolve a complaint.

19. Notices

Unless the Plan otherwise requires, a notice or other communication to be given to PMG under or for the purposes of the Plan shall be in writing and shall be given by sending or delivering it to PMG at the address in Section 17.

Unless the Plan otherwise requires, a notice or other communication to be given by PMG under or for the purposes of the Plan shall be in writing and shall be given in any manner provided in the Establishment Deed for the Fund for the giving of notices to Unitholders.

20. Definitions

Term	Interpretation
Eligible Fund	One of the following funds managed by PMG: <ul style="list-style-type: none">• PMG Generation Fund• PMG Direct Office Fund• PMG Direct Childcare Fund;• PMG Capital Fund Limited; and• Pacific Property Fund Limited.
Fund	PMG Generation Fund – a unit trust managed by PMG and supervised by Covenant Trustee Services Limited (the Supervisor).
Participant	An investor in an Eligible Fund who has elected to participate in the Plan by completing a Participation Notice that has been accepted by PMG.
Participating Units/Shares	A Participant's entire holding of Units/Shares in an Eligible Fund, that the Participant has elected to include in the Plan.
Plan	The PMG Property Funds Management Limited Reinvestment Plan (the primary subject of this document).
PMG	PMG Property Funds Management Limited (the Manager of the Fund).
Unitholder(s)	A holder of units issued in the Fund.

Reinvestment Plan Participation Notice

PMG GENERATION FUND

Do NOT complete this form if you wish to receive in cash all distributions declared.

REGISTERED HOLDER(S)

PMG INVESTOR NUMBER

The Reinvestment Plan (the Plan) allows you, as a holder of units or shares in an Eligible Fund managed by PMG Property Funds Management Limited, to invest the net proceeds of the cash distributions payable on your Participating Units/Shares in additional, fully paid Units in PMG Generation Fund. It also allows you to increase the amount reinvested by accumulating regular or one-off cash contributions in your cash wallet account.

Full details of the Plan are set out in the accompanying Reinvestment Plan Offer Document dated October 2021 (Offer Document).

If you wish to participate in the Plan, please complete this Participation Notice, and email or post to the Manager (PMG Property Funds Management Limited) at the address below:

PMG Property Funds Management Limited
PO Box 2034, Tauranga 3140
invest@pmgfunds.co.nz

I/We elect to participate in the Plan and therefore distributions declared in respect of our Participating Units/Shares will be reinvested in the Fund.

My/Our Participating Units/Shares include (please tick ☐):

- ☐ All PMG Generation Fund units registered in my/our name(s).
- ☐ All PMG Direct Office Fund units registered in my/our name(s).
- ☐ All PMG Direct Childcare Fund units registered in my/our name(s).
- ☐ All Pacific Property Fund Limited shares registered in my/our name(s).
- ☐ All PMG Capital Fund Limited shares registered in my/our name(s).

Note: If you do not complete the above in relation to full participation you will be deemed to have elected not to participate in the Plan.

I/We acknowledge that I/we have received and read a copy of the Offer Document.

I/We agree to be bound by the terms and conditions of the Plan as set out in the Offer Document.

I/We acknowledge that this election will continue to apply in respect of any distribution from my/our Participating Units/Shares, until varied or terminated by written notice in accordance with the terms and conditions of the Plan.

SIGNATURE(S) OF UNIT/SHARE HOLDER

DATED

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DATED

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DATED

This Participation Notice is not valid unless duly completed and signed. Joint holders must each sign. Companies must execute by an authorised officer or attorney. In case of a trust, all trustees must sign. If signed by an attorney, the relevant authority must either have been exhibited previously to PMG or must accompany this Notice.

The personal information you have supplied will be handled by us, PMG (and our related entities) in accordance with our Privacy Policy, which is available on our website at: <https://www.pmgfunds.co.nz/privacy-policy>.

Payment Instructions – Regular/One off Cash Contributions

Participants are also able to make regular and one-off cash contributions to their cash wallet account with the flexibility to contribute when they choose.

If you would like to take advantage of the opportunity to accumulate additional funds in your cash wallet account, you can make cash contributions to the bank account below:

Bank account name: **PMG GEN Regular Contribution**

Bank account number: **12-3221-0112472-06**

Particulars: **[Investment Entity/Full name of investor]**

Code: **CashWallet**

Reference: **[CW.....]***

*(Enter your Investor Cash Wallet Number – see account “Cash Wallet” on the Dashboard tab of your Investor Portal account).

The Participants can view their funds accumulated in the cash wallet account at any time by logging into the PMG Investor Portal. Recent transactions may take two working days to appear in your cash wallet.

Please note that cash contributions received at least three business days prior to the reinvestment date (first business day of each month) will apply to this reinvestment date.