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Special Meeting of Shareholders
Purchase of 35 Graham Street, Auckland CBD

17 June 2019

Special Meeting Agenda

1. Chairman's Introduction and Address.

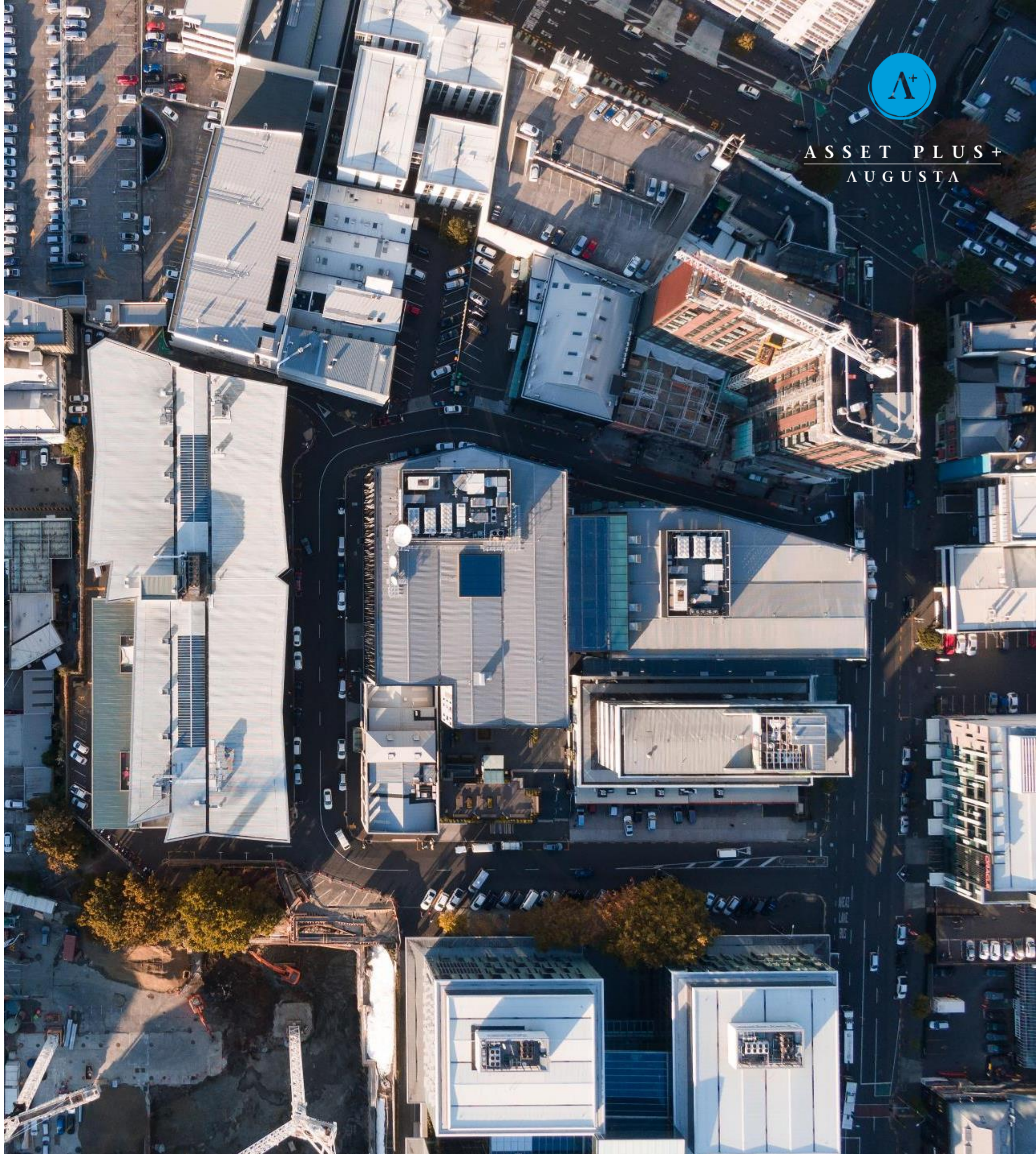
2. Presentation on 35 Graham Street, Auckland Central.

3. Q & A.

4. Shareholder vote on the following resolution:

Resolution (as an Ordinary Resolution):

"That the purchase of the property located at 35 Graham Street, Auckland Central for $58.0 million plus GST (if any) by Asset Plus Investments Limited, a wholly-owned subsidiary of Asset Plus Limited, from Auckland Council (as described in further detail in the Explanatory Notes within the Notice of Special Meeting dated 29 May 2019), be approved."



Introduction & Background

Asset Plus Investments Limited (a wholly owned subsidiary of Asset Plus) has entered into a sale and purchase agreement with Auckland Council to acquire 35 Graham Street.

The Transaction with Auckland Council is conditional on approval by the Company's Shareholders.

Why is the resolution required?

NZX Main Board Listing Rule 9.1.1(b) requires approval of an ordinary resolution of shareholders if the Company enters into a series of linked or related transactions to acquire assets in respect of which the value is in excess of 50% of the Average Market Capitalisation of the Company.

The acquisition will result in the Company acquiring assets in respect of which the gross value is in excess of 50% of the Company's Average Market Capitalisation.

Accordingly, the approval of Shareholders to the acquisition of 35 Graham Street, Auckland is being sought by Ordinary Resolution.

35 Graham St - Presentation Overview

Joel Lindsey, Chief Operating Officer
Augusta Funds Management

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1. Key Terms and Conditions of the purchase
2. Transaction Rationale
3. Valuation Summary
5. Market Outlook
6. Investment Strategy
7. How will the Value-Add strategy be funded?
8. Impact of the Transaction
9. What are the key risks of the Transaction?
10. What are the implications of the Transaction not proceeding?

Key Terms and Conditions of the Purchase

The Property	**35 Graham Street, Auckland Central**
Vendor	Auckland Council
Purchaser	Asset Plus Investments Limited
Date of Agreement	29 April 2019
Purchase Price	$58.0 million
Deposit	10% of the purchase price
Settlement Date	28th June 2019
Unconditional Date	Shareholder condition to be satisfied on or before 35 working days from the date of the agreement (being 18 June 2019)
Key Lease Terms	▪ A term of two (2) years commencing on the settlement date. ▪ The tenant has no further rights of renewal. ▪ The annual rental for the term of the lease is fixed at $3.975 million + GST (if any)

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"The local area has attracted circa $1.5 billion of foreign investment in the last 18 months, examples include Building C Spark City $77million (SC Capital Partners), Viaduct VXV Office Portfolio $635million (Blackstone) and 155 Fanshawe St $247 million."

Transaction Rationale

- The Property comprises circa 9,990m^2 of net lettable area across circa 3,000 to 3,500 m^2 floor plates.

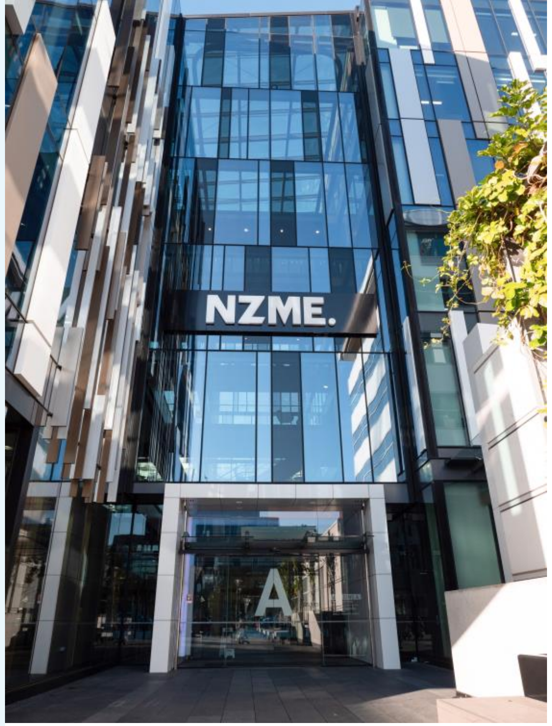
- Building is located on an elevated position above Fanshawe St and is only a short walk to the CBD, Viaduct, Wynyard Quarter and Victoria Park.

- The Property has the benefit of a large existing structure to upgrade and the possibility of adding additional floors (subject to resource consent) that will have expansive views and large floor plates.

- The Auckland Council lease provides two years of holding income and time to work through design, consenting and pre-leasing.

- The repositioned building should attract high quality tenants on long leases, similar to those in the neighbouring Grade-A office buildings, making it a highly desirable asset.

- Delivers the ‘Yield plus Growth’ investment strategy.



Valuation Summary

The Property has been valued on an "as is" basis by Kane Sweetman of Colliers International at $58.0 million as at 1 April 2019 in accordance with International Valuation Standards and API/PINZ Valuation Standards.

Valuation	$58,000,000
Annual Net Contract Income p.a.	$3,975,000
Market Rental Income p.a.	$3,960,428
Passing Yield %	6.85%
Equivalent Market Yield %	5.99%
WALE (years)	2.00

Market Outlook

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- The availability of Auckland office accommodation is under pressure with just 18,000m^2 of Prime / A Grade office space currently available within the Auckland CBD Market and 21,000m^2 in the metropolitan market.
- Currently 90,000m^2 of new office space is under construction in Auckland and due for completion in 2020.
- 40,000m^2 of this space has already been leased leaving 50,000m^2 available.
- The Property's large floor plates with expansive views are a distinguishing feature.

(Source: Colliers Office Research Report February 2019).


35 Graham Street
Graham Street
Fanshawe Street
Victoria St West
Hardinge Street

Investment Strategy

Option 1 – the Manager's Preferred Add Value Asset Strategy – Full refurbishment and addition of new floors to "Premium/A Grade" office building:

- Council's two-year lease term allows time for design and consenting to be underway before the end of the lease.
- On expiry the property is left "as is" with no remedial works completed by the departing tenant.
- The existing structure is 'stripped back' to a shell and subject to resource consent approval, the building extended by up to three additional floors.
- The gross floor area (*GFA*) increased to circa 19,400m^2 (adding circa 6,400m^2 GFA (within the permitted height and maximum FAR).
- Construction is expected to take between eighteen months and two years.
- The target development margin will be 15% with a target yield on cost of circa 6.6%.
- $90m-100m development expenditure

Investment Strategy (Cont.)

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Option 2 – Extensive Refurbishment to "Upper B Grade" office space:

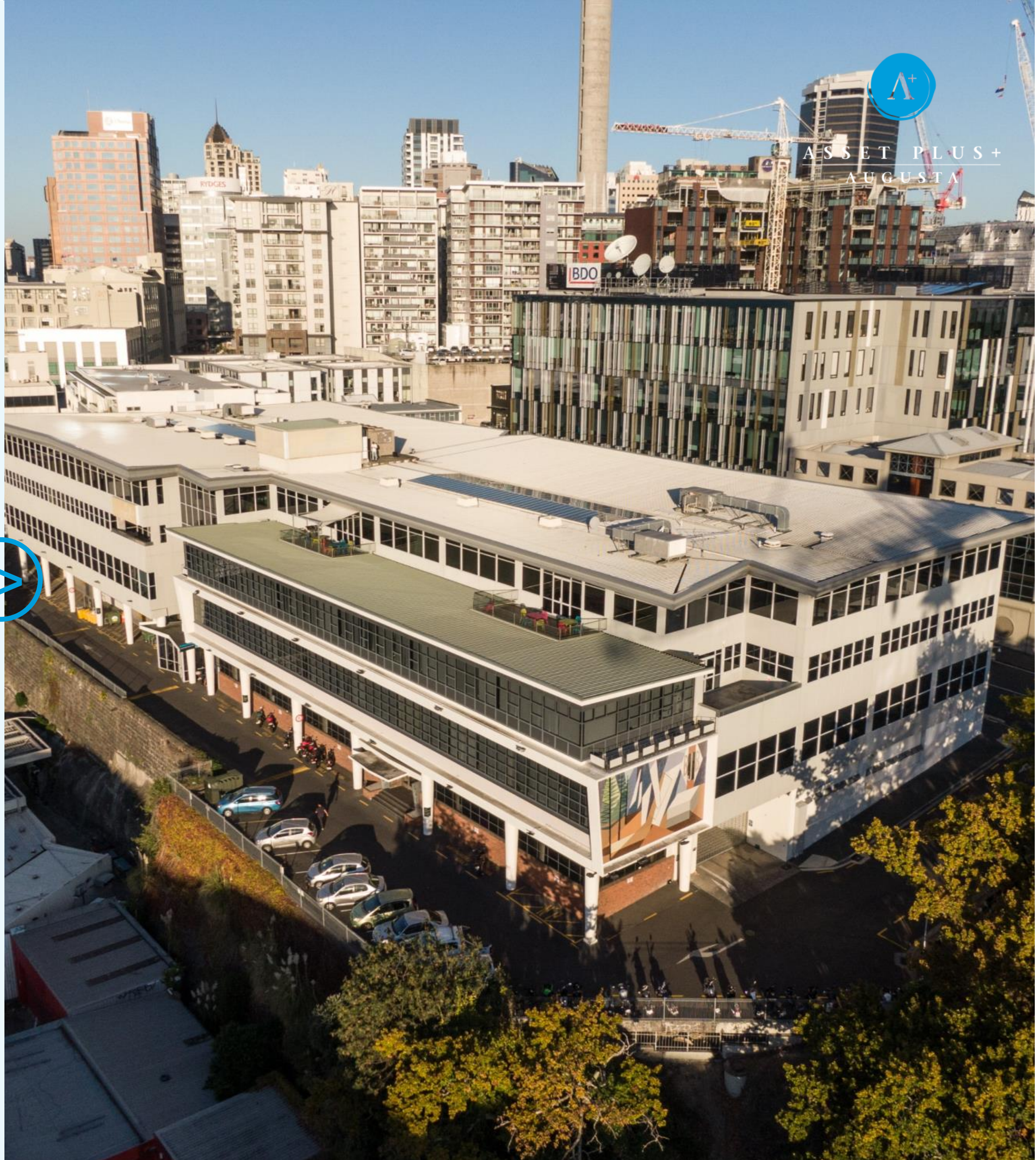
- Would apply if market conditions have been assessed as 'unsupportive' of an extensive redevelopment of the asset.
- The refurbishment is expected to take one year to complete.
- The key downside of implementation of this option is there is unlikely to be the same potential for valuation increase.
- However, the running yield will be maintained.
- This option does not prevent Option 1 being implemented at a later date when market conditions are more supportive.
- Development Expenditure $15-20m (this is ultimately subject to the level of refurbishment which will be determined by future tenant requirements).

Option 3 – Light Refurbishment

- In addition to the above options, there is also the option to lease the Property as it is with some small refurbishments of the office floors.
- The returns on this would be subject to the rental amounts agreed with tenants but, in the Board and Manager's opinion, are likely to be less than the above two options (as extensive refurbishments are necessary to attract higher rental amounts).
- However, this would allow income to be produced from the Property with much lower capital requirements.
- This option would only proceed if market conditions did not allow any form of redevelopment or extensive refurbishment to be undertaken.

How will the Value-Add Strategy be Funded?

- Post-acquisition, Augusta will commence the concept design phase and progress toward a resource consent application.
- Pre-construction spend for the design and consenting phase will be funded by the expected $6.0 million of undrawn debt facility and working capital.
- The funding for the potential development phase will be contingent on the Asset Plus balance sheet at the time.
- Development funding will likely be made available through the recycling of one or more existing assets, creating sufficient balance sheet capability to fund a material portion of the forecast development spend.
- Additional debt will be sought to fund the balance of the development and / or future capital may need to be raised if the portfolio gearing ratio exceeds 40% (on an ‘as if’ complete basis).
- Asset Plus will update shareholders in due course on the redevelopment and potential funding.



Impact of the Transaction

If the Transaction is approved, the impact for Asset Plus is summarised in the following pro-forma financial information:

Note: the pro-forma financial information following the potential divestment of the HeinzWatties distribution centre, Hastings has also been included

	Current portfolio of 3 existing assets	35 Graham Street Acquisition	Post - 35 Graham Street Acquisition	Post Heinz Watties Divestment
Asset Value	$123.10m	$58.72m	$181.82m	$152.90m
WALE	5.5 Years	2.0 Years	4.5 years	3.6 years
Occupancy	96.7%	100%	97.7%	97.5%
Net Rental Yield	6.82%	6.85%	6.83%	6.71%
LVR	8.5%	-	38.0%	26.1%
EPS (1)	3.12cps	0.64cps	3.76cps	3.35cps

[1] Earnings per share is calculated based on net profit after tax.

Key Risks

Issue	Mitigation
Material size of development relative to the current balance sheet	Any development is unlikely to be committed to without: • Tenant pre-commitments; and • Construction programme being sufficiently advanced; and • Final feasibility
Cost escalation impacting margin	• Due diligence has already been undertaken on likely construction costs by an experienced quantity surveying firm and included in feasibilities conducted to date. • An extensive level of design will be undertaken before commencement of the development. • Fixed price construction contracts will likely be sought. • Robust financial due diligence will be undertaken on the contractor
Inability to lease the Property	• Greater lease incentives may need to be paid (impacting margin) or allow more time to pre-lease (impacting the internal rate of return (IRR) from the acquisition and start of development). • The level of development may be reduced to meet leasing commitments that are able to be secured.
A change in market conditions after completion of the Transaction	• Asset Plus and Augusta will monitor market conditions following completion of the Transaction, with the development being able to be postponed or reduced in scale if necessary. • Appropriate interest rate hedging will be considered to mitigate the risk of any change in the interest rate applying to a loan facility taken out to fund a redevelopment of 35 Graham Street.

What are the implications of the Transaction not proceeding?

- The Sale and Purchase Agreement is conditional on Asset Plus shareholders approving the Transaction.
- Should the resolution not be approved, the Transaction will not complete.
- Asset Plus will not incur financial penalties under the Sale and Purchase Agreement if the Transaction is not approved but will incur some due diligence costs for consultants already engaged.
- If the Transaction does not proceed, Asset Plus will continue to look for opportunities that are consistent with its 'Yield Plus Growth' investment strategy.

Q & A

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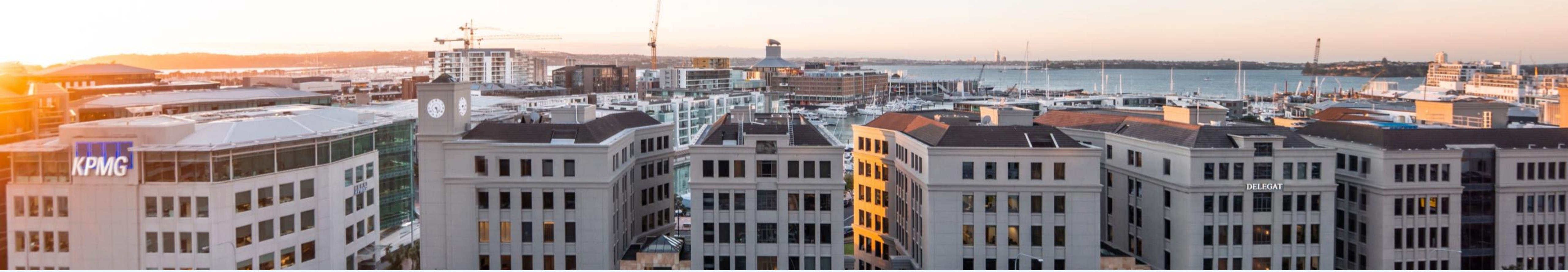
Resolution



The board of directors recommend voting in favour of the proposed resolution (as an Ordinary Resolution):

"That the purchase of the property located at 35 Graham Street, Auckland Central for $58.0 million plus GST (if any) by Asset Plus Investments Limited, a wholly-owned subsidiary of Asset Plus Limited, from Auckland Council (as described in further detail in the Explanatory Notes within the Notice of Special Meeting dated 29 May 2019), be approved."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