

Financial Markets Conduct (Investore Property Limited) Exemption Notice 2016

Pursuant to section 556 of the Financial Markets Conduct Act 2013, the Financial Markets Authority being satisfied of the matters set out in section 557 of that Act, gives the following notice.

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Notice

1 Title

This notice is the Financial Markets Conduct (Investore Property Limited) Exemption Notice 2016.

2 Commencement

This notice comes into force on 10 June 2016.

3 Revocation

This notice is revoked on the close of 31 August 2016.

4 Interpretation

(1) In this notice unless the context otherwise requires—

acquisitions mean each of the following:

- (a) the acquisition of the properties listed in Part 1 of the Schedule from Antipodean Supermarkets Limited and Antipodean Properties Limited; and
- (b) the acquisition of the properties listed in Part 2 of the Schedule by Investore from Stride Property Limited and Stride Holdings Limited prior to listing on the NZX Main Board; and
- (c) the acquisition of the properties listed in Part 3 of the Schedule from a third party vendor, conditional upon listing on the NZX Main Board

Act means the Financial Markets Conduct Act 2013

alternative information means the information required to be included in the PDS under clauses 6(a), (c), (d) and (e)



Investore means Investore Property Limited (formerly Stride LFR Limited)

listing means the agreement between Investore and NZX whereby Investore agrees to comply with the NZX Main Board Listing Rules and NZX agrees to administer Investore's listing

NZX means the licensed market operator NZX Limited

NZX Main Board means the main board equity security market operated by NZX

NZX Main Board Listing Rules means the rules set by NZX on 7 March 2016 (and any subsequent amendments to those rules) which are enforceable as a contract between NZX and individual issuers

offer means the regulated offer of ordinary shares in Investore

PDS means the product disclosure statement for the offer to be dated on or about 10 June 2016

Regulations means the Financial Markets Conduct Regulations 2014.

- (2) Any term or expression that is defined in the Act or Regulations and used, but not defined, in this notice has the same meaning as in the Act or Regulations.

5 Exemption

Investore is exempted, in respect of the offer, from clause 35(3) of Schedule 3 of the Regulations to the extent that that clause applies to the acquisitions.

6 Conditions

The exemption in clause 5 is subject to the conditions that the PDS must include—

- (a) in section 2 information for each property listed in the Schedule, as at a date determined by the directors of Investore, that includes the following:
- (i) names of anchor tenants:
 - (ii) address:
 - (iii) valuation:
 - (iv) yield:
 - (v) net lettable area:
 - (vi) weighted average lease term:
 - (vii) building age (in years):
 - (viii) number of speciality units; and
- (b) in section 7 under a sub-section headed 'Investore is not providing information usually required' the following:
- (i) a clear and concise statement identifying that the financial information usually required under clause 35(3) of Schedule 3 of the Regulations has not been provided in the PDS and reasons why that financial information is not contained in the PDS or register entry:
 - (ii) a clear and concise statement by the directors of Investore that, in their opinion, not including the financial information referred to in paragraph (b)(i) will not have a material adverse effect on investors:

- (iii) a clear and concise statement as to why the directors of Investore consider it appropriate to provide the alternative information in the PDS, including why the directors of Investore consider that the alternative information and selected financial information is likely to be useful to prospective investors in assessing the merits of the offer; and
- (c) in section 7 under a sub-section headed 'Due diligence and valuation process' the following information:
 - (i) a clear and concise summary of the due diligence that was commissioned or undertaken for the acquisition of the properties listed in Part 1 and Part 3 of the Schedule, including any material or adverse findings:
 - (ii) a statement that independent valuation reports were obtained from registered valuers in respect of each property listed in Part 1 and Part 3 of the Schedule:
 - (iii) a clear and concise consolidated summary of the independent valuation reports obtained in respect of each property listed in Part 1 and Part 3 of the Schedule, setting out—
 - (a) the basis, including valuation standards, upon which the valuations were carried out; and
 - (b) the methodologies used to derive fair value; and
 - (c) material or adverse findings (if any); and
- (d) in section 7 a table showing the historical and prospective rental income and the net rental income (each on an aggregate basis rather than on a per property basis) for the properties listed in Part 1 of the Schedule for the following periods:
 - (i) the period from the date the properties were acquired in November 2015 to 31 March 2016:
 - (ii) the information referred to in paragraph (d)(i), annualised for the 12 month period to 31 March 2016:
 - (iii) the 12 month period to 31 March 2017:
 - (iv) the 12 month period to 31 March 2018; and
- (e) in section 7 a table showing the historical and prospective rental income and the net rental income (each on an aggregate basis rather than on a per property basis) for the properties listed in Part 3 of the Schedule for the following periods:
 - (i) the 12 month period to 31 March 2016, estimating the level of rental income and net rental income that would have been generated had Investore operated and owned the properties since 1 April 2015:
 - (ii) the period from the date the properties are assumed to be acquired, 12 July 2016 and 28 September 2016, to 31 March 2017:
 - (iii) the information referred to in paragraph (e)(ii), annualised for the 12 month period to 31 March 2017:
 - (iv) the 12 month period to 31 March 2018.

Schedule

List of properties

Part 1

Properties acquired from Antipodean Supermarkets Limited and Antipodean Properties Limited

Properties acquired by Investore from Antipodean Supermarkets Limited in November 2015

Address	Certificate of Title
24 Anzac Road, Auckland	350882, 350883, 350884, 350885
309 Cumberland Street, Dunedin	350904, 350905, 350906, 350907, 350908, 350909, 350910, 350911, 350912, 350913, 350914, 350915, 350916, 350917, 350918, 350919, 350920, 350921, 350922, 350923, 350924, 350925, 350926, 350927
326 Great South Road, Auckland	350886, 350887
507 Pakuranga Road, Auckland	350890, 350891, 350892, 350893
172 Tay Street, Invercargill	350932, 350933, 350934, 350935
64 Gorge Road, Queenstown	350928, 350929
Cnr Victoria and Browne Street, Timaru	350850, 350851
51 Arthur Street, Blenheim	350880, 350881
13-19 Queen Street, Wellington	350958, 350959, 350960, 350961, 350962, 350963, 350964, 350965, 350966, 350967, 350968, 350969, 350970, 350971, 350972, 350973
261 High Street, Wellington	350936, 350937, 350938, 350939, 350940, 350941, 350942, 350943, 350944, 350945, 350946, 350947, 350948, 350949, 350950, 350951, 350952, 350953, 350954, 350955, 350956, 350957
66 Studholme Street, Morrinsville	350930, 350931
3 Averill Street, Auckland	350900, 350901, 350902, 350903
35a St John's Road, Auckland	350898, 350899
219 Colombo Street, Christchurch	350852, 350853, 350854, 350855, 350856, 350857, 350858, 350859, 350860, 350861, 350862, 350863, 350864, 350865, 350866, 350867, 350868, 350869, 350870, 350871, 350872, 350873, 350874, 350875, 350876, 350877, 350878, 350879
87-97 Hilton Street, Kaiapoi	350848, 350849

Properties acquired by Investore from Antipodean Properties Limited in November 2015

Address	Certificate of Title
Cnr Church and Selwyn Streets, Auckland	NA21D/1479
47 Bay Road, Wellington	WNB4/683, WN125/103, WN377/127, WN393/278, WN414/244, WN414/251, WN414/257, WN443/101, WN480/269, WN501/270, WN523/10, WN527/284, WN548/76
Russell Street, Wellington	WNF1/1192, WND3/1020, WN33C/604, WN42A/306
91 Johnsonville Road, Wellington	WN18B/378, WN293/77, WN591/60, WN12C/1177, WNB4/1482, WN5C/1063, WN524/33, WN352/232, WN500/1

Part 2

Properties acquired from Stride Property Limited and Stride Holdings Limited

Properties acquired by Investore from Stride Property Limited on 29 April 2016

Address	Certificate of Title
230-240 Fenton Street, Rotorua	SA603/263, SA606/108, SA443/133, SA53A/477, SA475/210, SA478/277, SA488/233, SA488/234, SA665/69, SA869/250, SA2A/1457, SA23C/1291 (South Auckland)
Cnr Anglesea and Liverpool Streets, Hamilton	Leasehold 117546 and 89657, Freehold SA618/14 (South Auckland)
35 Maclaggan Street, Dunedin	OT18B/66, OT284/173, OT284/172, OT3C/169, OT5B/5, OT2C/697 (Otago)

Properties acquired by Investore from Stride Property Limited on 31 May 2016

Address	Certificate of Title
9 Gloucester Street, Napier	388836 and HBE4/21 (Hawke's Bay)
78 Courtenay Street, New Plymouth	148296 (Taranaki)

Property acquired by Investore from Stride Holdings Limited on or about 9 June 2016

Address	Certificate of Title
Cnr Te Irirangi Drive and Bishop Dunn Place, Auckland	66998, 66999, 67000, 67001 and 67002 (North Auckland)

Part 3

Properties to be acquired from third party vendor

Properties to be acquired by Investore from a third party vendor at the time of, and conditional upon, Investore listing on the NZX Main Board

Address	Certificate of Title
Cnr Hukanui and Thomas Road, Hamilton	559463 (Lot 3 DP 445177)
Corner Fernlea Avenue and Roberts Line, Palmerston North	WN50B/801 (Lot 4 DP 83420)
323 Andersons Bay Road, Dunedin	535328 (Part Lot 5 DP 21969 and Lot 1-2 DP 357258)
226 Great South Road, Auckland	NA78D/150 (Lot 2 DP 49873)
3-7 Mill Lane, Warkworth	546132 (Lot 1 DP 440011)
Cnr Hanson Street, John Street and Adelaide Road, Wellington	612347 (Lot 2 DP 459892)

Properties to be acquired by Investore from a third party vendor following, and conditional upon, Investore listing on the NZX Main Board

Address	Certificate of Title
17 Chappie Place, Christchurch	554025 (Lot 1 DP 443257)
Cnr Putaitai Street and Main Road, Nelson	426382 (Lot 1 DP 407496)
Cnr Butler Road and Kerikeri Road, Kerikeri	603184 (Lot 4 and Lot 7-8 DP 38925 and Lot 1-2 DP 62588 and Lot 1-2 DP 660554 and Sec 1 SO 447750)
40-50 Ivory Street, Rangiora	535329 (Lot 4-5 DP 27349 and Part Lot 2 DP 45975 and Lot 4 DP 45975 and Lot 1-2 DP 310746)
Cnr Rolleston and Masefield Drive, Rolleston	575673 (Lot 1 DP 451536)
Bridge Street and Anglesea Street, Hamilton	557432 (Lot 1 DP 444430)
	592323 (Lot 2 DP 444430)
	SA13B/1500 (Lot 1 DPS 11970 and Part Lot 1 DPS 3472)
	SA7D/204 (Part Lot 2 DP 4473)
	SA6C/1277 (Lot 1 DP 13864)
	SA8A/541 (Lot 2 DPS 11970 and Part Lot 2 DPS 3472)
	SA10A/63 (Lot 5 DP 4473)
	SA10A/64 (Lot 6 DP 4473)

112 Stoddard Road, Auckland	535043 (Lot 2 DP 436251)
3 Main Road, Wellington	571916 (Lot 1 DP 450226)

Dated at Wellington this 9th day of June 2016.



Garth Stanish
Director of Capital Markets
Financial Markets Authority

Statement of reasons

This notice comes into force on 10 June 2016 and is revoked on 31 August 2016.

This notice exempts Investore Property Limited (**Investore**) from clause 35(3) of Schedule 3 of the Financial Markets Conduct Regulations 2014 (the **Regulations**) in relation to its offer of equity securities to the extent that that clause applies to Investore's business acquisitions, namely large format retail properties from various vendors. Clause 35(3) requires that a table is included in section 7 of the product disclosure statement (**PDS**) setting out selected financial information on the businesses to be acquired. Such information is not available to Investore. As a condition of the exemption Investore will include alternative information in the PDS.

The Financial Markets Authority (**FMA**), after satisfying itself as to the matters set out in section 557 of the Financial Markets Conduct Act 2013, considers it appropriate to grant the exemption because—

- the businesses being acquired are commercial property businesses. Investore is unable to comply with the requirements of clause 35(3) of Schedule 3 of the Regulations because it does not hold, and is unable to obtain or recreate without incurring excessive compliance costs, sufficient historical financial information to enable financial tables and statements to be provided in respect of the businesses acquired. The conditions of the exemption require Investore to instead provide prospective investors with the best available alternative financial information in relation to the acquired businesses, including historical and prospective rental income, building valuation and weighted average lease terms:
- the conditions of the exemption require Investore to make various statements in the PDS, including a statement as to why Investore is unable to provide the financial information ordinarily required, that there will be no material adverse effect on prospective investors, and why the alternative information contained in the PDS provides useful information for prospective investors:
- the granting of the exemption is desirable in order to avoid unnecessary compliance costs and allow timely, accurate, and understandable alternative information to be provided to prospective investors to assist them in making decisions relating to financial products. Further, the exemption only provides relief from the requirement to provide historical financial information that is not available, and imposes conditions which require the provision of alternative financial information. In these circumstances, the FMA is satisfied that the exemption is not broader than reasonably necessary to address the matters that gave rise to the exemption.