



\$178m
Total portfolio value



98%
Portfolio occupancy



42%
Loan-to-value ratio (LVR)



8
Properties



40
Tenants



4.8yrs
Weighted Average Lease Term (WALT)

OVERVIEW

PMG Direct Office Fund (the Fund) continued to perform well in the last quarter of the financial year 2021. The Fund's distribution will increase from 7.10 cpu to 7.55 cpu, effective 1 April 2021, with the first distribution at the increased rate on 25 May 2021. As outlined in the May 2020 Product Disclosure Statement, this is a good example of how PMG has delivered on the Fund's strategy.

We have recently completed valuations on the fund properties. Pleasingly, we have seen a \$12.8m or 7.8% uplift in value.

The newly acquired high-quality property at 152 Fanshawe Street in Auckland's city centre (which settled 18 December 2020) has now been fully onboarded into the Fund, further increasing the quality and income resilience of the portfolio.

NOTABLE ACTIVITY

- **143 Durham Street, Tauranga:** The fit-out for Vitruvius (a progressive engineering firm founded in 2012) on Level 1 is complete, and the company's lease began on 12 April 2021. The space now complements the building's high-quality interior design.
- **65B Main Highway, Ellerslie, Auckland:** The tenancy works upgrade for key tenant Ministry of Justice is in its final stage, which involves the common area and bathrooms on the ground floor.
- **2 Robert Street, Ellerslie, Auckland:** In line with the Fund's strategy to continue to improve the quality of the portfolio, we have secured a contract to sell the Robert Street property. If the sale is successful, we expect to reduce the Fund's borrowing levels in the short term, with a view to recycling capital into another high-quality property in time.

OUTLOOK

We are continuing to scope lobby upgrades for 8 Rockridge Avenue, Penrose, Auckland, along with 410 Victoria Street, Hamilton, which will add to each buildings' amenities and attractiveness to existing and potential tenants. These plans align with the Fund's strategy to deliver quality office properties for our tenants.

We are actively working on additional high-quality acquisition properties and anticipate bringing investors an opportunity to invest in PMG Direct Office Fund later in 2021.

Office Market Update – The latest market reports prove the office is here to stay, albeit in a new and adapting form. Read the latest update on our website – pmgfunds.co.nz/news. We continue to watch the office sector carefully and act in the best interest of our funds and our investors.

With the start of a new financial year, investors should make sure they are on the correct Prescribed Investor Rate (PIR). If you have an incorrect PIR, this could have adverse tax consequences for you. Please consider whether you are on the correct rate for the financial year ending March 2022. Visit the IRD website, or seek advice from your accountant or tax advisor. Should you need to update your PIR, please email invest@pmgfunds.co.nz.



FUND STRATEGY

To target sound, well-located office properties in main metropolitan areas in New Zealand, which provide the opportunity to add value through leasing vacant space and proactive asset management.



GOAL

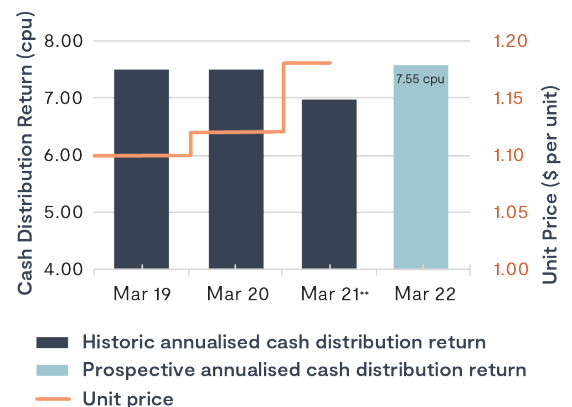
To grow a portfolio of quality office properties, deliver sustainable cash distribution returns and growth in value over time.

FINANCIAL SNAPSHOT

PMG Direct Office Fund unit value*	\$1.18
Cash distribution return per month for Jan - Mar 2021 quarter (cpu annualised)	7.10
Forecast cash distribution return per month Apr - Jun 2021 quarter (cpu annualised)	7.55
Forecast cash distribution per month per 100,000 units	\$629.17

*Board approved unit value as at 31 March 2021. The unit value will be updated following completion of the audited financial statements (July 2021).

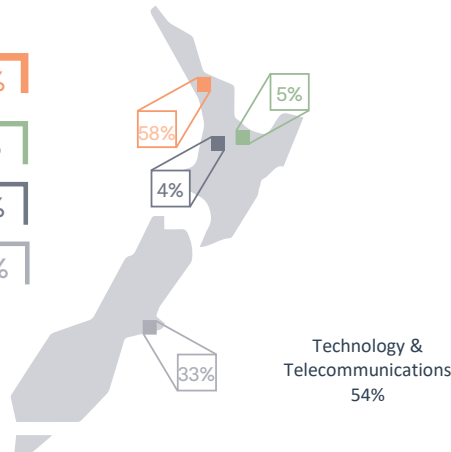
GROSS CASH RETURN AND UNIT PRICE



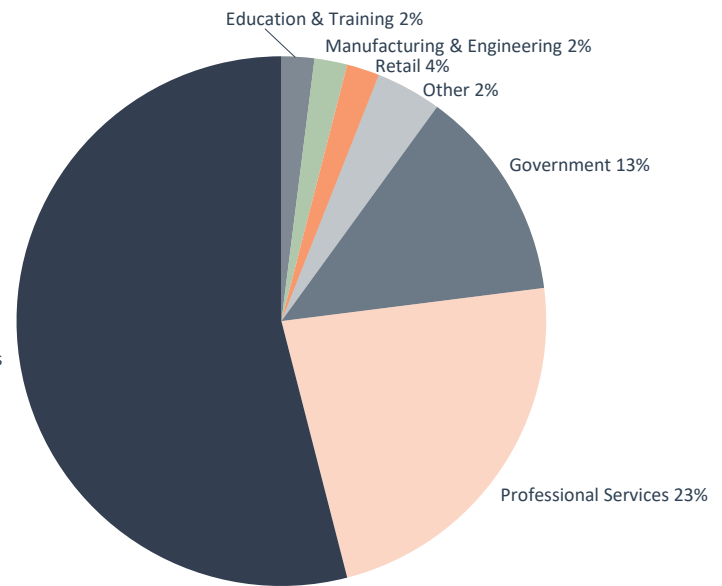
** The Prospective Cash Distribution Return includes the change in annualised distributions to 6.50 cents per unit from 1 June 2020 and a further change to 7.1 cents per unit from 1 October 2020.

RENTAL INCOME BY REGION

Auckland	58%
Tauranga	5%
Hamilton	4%
Christchurch	33%



RENTAL INCOME BY TENANT INDUSTRY



PORTFOLIO OVERVIEW AS AT 31 MARCH 2021

Property	Anchor	Lease Expiry Date	Net Lettable Area (sqm)	Latest Valuation	# of Tenants	Occupancy
213 Tuam St, Christchurch	Vodafone New Zealand Limited	Aug-2028	8,940	\$63,700,000	1	100%
152 Fanshawe Street, Auckland	Grant Thornton New Zealand LTD	Sep-2026	6,673	\$36,500,000	7	100%
65b Main Highway, Ellerslie, Auckland	Ministry of Social Development	Jan-2026	4,588	\$26,350,000	3	100%
8 Rockridge Ave, Penrose, Auckland	SGS New Zealand Limited	Jan-2022	3,149	\$14,900,000	5	100%
2 Robert St, Ellerslie, Auckland	Animates NZ	Mar-2022	2,504	\$13,800,000	12	100%
143 Durham St, Tauranga	Fire and Emergency New Zealand	May-2023	2,229	\$9,175,000	6	94%
410 Victoria St/12 Alma St, Hamilton	Kiwibank Limited	Apr-2025	1,912	\$8,550,000	5	81%
127 Durham St, Tauranga	University of Waikato	Apr-2029	1,003	\$4,550,000	1	100%
TOTALS			30,998	\$177,525,000	40	98%

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■ □ Secondary
□ ■ Market

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