



PROPERTY FINANCE

## INVESTMENT STATEMENT

This Investment Statement dated 6<sup>th</sup> December 2007 is issued in connection with the proposal for restructuring of debenture stock issued by the Company to be considered at the Company's Meeting of Stockholders in Auckland on 21 December 2007.

If Stockholders agree to pass the Extraordinary Resolution to restructure the terms and conditions of the Company's debenture stock, it is intended that the Company will be removed from receivership and will wind-down its affairs under the control of its directors.

### **INDEPENDENT ADVICE**

This Investment Statement is an important document and should be read in its entirety. Stockholders should make their own investigations on the matters set out in this Investment Statement, the Short Form Prospectus and Explanatory Memorandum and seek independent advice.

DECEMBER 2007



## DIRECTORY

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**Issuer** propertyfinance securities limited (In Receivership)

**Registered Office** c/- KordaMentha  
Level 2, Propertyfinance Building  
104 Victoria Street  
Christchurch

**Directors** Barnaby Innes Sundstrum  
19 Mayfly Lane  
Clearwater  
Harewood  
Christchurch

Darryl Bruce Queen  
70 Matai Street  
Riccarton  
Christchurch

**Auditor** Ernst & Young  
227 Cambridge Terrace  
Christchurch

**Issuer's Solicitors** Buddle Findlay  
Level 13, Clarendon Tower  
78 Worcester Street  
PO Box 322  
Christchurch

**Trustee** Covenant Trustee Company Limited  
Level 34, Vero Centre  
48 Shortland Street  
Auckland

# THE INVESTMENT STATEMENT

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This document is an Investment Statement for the purposes of the Securities Act 1978 and the Securities Regulations 1983. It has been prepared as at 5 December 2007.

This Investment Statement relates to a restructuring proposal by propertyfinance securities limited (In Receivership) (the "Company") of all debt securities in the Company issued under a debenture trust deed dated 14 August 2001 between the Company and Covenant Trustee Company Limited as varied by Deed dated 6 September 2005 (together the "Trust Deed"). This Investment Statement should be read in conjunction with the Short Form Prospectus dated 6 December 2007 (**Prospectus**), the Explanatory Memorandum dated 6 December 2007 (**Explanatory Memorandum**), and the Notice of Meeting dated 5 December 2007 (**Notice**) issued by the Company in connection with the restructuring proposal.

The purpose of the Investment Statement is to provide certain key information that is likely to assist a prudent but non-expert person to decide whether or not to resolve to approve the Extraordinary Resolution that set out the key terms of the restructuring proposal. This Investment Statement also brings to the attention of existing Stockholders the fact that other important information about the secured debenture stock is available. Further copies of this Investment Statement, the Explanatory Memorandum, Prospectus and Notice may be obtained, free of charge, from Propertyfinance Securities Limited (In Receivership).

## IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978.)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

## Choosing an Investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:-

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In addition to the information in this document important information can be found in the current registered Prospectus for the investment. You are entitled to a copy of that Prospectus on request.

## Choosing an Investment Adviser

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you -

- Whether the adviser gives advice only about particular types of investments; and
- Whether the advice is limited to the investments offered by 1 or more particular financial organisations; and
- Whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement. An investment adviser commits an offence if he or she does not provide you with a written disclosure statement within 5 working days of your request. You must make the request at the time the advice is given or within 1 month of receiving the advice.

In addition:-

- If an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- If an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.

## What sort of investment is this?

No securities are being offered under this Investment Statement. This Investment Statement and the Explanatory Memorandum and Prospectus which are available to Stockholders set out a proposal for restructuring of the Debenture Stock issued by the Company. The Debenture Stock are debt securities issued under the Trust Deed entered into between the Company, as issuer and Covenant Trustee Company Limited, as trustee for investors of Debenture Stock.

### ***Priority of Existing Debenture Stock***

The Debenture Stock are secured by a charge over the Company's assets and rank in point of priority:

- Ahead of the Company's shareholders;
- Ahead of the Company's unsecured obligations;
- Equally with all other debenture stock now issued by the Company under the Trust Deed;
- Behind any prior charges permitted under the Trust Deed – the Trust Deed permits the Company to issue prior charges of up to 7.5% of the Company's Total Tangible Assets but, at the date of this Investment Statement, the amount secured by prior charges is less than 0.6% (\$600,000) of Total Tangible Assets; and
- Behind any preferential creditors of the Company.

### ***Restructuring Proposal***

The Explanatory Memorandum, Prospectus and Notice contain details of a proposal for restructuring by the Company of debenture stock issued to existing stockholders (**Stockholders**) over a three-year term. If the Extraordinary Resolution that sets out the terms of the restructuring proposal is approved by Stockholders, the Company will be removed from receivership and enter into a wind-down under the control of its directors.

Further details of the restructuring proposal are set out in the Explanatory Memorandum, Prospectus and Notice. Stockholders should be aware that under the restructuring proposal and wind-down, the Company will:

- use the proceeds from asset realisations to make principal repayments to Stockholders as these assets are realised over the three-year term, with the requirement to make payments of a minimum aggregate amount in each year;
- accrue interest to all Stockholders at a new rate of 9.33% from 1 July 2007 to the end of the principal repayment term, payable at the end of the principal repayment term; and
- make a bonus payment of interest calculated at 0.67% per annum over the term of wind-down, payable at the end of the principal repayment term, to the extent there are sufficient surplus funds.

During the wind-down period the Company will be controlled by its directors, with any routine management and compliance obligations performed by the Company's parent Propertyfinance Group Limited (**PFG**) under a management contract. During the three-year wind-down period, the Company will not:

- trade, except to the extent necessary to service existing loans and to realise its assets for the benefit of Stockholders;
- issue any new debenture stock;
- employ any staff;
- make any distributions to its shareholders; or
- provide any new loans.

In a practical sense, Stockholders have two options:

- approve the Extraordinary Resolution at the meeting, which will allow the directors' restructuring proposal to proceed with the Company's assets and affairs wound-down by the directors;

**OR**

- refuse to approve the Extraordinary Resolution at the meeting, which would leave the Company's assets to be managed and wound-down by the receivers.

It is important to note that under both scenarios the assets of the Company will be the same. Accordingly, it is a question of how to best deal with those assets and by whom.

## The Extraordinary Resolution

The Explanatory Memorandum, Prospectus and Notice set out the meeting details and the Extraordinary Resolution which Stockholders are being asked to vote on. If the Extraordinary Resolution is passed at the meeting of Stockholders, the Company can be removed from receivership and enter into a wind-down of its operations under the control of its directors.

The Extraordinary Resolution is set out in full below. An explanation of the consequences for the Company and for Stockholders can be found in the Explanatory Memorandum, Prospectus and Notice.

### Resolution

*That, subject to the following conditions below being satisfied by 31 December 2007 to the entire satisfaction of the Trustee:*

- (a) *all unsecured creditors have entered into binding arrangements agreeing to the proposed payment programme for unsecured creditors as described in the Explanatory Memorandum issued by the Company in support of this Extraordinary Resolution; and*

- (b) *the directors certifying to the Trustee that any known disputes involving the Company have been satisfactorily resolved; and*
- (c) *the Company has received the sum of \$710,000 by way of an increase in capital or a subscription for subordinated debt,*

*the Company be removed from receivership and the Stock Trust Deed be amended as follows:*

- 1 *by deleting clause 6.1(a) and inserting the following new clause 6.1(a):*
  - (a) *Permit Liabilities (including Total Contingent Liabilities) to exceed 95% of Total Tangible Assets;*
- 2 *by deleting clause 6.2(h);*
- 3 *by inserting a new sub-paragraph (iii) in clause 7.1(e) as follows:*
  - (iii) *a report in a form acceptable to the Trustee signed by 2 Directors on behalf of all of the Directors, detailing any change in the status of the Charged Assets of the Company since the last such report from the Directors and attaching correspondence and notices received by the Company from the trustee or the manager of each securitisation trust in respect of which the Company holds mortgaged backed securities;*
- 4 *by inserting a new Section 12 as follows:*

## **"Section 12**

### **12. Restructuring of Stock Conditions**

**12.1 Restructuring of Stock Conditions:** *Notwithstanding any other provisions of this Deed or the existing terms and conditions of any Stock issued and outstanding hereunder, the terms and conditions attaching to all Stock issued and outstanding as at 29 August 2007 shall be amended as follows with effect from 21 December 2007:*

- (a) *Stock shall bear Interest at a base rate of 9.33% per annum with effect from 1 July 2007;*
- (b) *Interest payable under clause 12.1(a) shall be accrued to Stockholders on a quarterly basis, on 31 December, 31 March, 30 June and 30 September in each year and shall be payable to Stockholders on or before 21 December 2010;*
- (c) *Stock shall also bear Interest at a bonus rate of 0.67% per annum (**Bonus Interest**);*
- (d) *Bonus Interest payable under clause 12.1(c) shall be accrued to Stockholders on an annual basis and such Bonus Interest or part thereof shall be payable to Stockholders on or before 21 December 2010 from the surplus funds of the Company after all other obligations of the Company to Stockholders under this Deed have been satisfied but before any distribution to shareholders in the Company;*
- (e) *The Principal Moneys of the Stock shall be repayable on or before 21 December 2010, by quarterly instalments or at more frequent intervals, as the Directors determine in their absolute discretion, subject to the following terms and conditions:*
  - a. *All of the net cash receipts of the Company for each quarter (after deduction of operating expenses of the Company due and payable during the quarter, other than interest, and an amount estimated by the Directors to be sufficient to meet the operating expenses of the Company for the next ensuing 6 months) shall be paid to the Stockholders in reduction of the Principal Moneys of the Stock;*
  - b. *Subject to (a) above, the Company shall make repayments of such Principal Moneys of no less than the following amounts:*
    - i. *for the 12 month period ending 21 December 2008, \$15,000,000;*
    - ii. *for the 12 month period ending 21 December 2009; \$15,000,000; and*
    - iii. *for the 12 month period ending 21 December 2010, the balance of all outstanding Principal Moneys payable to Stockholders.*

12.2 **Conditions of Restructuring:** *Subject to full and complete compliance by the Company with the conditions following in this clause 12.2, the Trustee shall not enforce the security constituted by this Deed or exercise any of its other rights of enforcement hereunder for any failure by the Company to comply with the conditions of issue of any Stock in the period prior to 21 December 2007. These conditions are as follows:*

- (a) *the Company shall comply with its obligations under this Deed in all respects;*
- (b) *except pursuant to a further Extraordinary Resolution, for the period from 21 December 2007 to 21 December 2010, the Company shall not:*
  - (i) *issue any further Stock;*
  - (ii) *trade, except to the extent necessary to fulfil the Company's commitments under existing Development Loans and to realise its Charged Assets;*
  - (iii) *enter into any loan or other arrangement pursuant to which a third party owes an obligation to the Company;*
  - (iv) *pay a monthly management fee to its parent company of an amount greater than \$20,000 plus GST;*
  - (v) *make or attempt to make a Distribution to any person, and for the avoidance of doubt the management fee payable by the Company in accordance with clause 12.2(b)(iv) shall not be deemed to be a Distribution for the purposes of this Deed or the Companies Act 1993;*
  - (vi) *employ any employees;*
  - (vii) *provide any remuneration to the Directors of the Company for their services to the Company;*
- (c) *the Company shall duly report to the Trustee from time to time as required by this Deed and by the Securities Regulations 1983.*

12.3 **No Event of Default:** *Neither the Extraordinary Resolution passed by the Stockholders whereby this clause 12 was approved, nor the process that led to such Extraordinary Resolution, constitutes an Event of Default such that would enable the Trustee to exercise any enforcement rights under this Deed.*

12.4 **Stock Certificates:** *This Section 12 shall be deemed to be incorporated into all Stock Certificates currently on issue."*

## Who is involved in providing it for me?

The Company is the issuer and promoter:

propertyfinance securities limited (In Receivership)  
C/- KordaMentha  
Level 16, Tower Centre,  
45 Queen Street,  
Auckland

The Trustee, who holds security over the Company on behalf of Debenture Stock holders, is:

Covenant Trustee Company Limited  
Level 34, Vero Centre  
48 Shortland Street  
PO Box 4243  
Auckland

## Company's Activities

The Company was formed in May 2001 to act as a specialist property finance company. Its lending activities broadly fall into three distinct categories:

- The Company's traditional bridging and short term opportunistic style mortgage lending where loans are normally for a period of less than 12 months;
- Property development finance; and
- "Branded" products involving long term mortgage lending over owner/occupied residential property and tenanted commercial property.

The Company is a wholly owned subsidiary of Christchurch based NZAX listed company Propertyfinance Group Limited. The Debenture Stock is not guaranteed by Propertyfinance Group Limited.

In November 2004 the Company changed its lending policy to require first mortgage security for all future lending. The Company also introduced a policy to restrict the amount of loans advanced for property development purposes to a total of 15% of the Company's Total Tangible Assets.

In 2005, the Company further evolved when it established a loan securitisation funding programme. The securitisation enabled the Company to bundle together groups of like mortgages and to sell these bundles to special purpose trusts. The special purpose trusts funded their purchase of the mortgages by issuing debt notes in the wholesale money market.

The propertyfinance securitisation programme involved the Company establishing four of these special purpose trusts, enabling the Company to compete in the mainstream mortgage markets by selling its products through the mortgage broker channel.

The Company's total assets under management grew quickly from \$77m as at 31 March 2005 to over \$533m as at March 2007.

In August 2007, the Company experienced severe liquidity challenges when there were disruptions in the money markets both domestically and internationally, as has been widely reported in the media. The liquidity squeeze which the Company encountered resulted in the need to protect all stakeholders and the directors made the difficult decision to request the Trustee to appoint receivers to the business.

On 29 August 2007, Messrs Grant Graham and Brendon Gibson of KordaMentha were jointly appointed receivers of the Company.

## How much do I pay?

This Investment Statement does not relate to an investment by Stockholders in the Company. No consideration is payable by Stockholders in connection with the matters set out in this Investment Statement.

## What are the charges?

### Fees

No fees or charges are payable by Stockholders in relation to the proposed restructuring proposal.

The Company will bear all accounting, legal and brokerage expenses in respect of the restructuring proposal. The Company will engage its parent company Propertyfinance Group Limited to provide management services to the Company over the principal repayment term. Propertyfinance Group Limited will be paid a monthly management fee of \$20,000 plus GST.

Neither the Company nor any other person is entitled to alter any of the charges applicable to your investment.

## What returns will I get?

If the Extraordinary Resolution is passed for the restructure of the Debenture Stock the following returns will be payable to Stockholders.

### New Three-Year Term

The terms and conditions of all Debenture Stock held by Stockholders will convert to a new three-year term which will expire on 21 December 2010.

### Principal

Under the new terms and conditions of the Debenture Stock, the Company must apply the whole of its net cash flow in repayment of principal on the Debenture Stock during this new three-year term subject to the following minimum aggregate amounts:

- ➔ **Year One:** in the first year (ending 21 December 2008), the minimum amount that the Company must repay is \$15 million, this principal must be paid equally to all Stockholders. Given that the Company has on issue some \$79.5m in total, each investor must receive a minimum payout of 19¢ for each dollar invested;
- ➔ **Year Two:** in the second year (ending 21 December 2009) the Company must repay a further \$15 million on the same basis, i.e. a further 19¢;
- ➔ **Year Three:** Finally, in the third year (ending 21 December 2010) the Company must repay all of the remaining Debenture Stock.

### Interest on Principal

During the three-year restructured term, the Company will accrue interest at a rate of 9.33% per annum to all Stockholders. The amount of interest will be calculated on a quarterly basis on the last day of each quarter (31 March, 30 June, 30 September, 31 December) except that for part of a quarter, interest will be calculated on a daily basis. Interest will be payable on or before 21 December 2010.

### Bonus Interest

Provided that all other conditions to be satisfied under the Trust Deed owed to Stockholders have been met by the Company, Stockholders will be entitled to a bonus interest payment up to but not exceeding 0.67% per annum payable from the earnings of the Company during the three-year principal repayment period. This entitlement to bonus interest must be repaid before any moneys can be distributed to the Company's shareholders.

### Payments

All payments of interest and principal will be paid by the Company to you by cheque or direct credit to the bank account nominated by you on your Application Form.

### Withholding Tax

The base interest rate and bonus interest rate are gross rates from which the Company is required to deduct withholding tax unless you have supplied the Company with a Certificate of Exemption. The Company will deduct tax at the rate of withholding tax specified on your application form.

You will be notified at the time of each payment of principal and interest, and upon final repayment, of the amount of withholding tax deducted for the relevant period.

## What are my risks?

You cannot become liable to pay any amount in addition to your initial investment even if the Company remains in receivership or becomes insolvent. Your principal risks are therefore that:

- ➔ the Company may not be able to realise its assets in the manner contemplated by the directors and so payments of principal and interest may not be received in a timely manner as contemplated by the Extraordinary Resolution; and/or
- ➔ the Company may not be able to realise all of its assets in the manner contemplated by the directors and so payments of principal and interest may not be received at all, and Stockholders will be unable to recoup their original investment amount as it becomes due.

Given the unique position the Company is in, the risk sector and considerations thereon for investors are different in that the assets and affairs of the Company are being wound down over a three year term.

### Restructuring Proposal Risks

RISKS	RISK MANAGEMENT RESPONSES
<p><b>Assumptions Incorrect:</b> The assumptions on which the directors' proposal is based prove to be incorrect.</p>	<p>The assumptions have been prepared by the directors after consulting with their advisers. These assumptions represent the directors' assessment of the most likely outcome at the date of this investment statement.</p>
<p><b>Breach of Trust Deed:</b> The Company breaches its Trust Deed and is placed in receivership.</p>	<p>The three year repayment horizon and the annual minimum principal repayments have been set after taking account of the forecast cashflows.</p>
<p><b>Management Services:</b> The Company, during its wind-down period, will be reliant on the provision of management services from its parent company Propertyfinance Group Limited.</p>	<p>As the Company is being wound down its reliance and need for management services is reduced. In addition, the Company's principal assets, being investments in mortgage-backed securities, are investments in third party securitisation trusts that have a standalone management structure.</p>

### Industry Risks

In common with all lending institutions, the Company faces risks specific to the industry. Those risks principally include the matters detailed below with the Company's risk management response.

RISKS	RISK MANAGEMENT RESPONSES
<p><b>External Risks:</b> On a general level, the Company is exposed to a wide range of events outside of the Company's control such as environmental risks and disasters, general economic downturn, regulatory risks and country risks. Such events may impact on the ability of the Company's borrowers to meet their obligations.</p>	<p>The Company has mitigated this exposure to external risk in a number of ways including the spread of loans between regions and type, limiting exposure to development loans, maintaining a positive mismatch in its asset/liability mix, retaining an appropriate level of liquid assets and its policy of requiring first mortgage security for all future lending.</p>

RISKS	RISK MANAGEMENT RESPONSES
<p><b>Interest Margin Risk:</b></p> <p>As the Company's profitability depends on maintaining an appropriate margin between its cost of funds and the return from lending activities and other investments, it is exposed to an adverse movement in interest rates.</p>	<p>The Company has set the new interest rate of 9.33% based on known interest receivables which will not change since no new loans are being made.</p>

### Company Specific Risks

In addition to industry wide risks, the Company is, to a greater or lesser extent than other lenders, exposed to other risks as a result of its particular activities. The principal Company specific risks are set out below together with the Company's risk management responses.

RISKS	RISK MANAGEMENT RESPONSES
<p><b>Property Values:</b></p> <p>The Company's lending activities are all New Zealand property based and accordingly the performance of the property sector affects the Company. A substantial decline in property values may affect the performance of the borrowers and/or adversely affect the Company's security position.</p>	<p>The Company has limited this risk by having only first mortgages. As the Company no longer writes new loans, this risk is only in respect of existing loans. These loans will continue to "season" as borrowers make regular scheduled principal repayments assisting with the mitigation of this risk.</p>
<p><b>Securitisation Trusts:</b></p> <p>As detailed earlier in this investment statement, the Company has invested in the debt notes issued in the securitisation trusts. The notes held by the Company rank behind debt notes issued to other institutional investors and accordingly a shortfall for the securitisation trust could lead to loss to the Company.</p> <p>The ability of the Trusts as issuers of the mortgage-backed Securities to pay interest and principal on the mortgage-backed securities when due will depend in large part on timely and sufficient receipts under or in respect of the loans and mortgages which are the effective security for the mortgage-backed securities. In particular the Trusts have the ability to increase the mortgage interest rates payable by the borrowers from the Trusts. The Trusts would do this to maintain the credit rating on the mortgage-backed securities issued by the Trusts which have a credit rating (these securities are not held by the Company) but this action could have a negative impact on the value of the mortgage-backed securities held by the Company. This action is beyond the control of the directors; the resulting loss in capital value may place the Company in breach of the Total Liabilities to Total Tangible Assets ratio under the Trust Deed.</p>	<p>The Company has only invested in securitisation trusts holding loans secured by registered first mortgages and cash at bank. The securitisation trusts hold mortgages originating from the Company's past lending activities and accordingly the Company was fully aware of the risk profile of any Trust before investing in it.</p>
<p><b>Possible sale of debt notes</b></p> <p>The inability of the Company to control the price at which the Company is able to, or needs to, sell its debt notes is less than the price anticipated by the directors' will be paid for them, due to a downgrade in the rating of debt notes, interest rate movements, supply and demand or for other reasons.</p>	<p>The directors have an incentive to maximise returns so that the residual equity for shareholders is preserved.</p>

## Can the investment be altered?

Neither you nor the Company have any right to alter the investment without the agreement of the other party.

The Trustee may vary the Trust Deed in the following cases:

- If in the opinion of the Trustee the alteration is made to correct a manifest error or is of a formal or technical nature or is convenient for the purposes of obtaining or maintaining a quotation of any Debenture Stock on a stock exchange.
- If the alteration is authorised in accordance with the Trust Deed by a resolution passed at a meeting of Debenture Stock holders holding not less than 75% of the voting rights at the meeting.
- If the Trustee is of the opinion that such alteration is not and is not likely to become prejudicial to the general interests of the Debenture Stock holders; or
- If the alteration is required to comply with any law.

## How do I cash in my investment?

### Repayment by Instalments

Your investment (together with any accrued interest) will be repaid by the Company in instalments during the three years ending on 21 December 2010 as described in the Explanatory Memorandum. You may be required to present your Investment Certificate to the Company.

### Early Termination

In accordance with the terms of the Extraordinary Resolution, repayments of principal and payments of interest to Stockholders are made on a pro rata basis. There is consequently no ability for Stockholders to request early repayment of the investment.

### Sale

You may sell your investment in the Debenture Stock. A transfer must not result in you or the Transferee holding a Debenture Stock for less than \$1,000. The Company may refuse to register a transfer of a Debenture Stock if:

- The Register is closed;
- A duly completed Transfer and the relevant Debenture Stock Certificate is not left at the registered office of the Company; or
- The Board decides, in its absolute discretion, to refuse to register a transfer.

The Company does not consider there is an established market for the sale of the Debenture Stock investment. The Company is not seeking listing of the Debenture Stock on the New Zealand Stock Exchange or any other Exchange.

## Who do I contact with enquiries about my investment?

The Managing Director  
**propertyfinance securities limited (In Receivership)**  
Level 2, Propertyfinance Building  
104 Victoria Street, PO Box 868  
Christchurch  
Phone (03) 379 9336

## Is there anyone to whom I can complain if I have problems with the investment?

The Managing Director  
**propertyfinance securities limited (In Receivership)**  
Level 2, Propertyfinance Building  
104 Victoria Street  
PO Box 868, Christchurch  
Phone (03) 379 9336

Covenant Trustee Company Limited  
Level 34, Vero Centre  
48 Shortland Street  
P O Box 4243, Auckland  
Phone: (09) 302 0638  
Attention: Corporate Business Manager

There is no Ombudsman to whom complaints can be made for this type of investment.

## What other information can I obtain about this investment?

Other information about the investment and the Company is contained in the Prospectus, the Explanatory Memorandum, the Notice and the latest financial statements of the Company. You can obtain those documents free of charge from the Company or by downloading the documents from the Company's website at [www.propertyfinance.co.nz](http://www.propertyfinance.co.nz). The Prospectus and Annual Report can also be obtained by inspecting the public Register at the Companies Office of the Ministry of Economic Development (website [www.companies.govt.nz](http://www.companies.govt.nz)).

You can also request copies of the following documents from the Company at its office at Level 2, Propertyfinance Building, 104 Victoria Street, Christchurch or at the registered office of the Company at c/- KordaMentha, Level 16, Tower Centre, 45 Queen Street, Auckland:

- The Register of Securities (except for when the Register is closed).
- The Company's financial statements registered under the Financial Reporting Act 1993.
- Documents registered under the Securities Act 1978.
- The Company's latest Annual Report.
- The Trust Deed and amendments.

The Company may not charge a fee for providing copies of the above documents except as permitted by regulations under the Securities Act 1978 and photocopying costs (up to 20¢ per page) if you require a copy of the Register of Securities.

The Company will send you a Withholding Tax Deduction Certificate at the time of each payment of principal and interest. The Company will also send you a six monthly update of the financial position of the Company and a summary of the Company's annual results.