



# PCG DIVERSIFIED NEW ZEALAND PRIVATE DEBT FUND

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## INFORMATION MEMORANDUM

Issued by New Zealand Private Debt Management Limited  
(a Private Capital Group company)

April 2025



# IMPORTANT NOTICE

## PURPOSE

This document has been prepared solely in connection with the offer of Units in the Trust described herein. This document has been prepared on a confidential basis exclusively for distribution to wholesale investors as defined in clause 3 of schedule 1 of New Zealand's Financial Markets Conduct Act 2013 ("FMC Act").

Since the Trust is solely structured for and marketed to wholesale investors, a product disclosure statement is not required under the FMC Act. Furthermore, the Trust is not intended for and should not be distributed to or considered by, any other person. This document must not be distributed to any person who is a retail client or retail investor for the purpose of the FMC Act.

This document is not a product disclosure statement for the purposes of the FMC Act and it does not contain all of the information that a product disclosure statement is required to contain. The offer to subscribe for Units in the Trust will not be available to any person outside New Zealand, unless expressly approved by the Manager and in circumstances where such offer is made in accordance with any applicable securities laws (including foreign securities laws).

## WAIVER OF REPRESENTATIONS AND WARRANTIES

This document has been issued by New Zealand Private Debt Management Limited (Company number 8132591 and NZBN 9429048716864) ("NZPDM" or the "Manager"). The Manager is a 100% subsidiary of Private Capital Group Limited (Company number 7653076 and NZBN 9429047611290) ("PCG").

The Manager has prepared this document and therefore, the Trustee takes no responsibility for this document.

Neither PCG, NZPDM, the Trustee nor any of their related entities, associates, officers, employees or agents make any representation or warranty, express or implied, as to, or assume any responsibility or liability for the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement or opinion contained in this document or in any accompanying, previous or subsequent material or presentation except as expressly stated otherwise.

To the maximum extent permitted by law, PCG, NZPDM, the Trustee and their respective related entities, associates, officers, employees or agents disclaim all and any responsibility or liability for any loss or damage (in contract, tort (including negligence) or otherwise) which may be suffered by any person relying upon any information contained in, or any errors or omissions in relation to, this document.

Each recipient of this Information Memorandum waives, and undertakes to not take any action against PCG, NZPDM, the Trustee nor any of their related entities, associates, officers, employees or agents in relation to this document and the offer.

The information contained herein is not, and does not purport to be, all-inclusive. It does not claim to contain all the information that a potential investor may require to decide whether to proceed with any investment in Units. Neither PCG, NZPDM, the Trustee nor any of their related entities, associates, officers, employees or agents is under any duty to: (i) provide the

recipient with additional information, (ii) update or supplement any information or (iii) correct any errors or omissions. It has been prepared without taking into account the recipient's individual objectives, financial situation or needs. Recipients should consider the appropriateness of the information in this document having regard to these matters and seek independent financial advice before making an investment decision.

By accepting this Information Memorandum, the recipient:

- represents that they are a wholesale investor (as defined in clause 3(2) and 3(a) of schedule 1 of the FMC Act);
- agrees to keep the Information Memorandum and its contents confidential and to not provide it or make it otherwise available to any other persons except their advisers, provided that any such advisor also maintains such confidentiality; and
- represents that they have read and agreed to the information noted in this document including this Important Notice.

NZPDM is not obliged to accept applications and reserves absolute discretion in limiting or refusing any application.

## AUTHORISED INFORMATION

No person is authorised to give any information or to make any representation about the Trust and the offer of Units which is not contained in this document. Any such information given to an investor must not be relied upon as having been authorised by PCG or NZPDM or any other party mentioned herein.

## RECIPIENT RELIANCE

This document is not a recommendation or a statement of opinion, by PCG, NZPDM, the Trustee or any of their respective related entities, associates, officers, employees or agents. This document does not purport to identify the nature of specific market or other risks associated with any investments of the Trust described herein. It does not and is not intended to constitute any form of legal, taxation, investment or accounting advice. All information contained in this document is indicative, is based on certain assumptions, current market conditions and is subject to change at any time without notice. Some data and tables in this document may not add or calculate exactly due to rounding. Fees and costs stated in this document are exclusive of any applicable GST.

There is no cooling-off period. There is no secondary market for Units in the Trust and no such secondary market is expected to develop in the future. Units in the Trust may not be transferred, resold, exchanged or otherwise disposed of except in accordance with the Trust Deeds and as agreed to by the Manager. A Unitholder may only transfer Units in the Trust to a person who is a wholesale investor, where that person has also agreed in writing to be bound by the terms of the Trust Deeds and where NZPDM provides its written consent in its sole and absolute discretion. NZPDM is not required to accept or register a transfer of Units in the Trust if the purported transfer is contrary to the Trust Deeds or to applicable law, including under any relevant securities laws.

To the extent of any inconsistency between this document and the Trust Deeds, the Trust Deeds prevail.

Any information contained in this Information Memorandum does not and should not be considered as constituting a prediction or forecast as to the

performance of any Trust investments or the value of an investment in the Trust. Any historical information contained in this document is provided by way of illustration only, past performance is not a guide to future performance and actual performance may differ materially. Assumptions upon which financial illustrations are based may differ widely from actual circumstances. No reliance should be placed on the information in this document and any investment decision should be based only on the information in the Trust Deeds and other final transaction documents. The information in the Trust Deeds and such other final transaction documents will be more extensive than, and may differ significantly from, the information contained in this document.

Any, and all forward-looking statements in this document (including statements of intention, projections and expectations of investment opportunities and rates of return) are made only at the date of this document based on current expectations and beliefs. These current expectations involve risks, contingencies, uncertainties and other factors beyond the control of PCG and NZPDM which may cause actual outcomes to differ materially from any statements herein. Assumptions underlying the statements in this document involve judgements which may be difficult to accurately predict. Therefore, such forward-looking statements included in this document may prove to be inaccurate and should not be relied upon as indicative of future matters.

Making this document available to wholesale investors does not cause PCG, NZPDM, the Trustee or any of their respective related entities, associates, officers, employees or agents to become the financial advisor or fiduciary to the recipient. Each recipient of this document must make its own independent assessment and investigation of the terms of issue of the investments described in this document, and the risks and benefits in connection with those investments as it considers appropriate. Each recipient of this document should obtain independent legal, taxation, investment, financial and accounting advice specific to their situation. Each prospective investor in the investments described in this document must base any decision to subscribe for or purchase investments solely upon such independent assessment, investigation and independent advice.

This document should not be construed as an offer or invitation to subscribe for Units. Any such offer or invitation must be made pursuant to the Trust Deeds. Neither the provision of this document, the Trust Deeds nor anything contained in this document, or the Trust Deeds, constitute, and are under no circumstances to be construed as, a regulated offer under the FMC Act. This document does not constitute an offer or invitation in a jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the Units or the offer or otherwise to permit a public offering of the Units in any jurisdiction. The distribution of this document in jurisdictions outside New Zealand may be restricted by the laws of those jurisdictions and any failure to comply with these restrictions may constitute a violation of the laws in those jurisdictions.

PCG and NZPDM reserve the right to change or supplement the terms and conditions in this document. If a copy of this document has been obtained electronically, you must print the complete and entire document. This document has not been, and will not be, lodged on the Disclose Register.

## **NOT GUARANTEED**

This document and the Trust Deeds should be read in their entirety before making any decision to invest. An investment in units in the Trust is subject to investment risk. This includes possible delays to the receipt of or the loss of income or delays to the receipt of or the loss of repayments or redemptions

related to principal on any investment made by the Trust. An investment in the Trust is not a deposit with and does not represent a liability of PCG, NZPDM, the Trust, the Trustee or any other person. Neither PCG, NZPDM, nor the Trust, the Trustee or any of their respective related bodies corporate or any other person, in any way, guarantees the capital value or performance of the investments or the performance of the issuer, borrower, or the assets held by the issuer of the investments or guarantees any specific return from the Trust, increase in value of the Trust or repayment of any amount invested in the Trust.

The value of an investment in the Trust may rise or fall. Neither PCG, NZPDM, the Trustee nor any of their respective related bodies corporate or any other person are required to provide any liquidity or secondary market support for dealing in Units of the Trust.

## **CONFLICTS OF INTEREST**

PCG, NZPDM or any of their respective related entities, associates, officers, employees or agents, may from time to time, have pecuniary or other interests in dealings in long or short positions in (whether as principal or agent) and may receive fees, brokerage and commissions in connection with, the investments described in this document or other financial products related to those investments. Also, PCG, NZPDM, the Trustee and their respective related entities, associates, officers, employees or agents may from time to time have other dealings with the issuer of those investments or financial products and the underlying borrowers. These interests and dealings may adversely affect the price or value of the investments described in this document.

PCG and/or NZPDM may choose, but are under no obligation, to enter into arrangements with Unitholders to meet their specific requirements such as those relating to reporting and permitted transfers of the Units. PCG and/or NZPDM may in their sole discretion decide to enter into arrangements to rebate fees (from their/its own resources) to substantial Unitholders, initial or early-stage Unitholders or Unitholders who are officers or employees of PCG, NZPDM or their respective affiliates.

NZPDM reserves the right to pay monies from the Management Fee it receives from the Trust to related parties and third parties for the introduction of investors to the Trust.

## **CONFIDENTIALITY**

This Information Memorandum and all of the information contained in it must not be disclosed to any person or replicated in any form without the prior written consent of NZPDM.

## **SEVERABILITY**

If any provision (or part of a provision) of any section of this document is, or becomes unenforceable, illegal or invalid for any reason it shall be deemed to be severed from the rest of this document without affecting the validity of the remainder of the relevant section and shall not affect the enforceability, legality, validity or application of any other provision (or part of a provision) of the section or the document.

## **BENEFIT**

The Information Memorandum is intended to confer a benefit on PCG, NZPDM, the Trustee and any of their related entities, associates, officers, employees or agents, and may be enforced by those persons pursuant to subpart 1 of part 2 of the Contract and Commercial Law Act 2017.

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# 1. KEY TERMS & STRUCTURE

You should read both the Trust Deeds and this document in full prior to making a decision to invest in the Trust. The Trust Deeds will supersede and prevail over this document (including the summary of the key terms of the Trust, below) to the extent that there are inconsistencies.

## 1.1 KEY TERMS

A summary of the key terms of the Trust is outlined below. This summary does not seek to represent the full and complete details of the Trust's terms.

Trust Structure	
Trust	<p>PCG Diversified New Zealand Private Debt Fund.</p> <p>The Fund is a Foreign Investor Variable Rate PIE (Portfolio Investment Entity), which meets all eligibility criteria under the Tax Administration Act 1994 and the Income Tax Act 2007.</p> <p>The Fund combines the benefits of a multi rate pie for NZ tax resident investors with the opportunity to achieve Notified Foreign Investor status for non-NZ tax resident investors.</p>
Manager	New Zealand Private Debt Management Limited, a 100% subsidiary of Private Capital Group Limited.
Trustee	Public Trust.
Administrator	Adminis NZ Limited.
Investment Strategy	<p>The Trust will make investments, in the form of loans and other debt products, to New Zealand businesses. This will include businesses which are either New Zealand based, owned or domiciled and their various holding, parent or subsidiary companies.</p> <p>Investments will represent loans and other debt products, predominantly structured as senior-secured claims on borrowers from a variety of sectors and industries.</p> <p>NZPDM will seek to create diversification of the investment portfolio by adopting concentration limits (maximums or minimums), and applying these to the industry, maturity, loan size and type of loan provided.</p> <p>Loans will be originated and extended in a variety of forms, including bilaterally, direct to the borrower, as part of a group of 2 or more lenders, or as part of a larger syndicate of lenders.</p>

	<p>The Trust will not lend to either the consumer market or residential mortgage market.</p> <p>While the Trust's investment will be in the form of loans and other debt products, the Trust will not be restricted in holding equity securities as a result of any restructuring or insolvency process in relation to any particular investment.</p>	
Target Return	Reserve Bank of New Zealand Official Cash Rate + 4.0% (net of management fees and fund costs and before tax).	
Types of Units	Units in the Trust ("Units").	
Unitholders	Holders of Units.	
Final Maturity	<p>The Trust will be Open Ended.</p> <p>This means that the net proceeds from the maturity, repayment (part or full), or sale of any Trust assets or investments, or the release of amounts from reserves for expected losses, will, in accordance with the Manager's discretion, be retained in the Trust for further investment.</p>	
Initial Close	The Initial Close occurred on 22 March 2022.	
Selling Restrictions	<p>The Trust is not a registered managed investment scheme under the FMC Act.</p> <p>Units in the Trust are offered to wholesale investors only (as defined in clause 3(2) and (3)(a) of Schedule 1 to the FMC Act), with customary certifications, safe harbour certificates and/or eligible investor certificates to be provided by potential investors in the Trust.</p>	
Investment Criteria	NZ-for-NZ parameter	<p>Each new investment must be made to:</p> <ul style="list-style-type: none"> <li>● a business headquartered in New Zealand; or</li> <li>● a business with controlling shareholders in New Zealand;</li> <li>● a business with its majority earnings derived in New Zealand; or</li> <li>● a holding, parent or subsidiary company in respect of any of the businesses listed above.</li> </ul>
	Tenor of underlying Loans	No longer than 6 years.

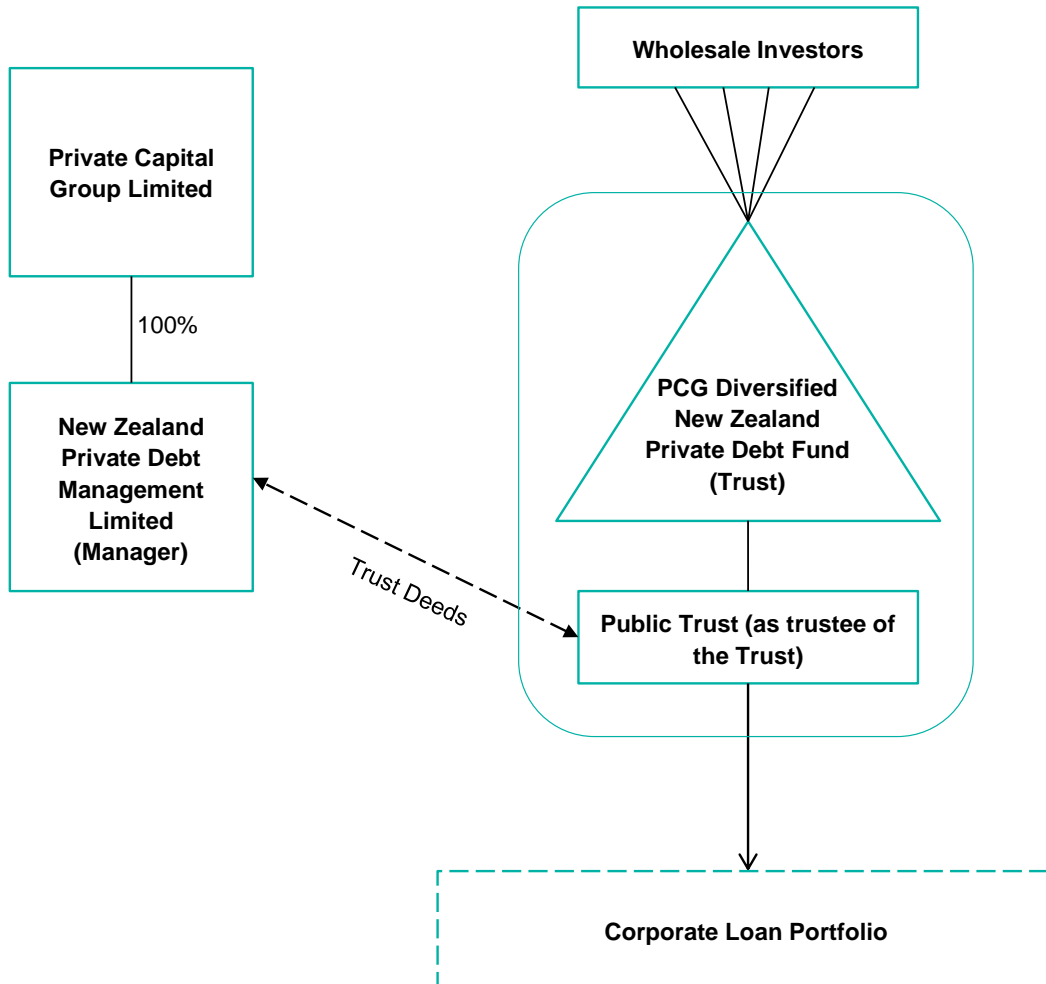
	Asset Ranking	At least 80% of Net Asset Value to be comprised of senior-secured debt at the time any investment in a new asset is made (excluding, for the avoidance of doubt, equity investments acquired as a result of a restructuring or insolvency process and investments in senior-secured loans, debt securities or cash).
Diversification  (to take effect at the earliest of: 30 September 2024 and a Net Asset Value not less than \$50m)	Borrower  Industry	<ul style="list-style-type: none"> <li>● 20% ceiling of Net Asset Value for any single investment.</li> <li>● 20% ceiling for any single Industry with respect to Net Asset Value.</li> </ul>
Diversification  (to take effect at the earliest of: 30 June 2025 and a Net Asset Value not less than \$100m)	Borrower  Industry	<ul style="list-style-type: none"> <li>● 10% ceiling of Net Asset Value for any single investment.</li> <li>● 5 largest investments to account for no more than 35% of Net Asset Value.</li> <li>● 15% ceiling for any single Industry with respect to Net Asset Value.</li> <li>● 5 largest Industries to account for no more than 60% of Net Asset Value.</li> </ul> <p>The Trust will adopt Standard Industrial Classification (ANZSIC) as the basis for categorising Industries.</p>
Key Persons	<p>Except as otherwise approved by the Trustee, should both Key Persons cease to have direct involvement with the Manager by reason of disability, death, resignation or retirement, then if the Trustee determines that the remaining and/or replacement directors and employees of the Manager are not satisfactory to it, the Trustee may replace the Manager in accordance with the Trust Deeds.</p> <p>For this purpose, "Key Persons" are Paul Carman and John Ferrara.</p>	
<b>Issue and Redemption</b>		
Applications	Applications can be made at any time.	
Minimum investment	NZ\$125,000 (unless otherwise approved by the Manager).	

<p><b>Issue Price</b></p>	<p>The Issue Price was NZ\$1.00 in respect of Units issued on Initial Close. Units are now issued at the current unit value (being the Net Asset Value as at the most recent valuation date prior to the relevant issuance date divided by the number of Units in issue (as adjusted for any transaction costs, as these shall be for the account of the Trust)) which, as at 30 April 2024, was 1.100607.</p>
<p><b>Issuance of Units</b></p>	<p>Units will be issued on a weekly basis. Issuance will occur on the business day falling immediately after the weekly Valuation of Trust Assets that occurs on or after the later of:</p> <ul style="list-style-type: none"> <li>● the date on which the Manager accepts the application for Units; and</li> <li>● the date on which the application monies for Units have been received by the Trustee.</li> </ul> <p>The Manager has the right to refuse to accept applications for Units in whole or in part at its sole discretion.</p> <p>Without limitation, the Manager may exercise this right if acceptance of an application is in the Manager’s opinion likely to reduce the overall performance of the Trust in the short term due to a lack of investment opportunity. In such a case, the Manager would consult with the potential investor on the timing of that potential investor’s subscription for Units.</p>
<p><b>Redemption of Units</b></p>	<p>Other than during the period ending 12 months after the Initial Close, Unitholders may request a redemption of some or all of their Units by giving notice to the Manager in writing (a "Redemption Request").</p> <p>The Manager may accept or reject any Redemption Request at its sole discretion.</p> <p>If accepted, Redemption of Units will occur promptly after, and will be calculated based off the most recent weekly Valuation of Trust Assets (being the Net Asset Value as at the most recent valuation date divided by the number of Units in issue (as adjusted for any transaction costs and any transaction allowance, as these shall be for the account of the Trust)).</p> <p>If the Manager accepts a Redemption Request, redemption proceeds will be paid within 10 business days of that Redemption Request being accepted, and will be based on the most recent weekly Valuation of Trust Assets prior to that payment.</p> <p>Without prejudice and in accordance with the Manager's general discretion to accept or reject any Redemption Request and/or application for Units:</p> <ul style="list-style-type: none"> <li>● the Manager may reject any Redemption Request if it considers that it would be adverse to the interests of the remaining Unitholders to accept that Redemption Request; and/or</li> <li>● the Manager may suspend the redemption and/or issuance of all Units in the Trust in certain circumstances.</li> </ul>

	<p>For the avoidance of doubt, any, and all, redemption payments, will be subject to a deduction for a given Unitholder's PIE tax obligations, wherever relevant and any redemption proceeds will be made to all Unitholders on a net basis.</p>
Transfers	<p>Unitholders may only transfer some, or all, of their Units in the Trust with the prior written approval of the Manager. The Manager may decline a transfer request at its absolute discretion, including without limitation, to preserve the PIE status of the Trust.</p> <p>For the avoidance of doubt, any, and all, such transfers would be treated as a sale (by the transferor) and a purchase (by the transferee) of Units. Any transfer will require satisfaction of a transferor's PIE tax obligations.</p>
<b>Other Key Terms</b>	
Reporting	<p>The Trust intends that the Manager will prepare reports on a monthly, quarterly and annual basis to keep Unitholders informed about the current activities of the Trust, the performance of the Trust's investments and the investment outlook.</p> <p>The annual accounts for the Trust will be audited.</p>
Distributions	<p>Net income proceeds from investments of the Trust (including interest and fees received from any, and all, investments, but excluding repayments, prepayments, redemptions, recovery or sale of principal) will generally be distributed to Unitholders monthly (subject to the Manager's capacity to set different distribution periods at its discretion). Net proceeds will be subject to any amounts that may be retained to meet accrued or possible future fees, expenses or liabilities of the Trust and any deduction for credit impairment or loss during the relevant period.</p> <p>Distributions will be in cash or (on the basis agreed with the Trustee from time to time), other non-cash assets.</p> <p>A distribution reinvestment plan may be established pursuant to which Unitholders can elect to receive additional Units in the Trust in lieu of cash distributions. Unitholders that do not make any election will not be subject to any such distribution reinvestment plan.</p>
Management Fee	<p>The Trust will pay the Manager a management fee in an amount equal to 0.75% per annum calculated based on the Net Asset Value of the Trust. The management fee is calculated on a daily basis and is payable monthly in arrears.</p> <p>The Manager will not charge performance related fees to the Trust.</p>

<b>Trust Costs</b>	The Trust will pay all administrative and establishment costs associated with the Trust, including without limitation, in relation to accounting, legal, administration, auditing and tax compliance, foreign exchange hedging costs and trustee fees.
<b>Valuation of Trust Assets</b>	The Trust will value its assets on a weekly basis in accordance with the Manager's valuation policy and on a basis consistent and conforming with IFRS9.
<b>Net Asset Value (or NAV)</b>	The total value of all investment assets of the Trust (including accrued income and any outstanding undrawn gross loan commitments), less all liabilities of the Trust.

## 1.2 FUND STRUCTURE



## 2. INVESTMENT OVERVIEW

### 2.1 SUMMARY

The Trust is a New Zealand domiciled unit trust which is registered as a foreign investor variable-rate portfolio investment entity (“PIE”), as defined in the Income Tax Act 2007.

New Zealand Private Debt Management Limited is the manager of the Trust and is a 100% subsidiary of Private Capital Group Limited. Public Trust is the Trustee of the Trust and Adminis NZ Limited is the Administrator of the Trust.

The purpose of the Trust is to make investments, in the form of loans and other debt products, which will be provided to New Zealand businesses. This will include businesses which are either New Zealand based, owned or domiciled and their various holding, parent or subsidiary companies. Loan investments are

contracted agreements which generate interest and fee income. These income streams, net of the costs of managing and administering the Trust and less any deduction for credit impairment or loss, will be distributed to Unitholders on a monthly basis.

The Trust is designed to deliver stable returns by diversifying its investments and the income sources these create across credit market segments, borrowers, industries and origination channels. The risk of capital impairment or loss will be mitigated by targeting investment in senior-secured loans, which will comprise at least 80% of NAV at the time any investment in a new asset is made (excluding, for the avoidance of doubt, equity investments acquired as a result of a restructuring or insolvency process).

### FEATURES OF THE NEW ZEALAND CORPORATE, MIDDLE MARKET AND SME LENDING ENVIRONMENT

<b>Borrower Segments</b>	Corporate market, defined as businesses with Turnover > NZ\$250m, Middle market, defined as businesses with Turnover between NZ\$50m and NZ\$250m and SMEs, defined as businesses with Turnover < NZ\$50m.
<b>Loan Purpose</b>	Typically for growth and event-driven financing purposes including leveraged buyouts, acquisitions and growth situations, capital expenditure or general corporate purposes.
<b>Origination Channels</b>	Relationship driven. Typically, privately negotiated deals sourced directly from private equity sponsors, owners and management teams of businesses, banks, debt advisors or other non-bank lenders.
<b>Income Generation</b>	Returns are primarily generated from interest margins and fees. Margins are paid over and above a floating rate reference interest basis.
<b>Return Risk Premium</b>	Loan terms are idiosyncratic. Lenders can typically command pricing premiums and structural enhancements, driving low correlation to the corporate bond market.
<b>Ratings</b>	Whilst borrowers are unlikely to have formal credit ratings, investments will be made in businesses which have similar characteristics to cross-over (BBB equivalent) or sub-investment grade (BB+ and below equivalent) risks.
<b>Credit Enhancements</b>	The majority of investments will include first ranking security over the borrowers’ assets, financial and non-financial covenants and the receipt of detailed current and projected financial reporting and projections.

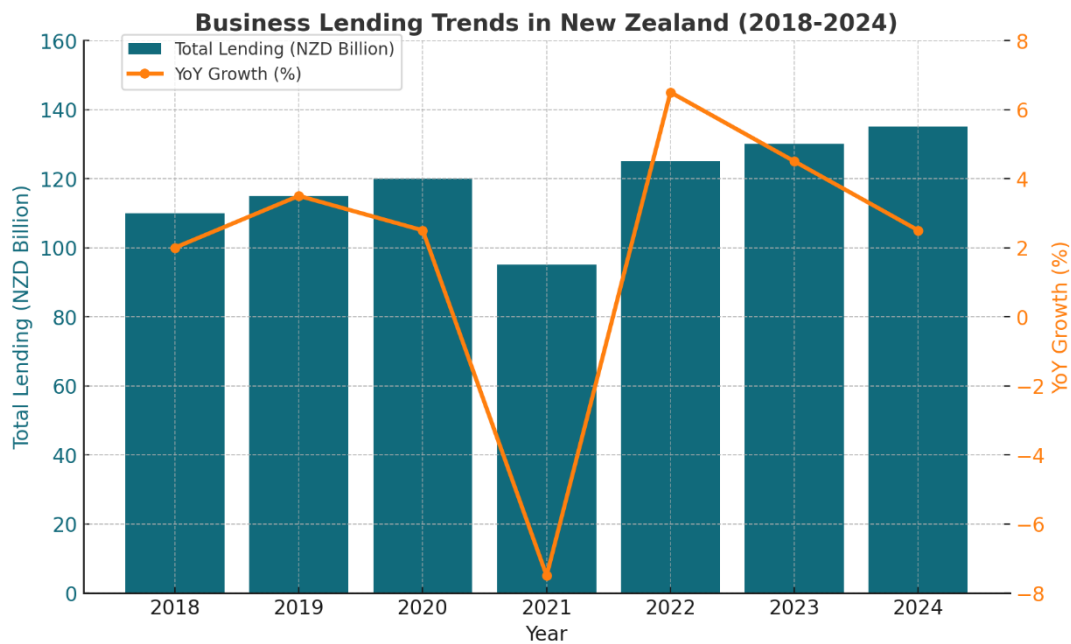
## 2.2 MARKET OPPORTUNITY

The aggregate value of loans made domestically to New Zealand businesses is NZ\$120.5b (source: RBNZ Sep-21). This market had demonstrated a rate of growth, pre-Covid 19 of 6.5% p.a. over the period Apr-18 to Mar-20. The big 4 domestic banks within New Zealand (ANZ, BNZ, Westpac and ASB) have traditionally dominated this landscape and collectively account for a market share of circa 77%. The balance is provided by regional New Zealand banks, foreign banks and other specialist lenders.

The changes created by the Capital Review are anticipated to impact the return on equity that banks will be able to generate on the loans they have traditionally provided.

Consequently, we anticipate certain historical lending practices and policies are to be revised as banks attempt to maintain current rates of return on equity.

This could be achieved through a combination of passing these increased capital costs on to borrowers,



The Reserve Bank of New Zealand ("RBNZ") regulates banks and deposit takers operating in the domestic New Zealand market. The RBNZ has defined and implemented the RBNZ Capital Review 2019 (the "Capital Review"). The Capital Review formalises a revision to the regulatory framework for defining bank capital adequacy and requires banks operating in New Zealand to apply revised and significantly increased capital allocations to support their loan portfolios and balance sheets.

As part of the RBNZ's capital adequacy requirements, Banks must divide individual loans into categories of credit risk ratings and, against these categories of risk, a series of coefficients are applied. The Capital Review requires banks to conform with greater rates of standardisation with RBNZ norms when identifying individual asset ratings relative to historical requirements.

reducing lending appetite for certain types or ratings of loans, or working more closely with non-bank lenders.

The above scenarios will create a step change in the way certain borrowers access the loan market and on the choices borrowers have in determining where and from whom to source financing.

These changes and developments are not new to global markets and have been witnessed in the UK, European and US markets and more recently in Australia.

Non-bank lenders such as the Trust are not banks and as such they are not regulated by the RBNZ and are not subject to the Capital Review.

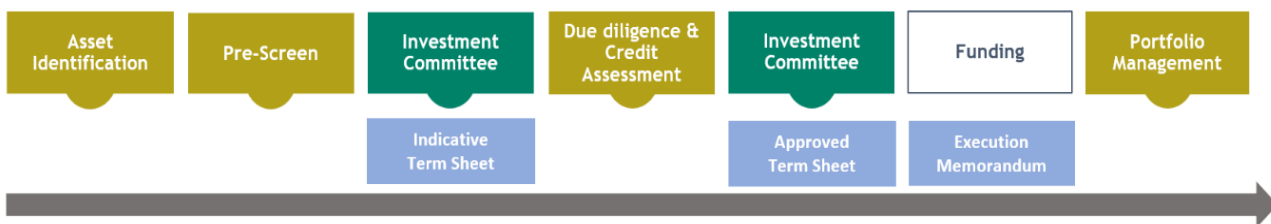
### 2.3. INVESTMENT PROCESS

The Trust’s investment strategy is centred on making investments as a senior-secured lender with first lien security, with a prudent fundamental analysis-based underwriting process and a proactive approach to portfolio monitoring. Processes are predicated and defined, based off experience in the global cross-over and sub-investment grade markets and these have been refined over many cycles and economic events.

Experience has been gained from managing and creating investment portfolios within private debt fund and Global Systemically Important Bank (G-SIB) portfolios.

Portfolio construction is built off credit policies and procedures and an investment strategy with oversight and approval from the NZPDM’s Investment Committee. These credit policies are over and above NZPDM's and PCG’s fund specific Risk Framework. The key steps within NZPDM’s investment process are summarised below:

Steps to Funding



#### Identification of opportunities

Origination channels include opportunities sourced through NZPDM's and PCG’s relationships with management teams, owners, banks, lawyers, advisors, accountants and private equity firms.

NZPDM and PCG work with a network of trusted and established relationships which provides a high degree of trust and transparency to the origination and due diligence of opportunities.

#### Assessment of individual opportunities

NZPDM screen incoming opportunities during weekly deal sourcing and screening meetings. Based on the available information, the Investment Committee (“IC”), decides whether to advance an investment to the next step. Attractive opportunities

are progressed and a pre-screening paper is prepared for formal submission to the IC.

The IC has a two-stage evaluation process: i) an initial screen based on investment criteria and borrower characteristics and ii) an assessment of the quality of the security and degree of capital protection. For potential investments that pass this process, a detailed due diligence and credit assessment is then conducted.

NZPDM will be directly involved in the negotiation of the terms and conditions of the individual investments it undertakes. Where the Manager determines the Trust can be enhanced by making purchases of existing portfolios rather than individual investments, it will negotiate the terms and price at which it will make such investments. Where the Manager purchases an individual asset working with other lenders it would expect to have input into the terms and conditions in conjunction

with the other arrangers and lenders of such investment.

All investments and any subsequent amendments require formal IC approval. Investment proposals may be rejected due to issues around ownership structure, equity base, leverage levels, sector, size, capital structure, pricing or financial projection risk.

NZPDM actively monitor each investment using borrower performance data which, combined with regular borrower meetings and industry research, can help to identify early signs of credit deterioration. NZPDM would expect to work closely, and in unison, with any other lender(s) where corrective action is required.

## Key underwriting criteria

NZPDM's portfolio deployment and construction strategy follows a fundamentals-driven credit investment philosophy which is based on detailed credit underwriting and financial analysis that seeks to understand and capitalise on idiosyncratic, company specific risks.

For each credit, NZPDM follows a bottom-up, fundamentals-based due diligence process. The process is broadly divided into understanding a borrower's business and operating structure, its market, and other due diligence.

Business due diligence focuses on the quality of cash flows of the underlying investment, including assumptions for growth, flexibility to reduce costs and requirements for debt servicing. It includes an assessment of the borrower's cost structure, cost structure relative to competitors, the quality of its suppliers and working capital management.

Market due diligence focuses on assessing what the borrower actually does, what products and services it provides and to whom. It includes an assessment of substitute goods or services and the threats they may represent for pricing or cost structures and the drivers of market growth or decline, including changes in an industry's structure, technology, regulation or demographics.

Other due diligence includes management meetings, site visits, and a review of quality of earnings reports. NZPDM's analysis incorporates due diligence and close examination of legal risk, the environmental impact of prospective borrower's operations and its policies and practices around ESG, diversity and other working practices.

NZPDM assesses transaction pricing, debt levels, financial aspects and projections, including sensitivity analysis, of the target borrower and its management quality and depth. These findings are condensed into a formal credit paper and recommendation to the IC for detailed discussion and final decision making.

## 2.4 PCG and NZPDM

PCG was founded in August 2019 as an NZ based private capital platform with a business rationale based on the development of a non-bank lending market in New Zealand arising from changes in the regulatory, structural & competitive environment, as a result of RBNZ's 2019 Capital Review and that legislation's impact on the capital requirements for banks operating in the domestic market. The creation of a non-bank lending market is not unique to New Zealand and is commonplace in the US, UK and Europe. This is something which the management team within PCG has directly participated in during the past 20 years.

PCG is privately owned and operated by its management team. It is independent and this helps to ensure that the platform is free from conflicts. All decisions are made locally in New Zealand and PCG is not part of a wider fund management group or a wider pan regional private debt platform. This singular focus and commitment to serving the domestic New Zealand market in deploying investors' capital and to building highly selective asset portfolios is central to PCG's investment strategy. It additionally avoids reliance on offshore parents, owners, partners or investment committees.

PCG's management team has a deep and extensive experience gained from a long-standing involvement with the development of the private debt markets in Europe, North America and Asia Pacific. The team has a history of working together over a number of years and business cycles. It has built a network of relationships with global, regional and local private equity sponsors, private debt funds, advisors, banks, lawyers, accountants, strategic consultants, borrowers and investors over a period of more than 30 years.

NZPDM was incorporated in October 2020 as a wholly-owned subsidiary of PCG and represents the debt management function within PCG. PCG's management team is double hatted and sits within NZPDM to control the subsidiary's activities.

## 3. PCG DIVERSIFIED NEW ZEALAND PRIVATE DEBT FUND

### 3.1 TRUST DEED & PURPOSE

The Trust and the operation of the Trust are defined and governed by a Master Trust Deed and a Fund Establishment Deed (together, the "Trust Deeds").

The purpose of the Trust Deeds is to provide and describe the rights and responsibilities and the full terms and conditions related to the Trust and the manner in which the Trust deals with matters such as Unitholder applications and redemptions, unit pricing, asset valuation and distributions.

The documents define and capture the rights and responsibilities of all parties to the Trust including the Manager and the Trustee.

### 3.2 INVESTOR ELIGIBILITY & APPLICATIONS; EXCLUSIVELY WHOLESALE INVESTORS

The Trust is structured exclusively for, and is offered solely to, wholesale investors as defined in clause 3(2) or (3)(a) of schedule 1 of the FMC Act.

The Trust has a minimum initial subscription allocation for Units valued at NZ\$125,000, however the Manager reserves the right to accept applications of different amounts at its sole discretion.

Applications are made by submitting a subscription agreement obtained from NZPDM.

For an application to be considered and progressed, unitholders must provide certain information as required by the Manager. Information requirements will include IRD numbers, notified investor taxation rates and information as part of the Trust's Common Reporting Standard, and Anti-money laundering and counter-financing of terrorism obligations and requirements, as well as customary safe harbour certificates and eligible investor certificates in accordance with the FMC Act.

The Manager or Trustee may be required to, and if so requested will, provide to IRD, or any other relevant government department or agency, information regarding Unitholders, investments, income, or any other information requested by those organisations.

### 3.3 DESCRIPTION OF TRUST UNITS

#### Units

Once a subscription to the Trust has been accepted and the Trust has received the relevant application money, prospective Unitholders will be issued Units by the Administrator. Each Unit represents, and is an equal interest in the assets of the Trust, and each Unit in the Trust ranks *pari passu* with any and all other such Units.

Units do not represent a specific interest in a specific Trust asset or investment.

#### Issue, redemption, and transfer of Units

New or increased applications may be accepted weekly. Units will be issued on the business day falling immediately after the weekly valuation of Trust investments that occurs on or after the later of:

- the date on which the Manager accepts the application for Units; and
- the date on which the application monies for Units have been received by the Trustee.

Subject to rounding, Units will be issued to the potential investor based on the Issue Price as at that weekly valuation date.

Subscription amounts received and pending the issue of Units will be held by the Trustee in a trust/capital investment account established by the Trustee.

Any interest earned on funds standing to the credit of such trust account will not be attributed to any particular applicant and will be kept by the Trustee and paid into the Trust for the benefit of all Unitholders. The Manager must either issue Units or return the subscription amount to the relevant applicants within 30 business days of the Trust receiving the monies.

#### Redemption of Units

Other than during the period ending 12 months after the Initial Close, Unitholders may request a redemption of some or all of their Units by submitting a Redemption Request to the Manager. The Manager may accept or reject any Redemption Request in its

sole discretion and may choose to stagger or spread redemptions. If the Manager accepts a Redemption Request, redemption proceeds will be paid within 10 business days of that Redemption Request being accepted.

Units will be redeemed based on the unit value as at the most recent weekly Valuation of Trust Assets (being the Net Asset Value as at the most recent weekly valuation date divided by the number of Units on issue (as adjusted for any transaction costs and any transaction allowance, as these shall be for the account of the Trust)).

Without prejudice to the Manager's general discretion to accept or reject any Redemption Request, the Manager may reject any Redemption Request if it considers that it would be adverse to the interests of the remaining Unitholders to accept that Redemption Request.

It is anticipated that Redemption Requests accepted by the Manager may be satisfied from the following sources:

- additional funds from investors subscribing for Units in the Trust;
- the proceeds of the realisation of any Trust investments;
- funds borrowed by the Trust; and/or
- in specie transfer of Units in any future fund that PCG, NZPDM or one of their affiliates provides investment management services to that may be listed on the NZX exchange (a "PCG or NZPDM Listed Fund"), subject to applicable law and the NZX rules.

### **Suspension of redemption or issue of Units**

Without prejudice to the Manager's general discretion to accept or reject any Redemption Request or application for Units, the Manager may at any time suspend the redemption or issue of Units in the Trust for a period of up to 365 days, if:

- the Manager receives Redemption Requests during any 3-month period that in aggregate relate to more than 5% of the number of Units on issue; or
- by reason of:

- a decision to terminate the Trust;
- financial, political or economic conditions applying in respect of any relevant market relating to the Trust's investments;
- the nature of any Trust investment;
- it being impracticable for the Manager to calculate the Net Asset Value of the Trust;
- the Trust investments suspend, delay or restrict the redemption, issue or payment of redemption proceeds (as applicable), or are unable to provide a withdrawal price;
- there have been, or the Manager reasonably anticipates that there will be, Redemption Requests that involve realising a significant amount of the Trust's portfolio and the Manager considers that if those Redemption Requests are all met immediately, other Unitholders may bear a disproportionate burden of capital gains tax or other expenses, or experience some disadvantage including by way of a material diminution in the value or quality of the Trust's investments or departure from the Investment Strategy of the Trust; or
- the occurrence or existence of any other circumstance or event and it is legally permitted for the Manager to do so, and, in each case, the Manager considers (acting reasonably) that it is not practicable to redeem or repurchase or issue Units in the Trust or that it would be in the general interests of all Unitholders to suspend the redemption or issuance of Units.

The Manager is required to provide notice to Unitholders and the Trustee prior to any suspension.

A Redemption Request lodged during any period when the redemption of Units is suspended, is taken to be lodged (but not accepted) the business day after the end of the relevant suspension period.

### **Transaction Costs**

The Manager may determine an amount of transaction costs as appropriate to applications and/or redemptions for the purposes of ensuring that Unitholders are not actually or potentially adversely impacted as a result of a redemption of or application

for units of the Trust. Such transaction costs will alter the price at which Units are issued and redeemed.

Transaction costs are estimates by the Manager of the cost of investing application monies in the Trust or redeeming investments (as applicable) and other costs (including administrative costs and compliance costs) relating to the sale, redemption or issue of Units. These amounts could include (without limitation): stamp duty, legal expenses, amounts incurred in connection with foreign exchange and currency hedging, lost interest or reduction in asset values from carrying values.

Transaction costs may be charged to ensure fair treatment of Unitholders and may be applied even when assets do not need to be acquired or sold.

### Transfer of Units

There is unlikely to be a secondary market in Units. However, Unitholders are able to transfer their Units subject to the Manager's prior consent at its sole discretion. Transfers are not effective until entered into the register by the Administrator, and all amounts payable in relation to a Unit will be paid to the registered Unitholder from the time a transfer is recorded in the Trust register.

### Unit Price

Units will be issued weekly on a fully paid basis.

The Issue Price for applications will be calculated as follows:

$$\frac{\text{Net Asset Value}}{\text{Number of Units in Issue}} + \text{transaction costs}$$

The Issue Price in the case of a distribution reinvestment will, for the avoidance of doubt, be calculated post income distribution.

The Unit price for the redemption of Units is calculated as follows:

$$\frac{\text{Net Asset Value}}{\text{Number of Units in Issue}} - \text{transaction costs/allowance}$$

## 3.4 TRANSFER OF UNITS INTO A PCG OR NZPDM LISTED FUND

It is expected that all redemptions under the Trust will be paid in cash. However, the Manager may satisfy

redemptions by transferring Units in a future PCG or NZPDM Listed Fund that may be established to a redeeming Unitholder with an aggregate market value equal to the relevant redemption amount.

If a Unitholder receives such Units, the value at which they can be sold may vary depending on the market price of those Units. Any costs such as brokerage and registry fees, in respect of the transfers of Units in any PCG or NZPDM Listed Fund will be borne by Unitholders.

## 3.5 DISTRIBUTIONS

### Distribution Reinvestment Plan

A Unitholder may elect to participate in any distribution reinvestment plan that is established by providing written notice to the Manager and the Administrator. Under any distribution reinvestment plan, income distributions will be reinvested in the Trust on behalf of the Unitholder and new Units will be issued to the Unitholder. Units will be issued (and the applicable Issue Price calculated) on the business day following the end of the applicable Distribution Period (for distribution reinvestments).

### Income Distributions

The Manager intends to make monthly income distributions to Unitholders, but may in its discretion set Distribution Periods of different durations. Annual distributions are expected to match the annual income (net of fees and expenses) received by the Trust but these will be paid solely at the discretion of the Manager and may depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects, income tax requirements and any other factors that the Manager deems relevant.

The Manager intends to make distribution payments within 10 business days of the end of a Distribution Period.

The calculation of a Unitholder's income distribution in respect of a Distribution Period is generally as follows:

$A \times (C/B)$ , where:

A is the number of Units in a class held by the Unitholder at the end of the Distribution Period;

B is the number of Units in a class held by all Unitholders at the end of the Distribution Period;

C is the income available to be distributed for the Distribution Period for that class.

Movements in NAV may also provide Trust income reflecting realised and unrealised capital gains or losses on assets, calculated in accordance with New Zealand GAAP. NZPDM will only make distributions from income in the form of interest and fee income received as cashflows.

Distributions will not be made on any unrealised capital gains and any realised capital gains will be retained in the Trust for further investment.

### **Capital Distributions**

The net proceeds from the maturity, repayment (part or full), or sale of any Trust assets or the release of amounts from reserves for expected losses, will, at the Manager's discretion, be retained in the Trust for further investment.

## **3.6 VALUATION OF ASSETS**

The valuation of corporate loans reflects the fact that they are not generally available for sale and, as such, are illiquid. Credit risk rather than market risk is the key risk reflected in an asset's valuation. Credit risk is assessed in terms of the probability that a borrower may default, the estimated level of utilisation of a loan at default and the anticipated loss given a default has occurred.

The valuation methods applied to value the Trust's assets and liabilities must be consistent with the range of ordinary commercial practice for valuing them and represent its assessment of current market value.

NZPDM's valuation methodologies are applied on a consistent and ongoing basis. The adopted methodology is predicated off, and consistent with, best practice as defined in IFRS 9.

## **3.7 EXPENSES & FEES**

There are a number of fees and costs associated with investing in the Trust relating to investment management and other costs directly associated with the Trust.

A summary of such fees and costs is set out below.

### **Entry and Exit Fees**

Unitholders are not expected to be charged entry or redemption fees. However, transaction costs and transaction allowance may be applied and reflected in the Unit price.

### **Management Fee and Trustee Fee**

A management fee of 0.75% per annum of the Trust's Net Asset Value (excluding undrawn loan commitments of the Trust) will be paid to the Manager by the Trust.

A fee will be payable to the Trustee and the Administrator by the Trust in consideration for providing services to the Trust.

These fees will generally be calculated daily and payable monthly in arrears from the Trust's assets.

### **Performance Related Fees**

NZPDM will not be charging performance related fees to the Trust.

NZPDM may amend the fees and costs that are payable in connection with investing in the Trust, or charge such other fees, in each case, as permitted under the Trust Deeds.

## **3.8 OTHER COSTS**

### **Costs**

The Trust will pay all establishment, transactional, operational and administrative costs associated with the Trust.

This includes without limitation third party service provider costs, investment costs, transactional brokerage, clearing costs and other liabilities as incurred by the Trust, including auditing, legal, tax compliance, and any hedging costs.

### **Borrower Fees**

All upfront, arrangement and establishment fees and amendment and waiver fees received by the Trust on the Trust's investments will be distributed to Unitholders.

### 3.9 LEVERAGE

The Trust may borrow funds from time to time as determined by the Manager in its sole discretion, provided that the aggregate amount borrowed may not (at the time at which any funds are borrowed), exceed 30% of the prevailing Net Asset Value.

Trust Borrowings will be made for temporary liquidity or timing related purposes of the Trust. There is no intention for the Trust to operate with long-term debt or for it to leverage Unitholders' interests in the Trust on a long-term basis.

The Trust may enter into any hedging agreements, including to hedge any foreign currency risks in respect of investments that are not denominated in NZ dollars.

### 3.10 REPORTS TO UNITHOLDERS

The Trust intends that the Manager will prepare reports on a monthly, quarterly and annual basis to keep Unitholders informed about the current activities of the Trust, the performance of the Trust's investments and the investment outlook.

The annual accounts for the Trust will be audited.

### 3.11 CUSTODIAL MATTERS

The assets of the Trust will be held by or on behalf of the Trustee in accordance with the usual market practice in New Zealand.

Any cost incurred for this service will be borne by the Trust. Cash may also be held on deposit with one or more New Zealand registered banks.

### 3.12 ADMINISTRATOR

Adminis NZ Limited has been appointed to manage the core administrative functions of the Trust including: unit pricing, accounting and fund registry.

The Manager outsources various administrative services to the Administrator who incurs external costs on behalf of the Trust and is entitled to recover those costs from the Trust.

The Administrator will value the Trust's assets on a weekly basis and will, as soon as it is practical, provide these calculations to the Trust.

In addition, the Administrator will provide unit registry services, including:

- processing of applications and redemptions;
- maintenance of the Trust's register of Unitholders;
- payment of distributions; and
- PIE Tax payments annually and on any redemption or transfer and otherwise as required.

### 3.13 MANAGER AND TRUSTEE INDEMNITY AND LIABILITY

Each of the Manager and the Trustee is entitled to be indemnified in full, out of the assets of the Trust for any liability incurred by it in the proper performance of its duties, or powers in relation to the Trust, except for any liability it suffers or incurs in connection with its gross negligence, fraud or wilful default.

### 3.14 OTHER IMPORTANT TRUST INFORMATION

#### Documents available for inspection

Copies of this document and the Trust Deeds together with the most recent audited accounts and annual report of the Trust (if any), may be obtained from PCG or NZPDM on request.

#### Multiple Mandates

PCG and NZPDM may have other investment management agreements with other funds or managed accounts (separate to the Trust), each with its own investment mandate.

PCG and NZPDM will make investment decisions in respect of each mandate (including in respect of the Trust), having regard to its contractual and legal obligations.

Specifically, where an asset becomes available to PCG or NZPDM and that asset is available to, and within the mandate and Investment Strategy of the Trust and other funds managed by PCG and/or NZPDM, or one of their affiliates, PCG and NZPDM will seek, as far as practicable, to allocate the asset pro rata amongst the Trust and such other funds.

#### Anti-Money Laundering and Counter-Financing of Terrorism

The Anti-Money Laundering and Counter-Financing of Terrorism Act 2009 ("AML/CFT Act") and other

applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Manager (“**AML Requirements**”), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML/CFT Act as it relates to the Manager is enforced by the Financial Markets Authority.

In order to comply with AML Requirements, the Manager is required to, amongst other things:

- verify prospective investor’s identity and, in some cases, the source of application monies, before being able to provide services to such investor, and, to re-identify Unitholders if the Manager considers it necessary to do so; and
- where a prospective investor supplies documentation relating to the verification of identity, keep a record of this documentation for 7 years.

The Manager and the Administrator as its agent (collectively the “Entities”) reserve the right to request such information as is necessary to verify a prospective investor’s identity and the source of the payment. In the event of delay or failure to produce this information, the Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them.

Neither the Entities nor their delegates shall be liable to any prospective investor for any loss suffered because of the rejection or delay of any subscription or payment of withdrawal proceeds. The Entities have implemented several measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring Unitholders.

Because of the implementation of these measures and controls:

- i) transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of New Zealand

or any other country, including the AML Requirements;

- ii) where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss suffered (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or because of their compliance with the AML Requirements as they apply to the Trust; and
- iii) each of the Entities may from time to time require additional information to assist in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing prospective investors that any such reporting has taken place. Where required by law, any of the Entities may disclose the information gathered to regulatory or law enforcement agencies. The Entities are not liable for any loss suffered because of their compliance with the AML Requirements.

### **Privacy**

The Manager collects information from prospective investors in the application and any other relevant forms to be able to process an application, administer an investment and comply with any relevant laws. If such information is not provided to the Manager, the Manager will not be able to do so.

Privacy laws apply to the Manager’s handling of personal information and the Manager will collect, use and disclose personal information in accordance with the Manager’s privacy policy, which includes details about the following matters:

- the kinds of personal information the Manager collects and holds;
- how the Manager collects and holds personal information;
- the purposes for which the Manager collects, holds, uses and discloses personal information;
- how prospective investors and Unitholders may access personal information that the Manager holds and seek correction of such information (note that exceptions apply in some circumstances);
- the complaints procedure for any potential breach of the New Zealand Privacy Act 2020 that binds the

Manager, and how the Manager will deal with such a complaint;

- whether the Manager is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for it to specify those countries.

Prospective investor's information may also be disclosed to members of each of the Manager's, the Trustee's or the Administrator's group of companies and to their agents and service providers on the basis that they deal with such information in accordance with the Manager's, the Trustee's or the Administrator's, (as applicable) privacy policy.

The Manager, the Trustee or Administrator, may need to disclose such information to government entities and regulators as required by law.

Such information may also be used to inform prospective investors and Unitholders about investment opportunities or other matters that the Manager thinks may be of interest.

Contact the Manager to opt out of this provision.

The Manager's privacy policy is available by contacting the Manager. A copy of the Administrator's privacy policy is publicly available at [www.adminis.co.nz](http://www.adminis.co.nz).

### 3.15 TAXES

The Trust is registered as a Foreign Investor Variable-Rate PIE. As a PIE, the Trust will attribute all its taxable income (or losses) between the Unitholders based on the number of Units held by them.

The Manager will calculate the tax payable on such income attributable to individual Unitholders based on the prescribed investor rate ("PIR") notified to the Manager by the Unitholder.

The Trust's tax liability is calculated by reference to Unitholders' PIRs and the amount of income that is attributed to Unitholders. Unitholders that do not notify the Manager of their individual PIR will be taxed on the income attributed to them by the Trust at the default PIR of 28%.

### US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act (FATCA).

The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Trust to report certain information to the IRD, which may then pass the information on to the US Internal Revenue Service.

In order to comply with these obligations, the Manager will request and collect certain information and undertake certain due diligence procedures to verify FATCA status and provide information to the IRD in relation to financial information required by the IRD (if any) in respect of any investment in the Trust.

If a prospective investor or Unitholder does not provide the information requested by the Manager for FATCA reporting purposes, we will not be able to process that application.

### Common Reporting Standard

The New Zealand government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information ("CRS"). CRS, like the FATCA regime, requires banks and other financial institutions to collect and report information to the IRD. CRS requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures.

The Trust is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts to the IRD.

For the Trust to comply with their obligations, the Manager will request the provision of certain information and certifications. The Manager will determine whether the Trust is required to report such details to the IRD based on our assessment of the relevant information received. The IRD may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement," the multilateral framework agreement that provides a mechanism to facilitate the automatic exchange of information in accordance with the CRS.

## 4. PCG AND NZPDM TEAM

### NZPDM LEADERSHIP AND INVESTMENT TEAM

The Leadership and Investment Team principals have developed experience in funds management, corporate finance, commercial and investment banking and regulatory compliance and registration over the past 30 years. This experience includes debt origination, debt structuring and portfolio risk management, including corporate restructuring and detailed engagements with various regulators. This specifically includes the establishment, structuring, investment and management of private debt portfolios.

The Leadership Team principals within NZPDM are as follows:

<p><b>Andrew Golding</b> <i>Chairman</i></p>	<ul style="list-style-type: none"> <li>• Andrew was UK PE firm 3i Group's first Banking Partner, establishing and leading the team responsible for debt capital raising across all of the firm's extensive Buyout business.</li> <li>• Andrew then set-up 3i's debt management business and orchestrated its acquisition and integration of Mizuho Investment Management Limited, Mizuho Bank's private debt platform.</li> <li>• Prior to 3i, Andrew was Head of Leveraged Loans at Barclays Capital and Head of European Financial Sponsor Group Coverage at Bank of America.</li> <li>• His private credit and banking experience extends to past Non -Executive Director positions at Alcentra Limited (Chair of Remuneration Committee), and UK bank Bira Bank (Senior Independent Director). Andrew is currently a member of the advisory board at Iberian SME direct lender Resilience Partners SL and a banking advisor to EU midcap PE Fund Volpi Capital.</li> <li>• Andrew holds an MA (Oxon) in Modern History from Magdalen College, Oxford</li> </ul>
<p><b>Paul Carman</b> <i>Founder &amp; Managing Partner</i></p>	<ul style="list-style-type: none"> <li>• Paul's expertise has been gained from extensive international roles, posts and engagements which include running the global sponsor and acquisition finance platform for Mizuho Bank with teams in London, New York, Hong Kong &amp; Sydney.</li> <li>• Paul worked as Chief Investment Officer of the Bank's third-party fund management business Mizuho Investment Management Ltd, where he was responsible for managing GBP 3.7b of private debt and private equity funds. He additionally led the platform's fund structuring and capital raising activities.</li> <li>• He was a member of Mizuho's Senior Management Regime staff in the UK and established and chaired the bank's diversity committee; this included being an initial signatory to the HM Treasury's Women in Finance Charter.</li> <li>• Paul graduated from Victoria University with a BA in Economics and Geography.</li> </ul>

<p><b>John Ferrara</b> <i>Co-Founder &amp; Partner</i></p>	<ul style="list-style-type: none"> <li>● John has worked throughout New Zealand and Australia, gaining a deep knowledge of the corporate and acquisition finance markets.</li> <li>● His most recent role with ASB involved responsibility for the structuring, credit analysis and portfolio management of ASB’s leveraged and sponsor finance loans.</li> <li>● John has built a substantial skillset from his roles with the Commonwealth Bank of Australia, Mizuho Bank and the National Australia Bank, working within the sponsor, institutional, corporate and commercial financing segments.</li> <li>● He holds a MAppFin from Macquarie University and a BBus from Monash University.</li> </ul>
<p><b>John Mowbray</b> <i>Investment Director</i></p>	<ul style="list-style-type: none"> <li>● John is an experienced banker with strong risk management skills. He spent 16 years with Lloyds Banking Group in London, managing a portfolio of complex credit situations consisting of private equity owned businesses and large corporates across a wide range of industries requiring the implementation of dynamic solutions and transaction skills to effectively manage risk and returns on capital.</li> <li>● Before moving to the UK, John commenced his career in commercial banking with NZ bank, ANZ National Bank in their Commercial division.</li> <li>● John holds a Bcom, from Otago University (Economics &amp; Finance)</li> </ul>

## 5. INVESTMENT RISKS

### 5.1 GENERAL RISKS

Neither PCG, NZPDM, the Trustee nor any other party guarantee the performance of the Trust.

This document does not constitute investment, legal, taxation or accounting advice of any kind or description and does not represent a recommendation by PCG, NZPDM, the Trustee or any other party to invest in the Trust. Prospective Unitholders should seek their own independent advice when determining whether or not to invest in the Trust and carefully consider the risks associated with any investment in the Trust.

### 5.2 SPECIFIC RISKS

Investing in the Trust exposes Unitholders to various risks which may impact on either NAV or expected returns or both. This Information Memorandum does not purport to identify all of the possible risks associated with investing in the Trust.

#### Alternative Asset Risk

The Trust’s NAV and the value of Units may fall over the short, medium or long term as a result of the Manager’s Investment Strategy as well as events outside the Manager’s control.

This may result in an investment in the Trust reducing and underperforming other asset classes over time.

#### Credit Risk

Credit Risk relates to a borrower’s ability to meet its contractual obligations under a loan agreement. The credit worthiness of the borrower may be impacted by changes in the market in which the borrower operates, the decisions its management team makes and the quality, price or volume of its products or services.

Credit risk is dynamic and changes in line with the financial performance and prospects of the borrower. This may increase the default risk associated with a given investment by the Trust.

### Cyber Risk

The Trust, the parties to the Trust Deed and the Trust's underlying investments are at risk of data loss, business disruption, fraud or other electronic damage arising from an inability to identify or protect this data from a concerted online or systems related attack.

### Default Risk

Default risk is the assessed probability that a borrower will fail to meet its obligations. Prior to any investment and as part of its due diligence and investment process, the Manager will assess a borrower's probability of default.

Changes to the credit condition and prospects of a borrower may result in default risks increasing over time and this may impact the Trust's NAV or expected returns.

### Distribution Risk

Distributions to Unitholders are limited to the income generated by the Trust's assets. Income flows may not be consistent and this variability makes it difficult to accurately predict or sustain the amount of distributions which might be made over time.

Income generated on the Trust's assets is subject to deductions of the costs of administering the Trust and might be impacted by losses or value impairment on the investments made by the Manager.

### Economic Cycle Risk

Investments made by the Trust are subject to cycles in economic activity. Economic activity is impacted by global, regional and domestic macroeconomic variables, individual and aggregate government policies related to monetary and fiscal policy and unspecified or unexpected events (including war and conflict).

By making investments throughout the economic cycle the Trust's investments may be subject to greater or lesser degrees of risk which may be difficult to predict. Investments are made with various maturity dates. The longer a loan is outstanding the greater the potential for it to be impacted by the economic cycle.

The Economic Cycle Risk effect is likely to be most pronounced during periods where the fund size is

growing or in periods following concentration in the rate of asset reinvestment.

### Foreign Exchange Risk

The Trust will predominantly invest in NZD denominated investments. However, it may be exposed to certain investments which are denominated in foreign currencies. Whilst the Manager may use foreign exchange hedging strategies to limit the impact of any foreign currency exposures, investing in currencies other than NZD does create additional risk.

Foreign currency values may be impacted by the monetary, political, regulatory and economic conditions prevailing in jurisdictions outside of New Zealand and these might impact the value of the Trust's investments.

### Interest Rate Volatility Risk

Interest rates are cyclical and adjust in response to changes in domestic price stability and employment rates. Changes to these variables determine the direction which the RBNZ will take in relation to its setting of monetary policy and interest rates.

Investments in the Trust will be structured with a margin over a floating rate basis rather than a fixed rate of interest. Whilst this helps to insulate the Trust's NAV from the impact of risk of interest rate volatility, the actual level of income generated by the Trust will be impacted by changes to the level of market interest rates.

### Investment Strategy and Portfolio Composition Risk

The manager may be unable to source sufficient investment opportunities to fully execute its investment strategy and this may result in an inability to fully deploy commitments in the Trust or an inability to meet the various diversification requirements of the Trust.

### Legal & Regulatory Risk

The financial markets in which the Trust operates are regulated and subject to increasing degrees of supervision, authorisation and disclosure.

Government policies which directly impact the Manager, the market in which it operates, the Trustee or the Trust might have adverse impacts on the underlying value of the Trust's investments.

### Leverage Risk

To the extent that the Trust uses leverage to fund investments, Unitholders interests would rank behind those of the loan provider. The Trust would be obliged to meet interest and principal payments to the lender as a priority to all other parties, including Unitholders.

If the Trust was to experience losses on its Investments which impacted its ability to meet its obligations, then the lender might choose to accelerate its claim over the assets and cashflows of the Trust.

### Liquidity Risk

The investment strategy of the Trust is to invest in private market assets. These might be less liquid than other types of exchange traded or listed investments.

A Unitholder's ability to redeem their investment in the Trust may be restricted, especially if such a potential redemption were to, or were deemed to, potentially have a negative impact upon remaining Unitholders.

Where redemptions are requested by a Unitholder, the illiquid nature of the Trust assets and the lack of a secondary market for Unitholder's interest may result in the Manager being unable to accept such a request.

### Litigation Risk

In the ordinary course of its business, the Trust may be involved or included in various forms of litigation. A claim which is brought against the Trust may create an adverse impact either directly or indirectly on the Trust and its investments.

This may create an adverse impact to NAV, unit price and distributions.

### Loss Given Default Risk

If a borrower defaults, the Manager might not recover the full amount of its investment in the loan. Loss given default measures the amount of principal invested by the Trust, which is considered to be at risk, were a borrower to default.

The Loss given default is determined at the time of the initial investment, however, the amount of any actual loss following a default might be significantly different to that initially forecast by the Manager.

### Manager Replacement and Key Person Provisions

The Manager of the Trust may be removed in accordance with the Trust Deeds. In the event of such an occurrence, the Trustee is obliged to use all reasonable endeavours to find a replacement Manager. Were the Trustee to be unable to establish a replacement Manager, the Trust will be wound up.

The Trust includes a Key Person provision. If triggered, and the Trustee determines that the remaining and/or replacement directors and employees of the Manager are not satisfactory to it, then the Trustee may replace the Manager in accordance with the Trust Deeds.

### Multiple Fund Investment Risk

The Trust, together with other funds managed by PCG or NZPDM, may invest in either the same investment or in different classes of debt investment to the same borrower or group of companies.

This can create a potential conflict of interest where investments are to be made, sold or following a borrower default.

Policies and procedures have been adopted as part of PCG's and NZPDM's risk framework to ensure that any potential conflict of interest is managed in accordance with a defined methodology.

Where an asset is purchased or sold by NZPDM this will be allocated and applied on a strict pro-rata basis to the investment capacity (in case of a purchase), or asset holding (in case of a sale).

Following any and all borrower defaults, senior ranking investments will be paid out in priority to all remaining classes of investment. The next most senior ranking investment will then be paid out in priority to all remaining classes of investment and this process will be repeated until all proceeds have been applied. This may result in a loss being incurred by one or more classes of investment.

### Service Provider Risk

The Trust relies on services provided by various third-party service providers including the Trustee and the Administrator.

Service provider risk represents the risk that one or more of the third-party service providers is unable to

perform the services for which it has been contracted by the Trust.

#### Valuation Risk

The investments made by the Trust are illiquid in nature and there are no active secondary markets in which the Manager is able to readily sell its investments.

Valuation of these assets is predicated on widely recognised and adopted IFRS methodologies related to impairment. However, the Trust's ability to achieve these values in the secondary market may fall short of the Manager's valuation. This is likely to be pronounced in periods of significant market or economic volatility.

## 6. SUBSCRIPTION AGREEMENT

**PCG Diversified New Zealand Private Debt Fund**

Application Form

**APPLICATION FORM**

PCG Diversified New Zealand Private Debt Fund

**SUBSCRIBER INSTRUCTIONS**

Please follow the below instructions and contact the Manager at: [paul@privatecapitalgroup.co.nz](mailto:paul@privatecapitalgroup.co.nz) if you have any questions.

1. Read this application form (including schedules) before signing.
2. Complete **clause 4 (Application Moneys)** in the application form. Please read this section carefully.
3. Complete the 'Subscriber's Details' and 'Additional contact details for receipt of duplicate information' sections in the application form.
4. Complete the Authorised Signatory List in **Schedule 2**.
5. Sign this application form (and provide a certified copy of the power of attorney if your attorney(s) is signing on your behalf). If you are a trust, all trustees of that trust must sign this application form.
6. Return this application form to the Manager as provided in **clause 2 (Subscribing)** of the application form with:
  - (a) a completed and signed safe harbour certificate as per **Schedule 3** and/or eligible investor certificate as per **Schedule 4**; and
  - (b) all relevant identification information (including by way of Electronic Identity Verification) as provided for in **Schedule 7**.
7. If you are not the underlying investor, procure that the underlying investor completes and signs the undertakings in **Schedule 5**, and completes the relevant identification information confirmations in **Schedule 7**.
8. Complete the 'FATCA/CRS Tax Residency Self-Certification Form' in **Schedule 6**.
9. Complete the relevant identification information confirmations in **Schedule 7**.

<p><b>Internal / processing use only</b></p> <p>Date: _____</p> <p>Checked by: _____</p> <p>Account number / Reference: _____</p>
---

## **PCG Diversified New Zealand Private Debt Fund**

### Application Form

#### **1. INTRODUCTION**

This application form ("**Agreement**") relates to the subscription for units in the PCG Diversified New Zealand Private Debt Fund (the "**Trust**"), an unregistered NZ-domiciled wholesale unit trust that intends to become a multi-rate PIE for income tax purposes subject to all conditions and eligibility criteria under the PIE regime being met.

New Zealand Private Debt Management Limited is the manager of the Trust (the "**Manager**") and has engaged Adminis NZ Limited (the "**Registrar**") as unit registry of the Trust. Public Trust is the trustee of the Trust (the "**Trustee**"). Applicants must review and consider carefully the Information Memorandum of the Trust (the "**Information Memorandum**"), the master trust deed dated 28 March 2022 between the Manager and the Trustee (the "**Master Trust Deed**") and the establishment deed dated 28 March 2022 between the Manager and the Trustee (the "**Establishment Deed**" and, together with the Master Trust Deed, the "**Trust Deeds**") prior to entering into this Agreement. Capitalised terms not defined in this Agreement have the meaning given to them in the Trust Deeds.

#### **2. SUBSCRIBING**

If you decide to subscribe for units in the Trust ("**Units**"), please execute and return this Agreement to the Manager

New Zealand Private Debt Management Limited

Address: The Mountaineer, 32 Rees Street, Queenstown

Email: [paul@privatecapitalgroup.co.nz](mailto:paul@privatecapitalgroup.co.nz)

Telephone: 0273400929

If you decide not to subscribe or your subscription is not accepted, please promptly return this Agreement and any other documents relating to the Trust to the above address. You agree that it is your responsibility to contact the Manager to ascertain the status of your subscription and you cannot assume your subscription has been successful until you receive confirmation from the Manager.

#### **3. ONGOING ENQUIRIES**

Please direct any enquiries to the Manager:

New Zealand Private Debt Management Limited

Address: The Mountaineer, 32 Rees Street, Queenstown

Email: [paul@privatecapitalgroup.co.nz](mailto:paul@privatecapitalgroup.co.nz)

Telephone: 0273400929

## PCG Diversified New Zealand Private Debt Fund

### Application Form

#### 4. APPLICATION MONEYS

- (a) The undersigned subscriber ("**Subscriber**" or "**you**") unconditionally and irrevocably agrees to subscribe:

NZ\$ \_\_\_\_\_ ("**Application Moneys**"),

to the Trust or such lesser amount as notified by the Manager pursuant to Schedule 1 of this Agreement to be called and paid pursuant to the Trust Deeds and this Application Form;

- (b) The minimum subscription amount of each Subscriber is NZ\$125,000 unless otherwise agreed by the Manager (at its direction).

#### 5. PAYMENTS

You must pay the Application Moneys to the Trust. If your Agreement has been accepted and the Application Moneys have been received by the Trustee, then you will be issued Units on the relevant Issuance Date in accordance with the Trust Deed. The Manager will notify you of the number of Units issued to you.

The Trustee must receive payment of your Application Moneys into the bank account notified to you by the Manager in freely available, cleared funds:

Cheques will not be accepted.

#### 6. AGREEMENT

The Subscriber represents to the Trustee, the Manager and Private Capital Group Limited ("**Issuers**") that it has read and understood the Trust Deeds and this Agreement (the Trust Deeds and this Agreement, together, being the "**Constituent Documents**"), and the Information Memorandum in their entirety and agrees with the Issuers to be bound by the terms set out therein.

For the purposes of Part 2, Subpart 1 of the Contract and Commercial Law Act 2017, this deed poll is for the benefit of, and is intended to be enforceable by, each Issuer.

**PCG Diversified New Zealand Private Debt Fund**

Application Form

**Executed as a deed poll**

Date: \_\_\_\_\_

**For Companies** (duplicate signature pages as required (e.g. where the Subscriber is a trust and the trustees of that trust include multiple companies))

**Executed by**

\_\_\_\_\_  
(Name of Subscriber)

\_\_\_\_\_  
(Capacity of Subscriber e.g. trustee of ABC trust)

In accordance with section 180  
of the *Companies Act 1993*

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director (print)

\_\_\_\_\_  
Name of Director (Print)

*if needed*

\_\_\_\_\_  
Signature of Witness (print)

\_\_\_\_\_  
Name of Witness (Print)

\_\_\_\_\_  
Occupation of Witness (print)

\_\_\_\_\_  
Address of Witness (print)

\_\_\_\_\_

\_\_\_\_\_

**PCG Diversified New Zealand Private Debt Fund**

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**For Individuals** (duplicate signature pages as required (e.g. where the Subscriber is a trust and the trustees of that trust include multiple individuals))

**Signed sealed and delivered by**

\_\_\_\_\_  
Name of Subscriber (print)  
in the presence of

\_\_\_\_\_  
(Capacity of Subscriber e.g. trustee of ABC trust)

\_\_\_\_\_  
Signature of Witness (print)

\_\_\_\_\_  
Name of Witness (Print)

\_\_\_\_\_  
Occupation of Witness (print)

\_\_\_\_\_  
Address of Witness (print)

\_\_\_\_\_

\_\_\_\_\_

**Subscriber's Details**

\_\_\_\_\_  
Subscriber's Address (line 1)

\_\_\_\_\_  
Subscriber's Address (line 2)

\_\_\_\_\_  
City/Suburb

\_\_\_\_\_  
Post Code

\_\_\_\_\_  
Name of key contact person for Subscriber

\_\_\_\_\_  
Telephone/Mobile Number/s

\_\_\_\_\_  
Subscriber's IRD Number

\_\_\_\_\_  
Subscriber's Email Address

\_\_\_\_\_  
Subscriber's PIR

**PCG Diversified New Zealand Private Debt Fund**

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**Distributions**

Distribution Election:       Cash                       Reinvestment

Pay distributions from the Trust to Subscriber. (Note: We will only pay cash proceeds to a bank account in the name(s) of the subscriber(s). We will not make any payments into third party bank accounts.):

_____	_____
Account Name	Name of Financial Institution
_____	_____
Account Number	Branch Name
_____	_____

**Additional Contact Details for Receipt of Duplicate Information**

All correspondence will be sent to the Subscriber in addition to any other email contacts listed below.

_____	_____
Name	Email Address
_____	_____
Name	Email Address
_____	_____
Name	Email Address
_____	_____

## **SCHEDULE 1 – REPRESENTATIONS, WARRANTIES AND DECLARATIONS**

By signing this Agreement, you are making the following representations, warranties and declarations to the Issuers and you agree with the Issuers to be bound by this Agreement. Terms not defined in this Agreement have the same meaning as in the Trust Deeds unless otherwise specified or the context requires otherwise.

### **1. Representations and warranties**

#### **1.1 Capacity, powers and terms**

- (a) You have read and agree to be bound by the Constituent Documents as amended from time to time.
- (b) You have the power and authority to execute, deliver and perform your obligations under the Constituent Documents and to subscribe for the Units hereunder.
- (c) The execution and delivery of the Constituent Documents will not conflict with, or result in any default under, any provision of any agreement or instrument to which you are bound.
- (d) If you are signing this Agreement under power of attorney, you declare that you have not received notice of revocation of that power (a certified copy of the power of attorney must be submitted with this Agreement).
- (e) If you are the sole signatory signing on behalf of a company, you declare that you are signing as a sole director and secretary of the company.
- (f) The Constituent Documents are your legal, valid and binding obligations, enforceable against you in accordance with their respective terms.
- (g) You and any person that subscribes for or acquires Units on your behalf under this

Agreement is a wholesale investor (as defined in clause 3 of schedule 1 of the FMC Act) and the Units are being acquired for your own account for investment purposes unless otherwise disclosed to (and agreed by) the Manager in writing.

- (h) You confirm that you have the financial capacity to hold the Units for the term of the Trust and bear associated risks and obligations.
- (i) You confirm that all details in this Agreement are true and correct as of the date hereof.

#### **1.2 Sophisticated investor with understanding**

You are a sophisticated investor and acknowledge that:

- (a) an investment in the Trust is speculative and subject to risk including loss of all invested capital;
- (b) an investment in the Trust is illiquid; and
- (c) there can be no expectation of returns other than through the distribution of proceeds from the realisation of portfolio investments, and you have taken this into account in deciding to invest.

#### **1.3 Reliance**

You acknowledge and understand that you have relied in every respect on your own independent investigation, enquiries and appraisals in deciding to subscribe for Units and you have not relied on any representations or warranties made by the Issuers or any of their respective officers, directors, advisers, associates, affiliates or representatives (including placement agents and legal counsel) (each a **Relevant Person**) in connection with the Trust or the performance of the Trust other than those contained in the Constituent Documents and Information Memorandum.

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**1.4 Safe harbour certificate and eligible investor certificate**

- (a) You have provided the Manager with a safe harbour certificate in the form under **Schedule 3** and/or an eligible investor certificate in the form under **Schedule 4**.
- (b) You agree to provide the Manager with any replacement or additional safe harbour certificate in the form under Schedule 3 and/or eligible investor certificate in the form under Schedule 4 (as such forms may be updated from time to time to comply with law) no later than two years after the date on which the original certificate was provided pursuant to paragraph (a) above and no later than two years after the date on which any subsequent certificate was provided pursuant to this paragraph (b) or as otherwise may be requested by the Manager from time to time.

**2. Confidentiality**

You agree that you shall not disclose or cause to be disclosed any confidential proprietary information concerning the Trust or Relevant Persons to any person or use any such confidential information for your own purposes or your own account, except as permitted under the Constituent Documents or with the Manager's prior written consent.

**3. Personal Information**

- (a) You agree to us collecting, holding and using your personal information and consent to it being used for:
  - (i) administration purposes and in relation to your holding and all transactions relating to the holding and for providing or marketing products and services to you;
  - (ii) ensuring compliance with all applicable regulatory or legal requirements; and
  - (iii) any other purpose prescribed in the Constituent Documents.

We may not be able to process or accept your application or you may be compulsorily redeemed or repurchased from the Trust in accordance with the Constituent Documents if you do not provide this and other information required under the Constituent Documents or to comply with applicable laws.

- (b) You agree that Relevant Persons and their service providers may disclose any of the information contained in this Agreement and any other information you furnish to any of them to their agents, contractors or third party service providers as otherwise required or permitted by law and permitted under the Constituent Documents.
- (c) If you do not provide the Issuers with your IRD number within 6 weeks of becoming a Unitholder, the Issuers must close your account and you will be removed as a Unitholder. If you do not provide the Trustee with your Prescribed Investor Rate ("**PIR**"), you will be taxed on income attributable to you by the Trust at the default rate of 28% or other rate as required by the tax legislation.
- (d) You agree to provide the Issuers with any information they reasonably request to assist them in fulfilling their tax or legal obligations and in connection with obtaining any exemption, reduction or refund of any withholding or other taxes imposed upon an Issuer or the Trust.

**4. Covenants and declarations**

- (a) You agree that the obligation under the Trust Deeds to pay or indemnify any amounts that an Issuer is required to withhold or pay with respect to you or on your behalf will survive your withdrawal from the Trust or the termination or dissolution of the Trust.
- (b) You acknowledge and agree that the Manager reserves the right in its absolute discretion to allocate Units or to not accept or to scale back an application for Units in

## PCG Diversified New Zealand Private Debt Fund

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its absolute discretion and to cancel the offer of Units.

- (c) You acknowledge and agree that to the extent there is any variance or inconsistency between any of the Trust Deeds or any other document or agreement relating to the Trust, the Trust Deeds shall prevail.
- (d) You acknowledge and agree that application monies will be held in an account which may be interest bearing until invested in the Trust (or returned to you). Interest (if any) will be paid to the Trust.

#### 5. Prevention of money laundering

- (a) In order to comply with the Anti-Money Laundering and Counter Financing of Terrorism Act 2009 and related laws and regulations ("**AML/CFT Law**"), you agree to provide us with all true and correct information and assistance that we may request in order for us to comply with any AML/CFT Law. The Issuers each reserve the right to request or re-verify such information as is necessary to meet this obligation and may, without liability to you, decide to delay or refuse any request or transaction if it is concerned that the request or transaction may breach any obligation of AML/CFT Law.
- (b) You represent that the Units are or will be purchased with funds that are from legitimate sources. You are not aware and have no reason to suspect:
  - (i) that the monies used to fund your investment in the Trust have been or will be derived from or related to proceeds of crime, money laundering, terrorism financing or similar activities illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement; and
  - (ii) the proceeds of your investment in the Trust will not be used to finance any illegal activities.

#### 6. Additional subscriptions

You agree that:

- (a) all of the representations and warranties contained in this Agreement are deemed repeated and reaffirmed by you on each date that you make an additional subscription;
- (b) all of your covenants and agreements contained in this Agreement apply with respect to such additional subscription; and
- (c) you must notify the Issuers if you are not able to repeat and reaffirm the representations and warranties in the Trust Deeds or such representations and warranties cease to be true.

#### 7. Amendments and waivers

This Agreement may be amended and any provision may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of you and the Issuers.

#### 8. Survival of representations and warranties; Indemnity

- (a) You indemnify, keep indemnified and hold harmless the Trust and each Relevant Person from and against any and all claims, liabilities and direct and indirect losses relating to or arising out of any breach of any representation, warranty or declaration made by you in this Agreement or in any other document provided by you to the Issuers in connection with your investment, or any failure to fulfil any covenants or agreements contained in the Constituent Documents.
- (b) You confirm your obligation under the Trust Deeds to pay or indemnify any amounts that the Manager is required to withhold or pay with respect to you or on your behalf. You agree that this obligation will survive your withdrawal from the Trust or the termination or dissolution of the Trust.

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**9. Authorised signatories**

We require at least two contacts in case the primary contact is not available. **Schedule 2** contains the names of people authorised by you to give and receive instructions between the Issuers and you, together with their respective signatures (**Authorised Persons**). You may, as an alternative to completing **Schedule 2**, provide us with a list of Authorised Persons together with their respective signatures provided that you agree to be bound by **paragraphs (d) and (e) of Schedule 2**. Additional people may become, and people may cease to be, Authorised Persons if you give written notice to the Issuers signed by one or more Authorised Persons.

**10. Transfer and assignments**

- (a) You understand and acknowledge that Units can only be transferred, redeemed and/or repurchased subject to the Constituent Documents.
- (b) You agree that neither this Agreement, nor any of your obligations, rights or interests contained in this Agreement or any Constituent Document, are transferable or assignable except in a manner permitted under the Constituent Documents.

**11. Subscribing for Units on behalf of another**

- (a) If you are subscribing for Units as nominee, you understand and acknowledge that the representations, warranties and agreements made herein are made by you on behalf of all underlying subscribers for whom you act as nominee.
- (b) All nominees confirm they have all requisite power and authority from such underlying subscriber to execute and perform the obligations under this Agreement. If you are not subscribing for Units on your own account, you agree to provide any additional documents and information that the Manager may reasonably request.

- (c) All nominees shall take all reasonable efforts to procure that the underlying subscriber makes the undertakings in **Schedule 5**, but also acknowledging that nominees are liable to the Issuers regardless of whether underlying subscribers make the undertakings in **Schedule 5**.

**12. Deemed Exit Request**

- (a) Notwithstanding any other provisions in the Constituent Documents to the contrary, if you do not comply with clause 4 (*Application Moneys*) or clause 5 (*Payments*) of this Agreement or clause 1.4 (*Safe harbour certificate and eligible investor certificate*), clause 3(c) (*Personal information*) or clause 5 (*Prevention of money laundering*) of this Schedule 1, then the Manager shall have full discretion to make an Exit Request on your behalf in respect of, or to require a redemption, repurchase, transfer or Switch of, Units held by you.
- (b) In the event of the Manager exercising a discretion under paragraph (a) above:
  - (i) you shall be deemed to have authorised the Manager to act on your behalf in respect of that sale or redemption and to execute all necessary documents for the purpose of that sale or redemption;
  - (ii) (subject to paragraph (iii) below) the Manager shall account to you for the net proceeds of sale or redemption of the Units (after deduction of any Transaction Allowance and any reasonable costs or expenses (including administrative costs, compliance costs and any other costs related to compliance with "know your customer" procedures and requirements) relating to the sale or redemption of your Units);
  - (iii) the Manager may, in its sole discretion, determine that it is in the best interests of Unitholders to defer

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immediate payment to you of the amount owed in respect of such Units, provided that the relevant unpaid amount shall be held on trust for you. The Exit Amount will be determined (taking into account paragraph (ii) above) on the date of the relevant repurchase or redemption (not the date of payment) and payment to you will be made as the Manager reasonably determines; and

- (iv) the title of a purchaser of any Units sold pursuant to this clause 12 shall not be affected by any irregularity or invalidity in the exercise of the power of sale or the sale itself.

**13. Limitation of liability**

Each Issuer enters into this Agreement only in its respective capacity as manager or trustee of the Trust (as the case may be). You agree not to bring proceedings against an Issuer in its personal capacity or seek to wind up, dissolve or appoint an administrator, manager, receiver, liquidator or similar to an Issuer or its assets except to the extent allowed under the Trust Deeds. You agree that any liability of each Issuer is several and not joint.

**14. Notices**

All notices, requests, demands, approvals and other communications provided for in this Agreement must be given in accordance with the Trust Deeds to the address provided in the Subscriber's Details. You agree and consent to receiving notices, requests, demands, approvals and other communications electronically.

**15. Applicable Law**

This Agreement and the rights and obligations of the parties hereto shall be interpreted and enforced in accordance with and governed by the laws of New Zealand.

Each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of New Zealand.

**16. Entire Agreement**

Unless both Issuers specifically in writing agree otherwise, the Constituent Documents and any other agreement expressed to govern your investment in the Trust, contain the entire agreement of the parties with respect to the Subscriber's Unit, and there are no representations, covenants or other agreements except as stated or referred to herein.

**17. Termination**

You agree that, except as permitted by applicable law or as otherwise provided herein, you may not cancel, terminate or revoke this Agreement or any agreement made hereunder, and that this Agreement (including the representations, warranties and covenants made in it) shall survive your death or legal disability and shall be binding upon your heirs, executors, administrators, successors and assigns.

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**SCHEDULE 2 – AUTHORISED SIGNATORY LIST**

Please ensure you have at least one alternative contact.

- (a) Until you advise in writing to the contrary, the people listed below (**Authorised Persons**) can:
  - > apply for a Unit and sign all documents necessary for that purpose;
  - > inform the Issuers in writing of changes to details in your account/s; and
  - > close your accounts.
- (b) Authorised Persons may not delegate their powers and duties to any other person.
- (c) If Authorised Persons are a company or partnership, the powers vested in the Authorised Persons will extend to any director, partner or authorised officer of the agent once the Issuers receive the appropriate documentation.

- (d) You hereby irrevocably ratify every action taken by the Authorised Persons and agree that you and every person claiming through or under you will have no claim against the Trust, the Manager or Unitholders in the Trust regarding any action or payment made or purporting to be made to or at the direction of the Authorised Persons.
- (e) During the term of the appointment of the Authorised Persons and thereafter, you agree to release, discharge and indemnify the Issuers (as applicable) from and against all actions, proceedings, claims, losses and/or other liabilities incurred directly or indirectly as a result of the appointment of the Authorised Persons. However, the Issuers remain liable for any loss to the extent provided for in the Constituent Documents.
- (f) The Issuers may, after 14 days written notice, vary these conditions or cancel this appointment.
- (g) You appoint Authorised Persons(s) with respect to the above conditions.

**Subscriber's name:** \_\_\_\_\_

NAME

SIGNATURE

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**THIS SCHEDULE 3 MUST BE PRINTED AND RETURNED AS A SEPARATE DOCUMENT**

**SCHEDULE 3 – SAFE HARBOUR CERTIFICATE**

**Certifying that the investor is an investment business / meets the investment activity criteria / is large / is a government agency**

Under clause 44 of Schedule 1 of the *Financial Markets Conduct Act 2013* ("**FMCA**")

<b>INVESTOR NAME(S):</b>	
<b>INVESTOR(S) RESIDENTIAL ADDRESS OR (IF A BODY CORPORATE OR AGENCY) REGISTERED OFFICE</b>	

This certificate is given to and may be relied on by New Zealand Private Debt Management Limited, Private Capital Group Limited and Public Trust (the "**Issuers**").

**Warning statement under clause 48 of Schedule 8 of the Financial Markets Conduct Regulations 2014**

**WARNING**

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you are a wholesale investor, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

**OFFENCE**

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

**Certification**  
***Certification by natural person(s)***

I/We hereby certify that I am/we are a wholesale investor within the meaning of clause 3(2) of Schedule 1 of the FMCA by virtue of being in the category or categories I/we have selected in the following table.

OR

## PCG Diversified New Zealand Private Debt Fund

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### ***Certification on behalf of a body corporate or agency***

I, being the director (or person of equivalent position) named below of the above named investor hereby certify on its behalf that it is a wholesale investor within the meaning of clause 3(2) of Schedule 1 of the FMCA by virtue of being in the category or categories I have selected in the following table.

INVESTOR TYPE	ENTER ✓ FOR APPLICABLE CATEGORIES	ELIGIBILITY TEST
<b>Investment business</b>		<p>An entity whose principal business consists of 1 or more of the following:</p> <ul style="list-style-type: none"> <li>(i) Investing in financial products</li> <li>(ii) Acting as an underwriter</li> <li>(iii) Providing a financial advice service</li> <li>(iv) Providing a client money or property service</li> <li>(v) Trading in financial products on behalf of other persons</li> </ul> <p>Note: excludes an entity established or acquired with a view to using it as an entity to which offers of financial products may be made in reliance upon the exclusion under this category</p>
		Registered bank
		Non-bank deposit taker
		Licensed insurer
		Manager of a registered scheme, or discretionary investment management service, that holds a market services licence
		Derivatives issuer that holds a market services licence
		A financial adviser
<b>Investor who meets the investment activity criteria</b>		Person who owns or at any time during the 2-year period immediately before the date of this certificate has owned, a portfolio of specified financial products of a value of at least NZ\$1,000,000 (in aggregate)
		Person who has, during the 2-year period immediately before the date of this certificate, carried out 1 or more transactions to acquire specified financial products where the amount payable under those transactions (in aggregate) is at least NZ\$1,000,000 and the other parties to the transaction are not associated persons of the person
		Person who is an individual who has, within the last 10 years immediately before the date of this certificate, been employed or engaged in an investment business and has, for at least 2 years during that 10-year period, participated to a material extent in the investment decisions made by the investment business
<b>Large</b>		As at the last day of each of the two most recently completed financial years of the person immediately before the date of this certificate, the net assets of the person and the entities controlled by the person exceeded NZ\$5,000,000
		In each of the two most recently completed financial years of the person immediately before the date of this certificate, the total consolidated

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INVESTOR TYPE	ENTER ✓ FOR APPLICABLE CATEGORIES	ELIGIBILITY TEST
Government agency		turnover of the person and the entities controlled by the person exceeded NZ\$5,000,000
		Any of the following:  (i) Public service agency as defined in section 5 of the Public Service Act 2020  (ii) Crown entity under section 7 of the Crown Entities Act 2004  (iii) Local authority  (iv) State enterprise (within the meaning of section 2 of the State-Owned Enterprises Act 1986)  (v) Reserve Bank  (vi) Board of trustees of the National Provident Fund continued under the National Provident Fund Restructuring Act 1990 (and a company appointed under clause 3(1)(b) of Schedule 4 of that Act)

\* For further details of any terms used in the above table, please refer to the Financial Markets Conduct Act 2013.

**Certifications, Acknowledgments and Undertakings**

I/We/The body corporate (as applicable) certify that I/we/the body corporate (as applicable) understand the consequences of certifying myself/ourselves or itself to be a wholesale investor. These consequences may include, but are not limited to:

- (i) not receiving all of the information typically contained within financial product offer documents, where such documents are intended to facilitate informed decision making by, and ensure that material matters are disclosed to, investors;
- (ii) offers not being subject to the same legal criteria as regulated offers made to retail investors (such as disclosure of information, governance arrangements, marketing);
- (iii) financial products being potentially of higher risk, volatility and illiquidity;
- (iv) lack of ability to submit a claim to an external dispute resolution scheme in regard to offers made to wholesale investors;
- (v) potentially less oversight by regulatory bodies such as the Financial Markets Authority; and
- (vi) potential fines as outlined above for false or misleading statements in the certificate.

I/We/The body corporate (as applicable) claim that the wholesale investor criteria are met on the following grounds (Note: specify why you consider you meet the relevant criteria above):

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Corporate or agency title (if applicable)

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Corporate or agency title (if applicable)

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Date (dd/mm/yyyy)

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Date (dd/mm/yyyy)

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**THIS SCHEDULE 4 MUST BE PRINTED AND RETURNED AS A SEPARATE DOCUMENT**

**SCHEDULE 4 – ELIGIBLE INVESTOR CERTIFICATE**

**Certifying that the investor is an eligible investor**

Under clause 41 of Schedule 1 of the *Financial Markets Conduct Act 2013* ("**FMCA**")

<b>INVESTOR NAME(S):</b>	
<b>INVESTOR(S) RESIDENTIAL ADDRESS OR (IF A BODY CORPORATE OR AGENCY) REGISTERED OFFICE</b>	

This certificate is given to and may be relied on by New Zealand Private Debt Management Limited, Private Capital Group Limited and Public Trust (the "**Issuers**").

**Warning statement under clause 47 of Schedule 8 of the Financial Markets Conduct Regulations 2014**

**WARNING**

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you give this certificate, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Make sure you understand these consequences.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

**OFFENCE**

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

**Certification**  
***Certification by natural person(s)***

I/We hereby certify that I am/we are an eligible investor (within the meaning of clause 41 of Schedule 1 of the FMCA) in relation to the offer of managed investment products pursuant to the Constituent

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Documents and the other transactions contemplated by the Constituent Documents (such offer and all such transactions, together, being the "**Transactions**").

OR

***Certification on behalf of a body corporate or agency***

I, being the director (or person of equivalent position) named below of the above named investor hereby certify on its behalf that it is an eligible investor (within the meaning of clause 41 of Schedule 1 of the FMCA) in relation to the offer of managed investment products pursuant to the Constituent Documents and the other transactions contemplated by the Constituent Documents (such offer and all such transactions, together, being the "**Transactions**").

**Certifications, Acknowledgments and Undertakings**

I/We/The body corporate (as applicable, the "**Investor**") certify that the Investor:

- (a) has previous experience in acquiring or disposing of financial products that allows the Investor to assess:
  - (i) the merits of the Transactions (including assessing the value and risks of the financial products involved);
  - (ii) the Investor's own information needs in relation to the Transactions; and
  - (iii) the adequacy of the information provided by any person involved in the Transactions; and
- (b) understand the consequences of certifying myself/ourselves or itself to be an eligible investor (within the meaning of clause 41 of Schedule 1 of the FMCA). These consequences may include, but are not limited to:
  - (i) not receiving all of the information typically contained within financial product offer documents, where such documents are intended to facilitate informed decision making by, and ensure that material matters are disclosed to, investors;
  - (ii) offers not being subject to the same legal criteria as regulated offers made to retail investors (such as disclosure of information, governance arrangements, marketing);
  - (iii) financial products being potentially of higher risk, volatility and illiquidity;
  - (iv) lack of ability to submit a claim to an external dispute resolution scheme in regard to offers made to wholesale investors;
  - (v) potentially less oversight by regulatory bodies such as the Financial Markets Authority; and
  - (vi) potential fines as outlined above for false or misleading statements in the certificate.

The Investor's certifications above are provided on the basis that (Note: please insert a statement outlining the ground on which the Investor provides these certifications):

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Signature

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Signature

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Print Name

---

Print Name

---

Corporate or agency title (if applicable)

---

Corporate or agency title (if applicable)

---

Date (dd/mm/yyyy)

---

Date (dd/mm/yyyy)

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**CERTIFICATE CONFIRMATION**

I am a (delete two) *Lawyer / qualified statutory accountant / authorised financial adviser* ("**Adviser**"), employed by:

\_\_\_\_\_  
Firm at which Adviser works

This confirmation is made for the purposes of clause 43 of Schedule 1 to the Financial Markets Conduct Act 2013 in respect of the following investor(s) (the "**Investor**"):

\_\_\_\_\_  
Name of investor(s) or company to which this certificate relates

Having considered the grounds for the Investor's certification, I confirm that:

- (a) I am satisfied that the Investor has been sufficiently advised of the consequences of the certification;
- (b) I have no reason to believe that the certification is incorrect or that further information or investigation is required as to whether or not the certification is correct;
- (c) I have not, within the two years immediately prior to the date of this certification, provided professional services to an Issuer; and
- (d) I am not an associated person (as defined in the FMCA) of an Issuer.

Confirmed by Adviser:

\_\_\_\_\_  
Signature of Adviser

\_\_\_\_\_  
Name of Adviser

\_\_\_\_\_  
Date

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**SCHEDULE 5 – INVESTOR'S UNDERTAKINGS**

- (a) By signing this **Schedule 5**, \_\_\_\_\_ ("**Investor**"):
  - (i) confirms that it is the underlying investor in respect of this Agreement;
  - (ii) will properly and lawfully instruct the Subscriber for the purposes of the Subscriber satisfying its obligations under this Agreement;
  - (iii) guarantees the performance of the Subscriber's duties and obligations under this Agreement;
  - (iv) will immediately pay any amount that the Subscriber is obliged to pay under

- this Agreement but fails to pay on the date that such payment falls due; and
- (v) indemnifies and holds the Issuers harmless against any loss, expense, liability or damage suffered by the Issuers in connection with a breach of the Subscriber's obligations under this Agreement.
- (b) **Clauses 1 (Representations and Warranties)** and 13 (**Limitation of Liability**) of **Schedule 1** of this Agreement apply to the Investor.
- (c) Capitalised terms in this **Schedule 5** that are not defined have the same meaning as in the Agreement.

**Subscriber's Details**

\_\_\_\_\_  
Investor's Address (line 1)

\_\_\_\_\_  
Investor's Address (line 2)

\_\_\_\_\_  
City/Suburb

\_\_\_\_\_  
Post Code

\_\_\_\_\_  
Telephone/Mobil Number/s

\_\_\_\_\_  
Facsimile Number

\_\_\_\_\_  
Investor's IRD Number

\_\_\_\_\_  
Investor's Email Address

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**Executed For and On Behalf of:**

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Name of Party (Print)

---

Date (dd/mm/yyyy)

---

Signature (e.g. Director)

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Signature (e.g. Director/Secretary)

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Capacity of Party (e.g. trustee of ABC trust)

**SCHEDULE 6 – FATCA/CRS TAX RESIDENCY SELF-CERTIFICATION FORM**

Regulations based on the OECD Common Reporting Standard ("**CRS**") and the Foreign Account Tax Compliance Act ("**FATCA**") under an agreement between New Zealand and the United States require Financial Institutions ("**FIs**") to collect and report certain information about an account holder's tax residency. If the account holder's tax residence is located outside the country where the FI maintaining the account is located, we may be legally obliged to pass on the information in this Agreement and other financial information with respect to your financial accounts to the New Zealand Inland Revenue Department ("**IRD**"). The IRD may exchange this information with tax authorities of other jurisdictions. For more information, refer to the IRD website: <https://www.ird.govt.nz/international-tax/exchange-of-information/crs/aeoi-and-crs>; the Organisation for Economic Co-operation and Development ("**OECD**") <https://www.oecd.org/tax/automatic-exchange/>.

**Section 1 – INDIVIDUAL INVESTORS (including surviving joint holders from question 2C) TO COMPLETE THIS SECTION**

**1A** Is this investment held on behalf of another individual, i.e. does the account designation include a reference to one or more individuals (e.g. a child or children, an adult or a bankrupt individual) as being the beneficial owner?

- No – The account is held solely for the benefit of the registered holders who is/are individuals
- Yes – The account is held for the benefit of one or more individuals

**In both cases, go to question 1B**

**1B** Is/are the individual/s from question 1A or question 2C a tax resident of a country other than New Zealand?

- No – All of the individuals are solely New Zealand tax residents

**Your certification is complete once you sign at Section 5**

- Yes – One or more of the individuals are tax residents of a foreign country

**Go to question 4C**

**Section 2 – ALL OTHER INVESTORS TO COMPLETE THIS SECTION**

**2A** Is this investment held on behalf of a New Zealand superannuation fund, retirement or pension fund?

- No – **Go to question 2B**
- Yes – what is the IRD number of the Fund?

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**Your certification is complete once you sign at Section 5**

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**2B** Is this investment held by a person/s or an entity acting in the capacity of executor or administrator of a deceased estate?

No – **Go to question 2C**

Yes – Have you previously provided proof of death documents such as: a certified copy of the death certificate, a Grant of Probate, or Letter of Administration?

No, I have attached proof of death

Yes – I have previously provided proof of death

What is the name of the deceased person?

---

**Your certification is complete once you sign at Section 5**

**2C** Is this investment held jointly by one or more living individuals or entities (the survivor/s) and one or more deceased persons (the deceased)?

No – **Go to question 2D**

Yes – Have you previously provided proof of death documents such as: a certified copy of the death certificate, a Grant of Probate, or Letter of Administration?

No, I have attached proof of death

Yes – I have previously provided proof of death What is the name of the deceased person?

---

**In relation to the surviving joint holder/s, please go to question 1B if an individual or go to Section 3 if an entity**

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**2D** Is this investment held by a public listed company, or a majority owned subsidiary of a public listed company (other than financial institutions)?

No – **Go to question 2E**

Yes – What is the company’s registration number?

---

What is name of the market or exchange where the company is listed:

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What is the company’s unique exchange code, e.g NZX or ticker code:

---

If majority owned subsidiary, what is the name of the public listed parent company:

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**Your certification is complete once you sign at Section 5**

**2E** Is this investment held by or on behalf of another entity, i.e. does the account designation include a reference to one or more entities (e.g. a family trust or partnership, etc) as being the beneficial owner/s?

No – the account is held solely for the benefit of the registered holders who is/are entities

Yes – the account is held for the benefit of another entity

**In both cases, go to Section 3 – Entities**

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**Section 3 – ENTITIES**

Please select the option that best describes the entity. Provide the entity’s registration number where applicable. The entity is best described as:

**3A  Financial Institution**

A financial institution includes the following entity types: a Depository Institution, an Investment Entity, a Specified Insurance Company or a Custodial Institution.

What is your GIIN?

If your entity does not have a GIIN, select the Foreign Financial Institution (FFI) status that most applies:

- Deemed Compliant Financial Institution
- Non-Reporting Financial Institution
- Non-Participating Financial Institution
- Other – please describe:

---

If registered in New Zealand, what is the entity’s registration number/NZBN:

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Are you an Investment Entity located in a non-CRS participating jurisdiction and professionally managed by another financial institution? Note: You can review the Automatic Exchange of Information (AEOI) guidance for non-CRS participating jurisdictions on the IRD website at: <https://www.ird.govt.nz/international-tax/exchange-of-information/crs/aeoi-and-crs>

- No – your certification is complete once you sign at section 5
- Yes – what is the non-CRS participating jurisdiction:

**Go to question 4A**

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### 3B Exempt Entity

If registered in New Zealand, what is the entity's registration number/NZBN:

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Under CRS, an Exempt Entity includes:

- > New Zealand government organisation or agency
- > Reserve Bank of New Zealand
- > International (including intergovernmental) organisation

Your certification is complete once you sign at Section 5

### 3C Non-Financial Entity (NFFE/NFE)

If registered in New Zealand, what is the entity's registration number/NZBN:

---

A NFE/NFFE is an entity that is not a Financial Institution and includes the following entity types: a company, a partnership, a trust, a co-operative, association or club, or a charitable organisation, etc.

**Go to question 3D**

**3D** Is your entity an active or a passive NFFE/NFE?

(i)  **Active NFFE/NFE**

An active NFFE/NFE includes an entity that is not a financial institution that operates an active trade or business, e.g. less than 50% of its gross income is passive income (rent, dividends, interest, or distribution), and less than 50% of the entity's assets were held or used to produce passive income. An active NFE also includes holding companies, start-up companies, listed and regularly traded corporations, and tax charities. This is a high level summary of the definition of Active NFFE/NFE. Please refer to Inland Revenue's website for more information, at <https://www.ird.govt.nz/international-tax/exchange-of-information/crs/aeoi-and-crs>.

**Go to question 4A**

(ii)  **Passive NFFE/NFE**

A Passive NFFE/NFE is any NFFE/NFE that is not an Active NFFE/NFE.

**Go to question 4A, 4B and 4C**

**Section 4 – TAX RESIDENCY DETAILS**

**4A Entity from question 3A and question 3C/3D**

Please provide information about the entity’s tax residency:

\_\_\_\_\_ Entity Street Address  
Legal Name of Entity

Tax resident of New Zealand only?

Yes – if the entity is a passive NFFE/NFE, **go to question 4B**  
if the entity is an active NFFE/NFE, **go to Section 5 – signing requirements**

No – complete foreign tax residency information for every country in which you are a tax resident:

_____	_____	<input type="checkbox"/> TIN not obtained
Country 1	TIN 1	
_____	_____	<input type="checkbox"/> TIN not obtained
Country 2	TIN 2	
_____	_____	<input type="checkbox"/> TIN not obtained
Country 3	TIN 3	

If TIN is not obtained, please provide an explanation:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**4B Entity from question 3A and question 3C/3D**

Are there any beneficial owners or controlling persons (including those with direct or indirect ownership of 25% or more) of the Passive NFFE/NFE who is a resident for tax purposes in a country other than New Zealand? Controlling persons include the settlor, protector or appointer of a trust. All beneficiaries of a trust are considered to be controlling persons. In relation to a company or other entity, if there are no beneficial owners or controlling persons as described above, then the person who exerts ultimate control over the entity (e.g. has the authority to make financial, policy and operating decisions) is the controlling person.

- No – **your certification is complete once you sign at Section 5**
- Yes – **go to question 4C**

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**4C Individuals from question 1B and Beneficial Owners and Controlling Persons from question 4B**

Complete the following information for each individual investor, or each individual beneficial owner or controlling person. If there are more than three individual investors, beneficial owners or controlling persons, please attach a sheet with the required information.

**Individual 1**

\_\_\_\_\_  
Legal Name of Entity

\_\_\_\_\_  
Entity Street Address

\_\_\_\_\_  
Date of Birth (dd/mm/yyyy)

Tax resident of New Zealand only?

- Yes – **your certification is complete once you sign at Section 5**
- No – complete foreign tax residency information for every country in which you are a tax resident:

\_\_\_\_\_  
Country 1

\_\_\_\_\_  
TIN 1

TIN not obtained

\_\_\_\_\_  
Country 2

\_\_\_\_\_  
TIN 2

TIN not obtained

\_\_\_\_\_  
Country 3

\_\_\_\_\_  
TIN 3

TIN not obtained

If TIN is not obtained, please provide an explanation:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**Individual 2**

\_\_\_\_\_  
Legal Name of Entity

\_\_\_\_\_  
Entity Street Address

\_\_\_\_\_  
Date of Birth (dd/mm/yyyy)

Tax resident of New Zealand only?

- Yes – **your certification is complete once you sign at Section 5**
- No – complete foreign tax residency information for every country in which you are a tax resident:

\_\_\_\_\_  
Country 1

\_\_\_\_\_  
TIN 1

TIN not obtained

\_\_\_\_\_  
Country 2

\_\_\_\_\_  
TIN 2

TIN not obtained

\_\_\_\_\_  
Country 3

\_\_\_\_\_  
TIN 3

TIN not obtained

If TIN is not obtained, please provide an explanation:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**Individual 3**

\_\_\_\_\_  
Legal Name of Entity

\_\_\_\_\_  
Entity Street Address

\_\_\_\_\_  
Date of Birth (dd/mm/yyyy)

Tax resident of New Zealand only?

Yes – **your certification is complete once you sign at Section 5**

No – complete foreign tax residency information for every country in which you are a tax resident:

\_\_\_\_\_  
Country 1

\_\_\_\_\_  
TIN 1

TIN not obtained

\_\_\_\_\_  
Country 2

\_\_\_\_\_  
TIN 2

TIN not obtained

\_\_\_\_\_  
Country 3

\_\_\_\_\_  
TIN 3

TIN not obtained

If TIN is not obtained, please provide an explanation:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**Section 5 – SIGNING REQUIREMENTS**

The signatories declare that the certification provided in this form is correct to the best of his/her knowledge and belief. The signatories further acknowledge that they must re-certify if any of the information disclosed on this form changes or becomes invalid.

**Investor/Individual 1 or Entity** (authorised person)

_____ Signature	_____ Title (Director and Company Secretary / Director / Company Secretary / Trustee / Partner)
_____ Print Name	_____ Date (dd/mm/yyyy)

**Investor/Individual 2 or Entity** (authorised person)

_____ Signature	_____ Title (Director and Company Secretary / Director / Company Secretary / Trustee / Partner)
_____ Print Name	_____ Date (dd/mm/yyyy)

**Investor/Individual 3 or Entity** (authorised person)

_____ Signature	_____ Title (Director and Company Secretary / Director / Company Secretary / Trustee / Partner)
_____ Print Name	_____ Date (dd/mm/yyyy)

## **SCHEDULE 7 – "KNOW YOUR CUSTOMER" REQUIREMENTS**

Acceptance of your application is subject to satisfactory completion of customer due diligence (**CDD**) in compliance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (**AML/CFT Act**) and associated regulation and guidance.

Upon receipt of your application, the Manager will determine the necessary steps to meet the CDD requirement for the investor. This may include:

- Verifying the identify of key individuals including Authorised signatories in Schedule 2 and beneficial owners and controlling persons in Schedule 6. This may be by providing the Manager with appropriate documentary verification or through the use of electronic identity verification with the consent of the individual.
- Providing evidence of the company structure including documentation to verify that structure. Where the investor is a trust or has a trust in its company structure, this will also include providing the Manager with the relevant trust deed(s).
- In some cases, the Manager will also be required to collect and verify information relating to the source of wealth of the investor and/or the source of funds used for investment.



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Private Capital Group Ltd

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32 Rees Street, Queenstown

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[privatecapitalgroup.co.nz](http://privatecapitalgroup.co.nz)