

Slide 1 - Investore Property Limited Annual Meeting 2017

Chairman's Introduction

Good morning ladies and gentlemen.

My name is Mike Allen and I am an Independent Director and Chairman of Investore Property Limited.

On behalf of the Board of Directors, the Chief Executive and Executive Team of the Manager, Stride Investment Management Limited, it is my great pleasure to welcome you to the inaugural Annual Meeting of shareholders, for Investore Property Limited.

As you know, Health and Safety is a priority for Investore, so in the unlikely event of an emergency during the meeting, we want to ensure everyone's safety. If you hear an alarm sound, please follow the instructions of Ellerslie staff to evacuate the building through the marked Fire Exits.

The assembly point is the lawn area in front of the Ellerslie Stand. Staff will direct you to this area once you exit the building. The bathrooms are located to my left, out the door and up the stairs and in the hallway before the lifts. If we can be of any assistance to you, please approach one of our team.

Before we progress to the order of business for the Annual Meeting, I would like to introduce you to your Directors and the Executive representatives, who are seated next to me. While the information is in the FY17 Annual Report, I would like to briefly tell you a little about each Director:

- **Kate Healy:**

Kate is an independent Director of Investore Property Limited.

Kate is the Chair of our Audit and Risk Committee for Investore. Previously Kate practiced law and was a partner in a national law firm, specialising in commercial property and property finance. Kate has also held the position of Chief Operating Officer at Ngati Whatua Orakei Whai Rawa Limited, the commercial arm of Ngati Whatua Orakei and is the Deputy Chair of the Keystone New Zealand Property Education Trust, a not-for-profit focused on assisting tertiary students studying in property and construction related disciplines.

- **John Harvey:**

John is a Director of the Stride Property Group entities and is a Stride Investment Management Limited nominee Director.

John has over 35 years' professional experience as a chartered accountant, including as a partner at PricewaterhouseCoopers for 23 years, where he retired in 2009, to progress his career as a professional director. John serves as a director for Port Otago Limited, Kathmandu Holdings Limited, Heartland Bank Limited, Ballance Agri-Nutrients Limited and is Chairman of New Zealand Opera Limited.

- **Tim Storey:**

Tim is also a Director of the Stride Property Group entities and is a Stride Investment Management Limited nominee Director.

Tim has more than 30 years' experience as a company director and commercial lawyer, practicing in Australia and New Zealand, retiring from the Bell Gully partnership in 2006. Tim is a director of ASX listed JustKapital Litigation Partners Limited and a number of private companies.

and alongside them:

- Philip Littlewood, Chief Executive Officer of the Manager, Stride Investment Management Limited, and
- Jennifer Whooley, Chief Financial Officer and Company Secretary of the Manager, Stride Investment Management Limited.

Finally a little bit about myself; I was appointed Chairman of Investore in 2016. I have experience in investment banking and general management in both New Zealand and the United Kingdom. My current directorships include, Director of Coats Group PLC, Godfrey Hirst Australia and related companies, China Construction Bank (New Zealand) Limited and Waikato-Tainui Fisheries Limited and Tainui Group Holdings Limited.

I also welcome:

- The auditors for Investore Property Limited, PricewaterhouseCoopers;
- The company's solicitors, Bell Gully, and
- Representatives of Computershare, the share registrar for Investore.

Moving to the formalities of the meeting, I record that the Notice of the Meeting of Investore Property Limited was dispatched to shareholders and the company's auditors on 24 August 2017.

I am pleased to confirm that we have a quorum present and accordingly, I declare the Annual Meeting open.

Slide 2 - Agenda

The order of events for this morning will be as follows:

- I will speak briefly on the financial and business performance of Investore, and that will be followed by an address on the company's activities from Philip Littlewood, representing Investore's Manager, Stride Investment Management Limited.
- Following those addresses, questions and comments from shareholders will be taken in relation to the Annual Report and financial statements of Investore Property Limited for the year ending FY17.
- We will then move to the formal business of the Meeting of Investore Property Limited, to consider the three resolutions proposed in the Notice of Meeting. There will also be an opportunity to take further shareholder questions, on individual resolutions.
- The process for discussion and voting on each of the resolutions, will be outlined at the appropriate time.
- Finally, we will then attend to any general business.

After the meeting concludes, please join the Directors and members of the Manager's executive team, for light refreshments.

Slide 3 - Chairman's Address – Mike Allen

It is my great pleasure to stand here today as Chairman of Investore Property Limited, as previously noted, at our inaugural Annual Meeting.

Slide 4 – Highlights

Investore was originally established in 2015 as a subsidiary of Stride Property Limited to invest in a portfolio of large format retail properties, a segment of the market that offers some unique investment attributes.

From the outset, the Board and Manager saw opportunities to expand Investore's holding with further high-quality properties.

Last year, Investore acquired a property portfolio from Shopping Centres Australasia Property Group for \$267 million and six properties from Stride Property Group for \$87 million. This gave us the opportunity to create the vehicle that went on to be listed on the NZX Main Board on 12 July 2016.

Which, of course, has brought us here today.

Slide 5 – Highlights

This has been a successful year of operation for Investore, with all key results for the period to 31 March 2017 in line with the forecasts made in the Product Disclosure Statement issued in June last year. In particular:

- Property values grew by 3% gross across the portfolio;
- Our occupancy rates remain very high at just under 100%; and
- The weighted average lease term (WALT) remains steady at a healthy 14.3 years.

These results, after nine months of operation as a listed entity, are strong indicators of the value of our investment strategy.

Slide 6 – Investment Strategy

The key focus of Investore's investment strategy is on quality, large format retail properties located throughout New Zealand. This strategy maximises distributions and total returns to shareholders over the medium to long term and are typically highly resilient across a wide range of market conditions.

Investore is the only publicly listed property company in New Zealand operating exclusively in this segment of the commercial property sector.

Reflecting on our first year as a publicly listed company, I am pleased to report to you, our shareholders that Investore is performing as we expected it to do, delivering solid results to its shareholders.

Slide 7 – Highlights

Let me start by commenting on the key results for Investore Property Limited for the year ended 31 March 2017.

Investore Property Limited listed on 12 July 2016 and raised \$185 million in new equity capital, enabling a year of growth and targeted acquisition.

Among those acquisitions are six properties from Stride Property Group and 14 from the Shopping Centres Australia portfolio, which I reflected on earlier.

The rationale behind the Shopping Centres Australia acquisition, was that it offered a nationwide portfolio of large format retail properties – exactly the kind that Investore was established for – in strong catchment areas, with exposure to the non-discretionary take-home food, packaged liquor and groceries sector.

Among the tenants included in that portfolio is General Distributors Limited, the operator of Countdown supermarkets in New Zealand and an ultimate subsidiary of Woolworths Limited. Investore's total portfolio value at year end was \$660.4 million. These are quality assets that attract long term tenants that are mainstays of New Zealand's retail sector.

Slide 8 – The Manager

Investore's assets and day to day operations are managed by Stride Investment Management Limited's experienced management team that provides a full range of real estate management services.

Investore's Independent Directors are pleased with the Manager's performance and we will undertake a formal review on the Manager's performance in the next twelve months, in accordance with the Management Agreement.

In total, \$3.1 million of fees were paid to the Manager, Stride Investment Management Limited, to 31 March 2017, which was in line with the Prospective Financial Information (as published on 10 June 2016 in connection with the IPO of Investore), equating to 0.5% of total assets. With those acquisitions now consolidated, Investore is actively seeking further acquisitions to grow its portfolio.

Slide 9 – First Year of Operations

Philip Littlewood, Chief Executive of the Manager, Stride Investment Management Limited, will cover the performance of Investore in more detail in his presentation, but I would like to highlight some of the key achievements:

- In the year ended 31 March 2017, Investore posted profit after income tax of \$28.5 million, up \$17.0 million on the forecast, largely reflecting the fair value revaluation movement.
- The distributable profit after income tax of \$17.6 million was up half a million on forecast, up 2.6%.
- The cash dividend of 5.35 cents per share was 4.3% above forecast.
- We were pleased to receive an INFENZ industry award in 2017, which is the Institute of Financial Professionals of New Zealand. Investore won the award for NZ Equity Market Transaction of the Year, for its IPO.

Slide 10 – FY18 Dividends

On 4 August 2017, the Investore Board announced a cash dividend for the first quarter of the financial year ending 31 March 2018, of 1.86 cents per share to be paid on 25 September 2017 to all shareholders on the register at the close of business on 11 September 2017. This dividend will carry imputation credits of 0.5143 cents per share.

The Board also confirmed guidance for an annual cash dividend of 7.46 cents per share to shareholders for the financial year ended 31 March 2018, which is in line with the guidance provided in the Product Disclosure Statement published in June 2016 in connection with the IPO.

Slide 11 – Governance – Looking Ahead

As you will be aware in reviewing the Notice of Meeting, the Board is presenting a Special Resolution, which is Resolution 3, proposing an amendment to Investore Property Limited's constitution.

The Board currently consists of four Directors. Two of the four Directors may be appointed to the Board by Stride Investment Management Limited, the Manager, under the terms of the Management Agreement between Investore and Stride Investment Management Limited.

The remaining two Directors are elected by Investore shareholders and are required to be "Independent Directors", as defined in NZX Main Board Listing Rules and "Independent of the Manager", as that term is defined in the constitution of Investore. We refer to this as a "2+2 Structure".

After discussions with Stride Property Group, the Investore Board proposes to amend the constitution to allow for an additional independent Director to be appointed, to increase the independent representation on the Board for the benefit of shareholders and the company.

If approved by shareholders, the amendments would permit a maximum of five Directors, comprising two Directors continuing to be appointed by Stride Investment Management Limited, and three "Independent Directors", appointed by Investore shareholders. We refer to this as a "2+3 Structure".

The additional Director will add to the skillset and experience of the Board, to the benefit of shareholders.

I would like to take this opportunity to update you on the Board's thinking on the appropriate approach to reviewing Directors' remuneration.

The Board is of the view, that any review of Directors' fees should have regard to data from companies of a similar size and complexity, Directors' workloads and responsibilities, and the performance of the company. The Board also recognises, consistent with the recently updated NZX Corporate Governance Code, that a consistent approach to Director remuneration reviews and transparency around fees paid is important to shareholders.

Your Board is not seeking a review of Directors' remuneration at this Annual Meeting, but would like to signal that it believes it will be appropriate to do so in two years' time and therefore will present a proposal at the 2019 Annual Shareholder Meeting. By that time, it will be three years since the Company was listed and when Directors' fees were last reviewed. The Board intends to carry out reviews of Directors' remuneration on a two yearly cycle in the future and then come to shareholders if a fees adjustment is proposed.

In conclusion, your Board has every confidence that Investore Property Limited is well positioned for continued growth and I look forward to reviewing the results for the company with you again next year.

I will now hand over to Philip to take you through last year's activities, on behalf of the Manager, in more detail and to outline our forward strategy.

Slide12 – Manager’s Address – Philip Littlewood

Thank you Mike and good morning ladies and gentlemen.

Mike has set the scene for our comments by highlighting a year of significance for Investore Property Limited.

The company has grown from a strong beginning, emerging from a group, with diverse property investment goals and an investment management arm, staffed by professionals with considerable experience in the property sector.

The strategic divestment of the large format retail property portfolio in July last year was a very deliberate step taken by the Board of Stride Property Limited, which recognised the potential of this market segment and the opportunity to enhance returns for the company’s investors. Stride Investment Management Limited has actively supported the growth of Investore and continues to see significant potential for the company.

Slide13 – Investment Philosophy and Strategy

Mike touched on some of the key attributes of the properties that Investore focuses on. To briefly reiterate some of the more important aspects, large format retail properties are distinguished by:

- Quality tenants, including significant national retailers, who offer rental income stability;
- Long Weighted Average Lease Terms; and
- Buildings that are relatively low maintenance and require less capital expenditure over their life cycle than other building types.

Our strategy has been to invest in quality large format retail properties that maximise distributions and total returns to shareholders over the medium to long term.

Slide14 – Active Management

That doesn’t mean, however, that we invest then sit back and wait. We actively manage the properties to increase their value and income growth prospects. An example of this activity, is the recently completed development of two new retail units located adjacent to Investore’s property in Invercargill. This development was completed earlier this year on an attractive yield on cost of 9.5%.

More recently, we have acquired a property located adjacent to Investore’s property in Timaru, with the similar intention to redevelop and enhance returns over time. In the meantime, this recently acquired property provides a net income yield of 7% per annum.

Slide15 – Investment Properties

We source investment opportunities through Stride Investment Management's investment pipeline and market coverage to acquire further properties that fit our investment profile. Since listing, we have actively considered a number of opportunities that meet with Investore's Investment Mandate. However, given recent very buoyant market conditions, the pricing of these acquisition opportunities have been higher than we, as Manager, have been willing to support. These buoyant market conditions have also, as Mike noted earlier, benefited shareholders by contributing to a net uplift of \$13.7 million in Investore's portfolio valuation as at 31 March 2017.

We continue to actively track new investment opportunities for shareholders and remain confident we will grow the portfolio and its returns, with quality new investments in the future.

Slide16 – Financial Highlights FY17

Mike has covered last year's financial highlights and these, I believe, give you a good picture of the strength of the company. I would like to touch briefly on some of the key operational indicators that have supported our results for the year ended 31 March 2017:

- Our net rental income of \$35 million was in line with forecast (in fact, \$100,000 above).
- Corporate expenses were contained to \$100,000 below forecast, \$4.7 million actual vs \$4.8 million forecast.
- Profit before other expenses and income tax was also in line with forecast, \$17.1 million versus \$17.2 million.

Especially pleasing, as Mike has already noted, is the profit after income tax of \$28.5 million, \$17 million ahead of forecast.

Slide17 – Portfolio Summary as at 31 March 2017

At the 31st of March 2017, Investore's portfolio comprised 39 properties and 73 tenants. 82% of rental income is from General Distributors, trading as Countdown. A further 13% is from other retail brands you'll be familiar with: Foodstuffs (who own Pak'n'Save and New World), Mitre 10 and The Warehouse, with the remaining 5% from other specialty tenants.

Our footprint extends throughout New Zealand. One third of our properties are in Auckland, and 72% within the North Island. That leaves 28% in the South Island – a fairly close reflection of the country's population spread.

Slide18 – Portfolio Lease Expiry Profile

As stated earlier, long Weight Average Lease Terms are a feature of this property sector. More than two-thirds of the leases in our portfolio run until 2033 or beyond, and less than 1% expire in the current financial year.

These are sound fundamentals with which to be planning for the future. Our main strategy for the current financial year is to source further investment opportunities that are consistent with Investore's Investment Mandate.

Slide19 – Capital Management

Ultimately, the goal is to enhance Investore shareholder returns by optimising our capital structure within a long term target Loan to Value Ratio up to 48%. With the current LVR sitting at 39.5%, there is room for a further \$109 million within our current banking facilities, for well-considered investment.

In the meantime, we will continue to regularly review and rebalance the existing portfolio to ensure that its performance is consistent with Investore's primary investment objective. We will also actively manage the portfolio's WALT to offset the natural expiry of time, and look for opportunities to redevelop or expand properties to enhance their attractiveness to tenants and their rental potential.

You have seen the early results of those moves today. We are confident that the next 12 months will see further positive outcomes and you can be sure that your team is working tirelessly to that end.

I will now hand back to Mike for the formal business of the meetings.

Slide 20 - Annual Meeting Formal Business – Mike Allen

Slide 21 - Financial Statements

Thank you Philip.

Now to the formal business of the meetings.

I record that the Annual Report and audited financial statements for Investore Property Limited for the year ended 31 March 2017 have been sent to shareholders.

No resolution is required to be put to the meeting about the Annual Report or the financial statements, but I will now open the meeting for questions about the Annual Report and Financial Statements or on the performance and management of Investore Property Limited. Other issues can be addressed as General Business later in the meeting.

I would like to remind you that only shareholders, proxy holders or shareholder company representatives have a right to speak.

In raising questions, would you please state your name and advise whether you are a shareholder, a proxy holder or a shareholder company representative.

If you have a question, please raised your hand. There are members of the team with cordless microphones in the aisles, please use these so we may all hear your question.

Do I have any questions from the floor?

Thank you ladies and gentlemen.

Slide 22 - Resolutions

We will now hold the formal part of the meeting and consider the resolutions set out in the Notice of Meeting.

Resolutions 1 and 2, are ordinary resolutions and are required to be passed by a simple majority of votes of those shareholders entitled to vote and voting on the resolution.

Resolution 3, is a special resolution and will be passed by a majority of 75 per cent or more of the votes of those shareholders entitled to vote and voting on the resolution. If passed, all three resolutions will be binding on the Board and Company. As stated in the Notice of Meeting, the Board supports all three resolutions.

The resolutions for consideration today may only be voted on by shareholders, proxy holders, and shareholder company representatives.

As stated in the Notice of Meeting, voting on all resolutions will be by poll. On a poll, each person voting at the meeting and each shareholder who has cast a vote by proxy, has one vote for each share held. We will consider each resolution and then vote on that resolution immediately after discussion has taken place and before moving to the next resolution.

To cast your vote, you should tick the relevant box on your voting form in respect of the resolution being voted on.

If you did not bring your voting form with you, you should have been given a voting form at the registration desk on arrival. If you require a voting form, please let one of the Computershare representatives know now.

There are Investore and Computershare representatives in the aisles, who have pens available if you require one to complete your forms. After voting on each of the Resolutions, you should sign the voting form and place the voting form in one of the boxes which will be passed around the room after all the resolutions have been addressed.

If you are both a shareholder, and a proxy holder or shareholder company representative, please complete a separate voting paper for yourself and each other shareholder you represent.

The full text of each resolution for voting on today is set out in the Notice of Meeting and will be voted on in the form proposed in the Notice of Meeting provided to shareholders. Background details in relation to each resolution, is included in the meeting information previously distributed to shareholders.

I will open each resolution for discussion by shareholders. As a courtesy to all shareholders, can I ask you to please be as concise as possible with any questions.

I call the Meeting of Investore Property Limited to consider the ordinary resolutions contained in the Notice of Meeting. I will read each resolution as we move through.

I have been provided with a record of the valid proxies received on all three resolutions. Proxy votes have been received from 376 shareholders, who among them hold shares totaling 112,845,620.

Slide 23 - Resolution 1 – Auditor’s Remuneration

Resolution 1, I move:

“That the Directors, be authorised to fix the remuneration of PricewaterhouseCoopers as auditor, for the ensuing year.”

Is there any discussion?

Thank you. Voting on this resolution will be by poll. Please tick the relevant box on your voting form in respect of this resolution.

Slide 24 - Resolution 2 – Re-election of Director

In relation to this resolution, I will step aside as Chairman of the Meeting and Director Kate Healy, Chair of the Audit and Risk Committee, will preside.

Resolution 2, I move:

“That Mike Allen, who is eligible for re-election, be re-elected as a Director of Investore Property Limited, pursuant to clause 20.3 of the constitution.”

I invite Mike to address the meeting on his proposed re-election.

Is there any discussion?

Thank you. Please tick the relevant box on your voting form in respect of Resolution 2.

I will now hand you back to Mike.

Slide 25 - Resolution 3 – Amendments to the Constitution

As stated earlier, this resolution is a Special Resolution and will be passed by a majority of 75 per cent or more of the votes of those shareholders entitled to vote and voting on the resolution.

Earlier in the meeting, I touched on the rationale for the proposed change to the Board composition to a 2+3 structure for Investore and provided an overview of Resolution 3. As stated in the Notice of Meeting, a copy of the proposed amended constitution was released on Investore's website. Consistent with NZX Main Board Listing Rule 6.1.2(c), the amended constitution was formally approved by NZX.

In summary, the proposed amendment to the constitution provides that:

- The Board will consist of a minimum of four Directors and a maximum of five Directors;
- Where the Board consists of four Directors, at least two of the Directors must be "Independent of the Manager";
- Where the Board consists of five Directors, at least three of the Directors must be "Independent of the Manager";
- The quorum for meetings of the Board will be three Directors, irrespective of whether the Directors have been appointed by Stride Investment Management Limited or by shareholders; and
- Written resolutions of the Board will be valid if signed by 75 per cent or more of the Directors.

Minor amendments have also been proposed to the constitution in clauses 1.2(b), 11.1 and 30.1, as shown in the marked-up copy of the constitution. These include aligning the execution of document requirements with the Companies Act.

Resolution 3, I move:

"That the existing constitution of Investore Property Limited be revoked, and a new constitution, in the form described in the Explanatory Notes to the Notice of Meeting dated 24 August 2017, and tabled at the Annual Meeting on 8 September 2017 and signed by the Chairman for the purposes of identification, be adopted with immediate effect."

For completeness, I note that a copy of the signed constitution is here.

Is there any discussion?

Thank you. Please tick the relevant box on your voting form in respect of this Resolution.

That completes voting on all resolutions. I will now ask for the voting papers to be collected in the boxes being circulated.

If you haven't already done so, please complete your voting form on each of the Resolutions.

Before you put your voting form in one of the boxes that are being passed around, please ensure the voting form is signed.

All voting forms should now be in the boxes which have been passed around the room.

The votes that have been cast will be counted by Investore's share registrar, Computershare, and scrutinised by Investore's auditor. The results of the voting at today's meeting will be released to the NZX on the completion of verification of the voting.

Slide 26 - General Business

We will now move on to general business, and open the floor for questions or comments.

Again, I ask that in addressing the Chair with questions, would you please state your name and advise whether you are a shareholder, a proxy holder or a shareholder company representative.

I would like to remind you that only shareholders, proxy holders or shareholder company representatives have a right to speak.

Slide 27 - Thank You

That completes the Annual Meeting of Investore Property Limited. Thank you everyone for your attendance and participation this morning and for your ongoing support for the company.

I formally declare the meeting closed. Please join us now for refreshments.

Ends.

For further information please contact:

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