



29 July 2020

Dear Shareholder

New Zealand Social Infrastructure Fund Annual Report to Shareholders

We are pleased to advise the New Zealand Social Infrastructure Fund Limited's (Nzsif) annual report for the financial year ended 31 March 2020 is now available on the Company's website at www.nzsif.co.nz/Investor-Information/Shareholder-Reports/.

Investment Summary

The Investment Period is complete, and the PIP Fund is fully invested. The Investment Manager may now only work on "follow-on" investments if and when such opportunities arise.

- *Follow-on Investments*
There are currently three school expansion opportunities where initial stage follow-on investments have been made, namely Hobsonville Primary, Wakatipu High School and Rolleston College.
- *Covid-19 Impact*
The Covid-19 risk has been well contained across the majority of assets. Cash flows from all investments, with the exception of the University of Wollongong (UoW), have been maintained. However, as the UoW underwrite a minimum occupancy of 85% PIP's cash-flows (and valuation) are largely insulated from the high vacancy rates caused by Covid-19.
- *Portfolio Revaluation*
Following re-valuations of the PIP Fund investment portfolio, Nzsif's valuation of its share in the PIP Fund rose by \$5.9 million.
- *Net Asset Value*
Nzsif's Net Asset Value increased to \$1.53 per share at 31 March 2020
- *Distributions*
Nzsif paid gross distributions of 9 cps to Nzsif shareholders during the 2020 financial period. Nzsif received distributions from the PIP Fund of \$3.8 million and distributed \$3.7 million.
- *PIP Fund Sales Process*
The manager of the PIP Fund has been undertaking a sale process for the underlying assets. Good progress has been made in recent months and we are hopeful that an announcement of the outcome of the sales process will be made soon, enabling us to bring this investment to a very successful conclusion.

Annual Report

The annual report is available electronically. If you wish to receive a print copy of the annual report free of charge, please email your request, including your shareholder details, to enquiries@nzsisf.co.nz. Email requests should be sent within 15 working days of receiving this letter.

If you have previously requested a print copy one will be automatically posted to you.

Annual Shareholder Meeting

Date: Friday, 28 August 2020

Time: 10.30 am

Place: Craigs Investment Partners Limited
Level 32, Vero Centre
48 Shortland Street
Auckland

RSVP: Contact Peter Lalor on 07 927 7927 or email enquiries@nzsisf.co.nz by 21 August 2020.

We extend an invitation to attend this meeting and look forward to seeing you there.

If you have any queries regarding your investment in NZSIF, please discuss with your Investment Adviser or you may call Peter Lalor at NZSIF Management on 07 927 7927.

Yours sincerely

NEW ZEALAND SOCIAL INFRASTRUCTURE FUND LIMITED



Kim Ellis
Chairman