

13 April 2016

Dear Shareholder

Pohutukawa I Distribution 13 April 2016

Capital Return

The Pohutukawa Board is pleased to announce an initial distribution of 40 cents per share (cps) following the sale of the Fund's shareholding in New Zealand Pharmaceuticals (NZP).

The NZP media release can be viewed at pohutukawafund.co.nz/news/2016-news.

We expect the distribution will be paid to your nominated bank account on or about 13 April 2016.

The capital distribution is payable to shareholders on the Register as at 8 April 2016.

Further Return

The 40 cps distribution represents the net capital proceeds from the sale. The Board anticipates a further distribution of at least 8 cps will be made inside 3 months, post the receipt of the final purchase price settlement.

Returns to Date

Following this distribution, shareholders will have received total gross returns of \$1.51 compared to your contributed capital of \$1.00.

Net Asset Value

Following the distribution the net asset value of the portfolio is approximately 25 cps after allowing for a provision for earn-out performance.

This is an outstanding result and significant milestone for the Pohutukawa Fund and we congratulate our investment manager Direct Capital on this very successful investment outcome.

Thank you for your continuing support, and if you have any queries on the distribution please contact Peter Lalor at Pohutukawa Management Limited on 07-927 7927 or email enquiries@pohutukawafund.co.nz.

Yours faithfully

POHUTUKAWA PRIVATE EQUITY LIMITED



JOHN MCDONALD
Chairman