

30 March 2015

Dear Pohutukawa II Investor

POHUTUKAWA PRIVATE EQUITY II – CALL PROGRAMME & DISTRIBUTION

Call Programme

In our update to shareholders on 18 December 2014 we advised that the Board had decided to cap the maximum amount to be called from shareholders to 80 cents per share (cps), i.e. a reduction of 20 cps in total Committed Capital.

We said that a further update would be provided to shareholders on the quantum and timing of future calls before 31 March 2015.

Currently you have paid 57 cps leaving a maximum of a further 23 cps that can be called.

The Board has determined that a 5 cps call is an appropriate amount required at this time, and will make a call in May, payable in June 2015.

As our Constitution restricts the minimum call amount to 10 cps, we will be seeking shareholder approval to amend the Constitution to reduce the minimum call amount to 5 cps at the upcoming Annual Shareholders Meeting on 13 May 2015. The remaining 18 cps will be called over time as it is required.

These funds will be applied towards future operating expenses of Pohutukawa II and towards any follow-on or parallel investments that Pohutukawa II makes.

Distribution

I am pleased to advise that the Board has approved a fully imputed cash distribution of 1.67 cps which will be paid to shareholders on 24 April 2015. The record date is 20 April 2015. Resident withholding tax/non-resident withholding tax will be deducted from the distribution according to your prescribed tax rate.

This distribution brings total gross distributions paid by Pohutukawa II to 34.57 cps, a healthy return on the 57 cps capital contributions that you have made to date. This represents a net capital contribution by you of 26 cps.

The following table provides a breakdown of the distribution:

Portfolio Co.	Source of Distribution	Gross Distribution	Net Cents Per Share <i>Before RWT/NRWT</i>
Bayley Corporation Ltd	Dividend*	\$ 102,716	
Bayley Corporation Ltd	Dividend*	\$ 205,432	
Bayley Corporation Ltd	Dividend*	\$ 102,716	
PF Olsen Group Ltd	Dividend*	\$ 146,174	
PF Olsen Group Ltd	Dividend*	\$ 346,854	
Cavalier Wool Holdings Ltd	Dividend*	\$ 206,868	
Cavalier Wool Holdings Ltd	Dividend*	\$ 165,494	
Hiway Group Limited	Dividend*	\$ 472,044	
Scales Corporation	Dividend*	\$ 162,701	
Total		\$ 1,910,999	\$ 0.016673
* Imputation credits @ 28%			

Details of the distribution including tax information will be contained in the distribution advice to be issued by the Registry.

Thank you for your continuing support and if you have any queries on the call programme or the distribution, please get in touch with Peter Lalor at Pohutukawa II Management Limited on 07-577 4727 or email enquiries@pohutukawafund.co.nz.

Yours sincerely

POHUTUKAWA PRIVATE EQUITY II



JOHN MCDONALD

Chair