

1 September 2017

Dear Shareholder

Pohutukawa V Investment News

At the Pohutukawa Annual Shareholder' Meetings held on 23 May 2017, our Investment Managers Direct Capital, provided an update on Pohutukawa V investment progress. At that stage, Direct Capital was evaluating a number of investment opportunities and we are very pleased to advise that two of these investments settled on 31 August 2017.

The investments are in **AS Colour Holdings Limited** and **Complectus Limited**. Combined, these two investments represent an investment of \$12.0 million, or 24 cents per share.

AS Colour Holdings Limited (ASC)

Direct Capital V acquired a minority cornerstone shareholding in AS Colour from founder and Managing Director Lawrence Railton, who retains a majority stake.

AS Colour is a leading international provider of high quality blank apparel and other merchandise to the screen and digital garment printing industry, a sector often referred to as printwear. Well known for its small network of successful retail stores, AS Colour is a thriving business to business wholesaler, supplying its products into a diverse range of end uses, including event merchandising, corporate events, speciality retail, uniforms, team apparel, and promotional activities. The Company has established a strong position in the printwear industry, a large and well performing sector benefiting from growth in e-commerce and advances in digital printing technology.

The Company's strong trans-Tasman position and successful history of strong, profitable growth were key features that attracted Direct Capital to the investment.

AS Colour was founded in 2005 and operates in New Zealand, Australia, and California, employing 133 staff. It is headquartered in Auckland.

Complectus Limited (Complectus)

To effect a recapitalisation of Complectus, Direct Capital V has invested into the group via a convertible loan facility.

Complectus represents the Perpetual Guardian group of companies. Perpetual Guardian comprises the businesses of Perpetual Trustees, Guardian Trustees, Foundation and Covenant Trustees, which were merged in 2015 to form Perpetual Guardian. Complectus comprises two of New Zealand's oldest trustee companies, New Zealand Guardian Trust and Perpetual Trust, each with over 130 years of experience in providing estate planning services to New Zealand individuals, families, and charities, and over 50 years of experience providing corporate trustee services to companies. The brands are well-established and the merged group, Perpetual Guardian, has a national footprint, with 16 offices located in major city centres across New Zealand and over 240 employees.

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The trust industry is set to benefit from significant macro dynamics now occurring, including population growth, aging demographics, growing wealth, increasing family unit complexity, and increasing compliance and regulatory oversight; all factors that will favour scale operators such as Perpetual Guardian.

There is scope for follow-on investment opportunities in Complectus.

Direct Capital is pleased with the progress to date but continues to progress a number of new investment opportunities.

Call

Your Pohutukawa V shares are currently paid to 3 cps with a commitment to meet the total subscription price of \$1.00. Calls are subject to a 30-day call notice period. A call of 24 cps is proposed and this call will take your total capital payment to 27 cps.

We will be issuing a formal Call Notice for 24 cps on or about 8 September 2017 for payment by 9 October 2017.

If you have any queries relating to your Pohutukawa V investment or the upcoming call payment, please contact Peter Lalor on 07 927 7927 or email to enquiries@pohutukawafund.co.nz.

Thank you for your continued support.

Yours sincerely

Pohutukawa Private Equity V Limited

Neil Craig
Chair