

17 July 2015

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 year ended 31 March 2015 is now available on the Company's website at www.nzsif.co.nz/Investor-Information/Shareholder-Reports/.

Highlights of our year included two new investments confirmed and achieving preferred bidder status on another:

- *University of Wollongong Student Accommodation*
In December 2014 the PIP Fund made an investment in the University of Wollongong Student Accommodation. The investment comprises two parts. The first was the acquisition of the existing accommodation facility. A further investment of approximately the same size will be made in developing new accommodation units.
- *New Zealand Schools 2*
In February 2015 the PIP Fund consortium 'Future Schools Partners' was announced as preferred bidder for the New Zealand Schools 2 PPP. The contract includes the design and construction in the first two years, and the finance and maintenance of four schools throughout New Zealand over 25 years. In May 2015 Education Minister Hekia Parata signed the contract with Future Schools Partners.
- *Auckland Prisons*
In April 2014 the Corrections Department announced that Next Step Partners (NSP), a PIP Fund consortium, was shortlisted to develop a proposal for designing, building, financing and maintaining a new maximum security facility at Auckland Prison. This does not include the provision of custodial services. NSP achieved preferred bidder status in April 2015 and has completed the early stage earthworks for this project. The Corrections Department is still to confirm if the project will proceed as a PPP. If the project does not proceed as a PPP then NSP will receive its costs back plus interest.
- *Distributions*
The Board has approved a final dividend relating to the 2015 financial year of 0.75 cps, taking distributions for the year to 4.87cps. – see *dividend announcement on page 2*.

Annual Report

The annual report is available electronically. If you wish to receive a free of charge print copy of the annual report please email your request, including your shareholder details, to enquiries@nzsif.co.nz. If you wish to mail your request please tick the box below and return this form to NZSIF's postal address. Email or postal 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.

I would like to receive a print copy of NZSIF shareholder reports.

Dividend

In June NZSIF received a distribution from the PIP Fund. The Board subsequently approved a final dividend of 0.75 cps gross which is to be paid to shareholders on or about 27 July 2015. The record date is 20 July 2015.

This brings total gross distributions relating to cash flows generated in the 2015 financial period to 4.87 cps, or \$1.99 million.

There are no imputation credits attached to the distribution so tax has been deducted at the prescribed Inland Revenue Department rates.

Payment will be made to your nominated bank account. The Registry will issue a dividend statement.

Annual Shareholder Meeting

Date: Tuesday, 18 August 2015

Time: 11.30 am

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

RSVP: Contact Peter Lalor on 07 577 4727 or email enquiries@nzsif.co.nz by 11 August 2015.

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 07 577 4727.

Yours sincerely

NEW ZEALAND SOCIAL INFRASTRUCTURE FUND LIMITED



Kim Ellis
Chairman