

27 January 2021

Dear Shareholder

**New Zealand Social Infrastructure Fund
University of Wollongong Student Accommodation - PPP Transaction**

We are pleased to announce that PIP has received the first of two payments relating to the divestment of the University of Wollongong Student Accommodation PPP (UoW), which is expected to be received by NZSIF shortly.

NZSIF committed \$7.5m to the PIP Schools Expansion investment late in 2020. NZSIF will use part of the first payment of \$11m from the UoW divestment to fully repay the Westpac loan currently drawn to \$3.5m and retain a further \$4 million to meet the outstanding commitments on the PIP Schools Expansion investment. The balance, \$3.5m, will be held until the second payment is received, which will then be paid to NZSIF shareholders as a return of capital.

The impact of the global pandemic means that the UoW proceeds are expected to be less than the 31 March 2020 valuation. NZSIF's Net Asset Value (NAV) is therefore estimated to have declined by \$0.10 per share from \$1.62 per share to \$1.52 per share as at 31 December 2020, although this is subject to final determination and payment.

In accordance with PIP's usual processes, the portfolio will be independently valued for the 31 March financial accounts.

We will confirm the final return of capital to Shareholders once we have received the second tranche capital payment and after we have determined our ongoing working capital needs.

The decision by the University of Wollongong reflected the impact of Covid-19 on the international student sector in Australia and on UoW in particular. The UoW investment has provided positive returns to investors, in line with the fund's target, since its acquisition in 2014.

If you have any questions about this communication please contact Peter Lalor on (07) 927 7927 or email enquiries@nzsif.co.nz.

Yours sincerely

NEW ZEALAND SOCIAL INFRASTRUCTURE FUND LIMITED

A handwritten signature in black ink, appearing to read 'Kim Ellis', written over a vertical line.

Kim Ellis
Chairman