2026 Koru Education and Childcare Fund Limited Partnership

Information Memorandum

Issued by Koru Childcare Fund Management Limited
March 2026

Strictly private & confidential

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WARNING STATEMENT

You are being offered managed investment products (each a "Unit") being partnership interests in a Limited Partnership, 2026 Koru Education and Childcare Fund Limited Partnership ("Fund") established by Koru Childcare Fund Management Limited ("General Partner" or "GP" or "Manager"). The Fund you invest in will be personal to you, and separate to the Units held by other Investors (if any) in other Funds established by the Manager.

New Zealand law generally requires people who offer financial products to give information to Investors before they invest. This requires those offering financial products to have disclosed information that is important for Investors to make an informed decision.

The usual rules do not apply to this offer because either:

a) you are a Wholesale Investor (as defined under the FMCA); or

b) there is an exclusion under the FMCA for offers where the amount invested upfront by the Investor (plus any other investments the Investor has already made in the financial products) is $750,000 or more.

As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment. Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully and seek independent financial, legal, accounting and tax advice before committing yourself.

Wholesale Investor

The term "Wholesale Investor" is set out in Schedule 1 of the FMCA. If you meet the criteria for one or more of the categories below, you may be a Wholesale Investor. Please note that the following is not exhaustive - you must refer to Schedule 1 of the FMCA for the full provision of categories):

1. You are an "Eligible Investor" because you have previous experience dealing in financial products that enables you to assess the merits and risks of the transaction. Eligible Investors are required to certify that they are an Eligible Investor by completing an Eligible Investor Certificate and having it certified by an independent lawyer, qualified statutory accountant, or authorised financial advisor (unless you meet one of the other criteria below).
2. In relation to the offer of the financial products:
   a) the minimum amount payable by you is at least $750,000; or
   b) the amount payable by you together with any amounts you have previously invested in financial products issued by the Fund that are held by you add up to at least $750,000.
3. You are "large" for the purposes of clause 39 of Schedule 1 of the FMCA because either:
   a) your net assets, combined with the net assets of the entities you control, exceeded $5 million for the two most recent financial years, or
   b) the total consolidated turnover of you and the entities you control exceeded $5 million for the two most recent financial years.
4. You are an "investment business" under clause 37(1) of Schedule 1 of the FMCA because you are an entity whose principal business is one of (i) investing in financial products (ii) acting as an underwriter or providing a financial advice service (iii) a client money or property service (iv) trading in financial products on behalf of other persons, (v) you are one of the qualifying financial entities listed in clause 37(1) of Schedule 1 of the FMCA, such as an authorised financial adviser.
5. You meet the "investment criteria activity" under clause 38 of Schedule 1 of the FMCA because:
   a) you own, or at some time during the past two years have owned, a portfolio of specified financial products of a value of at least $1 million (in aggregate);

   b) you have, during the last two years, carried out one or more transactions to acquire specified financial products where the amount payable under those transactions (in aggregate) is at least $1 million and the other parties to the transactions were not associated with you; or

   c) you have, within the last 10 years before the relevant time, been employed or engaged in an "investment business" and have, for at least 2 years during that 10-year period, participated to a material extent in the investment decisions made by the investment business.

Important Information

This information memorandum has been prepared solely for use by prospective Investors considering to invest in the Fund established by the Manager, and who are Wholesale Investors (as defined in Schedule 1 of the FMCA).

Please note that this information memorandum does not relate to a regulated offer. In particular, this information memorandum is not a product disclosure statement for the purposes of the FMCA.

The statements made in this information memorandum are made as at the date of issue unless otherwise stated, and may be subject to change.

Unless otherwise stated, all financial amounts are expressed in New Zealand Dollars.

Not Financial Product or Investment Advice

This information memorandum has been prepared and issued by the Manager for distribution exclusively to those parties to whom it has been delivered. It has been prepared solely for information purposes and does not purport to contain all of the information that a potential Investor may require.

This information memorandum is not a financial product or investment advice or a recommendation to invest in the Manager, nor is it legal, accounting or tax advice. This information memorandum has been prepared without taking into account any person's individual investment objectives, financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the information in this document. Before making an investment decision, prospective Investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and seek independent professional advice.

No Warranty

This information memorandum is distributed on the understanding that the Manager makes no representation or warranty (express or implied) as to the reliability, accuracy or completeness of the information contained within including, without limitation, any historical information, any estimates, forecasts and projections or any other financial information. Nothing contained in this information memorandum is, or will be relied upon as, a contractual offer, a promise or representation, whether as to the past or the future.

The Manager is not obliged to update any information contained in this information memorandum nor to notify any person should any information be incorrect or cease to be correct. None of the Manager, or its related companies, or its directors or employees accept any liability for the reliance of any person on information contained in this information memorandum. Furthermore, no responsibility is accepted for any loss or damage as a result of that reliance.

Confidential

This information memorandum is confidential and must not be disclosed to any other party without the prior written consent of the Manager. This information memorandum does not carry any right of publication, and its contents may not be reproduced or used for any other purpose without the prior written consent of the Manager.

Financial and Forecast Information

Investors should note that this information memorandum contains forecast financial information that is based on forecasts and/or projections. Actual outcomes may vary materially from any forecasts, projections or implied forecasts. Neither any returns referred to in this document, nor the money you invest is guaranteed. A number of important factors and risks may cause actual performance to differ materially. The Manager does not give any warranty, guarantee, representation or assurance as to the actual occurrence of any forecast returns, events or information.

Executive Summary

Koru Childcare Fund Management Limited (the "Manager") offers to certified wholesale investors an opportunity to purchase partnership interests in the 2026 Koru Education and Childcare Fund Limited Partnership (the "Fund").

The Fund will focus primarily on investing in New Zealand education infrastructure assets, including but not limited to:

- Development of new purpose-built childcare facilities
- Acquisition of existing tenanted purpose-built childcare facilities
- Acquisition of established childcare operating businesses
- Short term funding for capital expenditure upgrades of dated childcare facilities
- Provision of secured bridging finance to childcare operators
- Loan for development of new purpose-built childcare facilities

The Fund is designed to deliver commercial, risk-adjusted returns while contributing materially to the sustainability, quality and capacity of New Zealand's education, specifically early childhood sector.

The Fund is managed by a team of highly experience education and childcare, fund management, financial, and immigration policy professionals, ensuring both strong commercial execution and compliance with New Zealand's business migration and investment policy settings.

The Manager has overall responsibility for the general operation of the Fund. The Manager will act as the General Partner of the Limited Partnership and the Manager.

The Manager with the input of the Investment Committee will manage and decide which investments the Fund will participate in. The Manager will be the manager throughout the Investment Term to ensure the Fund is professionally managed from origination to repayment.

Investments may be funded by a combination of equity and bank debt depending on the nature of the project.

Short term funding and bridging finance provided to childcare operators will be secured by general security arrangements over the investee business and will secure repayment when the business get funding from Ministry of Education within two months. Loan to development of new purpose-built childcare facilities will be secured by mortgages over real property. All lending is subject to the specified lending criteria being met. Prudent lending levels and high standards of credit assessment help to minimise the investment risk for Investors. Terms and conditions applied to borrowers are determined by the nature of the transaction and the associated level of risk that it represents.

Investments through the Fund aim to deliver a rate of return that is competitive compared with conventional investment options.

The minimum investment amount is $750,000 for all investors fixed for a period of 36 months (3 years) or as otherwise provided for under the LP Agreement.

Please refer to page 8 for further details on the Fund, and page 13 for Key Risks.

Manager Statement

We welcome your interest in the Fund.

Investments through the Fund offers a unique opportunity to invest into New Zealand childcare infrastructure and businesses. The managed investment environment provides several risk mitigants for Investors.

The Manager adopts a disciplined and conservative investment approach with the primary objective of delivering stable income returns and preserving investor capital over the long term.

The Fund will focus on investments within New Zealand's early childhood education ("ECE") sector, including childcare centre freehold properties, operating childcare businesses, and secured lending opportunities associated with the sector.
The Manager considers the ECE sector to be a resilient segment of the social infrastructure market, supported by consistent demand for childcare services, stable government funding mechanisms, and favourable long-term demographic trends.

The Fund's investment strategy prioritises established and income-generating assets rather than speculative or development-stage investments. In assessing potential opportunities, the Manager will focus on investments that demonstrate sustainable cash flow, prudent financial structures, and strong operational fundamentals. Particular emphasis will be placed on assets with stable occupancy levels, experienced operators, and long-term operational viability.

Through diversification across these complementary investment channels, the Fund seeks to maintain a balanced portfolio capable of generating consistent cash yield while maintaining prudent risk management.

The Manager possesses significant experience within the New Zealand ECE sector, including centre operations, regulatory compliance, property development, and sector-specific investment management. This sector expertise provides the Manager with a deep understanding of the operational, regulatory, and financial dynamics affecting childcare businesses and associated property assets.

The Manager is committed to maintaining robust governance standards, comprehensive due diligence processes, and active asset management practices. All investments will be subject to careful evaluation, conservative financial structuring, and ongoing performance monitoring.

The Fund's overarching objective is to provide investors with stable and predictable returns through carefully selected investments in the New Zealand childcare sector, while maintaining a strong emphasis on capital preservation and responsible investment management.

In accordance with the Warning Statement and Risks contained in this document, I recommend that you seek independent and qualified advice to ensure that an investment in the Fund suits your individual circumstances and requirements.

We look forward to working with you in this outstanding investment opportunity.

Key details of the offer

Description of Product
Managed investment products (each a Unit) in the Fund established by the Manager

Description of Offer
Investment in the 2026 Koru Education and Child-care Fund Limited Partnership ("Fund") established as a Limited Partnership under the LP Act.

Target Investments
The main business of the fund will be to invest by way of equity and debt into New Zealand education and childcare business, acquisition and development of commercial property fit for childcare related activities.

Manager
The fund manager for the Fund will be Koru Childcare Fund Management Limited.

Directors of Manager
The Directors of the Manager are Paula Hawkings and Likun Huang

General Partner
The General Partner for the Limited Partnership underpinning the Fund will be Koru Childcare Fund Management Limited.

Limited Partners / Investors
Wholesale Investors as defined in the FMCA

Offer Opening Date
1 May 2026

Offer Closing Date
Open ended.

Price
Units will be issued at a price of $1.00 per Unit.

Target Aggregate Fund Size
$100,000,000 contributed capital

Minimum Investment Amount
$750,000 for all investors

Maximum Investment Amount
$200,000,000

Fund Commencement Date
The Fund will commence operation once it has raised a minimum of $5,000,000, or such other amount determined by the General Partner.

Term of Investment
Minimum investment term is three years with options for extension or redemption with GP agreement.

Target Return
6% cash dividend paid 6 monthly in arrears

Key details of the offer

Withdrawals

Investors may not withdraw their investment before the end of the fixed term, without the consent of the General Partner and after payment of the Early Withdrawal Fee, and a new investor to replace the exiting partner on a dollar for dollar basis.

Investors may transfer their investment to an approved third party in accordance with the Limited Partnership Agreement.

For Investors wishing to attain an Investor Visa or Investor Plus Visa, additional restrictions exist regarding the term of the investment where c. $5m and $10m must be invested for three and five years, respectively.

Operating and Administration Costs

Costs including but not limited to reporting, regulatory, insurance, banking, accounting and legal costs, audit and certification and the costs of the Limited Partnership's administration are borne by the Limited Partnership and its partners in accordance with the LPA.

Reporting

Investors will receive a detailed annual report and a short-form 6 monthly report detailing the fund status, their individual balance and any disbursements in the respective period.

Application Fee

1.5% of the total fund committed for investment, payable upfront.

Management Fee

2.0% per annum of total gross assets value of the Limited Partnership payable to the Manager to cover management services.

Performance Fee

30% p.a. (one-time at term end or dissolution of the fund) on excess returns beyond the upper Target Return of IRR 8%

Exit Fee

1.5% of the total committed capital.

Early Withdrawal Fee

2% of the total withdrawal amount, payable within 10 working days of giving notice.

Investment objective and Strategy

The primary objective of the Fund is to generate stable medium to long-term returns to investors through diversified investment in New Zealand childcare-related assets, while delivering positive economic and social outcomes.

The Fund will pursue a diversified strategy comprising:

- Development of new purpose-built childcare facilities
- Acquisition of existing tenanted purpose-built childcare facilities
- Acquisition of established childcare operating businesses
- Short term funding for capital expenditure upgrades of dated childcare facilities
- Provision of secured bridging finance to childcare operators
- Loan for development of new purpose-built childcare facilities

This multi-strategy approach allows the Fund to balance development upside, operating income, and defensive cashflow.

Where the Fund invest in short term funding, providing bridging finance to childcare operators and loans for development of new purpose-built childcare facilities, the lending will be secured by way of first mortgages and within defined loan-to-value ("LTV") ratios. The relevant value is based on 3 times of the net profit of the previous financial year proceeding to the lending.

We are attracted to the New Zealand childcare sector as they typically have long tenures and are underpinned by Government funding. The childcare operators along with the growing population across multiple regions in New Zealand support solid future demand for childcare services. The SIPO will guide the General Partner's management of the LP and its investments. Prospective Investors can request a copy of the SIPO from the General Partner to review.

Market Overview

Overview

New Zealand remains a highly attractive destination for living, working and investing, offering strong economical, political and social stability. The country continues to b recognised for its safety, ranking among the most peaceful nations in the world. According to the 2025 Global Peace Index by the Institute of Economics and Peace, New Zealand remains in the top three globally, reinforcing its reputation as a secure and stable environment.

- **Transparency and Governance:** In the 2024 Corruption Perceptions Index, New Zealand maintained its leading position, sharing the top spot with Denmark, Finland, Singapore, Luxembourg, Norway, Switzerland, and Sweden, all scoring above 80. This underscores the integrity of its public institutions, including law enforcement and the judiciary[1].
- **Political Stability and Voter Engagement:** The 2023 general election, held on 14 October 2023, saw a voter turnout of approximately 77.51%, reflecting robust civic participation. New Zealand's stable political environment continues to provide confidence to both residents and investors[2].
- **Economic Resilience:** Over the past decade, New Zealand's economy has demonstrated resilience, with GDP growth averaging 2.5%. The nation successfully navigated global challenges, rebounding steadily due to government stimulus, strong trade relationships, and a robust financial sector.[3]
- The New Zealand government is highly supportive of business, investment, innovation and entrepreneurial endeavours. Recent policy developments, including the establishment of Invest New Zealand, signal a renewed focus on attracting capital into sectors aligned with long-term economic and social outcomes.
  - The country continues to be recognised as one of the easiest places in the world to do business, ranking highly in the World Bank's latest Doing Business report.[4]
  - New Zealand is consistently rated among the top nations for ease of starting a business, securing credit, protecting minority investors, and property registration.
  - In addition, it remains one of the most investor-friendly markets, with minimal restrictions on capital flows and a transparent tax system that provides advantages to both domestic and international investors.
- New Zealand's population reached approximately 5.3 million in 2025 and is projected to approach 6 million by 2040, driven largely by net migration.[5]
- Population growth and urban development continue to drive demand for education, healthcare, housing and community infrastructure, positioning childcare as an important component of the country's social infrastructure.

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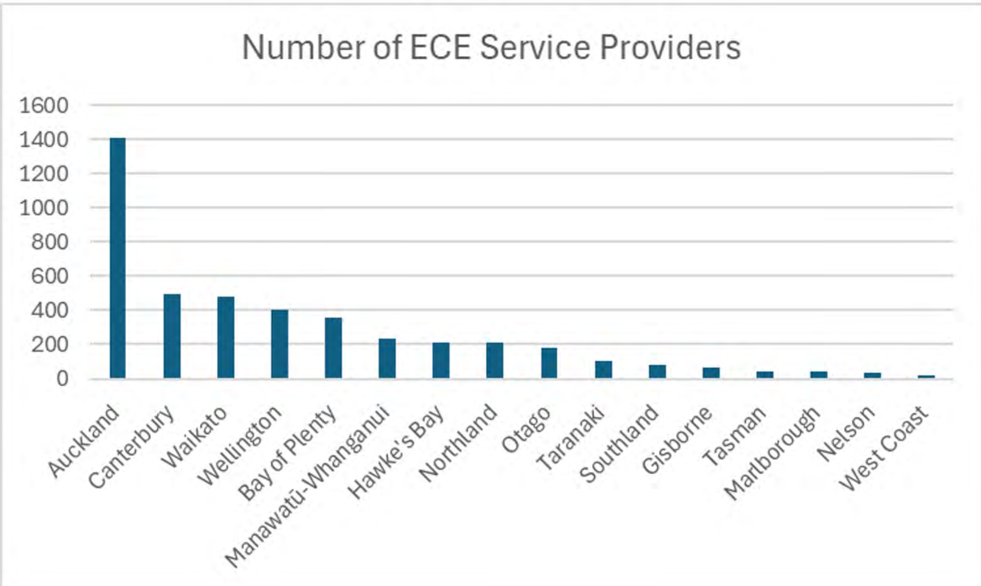
1. https://www.transparency.org/en/cpi/2024
2. http://elections.nz/democracy-in-nz/historical-events/2023-general-election/voter-turnout-statistics
3. https://regions.infometrics.co.nz/new-zealand/economy/growth
4. https://www.newzealandnow.govt.nz/investing-in-nz/stability-security
5. https://www.stats.govt.nz/news/new-zealands-population-likely-to-reach-6-million-before-2040/

Market Overview

Early Childcare Education

- Early childhood education ("ECE") is a core component of New Zealand's social infrastructure that supports parental workforce participation and early learning outcomes.
- The ECE sector in New Zealand provides care and education for children aged 0 – 5 years before they begin primary school, and includes education and care centres (daycare), kindergartens, home-based services, Kōhanga Reo and playcentres.
- Key characteristics of the sector:
  > Non-discretionary service aligned with employment participation
  > Regulated and licensed operating environment
  > Structural government funding support for licensed providers
  > Long-term demand linked to population growth rather than economic cycles
- ECE sits at the intersection of education, labour market participation and social policy, making it structurally more resilient than many consumer-facing sectors.
- Education and care centres represent the largest and fastest growing segment, reflecting increased demand for full-day childcare aligned with modern workforce participation.
- As of June 2025 there were 4,390 licensed early childhood services providers across New Zealand.



Source: Stats NZ

1. https://www.transparency.org/en/cpi/2024
2. http://elections.nz/democracy-in-nz/historical-events/2023-general-election/voter-turnout-statistics
3. https://regions.infometrics.co.nz/new-zealand/economy/growth
4. https://www.newzealandnow.govt.nz/investing-in-nz/stability-security
5. https://www.stats.govt.nz/news/new-zealands-population-likely-to-reach-6-million-before-2040/

Market Overview

Key Drivers of Childcare Demand

Population Growth

- New Zealand's population reached 5.3 million as of December 2025, and is forecast to reach 6 million by 2040.[5]
- Population growth is concentrated in major urban regions including Auckland, Waikato, Bay of Plenty and Canterbury, which represents the largest markets for childcare services.
- Auckland is expected to account for a significant share of national population growth over the coming decades.

Workforce Participation

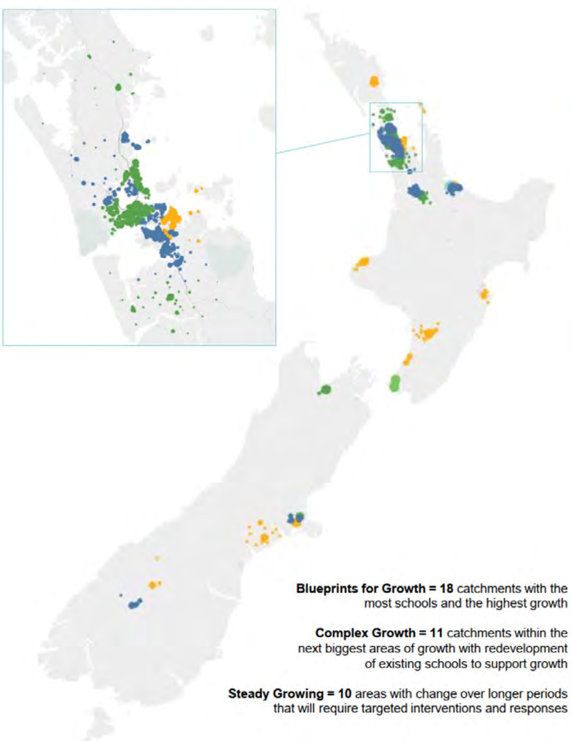
- New Zealand has one of the highest female labour force participation rates in the OECD.[6] Dual income households has made childcare an integral part of modern family life.

Urban Development

- Demand for childcare facilities is closed linked to residential development and suburban growth.
- With Auckland, Waikato, Bay of Plenty and Canterbury being the main regions forecast to have the highest population growth, local government support such as the Auckland Council Unitary Plan, will see more homes being built and suburban redevelopments take place around the country to accommodate the increase in residents.

Education Infrastructure Demand

- As part of its National Education Growth Plan 2030, the Ministry of Education has identified 20 growth catchment areas in Auckland and 19 across the rest of New Zealand where population growth create ability for expansion and development to increase capacity in the education sector..



Blueprint For Growth

This is where local government planning includes intensive housing development and expansion into outer urban areas in response to, or causing, a large influx of people to move into a particular area. These are opportunities to master plan education infrastructure collaboratively across agencies to integrate in new communities.

Complex Growth

This is where the area is desirable and there continues to be population growth despite limited room for expansion outwards.
Local planning efforts are focused on redevelopment activities, intensification, or urban renewal to increase capacity or in response to other social and economic drivers.

Steady Growing

This is where population growth across a region is limited but a response is still required. For example there has been a change in the demographics of the region, with more young families moving into existing suburbs.
Local planning efforts are focused on providing services for the demographic change.

Source: Ministry of Education National Education Growth Plan 2030

Market Overview

ECE Participation Trends

- ECE participation has remained structurally high over time, with temporary disruption during COVID-affected periods followed by recovery.
- Attendance has since rebounded toward pre-COVID levels
- The number of licensed services has declined modestly while child participation increased, suggesting localised undersupply or consolidation

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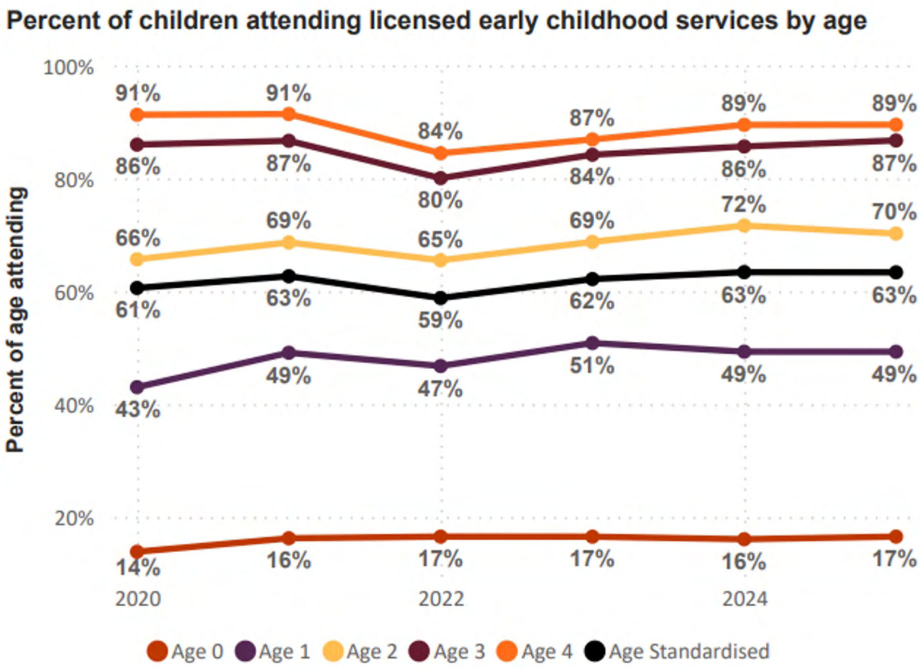

Source: https://www.educationcounts.govt.nz/__data/assets/pdf_file/0005/251294/ECE-Census-2025-Services-Factsheet.pdf

6. https://www.theglobaleconomy.com/rankings/female_labor_force_participation/OECD/#:~:text=Female%20labor%20force%20participation%20rate,countries%20where%20data%20are%20available.

Market Overview

Government Funding & Affordability Framework

- The ECE sector benefits from multiple layers of government support, which underpin affordability and participation.
- Total government funding for ECE, including ongoing subsidies and the 20 Hours ECE program for the 2025 year was approximately $3.1 billion.[7]
- **Ministry of Education (MoE)**
  > 20 Hours ECE funding for children aged 3–5
  > Ongoing ECE Funding Subsidy for licensed services
  > Equity and Targeted Funding mechanisms for eligible services
  > Centralised rules via the ECE Funding Handbook governing eligibility, claims and compliance
- **Ministry of Social Development (MSD)**
  > Childcare Subsidy paid to approved providers for eligible families
  > Supports workforce participation and reduces price sensitivity

Investment Pathways in the ECE Sector

Investment in purpose-built childcare facilities

- Childcare infrastructure and properties is commonly positioned as specialist, needs-based real estate with long lease profiles and tenant demand inked to population catchments.
- Properties in areas with strong future development plans and a population that utilises daycare services would be an attractive opportunity for the Fund.
- Long lease periods, often spanning 10 – 18 years, provide stability and more certainty in terms of future income streams given the important role these childcare businesses play in supporting the existing community and future development in these areas.

Acquisition of purpose-built ECE facilities leased to licensed operators

- Income typically supported by long-term leases.
- Quality design attract quality operators resulting in better operations and occupancy.
- Returns influenced by tenant covenant, lease structure and location fundamentals.

Acquisition of Established Childcare Operations

- Acquisition of licensed childcare businesses as going concerns
- Revenue supported by government funding and enrolment fees

Development of Purpose-Built Childcare Facilities

- Greenfield or redevelopment projects in growth catchments
- Ability to design facilities to current licensing and regulatory standards
- Potential for value creation through development margin and long-term stabilisation

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7. https://www.beehive.govt.nz/sites/default/files/2025-06/ECE%20Funding%20Review%27s%20Terms%20of%20Reference.pdf

Investment Structure and Operations

Legal Structure

The Fund established and managed by the Manager will be structured as a Limited Partnership under the LP Act.

Limited Partnerships are now a well-recognised investment entity in New Zealand, and hold their own legal personality. This means that the Limited Partnership is able to enter into lending transactions directly with borrowers as a contracting entity, including business lending for commercial and investment purposes related to tourism and hospitality sectors.

Units acquired by Investors are treated as "managed investment products" under the FMCA, and the Fund categorised as a "managed investment scheme". While the Fund is a managed investment scheme under the FMCA, the Fund will not be a "registered" managed investment scheme, and no Unit in the Fund will be considered a "regulated financial product" under the FMCA. Accordingly, the Fund is not subject to the specific regulations governing registered managed investment schemes and regulated financial products under the FMCA.

The Fund may operate as an unregistered Managed Investment Scheme because investments in Units are available only to Wholesale Investors as defined in Schedule 1 of the FMCA, and as further described at Page 3 of this information memorandum.

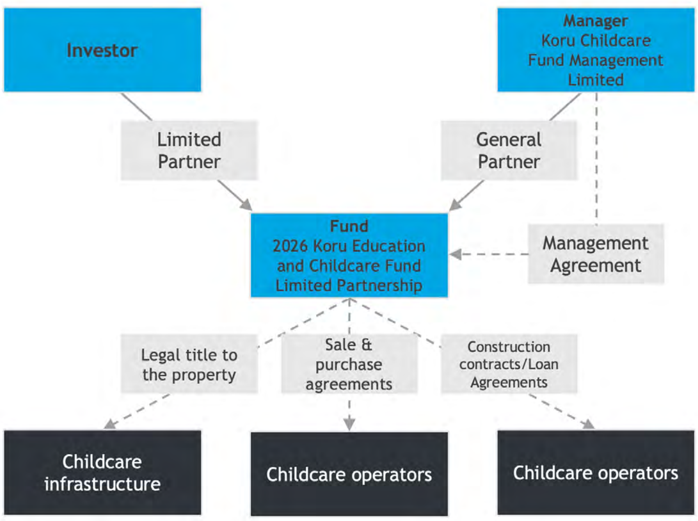
The Manager has been incorporated as Koru Childcare Fund Management Limited, and is overall responsible for the general operations of the Fund as both the General Partner of the Limited Partnership, and the Manager of the Fund.

The Investors will be Limited Partners of the Limited Partnership. The Investors (together with the Foundling Limited Partner) will therefore hold all of the "Partnership Interests" (as that term is defined in the LP Act) in the Limited Partnership. The value of each Partnership Interest will be determined by the number of Units the Investor acquires. The value of the Fund, as well as the value of distributions made by the Fund to the Investor, will generally correlate with the number of Units in the Fund that the Investor has invested in.

The liability of the Investor in relation to the Fund will be limited to their investment in Units, provided that Investors do not participate in the management of the Fund. An investment in the Fund is a passive investment, reflecting the legal nature and requirements of managed investment schemes under the FMCA, and Limited Partnerships under the LP Act. The role of management will be undertaken solely by the Manager, which will identify, assess and direct the Limited Partnership under the LP Act to enter into loan agreements with eligible borrowers.

Diagram of Fund Legal Structure

The diagram – right – outlines the legal structure of the Fund.



Forecast and Returns

Profit Forecast

	yr. 1	yr.2	yr. 3	yr. 4	yr. 5	yr. 6	yr. 7	yr. 8	yr. 9	yr. 10
Income										
Rental income (A. freehold properties)	1,859,520	1,878,115	1,896,896	1,915,865	1,935,024	1,954,374	1,973,918	1,993,657	2,013,594	2,033,730
Childcare centre profit distributed (B. Business)	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000	1,130,000
Interest income (C. Loan to development)	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Capital gain	303,903	306,942	306,973	306,973	306,973	306,973	306,973	306,973	306,973	306,973
Interest income (Term deposit)	-	-	-	-	-	-	-	-	-	-
	3,385,223	**3,406,858**	**3,425,669**	**3,444,638**	**3,463,797**	**3,483,147**	**3,502,691**	**3,522,430**	**3,542,367**	**3,562,503**
Operating exp.										
Interest cost (A)	683,782	683,782	683,782	683,782	683,782	683,782	683,782	683,782	683,782	683,782
Interest cost (B)	122,040	122,040	122,040	122,040	122,040	122,040	122,040	122,040	122,040	122,040
Interest cost (C)	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Accounting and legal cost (estimated)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	997,622	997,622	997,622	997,622	997,622	997,622	997,622	997,622	997,622	997,622
GP cost										
Management fee	697,207	703,285	709,423	715,624	721,886	728,211	734,599	741,051	747,567	754,149
Performance fee	35,298	39,965	43,767	47,597	51,466	55,374	59,321	63,307	67,333	71,399
	732,505	743,249	753,190	763,221	773,352	783,585	793,919	804,358	814,900	825,548
Net profit	**1,655,096**	**1,665,986**	**1,674,857**	**1,683,795**	**1,692,822**	**1,701,940**	**1,711,149**	**1,720,450**	**1,729,844**	**1,739,332**
IRR	**8.42%**	**8.47%**	**8.52%**	**8.56%**	**8.61%**	**8.66%**	**8.70%**	**8.75%**	**8.80%**	**8.85%**

Profit Forecast-performance fee

	yr. 1	yr.2	yr. 3	yr. 4	yr. 5	yr. 6	yr. 7	yr. 8	yr. 9	yr. 10
Net profit Before Performance fee	**1,690,394**	**1,705,950**	**1,718,623**	**1,731,392**	**1,744,289**	**1,757,314**	**1,770,470**	**1,783,757**	**1,797,177**	**1,810,731**
IRR	**8.60%**	**8.68%**	**8.74%**	**8.81%**	**8.87%**	**8.94%**	**9.01%**	**9.07%**	**9.14%**	**9.21%**
IRR (8%)	**1,572,734**	**1,572,734**	**1,572,734**	**1,572,734**	**1,572,734**	**1,572,734**	**1,572,734**	**1,572,734**	**1,572,734**	**1,572,734**
	117,660	133,216	145,889	158,658	171,554	184,580	197,735	211,022	224,442	237,997
Performance fee	**35,298**	**39,965**	**43,767**	**47,597**	**51,466**	**55,374**	**59,321**	**63,307**	**67,333**	**71,399**

Key Assumptions

Term Deposit Interest Rate	2%
Performance	30% if IRR over 8%
Capital Gain	1% of property assets value annually

Forecast and Returns

Investment Assumptions

A. For Childcare properties

Cap. Rate	6%
LTV	45%
Interest rate	5%
Management fee	2.00%
Rent review	1.00%

A. Investment portfolio-Freehold Childare Properties

Project A		Project B		Project C		Project D		Project E		TOTAL
Address	West Auckland	Address	Albany	Address	Beach Haven	Address	Orewa	Address	Hobvonville	
License	120	License	100	License	130	License	100	License	150	
Annual rent	361,920	Annual rent	322,400	Annual rent	405,600	Annual rent	301,600	Annual rent	468,000	1,859,520
Cap. Rate	6%	Cap. Rate	6.20%	Cap. Rate	6.20%	Cap. Rate	6.10%	Cap. Rate	6.10%	
Purchase price	6,032,000	Purchase price	5,200,000	Purchase price	6,541,935	Purchase price	4,944,262	Purchase price	7,672,131	30,390,329
Bank Loan	2,714,400	Bank Loan	2,340,000	Bank Loan	2,943,871	Bank Loan	2,224,918	Bank Loan	3,452,459	
Equity	**3,317,600**	**Equity**	**2,860,000**	**Equity**	**3,598,065**	**Equity**	**2,719,344**	**Equity**	**4,219,672**	**16,714,681**
Interest	135,720	Interest	117,000	Interest	147,194	Interest	111,246	Interest	172,623	683,782
Management fee	120,640	Management fee	104,000	Management fee	130,839	Management fee	98,885	Management fee	153,443	607,807
Distributable Cash	105,560	Distributable Cash	101,400	Distributable Cash	127,568	Distributable Cash	91,469	Distributable Cash	141,934	567,931
Cash on Cash	3.182%	Cash on Cash	3.545%	Cash on Cash	3.545%	Cash on Cash	3.364%	Cash on Cash	3.364%	

B.For Childcare Business

Purchase price	3 times of the net profi
LTV	45%
Interest rate	8%
Management fee	2.00%

B. Investment portfolio-Childcare Business

Project A		Project B		Project C		Project D		TOTAL
Address	East Auckland	Address	East Auckland	Address	South Auckland	Address	West Auckland	
License	80	License	75	License	100	License	120	
Net profit (forecast)	300,000	Net profit (forecast)	280,000	Net profit (forecast)	100,000	Net profit (forecast)	450,000	1,130,000
Purchase price	900,000	Purchase price	840,000	Purchase price	300,000	Purchase price	1,350,000	3,390,000
Bank Loan	405,000	Bank Loan	378,000	Bank Loan	135,000	Bank Loan	607,500	
Equity	**495,000**	**Equity**	**462,000**	**Equity**	**165,000**	**Equity**	**742,500**	**1,864,500**
Interest	32,400	Interest	30,240	Interest	10,800	Interest	48,600	122,040
Management fee	18,000	Management fee	16,800	Management fee	6,000	Management fee	27,000	67,800
Distributable Cash	249,600	Distributable Cash	232,960	Distributable Cash	83,200	Distributable Cash	374,400	940,160
Cash on Cash	50.424%	Cash on Cash	50.424%	Cash on Cash	50.424%	Cash on Cash	50.424%	

C. Bridge loan to Childcare development

LTV	45%
Interest rate	8.50%
Management fee	2.00%

C. Investment portfolio-Loan to development

Project A	
Address	West Auckland
License	150
Area	2000
Construction cost (forecast)	2,400,000
Loan to development	1,080,000
Equity	**1,080,000**
Interest Income	91,800
Management fee	21,600
Distributable Cash	70,200
Cash on Cash	6.500%

Key Risks

All investments involve varying degrees of risk. There are various risks that may impact the financial performance of the Fund and the value of the investment to the Investor. We describe a number of those risks below.

Before investing, prospective Investors should also consider whether the Fund is a suitable investment, having regard to their personal investment objectives, financial position, particular needs and circumstances.

Prospective Investors should consider their individual risk tolerance, the level and frequency of returns they require, as well as their investment time horizon.

Potential general and specific risks include, but are not limited to, the following:

Tenant default

Tenants may fail to pay the rent and outgoings which may affect projected returns. Also, the current tenant may not renew lease arrangements and new tenants may be required. Costs, including lease incentives may be required on re-leasing and the tenancies may not be immediately re-let or may be re-let on less favourable terms.

Damage or Destruction

Property may be damaged or destroyed by fire, flood, earthquake or other such events, and the event may not be adequately covered by the insurer of the Property.

However, any shortfall in funds recoverable from insurance that cannot be recharged to the tenant would need to be met first from the LP's funds, then if further funds are required, either from borrowings or further contributions from investors. Such borrowings or contributions may impact on the return to the investors.

Capital Expenditure

The capital expenditure for the Property may be more than budgeted. Significant additional capital expenditure in excess of forecast amounts may be required for a number of reasons, including undertaking structural repairs or related work to bring the Property up to a designated standard or to meet new requirements resulting from changes to current regulations or standards.

Credit Risk

A borrower may default by not paying interest instalments when due or failing to pay the loan balance at the end of the term. The risk then is that the value of the security is not sufficient to meet all of the borrower's obligations to repay, and the Fund may not have sufficient cash flow to pay returns to Investors.

Lending Risk

A borrower may be unable to make required payments as they become due as a result of business failure, operational downturn, liquidation or receivership, force majeure, or failure to complete the development project.

Lending risks can arise because of project delays such as delays in construction or obtaining consents and titles, increases in construction cost and can also relate to the failure of the developer undertaking the development. If the development fails, then there are unlikely to be valuable assets which can be realised in order to return money to Investors. The Manager seeks to mitigate this risk by lending to developers with appropriate experience and lending against the value of the underlying land, and not the development.

Interest Rate Risk

Changes in interest rates may negatively affect the Fund's investment returns, either by affecting the income the Fund earns or the value of its investments. If market interest rates decrease, returns for the Fund will also likely decrease. Conversely, if interest rates increase, returns for the Fund will also likely increase. All loans will be secured by a registered first mortgage over the relevant security assets.

Market Risk

External events (economic conditions, political events, natural disasters etc.) may have a detrimental impact on borrower's ability to repay loans. This can lead to higher default rates and reduced property values used as security which in turn will affect the value of the Fund.

Liquidity of Property

Property is an inherently long-term investment and cannot be easily sold. The Property may be sold at a loss in which case Limited Partners will not be able to recover the full amount of their original investment. There is no guarantee of capital gain on the Property.

Key Risks

Liquidity

There is a risk that the Fund will not have sufficient liquid assets to meet withdrawal requests. Interests in this type of funds are relatively illiquid due to the nature of the underlying investments. While Units in the LP are transferable, without an actively established and traded market, an Investor may not be able to sell its interest in the LP as at the time of selling the Units, the value of the Units may be more or less than the original price paid. Investors' percentage interest in the Limited Partnership may be diluted if the Limited Partnership issues further Units to raise capital.

Economic Risk

Any investment in property attracts inherent risk and the value of an investor's interest could increase or decrease as the value of the property increases or decrease.

The value of the property and hence the value of each Interest may depend on whether the tenant exercise any rights of renewal provided for under the lease. Tenants are under no obligation to exercise those rights of renewal.

Limited Partners returns may be adversely affected by fluctuations in general economic and market conditions which may lead to borrower default or make it difficult for the Fund to operate, including:

- Interest rate movements;
- Domestic and international macro-economic factors;
- Government restrictions and pandemic related factors;
- Inflation and downward pressure on disposable income;
- Political changes including change of Government, policy changes, law changes, changes to taxation rules and general regulatory changes; and
- Macro-economic factors such as an economic recession, natural disasters, acts of terrorism, war, or other matters outside of the Fund's control.

Key Persons Risk

Loss of key personnel whereby key personnel may resign from their role within the Fund and the Manager may face difficulty in recruiting and retaining a suitable replacement.

Structural risk

Investing in a Fund is similar to investing directly in the real estate investments, fixed interest securities and other underlying investments held by the Fund. Accordingly, income from the Fund distributed to the investor should be similar to that received from investments made directly in real estate, fixed interest securities or other investments held by the Fund. However, the Manager may take into account different considerations in making investments or managing withdrawals, which may result in different income or capital gains outcomes.

Real Estate Market Conditions

The value of the underlying real estate investment and the income from the real estate investments are affected by demand, location, the quality of the property, market conditions, opinions, and the market for real estate investments. They may also be susceptible to a lack of liquidity (meaning that investments may not be easily sold, or may only be able to be sold at a lower price than expected) and valuation issues (meaning that the actual value of investments may not always reflect the value attributed to them by us or may fluctuate). In addition, high transaction costs are often involved.

Inflation risk

Fluctuations in interest rates may have an adverse impact on the value of the investor's investment by diminishing the Fund's cash investments and reducing the value of the Fund's assets and/or increasing the cost of any borrowing associated with the underlying investments.

Forecasts

Actual results are likely to be different to the forecasts since anticipated events frequently do not occur as expected and the variation may be significant and material. No warranty or representation is made in respect of whether the revenue, expenses, or any capital appreciation in the future will be achieved. Prospective Investors should obtain their own independent valuation, legal, accounting and income tax advice in respect to their own individual circumstances.

Key Risks

Investment Objectives and Volatility risk

An investor's investment objectives may not be met by its selection of investments. The volatility of returns is one measure of risk of an investment and as volatility in returns increases, so too will the variability of returns from time to time.

Taxation

International and domestic tax laws may change over time. These changes can have an impact at the Investment level, which impacts the return on the Investment, and also at the Limited Partners level, where changes may affect the Limited Partners tax position with regard to the Limited Partners investment in the Fund.

Fees

The fees outlined in page 7 of this document may increase over time.

Pricing risk

The value of your investment may be unable to be determined in a timely way. The Fund may invest in investment products managed by other fund managers. In the event that one or more of these investment managers is unable to value investment products in which the Fund has invested, the value of your investment may in turn be unable to be calculated. In addition, the value of your investment may not be able to be calculated in circumstances where the Fund has invested directly in assets that are impracticable to value or revalue.

Pricing risk may also arise where an underlying investment is valued incorrectly. In such circumstances, the value of such assets may need to be re-valued at a future date, which may result in a reduction in the value of your investment.

Management risk

The performance of an investment in the Fund is reliant on the expertise, experience, strategy and operational stability of the Trustee and the Manager and their respective key directors and staff. In the event that their services are no longer available, this may affect the management and financial performance of the Fund and returns to investors.

Limited history

The LP is a new fund. There can be no assurance that your investment will meet its investment objectives as set out in this Investment statement.

Systemic risk

A disruptive event can cause a chain of events that compromises the normal functioning of a financial or economic system. Systemic risk cannot be addressed by way of diversification and may be magnified by the reactions of participants within the system to the event.

Changes in laws and regulations

The Manager and all other parties involved in the operation of the Fund must comply with applicable laws and regulations, including the laws and regulations that govern the New Zealand Immigration Investment Visa Schemes. Such laws and regulations may change during the life of the investor's investment in a way that adversely affects the financial performance of the Fund and, consequently, returns to investors.

Derivative risk

As the Fund may use derivatives like futures to manage liquidity risk which means its investment movements may be more volatile than a fund with no derivative exposure.

Company risk

The risks associated with an investment in a particular company, including the risk that the value of its securities may fluctuate as a result of factors specific to that company.

Litigation risk

The LP's investments and business operations could become the subject of disputes. Whilst the Manager will maintain appropriate insurance, there is a risk that claims not covered by insurance may arise. Such claims could have an adverse effect on your investment's financial performance.

Management of the Fund

Paula Hawkings

Director

Senior Childcare Industry Advisor

Paula Hawkings brings over 30 years' experience in the New Zealand early childhood education industry. She brings deep operational, regulatory, and strategic expertise across large-scale childcare groups, multi-site operations, and sector advisory roles.

Paula was formerly General Manager of Lollipops Educare, where she led nationwide childcare operations for more than 15 years. Under her leadership, Lollipops grew into one of New Zealand's leading childcare platforms and was subsequently sold to Evolve Education Group in 2014, forming the cornerstone for Evolve's future acquisition strategy.

Following the transaction, Paula held senior management roles within Evolve Education Group for over three years, providing strategic, operational, change management, and compliance leadership across a large multi-centre portfolio.

Paula is currently the Owner and Director of ECE Consultancy Services, where she supports 80+ early childhood services across New Zealand to operate to a high standard, with a focus on licensing, quality assurance, staff capability, and regulatory compliance.

Her expertise includes:

- Multi-site childcare operations
- Regulatory compliance and licensing
- Quality assurance and staff development
- Sector-level strategic planning
- Change and transformation management

Paula provides the Fund with industry leadership, operational insight, and strong regulatory credibility, supporting informed investment decision-making across the childcare sector.

Management of the Fund

Likun (Orena) Huang

CPA, ACCA – Director

Fund Manager

Likun (Orena) Huang is a senior finance and fund management professional with over 20 years' experience across Big Four professional services, listed companies, and multinational organisations. She brings deep expertise in fund governance, financial reporting, capital management, and investor compliance, with extensive cross-border experience.

Orena began her career at Ernst & Young, progressing to Audit Manager, where she advised listed companies and foreign-invested enterprises on audit, due diligence, and capital markets transactions. Her experience includes involvement in IPOs on the Shenzhen, Shanghai and Hong Kong Stock Exchanges, as well as acquisition and joint-venture related financial reviews.

Prior to relocating to New Zealand, Orena held senior leadership roles in China, including Chief Financial Officer of Shenzhen Sundan Chain Stock Co., Ltd, a Beijing Stock Exchange-listed company, and Group Controller of CDG Retail Management Co., Ltd, a Shanghai-based retail development and asset management group. In these roles, she oversaw group-wide financial reporting, budgeting and forecasting, asset valuation, transaction structuring, portfolio performance analysis, and audit coordination across complex multi-entity structures.

In New Zealand, Orena served as Fund Manager at Uwin Capital (2016–2023) and has been Fund Manager of New Zealand Childcare Property Limited Partnership since 2024. She is responsible for fund financial management, investor reporting, compliance oversight, cashflow and capital deployment monitoring, and financial risk management.

Orena is a Certified Public Accountant of China (CPA) and a member of the Association of Chartered Certified Accountants (ACCA). She ensures the Fund operates to robust institutional financial and governance standards aligned with professional investor expectations.

Investment committee

Investment Committee

The Fund will have an Investment Committee made up of no more than four members.

Investment Committee members may be appointed by way of an ordinary resolution of the board.

Current proposed members are:

1. Peter Jiang – Chairperson;
2. Dayle Beuth; and
3. Richard Orsburn.

Chairperson

There will be an independent chairperson appointed to the Investment Committee to provide leadership and oversight to ensure the committee effectively manages the Fund's investments.

The independent Chairperson will not be paid a salary, but will be paid an hourly wage for attendances.

Chairperson's Duties and Responsibilities

The Chairperson's duties and responsibilities in the Investment Committee will be:

1. promote a thorough understanding by the members of the Investment Committee and manage the duties and responsibilities of the Investment committee;
2. act as liaison between the Investment Committee and the Board of Director(s);
3. organise the agenda for, frequency of, preparation for, and the conduct of Investment Committee meetings;
4. chair the Investment Committee meetings;
5. promote and facilitate open and constructive discussions between members of the Investment Committee during meetings;
6. promote the proper flow of information to the members of the Investment Committee to keep members apprised of all relevant matters which may be material to the Investment Committee;
7. perform any such other functions as may be ancillary to his/her duties or responsibilities as a chairperson of the Investment Committee.

Investment Committee Meetings

The Investment Committee must meet at least four times a year.

At least ten business days' notice of an Investment Committee meeting must be given to all members of the Investment Committee (unless a shorter period is agreed to unanimously by the members).

Investment Committee's Duties and Responsibilities

The Investment Committee's duties and responsibilities will be as set out in the Statement of Investment Policy which may be amended from time to time.

Investment Committee

Peter Jiang

Peter Jiang is an experienced investor and operator with over 10 years' specialised experience in the New Zealand early childhood education (ECE) sector, spanning childcare property investment, development, and operating businesses.

Peter co-founded the Justkidz Childcare franchise in 2016, following the acquisition of the existing Justkidz brand and its transformation into a franchise model. The Justkidz franchise has since grown into an established ECE platform, operating five centres across Auckland.

Building on this experience, Peter later founded Happy Learning Childcare Group, where he is the major shareholder and operator. Happy Learning currently operates two large, high-performing centres, with additional centres currently under development.

Peter is also the founder and major shareholder of New Zealand Childcare Property Management Company Limited, the General Partner of New Zealand Childcare Property Limited Partnership, a dedicated childcare property investment vehicle with total assets of approximately NZD 15 million. Prior to this, he served as Director and Investment Chair of Uwin Capital Limited, the fund manager for NZREITs, a unit trust specialising in childcare property development and investment.

Peter holds a Bachelor of Science (Physics), a Diploma of Real Estate (New Zealand), and is a Licensed Immigration Adviser. He brings to the Fund deep sector knowledge, hands-on development capability, and integrated investment and operating insight across the childcare sector.

Investment Committee

Dayle Beuth

Dayle Beuth is a highly experienced architectural designer with over 30 years in the New Zealand building sector.

During his career, Dayle worked as a senior designer before co-founding LiteStyle Architectural Services in 2002. Early in his career, he developed a strong focus on the ECE sector, driven by a belief that childcare environments could be designed to be more functional, more compliant, and more strongly centred on the child's experience.

To date, Dayle has designed more than 500 childcare centres across New Zealand, ranging from small boutique facilities to large-scale centres with licences of up to 150 children. This extensive portfolio has given him a deep and practical understanding of the architectural, operational, and regulatory requirements unique to the ECE sector, as well as the differing needs of developers, investors, and owner-operators.

Dayle's design philosophy is centred on the creation of child-focused environments that balance aesthetics with operational efficiency. His approach prioritises practical layouts for staff, regulatory compliance, and environments that support learning, development, and wellbeing.

In addition to ECE, Dayle has experience across residential, multi-unit, and commercial developments, allowing him to apply a broad range of construction and design principles to complex projects.

Dayle is a Licensed Building Practitioner and a professional member of Architectural Designers New Zealand, reflecting his commitment to high technical standards and best practice.

Investment Committee

Richard Orsburn

Richard Orsburn is a highly experienced Chartered Accountant with over 40 years' professional experience, having held senior financial, operational, and IT leadership roles across multi-national and New Zealand-based businesses, predominantly in the manufacturing sector.

Richard has served as Finance Director of a large New Zealand company with annual turnover of approximately NZD 1.25 billion.

He holds a Certificate of Public Practice and was a Partner in an accounting practice for seven years, before transitioning into independent consulting. Richard currently advises clients on business acquisitions and disposals, with a particular specialisation in the early childhood education (ECE) sector.

His advisory experience includes:

- Buy-side and sell-side transaction support
- Business planning
- Business valuations
- Shareholder agreements

Application to Invest

1 Investor Criteria

- This offer is being made to you under the terms of Schedule 1 of the FMCA which requires you meet the definition of a "Wholesale Investor" as outlined on page 3.
- The Application and Subscription Agreement will require you to sign-off on your Wholesale Investor Status. The relevant Subscriber Certificate specific to your particular investment status will be provided to you should you seek to invest.
- If you are certifying that you are a Wholesale Investor on the grounds that you are an 'Eligible Investor' then a Confirmation of Certification must be completed by an independent lawyer, accountant, or financial advisor.

2 Expression of interest

- The expression of interest is not legally binding and you are able to withdraw you expression at any time prior to signing formal documentation.
- Expressions of interest can be completed:
  - > Online at www.koruchildcarefund.co.nz; or
  - > Fill in the form and e-mail or post to invest@koruchildcarefund.co.nz
  - > We will be in contact with you to discuss your expression of interest and to provide you with the documentation you will need to review before formally investing.
- This will include specific formal documentation for your particular investor type.
- Please note that in order to comply with the AML/CFT Act and associated regulations, you may be required to complete other forms and requests for further information.

3 Sign and Return the Application and Subscription Agreement

- We will send you the following documentation to review, sign and complete:
  - > Application and Subscription Agreement, including the Subscriber Certificate
  - > Limited Partnership Agreement
- Sign the Application and Subscription Agreement, including the Subscriber Certificate and if required, the Confirmation of Certification.
- The General Partner will then sign the Application and Subscription Agreement and return an original to you.

4 Deposit your Capital Contribution

- Deposit your capital contribution to the Limited Partnership's Solicitor's Trust account.
- You must deposit the full amount of you contribution in the Limited Partnership's solicitor's trust account no later than date indicated in the Application and Subscription Agreement. If you do not meet this deadline the offer will be terminated.
- Your capital contribution will be held in the Limited Partnership's Solicitor's Trust account pending all of the conditions set out in the Application and Subscription Agreement being satisfied, at which time the General Partner will:
  - > Sign the Limited Partnership Agreement on your behalf (as provided for in the Application and Subscription Agreement);
  - > Issue Units in the Limited Partnership to you; and
  - > Apply the capital contribution in accordance with the terms and conditions of the Limited Partnership Agreement.

Definitions, abbreviations and glossary of terms

AML/CFT Act
Anti-Money Laundering and Countering Financing of Terrorism Act 2009

Cap. Rate
Capitalisation rate

Eligible Investor
As defined in Schedule 1 of the FMCA

FMCA
Financial Markets Conduct Act 2013

Fund
2026 Koru Education and Childcare Fund Limited Partnership

GDP
Gross Domestic Product.

General Partner, Manager or GP
Koru Childcare Fund Management Limited

Investor
Wholesale Investor as defined in Schedule 1 of the FMCA

k
Thousand

Limited Partners
The limited partners of the Fund

LP
Limited Partnership

LPA
Limited Partnership Agreement

LTV
Loan-to-value

LP Act
Limited Partnerships Act 2008

m
Million

Minimum Investment Term
Three years from the Offer Closing Date or Fund Commencement Date

NZ
New Zealand

SIPO
Statement of Investment Policies and Objectives. This guides the General Partner's management of the Limited Partnership and Property portfolio.

Unit
Managed investment products

Wholesale Investor
As defined in Schedule 1 of the FMCA

Contact us

For further information please contact:

2026 Koru Education and Childcare Fund
Limited Partnership
C/- Happy Learning Childcare
160 Kowhai Road, Millwater, Auckland

Phone: 09 4788286
Email: info@koruchildcarefund.co.nz