



ARTEMIS PROPERTY SCHEME

Quarterly Report – September 2021

HIGHLIGHTS FOR THE QUARTER

Purchase of 3 Properties

In August 2021, the investors approved the purchase of 3 properties located in Christchurch. We are pleased to advise settlement occurred on 5 October 2021. The addition of these properties now takes the property portfolio value to \$48.5m with an LVR of 45%.

Capital Restructure

The investors also approved the restructure of the capital of the Scheme. On 5 October 2021, the existing investors will have their interests subdivided and will receive 9 interests of \$10,000 for every interest they held prior to the restructure, creating 1,953 interests. On 5 October 2021, the Scheme also issued a further 680 interests as part of the funding for the purchase of the new properties resulting in the Scheme having a total of 2,633 interests of \$10,000 each.

Distributions

From 5 October, the distribution rate is 7% p.a. on the interests issued. This will still be paid in the first week of each month.

Interests still available for purchase

The capital raise to purchase the three new properties was assisted by an underwriter. There are still interests available to be purchased at \$10,000 each. Please contact Sam Kitson if you wish to purchase more interests.

Unaudited results for the 6 months to 30 September 2021

Profitability	Actual	Forecast	Variance
Rental and Interest Income	1,022,163	1,020,920	1,243
COVID-19 rent rebates	(35,729)	-	(35,729)
Property and Scheme costs	(120,265)	(117,258)	(3,007)
Interest paid	(197,722)	(175,988)	(21,734)
Net Operating Income before property acquisition	\$ 668,447	\$ 727,674	\$(59,227)
Annualised yield	11.9%	13.0%	

The snapshot of the scheme in the table to the right is after the capital restructure and purchase of the properties.

THE SYNDICATE as at 6 October 2021

Structure:	Proportionate Ownership Scheme
Scheme Type:	Wholesale
Commencement:	17 September 2015
Capital structure:	
No. of interests:	2,633
Issue Price:	\$10,000 each
Investor Capital:	\$26,330,000
Distribution rate:	7.0% p.a.
No. of Investors:	

THE PROPERTY

Number of properties:	14
Locations:	Masterton, Porirua, Tawa, Blenheim, Richmond, Nelson, Westport Christchurch (5), Rolleston, Invercargill
Tenants:	Evolve Group (8) Provincial Education Group (2) Best Start Group (1), Grow Canterbury (3)
Use:	Early childcare centres
WALT:	9.25 years

THE NUMBERS

Property value:	\$48.5 m
Bank Debt:	\$21.82 m
Lender:	ASB Bank
LVR:	45 %
Interest rates:	2.68% - 3.02% p.a.
Repayments:	4x loans Interest only, 1 loan, principal reduction of \$100,000 p.a.

THE PEOPLE

David Kitson (Managing Director)	021 722 231
Michael Kohing (Chief Financial Officer)	021 532628
Jacque Musson (Investor Liaison Manager)	03 345 8842
Sam Kitson (Marketing & Distribution Manager)	021 066 9206





QUARRY CAPITAL

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Syndex

We have recently partnered with Syndex, an online investment intermediary platform by adopting their full suite of products and services. The Syndex platform enables us to issue, manage and trade our syndicate opportunities more effectively and efficiently.

We have been thrilled with the relationship so far. We will soon invite you to subscribe to Syndex's 'Investor Portal' via an email link which will allow you to view key documents for your Quarry Capital investments, view communications, and discover other investment opportunities via the digital platform. This will be optional; you will not be disadvantaged by not subscribing.

Ongoing Customer Due Diligence

As part of our requirements under the AML/CFT Act we continue to conduct Ongoing Customer Due Diligence on all Investors. You may receive a request from us asking for you to update the information we currently hold on file.

New Centres



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