



**Origin Capital Partners**



## **Origin Capital Fund I: Capital Call VI**

11<sup>th</sup> November 2021



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## I. Overview

\$15.4m of investor capital is being called

- ❖ I am pleased to share with you details regarding Capital Call VI for Origin Capital Fund I (the “Fund”, or “OCFI”). The proceeds of Capital Call VI will be used to fund the acquisition of Finale orchard and to purchase additional Zespri shares.
- ❖ Finale orchard is a genuine blue-chip orchard, located in Gisborne. Orchards of this quality very rarely come to market, and while we were not actively pursuing further Gisborne exposure, when the Fund was offered the chance to participate in a private tender it was too good an opportunity to turn down. Securing this property takes the Fund’s Gisborne exposure to 53 canopy hectares and this orchard will likely be the Fund’s final acquisition in Gisborne, hence the name. More detail regarding Finale orchard is located on page 3 of this report.
- ❖ In October, Zespri confirmed its 2022 licence release programme. You will be aware from previous communication that the profitability of Zespri and therefore the dividend stream is strongly correlated to the revenue from licence sales. Despite Zespri decreasing the total hectares of SunGold licence available to purchase in 2022, our assessment is that the potential dividend available still represents a suitable return, and consequently the decision has made to continue purchasing further Zespri shares. Included in this capital call is \$3.0m to fund the purchase of additional Zespri shares. Currently the Fund holds \$3.6m worth of Zespri shares.
- ❖ In total, \$15.4m of investor capital is being called, due no later than **4:00pm November 29<sup>th</sup> 2021**. As with previous capital calls, a formal notice has also been provided to you, calling for **18%** of your committed capital. Once received, the Fund will be \$75.60m (89%) drawn. Please see page 4 for more detail.
- ❖ The Fund continues to be deployed quickly. We flagged to you at the AGM that you should expect to be 100% called by March 2022 and this remains the case. As ever we will endeavour to give you as much warning as possible in advance of future capital calls.
- ❖ Once again, we thank you for your ongoing support and if you have any questions please do not hesitate to contact us at any time.

## II. Finale Orchard

Finale orchard is the Fund's fifth orchard located in Gisborne

### Background

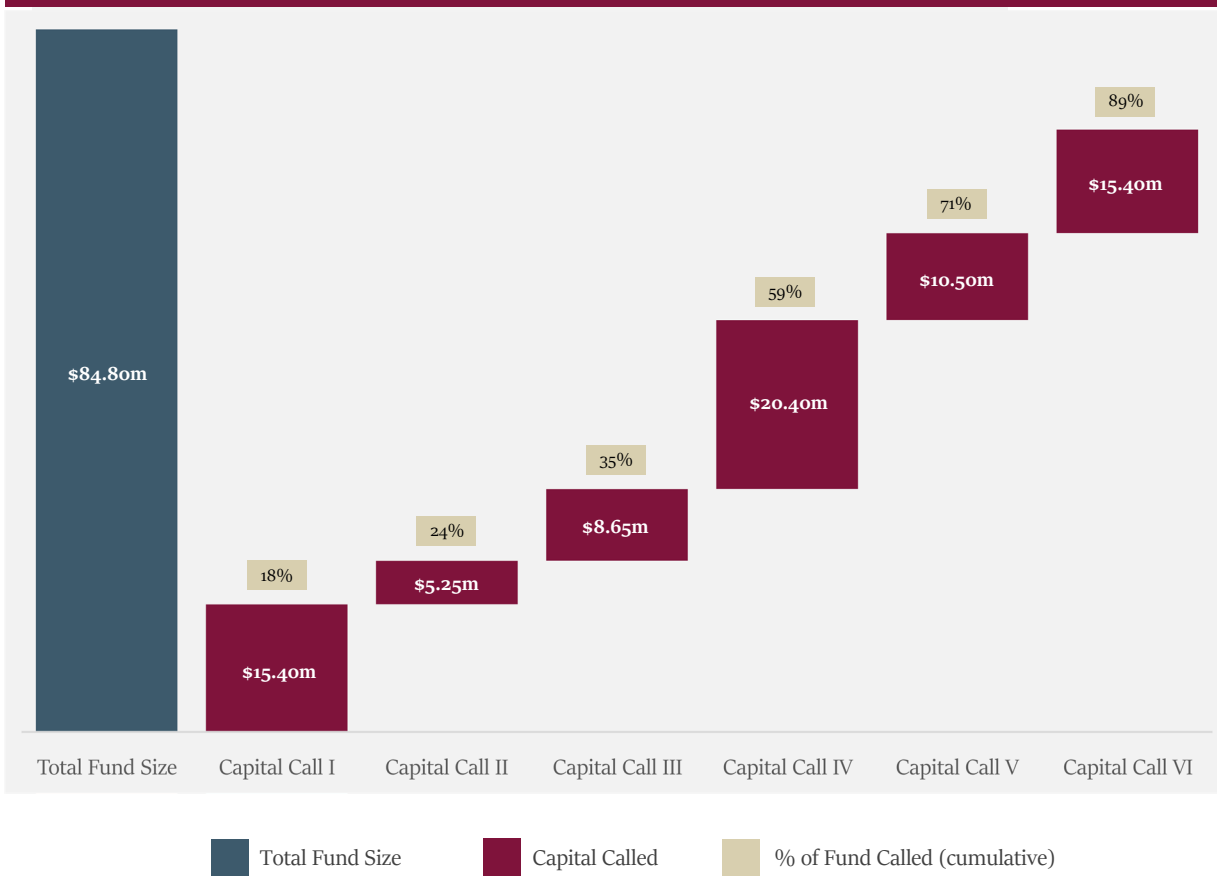
- ❖ Secured in August 2021, Finale orchard is a 16.3 canopy hectare SunGold orchard located in Gisborne.
- ❖ Developed throughout 2018/2019, Finale has been planted on some of the best soil type in the region. Half of the orchard had its first crop last year, and the whole orchard is carrying a crop for 2022. Water is sourced from the neighbouring Waipoa River and the current consent is for a volume of water greater than what is required for this orchard.
- ❖ The current owners are well known BOP based growers, who also manage the Fund's Whakamarama orchard which had exceptional results in 2020/2021. They endeavoured to construct the best orchard possible with overhead shelter, irrigation, drainage and heavy-duty canopy structures across 100% of the orchard. We have already seen the benefit of good infrastructure during the latest weather event, which resulted in low levels of surface flooding across the orchard due to the quality drainage in place.
- ❖ This is an orchard where harvest will consistently be in the first 2 weeks of the industry harvest window, helping to deliver substantial payment premiums. For context, the investment case is predicated on achieving a premium vs industry of \$2.50/tray, and in 2021 the premium achieved was \$5.0/tray.
- ❖ The orchard was acquired through a private sale process, with only two parties invited to present terms.
- ❖ Going into summer, there was an early and consistent buddbreak across the orchard, in a season where there has been some variability. Pollination has now finished with a target of 14,000 trays/ha for the second crop and 7,000 trays/ha for the part of the orchard carrying its first crop.



## III. Summary of Capital Calls

89% of the Fund's existing capital has now been called

Origin Capital Fund I – Capital Calls to Date

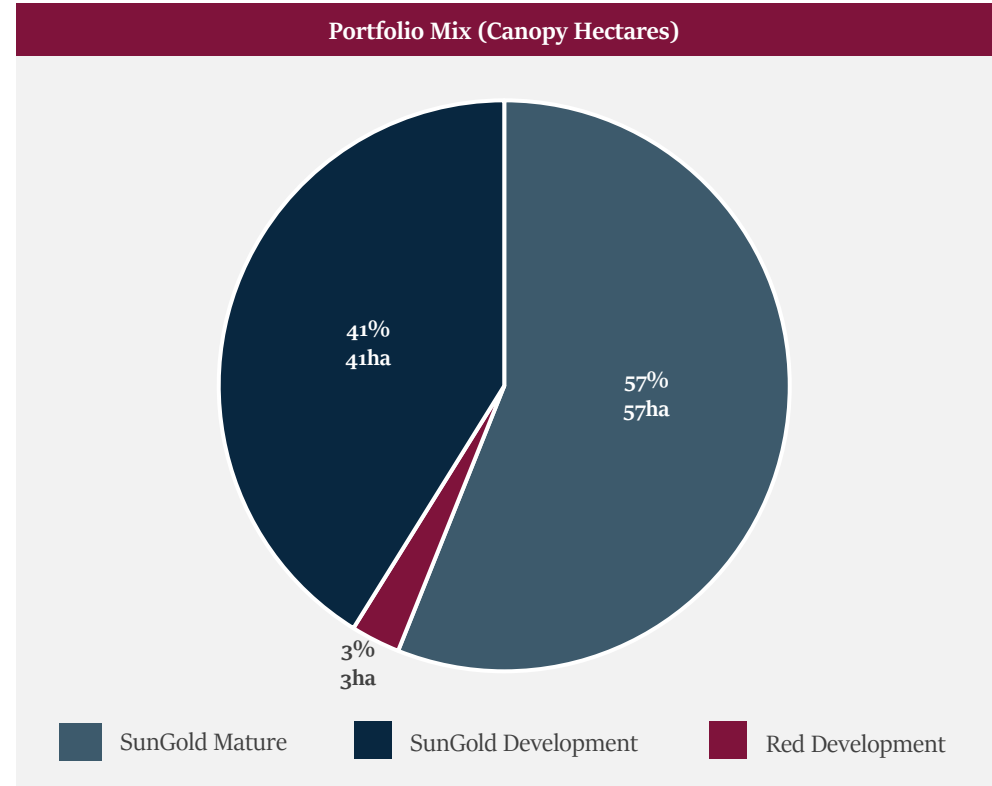
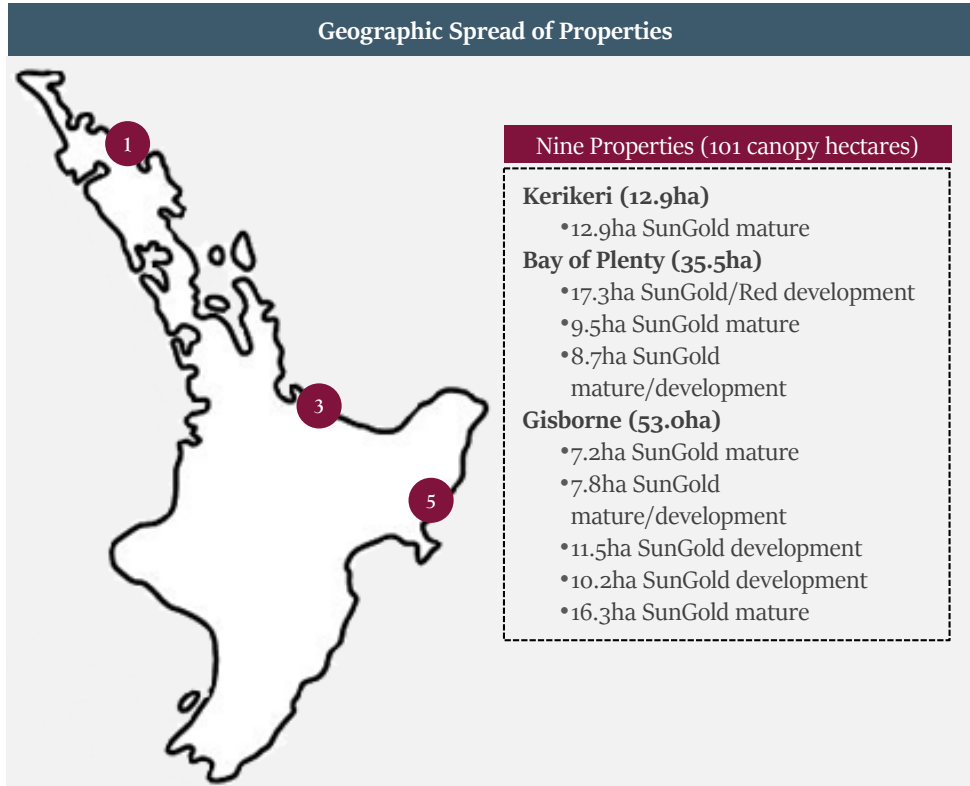


### About

- ❖ \$15.4m is being called to fund the settlement for Finale orchard and to purchase future Zespri shares.
- ❖ Including this capital call, a total of, \$75.6m (89%) has now been called from investors since February 2021.
- ❖ As flagged to you at the 2021 AGM, we anticipate the Fund will be fully deployed by no later than March 2022.

## IV. Portfolio Snapshot

The Fund's portfolio now consists of nine orchards



- ❖ Finale orchard will be the Fund's ninth property, with good geographic spread throughout New Zealand's main kiwifruit growing locations.
- ❖ The long-term target is for no less than 50% of the Fund's portfolio to be located in the Bay of Plenty.

- ❖ The Fund now holds 101 canopy hectares, of which 57 will produce a crop next year.
- ❖ The hectares not producing comprise of the new developments (Eade Rd and O'Grady Rd), developed but immature, (Plateau), and conversion to SunGold from Green (half of Whakamarama).

## V. Investor Open Day

We would like you to join us in Gisborne for an investor open day

❖ We will be hosting an investor open day in Gisborne on **Saturday, November 27<sup>th</sup>, 2021**.

❖ Please see the confirmed itinerary below:

Gisborne Open Day: Itinerary	
<b>10.45am</b>	Meet in Gisborne CBD.
<b>11:00am – 5.00pm</b>	<ul style="list-style-type: none"><li>• Visit Eade Rd and O’Grady Rd developments.</li><li>• View Bushmere Rd, Finale, and Papatu Rd orchards.</li></ul>
<b>5:00pm – 6.30pm</b>	Drinks and Nibbles at Matawhero Winery.
<b>6.30pm</b>	Investor day concludes – dropped off in Gisborne CBD.

❖ Transport will be provided on the day with pick up and drop off organised from Gisborne CBD. Lunch will also be provided at Bushmere Rd orchard.

❖ If you would like to join and have not yet confirmed, please RSVP to Sam Wood, ([sw@ocpartners.co.nz](mailto:sw@ocpartners.co.nz), 027 460 8990) prior to 5.00pm Friday 19<sup>th</sup> November.