



## IUXTA CAPITAL CO-INVESTMENT REGISTER

*IUXTA - Latin: "next to" a symbiotic relationship with other companies and people.*

### INTRODUCTION

Our objective is to *stand beside you as a project partner* sharing the results of well conceived, structured and managed investments. You will have the opportunity to participate in the decision making process concerning the placement of your funds. We welcome your input and experience, to add value and perspective.

Recent problems in the finance industry can be traced to fundamental problems in the way investments were being structured and secured:

1. Registered security over an asset is only useful if the asset retains its value or if the borrower is able to meet the payments required;
2. Recent examples have demonstrated the compounding effect of defaulting payments causing insecurity in the markets and consequently leading to declining asset values;
3. "Borrowing short and lending long" is fundamentally risky as it requires new investment to keep the fund going over the life of the loans made.

Generally there has been a serious lack of connection between the lender (including banks, fund managers, finance companies and their trustees) and the market or asset group into which the loans have been placed.

Our objective is to address these fundamental problems by enabling direct investment and security arrangements in respect of the asset into which loans are placed, and to then manage the investment with a team of experienced professionals.

Investments made or introduced by Iuxta Capital Limited (**Iuxta Capital**) will be placed in activities being undertaken, managed or overseen by the Maxim Group of companies (See [www.maximdesign.co.nz](http://www.maximdesign.co.nz)). We will be focusing on investments that make sense because they are based on project outcomes – not leveraged or structured within the financial instrument itself.

Iuxta Capital understands and is committed to transparency, disclosure and compliance with the Reserve Banks' strategies and recommendations for non-bank financiers, designed to manage the future health of the finance sector. Our approach is direct and simple – honest, transparent, well secured investments will always be the focus – no other strategy works in the long term.

Iuxta Capital invites you to join the Iuxta Capital Co-Investment Register.



## THE IUXTA CAPITAL CO-INVESTMENT REGISTER

### OBJECTIVE

Our objective is to build a register of investors who are looking for opportunities in direct private investment rather than through funds that are managed by third parties without specifically identified investment opportunities; the register will allow us to identify opportunities and to directly match them with potential investors.

Investors will have the opportunity to consider the opportunities presented to them without any obligation to invest and with complete confidentiality.

Once a group of investors has expressed interest in an opportunity, luxta Capital will introduce (with prior consent) the interested parties who can then work together with the luxta Capital team to develop the structure of the investment, the security required and the required return to appropriately balance risk.

We aim to provide opportunities that meet the key principles of sound investments:

- Security
- Diversification
- Transparency
- Appropriate risk vs. return

### BACKGROUND

There are currently significant difficulties for entities that are attempting to raise funds or capital. This is creating significant opportunities for those with funds wishing to invest.

In the majority of cases the funds required will be of a small to medium scale, below the level of interest of institutional investors. Traditionally this funding has been accessed through finance companies, banks and informal networks.

As the traditional sources of funding have been seriously affected by the worldwide credit crisis and associated structural problems with housing markets around the world, there is reluctance for investors to work with the fund models that have been prevalent over recent years.

There is a need to get the roles of borrower and lender back on a more even footing with a clearer perspective on the model for fund placement and the risks that are being taken.

There are still significant opportunities for investment in business and infrastructure, as well as in property for acquisition, development and construction, to meet the demand for new housing over the next few years.

As well as having the expertise to place funds into an investment with sound investment principles, luxta Capital has the capability to provide professional input into the due diligence, structure and ongoing management of the loan to ensure that risks are managed appropriately and in accordance with the strategy agreed at the outset.

The emphasis is on achieving returns from the performance of the investment rather than solely from

the placement of funds.

To gain access to the potentially attractive returns available, co-investment is becoming popular, arranged by a new class of niche intermediaries specialising in this sector; intermediaries like luxta Capital.

A register of investors willing to co-invest for specific investment opportunities offers considerably more flexibility, security and diversity than a conventional managed fund. Different investors will have different investment preferences and different amounts of capital to invest at different times.

Registrants can choose to participate in specific investments offered to them as and when it suits them.

The luxta Capital Co-Investment Register lets you make investment decisions that are aligned with your requirements, without committing your capital or paying fees until you decide to invest in a particular opportunity.

## WHAT IS THE PROCESS?

The luxta Capital Co-Investment Register lets luxta Capital know that you are interested in direct co-investment opportunities.

luxta Capital assists entities wanting to raise funds for a range of potential activities. Those funds could be required for any number of purposes, such as: merger and acquisition activity; business expansion; management buy-outs; new business start-ups, mortgages, construction funding, development of infrastructure etc.

Not all of the opportunities on which luxta Capital advises will be suitable for co-investment or participation by investors on the luxta Capital Co-Investment Register, but for those that are, luxta Capital will notify those people who have registered of any current opportunities; seeking preliminary expressions of interest within a defined time period.

For the majority of investment opportunities, it is anticipated that only “eligible persons” or persons who are not members of the public will be eligible to co-invest. In those circumstances, the offer information will most likely comprise an information memorandum detailing the opportunity and investment process. For investment opportunities that are not restricted to “eligible persons” and which are presented to the public, prospective investors will be provided with an investment statement before investing.

## PREQUALIFICATION

If the opportunity is one where a registered prospectus and investment statement will not be prepared then luxta Capital may present the opportunity only to persons who are exempted from public offers<sup>1</sup> or who are “eligible persons”<sup>2</sup> for the purposes of the Securities Act 1978 (the **Securities Act**).

<sup>1</sup> Pursuant to section 3(2) of the Act, an offer made to any or all of the following persons only will not constitute an offer of securities to the public:

- (a) Relatives or close business associates of luxta or a director of luxta;
- (b) Persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money;
- (c) Persons who are each required to pay a minimum subscription price of at least \$500,000 for the securities before the allotment of those securities; or
- (d) Any other person who in all the circumstances can properly be regarded as having been selected otherwise than as a member of the public.

<sup>2</sup> The most common way to qualify as an “eligible person” is to fall within the Act’s definition of a “wealthy person”. To meet this test, an independent chartered accountant must certify, on reasonable grounds, that the applicant, either:

In order to protect the interests of parties seeking funding and in cases where a registered prospectus and investment statement are not required, prospective investors who respond positively will be required to sign a confidentiality agreement before luxta Capital can reveal more information.

Please note that this document is not a prospectus, investment statement or advertisement requiring registration in terms of the Securities Act.

This invitation is not an offer of securities and luxta Capital is not presently seeking expressions of interest for investment in connection with any particular investment opportunity. luxta Capital is not acting for or on behalf of any specific issuer of securities in making this invitation.

Your registration on the luxta Capital Co-Investment Register does not commit you to participate in any investment opportunity that may be presented to you in the future, nor does it oblige you to respond to any expressions of interest that may be sought from those persons on the luxta Capital Co-Investment Register.

Registration with the luxta Capital Co-Investment Register does not create a binding obligation for investors to participate in any offer. No money is being sought by luxta Capital in connection with this registration and no fees are payable to luxta Capital or to any other person for being registered on the luxta Capital Co-Investment Register.

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## WHO IS THE REGISTER OPEN TO?

At this stage, registration is open to anyone who meets criteria regarding investment experience such that they can be regarded as other than a member of the public for the purposes of the Securities Act. The reason for restricting registration in this manner is that it is anticipated that for the majority of investment opportunities, at least in the early stages, such opportunities will only be available to “eligible persons” or to persons who are not members of the public for the purposes of the Securities Act. Such co-investment opportunities will not require the issue of a prospectus or investment statement.

In addition, the nature of the direct co-investment opportunities presented to prospective investors will likely require a level of active investors’ involvement, particularly when contrasted against other publicly available investment opportunities. In addition, it is anticipated that only a modest proportion of a prospective investors total assets will be invested in opportunities presented by luxta Capital. Finally, co-investment opportunities presented to prospective investors are likely to be for minimum amounts of NZ\$50,000.

luxta Capital reserves the right to not present investment opportunities to any person registered on the luxta Capital Co-Investment Register if the particular investment opportunity is not intended to comprise an offer to the public and if luxta Capital is not satisfied that any such person should be properly regarded as being other than a member of the public for the purposes of the Securities Act. Participation in opportunities presented to registrants on the luxta Capital Co-investment Register is not appropriate for investors who do not consider that have the necessary skills and expertise to

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- (a) has net assets of at least NZD\$2,000,000.00; or
  - (b) had an annual gross income of at least NZD\$200,000.00 for each of the last two financial years.

There are two further categories of “eligible person” under the Act that an applicant may fall within:

- (c) persons who are experienced in investing money; or
- (d) persons who are experienced in the industry or business that luxta operates in.

Further information on these exemptions can be provided upon request.

evaluate co-investment opportunities for themselves and who do not have a risk tolerance for such investment.

Aside from the above qualifications, any person over the age of 18 may apply for registration on the luxta Capital Co-Investment Register. However, luxta Capital reserves the right to refuse registration at its sole discretion for any reason. In addition, any person registered may request that his or her name be removed from the Register at any time by giving written notice to luxta Capital.

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## PERSONAL INFORMATION

All information on the luxta Capital Co-Investment Register will be securely stored by luxta Capital and reasonably safeguarded against loss, misuse or disclosure. The information will only be used or disclosed by luxta Capital in accordance with the Privacy Principles set out in the Privacy Act 1993 for purposes related to luxta Capital introducing investment opportunities to persons named on the luxta Capital Co-Investment Register and facilitating co-investment by such persons in those opportunities in which they wish to participate.

Registrants will have the ability to access and correct their own personal information.

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## WHAT ROLE DOES IUXTA CAPITAL PLAY?

For those persons registering on the luxta Capital Co-Investment Register and otherwise meeting the eligibility criteria, luxta Capital will present co-investment opportunities arising as a result of luxta Capital's own activities, as well as those introduced to, or sourced by, luxta Capital as a result of its relationship with the Maxim Group of companies. In addition, luxta Capital, with the assistance of the Maxim Group of companies, will analyse potential opportunities and manage all completed co-investments.

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## WHAT ARE THE COSTS?

There are no costs or obligations associated with registering on the luxta Capital Co-Investment Register.

As and when opportunities for investment are presented to investors, luxta Capital may charge brokerage on capital subscriptions paid by investors and may charge fees for ongoing management of any particular investment. Full details and disclosure of any brokerage and fees, along with any disclosures from luxta Capital required by law, will be made in respect of any particular investment prior to any money being accepted from, or any securities being allotted to, any investor.

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## WHAT TYPES OF INVESTMENT OPPORTUNITIES ARE THERE?

luxta Capital (and its associated companies) works with a wide range of individuals and businesses, with particular emphasis in the property sector, many of whom require additional capital to pursue viable commercial opportunities.

By registering with the luxta Capital Co-Investment Register, you are likely to receive details of co-opportunities concerning projects involving:

1. a New Zealand focus;
2. a total cost of less than NZ\$20 million;

3. opportunities to secure investments against tangible assets;
4. a mix of land, building, infrastructure and business.

## STATUTORY DISCLOSURES

A disclosure statement for luxta Capital is available on request and free of charge.

## IUXTA CAPITAL

luxta Capital was established in 2009 by its principal, Roy Hamilton.

luxta Capital is based in Christchurch, New Zealand. As well as operating the luxta Capital Co-Investment Register, it advises individuals and businesses on raising capital for a wide range of investment activities, particularly in connection with project finance for property development and investment activities but also including mergers and acquisitions, business expansion, property development, and infrastructure.

## IUXTA CAPITAL TEAM

luxta Capital assembles people with professional backgrounds and experience in the sectors where investments will be placed.

Our leadership team is not burdened with any history of management or involvement with previous funds, finance companies or public investment vehicles.

We have a fresh approach to investment

- Transparent
- Appropriate Scale
- Appropriate Risk vs. Return
- Balanced Portfolio
- Appropriate Security

## GOVERNANCE

- Risk Aware
- Target Appropriate Returns
- Proactive Communication
- Accountability

## MANAGEMENT

- Qualified experienced finance professionals
- Robust prequalification process
- Secure transactions
- Comprehensive reporting
- Committed, but unplaced funds being held with registered banks
- Investor group participation in fund placements

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## INVESTMENT PHILOSOPHY

- Small targeted number of investments – managed placement
- Security of investment to be agreed by investor before placement
- Transparency of investment – investors know where and when funds are placed
- Target Return –Fixed rate paid at agreed regular intervals

The team will have:

- A view of investment returns over a timescale that is appropriate for the activity
- Strong relationships with investors and recipients of funding
- A focus on building value by collaboration and participation

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## WHY INVEST WITH IUXTA CAPITAL?

- Investment target portfolio has already been identified
- Transparency
- Diversification
- Returns that match risk and security
- A growth market
- Current downturn has produced significant opportunities
- Current market requires new structures

luxta Capital has access to an experienced and dedicated team covering all facets of the investment origination and investment management process.

luxta Capital prides itself on having access to the human resources necessary to both identify investment opportunities and attend to the detail to ensure those opportunities are 'investor ready'. These attributes lie at the heart of the anticipated success of the luxta Capital Co-Investment Register.





IUXTA CAPITAL CO-INVESTMENT REGISTER

APPLICATION FOR REGISTRATION

Full Name

Physical Address .....

Postal Address .....

Telephone (home) .....

Telephone (work) .....

Fax .....

Mobile .....

Email .....

I have read and acknowledge the terms and description of the luxta Capital Limited Co-Investment Register and hereby submit my name to luxta Capital Limited for registration. I consent to receiving electronic messages from luxta Capital Limited pursuant to the provisions of the Unsolicited Electronic Messages Act 2007.

Signed

Date

Post to: luxta Capital Limited, PO Box 36-441, Merivale, Christchurch, 8014, NEW ZEALAND

Fax to: +64 (3) 943 2272

