



## PRODUCT DISCLOSURE STATEMENT

*22 July 2021*

*This is a replacement of the Product Disclosure Statement dated 28 May 2021*

*This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose), offer number 12554.*

*Crossgate Capital Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.*

# 1. Key Information Summary

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## What Is This?

This is an offer of ordinary Shares (“Shares”). Shares give you a stake in the ownership of Crossgate Capital Limited (“Crossgate Capital”).

You may receive a return if dividends are paid (although no dividends are expected to be paid in the short or medium term) or Crossgate Capital increases in value and you are able to sell your Shares at a higher price than you paid for them.

If Crossgate Capital runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

An investment in Shares is, by its nature, relatively high risk. It will not be suitable for all investors. We recommend you seek professional financial advice before making any decision to invest in Crossgate Capital.

## About Crossgate Capital

Crossgate Capital is a New Zealand company established to make long-term investments into cryptographically secured digital assets and thereby provides Shareholders the opportunity to invest in this relatively new asset class. Crossgate Capital understand that many investors would like to include digital tokens, digital assets, and digital currencies (cryptocurrency) as part of their investment portfolio, but do not have the necessary technological understanding or time to manage their investment. Crossgate Capital manages all the challenges of investing, which includes but is not limited to, selecting which cryptocurrencies to purchase, storage, reporting and keeping track of this fast moving market.

## Purpose of this Offer

Crossgate Capital is raising capital via this Offer to make investments in cryptocurrency assets and pay our operating costs.

# Key Terms of the Offer

Offer Terms	
<b>Description of the Securities</b>	This is an offering of <b>Class A Shares</b> in Crossgate Capital
<b>Initial Price</b>	After the first valuation date, the price per Share will not be fixed. Once you pay for your Shares, you will have no obligation to make further payments. <b>Brokerage fee of 0.5%</b> will be payable on the value of Shares issued by Crossgate Capital and all subsequent allotments or transfer of Shares.
<b>PDS Lodged</b>	<b>29 January 2019</b>
<b>Offer Opens</b>	<b>6 February 2019</b>
<b>Offer Closes</b>	<b>2 February 2024</b>  Crossgate Capital reserves the right to amend, extend or shorten the Offer at any time before the Closing Date.
<b>Minimum Investment per Shareholder</b>	<b>\$100</b> which includes brokerage. This minimum of <b>\$100</b> which includes brokerage, applies to subsequent applications.  Crossgate Capital can reject any Application, or accept any Application in part only, without providing any reason for doing so.
<b>Maximum Investment per Shareholder</b>	Provided the maximum number of Class A Shares being offered have not been issued, there is <b>no maximum</b> number of Shares you can subscribe for
<b>Minimum Shares Available</b>	Subject to the minimum investment per Shareholder above, there is <b>no minimum</b> number of Shares being offered
<b>Maximum Class A Shares Available</b>	<b>97,000,000</b> Class A Shares are being offered
<b>Current Class B Shares on issue</b>	<b>3,000,000</b> Shares

## Management Agreement

<b>Manager</b>	Bluemont Capital Management Limited ("BCM")
<b>Manager Principals</b>	John Jackson, Scott Lester and Clive Jimmieson The principals are Directors and /or Shareholders of Crossgate Capital
<b>Initial Agreement Term</b>	<b>10 Years</b> , beginning <b>25 January 2019</b>
<b>Removal of Manager</b>	By special resolution of the Shareholders
<b>Management Fee</b>	<b>3%</b> of Company Value per annum plus GST (if any), paid monthly in arrears
<b>Performance Fee</b>	<b>20%</b> plus GST (if any) of any net gains. This is subject to a 10% annual return threshold being met and a high-water mark.
<b>Payment of Performance Fee</b>	Performance Fees will be payable in cash on the anniversary dates of the issue of each tranche of Shares.

The Manager is paid a management fee of 3%, equivalent to 3% of Crossgate Capital's Company Value per annum, plus GST (if any). A Performance Fee is payable to the Manager conditional upon a predetermined level of performance and payment is triggered only when certain events occur.

Crossgate Capital will also pay the Manager a brokerage fee of 0.5% which is payable on the value of Shares issued by Crossgate Capital and all subsequent allotments or transfer of Shares. The Manager has agreed that in exchange for the brokerage fee it will assume the costs of each Share issue, including on-paying brokerage fees to pay third party brokers, AML/CFT and other administrative expenses and other capital raising costs, excluding marketing and promotional costs which are payable by Crossgate Capital.

Additional information regarding the management of Crossgate Capital is contained within the Management Agreement between Crossgate Capital and BCM. The Conflicts of Interest and Related Party Transactions Policy sets out the principles and procedures relating to the management of conflicts of interest within Crossgate Capital. Both documents can be found in the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554).

Crossgate Capital Limited is **not a 'managed investment scheme' (MIS)** for the purposes of the Financial Markets Conduct Act and does not have an FMA-licensed manager or an FMA-licensed independent supervisor to govern its investment activities. Investor rights are set out in the constitution of Crossgate Capital, which has been set up in accordance with the Companies Act 1993 ("Companies Act").

Under its constitution, Crossgate Capital is governed by an elected board of Directors, with BCM appointed as manager under the Management Agreement. The investor rights include the ability for BCM to be removed as manager by a special resolution of the Shareholders of Crossgate Capital.

## How pricing of our Shares is fixed

After the first valuation date, the price per share will not be fixed. The price at each valuation date will be the value of a Share as determined by the Directors as fair and reasonable to Crossgate Capital and the existing Shareholders. The Company Value is a significant factor in respect to the determination of the Share price. Brokerage fee of 0.5% will be payable on the value of Shares issued by Crossgate Capital and all subsequent allotments or transfer of Shares. Please refer to section 5 'Terms of the offer' for more details.

For the current issue Share Price, please visit [www.crossgatecapital.co.nz](http://www.crossgatecapital.co.nz) or refer to the 'Supplementary Document - Information incorporated by reference in Product Disclosure Statement for offer of ordinary Shares in Crossgate Capital Limited', which can be located in 'Offer Documents' on the Disclose Register. Investors can also contact the Manager at any time to find out the Share Price.

## How You Can Get Your Money Out

Crossgate Capital does not intend to quote these Shares on a licensed market in New Zealand but they will be able to be traded on the Unlisted Securities Exchange (USX), a prescribed exempt financial product market based in New Zealand. The website is <https://usx.co.nz>

This means you may be able to sell them on the USX if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.

Additional information regarding trading of Crossgate Capital Shares on the USX, and how Crossgate Capital may be able to facilitate the sale of your Shares can be found in Section 6, Key Features of the Shares, on page 28.

## Key Drivers of Returns

An investment in Crossgate Capital should be considered a long-term investment. Returns to investors over the current and long-term are driven by:

- changes in the value of Crossgate Capital's Company Value. The value of our assets is primarily driven by the change in the valuation of each crypto asset and by the costs incurred by Crossgate Capital; and
- any dividends paid to investors by Crossgate Capital. No dividends have yet been paid, none are currently proposed, and none are expected to be paid in the short or medium term. It is important to note that our dividend distribution policy is set at the discretion of the Directors and is not a fixed rate of return. Furthermore, the returns you get may vary or may not be paid at all if our performance does not merit it. Conversely, dividends may be paid if the underlying assets produce an extra ordinary return upon its sale. Note that payment of dividends is not guaranteed.

See the section 'Risks to Crossgate Capital business and plans' on page 33 for more information on the risks of this investment. See the section on our dividend policy on page 28 for more information on dividends paid by us.

## Key Risks Affecting This Investment

Investments in Shares are risky. You should consider if the degree of uncertainty about Crossgate Capital's future performance and returns is suitable for you. The price of these Shares should reflect the potential returns and the particular risks relating to these Shares. Crossgate Capital considers that the most significant risk factors that could affect the value of the Shares are:

**Loss of value due to the poor performance or failure of one or more of the crypto assets**, which would cause the value of the investment assets of Crossgate Capital to be revalued downwards. BCM actively monitors performance of the crypto assets and Crossgate Capital undertakes regular valuations of the assets.

**Higher volatility in the valuation of Crossgate Capital investments than other assets.** This reflects the heightened valuation volatility of cryptocurrency assets. Several factors may affect the price of cryptocurrency, including: the total number of digital tokens in existence; global demand; global supply; cyber theft, maintenance and development of the protocol networks; increased competition from other forms of cryptocurrency or payments services; global or regional political, regulatory, economic or financial events and situations; expectations that the value of the digital tokens will soon change; and fees associated with processing transactions.

**Concentration within the cryptocurrency sector which gives Crossgate Capital greater exposure to volatility,** with the risk that a downwards valuation in the entire sector would have a more significant impact on the valuation of Crossgate Capital's portfolio of investments than on a more diversified portfolio. We invest in a portfolio of digital tokens which provides us with diversity in the sector.

**The loss or the poor performance of key people,** which include Board members and any key advisers who are engaged due to the industry knowledge within this sector.

**Crossgate Capital requires cash to meet its operating expenses.** If Crossgate Capital does not continue to raise sufficient capital or is unable to sell investment assets and raise sufficient cash then it may not be able to meet its operating costs.

**Potential loss or destruction of private keys.** The loss or destruction of a private key which is required to access the cryptocurrency may be irreversible. This could result in the partial or full loss of Crossgate Capital's assets.

This summary does not cover all of the risks of investing in Shares. You should also read Section 8 of this PDS, Risks to Crossgate Capital's Business and Plans, on page 33 and other places in the PDS that describe risk factors.

We strongly recommend that you consider the risks in light of your objectives, financial situation and needs.

## Where You Can Find Crossgate Capital's Financial Information

The financial position and performance of Crossgate Capital are essential to an assessment of this Offer. You should also read Section 7 of the PDS, Crossgate Capital's Financial Information, on page 31.

The Board has not included prospective financial information within this PDS. This is due to the uncertain future growth in the value of crypto currencies which precludes the ability to forecast.

Crossgate Capital will be providing quarterly updates to Shareholders and annual reports, which will contain information about the financial performance of Crossgate Capital.

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# Letter from the Board

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Dear Investor,

We welcome the opportunity to invite you to become a Shareholder in Crossgate Capital. Crossgate Capital is a New Zealand company established to take advantage of the opportunities that exist within digital tokens, digital assets, and digital currencies (cryptocurrency).

The Board considers that cryptocurrencies now forms part of the financial landscape and has the potential to be an accepted asset class in an investors' portfolios alongside equities and debt. In a world where growth is increasingly digital, we consider that digital assets will increase in relevance.

Crossgate Capital is designed for those investors who would like to include cryptocurrency as part of their overall investment portfolio. By providing an easy on-ramp to investing through the familiar form of a share investment, investors can invest without being tech savvy or spending significant time keeping up with this fast-moving market.

We consider there are many benefits of investing with Crossgate Capital, such as simplicity, professional management and diversification. We take care of which cryptocurrencies to buy, storage, reporting and keeping track of this fast moving market. Our objective is to navigate the complex world of cryptocurrencies on your behalf and deliver strong returns.

For this offer, the funds raised are primarily utilised to build a diverse portfolio of crypto assets. Individual crypto assets will only form part of the portfolio if they have a market capitalisation at purchase of at least NZD \$500million and are selected by the Board after giving consideration to both financial and non-financial indicators. In the event that a crypto asset's market capitalisation falls below the NZD \$500million threshold for six consecutive months (or earlier if the Board consider it is in the beneficial interests of Shareholders), then the Board will exit this cryptocurrency and reinvest in another crypto asset. The Board may also exit an asset if there is a material change to the underlying protocol.

The Board are experienced Directors and have a resume which includes both public and private Directorships. With a background in managing funds and offers, they are highly focused on strong governance, compliance and ensuring effective, clear and transparent disclosure to all Shareholders.

The objective of Crossgate Capital is to generate capital growth for our Shareholders over the long term, in this emerging asset class.

Please review the Key Risk section. We also recommend that you read this document carefully. Prior to making an investment decision you should seek independent, professional, financial and/or legal advice relevant to your circumstances.

The Board are pleased to present this Offer of Shares to you.

We invite you take advantage of our expertise and experience.

Yours Sincerely,

The Board

## 2. Crossgate Capital and What It Does

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### Overview

Crossgate Capital is a limited liability company, incorporated under the laws of New Zealand that is governed by its Board and its constitution (which can be found in the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554) and at the New Zealand Companies Office) in accordance with the Companies Act.

This offer of Shares in Crossgate Capital is an equity offer. The Shares confer on the Shareholder all of the rights set out in section 36(1) (a) of the Companies Act 1993. There are also no entrenched key service provider arrangements. The Management Services Agreement can be terminated by Crossgate Capital without cause and any termination fee will be in accordance with the management agreement.

Crossgate Capital was established in August 2018 to provide a simple, secure and effective way to get a diversified exposure to crypto assets, whilst providing the security and convenience of being a Shareholder. The company places great emphasis on strong governance and compliance. Crossgate Capital's aim is to generate capital growth for our Shareholders over the long term.

Crossgate Capital provides an easy on ramp into this asset class. Thereby providing Shareholders the opportunity to obtain an equity interest in a company which is building a diversified portfolio of crypto assets.

Strong governance, compliance and transparency are key attributes of Crossgate Capital. Effective systems, policies, processes and controls will underpin Crossgate Capital's objectives to deliver on behalf of our Shareholders. Where possible, the cryptocurrency exchanges will be subject to compliance assurance reviews undertaken by Crossgate Capital. Crossgate Capital also has access to industry expertise which assists with the company's purpose of delivering positive returns to Shareholders over the long term.

Crossgate Capital predominantly generates returns through changes in the fair value of our investments (net of all operational and other expenses). Crossgate Capital plans to maintain cash to meet the expenses of the Fund.

### About the Structure

The company structure was designed to provide investor protections (including limited liability), an experienced Board of Directors (which includes at least one non-executive Director), an external auditor and the ability for Shareholders to terminate the manager's appointment without incurring punitive penalties.

The structure is also intended to provide the flexibility to raise new capital in the future, if this is in the beneficial interests of the Shareholders.

At this stage, Crossgate Capital holds all of its investments directly, rather than by way of a custodian. However, Crossgate Capital reserves the right to appoint a Custodian at a later date. BCM is contracted under the Management Agreement to provide management services in respect of Crossgate Capital's assets. The terms of the Management Agreement are set out under the heading "Management Agreement" on page 12.

## Drivers of Crossgate Capital's Performance

Crossgate Capital's performance is primarily driven by the performance of the crypto assets selected and any sale of our investment assets. The selection of these assets is likely to have the most impact on our financial performance.

The Board investment strategy is to invest in crypto assets which have a market capitalisation of at least NZD \$500 million. In the event that a crypto asset market capitalisation falls below this threshold for six consecutive months (or earlier if the Board consider it is in the beneficial interests of Shareholders), then the Board will exit this crypto asset and reinvest the funds. The Board may also exit an asset if there is a material change to the underlying protocol.

Crossgate Capital is only permitted to hold cash and crypto assets. The proportion of each type of asset is at the discretion of the Board. The Board is also permitted, at its sole discretion, to decide and amend the weighting and selection of individual cryptocurrencies. Crossgate Capital will re-weight the portfolio through purchases as opposed to selling the cryptocurrencies.

The costs of operating Crossgate Capital, including the payment of any future Performance Fees to BCM, are also material to the performance of Crossgate Capital. These costs are generally tied to the overall performance and size of Crossgate Capital.

Our Statement of Investment Policies and Objectives, outlines the philosophies, objectives and strategies we have in place in order to make investments and deliver returns to our Shareholders.

The Statement of Investment Policies and Objectives can be found in the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554)

## Statement of Investment Policies and Objectives Summary

### Investment Objectives

Crossgate Capital has a primary objective of delivering Shareholders significant returns over the medium to long-term. It should also be noted that this is a high-risk investment and there is the potential for loss of capital. Crossgate Capital will also need to retain a requisite level of cash to meet operating expenses.

- **Deliver Significant Returns to Investors**  
The objective is to deliver long term capital growth to our Shareholders measured net of all costs, fees and taxes.
- **Self-Sufficient**  
Crossgate Capital target is to meet its operating costs from the increase in valuation of assets where a proportion could be sold to meet operating costs or through a periodic raising of new capital.

## Investment Philosophy

Our investment philosophy is that cryptocurrencies now forms part of the financial landscape. Therefore, it has the potential to be an accepted asset class in an investor's portfolio alongside equities and debt. The long-term objective is to deliver strong returns to its Shareholders, through the appreciation of the value of the assets. However, the risk profile of the company is much higher than most other companies, which increases the risk of a loss of capital.

The following factors underpin our investment philosophy;

- **Investing in the more established crypto assets**  
By investing in individual crypto assets with a market capitalisation of at least NZD \$500million as at the date of purchase, the objective is to build a diverse portfolio whilst mitigating risk. We consider that within this high-risk asset class, there are varying degrees of risk. Newer crypto currencies with a lower market capitalization are considered by the Board as outside the risk tolerance of Crossgate Capital.
- **Early mover - Opportunity to invest in a new asset class**  
Early mover advantages for investors looking to invest in cryptocurrency which potentially could provide strong returns.
- **Portfolio - Exposure to a professionally managed portfolio of crypto assets**  
Benefit to investing in a company who has knowledge within this sector and will engage with industry advisers when required.
- **Attractive Portfolio Whilst Reducing Barriers To Entry**  
Investors are looking to holding a selected portfolio of crypto assets but are prevented by the barriers to entry which exist in this asset class.
- **Trading and execution**  
Benefits to removing the 'pain points' of investing individually and managing ownership of various crypto assets, including storage, security, trading and portfolio reporting.
- **Long-term Investment**  
We are a patient capital investor and have a long-term investment mandate. Due to the high levels of volatility in this asset class, the approach is not to undertake an active trading program but to 'buy and hold'.
- **Best Practice & Security**  
Custody of crypto assets is a major security concern. The majority of crypto assets will be stored offline in 'cold storage'. With cold storage, the digital wallet is stored on a platform that is not connected to the internet, thereby, protecting the wallet from unauthorized access, cyber hacks, and other vulnerabilities that a system connected to the internet is susceptible to.
- **Good Governance and Compliance**  
Crossgate Capital has a strong governance framework overseen by the experienced Board. The Directors have held board positions on both a NZX Main Board listed entity and / or private companies. The compliance assurance program ensures the Board is acting in the best interests of Shareholders and that Crossgate Capital adheres to regulatory requirements. The framework, policies and processes are continually reviewed and if required updated to reflect the developing regulatory and compliance landscape.

➤ **When Required Engage With Industry advisers**

The Board has both general investment and specific cryptocurrency expertise. The Board has a training policy which requires the Directors and team to continually enhance their level of expertise. When required, the Board will be engaging industry advisers to assist them when making investment decisions.

## Investment Performance & Monitoring

Investment performance is monitored weekly, but the performance of the portfolio is also measured monthly and annually since the inception of Crossgate Capital. Crossgate Capital will receive weekly reports which will be used to measure the performance of Crossgate Capital's portfolio. The performance is measured on an absolute return's basis. Performance is measured net of fees but before tax.

## The Manager

Crossgate Capital's manager is Bluemont Capital Management Limited ("BCM"), owned by Scott Lester, Dadrew Trustees Limited and Clive Jimmieson.

## Management and Execution

Crossgate Capital has contracted BCM to undertake, execute and manage investments, through a Management Agreement dated 25 January 2019. Board approval is required before any purchase or exit of investment assets. The Board is confident that BCM has the skills, expertise and networks to manage Crossgate Capital's assets and its portfolio effectively whilst ensuring compliance and adherence to the operational and risk framework. Crossgate Capital will also be engaging industry advisers, when required.

The Shareholders of BCM are also Class B Shareholders of Crossgate Capital. As at the date of this PDS, two BCM Shareholders are also Directors of Crossgate Capital. Additional information regarding the management of Crossgate Capital is contained within the Management Agreement between Crossgate Capital and BCM. The Conflicts of Interest and Related Party Transactions Policy sets out the principles and procedures relating to the management of conflicts of interest within Crossgate Capital. Both documents can be found in the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554).

## Management Agreement

Under the Management Agreement, BCM is appointed by Crossgate Capital to be the exclusive provider of investment management and certain administrative services to Crossgate Capital for an initial period of ten years commencing on 25 January 2019. BCM has been given broad powers to deal with and manage the assets of Crossgate Capital and other management functions. BCM is responsible for adhering to the various policies, objectives and directives set by the Crossgate Capital Board from time to time, including ensuring that the Board is kept fully informed about material matters relating to investments and Crossgate Capital itself.

It is noted that, BCM is not permitted to appoint any of the Directors of Crossgate Capital.

The Management Agreement is expected to be extended for subsequent terms beyond the initial period, provided that the Board is reasonably satisfied with the performance of BCM. The Board formally reviews the performance of BCM each year.

At any time either BCM or the Board may terminate the Management Agreement for cause by giving notice when certain events occur, such as non-performance of management duties or certain default events. The Management Agreement may also be terminated by a special resolution of Shareholders voting in favour of replacing BCM. In the event that the Management Agreement is terminated, BCM will be entitled to be paid all fees (including any accrued and outstanding Performance Fees) and amounts due up until the date of termination together with a termination fee if the Management Agreement is terminated by way of Shareholder vote. The termination fee shall be the lesser of:

- (a) 25% of the value of the total amount of all fees anticipated to be made to BCM for the entire term of the Management Agreement (assuming the Management Agreement is for a fixed term of 5 years); and
- (b) 45% of the value of the total amount of all fees anticipated to be made to BCM for the remaining term of the Management Agreement.

The termination fee excludes any future performance fees.

In order for Crossgate Capital to make a reasonable estimate of what the anticipated fees would be for the remaining term of the agreement, it will procure independent valuation advice from either an audit, legal or valuation entity. To ensure there are no conflicts of interest, the entity selected must have had no engagement with the Manager, principals of the Manager or Crossgate Capital for, at least, the past five years.

The Management Agreement can be found in the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554).

## Management Fee

Crossgate Capital pays BCM a Management Fee equivalent to 3% of Crossgate Capital's Company Value per annum, plus GST (if any). The Management Fee is payable monthly in arrears to BCM.

The Company Value, used in the management fee calculation, is directly impacted by the carrying values of Crossgate Capital's investments. As the value of our assets is primarily driven by the change in the valuation of each crypto asset, the carrying values includes unrealised fair value gains or losses.

The table below gives examples of the fees that would be paid to BCM as Manager given different scenarios;

Scenario	Funds Raised	Fees
<b>Base</b>	<b>\$25 million Raised</b>	\$750K Brokerage
	\$25 million Company Value	\$62.5K Management Fee per month plus GST (if any)
<b>High</b>	<b>\$97 million raised</b>	\$2,910K Brokerage
	\$120 million Company Value	\$300K Management Fee per month plus GST (if any)

## Brokerage Fee

Under the Management Agreement, Crossgate Capital will pay BCM a brokerage fee of 0.5% payable on the value of Shares issued by Crossgate Capital and all subsequent allotments or transfer of Shares. The brokerage fee is to be paid on all Class A Shares issued for cash (including this Offer).

BCM has agreed that in exchange for the brokerage fee it will assume the costs of each Share issue, including on-paying brokerage fees to pay third party brokers, AML/CFT and other administrative expenses and other capital raising costs, excluding marketing and promotional costs which are payable by Crossgate Capital. Sale or transfer of Shares, facilitated through Crossgate Capital, will incur a brokerage fee of 0.5% of the value of the Share, which is payable by the Purchaser to BCM.

## Performance Fee

A Performance Fee is payable to BCM conditional upon a predetermined level of performance and payment is triggered only when certain events occur. Due to the high volatility of this asset class, Performance Fees will not be accrued but recognised when invoiced.

Performance Fees will be eligible for payment on and after the first anniversary of the issue of each separate allotment of Class A Shares. For clarity, the calculation will therefore be determined by referencing the issue price of the tranche of Shares, comparing the performance of this tranche of Shares and then determining based on the criteria below whether a fee is payable. It is therefore likely that each tranche of Shares will have different High-Water Marks, as the calculation for each tranche of Shares will be calculated on the first anniversary date and all following anniversary dates. The anniversary date also includes the date of termination or expiry of the Management Agreement.

The Performance Fee is calculated as 20% plus GST (if any) of the increase in the Company Value of Crossgate Capital as at each anniversary of an allotment if (other than the first anniversary) a Performance Fee (if any) was paid in respect of the previous period, subject to both a minimum 10% per annum increase in the Company Value and the Company Value being higher than when the previous Performance Fee was paid (the 'High Water Mark'). This calculation is applicable to each new issue of Shares.

The Company Value, used in the performance fee calculation, is directly impacted by the carrying values of Crossgate Capital's investments. As the value of our assets is primarily driven by the change in the valuation of each crypto asset, the carrying values includes unrealised fair value gains or losses.

Performance Fees will be payable in cash on the anniversary dates of the issue of each tranche of Shares. Crossgate Capital may have to sell underlying assets to pay the cash element of the performance fee, if there are insufficient cash holdings.

The full details of the Performance Fee calculation, are contained within the Management Agreement, which can be found in the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554).

A simplified example of how the Performance Fee is calculated is set out below:

<b>HOW THE PERFORMANCE FEE IS CALCULATED: BASED ON AN INITIAL VALUE OF \$50 MILLION</b>			
<b>Crossgate Capital Value</b>	<b>Calculation of Performance Fee</b>	<b>Gains/ Losses after Performance Fee</b>	<b>Total Performance Fee</b>
<b>\$45 million after 1 year</b>	The Company Value is below the initial value of \$50 million.	-\$5 million (10% loss)	\$0
<b>\$55 million after 1 year</b>	The Company Value is equal to the 10% benchmark (\$55 million).	\$5 million (10% gain)	\$0
<b>\$65 million after 1 year</b>	The Company Value is above the 10% benchmark (\$55 million). The 20% Performance Fee applies to the \$10 million increase in value above the 10% benchmark.	\$13 million (26% gain)	\$2 million

## Limitation of BCM's Liability

BCM provides no warranty as to the performance, profitability or capital appreciation of any of the assets in which Crossgate Capital invests. Furthermore, BCM's liability for any loss or damage sustained by Crossgate Capital or a Shareholder as a result of its performance is limited to loss or damage due to the gross negligence, intentional fraud, dishonesty, wilful default or any action not taken in good faith, of BCM or that of its officers, employees, advisors or agents.

## Costs of Operating Crossgate Capital

Crossgate Capital has been designed to minimise operating costs as a percentage of assets. The main operating costs relates to marketing and promotion, cryptocurrency storage, share registry, research and pricing information, USX listing fees, the payment of Management Fees and Performance Fees to BCM.

## Other Operating Costs

The other main operating costs of Crossgate Capital are Directors fees (up to \$125,000 per annum), adviser fees (\$20,000 per annum per adviser), insurance (approximately \$25,000 per annum), audit services (estimated between \$20,000 and \$40,000 per annum, including anti-money laundering audits every second year), accounting services (the preparation of annual financial statements and day to day accounting requirements, which is estimated at \$20,000 per annum). Legal expenses are estimated to be \$75,000 in Year 1 and then \$25,000 per annum. It has been agreed that the legal fees incurred to bring the offer to market, which is estimated to be \$60,000, will only be payable by Crossgate Capital, when \$5m of Class A Shares are issued to investors. For the purposes of the determination of the Company Value, this cost will be considered a contingent liability and therefore excluded from the Company Value calculation until the legal invoice is received. If Crossgate Capital appoints a Custodian, there will be further expenses payable for this service.

BCM is reimbursed by Crossgate Capital for all costs and expenses reasonably incurred by BCM on behalf of Crossgate Capital which are not BCM's costs under the Management Agreement.

## GST

All fees and expenses are exclusive of GST. Under current law, some fees are wholly or partially exempt from GST. If GST is payable on any of the fees or expenses, then the GST component would be payable in addition to the fee or expense stated.

## Cash Management

The 3% plus GST (if any) Management Fee is the only regular obligation to BCM, with the Performance Fee payable only periodically to BCM provided certain performance criteria have been met.

The Board aims to maintain a prudent approach to cash management to ensure that Crossgate Capital retains enough cash to pay for short-term operating costs, including Management Fees. Beyond this, Crossgate Capital objective is to meet its operating costs from the increase in valuation of assets where a proportion could be sold to meet operating costs or through a periodic raising of new capital.

## Investing – Additional Information

Additional information regarding the management of Crossgate Capital is contained within the Management Agreement between Crossgate Capital and BCM, which can be found in the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554).

## Valuation

The Board is responsible for the valuation of the assets of Crossgate Capital. This includes valuing the assets of Crossgate Capital for the purposes of quarterly reporting, raising capital (at each and every Valuation Day) and calculating both Management Fees and Performance Fees.

It should be noted that BCM's involvement in the valuation process presents an underlying conflict as BCM's Management Fee is based on Crossgate Capital's assessed Company Value, which is directly impacted by the carrying values of Crossgate Capital's investments. BCM's Performance Fee is also based on the value of Crossgate Capital's investments. These conflicts are currently addressed by the Board by reference to the 'Related Party and Conflict of Interests' policy and by having an independent financial audit at the end of Crossgate Capital's financial year.

Crossgate Capital's Investment Valuation Policy can be found in the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554).

## Company Valuation

Company Valuation is a non-GAAP measure. The Company Valuation is used to determine the Share Price and fees to the Manager. The following mechanism will be used to determine, on a consistent basis, the Company Valuation.

- BCM will use a public exchange and / or a pricing feed which provides a global weighted average price for each cryptocurrency to determine the value of each asset, which will be converted into New Zealand Dollars at the prevailing exchange rate. If a public exchange does not provide a value for the crypto asset(s), or if for any other reason the Board determines in good faith that an alternative provider of exchange or data and research company is preferable, then that will be used. If no current pricing is available for a crypto asset, the last price will be used, unless the Board determines in good faith that another price more accurately reflects the true market price.

- income accruing from investments or a proper proportion thereof relative to the Business Day in which income is being determined to the extent such income is not included in the previous parts of this definition.

and by deducting from such aggregate the total of:

- liabilities (excluding contingent liabilities) of Crossgate Capital;
- the aggregate of any income entitlements to the extent that they have not been paid or a provision made for their payment;
- all costs, charges and other amounts incurred or accrued or which will be incurred in holding or administering the investments of Crossgate Capital or a proper proportion of any of the foregoing having regard to the Business Day on which the cost, charge or other amount is being determined in relation to the period to which it relates;
- the amount of any moneys held in respect of applications that have not been accepted or that have been rejected to the extent that such moneys have been included in the investments of Crossgate Capital;
- any provision for any expenses that BCM anticipates are or will be payable or reimbursable from Crossgate Capital, which in the opinion of BCM should be included in such aggregate for the purpose of making an equitable and reasonable determination of the Company Value of Crossgate Capital but for clarity will exclude contingent liabilities.

## Valuation Basis for Share Price

The Share price will be the value of a Share as determined by our Directors as fair and reasonable to us and existing Shareholders. While the Company Value will be a significant factor in the Directors' decision on the Share price, it will not be the only factor the Directors will consider. The Directors will also consider other factors (such as the price at which Shares are being bought and sold and the terms on which the Shares were issued) in making an assessment of what is fair and reasonable.

Noting and taking into account the above, the value of Crossgate Capital's Class A Shares as at valuation day will be based on the above Company Valuation calculation. The Company Value calculated will be divided by the number of Class A Shares on issue. For clarity, the number of Class B Shares on issue will not form part of this calculation.

For the current issue Share Price, please refer to the 'Supplementary Document - Information incorporated by reference in Product Disclosure Statement for offer of ordinary Shares in Crossgate Capital Limited', which can be located in 'Offer Documents' on the Disclose Register. Investors can also contact the Manager at any time to find out the Share Price. As advised above, a 0.5% brokerage fee per Share is payable on this Offer to BCM. This applies to the issue of new Shares and share transfers facilitated through Crossgate Capital.

The price of Class B Shares will be determined as 3% of the Company Valuation calculation, divided by the number of Class B Shares on issue.

# Valuation Basis Management Fees, Performance Fees and Quarterly Reporting

The Company Valuation mechanism will be used to determine the Company Value for the purposes of calculating both Management Fees, Performance Fees and Quarterly Reporting.

## Crypto Assets - Background

A cryptocurrency is a cryptographically secured digital token designed to work as a medium of exchange. Cryptocurrencies in its simplest form, are entries in a database that is managed and maintained by a peer-to-peer network of computers all over the world. The decentralised nature of the network prevents any one person or entity erasing or manipulating the database, without the consensus of the other peers on the network.

Investors are required to have a certain level of technological understanding in order to invest in cryptocurrency. This provides barriers to entry to access this asset. It can be challenging to navigate the ecosystem, from opening an exchange account, to sending coin transactions, to managing a private wallet for safekeeping. The use of technical computing terms can also confuse and deter many.

Despite these challenges, cryptocurrency is becoming more popular with both individuals and institutional investors. This is due to the increasing level of adoption and identification of use cases for blockchain technology which underpins cryptocurrencies.

Some advocates of blockchain technology would propose that blockchain has the potential to be revolutionary, with the potential to deliver significant real-world efficiencies across multiple industries. This distributed ledger technology creates a more efficient and trustworthy way for individuals and businesses to store information in a decentralized way.

Transactions using blockchain technology are completed directly between the relevant parties with no intermediary and with digitized information. In addition, the ability to operate 'smart contracts' which automatically trigger commercial actions based on meeting pre-determined criteria defined in the contract can dramatically streamline processes. Blockchain technology can therefore remove both time and cost from the transaction.

Other benefits include the potential to significantly reduce human error which increases data integrity. As the use of blockchain increases, this potentially has the benefit of increasing the price of cryptocurrencies, which is essentially the money used to pay for these software services.

Crossgate Capital will purchase and sell the cryptocurrencies. The Board will be responsible for overseeing the assets of the company.

For illustrative purposes, information on two crypto assets is as follows;

## Bitcoin:

Bitcoin is a digital currency that, unlike other forms of payment, is designed for the digitally connected world. It is intended as a means of payment for goods and services, and in some instances, it is considered a faster form of payment with less transaction costs. There is also an increasing number of businesses who now accept Bitcoin, as it is becoming more accepted as an online payment option.

Bitcoin works on a vast public ledger, also called a blockchain, where all confirmed transactions are included as so-called 'blocks.' As each block enters the system, it is broadcast to the peer-to-peer computer network of users for validation. In this way, all users are aware of each transaction, which prevents fraud. The process also helps blockchain users trust the system.

As the first ever cryptocurrency to be invented, Bitcoin has first mover advantage, years before other cryptocurrencies emerged. Bitcoin has significant dominance by market capitalization in the total crypto market. As the original cryptocurrency, people have often heard the name 'Bitcoin' without knowing about cryptocurrency, it therefore has major brand appeal.

## Ethereum:

Ethereum is a decentralised application platform (DApps), which allows companies to build decentralized applications on top of their blockchain and make use of Ethereum's smart contracts. Smart contracts can be created on the Ethereum blockchain to represent ownership of financial securities, deeds, intellectual property and agreements of any sort in a secure and decentralized manner. A smart contract is a self-executing contract where the terms and conditions are defined and enforced using software. These transactions are trackable and irreversible.

The speed and flexibility of Ethereum's blockchain has made it very attractive for companies or organizations looking for a robust and efficient network and blockchain. Its smart contract capabilities can offer tremendous cost and process efficiencies to companies. There has been a rapid increase in crypto assets that are utilizing Ethereum as opposed to their own blockchains. In the same way that Apps have become extremely popular, some consider DApps as the next step.

The potential use for Ethereum is significant due to its speed and efficiency. The elimination of intermediaries can also provide cost efficiencies. It has the potential to disrupt the status quo of a wide range of industries.

Ether is the cryptocurrency of the Ethereum network. When the Fund purchases Ethereum, it is actually purchasing the network's digital currency. Ether has a different use to Bitcoin, as it was not created as a cryptocurrency for financial transactions but instead as the 'fuel' powering the Ethereum blockchain. Therefore, anyone who uses their computing power to validate transactions or contributes to the development of the Ethereum blockchain may be rewarded with Ether. The increase in the demand for the network Ethereum could potentially increase the price of Ether.

## Cryptocurrency Exchange

Crossgate Capital engages with digital exchange(s) to purchase and sell the cryptocurrency. When selecting an exchange, a number of factors are considered, including;

- Security
- Liquidity
- Transactional fees
- Ability to purchase a range of assets which adhere to the investment strategy
- Transparency
- Reputation

All assets purchased will be held in the name of Crossgate Capital Limited and therefore owned by us. Crossgate Capital may elect in the future to appoint a custodian if this is considered in the beneficial interests of the Shareholders.

## Directors, Senior Managers, and individual relevant parties

### **Scott Lester (Director)**

#### **Appointed August 2018**

Scott is a qualified Chartered Management Accountant who has held senior leadership and financial positions. Scott is also a Member of the Institute of Directors.

Scott has strong governance experience and has held Directorships in both public and private entities. Scott was an Executive Director of an NZX Main Board Listed MIS fund and currently holds a Directorship in another public offer. Scott has a robust understanding of the financial sector and the regulatory landscape. In addition to general investment experience, Scott has a strong interest in digital assets. Scott's expertise also includes strategic development, governance, marketing, compliance, contract negotiations and stakeholder relations.

Scott Lester's shareholding is equivalent to a 1% shareholding in Crossgate Capital, which is based on the fully subscribed issue of Class A and B Shares.

### **Stephen Macaskill (Industry Adviser)**

Since 2012, Stephen Macaskill has been a thought leader and pioneer in the cryptocurrency space. With a decade of experience in start-ups, monetary theory, and traditional financial markets, Stephen was an early participant in the digital currency space when his precious metals company was the first in the industry to accept Bitcoin as a payment method. Through this process he realised that Bitcoin is converting analogue value to digital value, creating a new digital gold.

Stephen is CEO of Dasset, one of New Zealand's leading trading platform for digital currencies, launched in 2017. Stephen founded and runs All Things Decentral, an online retailer for cryptocurrency merchandise. Stephen is a founder, and the first President of the Blockchain Association of New Zealand, an organisation dedicated to promoting blockchain technology. Stephen has made presentations around the world on the topics of Bitcoin, blockchain technology, monetary theory, and economics.

**Clive Jimmieson (Director)**

**Appointed November 2018**

Clive has a Bachelor of Management Studies from Waikato University and is a former Chartered Accountant in the commercial arena. He has held variety of senior roles in General Management, Compliance, Finance, Marketing and Strategic planning, in both public and private businesses. Clive holds a Directorship in another public offer and was previously Head of Compliance for an NZX Main Board Listed MIS fund. Clive is also a Director of his own consulting business. Clive is a Member of the Institute of Directors.

Clive Jimmieson's shareholding is equivalent to a 1% shareholding in Crossgate Capital, which is based on the fully subscribed issue of Class A and B Shares.

**Neville Brummer (Independent Director)**

**Appointed August 2018**

Neville is a trained accountant and left the profession after qualifying to follow a career in financial, business and general management. He has held senior executive positions across a range of industries in both large international corporations and small to medium businesses.

Neville has previously held an independent Directorship of a MIS Fund which was listed on the NZX Main Board.

## Operation of Crossgate Capital

### Board Responsibilities

The Board's core responsibility is providing strong governance, approving and monitoring adherence to Crossgate Capital's investment objectives, regulatory obligations, risk management and strategy.

The Board understand the importance and are committed to good conduct and culture. Entities can have the strongest risk framework but if they do not have good conduct and culture then practices which are not in the beneficial interest of the Shareholders can still occur. Conduct and culture is a standard agenda item at each Board meeting.

Compliance is a key area of focus. The Board are familiar with and have strong understanding of Crossgate Capital's regulatory obligations, including its obligations under the Financial Markets Conduct Act 2013, the Financial Markets Conduct Regulations 2014 and the Companies Act.

Part of the Board's core responsibilities include monitoring BCM's and Crossgate Capital's performance. This involves monitoring and valuing Crossgate Capital's investment portfolio, assessing portfolio risk, adherence to the investment objectives and ensuring that expenditure by Crossgate Capital is made on a prudent and appropriate basis.

The Board is responsible for clear, transparent communications with Shareholders and other stakeholders. This includes approving the quarterly and annual reports, and conducting the annual Shareholders meeting. The Board also has the responsibility to review the policies and procedures of Crossgate Capital on an annual basis to ensure they are effective in delivering a strong governance framework.

## Indemnity and Insurance

Crossgate Capital has granted an indemnity to each of its Directors to the maximum extent permitted by the Companies Act and Crossgate Capital's constitution. BCM may put in place Directors & Officers and Statutory Liability insurance for BCM and Crossgate Capital as a managed entity of BCM. The insurance costs are split between BCM and Crossgate Capital based on the coverage for each entity.

## Governance Policies

The Board has adopted a number of policies and procedures governing Crossgate Capital. Various policy documents are contained on the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554). Governance documents can also be located at [www.crossgatecapital.co.nz](http://www.crossgatecapital.co.nz).

## Managing Conflicts

The Conflicts of Interest and Related Party Transactions Policy sets out the principles and procedures relating to the management of conflicts of interest within Crossgate Capital. This Policy applies to the Directors of Crossgate Capital and all Directors, contractors or employees of an outsource entity. This Policy has been developed in accordance with the requirements of the Companies Act, the Financial Markets Conduct Act 2013 and Crossgate Capital's related policies and procedures.

## Table of Substantial Shareholders and Of Relevant Interests Held by Directors and Senior Managers

The following table sets out the equity securities in Crossgate Capital that the Directors and the principals of BCM have an interest in prior to and following the Offer.

Name	Holding Type	Equity Type	Relevant Interest Held at the date of this PDS		Relevant Interest Held after Completion of Offer	
			Shares	% of Class B	Shares	% of Class B
<b>John Llewelyn Jackson</b>	Registered holder and beneficial owner	Class B	1,000,000	33.33%	1,000,000	33.33%
<b>Scott Daniel Lester</b>	Registered holder and beneficial owner	Class B	1,000,000	33.33%	1,000,000	33.33%
<b>Raymond Clive Jimmieson</b>	Registered holder and beneficial owner	Class B	1,000,000	33.33%	1,000,000	33.33%

Dadrew Trustees Limited and Scott Lester each hold 48 Shares, equivalent to each party holding a 40% Shareholding in BCM. Clive Jimmieson holds 24 Shares, equivalent to a 20% shareholding in BCM. Scott Lester and Clive Jimmieson are also Directors of BCM.

## Equity Securities of Crossgate Capital

Crossgate Capital currently has on issue 3,000,000 Class B Shares, which have been issued to the founding Shareholders. Crossgate Capital has 97,000,000 Class A Shares which form part of this offer. The number of Class A Shares that will be on issue following the completion of the Offer is uncertain. In order to ensure it is equitable for Class A Shareholders, the holders of Class B Shares are only entitled to;

- a 3% interest (including in relation to dividends and other distributions) in Crossgate Capital, regardless of how many Shares are on issue; and

- 3% of the total voting rights of all Shareholders in proportion to their Class B shareholding, regardless of how many Shares are on issue.

In the event of a liquidation, Class B Shares rank equally with Class A Shares.

Crossgate Capital may issue different Classes of Shares on such terms as the Board thinks fit and if the Board considers it in the beneficial interests of the Company.

## Table of Substantial Shareholders

Please refer to the Supplementary Document which can be found in the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554) for the table of substantial Shareholders.

The identity of the persons or entities which may be substantial equity holders following the completion of the Offer is uncertain. New substantial equity holders may emerge following their investment in the Offer.

## Interests of Directors and Senior Managers

As at the date of this PDS, the Directors have not received any remuneration or other benefits. The Director's will receive a Director's fee for their services.

While BCM's costs are not reported to Crossgate Capital, the intent of the brokerage fees is to cover the costs of fund raising (excluding direct marketing and promotion costs), including payment to external brokers and AML/CFT and other administrative expenses. The intent of the Management Fee is to cover the costs of BCM's work in managing Crossgate Capital.

The amount of these payments in subsequent financial years will vary with the amount of capital that Crossgate Capital raises, any changes in the value of the underlying assets and the costs incurred to operate Crossgate Capital.

The Director Fee pool is \$125,000 plus GST (if required) per annum. The Board has fixed Director Fees at \$25,000 per year for each Director and \$20,000 for industry advisers. All Directors and industry advisers are entitled to be reimbursed for all reasonable travel, accommodation and other expenses that they incur when carrying out their Board duties.

Directors and industry advisers will not be eligible for a fee until \$5 million of capital has been raised.

Interest of Directors and Senior Managers		
Name	Position	Directors Fees (\$) p/a
Neville Brummer	Independent Director	25,000
Scott Daniel Lester	Director	25,000
Raymond Clive Jimmieson	Director	25,000

Crossgate Capital does not have any employees.

## Other Material Governance Disclosures

There are no other material governance disclosures.

## Future Capital Raising Intentions

Crossgate Capital may raise additional capital from time to time to allow for the continued investment in crypto assets. New capital will also be used to meet the on-going costs of Crossgate Capital. The frequency and size of these capital raising events will depend on the following factors:

- The size of Crossgate Capital;
- The expectation regarding the performance the crypto currencies;
- The size and number of crypto assets opportunities available to Crossgate Capital;
- The amount which Crossgate Capital is able to raise in any single capital raising event;
- The price at which Crossgate Capital is able to raise capital;
- The composition of Crossgate Capital's Shareholder base;
- The sentiment of the market, both in general and towards crypto assets / venture capital / private equity-type investment; and
- The sentiment of the market towards Crossgate Capital.

As the offer draws to a close, this will impact the ability for Crossgate Capital to raise capital.

## 3. Purpose of the Offer

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### Planned Use of Funds

The purpose of this Offer is to raise money to enable us to:

- Invest in established crypto assets which have a market capitalisation of at least NZD \$500 million.
- Build a diverse portfolio of crypto assets to mitigate risk.
- Meet the operating costs of Crossgate Capital, including Management Fees, brokerage fees, Performance Fees (if any) and accounting, audit, insurance, registry, research and pricing, marketing and promotion and Director and adviser costs and other costs as incurred from time to time.

The use of the money will not change depending on the total amount that is raised.

### Minimum Amount to be Raised

There is no minimum amount which is required to be raised under this Offer.

### Offer Not Underwritten

This Offer is not underwritten by any party.

## 4. Key Dates and Offer Process

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### Key Dates

The intended key dates for the Offer are:

**Offer Closes**

2 February 2024

**Allotment of Shares From Offer**

Subsequent allotments will occur at least once monthly or at the discretion of BCM.

This timetable is indicative only and the dates may change. Crossgate Capital reserves the right to vary, extend or shorten these dates at any time before the Offer Closes.

## 5. Terms of the Offer

The table below sets out the terms of the Offer.

<p><b>What is the Offer?</b></p>	<p>The Offer is an offer of new ordinary Class A Shares in Crossgate Capital.</p> <p>Further information in respect of the Shares can be found in Section 6, <b>Key Features of the Shares</b>, on page 28 and in Crossgate Capital's constitution, which can be found in the Disclose Register at <a href="http://www.business.govt.nz/disclose">www.business.govt.nz/disclose</a> under Crossgate Capital's offer number (OFR12554).</p>
<p><b>Key Dates</b></p>	<p>This Offer opened on 6 February 2019 and closes on 2 February 2024. Crossgate Capital reserves the right to vary, extend or shorten these dates at any time before the Offer Closes.</p> <p>See Section 4, <b>Key Dates and Offer Process</b>, on page 25 for information about the key dates of the Offer.</p>
<p><b>Price</b></p>	<p>The initial Offer price for the first allotment of Class A Shares is \$1.00 per Share plus brokerage. No other brokerage or commission is payable by you under the initial Offer, and once you pay for your Shares you have no obligation to make further payments to Crossgate Capital.</p> <p>Subsequent allotments will be based on the value of Class A Shares as determined by our Directors as fair and reasonable to us and existing Shareholders plus brokerage fee of 0.5% which is payable on the value of Shares issued by Crossgate Capital and all subsequent allotments or transfer of Shares.</p> <p>While the Company Value will be a significant factor in the Directors' decision on the Share price, it will not be the only factor the Directors will consider. The Directors will also consider other factors (such as the price at which Shares are being bought and sold and the terms on which the Shares were issued) in making an assessment of what is fair and reasonable. The assumptions used by Crossgate Capital to price this Offer are set out below under the title <b>Offer Price Basis on page 27</b>.</p>
<p><b>Applications</b></p>	<p>An Application is an offer by you to subscribe for Shares on the terms and conditions set out in this PDS (including any replacement of it), on the Disclose Register (at <a href="http://www.business.govt.nz/disclose">www.business.govt.nz/disclose</a> under Crossgate Capital's offer number OFR12554) and the Application Form. By submitting an Application Form, you irrevocably agree to purchase the Shares on those terms, including the Price.</p> <p>Fractions of Shares will be rounded up or down to a whole Share at the discretion of Crossgate Capital. Any difference between the dollar amount of Shares for which you apply and the value (based on the Issue Price) of the Shares you receive solely due to rounding will be retained by Crossgate Capital.</p> <p>The minimum application is for <b>\$100</b> which includes brokerage. This minimum of <b>\$100</b> which includes brokerage, applies to subsequent applications.</p>

<p><b>Allotment of Shares</b></p>	<p>Securities Transaction Statements will be sent to all successful applicants after the Shares have been allotted.</p> <p>The share registry for Crossgate Capital is maintained by Link Market Services. Crossgate Capital may choose to use another share registrar in the future.</p>
<p><b>Crossgate Capital's Discretion Relating to the Offer</b></p>	<p>Crossgate Capital reserves the right to close the Offer early, extend the Offer, reject any Application or accept any Application in part only, without providing any reason for doing so.</p>
<p><b>Refunds</b></p>	<p>Money received in respect of Applications which are declined in whole or in part will be refunded in whole or in part (as the case may be). Refunds will be paid to unsuccessful Applicants within five Business Days after the allocation of Shares or after an Application has been declined (as applicable). Interest will not be paid on any Application Monies refunded to Applicants.</p>
<p><b>Transfer and Sale of Shares</b></p>	<p>Crossgate Capital does not intend to quote these Shares on a licensed market in New Zealand but they will be able to be traded on the Unlisted Securities Exchange (USX), a prescribed exempt financial product market in New Zealand. The website is <a href="https://usx.co.nz">https://usx.co.nz</a></p> <p>USX is not a Licensed Financial Product Market. Efficient Market Services Limited, which operates the USX, accepts no responsibility for any statement in this Product Disclosure Statement.</p> <p>Crossgate Capital also reserves the right to match Shareholders who are looking to sell their Shares with new Shareholders, at the sole discretion of the Directors. A brokerage fees of 0.5% will be payable on all transfer of Shares, facilitated through Crossgate Capital.</p> <p>You may be able to sell your Shares on the USX or facilitated through Crossgate Capital if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.</p> <p>Any sale of Shares must comply with Crossgate Capital's constitution and all applicable laws.</p> <p>Further information on trading your Shares is set out in Section 6 <b>Key Features of the Shares</b>, under the title <b>Trading your Shares</b> on page 28.</p>

## Offer Price Basis

The initial price of the Shares under the Offer is set at \$1.00 plus brokerage. After the first allotment, the share price will be determined based on the company's valuation approach. Brokerage fee of 0.5% will be payable on the value of Shares issued by Crossgate Capital and all subsequent allotments or transfer of Shares.

For the current issue Share Price, please refer to the 'Supplementary Document - Information incorporated by reference in Product Disclosure Statement for offer of ordinary Shares in Crossgate Capital Limited', which can be located in 'Offer Documents' on the Disclose Register. Investors can also contact the Manager at any time to find out the Share Price.

## 6. Key Features of the Shares

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### Key Features

Crossgate Capital has two class of Shares, Class A and Class B. Class A Shares form part of this issue and Class B Shares have been issued to the founding Shareholders. Each class of Shares carry different interests in the assets of Crossgate Capital.

In order to ensure it is equitable for Class A Shareholders;

- the holders of Class B Shares are only entitled to a 3% interest (including in relation to dividends and other distributions) in Crossgate Capital, regardless of how many Shares are on issue; and
- 3% of the total voting rights of all Shareholders in proportion to their Class B shareholding, regardless of how many Shares are on issue.

A special resolution of Shareholders will enable the removal of BCM as manager of Crossgate Capital's assets.

### Potential returns from Shares

Any gains you receive from the sale of Shares are dependent on the price you receive for the Shares, rather than the Company Value per Share of Crossgate Capital. These two values may not be the same for prolonged periods of time (e.g. the Shares may trade at a discount to the Company Value per Share) and this may affect your returns.

You are not promised any returns. The amount of returns payable to you cannot be quantified as at the date of this PDS. Neither BCM, Crossgate Capital, nor any other person guarantees the Shares or any returns.

### Dividend Policy

The Board of Crossgate Capital considers there will not be any dividend payments or other distributions made in the short to medium term. Accordingly, until that policy changes, returns on Shares will be limited to any gains you make if you sell or dispose of your Shares.

If there is a significant increase in the value of the underlying assets, the Board, at its sole discretion, may decide to sell some assets to pay a dividend. It should be noted that any future dividends are not guaranteed, will be declared at the discretion of the Directors, and will be declared only after Crossgate Capital meets appropriate solvency requirements.

The dividend policy is the same for both Class A and Class B Shares, thereby aligning the interests of all Shareholders. However, Class B Shareholders are only entitled to a dividend which equates to 3% of the total dividend payable to all Shareholders. This is regardless of the number of Shares on issue.

Crossgate Capital has not declared any dividends since it commenced operations. Crossgate Capital is the entity legally liable to pay any dividends or other distributions declared on your Shares.

## Trading Your Shares

Crossgate Capital does not intend to quote these Shares on a licensed market in New Zealand but they are listed and are able to be traded on the USX, a prescribed exempt financial product market based in New Zealand. The website is <https://usx.co.nz>

## Trading On The Unlisted Securities Exchange (USX)

The USX is a cost-efficient and simple Share trading platform for companies to provide liquidity and keep their Shareholders informed. It provides a means for existing and new Shareholders to buy and/or sell Shares in companies.

All trading on the USX occurs through approved USX brokers. If you would like to sell your Shares, please contact an approved USX Registered Broker.

The current approved brokers can be located at: <https://usx.co.nz/brokers>. Crossgate Capital or the Manager does not recommend a preferred broker.

As a company listed on the USX, Crossgate Capital has ongoing disclosure obligations. You can obtain this information free of charge by searching under Crossgate Capital's ticker code "CCL" on the USX website: <https://usx.co.nz>

## About Unlisted Securities Exchange (USX)

The USX a New Zealand based financial product market was launched in December 2003 originally trading as the Unlisted Securities trading facility. As at May 2021 the USX has facilitated in excess of 18,500 trades for 330m Shares with a value of over \$421m. The total market capitalisation has grown to approximately \$3.5b and USX issuers have raised over \$400m while listed on the market, which includes an IPO.

## Crossgate Capital

Crossgate Capital also reserves the right to help facilitate the sale of your Shares by matching the buyers and sellers of shares, at the sole discretion of the Directors. To date we have facilitated a number of trades between Shareholders. A brokerage fees of 0.5% will be payable on all transfer of Shares, facilitated by Crossgate Capital. A brokerage fee is not payable to Crossgate Capital in respect to any trades on the USX.

You may be able to sell your Shares on the USX or facilitated by Crossgate Capital, as per the above paragraph, if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares. Factors that may affect the price at which Shares are traded include the demand for Shares versus supply, the buyers' opinion that the Company Value per share is fair (or otherwise) and the investment horizon of the buyer. Any sale of Shares must comply with Crossgate Capital's constitution and all applicable laws.

The USX is not a licensed financial product market or regulated under New Zealand financial markets laws. Investors trading in securities quoted on the USX or facilitated by Crossgate Capital trade at their own risk and do not have the protections provided by Part 5 of the Financial Markets Conduct Act 2013 and the monitoring of market obligations by the Financial Markets Authority (FMA).

Efficient Market Services Limited, which operates the USX accepts no responsibility for any statement in this Product Disclosure Statement.

You will not have a right to require us to repurchase ("redeem") your Shares. Under the Companies Act, your Shares could be cancelled by Crossgate Capital through a reduction of capital, share buy-back or other form of capital reconstruction. Under certain circumstances, if your rights are affected by an action approved by a special resolution of Shareholders, you may require Crossgate Capital to purchase your Shares.

## Insolvency

You will not be liable to pay any money to any person as a result of the insolvency of Crossgate Capital, while all creditors (secured and unsecured) of Crossgate Capital will rank ahead of Shareholder claims if Crossgate Capital is liquidated. After all such creditors have been paid, any remaining assets will be available for distribution between all Shareholders who will rank equally among themselves. In the case of liquidation, there may not be sufficient surplus assets to enable you to recover all or any of your investment.

## 7. Crossgate Capital's Financial Information

These tables provide key financial information about Crossgate Capital. Full financial statements are available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose), offer number OFR12554. If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

Selected Financial Information	FY21 Audited 12 months ended 31 March 2021 \$	FY20 Audited 12 months ended 31 March 2020 \$
Revenues as determined in accordance with GAAP	50,068	0
Net profit after tax plus interest, tax, depreciation, and amortisation (EBITDA) as each of those items is determined in accordance with GAAP	(87,920)	(77,531)
Net profit after tax as determined in accordance with GAAP	(41,593)	(77,531)
Revaluation of intangible assets, net of tax	1,959,677	0
Total Comprehensive Income	1,918,084	(77,531)
Dividends on all equity securities of the issuer (showing both the total dividends for each class of equity securities and a total for all of the equity securities)	0	0
Total assets as determined in accordance with GAAP	3,624,186	167,781
Cash and cash equivalents as determined in accordance with GAAP	115,050	1,855
Deferred Tax Liabilities	715,770	0
Total liabilities as determined in accordance with GAAP	759,819	10,871
Total debt (being total interest-bearing liabilities as determined in accordance with GAAP)	0	0
Net cash flows from operating activities as determined in accordance with GAAP	115,050	1,855

## Financial Performance

Crossgate Capital will derive the majority of its revenues from the change in the recorded fair value of its investments in crypto assets. Crossgate Capital's policy and approach in respect of the valuation of its Shareholdings and its portfolio is set out in Section 5, Terms of the Offer, on page 26.

The majority of Crossgate Capital's expenses relate to payments (both paid and accrued) to BCM for management services, including Management Fees (which are paid monthly in arrears) and Performance Fees. Other costs include operational costs and marketing. Additional Management Fee and Performance Fee information can be found in Section 2, Costs of Operating Crossgate Capital, commencing from page 15.

## No Prospective Financial Information

There is no prospective financial information in this PDS. The Board has, following careful consideration and after due enquiry, concluded that the provision of prospective financial statements would be likely to mislead or deceive potential investors with regard to particulars that are material to the Offer. The Board believes that it is not practicable to formulate reasonable assumptions on which to base prospective financial statements.

The principal issue facing the Board in respect of forecast prospective financial information relates to the significant challenges of being able to accurately forecast the value of crypto assets over a relevant time frame. The values of crypto assets are highly volatile, have experienced significant gains and losses and therefore this makes forecasting difficult.

In addition, Crossgate Capital does not know the portfolio mix and the amount and timing of any investment.

Given the inability to reliably determine reasonable assumptions for the periods covered by prospective financial information, the Board is of the view that any prospective financial statements would be likely to mislead or deceive potential investors in a material manner because actual revaluation gains for that period could be materially different from that forecast.

The objective is to provide investors with long term capital growth. However, there is also the risk of a partial or full loss of any capital invested.

## 8. Risks to Crossgate Capitals Business and Plans

### Risk Overview

You should regard your investment in Crossgate Capital as a long-term commitment with no guarantee of any return or liquidity. This means you may not be able to sell your Shares when you want to, or you may be able to sell but not at a price you regard as fair. It also means you may not receive any dividends.

The Directors expect that an investment in Crossgate Capital is likely to exhibit higher risk and volatility compared to other investments. However, in addition to potential losses, individual crypto assets have the potential to provide rapid gains and deliver significant returns to Crossgate Capital Shareholders.

**Investment in Crossgate Capital is by its nature not suitable for all investors.**

**We recommend you seek professional financial advice before making any investment decision.**

### Material Risks

Risk	Loss of value due to the poor performance or failure of one or more crypto assets
<b>Nature of risk</b>	Crossgate Capital invests in crypto assets, which is a high risk, highly volatile new asset class. This risk carries higher risks than most other investment types. If one or more crypto assets performs poorly or fails, then the value of the respective investment may be partially or completely lost. This will lower the value of our Assets and will negatively impact the Share value. It may also impact the ability of Crossgate Capital to meet its operating expenses.
<b>Magnitude and Likelihood</b>	The magnitude will depend on the specific crypto asset and the level of investment assigned to that asset. We consider it 'possible' that this circumstance might arise. If this circumstance were to arise, the impact on our financial position or performance and our ability to achieve our objectives would be 'moderate' to 'severe', depending on the number of crypto assets affected and the extent of the impact. This means that we classify the concentration risk as medium to high.
<b>Mitigation</b>	When selecting investments for Crossgate Capital, the Board will only invest in crypto assets which have a market capitalisation of at least NZD \$500 million. In the event that a crypto asset's market capitalisation drops below this threshold for six consecutive months (or earlier if the Board consider it is in the beneficial interests of Shareholders), then the Board will exit this cryptocurrency and reinvest in another crypto asset. The Board may also exit an asset if there is a material change to the underlying protocol. The Board will regularly write down or increase the value of the crypto assets according to the valuation method. Writing down, or impairing, the value of the investments lowers (but cannot eliminate) the risk of a sudden loss of value.

**Risk**      **Irrevocability of transactions and loss or destruction of private keys**

**Nature of Risk**      Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred assets may be irretrievable. As a result, any incorrectly executed transactions would adversely affect Crossgate Capital’s assets. The loss or destruction of a private key which is required to access the cryptocurrency may be irreversible. This could result in the partial or full loss of Crossgate Capital’s assets.

**Magnitude and Likelihood**      We consider it 'possible' that this circumstance might arise. If this circumstance were to arise, the impact on our financial position or performance and our ability to achieve our objectives would be 'moderate' to 'severe', depending on the value of the transaction and the extent of the impact. This means that we classify the risk as medium to high. This could result in the partial or full loss of Crossgate Capital’s assets.

**Mitigation**      By engaging with specialist crypto exchanges and /or specialist entities that focus on storage of cryptocurrencies in addition to introducing effective operational and risk controls we attempt to mitigate this risk. Crossgate Capital will undertake assurance reviews to ensure the exchanges continue to operate in accordance with best practice techniques.

**Risk**      **Risk of security breaches**

**Nature of Risk**      There is a risk that some or all of Crossgate Capital’s assets could be lost, stolen or destroyed as a result of security breaches, computer malware and computer hacking attacks. This could result in the partial or full loss of Crossgate Capital’s assets.

**Magnitude and Likelihood**      We consider it 'possible' that this circumstance might arise. If this circumstance were to arise, the impact on our financial position or performance and our ability to achieve our objectives would be 'moderate' to 'severe', depending on the severity of the attack and the extent of the impact. This means that we classify the risk as medium to high. This could result in the partial or full loss of Crossgate Capital’s assets.

**Mitigation**      The majority of digital currency deposits are stored in multi-signature cold storage. The exchanges will be subject to compliance assurance reviews by Crossgate Capital.

Risk	High concentration of investments in one sector gives greater exposure to risk and volatility
<b>Nature of Risk</b>	Crossgate Capital will hold the majority of its investments in crypto assets. This means that Crossgate Capital is heavily exposed to the volatility of this new asset class. Several factors may affect the price of this sector, including: the total number of cryptocurrency in existence; global demand; global supply; cyber theft, maintenance and development of the protocol networks; increased competition from other forms of cryptocurrency or payments services; global or regional political, regulatory, economic or financial events and situations; expectations that the value of the crypto assets will soon change; and fees associated with processing transactions. This volatility may decrease confidence in this asset class.
<b>Magnitude and Likelihood</b>	We consider it 'possible' that this circumstance might arise. If this circumstance were to arise, the impact on our financial position or performance and our ability to achieve our objectives would be 'moderate' to 'severe', depending on the extent of the impact. This means that we classify the risk as medium to high. This could result in a material reduction in the value of Crossgate Capitals investments and therefore reduce the share price.
<b>Mitigation</b>	Crossgate Capital has a deliberate strategy to invest in more established assets which may have less risk than new entrants to the market or assets which have a lower market capitalisation. Crossgate Capital is only permitted to invest in assets with a market capitalisation of at least NZD \$500 million, at time of purchase. The Board will not react to short term volatility but will exit an asset if it drops below the market capitalisation threshold for six consecutive months (or earlier if the Board consider it is in the beneficial interests of Shareholders). The Board may also exit an asset if there is a material change to the underlying protocol.

Risk	Uncertainty about the valuation of crypto assets
<b>Nature of Risk</b>	Crossgate Capital invests in crypto assets which are not traded on public markets. There is risk that the investments in those assets are valued incorrectly. Crossgate Capital may overpay when purchasing the asset on the exchange, leading to a later write-down in the value of the investment and thus the value of the portfolio. If the exchange is incorrectly pricing the assets, this may result in a systematic overvaluation of some or all of the portfolio.
<b>Magnitude and Likelihood</b>	We consider it 'possible' that this circumstance might arise. If this circumstance were to arise, the impact on our financial position or performance and our ability to achieve our objectives would be 'moderate' to 'severe', depending on the extent of the over valuation.
<b>Mitigation</b>	BCM will be operating a control process at valuation day to ensure that the asset valuation is reasonable. BCM will use another readily available valuation source for the assets, to ensure that the price charged by the exchange is reasonable and reflects fair value.

**Risk**      **The loss or the poor performance of key people**

**Explanation**      BCM is a boutique manager meaning it has a small team. Crossgate Capital relies on BCM for strong governance and when required the abilities of industry advisers to make good investment decisions. The departure of any Crossgate Capital board member could impact on the performance of Crossgate Capital if we were unable to recruit a suitable replacement. This is particularly significant for Crossgate Capital because when you invest with us, you will be putting your trust in the ability of our Directors, advisers and management team who have wide discretion to select and manage investments that they consider will enable us to provide returns to our Shareholders.

**Magnitude and Likelihood**      We consider it 'unlikely' that this circumstance might arise in respect to the Board as a number of Directors are Shareholders in the company and therefore incentivised to deliver on the potential of Crossgate Capital. We consider that it is 'possible' that an industry adviser may depart which would have a significant impact, specifically on new investments.

**Mitigation**      In the event of poor performance of BCM's principals, the Board has the ability to remove BCM (either via the Management Agreement (for cause) or by way of Shareholder vote) and could appoint a new manager to manage the on-going holding of Crossgate Capital's existing investments. The Board will attempt to build a network of industry advisers, to mitigate the risk of a departure of an industry adviser.

**Risk**      **Potential regulatory developments**

**Explanation**      The regulatory framework of cryptocurrency remains unclear and application of existing regulations and/or the introduction of new regulations may have a significant impact on the value of cryptocurrency and could adversely affect the share price.

**Magnitude and Likelihood**      We consider it 'likely' that this circumstance might arise in respect to a change in the regulatory environment. The magnitude could be severe if regulation prohibits crypto assets. Alternatively, regulating cryptocurrencies could be positive and it might even help advance the digital currency market by making this asset class more acceptable to institutional investors and retail investors.

**Mitigation**      The Board will monitor the performance of the crypto market and assess the impact of any regulatory changes on its investment portfolio.

Risk	Lack of adoption of blockchain technology
<b>Explanation</b>	The lack of adoption of blockchain technology may have a negative significant impact on the value of cryptocurrency and could adversely affect the share price. Blockchain developers are relatively few and far between; the growth of many crypto related projects has been limited by the difficulty of finding qualified individuals. Secondly, there remain many technical issues that need to be resolved, the most notable of which is scaling. Blockchain networks are still not capable of handling the high transaction volumes that could rival that of large industries and financial institutions.
<b>Magnitude and Likelihood</b>	We consider it 'likely' that this circumstance might arise. The magnitude could be severe if over the medium to long term blockchain technology is not adopted by governments, financial institutions and industry.
<b>Mitigation</b>	The Board monitors the sector to understand how the industry is progressing and the impact on its investment portfolio. Crossgate Capital is only permitted to invest in assets with a market capitalisation of at least NZD \$500 million, at time of purchase. These assets may have more developers and are further advanced than less established assets.
Risk	Cash requirements to meet its operating expenses.
<b>Explanation</b>	If Crossgate Capital does not continue to raise sufficient capital or is unable to sell investment assets and raise sufficient cash then it may not be able to meet its operating costs. This would have an impact on the solvency of the company if it is unable to meet liabilities as and when they fall due.
<b>Magnitude and Likelihood</b>	We consider it 'possible' that this circumstance might arise. The magnitude could be severe if Crossgate Capital is unable to raise funds or sell assets to meet expenses.
<b>Mitigation</b>	The Board and Manager monitors the cashflow requirements of Crossgate Capital to address liquidity concerns. Crossgate Capital plans to maintain cash holdings to meet the expenses of the Fund. Assuming cash holdings, this precludes the requirements to sell assets.
Risk	Foreign Exchange Risk
<b>Explanation</b>	When cryptocurrencies are purchased or sold, the acquisition cost or sales proceeds received may be subject to foreign exchange risk. When the assets held by Crossgate Capital are valued they are converted into New Zealand dollars and therefore subject to foreign exchange risk.
<b>Magnitude and Likelihood</b>	We consider it 'possible' that this circumstance might arise. The magnitude could be severe if there was a significant movement in the value of the New Zealand dollar.
<b>Mitigation</b>	Crossgate Capital will not hedge against currency exposure. Where possible, it may consider the timing by which a crypto asset is sold to take into account a favourable exchange rate. However, this mitigation is limited in scope and is only possible if there is no immediate requirement to transfer the crypto assets into cash.

## Materiality

The risks set out in this section are not exhaustive and only reflect the risks which the Board considers to be material, and those that are likely to significantly increase the risk to Crossgate Capital's financial position, financial performance and plans.

## Personal Circumstances

These risks and this PDS in general do not take into account your own personal circumstances, financial position or investment requirements. Before making a decision to apply for Shares, you should consult your financial adviser.

## 9. Tax

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### Tax

Tax can have significant consequences for investments and can affect your return from the Shares.

If you have any queries relating to the tax consequences of the investment, you should obtain professional advice on those consequences.

## 10. Where You Can Find More Information

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### Disclose Register

Further information relating to Crossgate Capital and the Shares (for example, Crossgate Capital's constitution and financial statements) is available on the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554). A copy of the information on the Disclose Register is available on request to the Registrar.

### Companies Office

Further information relating to Crossgate Capital is also available on the public register of the Companies Office. This information can be accessed on the Companies Office website at [www.business.govt.nz/companies](http://www.business.govt.nz/companies) under Crossgate Capital's company number (6950493).

### Website

Various policy documents and other information on Crossgate Capital can be found on Crossgate Capital's website at [www.crossgatecapital.co.nz](http://www.crossgatecapital.co.nz).

### Shareholder Communications

Each year an annual report is produced to disclose the investments made during the year and assessments of the value of our Assets and the Company Value of Crossgate Capital. The annual report will be delivered to Shareholders electronically not less than ten working days before each annual Shareholder meeting, which is held before the end of September each year.

Each quarter we report to Shareholders on the investment portfolio and provide a general update on progress. Specifically, we report, where possible, on new crypto assets that we have invested in during the period and on any major changes in the status of crypto assets that have impacted the overall value of Crossgate Capital. Ad hoc updates are also issued when we make significant investments, or when investments achieve significant milestones.

While we will endeavour to keep costs down and efficiency high by using electronic means to communicate, we also provide written copies of material to any investors who request this service.

## 11. How to Apply

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### Before You Apply

If you are considering purchasing Shares in Crossgate Capital under the Offer outlined in this PDS, we believe it will be prudent for you to undertake the following steps prior to submitting your Application.

- Read this PDS and the Supplementary Document;
- Read the additional information available on the Disclose Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) under Crossgate Capital's offer number (OFR12554); and
- Take financial, taxation and other advice from an expert.

**Investment in Crossgate Capital is by its nature not suitable for all investors.**

**We recommend you seek professional financial advice before making any decision to invest in the Shares.**

### How to Apply for Shares in the Offer

You can apply for Shares in the Offer as follows:

- You may apply on-line at [www.crossgatecapital.co.nz/apply](http://www.crossgatecapital.co.nz/apply); or
- You may fill in the Application Form at the end of this PDS and return it to Crossgate Capital.

For both of the application methods outlined previously, you must also make full payment for the Shares and provide any necessary documents required by us under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and the FATCA /Common Reporting Standards (if required).

Your Application must be accompanied by full payment for the total value of Shares applied for. This can be paid by one-time direct credit- or, one-time direct debit,

More information on the application process can be found accompanying the Application Form on page 45 of this PDS.

If you require any further information or assistance with the application process, please email [info@crossgatecapital.co.nz](mailto:info@crossgatecapital.co.nz) or [info@bluemont.co.nz](mailto:info@bluemont.co.nz).

### Application Charges

You are not required to pay any charges or fees to BCM or Crossgate Capital in relation to the Offer other than brokerage, which is included in the Price for each Share you subscribe for.

The costs of the Offer will be assumed by BCM, who will be paid, as brokerage, which is payable on the value of Shares issued by Crossgate Capital and all subsequent allotments or transfer of Shares under the Offer. This brokerage fee arrangement between Crossgate Capital and BCM is an on-going arrangement and applies to most capital raising events undertaken by Crossgate Capital. Further information regarding the brokerage fee can be found in Section 2, Costs of Operating Crossgate Capital, commencing from page 15.

## Anti-Money Laundering Requirements

Crossgate Capital is required to comply with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. Crossgate Capital will use electronic verification as our primary means of vetting new investors in the Offer and will seek the permission of new investors to undertake verification of certain personal information as part of the application process. BCM will contact you if we cannot verify your identity by electronic means in order to obtain certified identification documents that meet our compliance requirements.

If we are unable to satisfactorily complete our verification process, we will not be able to allot you the Shares which you have applied for.

## Common Reporting Standard/ FATCA

Crossgate Capital is required to comply with the due diligence requirements of the FACTA (US) and Common Reporting Standard by Inland Revenue. As a Reporting New Zealand Financial Institution, Crossgate Capital will collect information regarding an Applicant's tax residency and Tax Identification Number(s) (in New Zealand this is an Applicant's IRD number). This information may be shared with Inland Revenue as required.

## 12. Contact Information

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### Crossgate Capital Limited

Crossgate Capital Limited  
The Directors  
5 Akaroa Street  
Parnell  
Auckland 1052  
Telephone: 0800 378 489  
Email: [info@crossgatecapital.co.nz](mailto:info@crossgatecapital.co.nz)  
Website: [www.crossgatecapital.co.nz](http://www.crossgatecapital.co.nz)

### Bluemont Capital Management Limited

Bluemont Capital Management Limited  
The Directors  
5 Akaroa Street Parnell  
Auckland 1052  
Email: [info@bluemont.co.nz](mailto:info@bluemont.co.nz)  
Telephone: 0800 378 489

### Share Registrar

Crossgate Capital's Share Register is administered by Link Market Services.  
Link Market Services  
Level 30, PwC Tower  
15 Custom Street West  
Auckland 1010  
Email: [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)  
Telephone: 09 375 5998

## 13. Glossary of Terms

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Term	Definition
\$	New Zealand dollar
<b>Applicant(s)</b>	A person(s) who submits an Application Form(s) under the Offer
<b>Application Form</b>	The form required to apply for Shares in Crossgate Capital as set out in this Product Disclosure Statement. A copy of the Application Form can be obtained by emailing <a href="mailto:info@crossgatecapital.co.nz">info@crossgatecapital.co.nz</a> or by visiting <a href="http://www.crossgatecapital.co.nz/apply">www.crossgatecapital.co.nz/apply</a>
<b>Application Monies</b>	The funds required to accompany an Application in order for Shares to be purchased
<b>Application(s)</b>	Completed Application Forms returned to Crossgate Capital along with full payment
<b>Assets</b>	All of Crossgate Capital's assets, before the deduction of any liabilities
<b>ASX</b>	Australian Stock Exchange
<b>BCM or Manager</b>	Bluemont Capital Management Limited, the investment manager of Crossgate Capital
<b>Board</b>	The Board of Directors of Crossgate Capital
<b>Closing Date</b>	2 February 2024 or such other date as determined by Crossgate Capital
<b>Companies Act</b>	Companies Act 1993
<b>Crossgate Capital</b>	Crossgate Capital Limited
<b>Cryptocurrency</b>	A cryptocurrency (or crypto currency) is a digital asset designed to work as a medium of exchange that uses strong cryptography to secure financial transactions, control the creation of additional units, and verify the transfer of assets.
<b>Disclose Register</b>	The register that contains information about the Offer. This information can be found at <a href="http://www.business.govt.nz/disclose">www.business.govt.nz/disclose</a> under Crossgate Capital's offer number 12554
<b>EBITDA</b>	Earnings before Interest, Tax, Depreciation and Amortisation
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GST</b>	Goods and Services Tax

<b>Term</b>	<b>Definition</b>
<b>High Water Mark</b>	The highest Company Value per Class A Share for which a Performance Fee has been previously paid. No subsequent Performance Fee is payable until the Company Value per Class A Share exceeds the High-Water Mark and the Performance Fee will only be paid in relation to increases above the previous High-Water Mark. This ensures that BCM is not paid a Performance Fee for gains that make up for previous periods of poor performance.
<b>IPO</b>	Initial Public Offering
<b>Management Agreement</b>	The agreement dated 25 January 2019 between Crossgate Capital and BCM
<b>Management Fee</b>	The management fee paid to BCM under the Management Agreement.
<b>Company Value Per Share</b>	Company Value per share is determined by taking the gross asset value of the Fund, deducting all liabilities of the Fund and income earned but not distributed and dividing the result by the number of Class A Shares on issue. This is a non-GAAP measure.
<b>NZX</b>	NZX Limited, the operator of the New Zealand Stock Exchange
<b>Offer</b>	The offer of Shares under this Product Disclosure Statement
<b>PDS</b>	This Product Disclosure Statement together with the supplementary document is taken to be the Product Disclosure Statement
<b>Performance Fee</b>	Amounts payable to BCM tied to the positive performance of Crossgate Capital as set out in the Management Agreement and on pages 12 of this Product Disclosure Statement
<b>Portfolio Assets</b>	The crypto assets that Crossgate Capital has invested in.
<b>Price</b>	The price at which the Shares may be bought under the Offer. The first allotment was at \$1.00 (plus brokerage) and subsequent allotments will be determined by the Directors. A brokerage fee of 0.5% will be payable on the value of Shares issued by Crossgate Capital and all subsequent allotments or transfer of Shares.

<b>Term</b>	<b>Definition</b>
<b>Share</b>	<p>A fully paid ordinary share in Crossgate Capital.</p> <p>There are two class of Shares, Class A and Class B.</p> <p>Class A Shares form part of this offer</p> <p>Class B Shares have been issued to the founding Shareholders.</p> <p>Shares issued under this Offer rank equally with each other and also equally with all existing Shares in Crossgate Capital. The Shares have equal voting rights.</p>
<b>Shareholder</b>	Holder of one or more Shares in Crossgate Capital
<b>Supplementary Document</b>	Information incorporated by reference in the Product Disclosure Statement
<b>Tax Identification Number</b>	An identifying number used for tax purposes. In New Zealand, an individual's Tax Identification Number is their IRD number
<b>Unlisted Securities Exchange or USX</b>	The share trading platform operated by Efficient Market Services Limited
<b>Valuation Day</b>	The day on which the Shares are issued. The valuation day will also include the wind-up of Crossgate Capital (if applicable).
<b>We, us, our</b>	The Company or BCM, as the context requires.

## 14. Crossgate Capital Application Form

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### **General**

Applications for Shares in Crossgate Capital may be lodged from the opening date of the Offer. The Offer closes on 2 February 2024. Crossgate Capital reserves the right to vary, extend or shorten these dates at any time before the Offer Closes.

An Application must be completed in full and may be rejected if any details are not entered or it is otherwise incorrectly completed. Crossgate Capital reserves the right to treat any Application as valid or to decline any Application, in whole or in part, in its sole discretion and without giving any reasons. Crossgate Capital's decision as to whether to reject the Application, or to treat it as valid (and then how to construe, amend or complete the Application Form) will be final.

An application will constitute an irrevocable offer by the applicant to subscribe for the investment amount as specified on the Application Form on the terms set out in the Product Disclosure Statement ("PDS") the Constitution and the Application Form.

By submitting an Application Form, Applicants agree to be bound by the terms and conditions of the PDS, this Application Form and the Constitution. No person accepts any liability or responsibility should any person attempt to sell or otherwise deal with the Shares before the statements confirming allotments are received by the Applicants for the Shares.

### **A = Investor Type**

Select your Investor Type by ticking the relevant box. Your Investor Type determines the information Crossgate Capital is required to request from you. We may require additional information and/or documentation from you in order to complete your application.

### **B = Investor Details and Information**

Insert your full name(s) as appears in your Drivers Licence or Passport , physical residential address and telephone numbers. Applications must be in the name(s) of natural persons, companies or other legal entities.

Use the table below to see how to write your name correctly.

Type of Investor:	Correct way to write Name:	Incorrect way to write Name:
Individual person	JOHN DAVID SMITH	J SMITH
More than one person	JOHN DAVID SMITH MICHELLE ANNE SMITH	J & M SMITH
Company	ABC LIMITED	ABC
Trusts	JOHN DAVID SMITH (JOHN SMITH FAMILY A/C)	SMITH FAMILY TRUST
Partnerships	JOHN DAVID SMITH MICHAEL DAVID SMITH (JOHN SMITH AND SONS A/C)	JOHN SMITH & SONS
Clubs and unincorporated associations	JANE ANNE SMITH (SMITH INVESTMENT CLUB A/C)	SMITH INVESTMENT CLUB
Superannuation funds	JOHN SMITH LIMITED (SUPERANNUATION FUND A/C)	JOHN SMITH SUPERANNUATION FUND

By supplying your mobile phone number you will enable the Registry, Link Market Services, to advise you by TXT Alerts (post allotment) of any changes on your holding balance, or if your bank account details or address on register change, or if a new / replacement FIN has been requested. This feature provides additional security to you as an investor.

#### **C = Common Shareholder Number (CSN)**

If you have other investments registered under a Common Shareholder Number ("**CSN**") please supply your CSN in the space provided. The name and address details on your Application Form must correspond with the registration details under that CSN. If you do not provide a CSN it will be deemed that you do not have a current CSN and a new CSN and Authorisation code (FIN) will be allocated.

#### **D = Electronic investor correspondence**

By supplying your email address, the Fund will be able to deliver your investor correspondence to you electronically where possible. This is a much more environmentally friendly, cost effective and timely option than paper based investor mail outs.

#### **E = Provide your IRD number**

Please enter your IRD number and confirm if you are/are not a tax resident of New Zealand. If you are exempt from RWT, please tick the exempt box and attach a photocopy of your RWT exemption certificate. An IRD number is required per Investor

#### **F = Application Payment Details**

Please enter the NZ\$ amount for the Shares you wish to apply for.

Brokerage Fee: When Shareholders subscribe for Shares, they will be charged brokerage fee of 0.5% payable on the value of Shares issued by Crossgate Capital and all subsequent allotments or transfer of Shares.. The fee is payable to Bluemont Capital Management Limited when the Shares are allotted. The fee is not payable if the Shares are not allotted. The brokerage fee and share subscription amount must be paid at the same time. Should you wish to set up a reinvestment

savings program (RSP) please complete the section with the amount and the frequency of the reinvestment amount. The Reinvestment amounts will be for Fortnightly, Direct Debited from your account on the 1<sup>st</sup> and 3<sup>rd</sup> Mondays of the month with allotment of Shares generally scheduled on the Wednesday of the same week. For Monthly reinvestments the Direct Debit will be completed on the 3<sup>rd</sup> Monday of the month with allotment of Shares generally scheduled on the Wednesday of the same week. At any time you can stop the reinvestment program by contacting Crossgate Capital via email or our Registrar Link Market Services or through your online Account at Link Market Services. A Schedule of the Direct Debit dates can be found at <https://www.crossgatecapital.co.nz/investorinformation>

#### **OPTION 1:**

**If you choose the direct debit option** you hereby **authorise the Registrar to direct debit your bank account** by providing the nominated bank account on the Application Form, **on the day the Application Form is received by the Registrar**, for the Investment / Reinvestment Savings program Amount applied for on the Application Form. The bank account must be with a **New Zealand registered bank**. You cannot specify a direct debit date and you must ensure that

- the bank account details supplied are correct
- the application funds in the bank account for direct debit are available on the **day the Registrar receives the Application Form** and with Reinvestment, as detailed above on the First and 3<sup>rd</sup> Mondays of the month.
- the person(s) giving the direct debit instruction has/have the authority to operate the account solely/jointly; and
- the bank account you nominated is a transactional account eligible for direct debit transactions (usually Cheque accounts). If you are uncertain you should contact your bank.

**Should your direct debit fail, we will contact you to ascertain the next steps. Your Application will be placed on hold until the Direct Debit is successfully completed or the application cancelled.** If requested, a direct debit authority form will be provided to you by the Registrar. Refer to the contact details on the application form.

#### **OPTION 2:**

By Direct credit in New Zealand dollars to the Crossgate Capital Limited Applications Account. The account number is 01-0505-0422890-66. Please use your name as a reference. The Direct Credit should be made at the same time as the application is submitted. Refunds will be paid to unsuccessful Applicants within five Business Days after the allocation of Shares or after an Application has been declined (as applicable). Interest will not be paid on any Application Monies refunded to Applicants. This option is not available for the Reinvestment Savings Program

#### **G = Identity Verification**

Crossgate Capital is a reporting entity under the Anti Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT). Where possible, we identity verification electronically against the NZTA database for driver licence holders and/or the DIA database for New Zealand passports and New Zealand birth certificates. We also attempt to confirm your address using the NZTA Motor Vehicle Register, LINZ land registry database, Whitepages database, Equifax Database or Centrix credit bureau database.

**By providing your information, you consent for us to query these databases.**

Should your verification fail, common reasons include because you have recently moved house, have various addresses for registration, or your identity documents have expired. Alternately, you can provide certified copies of necessary documents by ticking the box "I don't have a New Zealand Passport or Driver's Licence and/or I will provide certified copies of identity documents". In either of these situations the Registrar will contact you to assist with next steps.

### **H = Entity (Trust & Corporate) Applicants - Additional Information Required**

If you are submitting this application on behalf of an Entity (Trust or Corporate investor type), please complete this section by providing a short description and proof of the source of funds/wealth used for this investment. Additionally, if you are a Trust applicant, attach a certified true copy of the trust deed to this application. Additional information will be required relating to Trustees and the Registrar will notify you of this.

### **I = Tax Status**

Crossgate Capital is required as part of its OECD Common Reporting Standards (CRS) and Foreign Account Tax Compliance Act (FATCA) compliance obligations to confirm if you are or are not a tax resident in another country.

In the case of joint applications, please complete for all joint applicant(s).

### **J = Entity (Trust & Corporate) Applicants – Additional Information Required**

If you are submitting this application on behalf of an Entity (Trust or Corporate applicant), please confirm the tax residency of the entity and all Controlling Persons (Controlling Persons include all Directors, significant Shareholders (25% or more), trustees, settlors, beneficiaries). We may require additional information and/or documentation from you in order to meet the requirements of the Automatic Exchange of Information requirements. The Registrar will notify you if we require anything further.

### **K = Signing and Dating**

Read the PDS and Application Form carefully and then sign and date the Application Form.

The Application Form must be signed by the Applicant(s) personally, Trustee (acting on behalf of all Trustees) or by two Directors of a company (or one Director if there is only one Director, whose signature must be witnessed), or in either case by a duly authorised attorney or agent.

All joint Applicants must sign the Application Form.

### **L = Completed by Attorney**

If the Application Form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney in Section M of the Application Form.

### **M = Completed by an Agent**

If the Application Form is signed by an agent, the agent must complete the certificate of non-revocation of agent in Section N of the Application Form.

**CROSSGATE CAPITAL LIMITED**

**INITIAL OFFER APPLICATION FORM**

This application form (**Application Form**) is issued with the Product Disclosure Statement dated 22 July 2021 (**PDS**) for an offer of Shares (**Offer Shares**) in Crossgate Capital Limited (**Crossgate Capital**) issued by Crossgate Capital.

You should read the PDS in full before completing the Application Form. A copy of the PDS and other useful information about the Offer may also be obtained from [www.crossgatecapital.co.nz](http://www.crossgatecapital.co.nz). Capitalised terms used in this Application Form have the meanings given to them in the PDS.

Please complete this Application Form and arrange payment to be received by the Registrar, Link Market Services Limited.

**For instructions on how to complete and deliver this form see the accompanying application instructions.**

**A INVESTOR TYPE – WHAT TYPE OF INVESTOR ARE YOU?**

**INDIVIDUAL**

**JOINT**

**CORPORATE**

**TRUST**

**CHILD** (Applications must be made in the name of parent(s) or legal guardian(s))

**INVESTOR DETAILS AND INFORMATION - PLEASE PRINT IN BLOCK LETTERS**

**█** (Name as appears on Drivers Licence or Passport)

<b>Investor 1:</b>			
First Name(s):		Family / Corporate Name:	
<b>Investor 2:</b>			
First Name(s):		Family / Corporate Name:	
<b>Investor 3:</b>			
First Name(s):		Family / Corporate Name:	
Trust / Child Name or <<On Account>>:			
Residential Address (Not PO Box). If address different for each investor please note separately			
Mobile phone	For each investor	Daytime phone:	

**C COMMON SHAREHOLDER NUMBER (CSN)**

If you currently have a CSN, please enter it here:

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Your details on this Application Form must match the details on your CSN. Otherwise, if you do not have a CSN, leave the boxes blank and you will be allocated a new CSN and Authorisation code (FIN).

**D ELECTRONIC INVESTOR CORRESPONDENCE**

Supplying your email address, you authorise Crossgate Capital and Link Market Services to deliver your investor correspondence to you electronically where possible and inform you about products offered by the Link & Crossgate Capital. We recommend this as a more environmentally friendly, cost-effective and timely option than paper-based investor mail outs.

**E IRD NUMBER / RWT EXEMPTION**

**IRD number:** Two IRD numbers are required in respect of a joint application. For a company, trust or other entity, please provide the entity IRD number. (NEED IRD FOR EACH APPLICANT)

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Is the Applicant a NZ tax resident?

Yes

No

**Exempt** - please tick this box if you hold an RWT exemption certificate from IRD, attach a copy of your RWT exemption certificate

**F INITIAL INVESTMENT and APPLICATION PAYMENT – IMPORTANT**

Applications must be in whole dollar amounts. Crossgate Capital may accept or reject all or part of this application without giving reason. Minimum investment is \$100

Investment Amount (inclusive of brokerage fee of 0.5% payable on the value of Shares issued by Crossgate Capital):

\$	
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**REINVESTMENT APPLICATION AMOUNT – IMPORTANT**

Applications must be in whole dollar amounts with a minimum of \$100

Investment Amount (brokerage fee of 0.5% will be payable on the value of Shares issued by Crossgate Capital applies):

\$	
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**REINVESTMENT FREQUENCY – IMPORTANT**

Tick the applicable box;

Fortnightly Reinvestment

One off Lump Sum Reinvestment

Monthly Reinvestment

Fortnightly deductions are the 1<sup>st</sup> and 3<sup>rd</sup> Monday of each month and monthly on the 3<sup>rd</sup> Monday

Select ONE of the PAYMENT options below.

**OPTION 1: Direct Debit**

By providing your bank account details below, you are authorising the Registrar to direct debit my/our bank account for the Investment amount applied for (or any lesser amount as determined by Crossgate Capital). The Registrar will direct debit from the bank account provided below on the date this Application Form is received. Please check your bank account details supplied are correct and is eligible for direct debit transactions. Note any refunds/ repayments will only be made to this Account.

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**NEW ZEALAND DOLLAR BANK ACCOUNT DETAILS FOR DIRECT DEBIT AND/OR DIRECT CREDIT OF FUTURE DISTRIBUTION PAYMENTS:**

**Note: Bank Account must accept Direct Debits – Cheque accounts are generally acceptable, savings accounts typically are not)**

Name of Bank \_\_\_\_\_

Name of Account: \_\_\_\_\_

**OPTION 2: Direct Credit**

By Direct credit in New Zealand dollars to the Crossgate Capital Limited Applications Account. The account number is **01-0505-0422890-66**. Please use your name as a reference. The Direct Credit should be made at the same time as the application is submitted. Refunds will be paid to unsuccessful Applicants within five Business Days after the allocation of Shares or after an Application has been declined (as applicable). Interest will not be paid on any Application Monies refunded to Applicants.

**G IDENTITY VERIFICATION**

Crossgate Capital is a reporting entity under the Anti Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT). Where possible, we conduct identity verification electronically. By providing information below, you consent for us to complete identity verification electronically, using an external third-party provider. Should your verification fail, the Registrar will call or email you to assist with next steps.

**PLEASE PROVIDE DETAILS OF ALL APPLICANTS AND AUTHORISED PERSONS\* BELOW.**

**\*NOTE -For Entity (Trust & Corporate) applicants this includes:**

**Trust** applicants - this includes Settlers, Trustees, Authorised Persons & Beneficial owners. Beneficial owners of a trust may include a beneficiary of the trust, and any other individual who has effective control over the trust, specific trust property, or the power to amend the trust deed, or remove or appoint trustees or one or more of the beneficiaries of the trust. If there are more than three persons please note in the same format on a separate document and attach to the application

**\* NOTE Corporate** applicants – this includes all Directors.

<b>Investor / Authorised Person / Director 1: (Name as appears on Drivers Licence or Passport)</b>			
First & Middle Name(s):		Family Name:	
Residential address (not PO Box):			
Phone inc. Area Code:		Email:	
Role (e.g. Trustee/Director):		Date of Birth:	
<b>Complete details for at least one of the following rows:</b>			
NZ Drivers Licence number:		NZ Drivers Licence version:	
NZ Passport number:		Passport expiry date:	
<input type="checkbox"/> I don't have a New Zealand Passport or Driver's Licence and/or I will provide certified copies of identity documents. (We will be in touch to discuss next steps)			

<b>Investor / Authorised Person / Director 2: (Name as appears on Drivers Licence or Passport)</b>			
First & Middle Name(s):		Family Name:	
Residential address (not PO Box):			
Phone inc. Area Code:		Email:	
Role (e.g. Trustee/Director):		Date of Birth:	
<b>Complete details for at least one of the following rows:</b>			
NZ Drivers Licence number:		NZ Drivers Licence version:	
NZ Passport number:		Passport expiry date:	
<input type="checkbox"/> I don't have a New Zealand Passport or Driver's Licence and/or I will provide certified copies of identity documents. (We will be in touch to discuss next steps)			

<b>Investor / Authorised Person / Director 3: (Name as appears on Drivers Licence or Passport)</b>			
First & Middle Name(s):		Family Name:	
Residential address (not PO Box):			
Phone inc. Area Code:		Email:	
Role (e.g. Trustee/Director):		Date of Birth:	
<b>Complete details for at least one of the following rows:</b>			
NZ Drivers Licence number:		NZ Drivers Licence version:	
NZ Passport number:		Passport expiry date:	
<input type="checkbox"/> I don't have a New Zealand Passport or Driver's Licence and/or I will provide certified copies of identity documents. (We will be in touch to discuss next steps)			

## **H** ENTITY (TRUST & CORPORATE) APPLICANTS - ADDITIONAL INFORMATION REQUIRED

### Source of Wealth

Please provide details of main source of funds used for this investment and attach supporting documentation:

E.g. Wages/Salary, Inheritance, Business earnings, Sale of Property or Business etc.

TRUST APPLICATIONS: PLEASE ATTACH A CERTIFIED TRUE COPY OF THE TRUST DEED TO THIS APPLICATION

## **I** TAX STATUS

Crossgate Capital is required as part of its Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) compliance obligations to confirm if you are or are not a tax resident in another country.

### **Investor/ Authorised person / Director 1**

I confirm:

I am only a tax resident in New Zealand **OR**

I am a tax resident of one or more countries other than New Zealand and I have listed these below.

**Country of tax residence 1      Country of tax residence 2      Country of tax residence 3**

**List all countries of tax residence (other than NZ):**

**List Tax Identification Number (TIN):**

**OR Reason if TIN is not provided:**

	<b>Country of tax residence 1</b>	<b>Country of tax residence 2</b>	<b>Country of tax residence 3</b>

**Investor / Authorised person / Director 2**

I confirm:

I am only a tax resident in New Zealand **OR**

I am a tax resident of one or more countries other than New Zealand and I have listed these below.

**Country of tax residence 1      Country of tax residence 2      Country of tax residence 3**

**List all countries of tax residence (other than NZ):**

**List Tax Identification Number (TIN):**

**OR Reason if TIN is not provided:**

	<b>Country of tax residence 1</b>	<b>Country of tax residence 2</b>	<b>Country of tax residence 3</b>

**Investor / Authorised person / Director 3**

I confirm:

I am only a tax resident in New Zealand **OR**

I am a tax resident of one or more countries other than New Zealand and I have listed these below.

	Country of tax residence 1	Country of tax residence 2	Country of tax residence
List all countries of tax residence (other than NZ):			
List Tax Identification Number (TIN):			
OR Reason if TIN is not provided:			

**ENTITY (TRUST & CORPORATE) APPLICANTS – ADDITIONAL INFORMATION REQUIRED**

Is the Entity, or are any of the Controlling Persons of the Entity, resident for tax purposes in a country other than New Zealand? (Controlling Persons include all Directors, significant Shareholders (25% or more), trustees, settlors, beneficiaries etc.).

E.g. name and type of "controlling person" (if not the Company), tax residency of controlling person/company, Tax Identification Number (TIN)

We may require additional information and/or documentation from you in order to meet the requirements of the Automatic Exchange of Information requirements. We will notify you if we require anything further.

**SIGNATURE(S) OF APPLICANT(S)**

I/We hereby acknowledge that I/we have received and read the PDS and Supplementary Document, including the Application Instructions, and apply for the New Zealand dollar amount of Shares set out above and agree to accept such Shares (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the PDS, the Constitution and this Application form.

All Applicants on the Application Form must sign.

Date:

## **L SEND APPLICATION FORM TO LINK MARKET SERVICES;**

<p><b>Crossgate Capital Offer</b> c/- Link Market Services Limited PO Box 91976, Auckland 1142 New Zealand</p>	<p><b>Or deliver to:</b> <b>Level 11, Deloitte Centre,</b> <b>80 Queen Street,</b> <b>Auckland 1010, New Zealand</b> <b>Investor phone number: +64 9 375 5998</b></p>
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### **TERMS AND CONDITIONS**

By submitting this Application Form, I/we agree that I/we:

- a) have received, read and understood the PDS and Supplementary Document.
- b) agree to subscribe for Shares upon and subject to the terms and conditions of the PDS, this Application form, the Constitution, and I/we agree to be bound by the provisions thereof.
- c) declare that all details and statements made by me/us in this Application Form are complete and accurate.
- d) certify that, where information is provided by me/us in this Application Form about another person, I/we are authorised by such person to disclose the information to Crossgate Capital and the Registrar.
- e) acknowledge that an application cannot be withdrawn or revoked once it has been submitted.
- f) warrant that I/we received this offer in New Zealand and I/we are eligible to participate in the offer. I/we agree to indemnify Crossgate Capital, and their respective Directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred by any of them as a result of me/us breach that warranty or the selling restrictions described in the PDS.

This Application Form, the Offer and any contract arising out of its acceptance are each governed by New Zealand law. Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, you may be required to produce evidence of your identity. I/we agree that my/our financial adviser may provide Crossgate Capital and its agents any information it has received (in connection with this Offer or previously) to satisfy any such obligations.

The information in this Application Form is provided to enable Crossgate Capital and the Registrar to process your application, and to administer your investment. By signing this Application Form, you authorise Crossgate Capital and the Registrar to disclose information in situations where Crossgate Capital or the Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. Personal information provided by you will be held by Crossgate Capital and the Registrar at their respective addresses as provided in the PDS or at such other place as is notified upon request. This information will be used for the purpose of managing your investment. If you are an individual under the Privacy Act 1993 (or any further enactment thereof), you have the right to access and correct any of your personal information. You can also access your information on the Link website ([www.linkmarketservices.co.nz](http://www.linkmarketservices.co.nz)). You will be required to enter your CSN and Authorisation code (FIN).

**M CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY:**

*(Complete this section if you are acting on behalf of the Applicant on this Application Form for whom you have power of attorney)*

[.....]  
*(full name)*

of [.....]  
*(place and country of residence),*

[.....]  
*(occupation),*

CERTIFY:

- THAT by deed dated [.....]  
*(date of instrument creating the power of attorney),*

[.....]  
*(full name of person/body corporate which granted the power of attorney\*\*)*

appointed me

[.....]  
*(his/her/its attorney;*

- THAT I have executed the application for Shares printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
- THAT I have not received notice of any event revoking the power of attorney.

Signed at [.....]

**N CERTIFICATE OF NON-REVOCATION OF AGENT:**

*(Complete this section if you are acting as Agent on behalf of the Applicant on this Application)*

[.....]  
*(full name)*

of [.....]  
*(place and country of residence),*

[.....]  
*(occupation),*

CERTIFY:

- THAT by the agency agreement dated [.....]  
*(date of instrument creating the agency),*

[.....]  
*(full name of person/body corporate which appointed you as agent\*\*)*

appointed me [.....]  
*(his/her/its) agent;*

- THAT I have executed the application for Shares printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
- THAT I have not received any notice or information of the revocation of my appointment as agent.

Signed at [.....] this [.....], day of [.....]  
*(month/year)*

Signature of agent [.....]

*\*\* If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.*