INVESTMENT POLICY FRAMEWORK

Argosy has a Clearly Defined Investment Framework

Argosy is, and will remain, invested in a portfolio that is diversified by sector, location and tenant mix. The Investment Strategy is unchanged and Argosy's portfolio will continue to consist primarily of Core and Value Add properties.

Core

Core properties are well constructed, well located assets which are intended to be long-term investments of more than 10 years. The Core properties target is between 75% to 90% of the portfolio by value. Core properties are well located with strong long-term generic demand, a leasing profile that provides for rental growth of at least CPI and good structural integrity with minimal maintenance capital expenditure required.

Value Add

Value Add properties are assets which, through skilled asset management, can increase future earnings and provide capital growth. Value Add properties will already be well located with the potential for strong long-term tenant demand. These properties are available for near to medium-term repositioning or development with the view to moving into the Core category.

Investment Policy

The Investment Policy clearly defines what properties Argosy will seek to own by setting the boundaries within which it will operate and invest. It delivers a clear acquisition checklist and every potential acquisition (and portfolio asset) can be measured against that checklist.

In some cases, a portfolio of assets may be considered for acquisition. The strategy for a potential portfolio acquisition must be consistent with the overall Argosy Portfolio Investment Strategy (i.e. the majority by value of the properties either are Core or offer potential to move to Core in the medium-term).

In certain circumstances, exceptions to the Investment Policy may be considered where an acquisition is made to meet the requirements of a valued tenant.

The Investment Policy target bands remain unchanged. By portfolio value, the Industrial target is 45-55%, Large Format Retail is 10-20% and the Office target is 30-40%.

Geographical weightings are unchanged with the Auckland target 65-75% and Wellington target 20-30%. The allocation of 5% to the Golden Triangle area between Auckland, Tauranga and Hamilton is also unchanged. This weighting sits within the Regional North Island and South Island band of 10%. As at 31 March 2021, Argosy was operating within the parameters of its Investment Policy.

Argosy's diversified portfolio of quality properties has an average value of $36.6 million. This allows the Company to react quickly to changing economic or property market conditions. Liquid properties, which are properties that could potentially be under contract within a short period currently represent approximately 23% of the portfolio or $462 million.

Capital Management

The optimal capital structure for Argosy is one that enables it to maximise its earnings yield through the property cycle within the following parameters:

- properties can be acquired when they meet the approved Investment Policy criteria, or sold when they are non Core;
- there are no forced sales of properties or a requirement to issue equity at a price that is dilutive to shareholders;
- measured dividend growth is maintained.

Argosy's debt-to-total assets ratio target band remains at 30-40%. This band allows Argosy flexibility to react to changing financial and property market conditions. Any movement beyond pre-set parameters requires an action plan and timeframe to move debt levels to within the prescribed range.

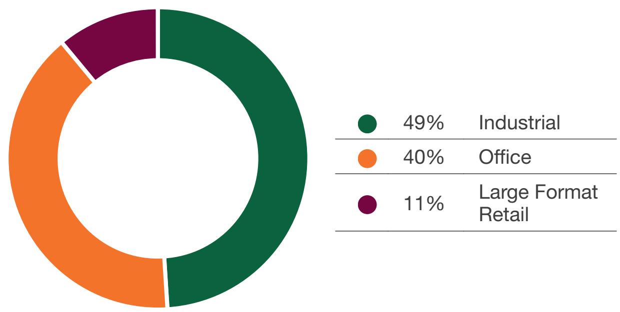
Risk Management

Argosy strives to deliver reliable and attractive returns to shareholders. It takes a considered approach to development, acquisition, divestment, leasing and capital management decisions, reflecting its proposition to shareholders as a yield-based investment.

Argosy has a robust risk assessment process. Risk assessment reviews are carried out by a representative cross-section of Argosy's management team at least twice a year in accordance with Argosy's risk management framework. A risk assessment review has three phases: identification of material risks arising from Argosy's operation; assessment of the probability and consequences of the risk; and development of controls to achieve a level of residual risk that is within Argosy's risk appetite.

Argosy generally operates within a medium/low overall risk range. Argosy has a low risk appetite for risks associated with managing developments and Value Add projects and compliance matters.

Portfolio Mix by Sector



> Our investment policy underpins our strategy of creating a green, resilient and diversified portfolio."

Peter Mence
CHIEF EXECUTIVE OFFICER