



MIDLANDS
MORTGAGE TRUST

GROUP INVESTMENT FUND

REPLACEMENT PRODUCT DISCLOSURE STATEMENT (PDS)
OFFER MADE BY FUND MANAGERS CENTRAL LIMITED OF INTERESTS IN
MIDLANDS MORTGAGE TRUST GROUP INVESTMENT FUND

Dated: 15 August 2017

Replacing Product Disclosure Statement dated 5 December 2016

1. KEY INFORMATION SUMMARY

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Fund Managers Central Limited ("Manager") will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of the Manager and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?:

Name of Fund	Midlands Mortgage Trust Group Investment Fund ("MMT GIF")						
Brief description of the MMT GIF and its investment objective	The MMT GIF holds cash deposits with registered banks and loans secured by first mortgages over land and buildings in New Zealand. The investment objective is to provide investors with returns better than New Zealand registered commercial banks' 1 year term deposit rates						
Risk indicator	← Potentially lower returns			Potentially higher returns →			
	1	2	3	4	5	6	7
	← Lower risk			Higher risk →			
See Section 4 (What are the risks of investing?) on page 6 of this document for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk you can seek financial advice or work out your risk profile at https://www.sorted.org.nz/tools/investor-kick-starter . There is a risk that an investor may lose some or all of their investment.							
Fees for the MMT GIF							
MMT GIF charges	Estimated to be 2.16% per annum of the MMT GIF net asset value plus GST						
Withdrawal fees (these are payable by individual investors and not from the MMT GIF)	2% of the amount withdrawn during the first year of investment and 1% of the amount withdrawn during the second year of investment. These fees are deducted from the amount repaid to investors. There is no withdrawal fee for investors who withdraw after their second year of investment. These fees are chargeable at the option of the Manager. In the current environment it is the policy of the Manager not to charge these fees.						

Who Manages the MMT GIF?

Fund Managers Central Limited is the manager of the MMT GIF.

See Section 7 (Who is involved?) on page 11 of this document for information about who is involved with the MMT GIF.

What are the returns?

Returns from the MMT GIF are in the nature of interest. Net interest earned by the MMT GIF is distributed to investors either in cash or by the issue of additional units on a quarterly basis. See Section 2 (How does this investment work?) on page 3 for more information.

How can you get your money out?

Your investment is redeemable on written notice to the Manager. Generally withdrawals will be actioned within a week of the Manager receiving the redemption request. See Section 2 "Withdrawing your investments".

The Manager can suspend redemptions if financial, political or economic conditions (as more particularly described under the heading "Withdrawing your investments" on page 5) warrant this. With the agreement of the Supervisor, the Manager can determine to give effect to redemptions either by instalments over a period approved by the Supervisor or in total at the expiry of a period approved by the Supervisor. See Section 2 (How does this investment work?) on page 3 for further details.

Your investment in the Midlands Mortgage Trust Group Investment Fund cannot be sold or transferred to anyone else.

How will your investment be taxed?

The MMT GIF is not a portfolio investment entity. Further information about how your investment will be taxed may be found in Section 6 (What taxes will you pay?) on page 13 of this document.

Where can you find more key information?

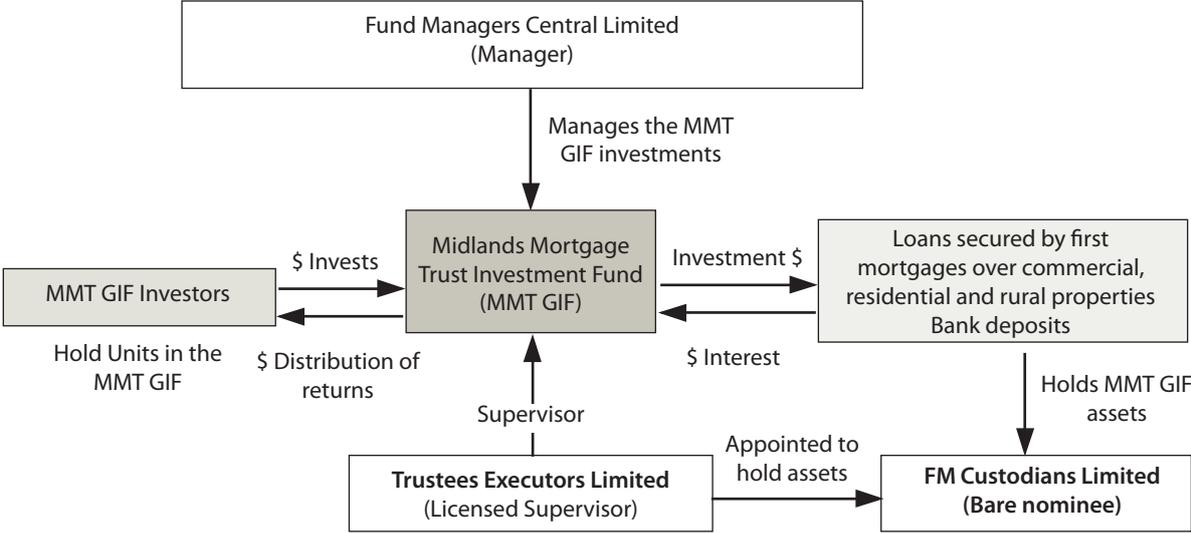
The Manager is required to publish quarterly fund updates for the MMT GIF. The fund updates show the returns, information on aspects of the loans, liquidity information and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.companiesoffice.govt.nz/disclose; Offer number OFR11409 and on the Manger's website www.midlandsmortgagefund.co.nz. The Manager will also give you copies of those documents on request.

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2. HOW DOES THIS INVESTMENT WORK?

Significant features of the Midlands Mortgage Trust Group Investment Fund

The following diagram shows how the MMT GIF works and the relationship between the parties involved.



Investors will acquire and hold units in the MMT GIF. Units are issued at the unit value on the business day before the business day on which the application for units is received. The unit price is the MMT GIF value divided by the number of units on issue. The MMT GIF value is, in summary, the aggregate of cash and the market value of non-cash assets, less the aggregate of undistributed MMT GIF income, reserves and liabilities. MMT GIF income may be used to replenish or increase reserves which may reduce distributions to investors.

The above valuation method may cause the unit price to alter. At the date of this document the unit price is 92 cents.

Because the MMT GIF is a pooled investment vehicle investors' risk is spread across cash and the whole mortgage portfolio. This gives investors a more diversified exposure to the property market than investing directly in a single property loan. Accordingly, if there is a poor return or loss of loan principal on any one mortgage loan, the impact is spread across the whole mortgage portfolio and may be less likely to have a significant effect on the returns earned on investors' investments or the value of units in the MMT GIF, when compared with an investment in a single loan.

Distributions

Net interest distributions on units, (being the net income earned on the MMT GIF's investments after the payment of tax, fees, expenses and any retentions to reserves) fund are paid out to investors quarterly on, or within, 60 days of the distribution period to which it relates. At the date of this document distributions are paid on 1 April, 1 July, 1 October and 1 January or, if that is not a business day, on the next following business day.

Distributions of income are in cash unless an investor has requested that their interest entitlement is distributed to them by the issue of additional units and the Manager has accepted that request. Such requests must be submitted to the Manager in writing not less than 30 days prior to the expiry of the relevant distribution period.

If an investor's interest entitlement is less than \$25 then the Manager may allocate that income entitlement by the issue of additional units irrespective of whether the investor has elected to receive interest in that manner.

Legal structure

The MMT GIF is a trust established under the Trustee Companies Act 1967 by a trust deed dated 1 October 2004 between Trustees Executors Limited ("Supervisor") and the Manager as varied by deed dated 21 August 2007 and a deed of amendment and restatement dated 22 November 2016 ("Trust Deed").

No assets of the MMT GIF are available to be applied to meet the liabilities of any other fund or scheme.

Making Investments

Investments in the MMT GIF's units can be made by completing the application form that accompanies this document and submitting that form to the Manager with the required payment. Initial investments in the MMT GIF must be in a minimum amount of \$500. Subsequent investments in the MMT GIF, whether by standing monthly application or by a one-off lump sum application, must be made to the Manager for a minimum amount of \$100.

The Manager reserves the right to reject any application (in whole or in part) without giving reasons.

Withdrawing your investments

To withdraw from the MMT GIF an investor must complete a Withdrawal Notice (available from the Manager). Subject to its right to suspend or defer withdrawals, the Manager must ensure that within 90 business days after receipt of the Withdrawal Notice, the investor is paid the withdrawal amount in respect of the units referred to in the Withdrawal Notice.

A Withdrawal Notice:

- may not be given for fewer than 100 units (or the whole amount of an investor's investment, if fewer than 500 units); and
- may not be given if it would cause an investor to hold fewer than 500 units

In practice, withdrawals are normally actioned within one week of receipt, so it is usual, but not assured, that withdrawals will be actioned within 5 business days of receipt of the withdrawal request.

If, by reason of financial, political or economic conditions applying in respect of any financial market, the nature of an investment or the occurrence of any other circumstance relating to the MMT GIF, units specified in a Withdrawal Notice cannot be redeemed, then the Manager may suspend withdrawals.

If a Withdrawal Notice or a series of withdrawal notices is received in respect of the same holding of units within a period of 3 months and relate to more in total than 5% of the number of units on issue and the Manager and the Supervisor both agree that it is in the best interests of all investors to defer immediate redemption of the total units requested then the units may be redeemed by instalments over a period approved by the Supervisor or redeemed in total at the expiry of a period approved by the Supervisor.

Other than a transmission of a units in the MMT GIF to the executors or administrator of a deceased investor or a transfer by operation of law to any person having authority to administer the estate of a mentally disordered person and to any person becoming entitled to units in consequence of the death, bankruptcy or liquidation of any investor, units in the MMT GIF are not transferable without the written consent of the Manager and then subject to such terms and conditions as the Manager may in its discretion impose.

3. DESCRIPTION OF YOUR INVESTMENT OPTION

Name of Fund	Midlands Mortgage Trust Group Investment Fund
Summary of Investment Objective and Investment Strategy	<p>The investment objective is to provide investors with an income return at a level which is better than with New Zealand registered commercial banks' 1 year term deposit rates.</p> <p>The MMT GIF has agreed the following investment parameters with the Supervisor:</p> <ul style="list-style-type: none"> Cash held at one or more registered banks – 5% to 20% of the value of the MMT GIF; Residential first mortgage lending – 10% to 75% of the value of the MMT GIF; Commercial first mortgage lending – 15% to 75% of the value of the MMT GIF Rural first mortgage lending – no minimum and a maximum of 50% of the value of the MMT GIF <p>(see also investment policies below)</p>
Risk Category	<p>The MMT GIF has a risk category 3.</p> <p>See Section 1 (Key Information Summary) on page 1 of this document for the MMT GIF's risk indicator and Section 4 (What are the risks of investing?) on page 8 of this document for information on understanding the risk indicator.</p>
Minimum suggested timeframe for holding the investment	<p>2 years. This is because mortgage lending terms are generally 18 months to 3 years, so this time frame generally aligned with the MMT GIF's underlying investments. Also, no withdrawal fees are payable on withdrawals after 2 years from initial investment.</p>
Investment Policies	<p>The MMT GIF invests in loans secured by first mortgages of land and buildings in New Zealand, within defined lending ratios. The MMT GIF also invests in deposits with registered banks.</p> <p>The lending policy of the Manager in relation to the mortgage lending is to establish and maintain a broad range of mortgage investments. The Manager aims to maintain a mortgage portfolio with a mix of mortgage types, interest rates, maturity dates and physical locations of the mortgaged properties. The target investment mix (by secured property type) is set out above.</p> <p>The mortgage loan portfolio is geographically spread. Please refer to the latest fund update for more details of the geographical spread. The loans are generally made at a floating interest rate.</p>

Investment Policies (continued)	<p>The policy of the Manager in relation to investing in deposits with New Zealand registered commercial banks is to have a mixture of on call deposits and terms deposits (with maturities of up to 6 months).</p> <p>The MMT GIF has lending limits, based on the amount of the loan when compared with the value of the mortgage security property ("LVR") at the time of loan approval, as follows:</p> <table border="1" data-bbox="603 412 1385 981"> <thead> <tr> <th data-bbox="603 412 863 495">RESIDENTIAL MORTGAGES</th> <th data-bbox="863 412 1123 495">COMMERCIAL MORTGAGES</th> <th data-bbox="1123 412 1385 495">RURAL MORTGAGES</th> </tr> </thead> <tbody> <tr> <td data-bbox="603 495 863 831">Fee simple land and buildings: up to 75% LVR</td> <td data-bbox="863 495 1123 831">Fee simple land and buildings: up to 66.7% LVR</td> <td data-bbox="1123 495 1385 831">Fee simple: up to 60% LVR Property used for dairy farming (fee simple): up to 66.67% LVR provided collateral security is obtained over co-operative shares</td> </tr> <tr> <td data-bbox="603 831 863 902">Leasehold: up to 50% LVR</td> <td data-bbox="863 831 1123 902">Leasehold: up to 50% LVR</td> <td data-bbox="1123 831 1385 902">Leasehold: up to 50% LVR</td> </tr> <tr> <td data-bbox="603 902 863 981">Vacant land: up to 50% LVR</td> <td data-bbox="863 902 1123 981">Vacant land: up to 50% LVR</td> <td data-bbox="1123 902 1385 981">Vacant land: up to 50% LVR</td> </tr> </tbody> </table>	RESIDENTIAL MORTGAGES	COMMERCIAL MORTGAGES	RURAL MORTGAGES	Fee simple land and buildings: up to 75% LVR	Fee simple land and buildings: up to 66.7% LVR	Fee simple: up to 60% LVR Property used for dairy farming (fee simple): up to 66.67% LVR provided collateral security is obtained over co-operative shares	Leasehold: up to 50% LVR	Leasehold: up to 50% LVR	Leasehold: up to 50% LVR	Vacant land: up to 50% LVR	Vacant land: up to 50% LVR	Vacant land: up to 50% LVR
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Vacant land: up to 50% LVR	Vacant land: up to 50% LVR	Vacant land: up to 50% LVR											
Changes to investment policy	<p>The MMT GIF's statement of investment policies and objectives ("SIPO") may only be amended by agreement between the Manager and the Supervisor. Any changes to the SIPO will be notified to investors by the Manager and details will be available at www.companiesoffice.govt.nz/disclose: Offer number OFR11409.</p>												

Further information about the assets in the fund can be found in the fund updates at www.companiesoffice.govt.nz/disclose: Offer number OFR11409.

4. WHAT ARE THE RISKS OF INVESTING?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

The following is an example risk indicator. See Section 1 (Key information summary) on page 1 of this document for the filled in risk indicator of the MMT GIF.

← Potentially lower returns	Potentially higher returns →
1 2 3 4	5 6 7
← Lower risk	Higher risk →

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the MMT GIF's assets go up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at <https://www.sorted.org.nz/tools/investor-kick-starter>.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading 'Other specific risks') that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the annualised returns data for the 5 year period ending 31 March 2017, being the most recently completed quarter as at the date of this document. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for this MMT GIF on the Disclose Register www.companiesoffice.govt.nz/disclose by searching under the issuer's name.

General investment risks

Some of the things that may cause the MMT GIF's value to move up and down, which affect the risk indicator, are:

Borrower default

A borrower may default by not paying interest instalments when due or by failing to pay the loan balance at the end of the loan term.

Borrower default has the following potential consequences:

- Negative cash flow impact (meaning returns on units may be less or there may be no returns);
- Need to enforce the security held, including a sale of the property at a mortgagee sale. The sale price achieved on a mortgagee sale is often less than on an "open market" sale and may be less than the loan amount.

However, as the MMT GIF lends only on first mortgage securities, it will rank first in returns from any mortgagee sale.

Property sector risks

The MMT GIF secures loans against residential, commercial and rural properties. Each of those property sectors has its own risks. A downturn in one or more of these sectors may have an adverse effect on the financial performance of the MMT GIF.

Where a loan is secured against a tenanted commercial property, an economic downturn could mean the tenants in that security property are unable to meet rental payments, consequently reducing the borrower's income (available to meet interest on borrowing from the MMT GIF) and so increasing the chance of borrower default. Rural lending will be impacted by rural commodity prices. Where rural commodity prices fall, the income earned by a borrower operating in the rural sector will likewise fall and borrower default is more likely. The converse is true where rural commodity prices increase. Residential lending will be impacted upon by general economic conditions and other factors influencing supply and demand such as migration, local employment and property zoning.

In addition, a fall in property values may mean that security margins are lessened and the loan could exceed the value of the property.

Concentration risk/Geographic risk

Major shareholders of the manager are associated with three law firms in Hawera, Waipukurau and Hastings. Although these law firms have clients based more widely, most of these investors are geographically concentrated in these areas. Conditions peculiar to one of those regions or firms or the withdrawal of one of those firms from participation in the manager could lead to significant redemption requests. Despite the Manager's ability to suspend redemptions for up to 90 days, such a run of withdrawal requests could have significantly adverse financial effects on an investor's investment

The mortgage loan portfolio is geographically spread throughout (principally) the North Island of New Zealand, with loan concentrations in Auckland and Hawkes Bay regions. Any significant downturn in those property markets (causing an erosion of loan security margins) could have an adverse effect on the MMT GIF

Development lending risk

The MMT GIF may, on occasion, lend for property development. The MMT GIF's lending criteria generally includes requiring that construction costs are locked in with a fixed price building contract, that the building contractor is reputable and satisfactory to the MMT GIF, and that the borrower has sufficient experience and sources of funding to complete the development. Failure to complete a development can mean that the incomplete development fails on sale to achieve the amount of loan funding advanced on it.

Land value risk

There are risks associated with lending on the security of a property with a high unimproved land value. The MMT GIF may also, on occasion, lend on the security of entirely bare or undeveloped land. The unimproved land value component is exposed to risks associated with changes of zoning that could adversely affect value. In addition, in the case of natural disasters involving damage to land, there may be no adequate compensation or available insurance for the loss of the unimproved land value. This risk is mitigated by placing limits on the bare land lending conducted in the MMT GIF.

Other specific risks

Liquidity

There is a risk that the MMT GIF will not have sufficient liquid assets to meet withdrawal requests.

The ability of the MMT GIF to redeem units is dependent on the amount of cash and other liquid assets held by the MMT GIF. The MMT GIF invests in loans secured by mortgages which, by their nature, are illiquid. If there are requests to redeem units having an aggregate redemption amount in excess of available cash and other liquid assets (and the Manager is not able to sell part of the MMT GIF's mortgage loan portfolio in a timely fashion), the Manager may need to suspend redemptions or require that redemptions are by instalments until cash reserves are increased.

The Manager has agreed with the Supervisor to maintain at least 5% of the net asset value of the MMT GIF in cash deposits and other liquid assets. The Manager has however targeted liquidity of 7.5% of the net asset value of the MMT GIF.

Higher levels of liquid assets result in lower returns from the MMT GIF since interest rates on liquid assets are less than interest rates on mortgage loans.

Other than the risks referred to under the heading "General Investment Risks" (and which are reflected in the risk indicator) and the potential liquidity risk referred to above the Manager is not aware of any specific factors that exist or are likely to arise that significantly increase the risk of returns to investors.

Soft closing / Suspension of Withdrawals

The MMT GIF was adversely affected in late 2007 by the global financial crisis and its impact on the New Zealand property sector and investor confidence. This affected the financial position of borrowers from the MMT GIF and the value of security properties.

In view of the high level of arrears, in December 2008 the Manager did not then renew the MMT GIF's prospectus and on 29 November 2011 the Manager advised the Supervisor that, due to the increased level of impaired loans in the MMT GIF, the Manager considered the previous price of \$1 for the units was no longer supported.

The Manager also elected to suspend withdrawals from the MMT GIF in December 2011.

By March 2013 the Manager had reduced the level of arrears to a point where it was comfortable that withdrawals could recommence and a new prospectus could be issued. Accordingly, on 15 March 2013 withdrawals recommenced at the then prevailing unit price of 90 cents per unit and on 19 March 2013 a new prospectus was registered. The unit price has since risen, and units are issued at 92 cents, as at the date of this document.

Further suspension of withdrawals could occur with a global financial crisis similar to the 2007 one.

5. WHAT ARE THE FEES?

You will be charged fees for investing in the Midlands Mortgage Trust Group Investment Fund. Fees are deducted from your investment and will reduce your returns. The fees you pay will be charged in two ways –

“regular” charges (for example annual MMT GIF charges). Small differences in these fees can have a big impact on your investment over the long term;

“one off” fees (for example early withdrawal fees).

Total Annual Fund Charge (TAFC)	<p>Estimated to be 2.16% plus GST per annum of the net asset value of the MMT GIF plus GST. This is calculated by aggregating the Manager’s fees, the Supervisor’s fees and estimated administration charges.</p>
Manager’s basic fee	<p>1.75% per annum of the net asset value of the MMT GIF plus GST (if any). The Manager’s Fee is calculated daily and paid quarterly in arrears out of the MMT GIF’s assets. The Manager’s Fee is included in the TAFC and is the remuneration to which the Manager is entitled for the provision of management services to the MMT GIF.</p>
Other management and administration charges	<p>The Manager and the Supervisor have agreed that the Manager is entitled to a fee of 50% of the default interest collected from borrowers in default. For the avoidance of doubt, if default interest is not collected from the borrower, no fee is paid to the Manager.</p> <p>0.15% per annum of the net asset value of the MMT GIF up to \$50 million, 0.10% per annum of the net asset value of the MMT GIF up to \$100 million and thereafter 0.08% of the net asset value of the MMT GIF (but with a minimum fee of \$50,000) plus GST (if any) is payable to the Supervisor, as a Supervisor’s fee. The Supervisor’s fee is calculated daily and paid quarterly in arrears out of the MMT GIF’s assets. The Supervisor’s fee is included in the TAFC and is the remuneration to which the Supervisor is entitled for the provision of trustee and supervisor services to the MMT GIF.</p> <p>Administration charges are also payable by the fund. These include audit, bank charges, cost of communication to investors, legal and professional fees and includes fees paid to the Supervisor for loan settlement transactions and execution of documents.</p> <p>The exact amount of administrative expenses is unknown in advance and the fee is therefore estimated to be 0.26% plus GST, based on historic rates.</p>
Withdrawal Fees (Individual action charges)	<p>2% of the amount withdrawn during the first year of investment and 1% of the amount withdrawn during the second year of investment. The fees may be deducted from the amount paid back to investors and are paid to the Manager. However, the Manager has elected (in the current economic environment under which there are many potential investors) not to charge these fees.</p> <p>There is no withdrawal fee for investors who withdraw after their second year of investment.</p>

There is no performance fee in relation to the MMT GIF.

An investor may be charged other fees on an individual basis for investor specific decisions or actions. Further information about this may be found in the MMT GIF’s SIPO, a copy of which is available in the online register.

Example of how fees apply to an investor

An investor invests \$10,000 in the Midlands Mortgage Trust Group Investment Fund. He is not charged an establishment fee. He is not charged a contribution fee. This brings the starting value of his investment to \$10,000. He is charged management and administration fees which work out to about \$216 or 2.16% of \$10,000. These fees might be more or less if his account balance has increased or decreased over the year. Over the next year, the investor may pay other charges (being the early withdrawal fee of 2% of the amount withdrawn during the first year of investment).

Estimated total fees for the first year

- Individual action fees: Early withdrawal fee of 2% of amounts withdrawn during the first year of investment.
- Fund Charges: \$216 (estimated).

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

If you are considering investing in other funds or investment options, this example may not be representative of the actual fees you may be charged.

The fees can be changed

The Manager's fee and the Supervisor's fee may change by agreement between the Supervisor and the Manager. The withdrawal fees payable by investors during the first two years of investment can only be changed by amendment of the trust deed establishing the MMT GIF.

The Manager must publish a fund update for the MMT GIF showing the fees actually charged during the most recent year. Fund updates, including past fund updates, will be available at www.companiesoffice.govt.nz/disclose: Offer number OFR11409.

6. WHAT TAXES WILL YOU PAY?

Tax can have significant consequences for investments. If an investor has queries relating to the tax consequences of the investment, the investor should obtain professional advice on those consequences.

The MMT GIF is a designated group investment fund under the Trustee Companies Act 1967. For New Zealand tax purposes the MMT GIF is treated as a trust and taxed accordingly under the Income Tax Act 2007. For tax purposes, income distributed to investors is classified as beneficiary income and should be included in any taxable income declared by an investor.

Individual investors can, as at the date of this document, elect to have resident withholding tax (RWT) deducted from interest distributed by the MMT GIF at a rate of 10.5%, 17.5%, 30% or 33% if an IRD number is supplied. The same rates will apply for trust investors, however, the 10.5% rate can only be applied to testamentary trusts. Where no IRD number is supplied RWT is deducted at a rate of 33%.

Companies investing in the MMT GIF can elect to have RWT deducted from interest distributions from the MMT GIF at a rate of 28% or 33% if an IRD number is supplied. Where no IRD number is supplied RWT is deducted at a rate of 33%.

Investors who supply withholding tax exemption certificates will receive interest distributions from the MMT GIF with no tax deducted. Non-residents will have non-resident withholding tax deducted from any interest distributions from the MMT GIF at the rate applicable to their country of residence.

7. WHO IS INVOLVED?

About the Manager

The manager of the MMT GIF is Fund Managers Central Limited which has its contact address at 120 Karamu Road North, PO Box 609, Hastings 4156 and whose contact numbers are:

Telephone: 06 870 3260
Facsimile: 06 870 3261
Email: admin@mmt.net.nz

The business of the Manager is to act as manager of the MMT GIF.

The Manager has built up an expertise in the lending market and has the experience to enable it to approve mortgage loan advances to be made available across a range of residential, commercial and rural properties and a wide range of business activities.

Who else is involved?

	Name	Role
Supervisor and trustee	Trustees Executors Limited	The function of the Supervisor as supervisor and trustee of the MMT GIF is to hold all of the assets of the MMT GIF on behalf of the investors and to monitor the Manager's compliance with its obligations.
Custodian	FM Custodians Limited	The Supervisor has appointed FM Custodians Limited as the Supervisor's bare nominee to hold the MMT GIF's assets on its behalf.

8. HOW TO COMPLAIN

Complaints about the MMT GIF can be made to:

The Manager: Fund Managers Central Limited

120 Karamu Road North Telephone: 06 870 3260
PO Box 609 Email: admin@mmt.net.nz
Hastings 4156 Freephone: 0800 870 326

Attention: Financial Controller

The Supervisor: Trustees Executors Limited

Level 5 Telephone: 04 495 0995
10 Customhouse Quay Email: gio@trustees.co.nz
PO Box 10519 Freephone: 0800 878 783
Wellington 6143

Attention: Client Services Manager
Governance and Investor Oversight

The Manager and the Supervisor are members of Financial Services Complaints Limited ("FSCL") an approved dispute resolution scheme. If your complaint is not resolved within 40 days after contacting either the Manager or the Supervisor or if you are dissatisfied with the proposed resolution then you can refer it to FSCL at:

Level 4 Freephone: 0800 347 257
101 Lambton Quay Wellington 04 472 FSCL (472 3725)
PO Box 5967 Email: compliants@fscl.org.nz
Wellington 6145

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Complaints can also be made to the Financial Markets Authority through its website www.fma.govt.nz.

9. WHERE YOU CAN FIND MORE INFORMATION

Further information relating to the MMT GIF and the units is available on the offer register and the scheme register (for example, financial statements).

A copy of information on the offer register or scheme register is available on request to the Registrar.

The internet site address for the offer register is www.companiesoffice.govt.nz/disclose: Offer number OFR11409.

You may request, at any time, copies of the Trust Deed, the most recent financial statements, and the most recent annual report for the scheme by contacting the Manager at:

Fund Managers Central Limited
120 Karamu Road North
PO Box 609
Hastings 4156

Telephone: 06 870 3260
Facsimile: 06 870 3261
Email: admin@mmt.net.nz

Copies of the above documents will be provided free of charge (except for the Trust Deed, for which a reasonable fee may apply) on request to the Manager. These documents are also available for public inspection at the offices of the Manager at 120 Karamu Road North, Hastings and on the offer register.

10. HOW TO APPLY

To apply for units in the MMT GIF you must complete the application form distributed with this document and send the completed application form with other required identity documents and your payment to:

Fund Managers Central Limited
PO Box 609
Hastings 4120

Alternatively, you can leave the application form, identity documents and your payment with your broker or investment adviser, who will send them to the Manager.

The Manager may, at its discretion, also accept faxed or emailed applications sent to:

Facsimile: 06 870 3261
Email: admin@mmt.net.nz



1. INVESTOR INFORMATION

Investor 1 (principal account holder)	Investor 2 (if applicable)
Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> _____ (other)	Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> _____ (other)
First name(s):	First name(s):
Surname:	Surname:
Occupation:	Occupation:
Date of birth: / /	Date of birth: / /
Home address: _____ _____ _____ Postcode: _____	Home address: _____ _____ _____ Postcode: _____
Postal address (if different from your home address): _____ _____ Postcode: _____	Postal address (if different from your home address): _____ _____ Postcode: _____
Home phone:	Home phone:
Mobile phone:	Mobile phone:
Email:	Email:
Country of birth:	Country of birth:
Citizenship:	Citizenship:
IRD Number: <input type="checkbox"/>	IRD Number: <input type="checkbox"/>

2. YOUR INVESTMENT

Amount you are investing (minimum \$500):

Regular Instalment (minimum \$100 monthly) **I/We wish to make regular savings contributions of:**
 on a fortnightly / monthly (circle one) basis, I understand that an automatic payment authority will be sent to me/us on receipt of my/our signed application form.

What is the purpose of your investment? <input type="checkbox"/> Accumulation of Wealth <input type="checkbox"/> Retirement <input type="checkbox"/> Other - please specify:	What is the source of funds? <input type="checkbox"/> Salary <input type="checkbox"/> Other - please specify:
---	---

3. TAX INFORMATION

The taxpayer for joint investors is the investor with the highest withholding tax rate

Is the taxpayer a New Zealand resident for tax purposes? *If No, state the taxpayer's country of residence for tax purposes*
 Yes No

Taxpayer's withholding tax rate: *If no IRD number is provided in the 'Investor Information' section, 33% will apply.*
 10.5% 17.5% 30% 33% Exempt *(Please attach certificate of exemption)*

4. DISTRIBUTION INSTRUCTIONS (PLEASE TICK AS APPROPRIATE)

Distribute returns

Please complete your bank account details for payments of returns.

Bank account number: _____

Name of account: _____

(Please attach bank deposit slip)

Reinvest returns in additional units

5. CONFIRMING YOUR IDENTITY AND ADDRESS

To comply with anti-money laundering laws, we need to verify your identity and your address. Please refer to the schedule attached on page 24 for your identification and address verification requirements. Document copies must be certified by a "trusted referee". The description of who is a trusted referee is also attached.

6. YOUR ACKNOWLEDGEMENTS AND AGREEMENTS

Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT)

You must not knowingly do anything to put Fund Managers Central Limited (the "Manager" or "us") in breach of the AML/CFT. You agree to provide all additional information and assistance requested by us and comply with all reasonable requests from us to facilitate our compliance with the AML/CFT.

You represent and warrant that you are not aware and have no reason to suspect that:

- the money used to fund any investment by you is derived from or related to any criminal or other illegal activities, money laundering, terrorism financing or similar activities (Illegal Activities); or
- the proceeds of any investment will fund any Illegal Activities.

You agree that the Manager is not liable for any losses incurred as a result of any action we take or omit to take and which either delays your investment or results in an application being declined, when these actions or omissions are necessary for us to comply with our obligations under the AML/CFT.

Privacy Act 1993

This statement relates to personal information that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us (and our related entities) for the purposes of enabling us to arrange and manage your investment, to contact you in relation to your investment and to market other products to you.

You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law and to meet our legal or regulatory obligations. We will provide you (on request) with the name and address of any entity to which information has been disclosed.

You have the right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. You agree that your name and address may be used by us to provide you with newsletters and other information about the Manager and other products and services offered by the Manager.

Power of Attorney

If you are signing for the investor under a power of attorney ensure you have also attached:

- a certified copy of the power of attorney and completed the certificate of non-revocation; and
- identification of the attorney as described above.

Email Use

You consent to receiving financial statements, and other documents which we are required to send to you, electronically at the email address on this form, or another email address advised to us.

Authority

Unless we hold written authority from all parties authorising a specific person(s) to act on behalf of the investor, we shall require all parties to sign this application and any subsequent withdrawal/variation requests.

Disclosures

Are you or are you immediately related to: a senior member of NZ or foreign government, the judiciary, the military or an ambassador?

Yes No

Are you a citizen or permanent resident of the United States?

Yes* No

* If Yes enter Tax Identification Number (TIN) below

TIN:

TIN:

7. DECLARATION

I have read and retained a copy of the attached Product Disclosure Statement for the Midlands Mortgage Trust Group Investment Fund. I agree to the terms outlined above in relation to the Privacy Act, the supply of personal information, email use and the AML/CFT. I understand that the value of my investment is liable to fluctuations and may rise and fall from time to time.

In addition, by signing this Application Form, companies, trusts and partnerships certify that:

- the trust/partnership/company has been duly established and is validly existing under the laws of New Zealand;
- the trust/partnership/company has not been terminated or liquidated and no event requiring the vesting of the trust's/partnership's/company's assets has occurred;
- the Relevant Persons are as shown on this application form; and
- this proposed investment will not cause any limitation on the powers of the trustees/partners/directors to be exceeded.

I appoint Trustees Executors Limited as my agent for the purposes of making this investment and any subsequent investment.

I understand that neither the Manager, Trustees Executors Limited nor any other person guarantees the performance of the Midlands Mortgage Trust Group Investment Fund or the repayment of capital or any particular rate of return from the Midlands Mortgage Trust Group Investment Fund.

Signature of Investor 1 (principal account holder):

Date ____ / ____ / ____

Signature of Investor 2 (principal account holder):

Date ____ / ____ / ____

PAYMENT METHODS (PLEASE TICK)

Option 1 - By Cheque

Please cross your cheque "Not Transferable" and make it payable to **Midlands Mortgage Trust**

The original Application Form together with your cheque and certified proof of identity must then be sent to:

Fund Managers Central Limited
120 Karamu Road
Hastings 4122

PO Box 609
Hastings 4156

Alternatively, you can hand the Application Form, certified proof of identity and cheque to your Financial Adviser.

Option - By Direct Credit

If paying by this method the Application Form together with certified proof of identity must be scanned and emailed to: admin@mmt.net.nz

The original Application Form together with your certified proof of identity must then be sent to:

Fund Managers Central Limited
120 Karamu Road
Hastings 4122

PO Box 609
Hastings 4156

On receipt of documents we will contact you and advise you of our bank account details, for payment of your investment

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

(Complete only if this application is being signed by attorney)

I, _____
of *(address and occupation of attorney)* _____

HEREBY CERTIFY THAT:

1. By power of attorney dated the _____ day of _____

(Name and occupation of person for whom attorney is signing)

("donor") appointed me his/her/its attorney on the terms and conditions set out in that power of attorney.

2. I have executed the application for units printed on the face of this form as attorney under that power of attorney and pursuant to the power thereby conferred upon me.

3. At the date of this certificate I have not received any notice or information of the revocation of that power of attorney by the death (or winding up) of the donor or otherwise.

Signed at _____ Date ____ / ____ / ____

Signature of attorney _____



1. INVESTOR INFORMATION

Company, Trust, Incorporated Society, Partnership or Estate name:

Company or Incorporated Society registration number:

Registered address:

Postal address
(if different from
registered address):

Contact phone/s:

Email:

2. TAX INFORMATION

Investor's IRD Number:

Is the investor a New Zealand resident for tax purposes? *If No, state the taxpayer's country of residence for tax purposes.*
 Yes No

Withholding tax rate: *If the applicant is not a company or withholding tax rate is not selected, or no IRD number is provided, 33% will apply.*

10.5% 17.5% 28% 33% Exempt (Please attach certificate of exemption)

3. INVESTMENT DETAILS

Amount you are investing (minimum \$500):

\$

4. CONFIRMING THE IDENTITY AND ADDRESS OF RELEVANT PERSONS

To comply with anti-money laundering rules we need to verify the identity of various people associated with the investor. In the case of companies, we must verify the identity of people owning more than 25% of the shares and people acting on behalf of the company (usually the directors). In the case of partnerships, we must verify the identity of the partners and anyone authorised to act on behalf of the partnership. In the case of trusts, we must identify persons acting on behalf of the trust (usually the trustees) and also any settled beneficiaries. In the case of incorporated societies we must verify the identity of directors or governing officers. **Each of these people described above is a "Relevant Person"**. If a trust has a range of beneficiaries it is necessary to describe that range (for example "relatives of the settlor").

Each Relevant Person must complete the information below and provide certified copies of documents to fulfil the requirements of either Identification Option 1 or Identification Option 2 or Identification Option 3 and in each case the Address Verification Requirement. **Please refer to the Schedule attached on page 24 for these requirements. Please note, certification of documents must be by a "trusted referee"**. See the description of who is a trusted referee also attached.

RELEVANT PERSON 1	RELEVANT PERSON 2
Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> (other)	Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> (other)
First name(s):	First name(s):
Surname:	Surname:
Occupation:	Occupation:
Date of birth: / /	Date of birth: / /
Home address: _____ _____ Postcode: _____	Home address: _____ _____ Postcode: _____
Postal address (if different from your home address): _____ Postcode: _____	Postal address (if different from your home address): _____ Postcode: _____
Home phone:	Home phone:
Mobile phone:	Mobile phone:
Email:	Email:
Country of birth:	Country of birth:
Citizenship:	Citizenship:
IRD Number: <input type="checkbox"/>	IRD Number: <input type="checkbox"/>
Relationship to Investor:	Relationship to Investor:

RELEVANT PERSON 3	RELEVANT PERSON 4
Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> (other)	Title: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Miss <input type="checkbox"/> (other)
First name(s):	First name(s):
Surname:	Surname:
Occupation:	Occupation:
Date of birth: / /	Date of birth: / /
Home address: _____ _____ Postcode: _____	Home address: _____ _____ Postcode: _____
Postal address (if different from your home address): _____ Postcode: _____	Postal address (if different from your home address): _____ Postcode: _____
Home phone:	Home phone:
Mobile phone:	Mobile phone:
Email:	Email:
Country of birth:	Country of birth:
Citizenship:	Citizenship:
IRD Number: <input type="checkbox"/>	IRD Number: <input type="checkbox"/>
Relationship to Investor:	Relationship to Investor:

DESCRIPTION OF RANGE OF BENEFICIARIES FOR TRUSTS (IF APPLICABLE):

5. DISTRIBUTION INSTRUCTIONS (PLEASE TICK AS APPROPRIATE)

Distribute returns

Please complete your bank account details for payments of returns.

Bank account number: _____

Name of account: _____

(Please attach bank deposit slip)

Reinvest returns in additional units

6. TRUST ONLY

Please provide a certified copy of the trust deed **including any amendments and trustee appointment documentation**.

Briefly describe below the source of funds (e.g. sale of a property or available cash in trust fund) and normal source of trust income:

7. ESTATES ONLY

Please provide a certified copy of the the last will and/or a copy of Probate.

8. PARTNERSHIPS ONLY

Please provide a certified copy of the partnership agreement.

9. COMPANIES ONLY

Please provide a certified copy of the certificate of incorporation and company extract from the Companies Office files.

10. INCORPORATED SOCIETIES ONLY

Please provide a certified copy of the certificate of incorporation.

11. YOUR ACKNOWLEDGEMENTS AND AGREEMENTS

Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT)

You must not knowingly do anything to put Fund Managers Central Limited (the “Manager” or “us”) in breach of the AML/CFT. You agree to provide all additional information and assistance requested by us and comply with all reasonable requests from us to facilitate our compliance with the AML/CFT.

You represent and warrant that you are not aware and have no reason to suspect that:

- the money used to fund any investment by you is derived from or related to any criminal or other illegal activities, money laundering, terrorism financing or similar activities (Illegal Activities); or
- the proceeds of any investment will fund any Illegal Activities.

You agree that the Manager is not liable for any losses incurred as a result of any action we take or omit to take and which either delays your investment or results in an application being declined, when these actions or omissions are necessary for us to comply with our obligations under the AML/CFT.

Privacy Act 1993

This statement relates to personal information that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us (and our related entities) for the purposes of enabling us to arrange and manage your investment, to contact you in relation to your investment and to market other products and services to you.

You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law and to meet our legal or regulatory obligations. We will provide you (on request) with the name and address of any entity to which information has been disclosed.

You have the right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. You agree that your name and address may be used by us to provide you with newsletters and other information about the Manager and other products and services offered by the Manager.

Email Use

You consent to receiving financial statements, and other documents which we are required to send to you, electronically at the email address on this form, or another email address advised to us.

Authority

Unless we hold written authority from all parties authorising a specific person(s) to act on behalf of the investor, we shall require all parties to sign this application and any subsequent withdrawal/variation requests.

Disclosures

Are you or are you or any of the Relevant Persons senior members of NZ or foreign government, the judiciary, the military or an ambassador?

Yes No

Are you a company incorporated in the United States?

Yes* No

Are you an unincorporated association with a substantial number of members who are United States citizens or residents?

Yes* No

* If Yes enter Tax Identification Number (TIN) below

TIN:

12. DECLARATION

I have read and retained a copy of the attached Product Disclosure Statement for the Midlands Mortgage Trust Group Investment Fund. I agree to the terms outlined above in relation to the Privacy Act, the supply of personal information, email use and the AML/CFT. I understand that the value of my investment is liable to fluctuations and may rise and fall from time to time.

In addition, by signing this Application Form, companies, trusts and partnerships certify that:

- the trust/partnership/company has been duly established and is validly existing under the laws of New Zealand;
- the trust/partnership/company has not been terminated or liquidated and no event requiring the vesting of the trust's/partnership's/company's assets has occurred;
- the Relevant Persons are as shown on this application form; and
- this proposed investment will not cause any limitation on the powers of the trustees/partners/directors to be exceeded.

I appoint Trustees Executors Limited as my agent for the purposes of making this investment and any subsequent investment.

I understand that neither the Manager, Trustees Executors Limited nor any other person guarantees the performance of the Midlands Mortgage Trust Group Investment Fund or the repayment of capital or any particular rate of return from the Midlands Mortgage Trust Group Investment Fund.

Signed for Investor (attach additional pages if more signatures are required):

Signature

Signature

Full Name

Full Name

Date

Date

Signature

Signature

Full Name

Full Name

Date

Date

PAYMENT METHODS (PLEASE TICK)

Option 1 - By Cheque

Please cross your cheque "Not Transferable" and make it payable to **Midlands Mortgage Trust**

The original Application Form together with your cheque and certified proof of identity must then be sent to:

Fund Managers Central Limited
120 Karamu Road
Hastings 4122
PO Box 609
Hastings 4156

Option - By Direct Credit

If paying by this method the Application Form together with certified proof of identity must be scanned and emailed to: admin@mmt.net.nz

The original Application Form together with your certified proof of identity must then be sent to:

Fund Managers Central Limited
120 Karamu Road
Hastings 4122
PO Box 609
Hastings 4156

On receipt of documents we will contact you and advise you of our bank account details, for payment of your investment

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

(Complete only if this application is being signed by attorney)

I, _____

of *(address and occupation of attorney)* _____

HEREBY CERTIFY THAT:

1. By power of attorney dated the _____ day of _____

(Name and occupation of person for whom attorney is signing)

("donor") appointed me his/her/its attorney on the terms and conditions set out in that power of attorney.

2. I have executed the application for units printed on the face of this form as attorney under that power of attorney and pursuant to the power thereby conferred upon me.

3. At the date of this certificate I have not received any notice or information of the revocation of that power of attorney by the death (or winding up) of the donor or otherwise.

Signed at _____ Date ____/____/____

Signature of attorney _____

IDENTIFICATION SCHEDULE TO VERIFY YOUR IDENTITY AND ADDRESS

To comply with anti-money laundering laws, we need to verify your identity and your address. **Please refer to the schedule below for your identification and address verification requirements. Document copies must be certified by a “trusted referee”.** The description of who is a trusted referee is also below:

Please tick to identify the certified documents you will provide to fulfil the requirements of either Identification Option 1 or Identification Option 2 or Identification Option 3 and in each case the Address Verification Requirement.

<input type="checkbox"/> Identification Option 1	<input type="checkbox"/> Identification Option 2	<input type="checkbox"/> Identification Option 3
<p>One of:</p> <ul style="list-style-type: none"> • NZ passport • NZ certificate of identity • NZ firearms licence • emergency travel document • overseas passport • foreign-issued national identity document • NZ refugee travel document 	<ul style="list-style-type: none"> • NZ driver licence <p>and one of:</p> <ul style="list-style-type: none"> • a credit card, debit or EFTPOS card issued by a registered NZ bank (name and signature must be on the card) • a bank account statement issued by a registered NZ bank addressed to the Relevant Person from the last 12 months. • a document issued by a NZ government agency containing the Relevant Person's name and signature (e.g. a SuperGold card) • an IRD statement or other NZ government agency statement addressed to the Relevant Person from the last 12 months 	<p>One of the following forms of photo ID:</p> <ul style="list-style-type: none"> • NZ driver licence • 18+ card (Hospitality Association) • a valid international driving permit <p>and one of:</p> <ul style="list-style-type: none"> • NZ full birth certificate • certificate of NZ citizenship • citizenship certificate issued by a foreign government • birth certificate issued by a foreign government

Address Verification Requirement

In **addition** to the above, each Relevant Person must supply a copy of **one** form of address verification documentation from the following list which cannot be more than 3 months old:

- utility bill
- IRD Tax assessment notice (New Zealand)
- credit card/bank statements from an active account
- government valuation of Properties (evidencing ownership)
- letter from a New Zealand employer on employer's letterhead (subject to separate verification process)
- Tenancy Agreement for a New Zealand address

Please note; certification of documents must be by a “trusted referee”. See the description of who is a trusted referee below:

WHO IS A TRUSTED REFEREE?

When supplying certified identification documents, the trusted referee must be at least 16 years of age and one of the following:

- Commonwealth Representative (as defined in the Oaths and Declarations Act 1957)
- an employee of the Police who holds the office of constable
- a justice of the peace
- a registered medical doctor
- Kaumātua
- a registered teacher
- a minister of religion
- a lawyer
- a notary public
- New Zealand Honorary Consul
- a Member of Parliament
- a Chartered Accountant

In addition, the trusted referee must not be:

- related to the investor; for example, a trusted referee cannot be a parent, child, brother, sister, aunt, uncle or cousin of the investor
- the spouse or partner of the investor
- a person who lives at the same address as the investor

The trusted referee must sight the original identification documentation, and make a statement on the copy to the effect that the documents provided are a true copy and correctly represent the identity of the investor.

The certification by the trusted referee must include the name, occupation and signature of the trusted referee and the date of certification. Certification must have been carried out in the three months preceding the presentation of the copied document.



MIDLANDS
MORTGAGE TRUST

Fund Managers Central Limited

P. 0800 870 326 / 06 870 3260 E. admin@mmt.net.nz

120 Karamu Rd Nth | PO Box 609 Hastings 4156 New Zealand

www.midlandsmortgagetrust.co.nz
