

PRESCRIBED INVESTOR RATE (PIR) FORM

If you would like help in completing this form, please email investments@mmt.net.nz or phone us on 0800 870 326. You can complete this form by hand or on-screen by typing directly into each field. Once you have completed your details, please print, sign and drop the form to Midlands Funds Management, 1/111 Karamu Road North, Hastings, 4122, or post to PO Box 609, Hastings 4156, or email to investments@mmt.net.nz

WHO SHOULD COMPLETE THIS FORM?

Please use this form to select your Prescribed Investor Rate (PIR) for your Midlands account. If you have more than one account under different entity structures, eg. an individual account and a Trust account, please complete a form for each account.

Each Midlands account can only have ONE Prescribed Investor Rate applied. If you have a joint account, then select the investor with the highest PIR rate, eg. if John and Sue have a joint Midlands account and John's PIR Rate is 28% and Sue's PIR rate is 17.5% then select 28% as your PIR Rate for this account.

1. ACCOUNT DETAILS

Midlands Account Name:

Note, this is the name of your Midlands account, which may be different to your personal name.

Midlands Account Number (if known):

Customer Name:

Address:

City:

Country:

Postcode:

Home Phone:

Mobile:

Email Address:

Update Prescribed Investor Rate (PIR) to - please tick one

0%

10.5%

17.5%

28%

IRD Number:

To calculate your PIR, please refer to our guide on the following page.

2. AUTHORISATION

I authorise you to update our Midlands Smarter PIE Fund account as indicated above.

Signature of investor:

Date:

Signature parent/legal guardian (if applicable)*:

Date:

By signing this form you confirm this information is correct and that (where relevant) you are authorised by the account holder and all joint investors to complete this form.

3. HOW TO CALCULATE YOUR PIR

What is a Portfolio Investment Entity or PIE Fund?

A Portfolio Investment Entity, more commonly known as a PIE Fund is a type of investment entity that can offer certain tax advantages to many investors. PIE Fund returns are taxed at each investors Prescribed Investor Rate (PIR), which may be lower than your personal income tax rate. If you invest in a PIE Fund, you will normally pay either 10.5%, 17.5% or 28% tax on your returns. You will not pay more than 28%. If you invest in a Fund that is NOT a PIE Fund, the tax you pay on returns will normally be based on your personal income tax rate or the Trust tax rate, which could be as high as 39%. This means many people pay less tax if they invest in a PIE Fund.

Understanding Prescribed Investor Rates (PIR)

Your PIR is determined by your taxable income for New Zealand resident investors and ranges from 10.5% to a maximum of 28%. This is significantly lower than the top marginal (PAYE) tax rate and Trust Tax rate, both of which are 39%. By investing in a PIE fund, you will be taxed at your PIR tax rate (a maximum of 28%), NOT your marginal or Trust tax rate (which could be as high as 39%). If you do not advise us of your PIR Rate, you will be put on the default PIR Rate of 28%.

What PIR do we use if we have a joint account?

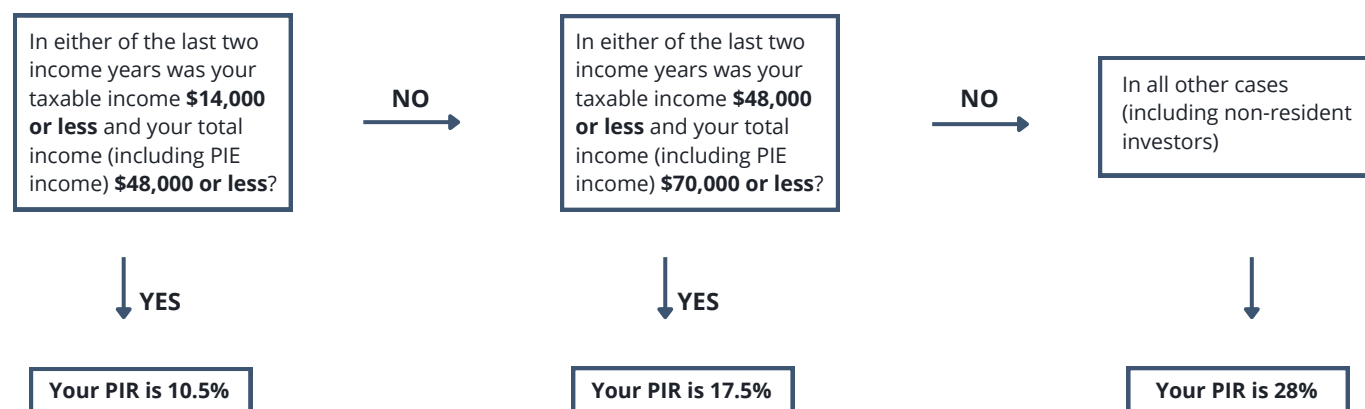
Each Midlands account can only have ONE PIR rate.

If you have a joint account, then select the investor with the highest PIR rate eg if John and Sue have a joint Midlands account and John's PIR Rate is 28% and Sue's PIR rate is 17.5% then select 28% as your PIR Rate for this account.

4. HOW DO I KNOW WHAT MY PIR IS?

To calculate your PIR, follow the guide below. If you are unsure which PIR rate to use, please speak to your accountant or IRD.

How to calculate your PIR



Other investors	PIR
Non-Resident Investor	28%
Company, Unit Trust, Charity or Non-Profit Organisation	0%
Trust (excluding Charitable Trusts and Unit Trusts) choose the rate to best suit your beneficiaries	28%

Note: Trustees of a Testamentary Trust may also choose 10.5%

*If this form is being completed for a member under the age of 16, the member's parent or legal guardian must sign. If the form is being completed for a member who is over the age of 16 but under the age of 18, the member must sign under the Signature of Investor and the member's parent or legal guardian (if any) must sign under Signature of Parent/Legal Guardian. By signing acknowledge and confirm you are the member's parent or legal guardian.