

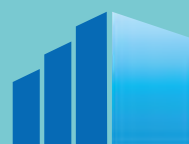
SMARTER PIE FUND
INVESTMENT GUIDE

READY TO INVEST SMARTER?



0800 870 326

www.investmidlands.co.nz



MIDLANDS
FUNDS MANAGEMENT

Smarter Investments, for All New Zealanders

Looking for a low risk investment secured by real property and land assets?

Do proven returns and regular income float your boat?

Saving for one of life's big goals?

Wanting to grow your future wealth?

Midlands is a 100% owned and operated investment company with origins that go all the way back to 1896. We offer a proven, low risk, on-call investment secured by real New Zealand property and land assets that has delivered consistent, regular returns to thousands of Kiwis. With as little as \$10,000 (and sometimes less), you can invest with Midlands to grow your long-term wealth or earn regular cash income every quarter. It's your choice. Best of all, your investment is on call when you need it. It's how investing should be.



“

I was looking around for a better return than I was getting from the banks. ”

Happy Midlands Customer



Proven

The Midlands Smarter PIE Fund offers a proven investment with consistent returns and regular income.



Trusted

Midlands traces its origins back to 1896. That's over 120 years of smarter investing.



Secured

Your investment is secured by real New Zealand property and land assets.



Committed

Many Midlands staff, directors and shareholders have their own money invested alongside yours. It's called skin in the game.

Proven returns, from a low risk investment. Now that's smart.

Midlands Smarter PIE Fund Key Facts.

Latest quarter annualised return:

6.90%

(as at 30/09/2024 after fees and before tax*)

10 year average annualised return:

5.26%

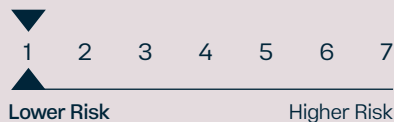
(as at 30/09/2024 after fees but before tax*)

If you had invested \$100,000 in October 2014, today it would be worth

\$141,542**

(Oct 2014 – Sept 2024*)

Midlands Risk Rating is 1 out of 7*



Minimum Investment

\$10,000

We do consider lesser amounts.

Fund Inception

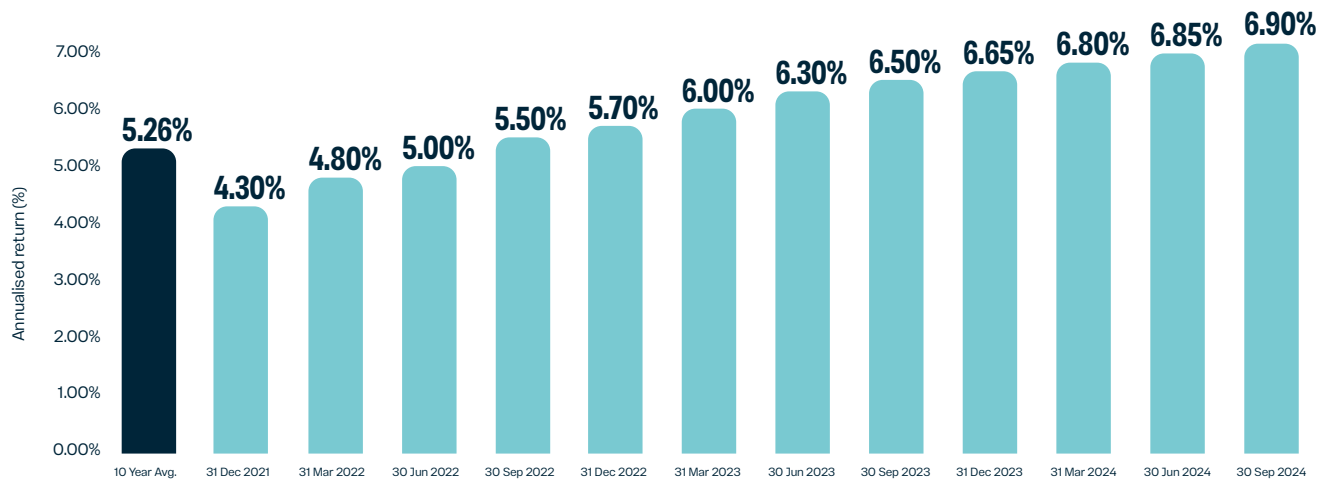
Nov 2004

We're 20 years old

* Performance of the Midlands Smarter PIE Fund. Past performance is not a reliable indicator of future performance. The Government provides the formula for calculating our 'Risk Rating' score. A risk rating of "1" does not indicate a risk-free investment – see our Product Disclosure Statement for more information.

** This scenario assumes the investor was taxed at the highest marginal tax rate for a PIE Fund (28%) in each year and compounded their returns. If an investor's tax rate was lower, then the value of their investment would be a higher amount.

Consistent Returns from a Low Risk Investment. Now that's smart.



This graph shows Midlands Smarter PIE Funds annualised quarterly returns, after fees but before tax returns. The '10 Year Avg.' bar represents the Fund's average annual return after fees but before tax for ten years ending 30 September 2024. Past performance is not a reliable indicator of future performance.

5.30%

Midlands Smarter PIE Fund

BETTER RETURNS,
FROM AN ON-CALL
INVESTMENT

2.30%

Bank 90 Day Term Deposit

Data Source: Midlands: Average annualised pre-tax cash return from Oct 2017 – Sept 2024. Past performance is not a reliable indicator of future performance.

Data Source: Bank Term Deposit: Reserve Bank of New Zealand Statistics Series B26, Average annualised pre-tax cash return on \$10,000 Term Deposit from Sept 2017 – Aug 2024.



Why Smarter Investors Choose Midlands



Low risk investing

Midlands Risk Rating is **1 out of 7**. That's the **lowest risk rating** possible for an NZ retail fund.*



On call investing

Your funds are on call, which means they're available when you need them. It's how investing should be.



Regular cash returns

Receive regular income every quarter OR reinvest your returns to build long term wealth. It's your choice.



Say hello to a real human

At Midlands, you deal with real humans. No AI, chatbots or robots around here. Hallelujah!



Trusted for 120 years

The origins of Midlands go all the way back to 1896. That's over 120 years of smart investing.



We have skin in the game

Many Midlands staff, directors and shareholders have their own personal money invested alongside yours.



Secured by bricks and mortar

Your investment is secured by real NZ land and property assets. Now that's smart.



Actively managed by experts

Our team of specialist experts have over 150 years of experience in banking and finance, so your investments are in good hands.



*The Government provides the formula for calculating our 'Risk Rating' score. A risk rating of "1" does not indicate a risk-free investment - see our Product Disclosure Statement for more information.



“

Every quarter I can see my money growing and that's good. I like to see my money growing.

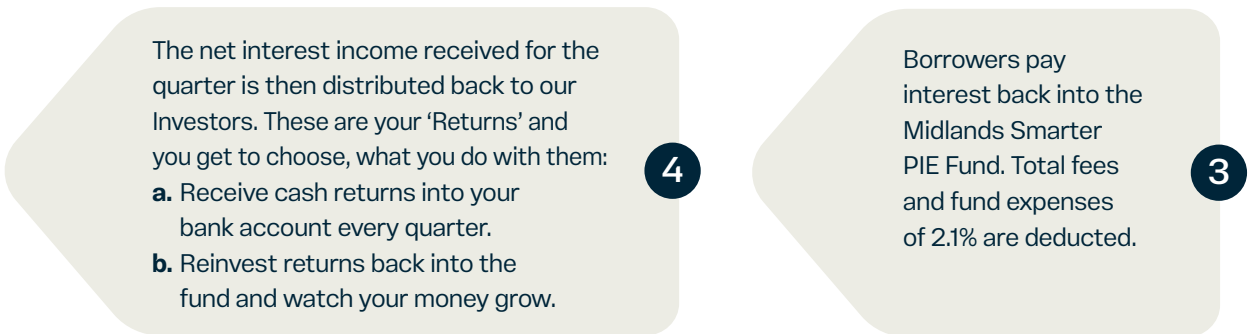
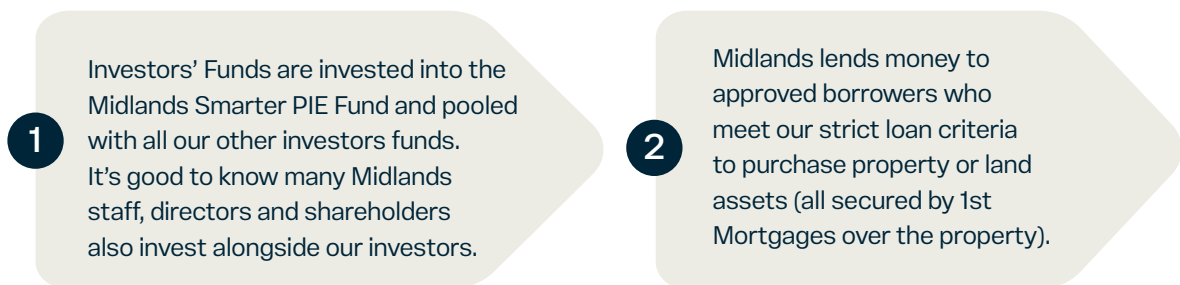
Happy Midlands Customer

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What am I investing in? The Midlands Smarter PIE Fund

New Zealanders have always had a love affair with bricks and mortar as a way to build long term wealth. And for good reason. Midlands provides an alternative way to invest in the New Zealand property sector, without direct property ownership. Instead of owning a property directly, with Midlands your investment is pooled with lots of other like-minded investors and diversified across multiple residential, rural and commercial property loans, spread right throughout the country, all secured by first mortgages which helps protect our investors.

HERE'S HOW IT WORKS:

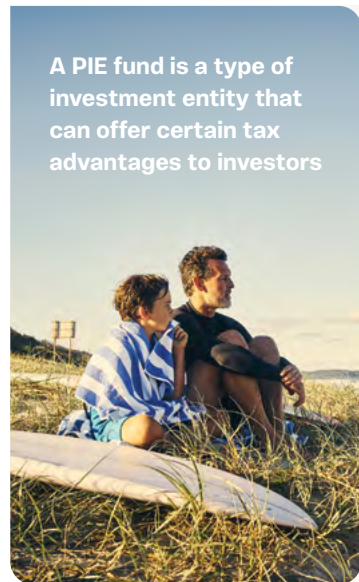


The Midlands Smarter PIE Fund provides a proven, low risk investment, secured by real property and land assets.

What is a PIE Fund and what Tax Benefits does it provide?

In NZ, all investment returns are taxed

In New Zealand, you pay tax on the returns, interest and dividends generated by most investments, including savings in the bank, Term Deposits, KiwiSaver, Shares and Managed Investment Funds, like Midlands. The tax you normally pay is based on your personal tax rate or RWT.



What is a PIE Fund?

If you invest with Midlands, you are investing in a Portfolio Investment Entity or PIE Fund.

A PIE Fund is a type of investment entity that can offer certain tax advantages to many individual investors.

That's because it has special tax rules that only apply if you are invested in a PIE Fund.

A PIE Fund's returns are taxed at each investor's Prescribed Investor Rate (PIR), which may be lower than your personal income tax rate or the Trust Tax Rate.

If you invest in a PIE Fund, and are resident in NZ, you will pay either 10.5%, 17.5% or 28% tax on your returns. **You will not pay more than 28%.**

If you are NOT invested in a PIE Fund, the tax you pay under current tax laws will be based on your personal tax rate or the Trust Tax rate and could be as high as 39%.

Top Trust Tax Rate Increased to 39%

On 1st April 2024, the Government increased the top Trust tax rate from 33% to 39%, aligning it with the top personal tax rate.

This means that any investments you have in the name of a Trust, that are NOT in a PIE Fund, will be taxed at 33% or 39%.

Either way, if you invest in an investment fund which is a PIE Fund, like the Midlands Smarter PIE Fund, you will normally pay 28% tax*



PIE FUND TAX ADVANTAGE

Trust Tax Rate from 1st April 2024

39%

From 1st April 2024, if you invest in a Fund which is NOT a PIE Fund via a Trust, and the Trust earns above \$10,000 per year the income will be taxed at a rate of 39%.*

*Assuming the income is retained in the Trust

Highest Personal Tax Rate

39%

If you earn over \$180,000 and invest in a Fund which is NOT a PIE Fund, your investment returns will be taxed at 39%.

More than \$180,000	=	39%
\$78,101 - \$180,000	=	33%
\$53,501-\$78,100	=	30%
\$15,601-\$53,500	=	17.5%
Up to \$15,600	=	10.5%

Highest Tax Rate if you invest in a PIE Fund

28%

If you invest in a PIE Fund, PIE Fund Tax Rates (or Prescribed Investor Rates) apply. You will pay either 10.5%, 17.5% or 28% tax on your returns.

You will not pay more than 28%.

How is Midlands different to term deposits & KiwiSaver?

Many of our customers want to know how Midlands is different to bank term deposits and other managed funds like KiwiSaver.

Some of the most important features of term deposits or KiwiSaver that an investor needs to consider are as follows:



Term Deposits:

A bank term deposit is a type of savings account where you put your money away for a fixed period of time, known as the “term”. During this time, you typically can’t withdraw the money without facing penalties or restrictions. In return, the bank will pay you back your initial deposit plus a fixed interest rate throughout and/or at the end of the “term”. Generally, the longer you lock your money away, the higher the interest you will be paid.

Bank Term Deposits are a very low-risk investment choice. However, they typically offer lower returns than other common types of investments.



KiwiSaver and Managed Funds:

Many New Zealanders invest in managed funds, including KiwiSaver. KiwiSaver funds typically include a mix of shares, bonds and other investments. Returns from these funds are typically variable, not ‘fixed’. Funds with a high proportion of investments in shares, in particular, may offer higher potential returns over time but typically have higher volatility over the short term; that is, there typically may be more ups and downs along the way and returns can be negative as well as positive. This volatility can be unsettling for some investors, especially during periods of economic uncertainty. In addition, this volatility may not be suitable for investors who do not want to hold an investment over the long term.

One useful tool to help compare and gauge the potential volatility of a managed fund or KiwiSaver is to review the Risk Rating. The Risk Rating produces a number ranging from 1 (indicating lower risk) to 7 (indicating higher risk). A higher “Risk Rating” can correlate to higher expected volatility.



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If you suddenly need some money it can be in your bank within a couple of days.

Happy Midlands Customer

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Midlands Smarter PIE Fund Fact Sheet

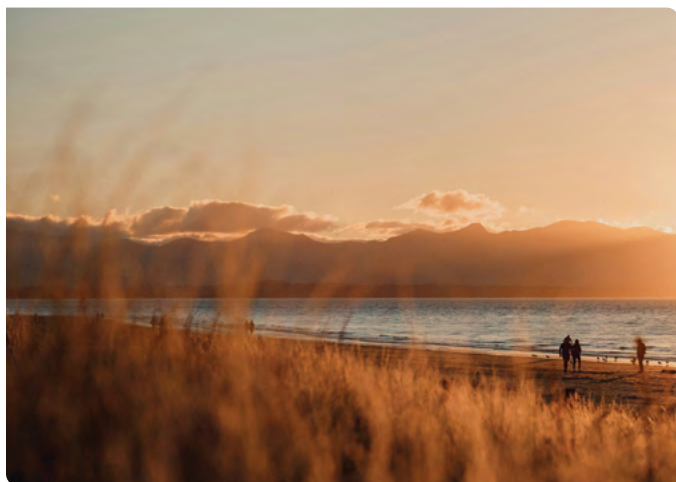


NAME OF FUND MIDLANDS SMARTER PIE FUND

Fund Inception	November 2004.
What am I investing in?	Midlands provides an alternative way to invest in the New Zealand property sector, without direct property ownership. Instead of owning a property directly, with Midlands your investment is pooled with lots of other like-minded investors and diversified across multiple residential, rural and commercial property loans, spread right throughout the country, all secured by a first ranking mortgage which helps protect our investors.
What is your Risk Rating	Midlands Smarter PIE Fund has a Risk Rating of 1, the lowest risk rating possible for a NZ retail fund. Risk Ratings are prescribed by the Government and independently verified. It is a handy tool that allow investors to compare the risk level of different managed retail funds.
Is my investment 'On-Call'?	Yes, your investment is 'on-call', which means there is no minimum investment period or 'term' and your investment is available when you need it (with 5 days notice).
What options do I have for my Returns?	The returns from your investment can be paid quarterly into your bank account or reinvested back into the fund. It's your choice.
When will my returns be paid?	Your returns are calculated quarterly at the end of March, June, September and December in each year. You will normally be paid on the last business day of the month.
Can I make Investment Top Ups?	Yes, you can make one-off lump sum or regular investment top-ups and you can change these settings at any time.
Does the Fund offer fixed returns?	No, the fund does not offer 'fixed term' returns like a Term Deposit. Returns are variable and announced quarterly.
Is the fund actively managed?	Yes. Our team of specialist experts has over 150 years of experience in banking & finance, so your investment's in good hands.
What is the Management Fee?	Management, supervisor, administration fees and expenses totaling 2.10% are deducted.
Any other fees?	No. We do not charge set-up, withdrawal, performance, penalty or transaction fees.
Is the Fund a PIE Fund?	Yes. PIE Funds normally offer certain tax advantages to many investors. That's because the most tax investors will pay on their returns in a PIE fund is normally 28%. If you are NOT in a PIE Fund, you could pay up to 39% tax. This means many people pay less tax if they invest in a PIE fund.
How much tax will I pay on my Returns?	Your returns will be taxed at your Prescribed Investor Rate (PIR). We will automatically deduct tax from your returns at your Prescribed Investor Rate before depositing your after tax returns into your bank account or reinvesting them back into the Fund. You will need to tell us your PIR so that you are taxed at the correct rate. If you do not know your PIR, give us a call or visit our website.
Who is the Fund Manager?	Midlands Funds Management (MFML)
Is Midlands Supervised?	Yes. Midlands is supervised by Trustees Executors Ltd (TEL), who is an Independent Supervisor licensed by the FMA.
Minimum Investment Amount?	\$10,000. However, we do consider lesser amounts so please call us to discuss.
Do Midland's staff invest in the Smarter PIE Fund?	Yes, many Midlands staff, directors and shareholders have their own personal money invested alongside yours.

READY TO INVEST SMARTER? CALL SANDY!

Sandy is your first point of call at Midlands. Bright, bubbly and brilliant, Sandy has over 30 years of banking and investment experience. She left the big bankie stuff behind for the clever, welcoming and down to earth approach Midlands is known for. She'll guide you through every step of the process over the phone, email or maybe even a cuppa.



“

Talking to a real person makes a big difference, especially when it comes to your money.

Happy Midlands Customer

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**APPLY
ONLINE NOW**

www.investmidlands.co.nz



**GIVE US
A CALL**

A real person usually answers the phone

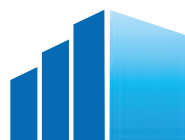
0800 870 326



**DROP IN
AND SEE US**

No appointment necessary
1/111 Karamu Road North,
Hastings 4122
(behind Kindred Café)

The information in this brochure is not intended to be advice. This guide is intended to provide you with general information about the Midlands Smarter PIE Fund. It does not take into account your objectives, financial situation or needs. Please read the Midlands Smarter PIE Fund Product Disclosure Statement, as issued by Midlands Funds Management at www.investmidlands.co.nz or phone 0800 870 326. Before investing you may wish to seek financial advice. Past performance is not a reliable indicator to future performance. Information true and accurate as at date of publication.



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FUNDS MANAGEMENT