APPLICATION FORM

INDIVIDUAL & JOINT INVESTORS

Midlands Income Wholesale Fund

WHOLESALE INVESTORS ONLY

The Midlands Income Wholesale Fund is only available to persons who are wholesale investors for the purposes of the offer in terms of clause 3(2) or 3(3)(a) of Schedule 1 of the Financial Markets Conduct Act 2013. No product disclosure statement for the purposes of that Act has been prepared and none is required for a wholesale offer. Ask questions, read all documents carefully, and seek independent financial and tax advice before committing yourself.

We get it. Long forms can be a bit of a bore, but to become a Midlands customer, we need some information from you. Much of it is information we're legally required to collect to comply with New Zealand's anti-money laundering and tax laws. We've done our best to make the process as pain-free as possible. Please contact us if you have any questions on 0800 870 326.

1. ACCOUNT INFORMATION

INVESTOR 1 (principal account holder)	**INVESTOR 2** (if applicable)
Title: Mr Mrs Ms Miss Other	Title: Mr Mrs Ms Miss Other
First name(s):	First name(s):
Surname:	Surname:
Preferred Name:	Preferred Name:
Occupation:	Occupation:
Date of birth: / /	Date of birth: / /
Home address:	Home address:
Postcode:	Postcode:
Postal address (if different from your home address):	Postal address (if different from your home address):
Postcode:	Postcode:
Home phone:	Home phone:
Mobile phone:	Mobile phone:
Email:	Email:
Country of birth:	Country of birth:
Citizenship:	Citizenship:

2. TAX INFORMATION

NZ TAX RESIDENCY:	**NZ TAX RESIDENCY:**
Are you a tax resident in New Zealand? Yes: No:	Are you a tax resident in New Zealand? Yes: No:
IRD Number:	IRD Number:
Taxpayer's Prescribed Investor Rate (PIR):	Taxpayer's Prescribed Investor Rate (PIR):
0% 10.5% 17.5% 28%	0% 10.5% 17.5% 28%

Notes: -The tax payer for joint investors is the investor with the highest Prescribed Investor Rate (PIR).
-To determine your Prescribed Investor Rate (PIR) visit our website, speak to your accountant or visit the IRD's website.

3. FOREIGN TAX RESIDENCY INFORMATION

INVESTOR 1 (Principal account holder)		**INVESTOR 2** (if applicable)	
Are you tax resident in any other country? (other than NZ) Yes: ☐ No: ☐		**Are you tax resident in any other country? (other than NZ)** Yes: ☐ No: ☐	
If you answered 'Yes' to the above question, please list all countries below and provide the Tax Identification Number (TIN):		If you answered 'Yes' to the above question, please list all countries below and provide the Tax Identification Number (TIN):	
Other Country of tax residence:	**Tax Identification Number (TIN):**	**Other Country of tax residence:**	**Tax Identification Number (TIN):**

Note: If you are a US citizen or US tax resident your TIN will typically be your Social Security Number.

If you are unable to provide a TIN for any country, please explain why:

4. INVESTMENT DETAILS This section must be completed in conjunction with Midlands.

Please note this information is requested solely in relation to anti-money laundering obligations and is not used to assess the suitability of your investment, or to provide financial advice.

How much is your initial investment?: $

Agreed withdrawal notice period: **30 days** ☐ **60 days** ☐ **90 days** ☐ **Other**

Agreed Management Fee (% per annum)

What is the primary purpose of your investment?

☐ Accumulation of Wealth ☐ Retirement

☐ Income Stream ☐ Other (please specify)

PLEASE TELL US HOW YOU INTEND TO TRANSACT ON THIS ACCOUNT

I plan to make deposits / contributions:	**I plan to make withdrawals:**
☐ Regularly	☐ Regularly
☐ Now and then	☐ Now and then
☐ Lump sum (one off)	☐ Lump sum (one off)

IF MAKING REGULAR DEPOSITS / CONTRIBUTIONS, I/WE WISH TO MAKE REGULAR SAVINGS CONTRIBUTIONS OF:

$ Per: Week ☐ Fortnight ☐ Month ☐ Year ☐

5. YOUR RETURNS

What would you like us to do with your returns?

☐ **QUARTERLY PAYMENTS** (pay returns into my bank account each quarter)

☐ **REINVEST MY RETURNS** (reinvest returns back into the fund each quarter)

6. NOMINATED BANK ACCOUNT

Please provide a nominated bank account in your name for payment of your returns and any withdrawals.
For your protection, we will only pay into an authorised bank account in the account holders name or your solicitor's trust account.

Name of account:

Account Number: ☐☐ ☐☐☐☐ ☐☐☐☐☐☐☐ ☐☐☐

Bank Branch Account Number Suffix

TO VERIFY YOUR BANK ACCOUNT, PLEASE PROVIDE A BANK STATEMENT

The bank statement must show the account name, account number, your address and bank logo. It must be less than 12 months old. The address cannot be a PO Box. You may cover up your transaction details.

7. SOURCE OF FUNDS & WEALTH

In order to meet our anti-money laundering obligations, we need to ask you some questions about your source of funds and/or wealth. Please note this information is not used to assess the suitability of your investment or to provide financial advice. You may need to provide proof of funds/wealth; e.g. sale and purchase agreement, bank statement, payslips, legal documentation etc. We will advise if you need to do so.

Please tell us the original source of the funds you are investing with us:

☐ Inheritance / Windfall	☐ Personal Income	☐ Accumulated Savings
☐ Property Sale	☐ Asset / Business Sale	☐ Superannuation
☐ Other, please specify:		

Please provide further details about the source of funds. For example, sale of property at 55 Greys Road for $835,000 on 21/06/2023:

8. YOUR ACKNOWLEDGEMENTS AND AGREEMENTS

Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act)
You must not knowingly do anything to put Midlands Funds Management Limited ("Midlands" or "us") in breach of the AML/CFT Act. You agree to provide all additional information and assistance requested by us and to comply with all reasonable requests from us to facilitate our compliance with the AML/CFT Act.

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 understand and agree that until Midlands has completed its processes to the standard it, in its sole discretion, determines necessary, it is not bound to accept any investments or open any account for you and it can cancel any application and/or close any account at any time.

You agree that Midlands 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 Act.

Privacy Act 2020
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 and to contact you in relation to your investment.

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. Except where precluded by law 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 Midlands and other products and services offered by Midlands.

Your personal information may also be used by, and you consent to the use of your personal information by Midlands to keep you informed about other financial opportunities, products or services by post, by email, by text message or by any other electronic means.

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

- a copy of the power of attorney and a completed certificate of non-revocation; and
- identification of the attorney as described on the next page.

Electronic Provision of Information
You consent to receiving any communication from Midlands and anyone else involved with the Fund via any electronic means, including via Midlands' digital platform and by email to any email address you give Midlands from time to time. This includes "Confirmation Information" relating to your investment, which you acknowledge will be made available to you via Midlands' digital platform.

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

9. YOUR DECLARATION

- **I/We have read and retained a copy of the current Information Memorandum for the Midlands Income Wholesale Fund.**
- I/We agree to be bound by the terms and conditions of the Information Memorandum and the trust deed for the Midlands Income Wholesale Fund.
- I/We understand that the value of my/our investment is liable to fluctuate and may rise and fall from time to time.
- I/We accept that it is solely my/our decision to make this investment and that I/we have chosen the appropriate investment for my/our risk tolerance and circumstances.
- I/We understand that Midlands has not assessed the suitability of this investment for my/our personal financial situation, financial needs or goals.
- I/We understand that neither Midlands, Trustees Executors Limited nor any other person guarantees the performance of the Midlands Income Wholesale Fund or the repayment of capital or any particular rate of return from the Midlands Income Wholesale Fund.
- I/We acknowledge that I/we will be unable to make any withdrawal from the Fund until:
  - Midlands has received my/our signed withdrawal form and any supporting documentation required; and
  - The agreed withdrawal notice period has passed.
- I/We instruct Midlands to transfer funds from the applications bank account to the Fund if my/our application is accepted, and to return funds to me/us if (and to the extent that) my/our application is declined.
- All the information I/we have provided in this Application Form is to the best of my/our knowledge and belief, correct and complete. In addition, I/we certify that the Investor(s) are as shown on this Application Form.
- I/We will advise Midlands of any changes to my/our personal details including my/our residential or email address, telephone number, legal status or capacity.
- I/We undertake to notify Midlands of any change in tax residency status or a change which causes the information Midlands holds about me/us to become incorrect or incomplete.
- I/We agree to the terms outlined above and elsewhere in this Application Form.

Signature:		**Signature:**	
Full Name:		**Full Name:**	
Date:		**Date:**	

10. SIGNING AUTHORITY

Please indicate below the number of Authorised Signatories you require to withdraw or make variations to your investment:

☐ **SINGLE AUTHORISATION**
Tick if any one investor can provide instructions to withdraw or make variations to your investment

☐ **JOINT AUTHORISATION**
Tick if you require BOTH investors to sign in order to make withdrawals or variations to your investment. If this option is selected Midlands will not action any requests without all required signatures.

11. HOW WOULD YOU LIKE TO BE IDENTIFIED?

To comply with anti-money laundering laws, we need to verify your identity and we may need to verify your physical address. There are 3 ways we can complete this. Please select option 1, 2 or 3.

☐ **OPTION 1: DIGITAL IDENTITY VERIFICATION (PREFERRED METHOD)***
I would like Midlands to electronically verify my identity. This method is completed on your mobile phone and takes less than 5 minutes. We will send you a text with a link to complete the verification. All you need is your passport or driver licence.

☐ **OPTION 2: ORIGINAL DOCUMENTS (PASSPORT OR DRIVER LICENCE AND BANK STATEMENT)**
I will bring my original identification documents (not photocopies) into Midlands.

☐ **OPTION 3: CERTIFIED DOCUMENTS (PASSPORT OR DRIVER LICENCE AND BANK STATEMENT)**
I will post or email 'certified copies' of my identity to Midlands. For guidance on how to certify documents, visit our website.

**For details on how Midlands collects and protects your biometric information as well as your rights to access and correct this information please see Midlands' privacy policy, which is available on our website.*

12. HOW TO SUBMIT THIS APPLICATION FORM

This completed application form together with certified proof of identity and a completed wholesale or eligible investor certificate may be:

☐ **SCANNED & EMAILED TO US AT:**
investments@midlands.net.nz

☐ **POSTED TO US AT:**
Midlands Funds Management, 1/111 Karamu Road North, Hastings, Hawkes Bay 4122

☐ **DROPPED OFF TO US AT:**
Midlands Funds Management, 1/111 Karamu Road North, Hastings, Hawkes Bay 4122 during normal business hours.

Once we have processed your application we will email you a **Welcome Letter** which contains details of your new account and how to transfer funds into your account.

MIDLANDS INCOME WHOLESALE FUND

"Wholesale Investor" Eligibility

The Midlands Income Wholesale Fund is only available to persons who are "wholesale investors" for the purposes of the offer in terms of clause 3(2) or 3(3)(a) of Schedule 1 of the Financial Markets Conduct Act 2013. This diagram is designed to help you determine whether you qualify as a Wholesale Investor. This is not a complete summary and additional requirements apply to these criteria.

START HERE:

Have you owned or controlled net assets of $5 million for the past two financial years?

YES → **WHOLESALE INVESTOR**
You will need to complete a **Wholesale Investor Certificate**

NO ↓

Are you an **investment business** eg a registered bank, NBDT, licensed insurer, financial adviser or a **Government organisation** eg SOE, RBNZ, Crown Entity?

YES → **WHOLESALE INVESTOR**
You will need to complete a **Wholesale Investor Certificate**

NO ↓

Have you transacted $1 million of specified financial products in the past 2 years?

YES → **WHOLESALE INVESTOR**
You will need to complete a **Wholesale Investor Certificate**

NO ↓

Do you have experience in acquiring or disposing of financial products that enables you to adequately assess the offer?

YES → **ELIGIBLE INVESTOR**
You will need to complete an **Eligible Investor Certificate**

NO ↓

You may not qualify for this investment. Please seek advice from a third-party professional.

Midlands
Income Wholesale Fund

MIDLANDS INCOME WHOLESALE FUND

WHOLESALE INVESTOR CERTIFICATE

ABOUT THIS FORM

The Midlands Income Wholesale Fund is only available to persons who are "wholesale investors" for the purposes of the offer in terms of clause 3(2) or 3(3)(a) of Schedule 1 of the Financial Markets Conduct Act 2013.
To confirm your eligibility, and for us to meet our legal obligations, we will need you to complete EITHER this 'Wholesale Investor Certificate' form OR the 'Eligible Investor Certificate' below. Where possible, the 'Wholesale Investor Certificate' is preferred.
If you have any questions, we're here to help. Please contact us on 0800 870 326 or investments@midlands.net.nz.

MIDLANDS INCOME WHOLESALE FUND
Clause 44, Schedule 1 of the Financial Markets Conduct Act 2013 (Act)

WARNING

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you are a wholesale investor, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

OFFENCE

It is an offence to give a certificate knowing that it is false or misleading in a material particular.
The offence has a penalty of a fine not exceeding $50,000.

CERTIFICATION

NAME OF INVESTOR:

The Investor certifies that:

1. it is a "wholesale investor" within the meaning of clause 3(2) of Schedule 1 of the Act; and
2. it understands the consequences of certifying itself to be a "wholesale investor" within the meaning of clause 3(2) of Schedule 1 of the Act.

The grounds on which the Investor claims to be a "wholesale investor" are as follows: *[Place a tick in all appropriate boxes.]*

☐ **INVESTMENT BUSINESS (CLAUSE 3(2), PARAGRAPH (A) OF SCHEDULE 1 OF THE ACT)**

The Investor is in an investment business in terms of clause 37 because:

☐ its principal business consists of 1 or more of the following:

- ☐ investing in financial products;
- ☐ acting as an underwriter;
- ☐ providing a financial advice service (as defined in the Act);
- ☐ providing a client money or property service (as defined in the Act);
- ☐ trading in financial products on behalf of other persons;

☐ it is a registered bank (as defined in section 2(1) of the Banking (Prudential Supervision) Act 1989);

☐ it is an NBDT (as defined in section 5 of the Non-bank Deposit Takers Act 2013);

☐ it is a licensed insurer (within the meaning of section 6(1) of the Insurance (Prudential Supervision) Act 2010);

☐ it is a manager of a registered scheme (as defined in the Act), or a discretionary investment management service (as defined in the Act), that holds a market services licence under Part 6 of the Act;

☐ it is a derivatives issuer (as defined in the Act) that holds a market services licence under Part 6 of the Act;

☐ it is a financial adviser (as defined in the Act).

	INVESTMENT ACTIVITY CRITERIA (CLAUSE 3(2), PARAGRAPH (B) OF SCHEDULE 1 OF THE ACT)
	The Investor meets the investor criteria specified in clause 38 because at least 1 of the following applies to the Investor:
	the Investor owns, or at any time during the 2-year period before the relevant time has owned, a portfolio of specified financial products of a value of at least $1 million (in aggregate);
	the Investor has, during the 2-year period before the relevant time, carried out 1 or more transactions to acquire specified financial products where the amount payable under those transactions (in aggregate) is at least $1 million and the other parties to the transactions are not associated persons of the Investor;
	the Investor is an individual who has, within the last 10 years before the relevant time, been employed or engaged in an investment business and has, for at least 2 years during that 10-year period, participated to a material extent in the investment decisions made by the investment business
	LARGE (CLAUSE 3(2), PARAGRAPH (C) OF SCHEDULE 1 OF THE ACT)
	The Investor is large in terms of clause 39 because at least 1 of the following applies to the Investor:
	as at the last day of each of the 2 most recently completed financial years of the Investor before the time at which this certificate is given, the net assets of the Investor and the entities controlled by the Investor exceeded $5 million;
	in each of the 2 most recently completed financial years of the Investor before the time at which this certificate is given, the total consolidated turnover of the Investor and the entities controlled by the Investor exceeded $5 million.
	GOVERNMENT AGENCY (CLAUSE 3(2), PARAGRAPH (D) OF SCHEDULE 1 OF THE ACT)
	The Investor is a government agency because they are:
	a public service agency (as defined in section 5 of the Public Service Act 2020);
	a Crown entity (as defined in section 7 of the Crown Entitles Act 2004);
	a local authority (as defined in section 5(1) of the Local Government Act 2002);
	a State enterprise (as defined in section 2 of the State-Owned Enterprise Act 1986);
	the Reserve Bank of New Zealand;
	the Board of Trustees of the National Provident Fund (continued under the National Provident Fund Restructuring Act 1990) and a company appointed under clause 3(1)(b) of schedule 4 of that Act.

SIGNED BY THE INVESTOR

Signature of Investor:	
Full Name of Investor:	
Date:	

MIDLANDS INCOME WHOLESALE FUND

ELIGIBLE INVESTOR CERTIFICATE

ABOUT THIS FORM

The Midlands Income Wholesale Fund is only available to persons who are "wholesale investors" for the purposes of the offer in terms of clause 3(2) or 3(3)(a) of Schedule 1 of the Financial Markets Conduct Act 2013.
To confirm your eligibility, and for us to meet our legal obligations, we will need you to complete EITHER the 'Wholesale Investor Certificate' form OR the 'Eligible Investor Certificate'. Where possible, the 'Wholesale Investor Certificate' is preferred.
If you have any questions, we're here to help. Please contact us on 0800 870 326 or investments@midlands.net.nz.

MIDLANDS INCOME WHOLESALE FUND
Clause 41, Schedule 1 of the Financial Markets Conduct Act 2013 (Act)

WARNING

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.
If you give this certificate, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.
Make sure you understand these consequences.
Ask questions, read all documents carefully, and seek independent financial advice before committing yourself

OFFENCE

It is an offence to give a certificate knowing that it is false or misleading in a material particular.
The offence has a penalty of a fine not exceeding $50,000.

CERTIFICATION

NAME OF INVESTOR:	

This certificate relates to an offer of units in the Midlands Income Wholesale Fund.

The Investor certifies that:

1. it has previous experience in acquiring or disposing of financial products that allows the Investor to assess:
   a) the merits of the offer (including assessing the value and the risks of the financial products involved);
   b) the Investor's own information needs in relation to the offer; and
   c) the adequacy of the information provided by any person involved in the offer; and
2. it understands the consequences of certifying itself to be an "eligible investor" in terms of the Act.

The grounds for the above certifications are as follows: *[Please outline below your previous experience in acquiring or disposing of financial products, in sufficient detail for it to be understood. Your previous experience must be relevant to this offer. The information you provide must clearly demonstrate that you have previous relevant experience that allows you to assess the merits of the offer (including the value and risks of the financial products involved), your own information needs in relation to the offer, and the adequacy of the information provided by any person involved in the offer). If we are not satisfied as to these matters, you will not be able to invest as an eligible investor.]*

SIGNED BY THE INVESTOR

Signature of Investor:		Full Name:	
Date:			

MIDLANDS INCOME WHOLESALE FUND

CONFIRMATION OF ELIGIBLE INVESTOR CERTIFICATE

MIDLANDS INCOME WHOLESALE FUND
Clause 43, Schedule 1 of the Financial Markets Conduct Act 2013 (Act)

CONFIRMATION

NAME OF ELIGIBLE INVESTOR:

1. I confirm that:

   (a) I am:

   (i) a financial adviser as defined in section 6 the Act; or

   (ii) a qualified statutory accountant as defined in section 5(1) of the Financial Reporting Act 2013; or

   (iii) a lawyer as defined in section 6 of the Lawyers and Conveyancers Act 2006.

   (b) I am not an associated person (as defined in the Financial Markets Conduct Act 2013) of Midlands Funds Management Limited or any of its related bodies corporate (Relevant Persons).

   (c) If I am a financial adviser or qualified statutory accountant, I have not, within the 2 years immediately before the date of this confirmation, provided professional services to any Relevant Person.

2. Having considered the Eligible Investor's grounds for certification in the attached certificate:

   (a) I am satisfied that the Eligible Investor has been sufficiently advised of the consequences of the certification; and

   (b) I have no reason to believe that the certification is incorrect or that further information or investigation is required as to whether or not the certification is correct.

SIGNED BY A FINANCIAL ADVISER / QUALIFIED STATUTORY ACCOUNTANT/ LAWYER

Signature:	
Full Name of Investor:	
Date:	

NOTES:

Midlands
Income Wholesale Fund

INFORMATION MEMORANDUM

Midlands Income Wholesale Fund

0800 870 326

www.investmidlands.co.nz

Midlands
Income Wholesale Fund

INFORMATION MEMORANDUM

MIDLANDS INCOME WHOLESALE FUND | 1 JULY 2026

IMPORTANT NOTE:

This offer by Midlands Funds Management Limited (Midlands) is limited to persons who are wholesale investors for the purposes of the offer in terms of clause 3(2) or 3(3)(a) of Schedule 1 of the Financial Markets Conduct Act 2013. No product disclosure statement for the purposes of that Act has been prepared and none is required for a wholesale offer. Ask questions, read all documents carefully, and seek independent financial advice before committing yourself. This Information Memorandum has been prepared for general information purposes only. Investors should carry out their own independent review, investigations, analysis, and assessment of the information in this document and seek financial and tax advice before deciding to invest.

1. KEY INVESTMENT HIGHLIGHTS

The Midlands Income Wholesale Fund (Fund) provides access to our Midlands Smarter PIE Fund (MSPF), but at a lower fee structure and therefore higher returns for investors.

- The Fund invests solely in the MSPF (with a small working capital cash holding), which provides an alternative way to obtain exposure to the New Zealand property sector, without direct property ownership.
- MSPF lends money to approved borrowers who meet strict loan criteria to purchase property and land assets.
- The MSPF has conservative lending principles, deigned to help protect investors:
    1. SECURED: Loans are always secured by first mortgages over New Zealand property.
    2. DIVERSIFIED: The MSPF's manager aims to maintain a mortgage portfolio with a mix of mortgage types, interest rates, maturity dates and physical locations of the mortgaged spread geographically throughout New Zealand.
    3. CONSERVATIVE: The MSPF maintains conservative LVR limits. See www.investmidlands.co.nz.
    4. PRUDENT: Loans consist of a mix of mortgage types, interest rates and maturity dates.
- The Fund targets returns (after fees and expenses but before tax) that exceed the average 3-month term deposit rate advertised by all relevant New Zealand registered banks.
- The Fund has a lower net fee structure than direct investment in the MSPF, in exchange for a larger investment (minimum $100,000) and a longer notice period (typically 30, 60 or 90 days depending on the size of your investment). Lower net fees are facilitated by way of a fee rebate paid by Midlands. For more information, refer to section 7 of this Information Memorandum.
- The Fund's PIE tax structure provides tax benefits for investors on marginal income tax rates higher than 28%.

Note there is a list of frequently used abbreviations at the back of this document in section 12.

2. THE MIDLANDS INCOME WHOLESALE FUND

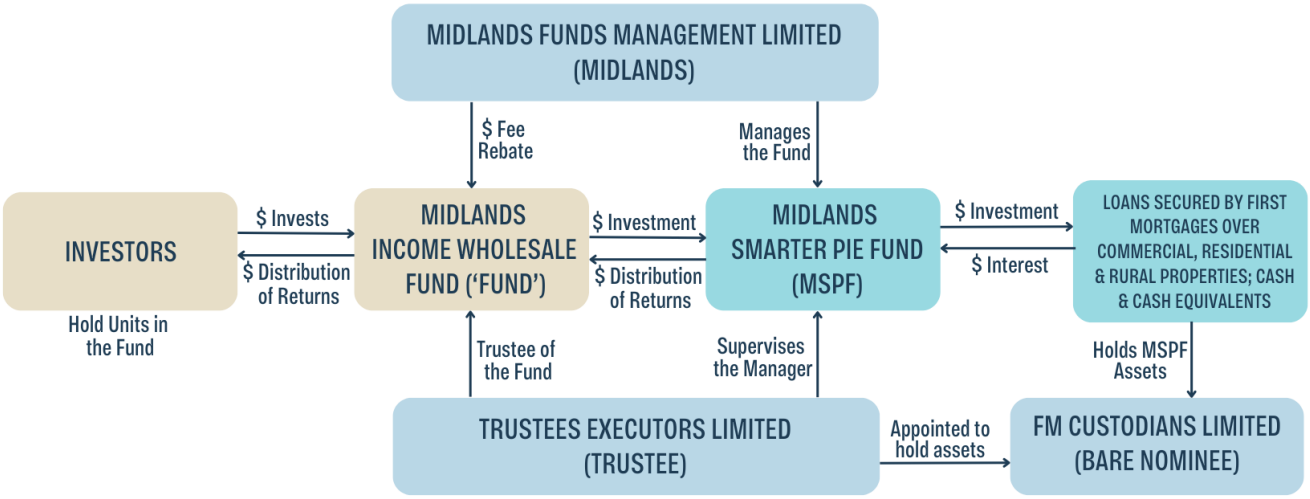
- This is an offer by Midlands Funds Management Limited (**Midlands**) of units in the Fund, a wholesale managed investment scheme. The Fund is a trust and is currently governed by a trust deed dated 1 July 2026 between Trustees Executors Limited (**Trustee**) and Midlands (**Trust Deed**).
- The Fund provides indirect exposure to first ranking mortgages (and cash and cash equivalents) by investing directly into the Midlands Smarter PIE Fund (**MSPF**), a retail managed investment scheme. Midlands is the issuer (and manager) of the MSPF, and a product disclosure statement for the MSPF is available from us.
- The Fund offers a lower fee option for wholesale investors who agree to invest larger amounts with an agreed notice period.
- The specific fees charged are subject to agreement between Midlands and each investor. Typically, Midlands will offer lower fees for larger investments.

Midlands
1/111 Karamu Road
North, Hastings
Hawkes Bay 4156
P: 06 870 3260
E: investments@midlands.net.nz
W: www.investmidlands.co.nz
0800 870 326

3. THE FUND

OVERVIEW

The following diagram shows how the Fund works, and the relationship with the MSPF and between the parties involved:



- Investors will acquire and hold units in the Fund. 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 Fund value divided by the number of units on issue (rounded down to four decimal places). The Fund value is the net value of the Fund's assets (units in the MSPF and any cash held). The value of the Fund is therefore linked to the value of the MSPF.
- The value of the MSPF is, in summary, the aggregate of cash and cash equivalents and the market value of loan investments (including accrued interest, fees and other finance charges), less the aggregate of MSPF liabilities. The Fund's unit price will typically increase gradually across a quarter to reflect income earned by the MSPF before reducing at the end of each quarter when income is distributed.
- Because the MSPF, and by association the Fund, is a pooled investment vehicle, investors' risk is spread across cash and the whole loan portfolio. This gives investors a more diversified exposure to the mortgage lending 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 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 MSPF and Fund, when compared with an investment in a single loan.

INVESTMENT AMOUNT AND INVESTMENT TERM

- Investments in the Fund can be made by completing the application form available from Midlands or www.investmidlands.co.nz and submitting that form to Midlands. The investment amount, notice period and management fee must be agreed with Midlands and recorded on the application form.
- The minimum investment is $100,000 and the notice period is typically 30, 60 or 90 days depending on the size of your investment. Midlands may agree to accept investments at call and may accept smaller investments at its discretion.
- The management fee to be paid will also be agreed with Midlands, and recorded on the application form. Reductions from the standard management fee are facilitated by way of a fee rebate paid by Midlands. For more information, refer to section 7 of this Information Memorandum.

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W: www.investmidlands.co.nz
0800 870 326

DISTRIBUTIONS

- Income distributions on units (being the income earned on the Fund's investments, reflecting fees and expenses within the MSPF and before the payment of PIE tax) are paid out to investors in cash or reinvested back into their investment quarterly.
- At the date of this Information Memorandum, distributions are normally made within 5 working days of 31 March, 30 June, 30 September and 31 December. The date distributions are made could be changed. Any change will be notified to investors by Midlands.
- Distributions of income are paid out in cash unless Midlands allows an investor to request, and the investor does request, that their entitlement is distributed to them by the issue of additional units. Such requests (if allowed) must be submitted to Midlands in writing not less than 30 days prior to the expiry of the relevant distribution period.
- If an investor's distribution is less than $25 then Midlands may allocate that distribution by the issue of additional units irrespective of whether the investor has elected to receive distributions in that manner.

WITHDRAWING YOUR INVESTMENT

- Investments in the Fund are not "on call". The Fund has a lower fee structure than direct investment in the MSPF, in exchange for a larger investment (minimum $100,000) AND a longer notice period. The notice period is typically 30, 60 or 90 days, depending on the size of your investment, as follows:

INVESTMENT	TYPICAL WITHDRAWAL NOTICE REQUIRED
Less than $500,000	30 days notice to withdraw some or all of your funds
More than $500,000	60 days notice to withdraw some or all of your funds
More than $1,000,000	90 days notice to withdraw some or all of your funds

- To withdraw from the Fund (where permitted) an investor must complete a Withdrawal Form (available from Midlands or at www.investmidlands.co.nz) and send it to Midlands. Please note that for the protection of our investors, we will only pay withdrawals into the verified bank account on file.
- Withdrawals will be actioned in accordance with the standard notice periods (above), or such other notice period agreed with the investor at Midlands' discretion, subject to Midlands' right to suspend or defer withdrawals.
- A Withdrawal Form:
  - may not be given for fewer than $1,000.00 (or the whole amount of an investor's investment, if less than $1,000.00); and
  - may not be given if it would cause an investor to hold fewer than $1,000.00 (except in cases of full withdrawal).
- 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 Fund, units specified in a Withdrawal Form cannot be redeemed, then Midlands may suspend withdrawals.
- If a Withdrawal Form or a series of Withdrawal Forms 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 Midlands believes that it is in the general interests of all investors to defer immediate redemption of the total units requested then the units may be redeemed by instalments over a period set by Midlands or redeemed in total at the expiry of a period set by Midlands.
- Midlands has essentially the same suspension and deferral rights for the MSPF. If withdrawals from the MSPF were suspended or deferred then it is almost certain that withdrawals from the Fund would also be suspended or deferred. This is because Midlands would not be able to fund withdrawals from the Fund if it could not withdraw a corresponding amount from the Fund's investment in the MSPF.
- The withdrawal restrictions outlined above apply regardless of the standard notice periods, or any different notice period agreed.
- Other than a transmission of units in the Fund 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

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person, and to any person becoming entitled to units in consequence of the death, bankruptcy or liquidation of any investor, units in the Fund are not transferable without the written consent of Midlands and then subject to such terms and conditions as Midlands may in its discretion impose.

COMPULSORY REDEMPTION

- Midlands may compulsorily redeem any units held by an investor by written notice to the investor, including during the fixed term of any investment, where Midlands considers it necessary or desirable to do so, including where this is needed for the Fund to maintain its PIE status. Midlands is not required to pay any compensation for any compulsory redemption.
- It is expected that Midlands would only ever exercise this power as a last resort, where it was necessary to do so for PIE compliance or to prevent the returns of the MSPF being supressed by excess cash holdings.

4. INVESTMENT STRATEGY

SUMMARY OF INVESTMENT OBJECTIVE AND INVESTMENT STRATEGY

- The investment objective is to provide investors with an income return pre-tax (but after fees and expenses) at a level which exceeds the average 3-month term deposit rate advertised by all relevant New Zealand registered banks.
- The Fund invests solely in units in the MSPF, with the exception of a small amount of cash (typically less than $100,000) which may be held by the Fund for transactional purposes, and cash as required periodically for the payment of PIE tax). The MSPF then invests in loans secured by first mortgages over land and buildings and a minimum of 5% of the MSPF value held in cash and cash equivalents for the purposes of managing liquidity and pending investment in loans. The manager of the MSPF (which is also Midlands) has agreed the following target investment mix with its supervisor (who is also the Trustee):

	RESIDENTIAL	COMMERCIAL	RURAL	CASH AND CASH EQUIVALENTS
Limits of the Fund Value	10% - 90%	0% - 50%	0% - 50%	5% - 25%

INVESTMENT POLICIES

- The Fund invests solely in units in the MSPF (with the exception of a small amount of cash (typically less than $100,000) which may be held by the Fund for transactional purposes, and cash as required periodically for the payment of PIE tax).
- The MSPF invests in loans secured by first mortgages over land and buildings in New Zealand, within defined lending ratios. The MSPF also invests in cash and cash equivalents (that is, term deposits of up to 90 days) with registered banks.
- Midlands' policy in relation to mortgage lending is to establish and maintain a range of mortgage investments. Midlands 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 range (by secured property type) is set out above.
- The mortgage loan portfolio is geographically spread. Please refer to the latest fund update for the MSPF (available from Midlands or on www.investmidlands.co.nz) for more details of the geographical spread.
- Midlands' policy in relation to investing in cash and cash equivalents with registered banks is to have a minimum of 5% and a maximum of 25% of the MSPF value held in cash and cash equivalents for the purpose of managing liquidity and pending investment in loans.

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- The MSPF has loan to value (LVR) lending limits, based on the amount of the loan when compared with the value of the mortgage security property at the time of loan approval, as follows:

RESIDENTIAL MORTGAGES	COMMERCIAL MORTGAGES	RURAL MORTGAGES
Fee simple and cross lease land and buildings: up to 75% LVR	Fee simple and cross lease land and buildings: up to 66.7% LVR	Fee simple and cross lease: up to 60% LVR
	Specialist use (fee simple land and buildings): up to 60% LVR	
Leasehold: up to 50% LVR	Leasehold: up to 50% LVR	
Vacant land (residential and services in place): up to 60% LVR	Vacant land: up to 60% LVR	Vacant land: up to 50% LVR
Vacant land (no services in place): up to 50% LVR		

The information in this section is current as at the date of this Information Memorandum, and is subject to change. Current information is available by contacting Midlands.

5. MIDLANDS AND ITS ROLE

- Midlands is responsible for management of the Fund. Midlands also manages the MSPF. Midlands is a licensed manager of registered schemes that invest in first ranking mortgages and cash, although this licence does not cover the management of the Fund (as it is a wholesale offer). Midlands is not a registered bank. Midlands does not guarantee investments in the Fund, or any level of returns from the Fund.
- Midlands employs a professional team, which includes experienced mortgage lenders, credit specialists and relationship managers. Midlands has managed the MSPF since 2004 and aims to operate as a solutions-based lender with a specific emphasis on understanding borrowers and undertaking rigorous due diligence for every loan.

6. THE TRUSTEE AND ITS ROLE

- Trustee Executors Limited has been appointed as trustee of the Fund to hold the assets of the Fund (being units in the MSPF and any cash held) on trust for investors. The Trustee is also the supervisor of the MSPF.
- Because the Fund is a wholesale fund, the Trustee has a reasonably limited role in overseeing Midlands' management of the Fund. The Trustee does not guarantee investments in the Fund, or any level of returns from the Fund.

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7. FEES

The fees associated with an investment in the Fund are as follows:

FEE TYPE	EXPLANATION
MIDLANDS' FEE	Midlands charges a net management fee agreed between Midlands and each investor. The net amount of the fee each investor pays will be set out in the application form, but may be changed by agreement between Midlands and the investor. Typically, Midlands will offer lower fees for larger investments and longer investment terms.
MIDLANDS' FEE REBATE	Midlands' basic fee of 1.75% per annum of the MSPF value is deducted from the MSPF. Midlands will pay each investor a quarterly fee rebate (by way of an issue of additional units in the Fund) to reflect the difference between Midlands' basic fee deducted from the MSPF and the management fee agreed with each investor.
TRUSTEE'S FEE	0.17% per annum of the MSPF value up to $50 million, 0.12% per annum of the MSPF value up to $100 million and thereafter 0.09% of the MSPF value (but with a minimum fee of $57,500) is payable to the Trustee, as a supervisor's fee, for its role as supervisor of the MSPF. A separate trustee fee of 0.04% is payable for the Midlands Income Wholesale Fund (but with a minimum fee of $11,500). This fee is met by Midlands and is not borne by investors in the Fund.
OTHER MANAGEMENT & ADMINISTRATION CHARGES	Estimated to be 0.10% per annum, based on historic rates. Midlands is paid out of the MSPF 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 Midlands. Administration charges are also payable by the MSPF. These include audit, bank charges, cost of communication to investors, legal and professional fees, and IT expenses. Any additional administration charges relating to the Fund (for example, audit fees) are paid for by Midlands and not out of the Fund.

- All fees are inclusive of GST, where applicable.
- Midlands' basic fee is calculated daily and paid monthly in arrears out of the MSPF's assets. This fee is the remuneration to which Midlands is entitled for the provision of management services to the MSPF. There is no separate management fee paid by the Fund.
- The Trustee's fee for the MSPF is calculated daily and paid monthly in arrears out of the MSPF's assets. This fee is the remuneration to which the Trustee is entitled for the provision of trustee and supervisory services to the MSPF. The Trustee's fee for the Fund is paid monthly in arrears by Midlands.
- Default interest fees are charged monthly. They contribute to Midlands' costs of managing loans that are in arrears.
- Administration charges are charged to the MSPF as they are incurred.
- There is no performance fee in relation to the Fund or the MSPF.
- No withdrawal, penalty or transaction fees are charged by the Fund or the MSPF.
- Investors are not charged establishment or brokerage fees. However, if you invest in the Fund through a financial adviser or other broker Midlands may pay them a fee. These fees are payable by Midlands, and not out of either the Fund or the MSPF. You can obtain details of any fees from your adviser or broker.
- These fees are subject to change. The current fees and how they are calculated are available by contacting Midlands.

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8. RISKS

- All investments carry risk. There are a number of general and specific risks associated with the Fund which could mean that you do not receive the expected returns, or do not recover the full value of your investment.
- The key risks are as follows:

RISK	EXPLANATION
CREDIT RISK	A borrower or several borrowers from the MSPF 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 distributions to investors may be less or there may be no returns to distribute); and ▪ 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. Additional costs are also likely to be incurred in a mortgagee sale process. However, as the MSPF lends only on first mortgage securities, it will rank first in returns from any mortgagee sale.
PROPERTY SECTOR RISKS	The MSPF 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 MSPF (and in turn the Fund) by increasing the risk of borrower default or reducing the value of security properties (and therefore increasing the risk of losses on a mortgagee sale).
CONCENTRATION RISK / GEOGRAPHIC RISK	The MSPF's mortgage loan portfolio is geographically spread throughout New Zealand. However, loan concentrations in certain regions can occur from time to time. Any significant downturn in those property markets (causing an erosion of loan security margins) could have an adverse effect on the MSPF (and in turn the Fund). In addition, due to the size of the MSPF, the mortgage loan portfolio could, at times, contain elevated levels of exposure to individual loans which could, if a default occurred, have an adverse effect on the MSPF (and in turn the Fund).
DEVELOPMENT LENDING RISK	The MSPF may, on occasion, lend for property development. Failure to complete a development can mean that the incomplete development fails to achieve the amount of loan funding on sale, increasing the risk of loss should a default occur. To mitigate this risk the MSPF's lending criteria generally requires that construction costs are locked in with a fixed price building contract, that the building contractor is reputable and satisfactory to Midlands, and that the borrower has sufficient experience and sources of funding to complete the development.
LAND VALUE RISK	There are risks associated with lending on the security of a property with a high unimproved land value. The MSPF 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 MSPF.
INTEREST RATE RISK	The market demand for loans secured by first mortgages may be affected by general movements in interest rates throughout the finance industry in New Zealand, which can be influenced by economic conditions and inflation. If interest rates decrease, returns from the

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	MSPF (and in turn the Fund) may likewise decrease. Conversely, if interest rates increase, returns from the MSPF (and in turn the Fund) may increase.
LIQUIDITY RISK	There is a risk that the Fund will not have sufficient liquid assets to meet withdrawal requests, although Midlands is able to manage this risk to some extent in the way it sets investment terms for investments in the Fund. The ability of the Fund to redeem units in the MSPF is dependent on the amount of cash and cash equivalents held by the MSPF. The Fund invests in the MSPF which 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 cash equivalents (and Midlands is not able to sell part of the MSPF's mortgage loan portfolio in a timely fashion), Midlands may need to suspend redemptions or require that redemptions are by instalments until cash reserves are increased. Midlands has agreed with the Trustee (in its capacity as supervisor of the MSPF) to maintain at least 5% of the MSPF value in cash and cash equivalents (term deposits of up to 90 days). This provides a buffer to help mitigate liquidity risk but a suspension of withdrawals could still occur in some circumstances. When considering withdrawals, Midlands will prioritise the Fund on the same basis as other MSPF investors – the Fund is not prioritised ahead or deferred behind other MSPF investors. If withdrawals from the MSPF were suspended it is almost certain that withdrawals from the Fund would also be suspended. Higher levels of liquid assets result in lower returns from the MSPF since interest rates on liquid assets are less than interest rates on mortgage loans.
INFLATION RISK	Inflation reduces the real value of all investments. However, investing long-term in a fund with a greater proportion of cash, cash equivalents, and other relatively conservative investments (such as the Fund) does expose investors to a greater risk that the value of their investments will not keep up with inflation.
OPERATIONAL RISK	Midlands may be impacted by operational or system failures. Such failures, whether by Midlands or third parties providing services on our behalf, could result in ineffective fund management, potentially impacting the Fund's or the MSPF's performance or reputation, and is a particular risk for Midlands given its comparatively small size. This risk is mitigated through internal controls and governance oversight including internal and external compliance assurance processes, audit engagements, and our supervision framework.
KEY PERSON RISK	Investments made by the MSPF are reliant on the skill and experience of Midlands' employees. The departure of key personnel could adversely affect Midlands' business processes or investment assessments, potentially impacting the MSPF's (and therefore the Fund's) performance, and is a particular risk for Midlands given its comparatively small size. To mitigate this risk, we maintain key standard operating procedures, minimise reliance on individual employees, and (where practical) engage services of third parties in either a primary or backup support capacity.

This is not a complete summary of all known risks. In addition, other risks could arise that cannot be anticipated at the date of this Information Memorandum.

9. TAX

- Tax can have significant consequences for investments. You should obtain your own advice on the tax consequences of investing in the Fund.
- The Fund is a portfolio investment entity (PIE). The amount of tax you pay in a PIE is based on your prescribed investor rate (PIR). To determine your PIR, go to www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department.

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- It is your responsibility to tell Midlands your PIR when you invest or if your PIR changes. If you do not tell Midlands, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.
- If for any reason the Fund ceases to be a PIE in the future, for New Zealand tax purposes the Fund will be taxed as if it was a company under the Income Tax Act 2007 and income distributed to investors will be in the form of fully imputed dividends with resident withholding tax (RWT) withheld at the relevant rate.

10. HOW TO INVEST

- Expressions of interest can be made to Midlands (see the contact details in section 11 below). Applications will be accepted at the complete discretion of Midlands. As part of the application process, the investment amount and term of your investment, and the management fee you will pay, will be agreed with Midlands.
- If your application is accepted, you will be required to complete the following documents:
  a) the application form, confirming the specific details of your investment and your agreement to be bound by the trust deed for the Fund (among other things); and
  b) a wholesale or eligible investor certificate (as applicable).
- In addition, you may be required to provide Midlands with further information for tax and AML/CFT purposes.

11. FURTHER INFORMATION

If you have any questions, or need further information, please contact Midlands:

Midlands Funds Management Limited
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Email: investments@mmt.net.nz

12. FREQUENTLY USED ABBREVIATIONS

ABBREVIATION	MEANING
Fund	The Midlands Income Wholesale Fund
Midlands	Midlands Funds Management Limited (the Fund's manager)
MSPF	Midlands Smarter PIE Fund
PIE	Portfolio Investment Entity
PIR	Prescribed Investor Rate
Trustee	Trustees Executors Limited (the Fund's trustee)

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