



## Positive outlook for New Zealand

What a year it's been; a new American President was sworn in, North Korea tested its most powerful nuclear bomb and Brexit commenced. New Zealand held an election with more twists and turns than an Agatha Christie novel, a royal engagement was celebrated, and Team NZ brought home the America's Cup.



Although we're facing some very real challenges here in New Zealand, in general we're lucky on many counts. Once again, we rated one of the top 10 happiest nations in the world, placing 8th in the World Happiness Report. New Zealand rated highly in all six of the key variables: income, healthy life expectancy, having

someone to count on in times of trouble, generosity, freedom and trust, with the latter measured by the absence of corruption in business and government. This last point was reiterated by New Zealand's first equal placing (with Denmark) as the least corrupt nation in the world, as ranked by Transparency International.

In November New Zealand took 2nd place in the Legatum Institute's Prosperity Index out of 149 countries (pushed out of the top spot by Norway), and The World Bank ranked us as the best country in which to do business. These positive outlooks benefit all of us in a myriad of ways - let's hope the momentum can be sustained into 2018 and beyond.



**THE LEGATUM  
PROSPERITY INDEX™  
2017**  
*Creating the Pathways from  
Poverty to Prosperity*

## New Year financial hangover a reality for many



Reserve Bank figures show credit card spending peaked at \$4.1 billion in December last year - the highest ever monthly billing level. This upward trend is expected to continue this year, but research from Credit Simple indicates that 29% of New Zealanders who are paying for their Christmas and holiday spending with their credit card don't plan to pay their credit card off in full by the due date.

Historical data shows that New Zealanders tend to start falling behind in paying off their credit cards in October. By the time Christmas arrives they are already in the red and late payments tend to peak in the first quarter of the new year.

Those most likely to put their purchases on credit cards were the over 65s with 50% using the plastic, however 92% also planned to pay it off. Those least likely to pay it off were aged 25 to 34 with only 59% per cent of credit card users paying their full bill off in time.

Why is this a worry? Because failing to pay a credit card bill on time could damage a person's credit score and prevent them from being able to borrow money in the future.

Hazel Phillips, a spokesperson for Credit Simple, advises that people set a budget for their Christmas spending, in order to avoid a New Year financial hangover that could wreak havoc on their credit score.

*Credit Simple is an agency who provides free credit rating data. Their research was based on a survey of 1000 people carried out by Perceptive Research in November 2017.*

### PERFORMANCE SNAPSHOT\*

	1 Jan 2017	1 Apr 2017	1 Jul 2017	1 Oct 2017	1 Jan 2018
Quarterly distributions	<b>4.60%</b>	<b>4.70%</b>	<b>4.75%</b>	<b>5.00%</b>	<b>5.00%</b>
Unit pricing	<b>92c</b>	<b>92c</b>	<b>92c</b>	<b>92c</b>	<b>92c</b>

\*Annualised returns paid quarterly. Past performance is no guarantee of future performance.

# Meet the team



Peter Harrison



Doug Bailey



Tony Brooker



Anne Hunter



Wendy Spencer

## News & views

### Dear Investor

My last column was written before the election result was known and since then there seems little that has changed in monetary policy with the new government. The low interest rate era is here to stay for a while yet. There has been a slight lift in inflation expectations and that seems to indicate that rates will start rising towards the latter part of next year.

Recently we have held investor meetings in Hastings and Waipukurau which appear to have been well received with an upsurge in investment in your Fund which continues to grow. We will be having a meeting in New Plymouth in February next year and look forward to seeing a good turnout there as well.

The last quarter has been a busy one with good quality lending being done as the banks remain hawkish. Following pre-election nervousness, the property market seems to have picked up again with the latest November statistics for the Auckland residential market showing a pick-up in activity and prices remaining steady.

With all the above, we have been able to maintain the investor distribution rate for the quarter and the New Year should also show continued improvement.

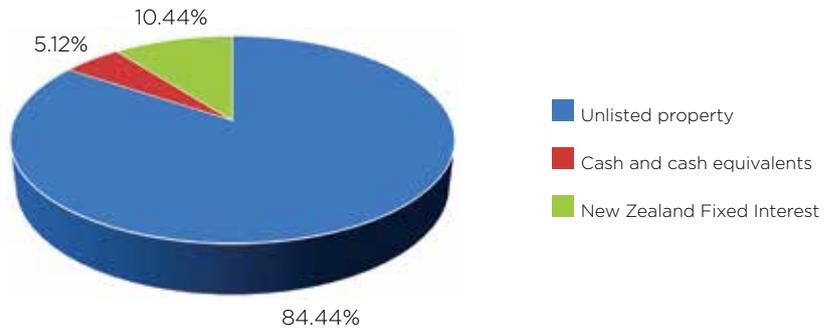


With summer arriving early this year, the holiday season should be a great time to kick back, relax and catch up with family and friends. The directors and staff join me in wishing you a safe and happy Christmas as well as health, wealth and happiness in the year ahead.

Kind regards

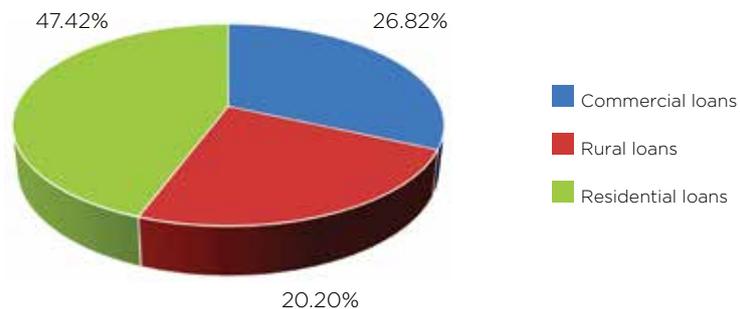
## Fund Asset Allocation

At 30 November 2017 the Fund's assets comprised:



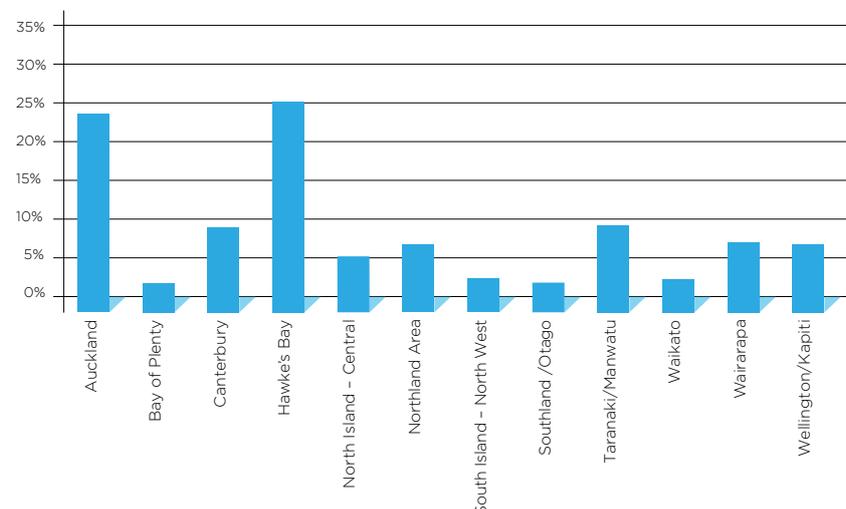
## Loans by Sector

The loan assets are spread between commercial, rural and residential securities as follows:



And these assets are located throughout New Zealand in the following areas:

## Loans by Region as at 30 November 2017



Further information concerning the Fund including our Product Disclosure Statement can be found at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose) and search for Midlands Mortgage Trust as a scheme and/or an offer.

# Vegetable Gardener's Diary January



After welcoming in the new year, you will find numerous crops in your garden will be ready to harvest. If going away over the festive season, put your sprinklers on a timer or organise someone to tend to and water your vegetables and herbs – please bear in mind any local water restrictions that may be in place.

## SPECIAL ATTENTION

**Fruit** – pick nectarines, passionfruit, cherries, apricots, peaches, plums, blueberry, strawberries – in fact all the berries!



**Tomatoes** – fruit will be ripening from now until late autumn. For the best flavour, leave the fruit to ripen on the plant but remember to cover with netting to keep the birds at bay. Pinch out new laterals that appear and keep plants well-watered.

**Potatoes** – for main crops still in the ground, move soil up and around leaves to encourage more tubers and protect from the sun, however don't use grass clippings as this can heat up the soil too much and encourage pests and diseases. A potato fertiliser at this time of year is also recommended.

**Potted Plants** – if possible, move these out of the midday sun however if they are already looking a bit dehydrated, place the pot in a bucket of water and soak.

## SOW

Dwarf French beans, beetroot, broccoli, cabbages, carrots, cauliflowers, celery, chervil, lettuces, leeks, mesclun, parsnips, radishes, rocket, spinach, silverbeet, swedes.

## PLANT

Dwarf beans, brussels sprouts, celery, courgettes, lettuces, leeks, peas, potatoes, pumpkins, silverbeet, spinach.

## FERTILISE

Use potato fertiliser for your potato crop and feed other established plants regularly with your favourite plant tonic. Faster-growing crops can even be fed every two weeks.

## PROTECT

Stay on top of bugs and pests by laying slug and snail control and spraying aphids and whitefly with insect control.

## HARVEST



Globe artichokes, beans, beetroot, capsicums, chillies, courgettes, cucumbers, eggplants, garlic, lettuces, onions, shallots, tomatoes.



It's now stone fruit season and there are many ways to eat stone fruit, from straight off the tree to delicious desserts. Or try tossing stone fruit through a salad or eat slices with cheese. Plus, there's always the option to freeze or bottle any excess, which you will be grateful for later in the year.

## Pork chops with balsamic-glazed stone fruit and blue cheese salad

### Balsamic-glazed peaches

2 tbsp olive oil  
3 peaches, or nectarines, medium, sliced into 8 wedges  
1 red onion, small, thinly sliced  
1 tsp rosemary, or thyme, finely chopped  
2 tbsp honey  
3 tbsp balsamic vinegar

### Pork chops & salad

1 tbsp olive oil  
6 pork chops, free-range  
4 handfuls baby rocket, or mesclun leaves  
1 peach, or nectarine, or 2 apricots, sliced  
60g blue cheese, crumbled  
Vinaigrette, made from extra virgin olive oil and lemon juice, to dress salad

### Directions

1. Heat oil in a large frying pan on medium heat. Cook peaches, onion and rosemary/thyme until peaches and onion are soft and starting to caramelise (about 7-10 minutes).
2. Add honey and balsamic vinegar, tossing through the peaches before turning off heat. Season to taste with salt and pepper.
3. To cook the pork chops, heat oil in a large frying pan on medium to high heat. Season pork chops with salt and cook for 2-3 minutes each side or until cooked through. Remove chops and set aside to rest for 5 minutes while you prepare the salad.
4. Toss rocket or mesclun, sliced fruit and blue cheese together. Dress with extra virgin olive oil and a little lemon juice just before serving.
5. To serve, divide pork chops and salad between plates. Spoon some balsamic peaches over pork chops.

# Events calendar

## Hawke's Bay events

14-18 February 2018

**Tremains Art Deco Festival 2018**

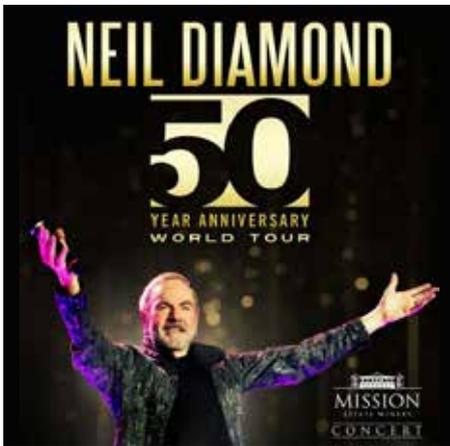


New Zealand's Art Deco capital, Napier, celebrates its annual festival in February with over 200 events including entertainment experiences, outdoor concerts, vintage car parades, fashions shows, dining experiences, great Gatsby picnics and so much more. Over 40,000 people flock from all over the world into Napier to see it transform back in time and enjoy this iconic event.

[www.artdeconapier.co.nz](http://www.artdeconapier.co.nz)

17 March 2018

**Mission Estate Winery Concert  
Neil Diamond 50 Year  
Anniversary World Tour**



The Mission Concert is part of Neil Diamond's world tour celebrating his extraordinary career of five decades where he has created defining hits for generation after generation of loyal fans. The 2018 concert promises to be one very special day at the Mission Estate Winery in Hawke's Bay.

[www.missionconcert.co.nz](http://www.missionconcert.co.nz)

22 March 2018

**Hastings City Night Market**



Bringing live local entertainment to the people at the Harcourts Hastings City Night Market over the summer season. It's a great way to set the scene, get people involved and to showcase some of our talented artists, musicians and performers. Vendors at the Hastings City Night Market are locals who make or produce their own food or products.

[www.hastingscitymarkets.co.nz](http://www.hastingscitymarkets.co.nz)

For more information on Hawke's Bay events visit [www.hawkesbaynz.com](http://www.hawkesbaynz.com)

## Taranaki events

December 2017 - February 2018

**TSB Festival of Lights**



Each summer the TSB Festival of Lights transforms Pukekura Park into a magical illuminated night-time wonderland of multi-coloured lights gleaming amongst the trees, attracting more than 100,000 visitors each year. Come and be wowed by the live night-time entertainment from national and international performers, stunning lighting features, a fantastic mix of daytime activities for children and families, twilight movies in the park and pop-up performance features.

[www.festivaloflights.nz](http://www.festivaloflights.nz)

3 March 2018

**Michael Jackson HIStory Show**



A musical tribute and live concert experience that journeys through Michael Jackson's vast and incredible catalogue of work. This show features all of MJ's greatest hits performed live by multi-talented impersonator Dantano. Come and celebrate the life and talent of the King of Pop with this casino-class production that features a live international band, fully choreographed dancers, authentic costumes and brilliant effects. A show not to be missed!

[www.mjhistoryshow.com](http://www.mjhistoryshow.com)

16-18 March 2018

**Womad NZ 2018**



New Zealand's award-winning three day music and dance festival! WOMAD is a feast for all of the senses. Hear music from throughout the globe, join in with workshops led by talented international musicians, taste delicious and exotic food cooked by the artists, listen to talks, experience the art, dance your heart out and generally soak up the atmosphere and the joy of discovery!

[www.womad.co.nz](http://www.womad.co.nz)

For more information on Taranaki events visit [www.taranaki.info](http://www.taranaki.info)



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