



NEW INVESTOR MEETING FORMAT A HIT!

In order to make our investor meetings as enjoyable as possible we recently introduced two new elements to the agenda.

The first is a short, engaging presentation from a highly regarded guest speaker (or two). The second is a prize draw, where each investor who attends the meeting is entered in the draw to win a voucher.

Feedback from our recent investor meetings was very positive so we hope that these new initiatives will encourage more of you to attend in the future. Here is an overview of the latest investor meetings:



NEW PLYMOUTH AND HAWERA – SEPTEMBER 2018

Innovator, entrepreneur, humanist and speaker Adnan Belushi shared his 4 big visions for New Zealand. They are: New Zealand being an incubator for solving global problems; enabling regions to connect to accelerate growth (rather than regions working in isolation); encouraging innovation and entrepreneurship in young people to allow them to contribute to the future and, finally; selling New Zealand as an 'innovation' nation.



Adnan believes that the government's investment to showcase New Zealand businesses at Dubai Expo 2020 is a great starting point. His presentation was thought provoking and inspiring, and ignited great discussions.



WAIPUKURAU AND HAVELOCK NORTH – AUGUST 2018

Casey McDonald, Executive Chef at Craggy Range Restaurant, and Duncan Smith, farmer and owner of Waipawa Butchery, work together to deliver a world class food experience. They shared the story of their careers to date and how their current partnership works delivering high quality produce from the farm to the plate. Their relaxed presentation was both insightful and humorous. Both speakers appeared in a recent episode of Country Calendar (*Episode 25 2018, aired Sunday 2nd September*) – if you missed it don't worry, you can watch it on TVNZ OnDemand.

CONGRATULATIONS

to our voucher winners!

Waipukurau	Janet Squires, Janice Malcolm
Havelock North	Colleen Green, Fay Cross
New Plymouth	Kenneth Davis
Hawera	Garry Corrigan

PERFORMANCE SNAPSHOT

	1 Oct 2017	1 Jan 2018	1 Apr 2018	1 Jul 2018	1 Oct 2018
Quarterly distributions*	5.00%	5.00%	5.15%	5.30%	5.40%
Fund size	\$36.60m	\$40.20m	\$41.90m	\$45.40m	\$47.19m <i>(as at 12/09/18)</i>
Unit pricing	92c	92c	92c	92c	92c

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



NEWS & VIEWS

Dear Investors

This quarter the Midlands family has continued to grow and now we have over 470 investors in the Fund and a healthy increase in the Fund this quarter of just under \$2.5million. We have also managed to increase the investor return to 5.40% at a time when recent trends with the banks have been slight reductions in terms deposit rates.

At recent investor meetings that were held in Taranaki and Hawkes Bay investors would have heard that for our average investor, the difference between the Midlands return and a 12-month term deposit at a New Zealand bank would pay for a premium economy return airfare to the Gold Coast with change to spare. That is good news indeed! Congratulations to the prize winners drawn from the attendees at these meetings and I do hope they enjoy spending their vouchers. The prize draw will be a feature of future meetings and I hope to see more of you at them.

With the increase in the Fund, we are very busy on the lending front. A few large loans have also repaid recently with the result that our cash available to lend has grown. We are still getting good proposals for lending and are hard at work getting the loans done.

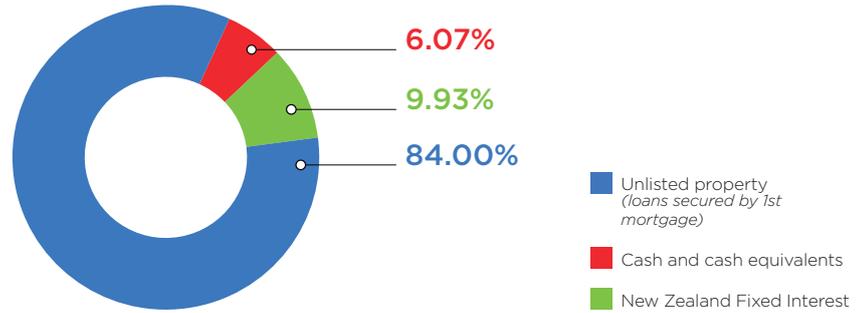
Economic news is that the economy is still performing well but that there is a greater anticipation of a correction. It is the timing of that correction that is difficult to pick. The greater impact of that correction is likely to be felt in equity markets and, at Midlands, we continue to take a careful view of where the property market is heading with our careful approach to lending against property values. Now that Spring is here, there is the annual resurgence in activity in the property market and we anticipate a busy quarter getting to the end of this year.

Kind regards



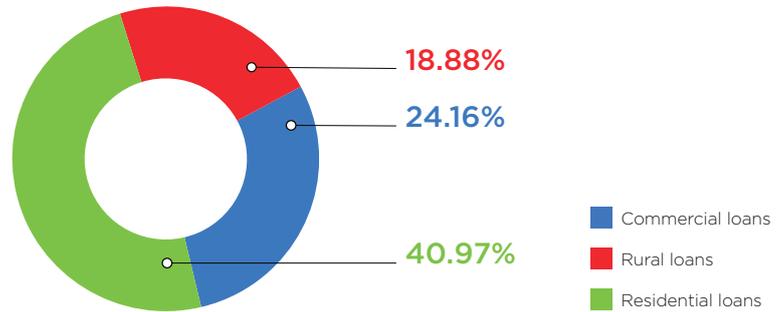
FUND ASSET ALLOCATION

At 31 August 2018 the Fund's assets comprised:



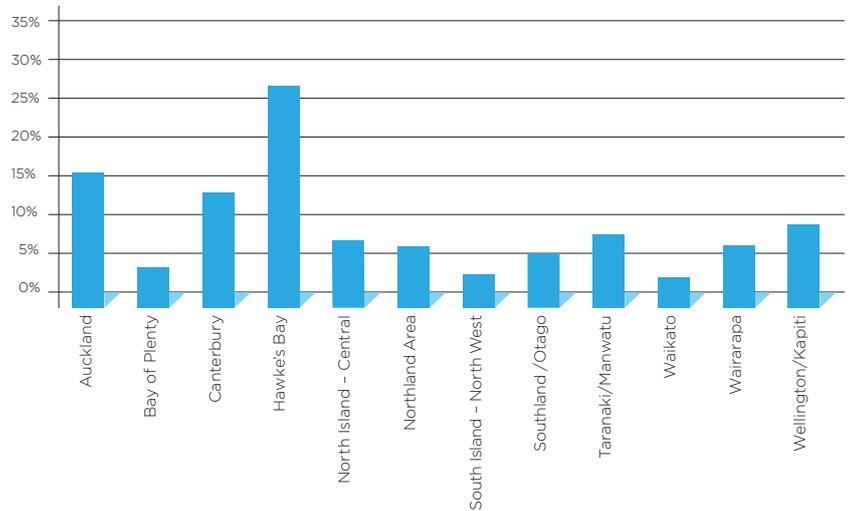
LOANS BY SECTOR

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 31 AUGUST 2018



Further information concerning Midlands Mortgage Trust (the Fund) including our Product Disclosure Statement and the issuer, Fund Managers Central Limited, can be found at www.companies.govt.nz/disclose - search for Midlands Mortgage Trust as a scheme and/or an offer. The issuer is not a registered bank.

MEET THE TEAM



Peter Harrison



Doug Bailey



Tony Brooker



Anne Hunter



Colleen Green



Chandar Dudding



INTERESTING WAYS TO SAVE MONEY

Recent research from UK company The Labrador discovered a number of ways that people save money, from the typical measures to the slightly more bizarre and even downright illegal.

Here's a few examples:

- Put on extra layers at home to save on heating
- Turn off or unplug appliances at the plug
- Freeze food to eat after use by date
- Take kids out of school during term time to take cheaper holidays
- Reuse water from washing up to water the garden
- Stock up on free condiments from restaurants
- Use the gym or office showers to save water at home
- Take office supplies such as toilet roll or washing up liquid to use at home
- Wash clothes while in the bath or shower
- Keep a jug of water by the basin for washing up

Whilst we definitely don't condone taking things from your workplace, there are some good ideas here worth considering because, as the proverb goes, if you look after the pennies the pounds will look after themselves.

POSITIVE START TO SPRING FOR THE HOUSING MARKET

The outlook is slowly improving for the residential property market with the Real Estate Institute of New Zealand's latest figures showing a lift in sales volumes compared to a year ago and prices remaining steady.

The REINZ recorded 6216 sales throughout the country in August, up 3.1% compared to August last year, while the national median selling price was \$549,000, almost unchanged from the \$550,000 median in July but up 3.6% compared to a year ago. The national median price has remained between \$549,000 and \$560,000 since March.

The Auckland residential property market is continuing on a reasonably stable path, with sales volumes almost flat and very little movement in median price (\$852,000).

Sales also remained stable in the Wellington Region although the median price increased sharply to \$590,000 – up 14.15% on August last year.

In Canterbury there was a jump in sales to 852 in August compared to 790 in August last year (7.8% increase), with very little overall price movement for the last two to three years (median price \$425,000).

Interestingly, the REINZ believes that weather does play a part in the housing market with REINZ chief executive Bindi Norwell commenting that *“Above average temperatures for New Zealand in the final month of winter has had a positive impact on the real estate industry, with prices increasing in 14 out of 16 regions across the country.”*



FRIENDLY REMINDER

We advised you in our last newsletter that we'll shortly be transitioning to email communication whenever it is appropriate and preferred by customers. Email is cost efficient and more environmentally-friendly than printing and post, so we'd encourage you to consider this form of communication.

If you would like to receive newsletters, statements and updates from us via email please send your email address to colleen@mmt.net.nz

EVENTS CALENDAR

HAWKE'S BAY EVENTS



Hawke's Bay Royal A & P Show

17-19 October

A & P Showgrounds,
Kenilworth Rd, Hastings

Welcoming over 25,000 visitors through the gates, the Royal A&P Show New Zealand is the premier Agricultural Show in New Zealand bringing rural life to the city like no other event can. Hosting some of the countries best and most prestigious livestock, equestrian and farming events, you will see more animals, more competition arenas and all your favourite features including quality shopping, Animal World, and Mahons Amusements over a packed three day schedule!

Come along with your family and friends and enjoy the incredible amount to see and do - great value for money event for the whole family.



Harcourts Hawke's Bay Arts Festival

15-28 October

Come join us over 14 days and 40 shows as we explore, celebrate and grow connections - to place, people, past and future - through the arts!

With world-class international acts alongside a showcase of local talent, we promise incredible performances, stunning displays, raucous fun and moving, transformative experiences.

From cabaret in the Spiegeltent to dancing in the streets of Napier, from circus tricks and puppet theatre to gritty tales and cutting-edge plays, from classical concerts to popular songs to the quirky off-beat, the Harcourts Hawke's Bay Arts Festival offers something for everyone, and every pocket, in venues and spaces at all our main centres.



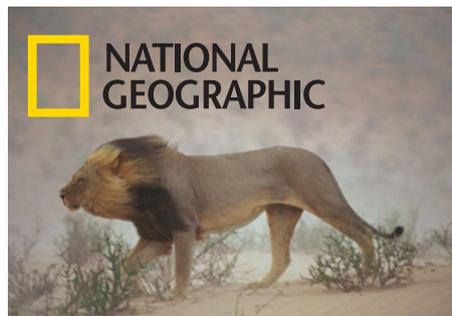
Summer F.A.W.C 2018

2-11 November

Recognised the world over for its fine wine and fresh produce, Hawke's Bay is a gastronome's dream destination. It's a tough job knowing where to start, so that's why we created F.A.W.C! Food and Wine Classic - your one-stop culinary festival that brings together the best on offer from across the region. Summer F.A.W.C! 2018 includes 60 mouthwatering events, set in some of the region's most stunning locations, across 10 delicious days.

For more information on Hawke's Bay events visit www.hawkesbaynz.com

TARANIKI EVENTS



50 Greatest Photographs of National Geographic

September 19 - October 28

1 Ariki St, New Plymouth, Taranaki

50 Greatest Photographs of National Geographic showcases some of the most engaging photographs spanning the magazine's 130-year history. From Steve McCurry's iconic Afghan Girl to Michael "Nick" Nichols's photograph of Jane Goodall and a chimpanzee, this exhibition will captivate and transport visitors of all ages. Experience a different view on some of the photos with the inclusion of the 'near frames'. These are the images made in the field before and after the perfect shot. The exhibition also includes videos with behind-the-scenes stories and interviews. Visitors will hear first-hand accounts from photographers of the places they travel to, and the remarkable people they meet around the world.



Powerco Taranaki Garden Festival

October 26 - November 04 2018

This annual spring festival offers a feast of private and public gardens, open to visit for 10 days right around Mt Taranaki. The 31-year-old festival also offers a mixture of free and paid events, including an evening with a sizzling celebrity chef, Chapman-Taylor tours, a variety of offerings around food, beverage, flowers and dance, workshops, art on display in gardens, guided walks and festivities.

There will also be a free Landscape Design Project and The Hub information centre will be open for helpful advice in the White Hart Precinct in the heart of New Plymouth. Of the 40 featured gardens, 34 are private gardens open to the public exclusively for the festival. The other six are stunning public gardens, including a cemetery. This year, we have included a vegetable gardens section.



Pukekura Raceway Christmas at the Races

6 December

Pukekura Raceway, 1 Rogan St, Welbourn

What better way to start the festive season than a Christmas-themed day at the races! Christmas At The Races is your one-stop Christmas party shop. Choose a hospitality package to suit your group, then relax while Pukekura Raceway looks after all the details. Simply turn up and enjoy a day of exciting racing, live entertainment, and even a visit from Santa!

For more information on Taranaki events visit www.taranaki.info



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