



SAVE FOR A “CHOICES” RETIREMENT LIFESTYLE



Today we're living longer than ever before. According to the latest Statistics New Zealand cohort life tables, on average, 80% of today's 65-year-old men can expect to live until they're 90, and 65-year-old women until they're 94.

So, do Kiwis think they're currently saving enough to live off during retirement? Recent 2018 research by ASB showed that 62 per cent of respondents thought they needed to save more for their golden years while another 18 per cent were unsure.

Even those close to retirement believed they needed more savings, with 56 per cent of over 60 years thinking they needed to save more.

Chris Tennent-Brown, chief economist at ASB bank, said as people got older a slightly higher proportion believed they were on track but even then, the latest survey shows that only 30 per cent of respondents over 60 think they don't need to save more.

"Most retirees will still need additional income, even for a very simple lifestyle," Claire Matthews from the Westpac Massey Fin-Ed Centre said.

Research carried out by Massey University in 2017 estimates that a single person living in Auckland, Wellington or Christchurch would need savings of at least \$101,774 to live a "no frills" retirement lifestyle in the city and \$30,199 for people retiring in a small country town. The amount needed for a "choices" lifestyle in a city would be \$360,620 for a single person and a combined nest egg of \$486,023 for a couple.

No frills is just getting by on a limited diet, with no holidays, while choices includes better food, and holidays.

These sums were calculated assuming 25 years of retirement, where the individual, or couple, would live until the age of 90, although everyone's life expectancy varies and women live slightly longer.

Matthews says that while it's never too late to start preparing for retirement, getting a head start on saving can really pay off. Save carefully, invest wisely and have a plan for the future.

NATIONAL RECORD FOR MEDIAN HOUSE PRICES

Latest data from the Real Estate Institute of New Zealand (REINZ) shows that prices continue to hold up around the country with the median price for residential homes reaching a national record of \$562,000 in October – a 6.0% increase on the same time last year.

New Zealand, excluding Auckland, experienced a record median price of \$479,250 an 8.9% increase since October 2017.

The median price in Auckland increased by 1.8% year-on-year to \$865,000 – this is the highest median price for the region in 7 months.

Additionally, 5 regions achieved a record median price during October:

- Manawatu/Wanganui: +20.2% to \$344,000 (up from \$286,250 at the same time last year)
- Otago: +18.2% to \$480,000 (up from \$406,000 at the same time last year)
- Hawke's Bay: +17.4% to \$464,123 (up from \$395,500 at the same time last year)
- Taranaki: +8.6% to \$380,000 (up from \$350,000 at the same time last year)
- Canterbury: +3.3% to \$465,000 (up from \$450,000 at the same time last year).

PERFORMANCE SNAPSHOT

	1 Jan 2018	1 Apr 2018	1 Jul 2018	1 Oct 2018	1 Jan 2019
Quarterly distributions*	5.00%	5.15%	5.30%	5.40%	5.20%
Fund size	\$40.20m	\$41.90m	\$45.40m	\$47.19m	\$48.60m <i>(as at 17/12/18)</i>
Unit pricing	92c	92c	92c	92c	92c

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



NEWS & VIEWS

Dear Investors

Lending has slowed this quarter as the banks become more aggressive in the market place and we remain determined not to compromise on quality in our lending decisions. With higher liquidity this has reduced the return for the quarter slightly. The banks have also reduced term deposit rates and so our rate for this quarter is still handsomely above 12 month term deposit rates of commercial banks in New Zealand.

Recently we have employed Mark Hardman as our Senior Lending Manager to take charge of our growing loan book. Tony Brooker and I are still able to field and deal with any requirements and Mark's appointment will set us up well to work in the best interests of investors for 2019. Mark brings a wealth of experience in both the bank and non-bank lending sectors.

On the economic front, recent easing of bank loan to value ratio restrictions place the banks a bit closer to us in terms of residential property lending ratios but we still have an advantage in that area and are still getting good quality propositions to consider. In addition, high employment and good GDP growth means the New Zealand economy enters the New Year in good shape with a strong banking sector that nevertheless is also paying historically low interest rates.

Midlands Mortgage Trust is well placed to be an attractive investment in the New Year.

The Directors, Staff and I wish you a very Happy Christmas and hope you enjoy catching up with family and friends during the holiday break and the Summer to come.

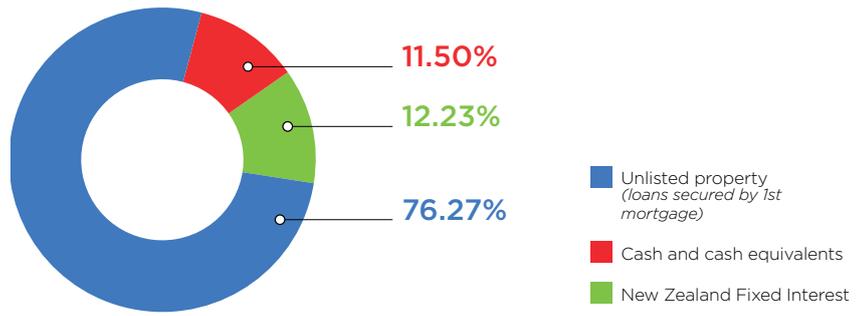


I also take the opportunity to wish you Health, Wealth and Happiness in the year ahead.

Kind regards

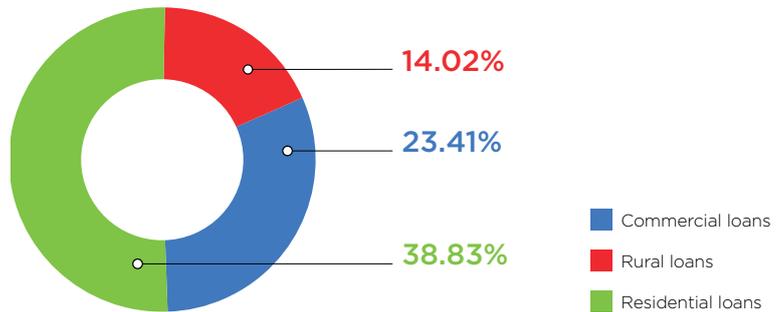
FUND ASSET ALLOCATION

At 30 November 2018 the Fund's assets comprised:



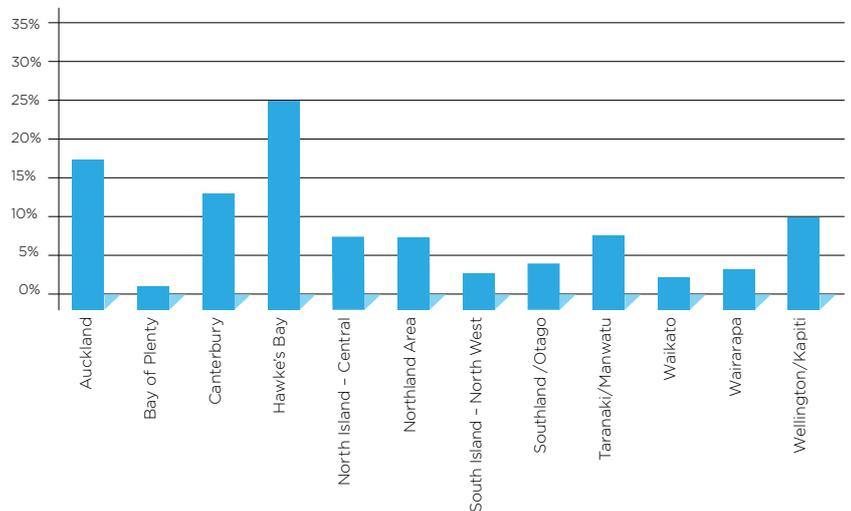
LOANS BY SECTOR

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 30 NOVEMBER 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



Mark Hardman



Colleen Green



Chandar Dudding

AVOID BUDGET BLOWOUTS THIS FESTIVE SEASON

Christmas is an expensive time of year. Kiwis spent \$5.08 billion last December, up 7.5% on a year earlier. While we all tend to overindulge over the festive season and it's great to spoil our loved-ones, it's no fun running out of money at a time when you need it most.

Try these tips to help your budget:

- Start a Christmas savings plan. A little put away every week can add up to surprising amount by the time December comes around
- Plan ahead – make a Christmas budget and stick to it. Make a gift list with a dollar value for all those you need to buy for
- Plan your festive meals and entertaining ahead of time and only buy what you need
- Look out for all the early season sales and avoid impulse buying

- Shop solo – avoid taking the kids along and ending up with a trolley full of extra items
- It doesn't need to be about the biggest, most expensive gifts. If you're short of cash, try making a personalised gift like home baking
- If you're travelling, remember to budget for car servicing and petrol. Take packed meals and drinks along to avoid convenience store stops – they really add up.

With some careful planning it's still possible to spread Christmas cheer without blowing your budget.



RATEABLE VALUES IN CENTRAL HAWKE'S BAY UP 55%

The good news for Central Hawke's Bay property owners is that the latest rating values (RV) on homes have risen by 55 per cent, on the back of a thriving property market in the district.

As part of the three-yearly revaluation process councils in New Zealand must complete, Quotable Value has determined the average house capital value in the district, including the two major towns Waipukurau and Waipawa is now \$345,000 and house land value is \$102,700.

Mayor Alex Walker said the substantial growth in property values was not unexpected and reflected the "surge of positivity and optimism" in the district.

Average prices for residential property have increased by 55% for residential property over the past three years.

Generally, housing at the lower end of the market has experienced a higher percentage of value growth compared with higher-value properties.

House prices in Hawke's Bay overall increased more than \$68,000 over the past year, indicating the region's property market is on track for another record-breaking high.

Latest sales figures show the median house price in the region is now \$464,123 - up 17.4% on the same time last year.



The average price in Hastings is \$435,000 - \$33,000 up on the same time last year, and in Napier, prices rose a whopping \$82,000 on last year. Napier's new median is \$507,000.

Hawke's Bay has a number of key pull factors that is making the region an attractive destination for outside buyers.

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



Every Sunday

8:30 am – 12:30 pm

Hawke's Bay Farmers' Market

23 December – 3 March

*A & P Showgrounds,
Kenilworth Rd, Hastings*

The Hawke's Bay Farmers' Market has been around for seventeen years and is one of the oldest and largest in the New Zealand.

It is the place where the region's finest growers and artisan producers display their wares so you can buy direct from the source. Wander at your leisure, discover and sample a huge range of fresh produce and artisan products grown and produced in sunny Hawke's Bay.

It is a unique and welcoming family attraction for both locals and visitors who come from near and far.

Stock up on delicious fresh goods every week or just come and relax under the trees for a leisurely picnic.



George Nuku: Bottled Ocean 2118

George Nuku: Bottled Ocean 2118

Until 3 March

*MTG Hawke's Bay,
1 Tennyson St, Napier*

Imagine the world in the year 2118, a world covered in endless ocean and populated by new forms of marine life that adapt in response to the proliferation of plastic.

This is the strange and beautiful world conjured within artist George Nuku's 'Bottled Ocean' exhibition, created in collaboration with the local community and school groups.



Napier Night Fiesta

7 December – 1 March

Make the most of the balmy summer weather at the Napier Night Fiesta.

Come and dine on delectable food while relaxing to local tunes and soaking up the fabulous atmosphere of Napier Clive Square gardens at twilight.

Meet your friends, bring your family and your picnic rug and relax and enjoy the best that Napier has to offer at this new weekly event.

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

TARANAKI EVENTS



Flavours Night Markets

Until 1 February.

TSB Bowl, New Plymouth, Taranaki

Flavours Night Markets is a new weekly market held in Huatoki Plaza in New Plymouth's CBD on Friday's from 4.30 - 8.30.

Join us for tastes of the world, music and at times exciting visiting foodies!

We believe New Plymouth is ready for a regular weekly Night Market where everybody can choose what they would like to eat and either take it home for their friends and family or meet up at the Huatoki Plaza and enjoy the good vibes with live music and entertainment as you taste the Flavours of the world.



The Hollies – The Road Is Long Tour

1 March.

TSB Bowl, New Plymouth, Taranaki

New Zealand's love affair with Rock n Roll Hall of Famers, The Hollies, is about to get a whole lot hotter this summer as they legendary band today announces they're bringing their The Road Is Long Tour to eight cities in February and March 2019.

Having enjoyed sell-out tours of New Zealand, performing hits including Just One Look, Bus Stop, Carrie Anne, He Ain't Heavy, He's My Brother; Long Cool Woman in a Black Dress, and The Air That I Breathe their concerts have come to embody the spirit of summer here.



Opunake Beach Carnival

5 January

On the first Saturday after New Year's Day each year thousands gather under the Taranaki sun for the Opunake Beach Carnival which has been going strong since the early 1990's.

Run by the Opunake Beach Committee with fabulous support from local businesses, the carnival hosts a range of activities including the Miss Opunake, Miss Teen and Mr Muscle competitions, quick-fire raffles, craft and food stalls and the Big Dig plus a jam-packed lineup of live local music and entertainment.

The Opunake Beach Carnival is the major fundraiser for Opunake Surf Life Saving Club projects at the beach.

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



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