

Midlands Smarter PIE Fund

Fund Update (re-issued) for the quarter ended 30 June 2025



First made publicly available on 27 August 2025.

What is the purpose of this update?

This update outlines how the Midlands Smarter PIE Fund has performed and what fees were charged. It is designed to help you to compare the Fund with other Funds. Midlands Funds Management Limited (the Manager) prepared this update in accordance with the Financial Markets Conduct Act 2013. The information in this update is not audited and may be subject to change.

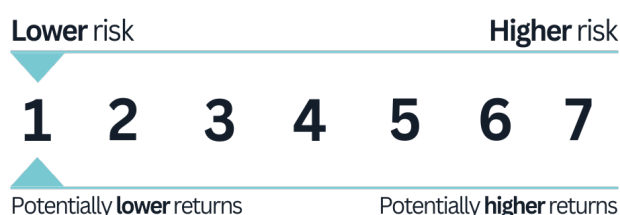
Description of this fund

The Midlands Smarter PIE Fund (the Fund) invests in cash deposits with registered New Zealand banks and in loans secured by first mortgages over land and buildings located in New Zealand. The Fund aims to maintain a low level of volatility. The investment objective is to provide investors with returns pre-tax (but after fees and expenses) which exceed the average 3-month term deposit rate advertised by all relevant New Zealand registered banks.

Total value of the fund:	\$138,384,838
The date the fund started:	1 November 2004

What are the risks of investing?

Risk indicator for the Midlands Smarter PIE Fund:



The risk indicator is rated from 1 (low) to 7 (high) and reflects how much the value of the fund's assets may fluctuate. A higher risk rating generally indicates greater potential returns over time, but also more frequent ups and downs along the way.

To help you clarify your own risk profile, you can seek financial advice or use the investor tools available at www.sorted.org.nz/tools/investor-kickstarter.

Even a fund in the lowest risk category is not risk-free, and other risks that are not captured by the risk indicator may also affect investment outcomes.

The risk indicator is based on 5 years of returns data to 30 June 2025. The risk indicator is not a guarantee of a fund's future performance. While risk indicators are typically stable, they may shift from time to time. The risk indicator will continue to be reviewed and updated in future fund updates.

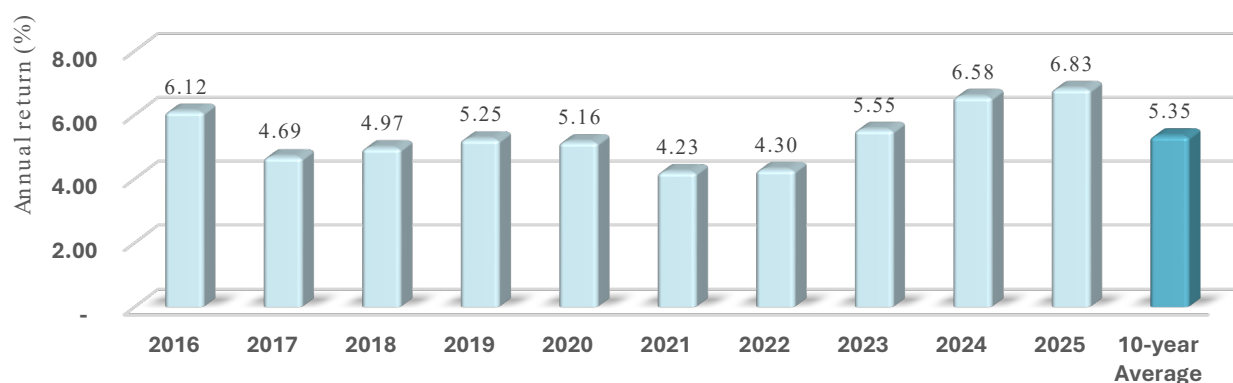
For more information about the risks associated with investing in this Fund, please refer to the Product Disclosure Statement (PDS).

How has the fund performed?

	Average over past 5 years	Past Year
Annual Return (after deductions for charges and tax)	3.99%	4.76%
Annual Return (after deductions for charges but before tax)	5.54%	6.61%

There is no appropriate market index or comparable peer group index available against which to assess the Funds returns or market movements. For more information, refer to the document titled 'No Market or Peer Group Indices' disclosed on the offer register as '202404 MSPF - Market Index Exemption.pdf'.

Annual return graph



Disclosure Years (FY2016 to FY2025)

Annual return graph: This graph shows the annual return of the Fund after the deduction of fund charges and tax for each of the last 10 years ending 31 March. The final bar represents the average annual return over the 10-year period to 31 March 2025.

- **Important:** Past performance is not indicative of future results.
- **Source:** Midlands Funds Management Limited. The returns shown are after fund charges and tax.

What fees are investors charged?

Investors in the Midlands Smarter PIE Fund (the Fund) are charged fund charges. For the year ended 31 March 2025, these were:

	% of net asset value
Total fund charges	2.10%
Which are made up of:	
Total management and administration charges	2.10%
Including:	
- Manager's basic fee	1.78%
- Other management and administration charges	0.32%
Total performance-based fees	Nil
Other charges	Nil

Example of how this applies to an investor:

Julie had \$10,000 in the Fund at the start of the year and did not make any further contributions. At the end of the year, Julie received a return after fund charges were deducted of \$661 (that is 6.61% of her initial \$10,000). Julie paid no other charges. This gives Julie a total return after tax of \$476 for the year.

- These fees are inclusive of GST and reflect the actual fees charged during the year.
- Investors may also be charged individual action fees for specific actions or decisions (for example, withdrawals or switching funds). See the Product Disclosure Statement (PDS) for details.
- Small differences in fees and charges can have a significant impact on your investment returns over the long term.

What does the fund invest in?

This table shows the types of assets that the fund invests in.

	Actual investment mix	Target investment mix
Cash and cash equivalents	17.84%	From 5% to 25%
Other	82.17%	From 75% to 95%

Explanation of asset classes:

- Cash and cash equivalents include on-call deposits and term deposits (with 90 days or less to maturity) held with New Zealand registered banks.
- Other refers to loans secured by first-ranking mortgages over New Zealand properties.

Top 10 investments

Asset name	% of Fund Investments	Type	Country	Credit Rating
Cash & Cash Equivalents Jarden	14.01%	Cash & Cash Equivalents	New Zealand	Unrated
Loan secured over Commercial property in Hawkes Bay	4.90%	Unlisted Property	New Zealand	Unrated
Cash & Cash Equivalents ANZ	3.94%	Cash & Cash Equivalents	New Zealand	AA-
Loan secured over Residential property in Auckland	2.94%	Unlisted Property	New Zealand	Unrated
Loan secured over Residential property in Auckland	2.83%	Unlisted Property	New Zealand	Unrated
Loan secured over Residential property in Auckland	2.69%	Unlisted Property	New Zealand	Unrated
Loan secured over Residential property in Auckland	2.56%	Unlisted Property	New Zealand	Unrated
Loan secured over Commercial property in Otago	2.43%	Unlisted Property	New Zealand	Unrated
Loan secured over Rural property in Hawkes Bay	2.23%	Unlisted Property	New Zealand	Unrated
Loan secured over Residential property in Auckland	2.19%	Unlisted Property	New Zealand	Unrated

- The total value of these 10 investments represents 41.08% of the Funds' asset value.
- Each loan is secured by a first-ranking mortgage over New Zealand property that is not publicly listed.
- A full list of the Fund's portfolio holdings as at 31 March 2025 has been disclosed on the Disclose Register at www.disclose-register.companiesoffice.govt.nz.

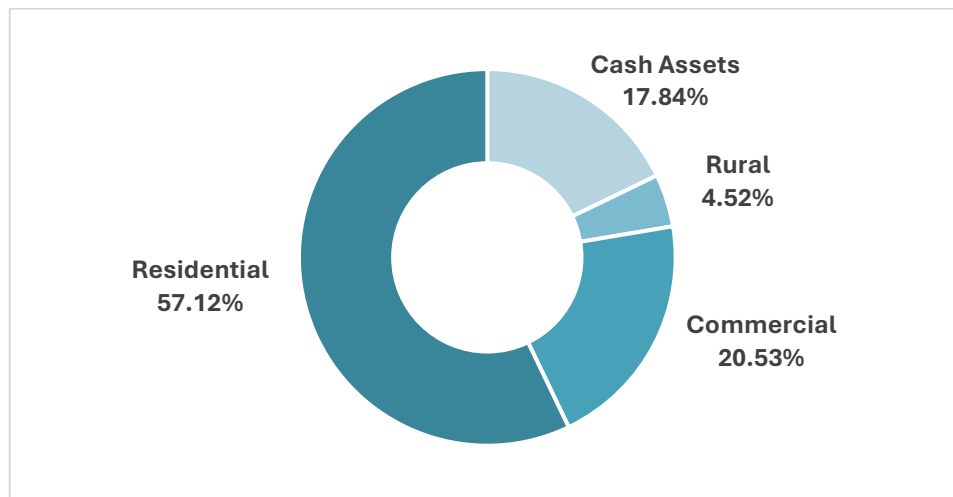
Key personnel

Name	Current Position	Time in current position	Previous position	Time in previous position
Rhys Truster	CEO	2 years and 9 Months	Managing Partner, Southern Cross Partners	2 years and 0 months
Chris Fenwick	Chief Financial Officer	0 years and 6 Months (Started 6 January 2025)	Finance Adviser	2 years and 11 months
Blair Cross	Head of Credit & Transformation	0 years and 1 month (Started 25 May 2025)	General Manager – Transformation	1 year and 9 months

ADDITIONAL INFORMATION

The Manager has prepared the following information in accordance with the Financial Markets Conduct (Managed Funds - Loan Disclosure Requirements) Exemption Notice 2024.

Actual investment mix with secured property breakdown



This chart shows the actual investment mix of the Midlands Smarter PIE Fund, by asset type, as at 30 June 2025.

Loan risk by region and asset type

The table below shows the composition of the Fund's mortgage loans by geographical region, and within each region, the proportion allocated to commercial, residential, and rural property types. The percentages are based on the Fund's total loan exposure as at 30 June 2025.

Region	Total Loan Exposure %	Commercial (%)	Residential (%)	Rural (%)
Auckland	53.29%	19.93%	67.19%	29.16%
Bay of Plenty	3.07%	2.81%	1.71%	21.48%
Canterbury	12.01%	12.03%	12.96%	0.00%
Gisborne	0.00%	0.00%	0.00%	0.00%
Hawkes Bay	9.12%	12.54%	4.71%	49.36%
Manawatu-Wanganui	0.82%	0.00%	1.18%	0.00%
Marlborough	0.00%	0.00%	0.00%	0.00%
Nelson	0.00%	0.00%	0.00%	0.00%
Northland	1.10%	4.41%	0.00%	0.00%
Otago	9.05%	22.41%	4.96%	0.00%
Southland	0.67%	2.66%	0.00%	0.00%
Taranaki	1.42%	2.32%	1.21%	0.00%
Tasman	0.00%	0.00%	0.00%	0.00%
Waikato	8.55%	17.32%	6.08%	0.00%
West Coast	0.00%	0.00%	0.00%	0.00%
Wellington	0.89%	3.57%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%

Impaired mortgage loans

As at 30 June 2025, three mortgage loans were classified as specifically impaired. The table below shows the breakdown of these impaired loans by region and asset type.

Region	Total impaired mortgage loans (%)	Commercial (%)	Residential (%)	Rural (%)
Southland	0.67%	2.66%	-	-
Hawkes Bay	0.37%	1.49%	-	-
Otago	0.98%	-	1.40%	-
Total	2.01%	4.15%	1.40%	-

Mortgage loans are allocated an asset type based on the zoning of the principal secured property (by value) as defined in the relevant local council's district plan.

A mortgage loan is considered impaired when there is objective evidence that the Fund may not be able to recover the full amount of principal and interest due under the loan terms.

Lending limits

The Midlands Smarter PIE Fund (the Fund) applies lending limits, based on the loan to value ratio (LVR) at the time a mortgage loan is approved. LVR is calculated by comparing the loan amount to the value of the property securing the loan. The lower the LVR, the lower the loan amount relative to the value of the property.

The Fund's standard LVR limits are as follows:

Security Type	Residential property	Commercial property	Rural property
Fee simple or cross-lease land and buildings	Up to 75% LVR	Up to 66.7% LVR	60% LVR
Leasehold land	Up to 50% LVR	Up to 50% LVR	Up to 50% LVR
Vacant land	-	Up to 50% LVR	Up to 50% LVR
Dairy farming land (fee simple or cross-lease)	-	-	Up to 66.7% LVR (with collateral security over co-operative shares)

Further information

You can find the Product Disclosure Statement (PDS) for the Midlands Smarter PIE Fund and additional information on the offer register at: www.business.govt.nz/disclose.