

## **UNITHOLDER REDEMPTIONS HARDSHIP POLICY**

**Issued & Approved by the Managed Investment Scheme Manager,  
Manager Fund Managers Otago Limited**

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### **INTRODUCTION**

This policy is to be read in conjunction with the Trust Deed for the NZ Mortgage Income Trust (No2 Fund) Group Investment Fund ('the Scheme'). The policy records the agreed method of handling hardship requests in relation to the redemption notice period of 90 business days. This policy applies to all unitholders who write to the Manager requesting that their redemption request be considered under this policy.

### **POLICY**

If it is considered by the Manager that the unitholder's request for an early redemption meets the grounds as set out in this hardship policy then the Manager can then recommend approval to the Supervisor. The Supervisor must then approve the request of the Manager before it can be processed. Grounds for such claims are listed below: -

- Terminal illness of a unitholder and/or a member of the immediate family.
- Serious illness or disability requiring essential paid care or expenditure on essential non-government funded equipment/home improvements that are essential to the unitholders and/or a member of the immediate family's home.
- Serious financial hardship to a unitholder and/or member of the immediate family.
- Other events that when considered indicate clearly that failure to grant the request will result in severe hardship to a unitholder and/or member of the immediate family.

### **NOTE OF EXPLANATION**

The Trust Deed permits redemptions to be paid out within 90 business days. The Manager recognises that there are situations where the redemption period causes unitholders severe hardship. It was therefore agreed with the Supervisor that the Manager can seek approval from the Supervisor to grant an early redemption ahead of other unitholders on the grounds of hardship as provided herein so long as the other unitholders are not adversely materially affected.