



Media release

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## **Perpetual places mortgage fund in moratorium**

Financial services company Perpetual Trust Limited ('Perpetual') said today that it is placing its Mortgage Fund ('Fund') into moratorium for the period from 2pm 5 July 2012 to 5pm 31 August 2012.

Perpetual chief executive Patrick Middleton said the moratorium is a result of a recent surge of applications for redemptions.

"Following recent adverse publicity, Perpetual received applications for the redemption of 6.1 million units (\$6.1 million). As a result of court orders sought by the Fund's statutory supervisor, Trustees Executors Limited, and not opposed by its trustee, Perpetual, the Fund's ability to make payments was restrained. Accordingly, Perpetual determined, in accordance with the Fund's Trust Deed, that it is likely that payments for requested redemptions are unable to be made.

"Accordingly, having regard to the best interests of the unit holders in the Fund as a group, Perpetual has determined to declare a moratorium on payments in respect of that Fund.

"While the moratorium is in place, the Fund will not be able to accept new investments, nor pay withdrawals or distributions to unit holders. However, this does not necessarily mean that the Fund will close, or that the value of units will be affected.

"The Fund will continue to accrue and collect interest together with the repayment of principal from borrowers as this falls due.

"During the moratorium, we will continue to work with the Fund's statutory supervisor, Trustees Executors Limited, and the Financial Markets Authority on achieving the best outcome for the Fund's unit holders.

"This development may be concerning to unit holders, but they need to be assured that we will be contacting them with more information as soon as possible."

The Fund has been in existence for 20 years. Loans through the Fund are supported by first mortgage securities over freehold title. As at 11 July 2012, the loan-to-valuation ratio for the entire portfolio was 44%.

ENDS

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