

DEBENTURES INVESTMENT STATEMENT
EQUITABLE MORTGAGES LIMITED



SEPTEMBER 2009

For the purposes of the Securities Act 1978 this is an Investment Statement and is prepared as at **30 September 2009**.

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978).

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an Investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

What Sort Of Investment Is This?	3
Who Is Involved In Providing It For Me?	5
How Much Do I Pay?	5
What Are The Charges?	6
What Returns Will I Get?	7
What Are My Risks?	9
Can The Investment Be Altered?	13
How Do I Cash In My Investment?	14
Who Do I Contact With Enquiries About My Investment?	14
Is There Anyone To Whom I Can Complain If I Have Problems With The Investment?	15
What Other Information Can I Obtain About This Investment?	15

In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

Engaging an investment adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including –

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by one or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include –

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

Investment Statement

CONTENTS

	Page
What Sort Of Investment Is This?	3
Who Is Involved In Providing It For Me?	5
How Much Do I Pay?	5
What Are The Charges?	6
What Returns Will I Get?	7
What Are My Risks?	9
Can The Investment Be Altered?	13
How Do I Cash In My Investment?	14
Who Do I Contact With Enquiries About My Investment?	14
Is There Anyone To Whom I Can Complain If I Have Problems With The Investment?	15
What Other Information Can I Obtain About This Investment?	15
How to Invest	17
Investor Identification	18





WHAT SORT OF INVESTMENT IS THIS?

Equitable Mortgages Limited (“Equitable Mortgages”) is offering you the opportunity to make loan advances (your investment in Debentures) to Equitable Mortgages at a fixed rate of return for a fixed term (for a description of the fixed terms and the fixed rates see pages 7 and 8).

Equitable Mortgages invests the proceeds of these loan advances predominantly in units in the Equitable Property Mortgage Fund, which in turn invests in registered first mortgages over commercial, industrial or residential property.

The Equitable Property Mortgage Fund (“EPMF”) is a group investment fund pursuant to Part II of the Trustee Companies Act 1967, established by Trustees Executors Limited (“Trustee”) and managed by Equitable Property Finance Limited. The EPMF investments allow for payment of returns promised to investors in Debentures. Further details of the EPMF can be found in Equitable Mortgages’ current Prospectus.

The loan advances you make to Equitable Mortgages are called Debentures. The Debentures are issued under a Trust Deed dated 15 May 1998 and as amended from time to time (“Trust Deed”), between Equitable Mortgages and the Trustee. A more detailed description of the terms of the Trust Deed can be found in Equitable Mortgages’ current Prospectus.

Each Debenture ranks equally with all other Debentures, without preference between them.

Equitable Mortgages’ obligations in relation to its Debentures are secured by a first ranking security created by the Trust Deed over the whole of the assets and undertaking of Equitable Mortgages, subject only to claims that have priority by operation of law.

The Trust Deed prohibits Equitable Mortgages, without the prior written consent of the Trustee, from creating or permitting to subsist any charge over its assets that ranks equally with, or in priority to, the security created by the Trust Deed.

At the date of this Investment Statement, there are no charges ranking ahead of or equally with the charges created by the Trust Deed, other than charges that have priority by operation of law.

For further details in respect of the ranking of the Debentures, see the sub-section called “Consequences of Insolvency” under the heading “What Are My Risks?” on page 12.

Equitable Mortgages has covenanted with the Trustee in the Trust Deed that:

- (a) its aggregate Shareholders’ Funds are not and will not be less than \$2,500,000;
- (b) its Total Liabilities shall not exceed an amount equal to 92.5% of its Total Tangible Assets;
- (c) the aggregate amount of interest accruing during any period of 6 months to holders of the Debentures shall not exceed the aggregate amount of interest accruing during that period to Equitable Mortgages in respect of loans or other credit made by Equitable Mortgages (with appropriate deductions for interest on bad and doubtful debts).

Debentures

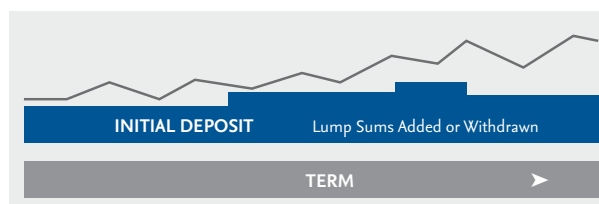
This investment is designed for people who:

- wish to invest for a specified term ranging from 3 months to 60 months;
- seek the security of investing in an issuer that invests in a pool of assets which are predominantly registered first mortgages secured over real property;
- prefer the security provided by having the pool of assets held by an independent trustee;
- want a regular stable income or want the flexibility to have their return compounded or distributing (if available, as set out below).

The Debentures provide a fixed return for the whole of the period selected. The investment options are as follows:

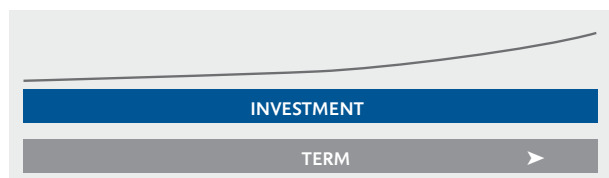
3 Month

This product offers a locked in fixed rate for 3 calendar months, after which the funds become available “at call” and may be withdrawn in part or full by giving 5 days’ notice. The balance in this product must not fall below \$500. Additions to the investment may be made when you choose to do so at any time after the initial 3 month term. While “at call” you earn the Equitable Mortgages call rate set out in the current Rate Card (see the section called “What Returns Will I Get?” for details of the Rate Card). Your investment grows with returns being added to the investment at the end of every quarter (March, June, September and December).



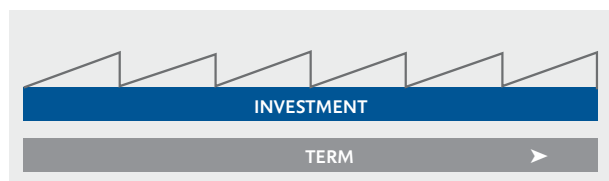
Compounding

This product is for a fixed term selected by you with a minimum of 6 calendar months and a maximum of 60 calendar months in multiples of 1 calendar month, with returns compounded. The investment grows with the returns being added to the original investment at the end of every quarter (March, June, September and December).



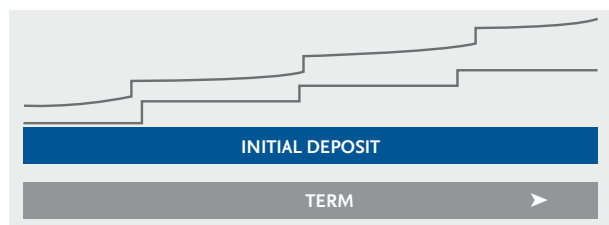
Distributing

This product is for a fixed term selected by you with a minimum of 6 calendar months and a maximum of 60 calendar months in multiples of 1 calendar month, with a monthly or quarterly distributing option. You receive a regular distribution of returns from the investment, paid to your nominated bank account on the last day of each month or quarter. If this falls on a non business day, payment is received on the next business day.



Savings

This product is a regular savings scheme for a fixed term selected by you with a minimum of 6 calendar months and a maximum of 60 calendar months in multiples of 1 calendar month, with returns compounded. After the initial investment, you may make a minimum additional investment on a monthly basis by direct debit. You are also able to make further additional investments when you choose to do so. The investment grows with the returns being added to the original investment at the end of every quarter (March, June, September and December).



SUMMARY – DEBENTURES

3 Month:	
Term available	3 months then 'at call'
Minimum initial investment	\$2,000
Additional investments	At your option after the initial 3 month term
Distribution of returns	Compounded calendar quarterly
Entry fee	Nil
Exit fee	None if investment continues to end of selected term
Fixed return	See page 8
Compounding:	
Terms available	6 to 60 months
Minimum initial investment	\$2,000
Additional investments	Not applicable
Distribution of returns	Compounded calendar quarterly
Entry fee	Nil
Exit fee	None if investment continues to end of selected term
Automatic reinvestment	Yes
Fixed return	See page 8
Distributing:	
Terms available	6 to 60 months
Minimum initial investment	\$2,000
Additional investments	Not applicable
Distribution of returns	Paid monthly or quarterly
Entry fee	Nil
Exit fee	None if investment continues to end of selected term
Automatic reinvestment	Yes
Fixed return	See page 8
Savings:	
Terms available	6 to 60 months
Minimum initial investment	\$500
Minimum additional investments	\$100 per month (at your option)
Maximum additional investments	\$5,000 per month
Distribution of returns	Compounded calendar quarterly
Entry fee	Nil
Exit fee	None if investment continues to end of selected term
Automatic reinvestment	Yes
Fixed return	See page 8



WHO IS INVOLVED IN PROVIDING IT FOR ME?

Debentures are issued by Equitable Mortgages Limited (“Equitable Mortgages”).

You can contact Equitable Mortgages at:

PO Box 7148
Wellesley Street
Auckland 1141

Level 2, Equitable House
57 Symonds Street
Grafton
Auckland 1010

Freephone: 0800 656 500
Facsimile: 09 306 7718
Email: investment.services@equitable.co.nz
Website: www.equitable.co.nz

Equitable Mortgages is part of the Equitable group of companies (“Equitable” or “Equitable Group”).

The principal activity of Equitable Mortgages is to raise moneys from the public through the issue of Debentures and to invest in authorised investments under the Equitable Mortgages’ Trust Deed. From its establishment in 1998 until 2 July 2007 Equitable Mortgages invested predominantly in first mortgages. Since July 2007 Equitable Mortgages has invested predominantly in units in the EPMF, which in turn invests in registered first mortgages over commercial, industrial or residential properties.

Equitable Mortgages’ assets are held by an independent trustee. The trustee is Trustees Executors Limited.

The Trustee’s address is:

Trustees Executors Limited
Level 12
45 Queen Street
Auckland 1010

The Trustee does not guarantee the repayment of Debentures or the returns payable on them.

HOW MUCH DO I PAY?

Debentures – Term Investments

Investors are required to pay the issue price of \$1.00 per Debenture on application.

3 Month, Compounding and Distributing

Minimum investment \$2,000

Savings

Minimum initial investment \$500
Minimum additional investments \$100 per month (at your option)
Maximum additional investments \$5,000 per month

How do I invest?

When you have chosen the term of the Debenture(s) which best suits you:

- complete the Application Form;
- make your investment cheque payable to “EPHL – Equitable Mortgages Limited” and cross it “not transferable”;
- forward the completed Application Form to your investment advisor or the Investment Services Manager at:

The Equitable Group
Freepost 2039
PO Box 7148, Wellesley Street
Auckland 1141

Alternatively, investments can be lodged at any one of Equitable Mortgages’ offices listed on the inside back cover. Applications received by 1.00pm on any business day will be processed that day. Applications received after 1.00pm will be processed on the next business day.

Equitable Mortgages reserves the right to decline any application in whole or in part, or to suspend acceptance of an application for any particular period, without giving a reason. If Equitable Mortgages declines your application it will return your application moneys without interest.

14 Day Free Look

A 14 day “free look” period is available for investments in Debentures. If you wish to cancel your investment during the 14 days from acceptance of your application then return the Debenture Certificate, together with a written cancellation instruction, to Equitable Mortgages at any time during that period and your original investment amount will then be refunded in full.

Please note: No returns are accrued or paid if an investment is cancelled in the 14 day “free look” period.

WHAT ARE THE CHARGES?

Entry and Exit Fees

There are no entry fees charged to the investor.

No exit fees are charged provided that the investment continues to the end of the term selected.

Conversion of Debentures

You may request conversion of the following Debenture investments into different Debenture investments of the same value with the same time remaining to maturity and at the same rate of return applicable at the time the original investment was made, by giving Equitable Mortgages 30 days' written notice of the change:

- Compounding investments can be changed to Distributing or Savings investments,
- Distributing investments can be changed to Compounding or Savings investments,
- Savings investments can be changed to Compounding or Distributing investments.

Equitable New Zealand Limited's Remuneration as Administration Manager*

Equitable New Zealand Limited is entitled, under a management contract with Equitable Mortgages, to receive fees agreed from time to time between Equitable Mortgages and Equitable New Zealand Limited for the provision of administration and management services. Currently this fee is equal to 0.1% per annum of Equitable Mortgages' Total Tangible Assets and is calculated and paid monthly in arrears.

Trustee's Remuneration*

The Trust Deed provides that the Trustee is entitled to charge fees agreed from time to time between Equitable Mortgages and the Trustee. Currently this fee is equal to 0.0175% per annum of Equitable Mortgages' Total Tangible Assets and is calculated monthly and payable quarterly.

Changes to Manager's/Trustee's Remuneration*

Equitable Mortgages and Equitable New Zealand Limited may agree at any time to amend the fee payable by Equitable Mortgages to Equitable New Zealand Limited.

Equitable Mortgages and the Trustee may agree at any time to amend the fees payable by Equitable Mortgages to the Trustee. However, Equitable Mortgages does not intend to agree to any increase in these fees, except for increases that reflect changes in the charges the Trustee customarily charges its customers.

Costs and Expenses*

The Trustee is also entitled to be reimbursed out of the Equitable Mortgages' assets for any reasonable costs and expenses incurred in relation to performance of its duties under the Trust Deed.

Offer and Ongoing Expenses*

Other expenses include expenses of offering the Debentures, such as legal and other professional costs, printing, distribution costs and brokerage. Ongoing annual expenses will be the normal operating costs of Equitable Mortgages, which will include financial reporting expenses, audit fees, legal fees and other operating expenses. It is anticipated that these expenses will be paid at standard market rates.

Details of these expenses that are known at the time of subscription can be obtained from Equitable Mortgages (see page 5 for address details). Following subscription, details of these expenses will be reflected in Equitable Mortgages' Financial Statements (see page 15).

* Please note: These fees will be met by Equitable Mortgages and are not deducted from the return payable to investors.



Are There Any Charges For Breaking My Investment Term Early?

The investment is fixed for the term selected. This enables Equitable Mortgages to manage its investments effectively as a whole.

Breaking the investment term early is not encouraged. However, Equitable Mortgages recognises that individual circumstances may change unexpectedly. If, due to unforeseen circumstances, you require access to part or all of your funds because a continued investment in Debentures would give rise to some proven form of material undue hardship, you can request to have the investment repaid early in full or in part.

Should you request early repayment, Equitable Mortgages will consider, but may not necessarily agree to, early repayment. In exercising its sole discretion to determine whether to break the investment term early, Equitable Mortgages may request what it considers to be appropriate evidence of undue hardship from you.

Equitable Mortgages will also consider, but not necessarily agree to, early repayment in the event of the death of an investor, upon application by the trustees of the estate.

In the event early repayment is agreed then Equitable Mortgages will calculate the amount to be paid on the current investment value, including all fixed returns accrued but not yet applied ("CIV") less a one time fee set out below:

Months to Maturity	Fee as a % of CIV
Compounding, Distributing & 3 Month	
49-60	6%
37-48	5%
25-36	4%
13-24	3%
0-12	2%
Savings	
At any time	10%

Equitable Mortgages reserves the right to amend these fees from time to time.

WHAT RETURNS WILL I GET?

Nature of Returns

Holders of Debentures are entitled to receive a fixed rate of return, payable for a fixed period of time depending on the selected investment term.

Returns on investments are payable on the amount invested (and Equitable Mortgages promises to pay a return on the amount invested) at the relevant rate for Equitable Mortgages set out in the Equitable Mortgages' rate card ("Rate Card") current at the date on which Equitable Mortgages issues the Debentures constituting the investment. That rate does not vary for the fixed term of the investment.

Investment Rates

The current rates for all investment terms are shown on the Rate Card, which is updated for any changes. Equitable Mortgages' current rates are also available by phone on 0800 656 500, online at www.equitable.co.nz or from an investment advisor.

You should check for the current rate before making an investment decision.

Equitable Mortgages may change the rates of return offered on Debentures at any time by changing its Rate Card. Changes in the Rate Card do not affect the rates of return payable during the fixed term of the Debentures that have already been allotted at the time the change is made. If your application is received after the date of any such change you will be promptly advised and the funds will be accepted at the new rate of return payable for that amount. If you are not satisfied, you have 14 days to notify Equitable Mortgages and the application money will be refunded.

Returns

Because the applicable rate of return may change before the application form is received by Equitable Mortgages and the Debentures constituting the investment are issued, no amount of return is quantifiable at the date of this Investment Statement. Therefore no amount of returns can be promised by Equitable Mortgages in this Investment Statement. However, Debentures are issued at the relevant rate set out in the current Rate Card at the date of issue. Therefore, the amount per annum of the return on any Debenture over its fixed term is the amount invested multiplied by that relevant rate at the date of its issue.

Returns will be earned on investments from the date the application moneys are received by Equitable Mortgages. Equitable Mortgages promises to pay returns within 7 working days of due date (and to pay interest on the investment at the Equitable Mortgages' call rate, calculated on a daily basis, from due date to the date of repayment of the Debentures). Any returns remaining unpaid at the end of the investment term will be paid out with the investment.

For 3 Month investments, Equitable Mortgages promises to pay a return on the amount invested at the 3 Month rate set out in the Rate Card at the date on which the Debenture is issued. This rate is fixed for 3 months and then reverts to the Equitable Mortgages' call rate current at that time (this rate is calculated on a daily basis, and may be changed by Equitable Mortgages from time to time). This rate is payable until such time as you give Equitable Mortgages 5 business days' notice requiring repayment and repayment is made. Equitable Mortgages will write to holders of 3 Month investments (but not the holders of other investments) to advise them of any upcoming change to the Equitable Mortgages call rate.

Returns on 3 Month, Compounding and Savings products are added to your investment(s) at the end of each calendar quarter and paid on maturity. 3 Month investments mature by you withdrawing them upon giving Equitable Mortgages 5 business days' notice. Compounding and Savings products mature on expiry of your selected fixed term.

Returns on Distributing products are directly paid to your nominated bank account on the last day of each month or quarter (as selected by you). If this is on a non business day, payment is received on the next business day.

Term of Investment

Equitable Mortgages will write to holders of term investments (other than 3 Month investments) prior to the end of the fixed term to seek their instructions regarding repayment or reinvestment. If Equitable Mortgages has not received an instruction by the end of the fixed term, then the investment will be automatically reinvested. If the initial investment was for a term of 6, 12, 18, 24, 36, 48 or 60 months the reinvestment term will be the same fixed term as the initial investment. If the initial investment was for any other term the reinvestment will be for whichever of the above terms is nearest to the initial term. In each case the reinvestment rate will be the rate shown on the then current Rate Card for the reinvestment term.

Equitable Mortgages will not seek instructions as to repayment or reinvestment from the holders of 3 Month investments. These investments continue automatically beyond the end of the initial 3 month term at the Equitable Mortgages call rate current at that time, as updated from time to time.

Key Factors of Determining Returns

The key factors that will determine the returns to investors are:

- the amount of principal invested, the term of the Debentures, the agreed rate of return that money is invested at, and whether an early withdrawal is made (Equitable Mortgages may, but is not obliged to, agree to a request for early withdrawal);
- the financial condition and performance of Equitable Mortgages and its ability to meet its obligations to investors;
- the ability of the EPMF to pay returns on its units;
- the risk factors set out under the section of the Investment Statement called "What Are My Risks?", and whether they occur and affect Equitable Mortgages' ability to meet its obligations to investors.

Who Is Responsible For Paying Your Distributions?

Equitable Mortgages is legally liable to pay the returns to investors. There is no guarantor of returns to investors, except under the New Zealand deposit guarantee scheme referred to on page 16.

Taxes and Reserves

Returns will be affected by your individual tax circumstances, but are not intended to be affected by any reserve or retention created or made by Equitable Mortgages.



Taxation Treatment

If you are an individual you may elect whether RWT is deducted from your returns at the rate of 19.5%, 33% or 38%, provided you have supplied your IRD number to Equitable Mortgages. If you are a company you may elect whether RWT is deducted from your returns at a rate of 33% or 39%.

If your IRD number is not supplied, a “non declaration” rate of 38% will apply for individuals or 39% for companies. Where an IRD number is supplied, but an RWT rate is not selected, a rate of 19.5% will apply for individuals or 33% for companies. These withholding tax rates apply for the tax year 1 April 2009 to 31 March 2010 and are subject to legislative change.

RWT will not be deducted by Equitable Mortgages where you hold a certificate of exemption, a copy of the certificate is supplied to Equitable Mortgages and Equitable Mortgages is otherwise satisfied that a deduction on account of RWT is not required.

Tax Return

At the end of the financial year you will receive a statement from Equitable Mortgages, which summarises the income received from your investment(s).

Non-Residents

If you are not resident in New Zealand, Non-Resident Withholding Tax may be deducted at the rate prescribed by law. Alternatively, Equitable Mortgages has Approved Issuer status and is prepared to negotiate a return for non-residents such that Equitable Mortgages then pays the approved Issuer Levy instead of Non-Resident Withholding Tax being deducted.

Other Tax Considerations

The preceding taxation summary is given under current enactments. You should be aware that your personal tax position may differ from the above summary. Accordingly, you should seek independent tax advice concerning an investment in Equitable Mortgages by reference to your individual circumstances.

WHAT ARE MY RISKS?

The principal general risks for investors are that:

- you may not receive back all or any of your original investment;
- you may not receive all or any of the returns due on your investment;
- Payments of returns due to you may be delayed.

It is reasonably foreseeable that any of these could occur for a number of reasons, including if:

- a significant number or amount of loans made from the EPMF are not repaid under the terms and conditions of the loans;
- the security taken for loans is not adequate for any reason and the EPMF is unable to recover the full amount from the borrower;
- there is a material deterioration in Equitable Mortgages’ or the EPMF’s financial performance; or
- there is a lack of liquidity, due to lower than anticipated reinvestment or loan repayment rates.

All forms of investment involve an element of risk. Risk management is an area of key focus for the management and boards of Equitable Mortgages and the manager of the EPMF, being Equitable Property Finance Limited (“GIF Manager”). Risks are identified, assessed and managed using experienced and expert professionals.

As Equitable Mortgages’ funds are predominantly invested in the EPMF, the principal risks facing Equitable Mortgages are the underlying risks of the EPMF, which can be summarised as:

Lending Risk

Lending risk is the risk of the EPMF lending funds and then not receiving back the principal, interest and fees owed by borrowers. The GIF Manager seeks to mitigate this risk through expertise in loan management and recovery and a comprehensive credit approval process.

The EPMF lends on the security of first mortgages over real property and acquires only first mortgage backed loans.

The property valuation for development funding is the on-completion value of the project, with costs and funding monitored monthly with the object of ensuring sufficient funding lines are available to complete the project.

Property development funding is subject to additional lending risk in that the development may not be completed, the costs of construction may exceed the budgeted amount, and either the contractor or the borrower may become insolvent and be unable to complete the development. This risk is particularly prevalent in times of economic downturn.

Upon maturity of a loan facility, consideration may be given to extending the loan for a further term or restructuring the loan (if requested by the client). As with a new loan, the full credit approval process is required.

Realisation of defaulting loans and liquidity matters will generally be conducted by the GIF Manager which should act in the interests of holders of GIF Units as a whole, rather than any individual GIF Unit holder.

Loan Management

The EPMF's loan book is principally exposed to property assets that, in the present market, can be considered relatively illiquid. Where a loan matures the GIF Manager may choose not to enforce securities, preferring to wait to determine whether there is an overall improvement in market conditions. This has led to an increased interest accrual. In addition, certain loans have been renegotiated to normalise interest arrears but continue to comply with approved lending guidelines.

Asset Quality Risk

Market conditions have led to an increase in non-performing loans of the EPMF against historical performance. While the increase is significant, it has not translated into material lending losses. A table of the EPMF quarterly asset quality (including non performing and impaired loans) is set out in Appendix 4 of the prospectus which you are recommended to read.

Security values on loans are initially determined at the date of advance and over time may not reflect current market values due to the declining property market.

The GIF Manager actively oversees and administers the asset quality position of the EPMF loan book and has taken steps to reduce the level of non-performing loans, including the contracting of additional specialised resources to assist with increased proactive account management. Information on the EPMF's impaired loans is set out in Appendix 4 of the prospectus.

As part of the regular governance process, the GIF Manager formally reports on asset quality to the board's loans review committee, where the EPMF net asset position is assessed on an individual loan basis.

Concentration Risk

This is the risk associated with a high dependence on lending in one industry sector, asset class, borrower group or geographic region to the extent that cyclical events could affect the financial performance of the EPMF or Equitable Mortgages.

The EPMF lends on the security of first mortgages over real property and therefore has concentration risk to the property sector. Due to current market conditions and contraction in the EPMF loan book as at the date of this Investment Statement there have been increased concentration exposures to certain sectors, industries and geographic locations. The current sector and geographic make up of the EPMF loan book is available in Appendix 4 of the prospectus.

Liquidity Risk

Liquidity risk is the risk of both the EPMF and Equitable Mortgages not having sufficient cash to meet their respective obligations as they fall due.

Liquidity is impacted upon by reinvestment rates, rates of new investments, loan recoveries and repayments and the making of any new loans. In addition to the reinvestment rate for Debentures the reinvestment rate for Bonds and Units has an impact on the overall liquidity of the EPMF. See Appendix 4 of the prospectus for details of the reinvestment rates for Debentures, Bonds and Units.

Crown Guarantee

Equitable Mortgages' current Crown guarantee expires on 12 October 2010. The Government has announced a new Crown guarantee scheme, starting on 13 October 2010 and ending on 31 December 2011. See Appendix 7 of the prospectus for a further description of the existing Crown guarantee and the new guarantee. The directors of Equitable Mortgages expect to apply for the new guarantee on the basis of current information supplied by Treasury and believe that Equitable Mortgages will be eligible for the scheme. Investor reinvestment rates and liquidity may be impacted by whether Equitable Mortgages qualifies for and is accepted into the new guarantee scheme.

Management of Liquidity Risk

The boards of Equitable Mortgages and the GIF Manager aim to manage liquidity risk by:

- monitoring forward cash flow figures on a regular basis;
- having a minimum targeted liquidity position, based on both the EPMF and Equitable Mortgage's funding and asset profiles; and
- having a liquidity facility.



Liquidity Facilities

Equitable's previous banking facilities, where partial shareholder support was a condition, were negotiated in late 2007 and documented in early 2008. These facilities are no longer operable and Equitable is of the view that in the changed economic and banking environment a lesser liquidity line is appropriate.

Accordingly, by way of replacement, Equitable Treasury Limited ("borrower") and Equitable Group Limited ("EGL") have signed a committed terms sheet with Westpac Banking Corporation ("Westpac"). The facility to be documented pursuant to this terms sheet is a Standby Liquidity Facility of up to \$30 million for a term of two years. It is designed to enable the borrower (through EGL) to provide liquidity support to Equitable Life Insurance Company Limited, Equitable Mortgages Limited and the Equitable Mortgage Income Trust. Advances are to be made on a callable first ranking basis.

Advances to EGL by the borrower will be subject to specific security, having a cash value equivalent to 100% of those advances, being provided to Westpac at the shareholder level. It will be a condition of any shareholder support that the borrower will be able to acquire assets from the EPMF. This in turn will require the prior approval of the GIF trustee.

The terms sheet requires the negotiation and execution of legal documentation which is expected to be completed by the end of October 2009.

Capitalising Loan Risk

In some instances the EPMF may offer a borrower a capitalised loan facility under which the borrower will not pay interest until part way through or at the end of the loan term. There is a risk that the borrower's equity position is eroded during the term of the loan, reducing the ability of the EPMF to recover the loan amount and interest due. The GIF Manager manages this risk by assessing the loan to value ratio based on the forecast loan position during and at the end of the loan term, including capitalised interest, and ensuring that the loan limit is within lending limits.

Counterparty Risk

Counterparty risk is the risk that the EPMF is overly exposed to one borrowing group, entity or individual. The GIF Manager aims to manage this risk by establishing limits on the level of exposure to individual borrowers, entities or borrowing groups, and by regularly reviewing all exposures against these limits. As a result of the EPMF's loan portfolio contracting over the twelve months prior to the date of this Investment Statement, the EPMF has a risk concentration in respect of a relatively small number of borrowers.

The EPMF has counterparty credit exposure to parties with whom it invests its cash deposits. The GIF Manager mitigates this risk by investing only with registered banks and only to a limit for each bank set by the board of the GIF Manager.

Hedging Risk

The EPMF intends to conduct swap transactions as part of its prudent money management policy. There is a counterparty risk involved with this. The EPMF intends, however, to restrict such counterparties to New Zealand registered banks.

Catastrophic Events Risk

This is the risk that catastrophic events, including earthquakes or other natural disasters, could affect the value of assets provided by borrowers as security for loans made by the EPMF. The EPMF ensures that all properties provided to it as security are insured for full replacement and reinstatement value and that cover is in place for risks including earthquake, volcanic and seismic activity, and public liability.

Margin Risk

Both the EPMF's and Equitable Mortgage's profitability is dependent upon maintaining a positive margin between the cost of funds invested and the return earned on amounts invested. Margin risk is the risk that this margin is adversely impacted by a mismatch between the repricing dates of interest bearing assets and returns promised on liabilities. The boards of Equitable Mortgages and the GIF Manager manage this risk through:

- regular reporting and review of cost of funds and promised returns;
- regular reporting and review of asset and liability repricing profiles;
- monitoring of independent reports on likely future trends in interest rates;
- in the case of Equitable Mortgages, monthly rate setting for Debenture rates of return.

The following is a summary of general risks that impact the finance sector and so impact upon Equitable Mortgages. You can find a more detailed discussion of these risks in the prospectus, which Equitable Mortgages recommends that you review.

Market Risks

The economic recession has adversely affected the operations of the EPMF and consequently Equitable Mortgages. New Zealand's property market values have declined, which has impacted the loan to value ratio of the mortgage securities. This has corresponded to a reduction in the security margin in the EPMF.

Contagion Risk

Recent receiverships and moratoria in the Non Bank Deposit Taker (NBDT) sector coupled with a weaker property market, have had an adverse impact on the NBDT sector in general and the reinvestment rate for Equitable Mortgages.

Regulatory Risks

Material changes in the law may adversely affect both the EPMF and Equitable Mortgages. In particular, proposed trust deed minimum capital requirements and ratios, related party exposures and liquidity risk requirements for the NBDT sector will have an impact on Equitable Mortgages' operations.

Interest Rate Risk

A decline in market interest rates will affect new investments. The rate payable on your existing Debentures is however unaffected by the risk of a change in interest rates generally, as your rate is fixed from the time of investment.

Tax Law Change Risk

Future changes in tax laws may affect you, so you should seek independent advice in relation to your individual tax position. Changes in tax laws could also influence Equitable Mortgages' financial position.

Litigation Risk

Equitable Mortgages is not aware of any litigation that could affect its business as at the date of this Investment Statement. As in any business, there is always a possibility of future litigation.

Fraud Risk

This is the risk that Equitable Mortgages may be subject to fraud by either an internal or external party, leading to financial loss. This risk is mitigated through internal controls that are reviewed by Equitable Mortgages' audit committee.

Key Personnel Risk

The performance of Equitable Mortgages is dependent on the abilities of the management team and staff. A loss or incapacity of one or more key personnel may temporarily affect Equitable Mortgages' business. Equitable aims to manage this risk through its employment practices.

Information Technology Risk

Equitable Mortgages and the GIF Manager are reliant on information technology and other systems to operate their businesses. Performance would be influenced by a failure of these systems. Equitable Mortgages aims to manage this risk through various means including daily back-up procedures and disaster recovery plans.

Competition Risk

The economic climate has led to a lack of investor confidence. A material reduction in support from its financial advisors and a rebalancing of portfolios by investors could adversely impact Equitable Mortgages. Equitable Mortgages monitors developments within the sector and communicates with its advisors to obtain feedback.

CONSEQUENCES OF INSOLVENCY

You will not be liable to pay any further moneys as a result of the insolvency of Equitable Mortgages. However, should Equitable Mortgages become insolvent then certain transactions may be voidable under the provisions of the Companies Act 1993. This may result in an investor having to forego or repay any returns it has received from its investment, including the principal.

Should Equitable Mortgages be put into liquidation during the term of the Debentures, then those creditors set out in the Seventh Schedule of the Companies Act 1993 will rank ahead of an investor's claim. These relate to liquidator's fees, some salary and wages, and tax payable. Claims preferred by statute or law may rank ahead of investors' claims. After the payment of these creditors an investor's claim will rank equally with other Debentures.

Further Information

More detailed information about reinvestment rates, liquidity and asset quality is set out in Equitable Mortgages' prospectus. Equitable Mortgages recommends that you review the prospectus to check that information.



CAN THE INVESTMENT BE ALTERED?

Conversion of Debentures

Investors may request conversion of the following Debenture investments into different Debenture investments of the same value with the same time remaining to maturity and at the rate of return applicable to that new investment at the time the original investment was made, by giving Equitable Mortgages 30 days' written notice of the change:

- Compounding investments can be changed to Distributing or Savings investments.
- Distributing investments can be changed to Compounding or Savings investments.
- Savings investments can be changed to Compounding or Distributing investments.

Early Redemption

The investment is fixed for the term selected. This enables Equitable Mortgages to manage its investments effectively, as a whole.

Breaking the investment term early is not encouraged. However, Equitable Mortgages recognises that individual circumstances may change unexpectedly. If, due to unforeseen circumstances, you require access to part or all of your funds because a continued investment in Debentures would give rise to some proven form of material undue hardship, you can request to have the investment repaid early in full or in part.

Should you request early repayment, Equitable Mortgages will consider, but not necessarily agree to, early repayment. In exercising its sole discretion to determine whether to break the investment term early, Equitable Mortgages may request what it considers to be appropriate evidence of undue hardship from you.

Refer to section "Are There Any Charges For Breaking My Investment Term Early?" on page 7 for further details.

Changes to the Offer

The terms of this offer may be altered by Equitable Mortgages altering this Investment Statement and Equitable Mortgages' Prospectus. Details of any such alterations to Equitable Mortgages' Prospectus must be registered with the Registrar of Companies. Such alterations do not affect the terms of the Debentures allotted prior to the alteration being made.

Rate Cards

Equitable Mortgages may change the rates of return offered on Debentures at any time by changing its Rate Card (see the section "What returns will I get?"). Changes to the Rate Card do not affect the rates of return payable during the fixed term of the Debentures that have already been allotted at the time the change is made. Investors whose applications are received after the date of any such change will be promptly advised and the funds will be accepted at the new rate of return payable for that amount. If you are not satisfied, you have 14 days to notify Equitable Mortgages and the application money will be refunded (see page 5).

Changes to the Trust Deed

In certain circumstances the Trustee and Equitable Mortgages may alter the Trust Deed governing your investment ("Trust Deed") by way of Supplemental Deed. These circumstances include:

- an alteration required by law;
- an alteration required to correct a manifest error or which is of a formal, technical nature;
- an alteration that is considered by the Trustee not to be, nor likely to become, prejudicial to the general interest of Debenture holders;
- an alteration if the Trustee is satisfied that the same will not be inconsistent with provisions generally accepted as appropriate and reasonable for inclusion in debenture trust deeds of financial intermediaries;
- alterations authorised by an extraordinary resolution of Debenture holders.

The Trustee may also, by written notice to Equitable Mortgages, with the prior written approval of Debenture holders holding more than 50% of the nominal amount of the Debentures temporarily vary the Trust Deed, in each case for such period and on such terms as the Trustee agrees.

Any amendment to the Trust Deed will be binding for all Debenture holders.

Full details of these matters can be found in the Trust Deed, a copy which is available as described on page 15.

HOW DO I CASH IN MY INVESTMENT?

Maturity of Investments

Debenture holders investing for terms of between 6 and 60 months will be contacted prior to maturity with regard to reinvestment or repayment of maturing Debentures. At this time you will be given a form on which you can issue instructions for repayment of your investment into a nominated bank account.

You will also be given the option of reinvesting all or part of your funds in Debentures or other Equitable products at the rate that is current at the time the reinvestment is made.

If we do not hear from you by due date of maturity, your investment is reinvested. See "Term of Investment" on page 8 for further details.

3 Month Debentures may be withdrawn after completion of the initial period upon giving Equitable Mortgages 5 business days' notice. Please note that no notice of expiry of the initial 3 month period will be sent. After completion of the initial 3 month period, these Debentures will be entitled to a return at Equitable Mortgages' then 'at call' rate (which is calculated on a daily basis and may be changed by Equitable Mortgages from time to time).

Early Redemption

The investment is fixed for the term selected. This enables Equitable Mortgages to manage its investments effectively, as a whole.

Breaking the investment term early is not encouraged. However, Equitable Mortgages recognises that individual circumstances may change unexpectedly. If, due to unforeseen circumstances, you require access to part or all of your funds because a continued investment in Debentures would give rise to some proven form of material undue hardship, you can request to have the investment repaid early in full or in part.

Should you request early repayment, Equitable Mortgages will consider, but not necessarily agree to, early repayment. In exercising its sole discretion to determine whether to break the investment term early, Equitable Mortgages may request what it considers to be appropriate evidence of undue hardship from you.

Equitable Mortgages will also consider, but not necessarily agree to, early repayment in the event of the death of an investor, upon application by the trustees of the estate.

Refer to section "Are There Any Charges For Breaking My Investment Term Early?" on page 7 for further details.

Transfer of Ownership

Debentures with a minimum nominal amount of \$100 may be transferred by completing an "instruction to transfer" in writing in a form complying with the Securities Transfer Act 1991 or in such other form as Equitable Mortgages and the Trustee approve. Except as approved by Equitable Mortgages, no transfers may be made or will be registered within 14 days immediately preceding any date for payment of interest on the Debentures or the maturity date.

The Debenture holder Register is the official record of Debenture holder entitlements.

In Equitable Mortgages' opinion, there is no established market for sale of Debentures.

WHO DO I CONTACT WITH ENQUIRIES ABOUT MY INVESTMENT?

Enquiries about your investment should be addressed to your investment advisor, or to:

The Investment Services Manager Equitable Mortgages Limited

Level 2, Equitable House
57 Symonds Street
Grafton
Auckland 1010

PO Box 7148
Wellesley Street
Auckland 1141

Freephone: 0800 656 500

Facsimile: 09 306 7718

Email: investment.services@equitable.co.nz



IS THERE ANYONE TO WHOM I CAN COMPLAIN IF I HAVE PROBLEMS WITH THE INVESTMENT?

If you have any problems or concerns with your investment please contact your investment advisor, or:

The Investment Services Manager Equitable Mortgages Limited

Level 2, Equitable House PO Box 7148
57 Symonds Street Wellesley Street
Grafton Auckland 1141
Auckland 1010

Freephone: 0800 656 500
Facsimile: 09 306 7718
Email: investment.services@equitable.co.nz

Equitable Mortgages will thoroughly investigate and act to resolve any complaints that arise.

Equitable Mortgages will acknowledge receipt of your complaint within 2 working days and advise the outcome of its enquiries within 10 working days.

Should the outcome not be satisfactory to you, you may wish to take your complaint to the Trustee at the following address:

The Manager, Corporate Trust Trustees Executors Limited

Level 12 PO Box 4197
45 Queen Street Auckland 1140
Auckland 1010

Telephone: 09 308 7100
Facsimile: 09 308 7101

There is no ombudsman to whom complaints about Debentures can be made.

WHAT OTHER INFORMATION CAN I OBTAIN ABOUT THIS INVESTMENT?

Prospectus and Financial Statements

Further information about Equitable Mortgages and the Debentures is available in the Prospectus and the Financial Statements of Equitable Mortgages which are available free of charge from Equitable Mortgages at the address for the Equitable Group shown on the inside back cover.

The Prospectus, Financial Statements and other documents of or relating to Equitable Mortgages are filed on a public register at the Companies Office of the Ministry of Economic Development, Auckland. You may view these on the Companies Office website at www.companies.govt.nz

Where relevant documents are not available at this website, a request for the documents can be made by contacting the Companies Office on 0508 266 726.

Trust Deed

The Trust Deed between Equitable Mortgages Limited and Trustees Executors Limited is available on the Companies Office website.

A copy of this Trust Deed is also available from Equitable Mortgages at the address for the Equitable Group listed on the inside back cover, on payment of a fee. Details of this fee may be obtained by contacting Equitable Mortgages.

Statements

When you make your investment we will send you your Debenture Certificate. The Debenture Certificate should be retained for the duration of the investment.

For Compounding and Distributing investments your Debenture Certificate will be accompanied by a statement showing the projected value of your investment over the term to maturity.

For 3 Month investments, each calendar quarter we will send you a statement of your Debenture balance.

For Savings investments, each calendar quarter we will send you a statement detailing the returns that have accrued on your Debenture.

Annual Information

At the end of each financial year (31 March), the holders of Debentures will receive, for IRD purposes, details of the interest earned and withholding tax deducted.

On Request Information

In addition to the information referred to above, investors may make a written request to Equitable Mortgages at the address for the Equitable Group listed on the inside back cover, for the most recent copy of the Prospectus, Financial Statements, Trust Deed, the Annual Report, the most recent Investment Statement for the Debentures, a statement of their current balance and the trust deed and financial statements relating to the Equitable Property Mortgage Fund, which will be provided free of charge.

New Zealand Deposit Guarantee Scheme

Equitable Mortgages has a guarantee under the New Zealand deposit guarantee scheme. The following information is available, free of charge and at all reasonable times, on the internet site maintained by, or on behalf of, the Treasury, at www.treasury.govt.nz:

- Further information about the deposit guarantee scheme; and
- The most recent audited statement of financial position of the Crown.

A summary of the principal terms of the guarantee is set out in Equitable Mortgages' prospectus.

Credit Rating

Equitable believes that credit ratings are one useful tool in assessing the suitability of a particular investment.

Equitable Mortgages has been issued credit ratings by international credit ratings agency Standard & Poor's. Issuer credit ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any issuer credit rating and may, on occasion, rely on unaudited financial information.

For more information about our current ratings visit www.equitable.co.nz, www.yourinvestments.standardandpoors.co.nz or see our prospectus.

Standard & Poor's Disclosure

Standard & Poor's (Australia) Pty Limited has given its consent to the inclusion of its credit rating for Equitable Mortgages Limited in the form and context in which it is included in the Prospectus and to being named in the Investment Statement in the form and context in which it is named.

Analytic services provided by ("Ratings Services") are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during each analytical process.

Analytic services and products provided by Standard & Poor's are the result of separate activities designed to preserve the independence and objectivity of each analytic process. Credit ratings issued by Standard & Poor's Ratings Services ("Ratings Services") are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of credit ratings issued by Ratings Services should not rely on any such ratings or other opinion issued by Ratings Services in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services. In Australia, credit ratings are assigned by Standard & Poor's (Australia) Pty Limited, which does not hold an Australian financial services license under the Corporations Act 2001.

Standard & Poor's (Australia) Pty Limited and its subsidiaries have not authorised or caused the issue of the Prospectus or Investment Statement and has not made any statement that is included in the Prospectus or Investment Statement or any statement on which a statement made in the Prospectus or Investment Statement is based, other than as specified above. Standard & Poor's (Australia) Pty Limited and its subsidiaries to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any part of, the Investment Statement, other than the reference to its name and the statements included in the Investment Statement as specified above.

For additional information about our ratings visit www.yourinvestments.standardandpoors.co.nz or contact Client Service on +61 1300 792 553.



Application Form

It is important that we receive a completed application form. We require the following:

- Joint applications: must be signed by all investors.
- Company applications: must be signed by at least two directors. In the event there is only one director then only one signature is required, but that signature must be witnessed.
- Trust applications: Equitable issues trust investments in the names of the individuals listed on the application form. A reference will be made on the Investment Certificate to the trust. If there are authorised signatories in addition to those who have signed the application form, a certified list of all signatories can be supplied showing specimen signatures, full names and their designation e.g. professional trustee. A copy of our standard form is available from our website www.equitable.co.nz under Online Documents “Authorised Signatories”.
- Power of Attorney: If signed under a Power of Attorney, a certified copy of that document must be attached to the application, together with a certificate of non-revocation in the form prescribed by the Property Law Act 2007. A certificate in the prescribed format is available from our website www.equitable.co.nz under Online Documents “Non Revocation of Power of Attorney”.

Completing your investment application correctly is important to us. Please assist us by:

- Completing all details in blue or black ballpoint pen.
- Printing in CAPITAL LETTERS within the boxes.
- If a mistake is made, simply draw a line through the mistake and initial the change. Do not use correction fluid or tape. Write the correct details above the designated boxes if necessary.
- If there is not enough space, use any available space in the margins.

Cheques

Please ensure your cheque is made payable to: “EPHL – Equitable Mortgages Limited” and cross it “Not Transferable”.

Direct Credit

You may wish to send funds by electronic transfer to our account. In order to identify your investment we request that you either email to investment.services@equitable.co.nz or fax to 09 306 7718 both sides of the investment application.

Our bank account details are:
EPHL – Equitable Mortgages Limited
National Bank – Auckland
06 – 0103 – 0032574 – 002

Please put your surname and initials as the reference.

Savings Investments

We require an initial investment to be sent with your application.

To have regular investments made automatically through your bank account, please complete the direct debit form contained in this Investment Statement.

Savings may be made on a sporadic basis by either forwarding a cheque to us or by electronic transfer giving us your certificate number and surname as a reference.

Investor Identification

Equitable is required under the Financial Transaction Reporting Act 1996, and our own compliance processes, to verify the identity of investors in certain circumstances as outlined in the Investor Identification section of this document. (The identity of any Authorised Signatories may also need to be verified.) Please ensure you complete these requirements prior to sending your application to us.

Return Forms and Cheque

Mail your application/forms and cheque to:

The Equitable Group
Freepost 2039
PO Box 7148
Wellesley Street
Auckland 1141

You will receive confirmation of your investment within seven working days. Please keep this in a safe place – it is an official record of your investment.

Investor Identification

Equitable is required under the Financial Transactions Reporting Act 1996 and our own compliance processes to verify the identity of investors in certain circumstances as outlined below. Please ensure you complete these requirements prior to sending your application to us.

CERTIFIED means: A true copy of the original with an original signature by an Equitable contracted financial advisor, a lawyer, teacher, minister of religion, police officer, kaumatua, registered medical professional, justice of the peace or the applicant's employer. The name, position and telephone number of the certifier must be clearly noted.

New Zealand Resident

No further identification is required if your first investment payment is by way of:

- A personal cheque that is in your name(s) and is drawn on a New Zealand bank account; or
- For savings products only – A direct debit authority that is in your name, is from your New Zealand bank account, and is accompanied by an original bank encoded deposit slip for the account or a certified copy of a bank encoded deposit slip.

For all other methods of payment, please provide the following identification:

A certified copy of **one** of the following forms of photographic identification:

- Passport
- Driver's Licence
- NZ Firearms Licence

If none of the above is available then please provide certified copies of **two** of the following:

- Marriage Certificate
- Birth Certificate
- Credit or ATM card issued by a New Zealand bank, provided the signature is verified

In every case, where identification is required, please also provide evidence of your physical residential address, e.g. a copy of a utility bill not more than six months old.

Non-resident

For all methods of payment, please provide the following identification for each investor listed on the application form:

A certified copy of one of the following forms of photographic identification:

- Passport
- Driver's Licence

Along with evidence of your physical residential address, e.g. copy of a utility bill not more than six months old.

Company

Please complete the "Investment made in the name of a Company" form which is available from our website www.equitable.co.nz under Online Documents and complete the identification requirements requested in the document.

If you do not have access to the Equitable website you can call us on 0800 656 500 and request a copy to be emailed, faxed or posted to you.

New Zealand Trustees – Trusts and Estates

Equitable issues trust investments in the names of the individuals listed on the application form.

Investment certificates will be issued under the individual name of trustees in their personal or professional capacity with reference to the trust's name.

We are required to identify the individuals named on the application form. The verification of identity requirements are the same as specified under "New Zealand Resident".

Application Signed under Power of Attorney

Acceptable forms of identification for the person in whose name the investment is being made, as specified under "New Zealand Resident".

A certified copy of **one** of the following forms of photographic identification, for the attorney:

- Passport
- Driver's Licence
- NZ Firearms Licence

Along with

- A certified photocopy of the Power of Attorney
- A certificate of non revocation of Power of Attorney in the prescribed format which is available from our website www.equitable.co.nz under Online Documents "Non Revocation of Power of Attorney".

Third Party Identification

No further identification is required if the source of funds is by way of a personal cheque that is in the name of the third party and is drawn on a New Zealand bank account.

For all other methods of payment, identification of the third party may be required. Please contact us to discuss these requirements further.

Application for Debenture Investment

Alan King

Canopus
Investments
Ltd



INVESTOR DETAILS

Trust/Company <small>(if applicable)</small>					
Surname			Surname		
First Names			First Names		
Title	Mr <input type="checkbox"/>	Mrs <input type="checkbox"/>	Ms <input type="checkbox"/>	Miss <input type="checkbox"/>	Other <input type="checkbox"/>
Telephone <small>(Day)</small>			Telephone <small>(Night)</small>		
Email			Email		
Home Address					
Postal Address <small>(if different)</small>					

TAX INFORMATION REQUIRED

Investor 1 IRD Number -- Investor 2 IRD Number --

RWT Nominated Rate Non-Resident Country Agreed Rate Approved Issuer Levy
(Equitable holds this status)

INVESTMENT OPTIONS (PLEASE SELECT FROM OPTION A, B, C, D)

I/We wish to subscribe for Debentures in Equitable Mortgages Limited as set out below, upon the terms and conditions set out in Equitable Mortgages Limited's current Prospectus, Investment Statement, Trust Deed and this Application Form, and agree to accept the Debentures applied for or any lesser amount that may be allocated to me/us.

A. 3 MONTH: (please complete your bank account details below)

\$

B. COMPOUNDING: (bank account details not required)

TERM	mths	RATE	% pa	\$
TERM	mths	RATE	% pa	\$

C. SAVINGS: (an initial investment & signed direct debit form are required)

TERM	mths	RATE	% pa	\$
------	------	------	------	----

I/We authorise and direct Equitable Mortgages Limited to deduct	\$
from my/our bank account on the	day of each month

D. DISTRIBUTING: (please complete bank account details)

TERM	mths	RATE	% pa	\$
TERM	mths	RATE	% pa	\$

FREQUENCY Monthly Quarterly

BANK ACCOUNT DETAILS FOR DISTRIBUTION AND PART WITHDRAWAL

Account Name

Account Number

Bank	Branch	Account Number	Suffix
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Reference

Please complete particulars on back

EQUITABLE

MATURITY INSTRUCTIONS

I/We understand that we will be notified in writing prior to maturity of my/our investment (unless I/we hold a 3 Month investment). Unless I/We otherwise instruct Equitable Mortgages Limited by the due date, then I/we authorise and direct you to reinvest the current investment value in a new investment of the same type for the nearest term at the current rate at that time.

THE PRIVACY ACT 1993

I/We consent to the personal details that I/we provide on this application form being used by Equitable Mortgages Limited or its related companies (together, Equitable) for the introduction of other Equitable products and services to me/us.

I/We also consent to ongoing information regarding my/our investment with Equitable being provided to me/us or my/our advisor in any form including by any electronic information system. I/We understand that I/we must advise Equitable in writing if I/we do not want this to occur, and forward such advice to the Investment Services Manager, Freepost 2039, PO Box 7148, Wellesley Street, Auckland.

Equitable Mortgages Limited collects and holds personal information about applicants for Debentures for the purpose of administering the investment you may request. Investors may request access to any personal information Equitable Mortgages Limited holds about you by writing to PO Box 7148, Wellesley Street, Auckland. You may request correction of any personal information Equitable Mortgages Limited holds about you. Depending on the nature of your request, Equitable Mortgages Limited may impose a charge for providing you with or correcting any personal information.

ACKNOWLEDGMENTS

I/We have received and read the Investment Statement to which this application relates, together with the application instructions above. I/We acknowledge that Trustees Executors Limited does not guarantee the performance of Equitable Mortgages Limited, the repayment of capital or any particular rate of return. Where this application is signed under Power of Attorney the donee declares that he/she/it has not received notification of revocation of this Power of Attorney by death or otherwise. Companies are required to execute in the form required under the Companies Act 1993 or the company's constitution.

In consideration for Equitable Mortgages Limited agreeing to act upon faxed or electronic instructions which appear to the reasonable satisfaction of Equitable Mortgages Limited to have been signed by me/us, I/we hereby authorise Equitable Mortgages Limited to make payments in accordance with such faxed or electronic instructions without any further reference to or further authority from me/us, and agree that payments made in accordance with those instructions shall be binding upon me/us. I/We also hereby indemnify and will keep indemnified Equitable Mortgages Limited from and against all actions, claims and costs incurred by them in relation to and in any way arising from them acting upon such a faxed or electronic instruction.

I/We acknowledge that if I/we fail to provide the information requested on the application form, my/our application for Debentures could be declined.

Signed

For joint ownership, both owners must sign. If owned by a company, directors must sign.

Date

FINALISING YOUR INVESTMENT

Please make cheques payable to:
or deposit funds to our bank account

EPHL – Equitable Mortgages Limited
06-0103-0032574-002
National Bank, Auckland
& reference (your name)

Post all applications to: **The Equitable Group**
Freepost 2039
PO Box 7148
Wellesley Street
Auckland 1141

If direct crediting please fax applications to **09 306 7718**

Complete and sign the application form

Cross the cheque Not Transferable, Account Payee Only

Have all parties sign in the case of joint applications

Proof of Identity (if required)

Attach your cheque made payable to
Equitable Mortgages Limited

If you are a company, execute in accordance with the
Companies Act 1993 or the company's constitution

SPECIAL COMMENTS

Application for Debenture Investment

Alan King

Canopus
Investments
Ltd



INVESTOR DETAILS

Trust/Company <small>(if applicable)</small>					
Surname			Surname		
First Names			First Names		
Title	Mr <input type="checkbox"/>	Mrs <input type="checkbox"/>	Ms <input type="checkbox"/>	Miss <input type="checkbox"/>	Other <input type="checkbox"/>
Telephone <small>(Day)</small>			Telephone <small>(Night)</small>		
Email			Email		
Home Address					
Postal Address <small>(if different)</small>					

TAX INFORMATION REQUIRED

Investor 1 IRD Number -- Investor 2 IRD Number --

RWT Nominated Rate Non-Resident Country Agreed Rate Approved Issuer Levy
(Equitable holds this status)

INVESTMENT OPTIONS (PLEASE SELECT FROM OPTION A, B, C, D)

I/We wish to subscribe for Debentures in Equitable Mortgages Limited as set out below, upon the terms and conditions set out in Equitable Mortgages Limited's current Prospectus, Investment Statement, Trust Deed and this Application Form, and agree to accept the Debentures applied for or any lesser amount that may be allocated to me/us.

A. 3 MONTH: (please complete your bank account details below)

\$

B. COMPOUNDING: (bank account details not required)

TERM	mths	RATE	% pa	\$
TERM	mths	RATE	% pa	\$

C. SAVINGS: (an initial investment & signed direct debit form are required)

TERM	mths	RATE	% pa	\$
------	------	------	------	----

I/We authorise and direct Equitable Mortgages Limited to deduct	\$
from my/our bank account on the	day of each month

D. DISTRIBUTING: (please complete bank account details)

TERM	mths	RATE	% pa	\$
TERM	mths	RATE	% pa	\$

FREQUENCY Monthly Quarterly

BANK ACCOUNT DETAILS FOR DISTRIBUTION AND PART WITHDRAWAL

Account Name

Account Number

Bank	Branch	Account Number	Suffix
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Reference

Please complete particulars on back

EQUITABLE

MATURITY INSTRUCTIONS

I/We understand that we will be notified in writing prior to maturity of my/our investment (unless I/we hold a 3 Month investment). Unless I/We otherwise instruct Equitable Mortgages Limited by the due date, then I/we authorise and direct you to reinvest the current investment value in a new investment of the same type for the nearest term at the current rate at that time.

THE PRIVACY ACT 1993

I/We consent to the personal details that I/we provide on this application form being used by Equitable Mortgages Limited or its related companies (together, Equitable) for the introduction of other Equitable products and services to me/us.

I/We also consent to ongoing information regarding my/our investment with Equitable being provided to me/us or my/our advisor in any form including by any electronic information system. I/We understand that I/we must advise Equitable in writing if I/we do not want this to occur, and forward such advice to the Investment Services Manager, Freepost 2039, PO Box 7148, Wellesley Street, Auckland.

Equitable Mortgages Limited collects and holds personal information about applicants for Debentures for the purpose of administering the investment you may request. Investors may request access to any personal information Equitable Mortgages Limited holds about you by writing to PO Box 7148, Wellesley Street, Auckland. You may request correction of any personal information Equitable Mortgages Limited holds about you. Depending on the nature of your request, Equitable Mortgages Limited may impose a charge for providing you with or correcting any personal information.

ACKNOWLEDGMENTS

I/We have received and read the Investment Statement to which this application relates, together with the application instructions above. I/We acknowledge that Trustees Executors Limited does not guarantee the performance of Equitable Mortgages Limited, the repayment of capital or any particular rate of return. Where this application is signed under Power of Attorney the donee declares that he/she/it has not received notification of revocation of this Power of Attorney by death or otherwise. Companies are required to execute in the form required under the Companies Act 1993 or the company's constitution.

In consideration for Equitable Mortgages Limited agreeing to act upon faxed or electronic instructions which appear to the reasonable satisfaction of Equitable Mortgages Limited to have been signed by me/us, I/we hereby authorise Equitable Mortgages Limited to make payments in accordance with such faxed or electronic instructions without any further reference to or further authority from me/us, and agree that payments made in accordance with those instructions shall be binding upon me/us. I/We also hereby indemnify and will keep indemnified Equitable Mortgages Limited from and against all actions, claims and costs incurred by them in relation to and in any way arising from them acting upon such a faxed or electronic instruction.

I/We acknowledge that if I/we fail to provide the information requested on the application form, my/our application for Debentures could be declined.

Signed

For joint ownership, both owners must sign. If owned by a company, directors must sign.

Date

FINALISING YOUR INVESTMENT

Please make cheques payable to:
or deposit funds to our bank account

EPHL – Equitable Mortgages Limited
06-0103-0032574-002
National Bank, Auckland
& reference (your name)

Post all applications to: **The Equitable Group**
Freepost 2039
PO Box 7148
Wellesley Street
Auckland 1141

If direct crediting please fax applications to **09 306 7718**

Complete and sign the application form

Cross the cheque Not Transferable, Account Payee Only

Have all parties sign in the case of joint applications

Proof of Identity (if required)

Attach your cheque made payable to
Equitable Mortgages Limited

If you are a company, execute in accordance with the
Companies Act 1993 or the company's constitution

SPECIAL COMMENTS



THE EQUITABLE GROUP

Level 2, Equitable House 57 Symonds Street Grafton Auckland 1010	PO Box 7148 Wellesley Street Auckland 1141	Freephone: 0800 656 500 Telephone: 09 306 7700 Facsimile: 09 306 7718
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BANK INSTRUCTIONS

Name (Of Bank Account):	AUTHORITY TO ACCEPT DIRECT DEBITS <small>(Not to operate as an assignment or agreement)</small>
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BANK ACCOUNT FROM WHICH PAYMENTS ARE TO BE MADE:

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Bank	Branch	Account Number	Suffix

AUTHORISATION CODE						
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
0	6	3	2	3	5	3

(Please attach an encoded deposit slip to ensure your account number is loaded correctly)

To: The Bank Manager

BANK:
BRANCH:
TOWN/CITY:

I/We authorise you until further notice, to debit my/our account with all amounts which Equitable Mortgages Limited (hereinafter referred to as the Initiator) the registered Initiator of the above Authorisation Code, may initiate by Direct Debit. I/We acknowledge and accept that the bank accepts this authority only upon the conditions listed on the reverse of this form.

INFORMATION TO APPEAR ON MY/OUR BANK STATEMENT:

<input type="text"/>	<input type="text"/>	<input type="text"/>
Payer Particulars	Payer Code	Payer Reference

X _____
Signature(s) Date

FOR BANK USE ONLY

Approved

Original - Retain at Branch

3235
04 08

Date Received:
Recorded by:
Checked by:

BANK STAMP

CONDITIONS OF AUTHORITY

1. The Initiator

- (a) Undertakes to give Notice to the Acceptor of the commencement date, frequency and amount **at least 10 calendar days before** the first Direct Debit is drawn (but not more than 2 calendar months). This notice will be provided either:
 - (i) in writing; or
 - (ii) by any other means which provides a verifiable record of the initiated transaction and where the Customer has provided prior written consent to the Initiator.

Where the Direct Debit system is used for the collection of payments which are regular as to frequency but variable as to amounts, the Initiator undertakes to provide the Acceptor with a schedule detailing each payment amount and each payment date.

In the event of any subsequent change to the frequency or amount of the Direct Debits, the Initiator has agreed to give advance notice **at least 30 days before** the change comes into effect. This notice must be provided either:

- (i) in writing; or
 - (ii) by electronic mail where the Customer has provided prior written consent to the Initiator.
- (b) May, upon the relationship which gave rise to this Authority being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Authority. Upon receipt of such notice the Bank may terminate this Authority as to future payments by notice in writing to me/us.

2. The Customer may:-

- (a) At any time, terminate this Authority as to future payments by giving written notice of termination to the Bank and to the Initiator.
- (b) Stop payment of any Direct Debit to be initiated under this Authority by the Initiator by giving written notice to the Bank **prior** to the Direct Debit being paid by the Bank.
- (c) Where a variation to the amount agreed between the Initiator and the Customer from time to time to be direct debited has been made without notice being given in terms of clause 1(a) above, request the Bank to reverse or alter any such Direct Debit initiated by the Initiator by debiting the amount of the reversal or alteration of a Direct Debit back to the Initiator through the Initiator's Bank, PROVIDED such request is made not more than 120 days from the date when the Direct Debit was debited to my/our account.

3. The Customer acknowledges that:-

- (a) This Authority will remain in full force and effect in respect of all Direct Debits made from my/our account in good faith notwithstanding my/our death, bankruptcy or other revocation of this Authority until actual notice of such event is received by the Bank.
- (b) In any event this authority is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.
- (c) Any dispute as to the correctness or validity of an amount debited to my/our account shall not be the concern of the Bank except in so far as the Direct Debit has not been paid in accordance with this Authority. Any other disputes lie between me/us and the Initiator.
- (d) Where the Bank has used reasonable care and skill in acting in accordance with this Authority, the Bank accepts no responsibility or liability in respect of:-
 - the accuracy of information about Direct Debits on Bank statements
 - any variations between notices given by the Initiator and the amounts of Direct Debits.
- (e) The Bank is not responsible for, or under, any liability in respect of the Initiator's failure to give written advance notice correctly nor for the non-receipt or late receipt of notice by me/us for any reason whatsoever. In any such situation the dispute lies between me/us and the Initiator.
- (f) Notice given by the Initiator in terms of clause 1(a) to the debtor responsible for the payment shall be effective. Any communication necessary because the debtor responsible for payment is a person other than me/us is a matter between me/us and the debtor concerned.

4. The Bank may:-

- (a) In its absolute discretion conclusively determine the order of priority of payment by it of any monies pursuant to this or any other Authority, cheque or draft properly executed by me/us and given to or drawn on the Bank.
- (b) At any time, terminate this Authority as to future payments by notice in writing to me/us.
- (c) Charge its current fees for this service in force from time-to-time.

The Issuer:

Equitable Mortgages Limited

Registered Office:

Level 2, Equitable House
57 Symonds Street
Grafton
Auckland 1010

Freepost 2039
PO Box 7148
Wellesley Street
Auckland 1141

Telephone: 09 306 7700
Facsimile: 09 306 7716
Toll Free: 0800 656 500
Website: www.equitable.co.nz

South Island Office:

Level 5
77 Hereford Street
Christchurch Central
Christchurch 8011

PO Box 2429
Christchurch Mail Centre
Christchurch 8140

Telephone: 03 365 0593
Facsimile: 03 366 6889

Auditors:

PricewaterhouseCoopers
188 Quay Street
Auckland 1010

Bankers:

ASB Bank
Level 28, ASB Bank Centre
135 Albert Street
Auckland 1010

Bank of New Zealand Limited
125 Queen Street
Auckland 1010

National Bank of New Zealand
Level 20, ANZ Centre
23-29 Albert Street
Auckland

Securities Registrar:

Equitable Mortgages Limited
Level 2, Equitable House
57 Symonds Street
Grafton
Auckland 1010

Solicitors:

Burke Melrose
Level 7
52 Swanson Street
Auckland 1010

Trustee:

Trustees Executors Limited
Level 12
45 Queen Street
Auckland 1010

Ratings Agency:

Standard & Poor's
Level 45
120 Collins Street
Melbourne 3000

