Maat Group: **Growing Investors' Wealth**

Creating a passive income through investing in commercial property

With residential property prices reaching new heights, a shortage of listings, and interest rates at an unprecedented and forecasted long term low, commercial property investment is an interesting alternative to the traditional forms of residential propertyinvestment.

Successful commercial property investment requires an understanding of the complex market factors at work, unique financing requirements, property management options, leasing arrangements, and an appreciation of the potential risks.

While it would be nice to be wealthy enough to buy an office building or industrial warehouse outright, for the majority of first-time commercial property investors this goal is unattainable. The reality is that the entry level to purchase a commercial property is usually higher than that for a residential property. This is partly because the price of a good commercial property is substantial and partly because banks require larger deposits as the loan to value ratio requirements are significantly lower for commercial property.

Successful commercial property investment requires an understanding of the complex market factors at work

Realistically, how much would I need to invest?

An easy market entry option is an investment in shares in a company that purchases a large value, premium commercial property with the intention of holding it over a longer term for capital gains. That is exactly what Maat Group does. It provides the commercial opportunities for investors to purchase a shareholding in a company that owns commercial property. Collectively, the company shareholders own the property from as little as $50,000 per share parcel.

How often will I receive a return on my investment?

The rental income is used to cover the costs of the property. The monthly dividend payment to investors is allocated from this rental income. This means as an investor you can expect a dividend each month provided the property is tenanted and managed correctly. Maat Group completes the accounting requirements for the company on the behalf of each shareholder investor and pays tax under the Portfolio Investment Entity (PIE) rules directly to IRD.

What happens when a tenant isn't able to pay rent or during emergencies like an earthquake or COVID-19 lockdowns?

While dividends paid are derived solely from rents collected, the company's cash reserves increase too due to rental growth following tenant rent reviews, careful management of expenses, and recovery of expenses from tenants. This provides each investment company with a "rainy day" fund to ensure that unforeseen eventualities can be covered by these cash surpluses. As managers of the investment companies, Maat Group seeks to build and retain cash reserves to deal with challenging and unforeseen circumstances.

During the recent COVID-19 lockdowns Maat Group was able to continue to pay all dividends to its investment companies at the expected rate of return because it had been fiscally sensible by building up extensive reserve cash surpluses in all its investment companies.

Additionally, Maat Group was able to meet the needs of its tenants to provide fair and reasonable rental abatements during the lockdown periods as a result of these cash surpluses. Working positively with our tenants is one of the fundamentals to the Maat Group approach. Maat Group was happy to be able to support our investment companies' tenants to achieve pragmatic and positive outcomes for both parties in what has been an unprecedentedly difficult year.

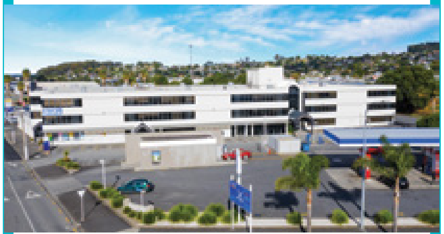
A good investment in commercial property will provide a reliable income stream backed by tangible assets. This includes consistent returns, passive income, and growth potential. While an investor will not achieve ownership of the full commercial property asset, investment of this type provides a bite-sized entry into commercial property investment.

Maat Group is a New Zealand owned company with a proven track record of stability, continuity and performance.

Contact us to register your interest to attend our next Investors Seminar in Albany and/or to receive further information on current opportunities.

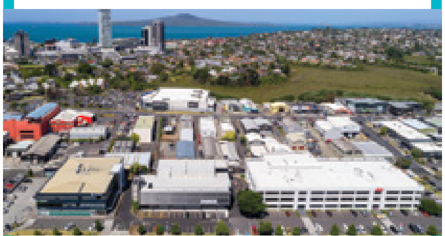
Neil Tuffin, Director
(021) 481 441
ntuffin@maat.co.nz
Office
(09) 414 6078
info@maat.co.nz
www.maat.co.nz

Three examples in Maat's portfolio of investments



Walton Plaza, Whangarei. Purchased in 2010, investors receive a pre-tax 10.5% per annum return. Many investors have received monthly dividends on this investment for over 10 years. The investment has continued to be a solid performer for investors, with the ability to provide the required mix of a high cash return and increasing capital value, whilst still maintaining cash reserves for the future.

Cameron Road, Tauranga. Purchased in 2018 with a pre-tax return on investment of 7.8% per annum.



Fred Thomas, Takapuna. Purchased in 2017 with a pre-tax return on investment of 8.1% per annum.

The returns on each investment are dependent on the purchase price, valuation and the bank interest rate on offer.

Each offer presented to the market differs due to these variations on each particular property.